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The Smart Option Seller

Let's Grab That Cash!



Issue #1104 April 12, 2024 - By Lee Lowell

Friday Update

Hello Smart Option Sellers,

Housekeeping note:

We have members who join (and sometimes leave) our service at various times during the year. We offer both monthly and annual plans.

Renewals of both plans happen automatically, as you are charged based on your monthly or annual date.

Please, please, PLEASE be aware of your recurring payment date, as there are no advance notices that are sent to remind you that a charge is forthcoming.

If you wish to leave our service and want to avoid unnecessary processing fee charges, please let us know ahead of your renewal date. This saves all of us hassles, headaches, and extra charges. If you notify us after the renewal date, fees will be incurred.

These instructions can also be seen on the newsletter sign-up page on our website.

Thank you!

It's Friday!

The market is selling off today, and will most likely end the week on a down note.

This follows the selling from last week too.

We had some big government reports that had larger effects on the market this week, most notably the stronger-than-expected CPI (Consumer Price Index) report here in the U.S. on Wednesday, and followed by the not-as-strong PPI (Producer Price Index) yesterday.

The stronger CPI means prices for goods are still holding up (expensive), which is keeping inflation on the higher side. This in turn is met with the expectation that the Fed will keep interest rates higher for longer, which is typically bearish for the stock market. Hence, the selling has come in.

There's no doubt that the multitude of government reports can push the markets in different directions at times, which makes investing seem so random. But we know in the long run, stock prices will move higher. We just have to grin and bear it sometimes.

On the positive side, both the S&P 500 and Nasdaq are holding above their respective 50-day moving average support levels, so that's a good sign that the longer-term up-trends remain intact.

Selling is part of the process, and can be healthy for the market. This allows things

to cool off a bit and take some of the "froth" out. It also allows us to get into new (bullish) put-sell trades.

Now, certainly when the market drops, it can negatively impact bullish positions that we already have on.

This too is part of the process, and can't be avoided 100% of the time.

Outside factors such as global news events, unexpected bad announcements from companies, and the multitude of monthly government reports, can wreak havoc on the best laid plans.

This is why we choose VERY conservative trades both here and in our Vertical Spread Trader newsletter.

These conservative trades consist of using deep out-of-the-money strike prices. You all should know that by now (yes?).

It allows us to stay longer in the position without too much worry if things temporarily move against us. Whereas, if we took at-the-money trades, we'd have to be doing more adjusting and possibly more loss-taking. Who wants that? Not me.

Your desire to receive "larger" premiums from both selling naked puts (and put spreads) will eventually disappear when you realize it's much better to receive less premium in exchange for the larger downside cushion. Your emotional state and psyche will thank you for it.

Anyway, don't let this current pull-back get you tied up in a knot. Play within your comfort zone and know which stocks you'd be comfortable buying, if we are ever assigned.

As of now, we only have two open put-sell positions - HACK & PLTR, both of which are either slightly in the black (HACK) and slightly in the red (PLTR).

I don't have any new trades for today, so we'll S.O.H. (sit-on-hands) for now. Let those 5% interest rates keep padding your bank accounts while your free cash is not in use.

There's been some chatter that Iran might be planning a weekend attack on Israel, so that could potentially cause some downside activity on Monday if things do escalate.

Hopefully there will be nothing to report about on Monday, but if there is, we'll take appropriate action at that time if necessary.

Ok, that's all for now.

Continue to hold all other positions as-is.

Contact us [here](#) with fills, comments, questions or concerns.

Best,

Lee

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Current Portfolio

Continue to work all other trades as instructed and continue to hold all other open positions as-is.

See the Current Portfolio below for current prices & instructions.

Note on the Current Portfolio - if you are a new subscriber and don't have a position yet on any of our trades, make sure you enter your order at the original recommended prices. The Current Instructions column gives the most recent updates. If you are unsure or have any questions, please ask us!

Smart Option Seller Portfolio

<u>Put-Sell Option Positions</u>	<u>Entry Date</u>	<u>Entry Sell Price</u>	<u>Current Price</u>	<u>Current Instructions</u>
BMJ Apr 19, '24 \$46 P	2/23/2024	\$.30/contract	\$0.05	Closed. BTC for \$.05 per contract See instructions from 2/28/24 Alert
HACK Jun 21, '24 \$53 P	3/1/2024	\$.25/contract	\$0.20	STO for \$.25 per contract or higher See instructions from 3/1/24 Alert
PLTR May 17, '24 \$18 P	3/21/2024	\$.30/contract	\$0.38	STO for \$.25 per contract or higher See instructions from 3/21/24 Alert
<u>Unofficial Position</u>				
SCHW Apr 19, '24 \$65 P	1/24/2024	Various	\$0.43	See instructions from 1/24/24 Alert
VZ Apr 19, '24 \$40 P	2/9/2024	Various	\$0.52	See instructions from 2/9/24 Alert
BMJ Apr 19, '24 \$50 P	2/23/2024	Various	\$1.58	See instructions from 2/23/24 Alert
BMJ Apr 19, '24 \$52.50 P	2/23/2024	Various	\$3.90	See instructions from 2/23/24 Alert
HACK Jun 21, '24 \$65 P	3/1/2024	Various	\$3.35	See instructions from 3/1/24 Alert
PLTR May 17, '24 \$25 P	3/21/2024	Various	\$3.50	See instructions from 3/21/24 Alert
CSCO May 17, '24 \$45 P	4/5/2024	Various	\$0.43	See instructions from 4/5/24 Alert
<u>Legend</u>				
STO = Sell-To-Open/Sold-To-Open				
BTC = Buy-To-Close/Bought-To-Close				
BTO = Buy-To-Open/Bought-To-Open				