



1. Identify the signal bias

Signal Count Strength:

Two Way Trades:

2. Study the market conditions

Upcoming Events/News:

<http://www.bloomberg.com/markets/ecalendar/index.html>

Futures:

<http://bloomberg.com/markets/stocks/futures.html>

3. Analyze the Dow projections

Theoretical Dow Projections:

+/- 30 to 50 points to the actual Dow. Projections are defined for a typical 21 day market period at longest. Use projections in your analysis of tops and bottoms.

Read The Tape:

9.32 a.m. _____

9.35 a.m. _____

Difference: _____

If the market moves are UP over 15 points the trend may be up for the day

If the market moves are DOWN over 15 points the trend may be down for the day

Use this along with analysis of the pivot point.

4. Use the pivot point and support and resistance lines to know when to trade

OEX Prior Day High/Low/Close:

Support:

s1

s2

s3

Pivot Point:

Rule #1:

If the day's price action starts above the pivot point within the first 30 to 60 minutes of trading the market will typically stay above the pivot for the trading day. Conversely, if the first 30 to 60 minutes of trading is below the pivot it is typically a session where it stays below the pivot, or a bear day.

Rule #2:

If the market opens and "trades the edges" (R2 or R3, or S2 and S3) the market tends to trade the day "back" towards the pivot.

Rule #3:

The further the price moves from the pivot the more we avoid buying the high or selling the low

First Hour Pivot Action: _____

Resistance:

r1

r2
r3

5. Take the ATR to know the highest high, or lowest low of that day on the OEX

Average True Range:

Add the ATR to the OEX low of the first hour-this projects the potential high of the day
Subtract the ATR from the OEX high of the first hour-this projects the potential low of the day. Use the high/low of prior day if unable to analyze first hour of the trading day.

Calculation:

1st Hour Low _____

Plus ATR _____

Highest High of Day: _____

Or

1st Hour High _____

Minus ATR _____

Lowest Low of Day : _____

6. Review what the buying bias is

OEX Put/Call Ratio:

<http://www.cboe.com/data/mktstat2.aspx#OEX>

Commentary:

8. Study our actual signals for the day

Intraday/2-3 day Signals:

Open Signals:

New Signal:

OEX Options Method: Buy the option no higher than prior day close, or at "best buy" price. Set profit goals at 20-40% and place good til cancelled limit order. Take a second buy position at 33% discount to your first buy, if necessary, and adjust profit goals to 20-40% of averaged price. Use a stop loss of selling the 4th day after the purchase.

Study the password protected areas of our website for more complete details of how to use support/resistance, ATR and stop loss.

9. Review and note our longer term positions

Arsenal Positions:

We answer all trader inquiries same day. Intraday alerts provided when market conditions so warrant.

Take Prudent Risk

Email: info@oexoptions.com

The simplicity of the market is its' greatest disguise©

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"Caveat Emptor"... Let the buyer beware.