

Xfinity Buy Call Options Entry & Exit Guide

Welcome to the Xfinity Buy Call Options Strategy Entry Guide. This guide will walk you through how to confidently enter a buy call position using a step-by-step approach that aligns with the Xfinity Options Strategy and the powerful Options 360 Indicator.

Buy Call Summary

A **buy call** is like having a **voucher** with an **expiry date** that gives you the right to purchase **100 shares** of a stock at a pre-determined **strike price**. Think of it as a **reservation for a property**: the value of your reservation changes based on the current property market value, the demand for the property (volatility), and how long your reservation remains valid (expiry).

In options trading, the value of your call option will **move up and down** depending on these factors:

- The **current price** of the underlying stock.
- The **volatility** of the market (how much the price is expected to move).
- The **time remaining** until the option's expiration.



Here are the detailed explanations and thought processes before buying a call option:

1. **The current price of the underlying stock:**

- **Out of the Money (OTM)** (strike price above the current stock price) – This option is **cheaper**, as the stock must move significantly for the option to become profitable. It's a high-risk, high-reward approach.
- **At the Money (ATM)** (strike price close to the current stock price) – This option is priced in the **middle range** because the stock only needs to move slightly in your favor for the option to become profitable. It offers a balance between cost and probability.
- **In the Money (ITM)** (strike price below the current stock price) – This option is **more expensive**, as it already has intrinsic value, making it more likely to end up profitable. It's a lower-risk, higher-cost approach.

2. **The volatility of the market:**

- **More volatile** – The option is **more expensive** because the greater the volatility, the higher the chances of the stock price moving favorably, making the option more valuable.
- **Less volatile** – The option is **cheaper** as the stock is expected to move less, reducing the likelihood of significant price changes.

3. **The time remaining until the option's expiration:**

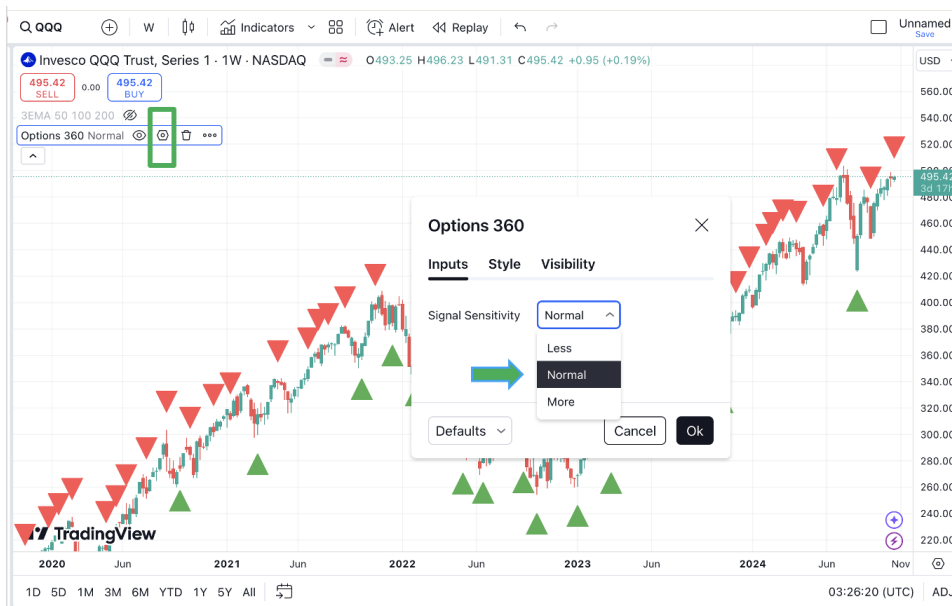
- **More time remaining** – The option is **more expensive** because it has a longer period to move favorably, increasing the chance of profit.
 - **Less time remaining** – The option is **cheaper** as there is limited time for the stock to move in your favor, increasing the risk that the option may expire worthless.
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When to Enter & Exit a Buy Call (Simple Method)?

To increase your chances of success, follow these guidelines:

1. Set the indicator to “NORMAL”

Go to “Settings → Inputs → Normal”



