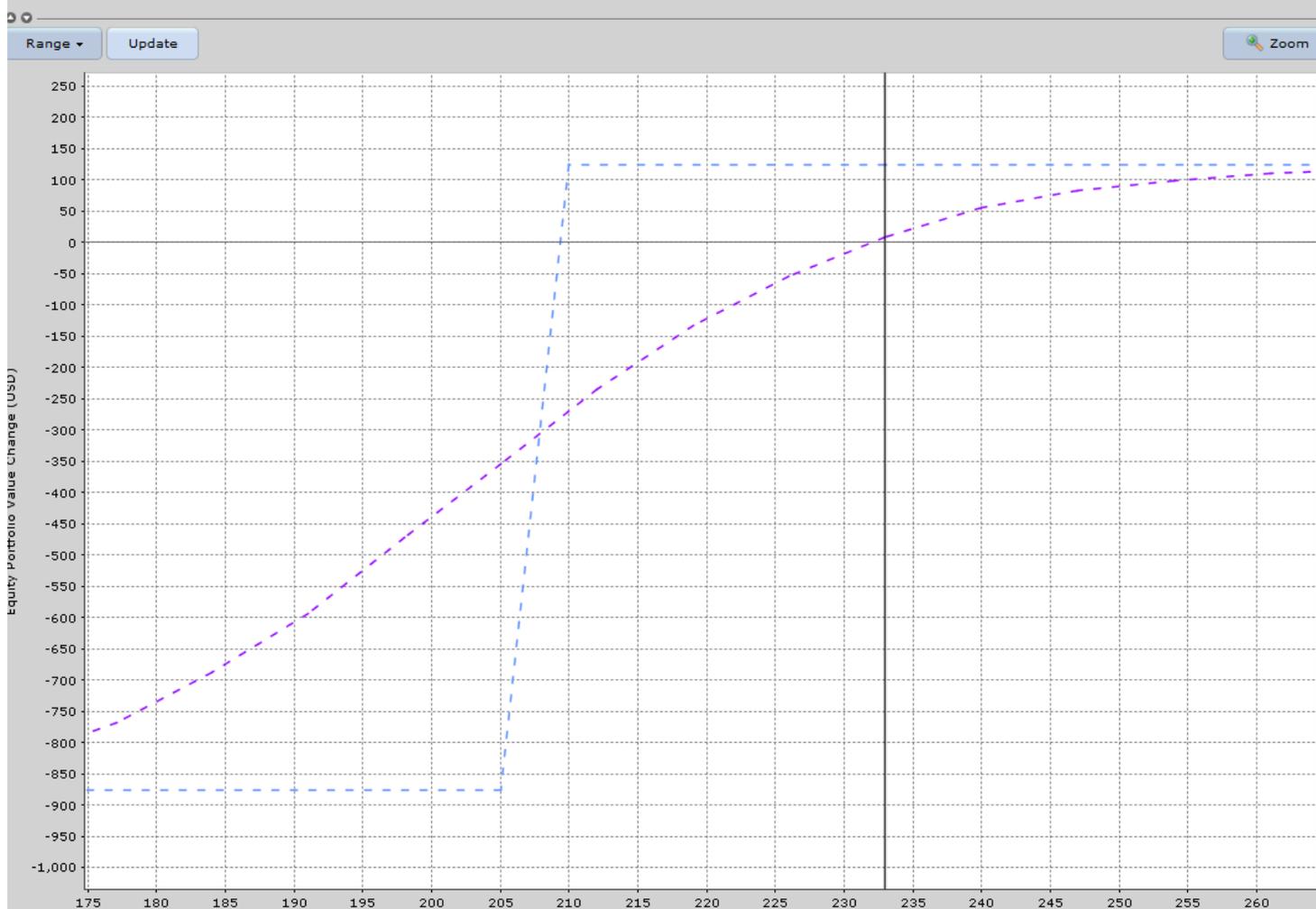


Disclaimer: This information is for educational purposes only and should not be treated as investment advice. The strategy presented would not be suitable for investors who are not familiar with exchange traded options. Any readers interested in this strategy should do their own research and seek advice from a licensed financial adviser.

March 11th – Opening Position – IWM at 232.95

Alert set at 217.50.

