

Trading the Blue Chip Option Methodology Successfully

- ✓ In my 35 plus years of trading I developed a number of wrong disciplines. Typically I got too much information and didn't know what to do with it.
- ✓ When I actively began trading options and stocks in swing, day, short and long term investing I continued to create templates, work with complex stock market charting programs and to underperform.
- ✓ During this time period I created an 8 step daily alert that I utilized as I trained myself in index trading. The specific goals were to look at specific information, and nothing more.

1. *Create a commentary for myself for the day*
2. *Study the economic calendar for the day and week*
3. *Study futures*
4. *Read Bloomberg online*
5. *Open Signals:*
List my open signals, buy price, qty (it does not matter that this stuff is online)
6. *New Signals:*
List what I am considering buying and selling that day and listing what I will do
7. *Review my Dow projections*
8. *Create my support/resistance and pivot point calculator.*
9. *Keep track*

This basic report I type of right to my own template before each market day that I trade. I do not have any other information on my desk except computer screens, and a copy of this.

And I listen to nice meditation music, and get to work.

My input has been limited.

- ✓ In Blue Chip Options we work with three types of stocks: speculative, core, and “real \$”.
- ✓ Within our stock portfolio we regularly trade ETF’s, “baskets of stocks”, and options on stocks.
- ✓ The majority of our option trades are AT LEAST six montht “out” (Ex: If January buying a July option) but even more we trade long term 1 to 2 year leaps.
- ✓ When we buy a stock or an option we may provide instructions in a “range” of selling, but never define to you exactly where to sell, as each of our investors have far different goals. We also often provide an Point and Figure (PNF) support and resistance line that we may see as a top or bottom.
- ✓ Our goal is to “fall in love with an option” and a stock, and to become intimate with the movement of that stock. By doing so we are able to DAY TRADE OR SHORT TERM TRADE A LEAP OPTION!
- ✓ Here you have the ultimate safety. You are buying an in the money, out of the money or at the money option LEAP, with plenty of time to “time erode” and are taking advantage of short term movements that you learn to sell options for 25 to 40% that are LEAPS, and to buy again in a week on a downswing.
- ✓ We often also own the stock on the call that we are trading, so we often have a covered call.
- ✓ An example for new subscribers:

Trader A writes to share that he has traded an ITM 2013 LEAP on AVL, a stock we own over 14 times in the past 30 days, all for profits ranging above 20%, has held usually only a day to a week, has had different strike points that he owns, and “knowing the stock” trades in and out on swings.

- ✓ Knowledge is power. We go out of our way not to study too many stocks, or listen to analysts. We simply follow the PNF charting, the relative strength (RSI) of the stock amidst its peers, and that the stock has enough daily volume to easily trade, or enough interest in the market as a sector (oil in 2011, for example) to make it move.
- ✓ We teach from only a few books , and do not subscribe to newsletters, papers, financial guides, or really anything that could influence our thinking on our “Shifty Fifty”.

For traders desiring private mentorship to learn trading (to learn yourself, and how you can trade for a living, we at our sister site www.oexoptions.com offer an Advanced Mentoring service.

This is private email service directly with Floyd going through how he trades index and Blue Chip options

This is available by wait list only.

<http://www.oexoptions.com/AdvancedMentoring/AM.html>

We teach simplicity.

2008 - 2011

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in the U.S.!**

-Stocks and Commodities Magazine

Readers Choice Award