2. Enter with **5 year** chart green arrow appears



3. Exit using 1 year chart red arrow appears

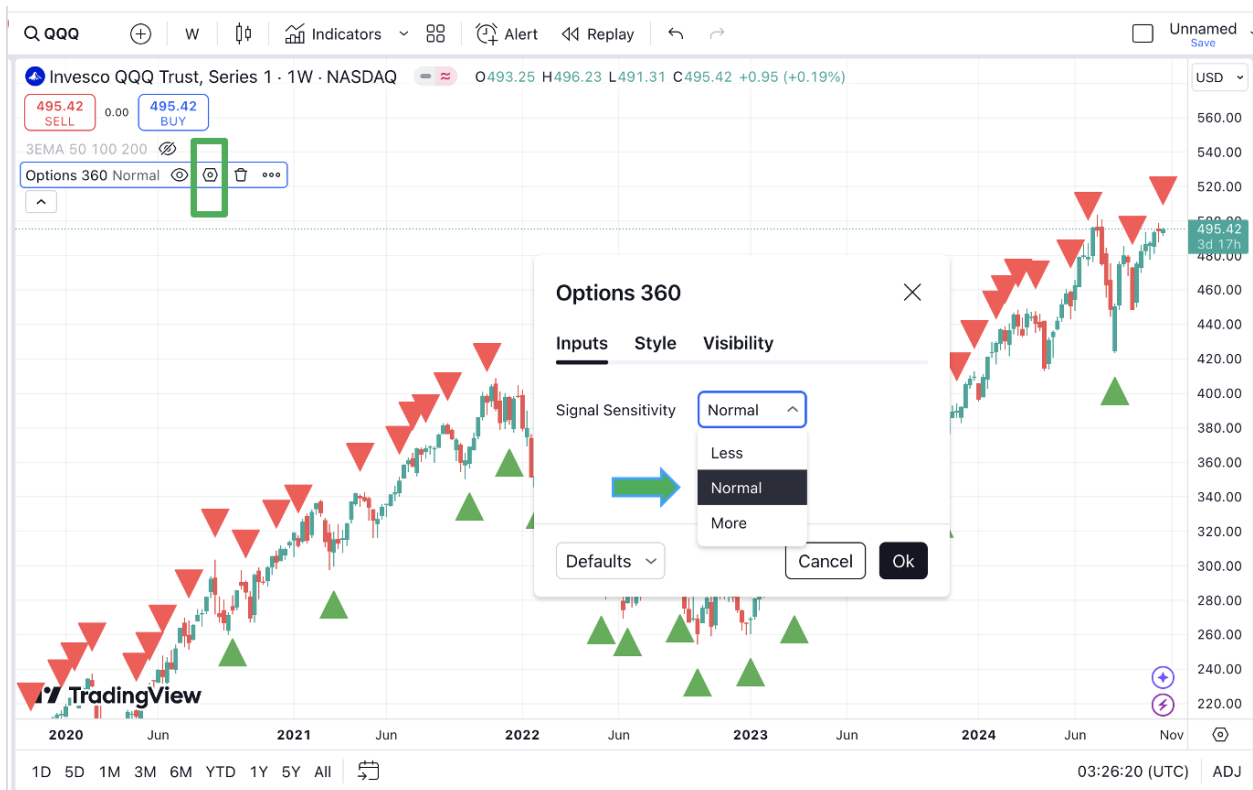


When to Enter & Exit a Buy Call (More Precise Method)?

To increase your chances of success, follow these guidelines:

1. Set the indicator to “NORMAL”

Go to “Settings → Inputs → Normal”



2. Check the following charts:

- 5-Year (5Y) Chart
- 1-Year (1Y) Chart
- 6-Month (6M) Chart

4. When all three charts show a **green arrow** using the Options 360 Indicator, it's an indication that the underlying stock is in an upward trend. This is the optimal time to enter a buy call position, for precision.

5. Here's an example on QQQ

- Check if the **5-Year (5Y) Chart** has a green arrow at the latest price. If yes, it passes the first check.



- Check if the **1-Year (1Y) Chart** has a green arrow at the latest price.
If yes, it passes the second check



- Check if the **6-Month (6M) Chart** has a green arrow at the latest price. If yes, it passes the third check. **ENTER!**



How to Exit/ When to Close Your Buy Call?

- **Safest Approach:** Sell when the next **red arrow** appears on the **1-Year (1Y) Chart** for the most secure profitability.



- **Higher Risk Approach:** If you're comfortable taking on more risk and holding longer, sell when the **red arrow** appears on the **5-Year (5Y) Chart**.



After exiting, reinvest the proceeds to purchase actual shares of ETFs like QQQ and SPY to continue riding the market's growth, as historically, the market tends to rise 80% of the time.

Your Buy Call Selection Process

Once you've identified an entry point based on the charts, follow these steps to choose the right buy call option:

1. **Determine Your Maximum Loss**
 - Always ask yourself: **What is the most I am willing to lose on this trade?** This amount will help you set your budget and limit your risk exposure. Ensure this aligns with your overall portfolio management strategy.
2. **Choose an Expiry Date Over 1 Year**

- Select an option with **at least 1 year** before expiry. This gives you more time for the trade to move in your favor and reduces the time decay effect, which can significantly impact shorter-term options.

3. **Select the Strike Price That Fits Your Budget**

- Choose a **strike price** that is within your budget and makes sense based on the stock's current price. Make sure the strike price offers a good balance between affordability and potential upside.
- **OTM**: If you're looking for a **low-cost option**, go for a strike price above the current stock price. This requires a larger price movement but offers higher potential rewards.
- **ATM**: If you want a **balanced approach**, choose a strike price close to the current stock price. It costs more than OTM but has a higher chance of becoming profitable with a smaller price movement.
- **ITM**: If you prefer a **lower-risk option**, select a strike price below the current stock price. These options are more likely to end profitably but come at a higher price.

4. **Check the Bid and Ask Price Spread**

- Ensure that the **bid and ask prices** are **not too far apart**. A tight spread indicates good liquidity, meaning there are enough buyers and sellers for this option. If the spread is too wide, it might be challenging to execute your order at a fair price.

5. **Bargain for a Better Price**

- When placing your order, start by **bidding at a lower price** and gradually increase it if necessary. This approach allows you to bargain for a better entry price, optimizing your potential profits.

By following these steps, you'll be well-prepared to enter a buy call position confidently using the Xfinity Options Strategy and the Options 360 Indicator. Remember, the goal is to combine a systematic approach with clear signals for better, safer trading.

Happy trading, and may your options grow profitably!