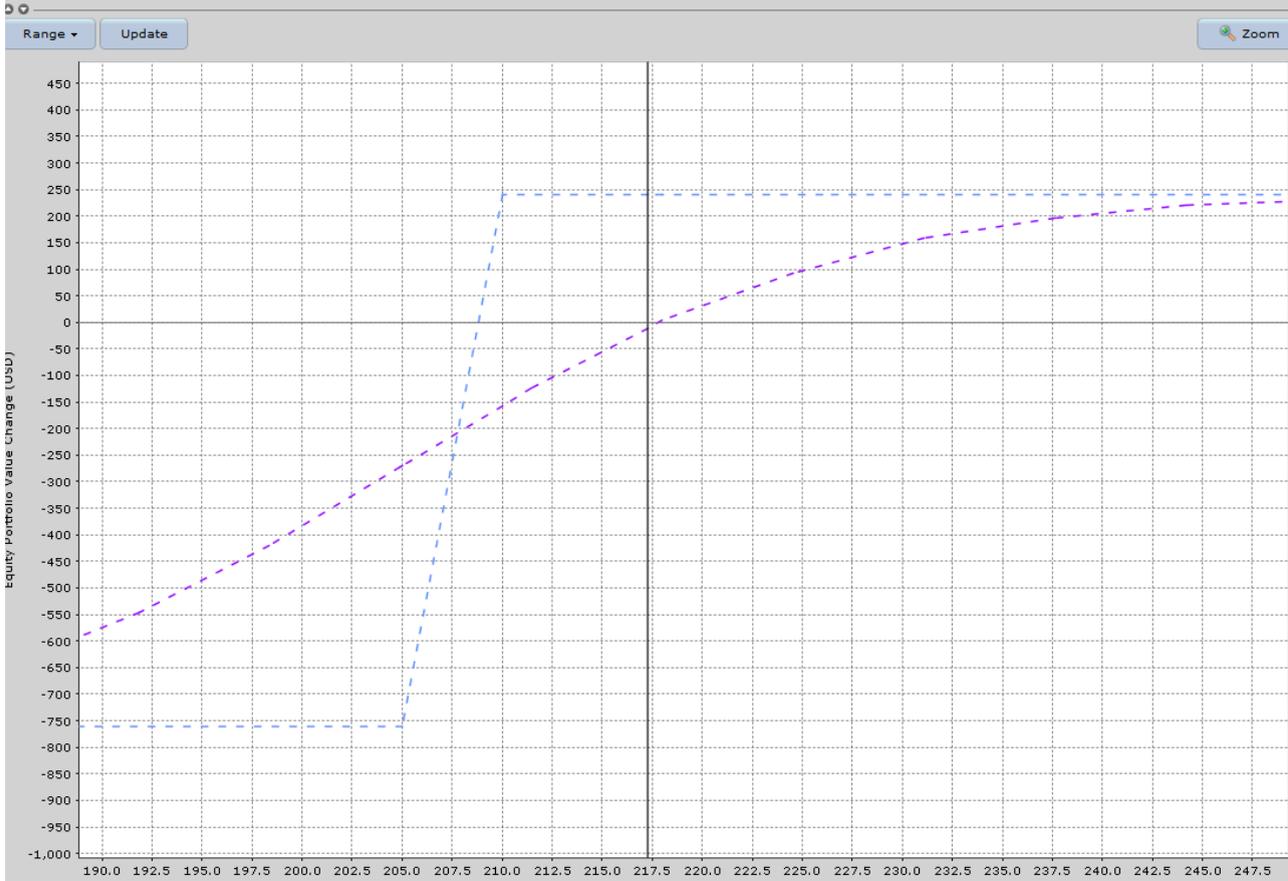
Underlying	Posi...	Mark	Unrealized P&L	Delta Dollars	delta (δ)	Delta (Δ)	Gamma (Γ)	Vega	Theta (Θ)	Impl. Vol.
All Underlyings	✓		0	1,736		7	0	-7	2	28.2090%
- IWM <ARCA>	✓	232.956	0	1,736		7	0	-7	2	28.2090%
- 2021-04-16	✓		0	1,736		7	0	-7	2	
IWM APR 16 '21 205 Put	✓	2	2,015	0	-5,879	-0.1262	-25	2	29	37.5583%
IWM APR 16 '21 210 Put	✓	-2	2,632	0	7,615	-0.1634	33	-2	-36	35.7014%
NEW										



March 23rd – Stopped Out – IWM at 217.30

Today our alert of 217.50 was hit.

Underlying	Position	Mark	Unrealized P&L	Delta Dollars	delta (δ)	Delta (Δ)	Gamma (Γ)	Vega	Theta (Θ)	Impl. Vol.
All Underlyings	✓		-116	3,696		17	-1	-6	3	29.6661...
- IWM <ARCA>	✓	217.30	-116	3,696		17	-1	-6	3	29.6661...
- 2021-04-16	✓		-116	3,696		17	-1	-6	3	
IWM APR 16 '21 205 Put	✓	2	183	-10,456	-0.2406	-48	3	34	-25	34.5299%
IWM APR 16 '21 210 Put	✓	-2	4.127	-299	-0.3256	65	-4	-40	28	32.7283%
NEW										



Any time an alert gets hit we have a decision to make. We can either:

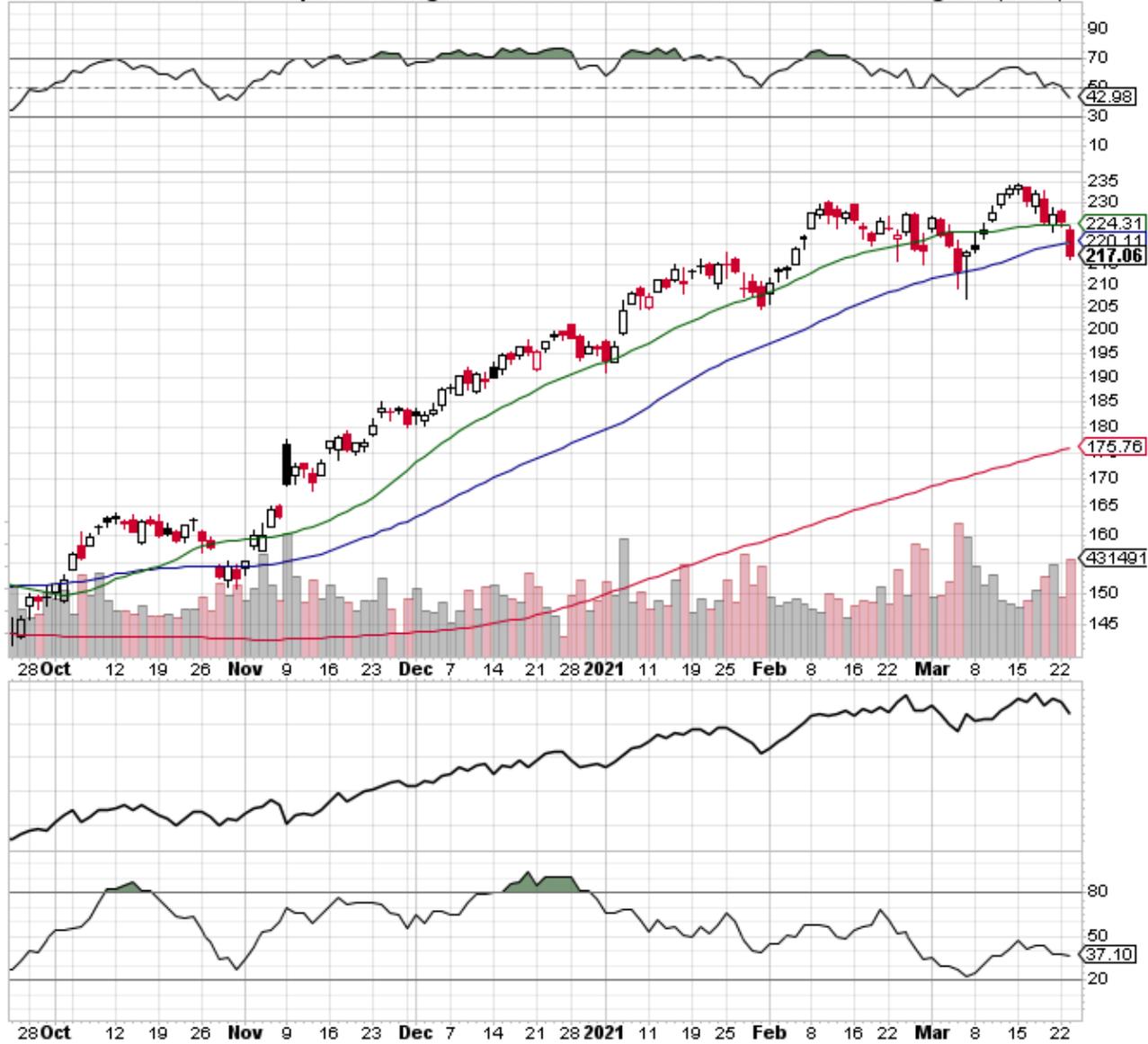
1. Hedge
2. Adjust
3. Close

One thing I find useful is to look at the chart, ignore the current P&L position and say to myself "If this was a new position that I was opening today, does it mean my criteria?"

So, let's look at the chart.

23-Mar-2021

Open 223.16 High 223.86 Low 216.03 Close 217.06 Volume 43.1M Chg -8.17 (-3.63%)



I have another saying that when a stock breaks the 21-day moving average, that is the first warning sign. When it breaks the 50-day that is a more serious warning sign. IWM did both today and closed near the low of the day.

So, getting back to the Bull Put Spread - Would I want to open a new bullish position today on IWM based on the above chart?

For me, the answer is no so that makes the decision easy, we take option #3 and close it out.

Too often I see people getting into the trap of staying in a trade and "hoping" it stays above their short strike. Hope is a dirty word when it comes to trading and is not a strategy.

Yes, IWM might bounce tomorrow which would be annoying, but I've also seen trades like this go from -\$100 to -\$400 very quickly.

TOTAL P&L: -\$116