



Small Capital. Large Returns. Options Trading 101

*Lesson 1
presented by Arsh*

A very simple options
strategy allowed me to turn
\$500 into **\$30,000**
in less than 3 months



Today's Topics

- What are options?
- What is short term options trading?
- Why trade options?
- What is my course designed to teach you?



What are Options?

Options contracts are a derivative product, and their value is derived from the value of the underlying asset they are linked to, such as a stock

What are Options?

Options contracts give you the right to buy (call option) or sell (put option) a stock at a specific price (strike price) by a specific date (expiration date)

What are Options?

Expiration Direction
↓ ↓
\$AAPL October 28 \$230 Calls @ \$2.30
↑ ↑ ↑
Stock Strike Price

AAPL Oct 26 \$230 Calls @ \$2.25 Breakeven price @ expiration = \$232.25, +\$0 / +0%



AAPL Oct 26 \$230 Calls @ \$2.25



Profit @ \$240 by expiration = +\$7.75 / +344%

Break-even price @ expiration = \$232.25, +\$0 / +0%

Loss @ \$230 and below by expiration = \$2.25 / -100%

What are Options?

Options contracts are being constantly bought and sold on the open market, with a dynamically changing bid/ask price similarly to stocks

What is Short Term Options Trading?

Short term options trading involves using near dated options, such as those that expire on the same day or in the same week, to take day and swing trades on indexes, stocks, and ETFs

Why Trade Options?

There are various benefits to trading options:

Leverage

Low Capital Requirements

Low Risk/High Reward

Shorting

Leverage

Options provide you significant leverage that can be extremely advantageous for under-capitalized traders





Indicators Comparison Date Range 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max Interval 1Min ▾ Line ▾ Draw Events

SPY180831C00287000 3.330

Open 3.430 X
High 3.430
Low 3.430
Close 3.430
% Change 8.54%





Low Capital Requirements

You can open an options cash trading account with as little as a few hundred dollars

Low Capital Requirements

 **AMERITRADE**

\$0

 **TradeStation®**

\$500

 **e*TRADE®**

\$500

Low Risk/High Reward

A disciplined approach to options trading allows you to maintain 10-30% stop losses, while successful options trades can generate triple digit returns of 100% or more



Indicators Comparison Date Range 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max Interval 1Min Line Draw Events

MRO180831C00021500 0.120

Open 0.120
High 0.120
Low 0.120
Close 0.120
Volume 18
% Change -50.00%



DATE	ACTIVITY	QTY	SYM	DESCRIPTION	PRICE	COMMISSION	FEES	AMOUNT
08/28/2018	Bought To Open	18	MRO Call	MRO Aug 31 2018 21.50 Call	\$0.12	\$16.65	\$0.62	\$233.27
08/28/2018	Sold To Close	-18	MRO Call	MRO Aug 31 2018 21.50 Call	\$0.09	\$16.65	\$0.67	\$144.68

-25%



WARRIOR TRADING

Indicators Comparison Date Range 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max Interval 1Min ▾ Line ▾ Draw Events

MRO180831C00021500 0.110

Open	0.110
High	0.110
Low	0.110
Close	0.110
Volume	12
% Change	10.00%



DATE	ACTIVITY	QTY	SYM	DESCRIPTION	PRICE	COMMISSION	FEES	AMOUNT
08/29/2018	Bought To Open	15	MRO Call	MRO Aug 31 2018 21.50 Call	\$0.09	\$14.70	\$0.51	\$150.21
08/29/2018	Sold To Close	-15	MRO Call	MRO Aug 31 2018 21.50 Call	\$0.32	\$14.70	\$0.55	\$464.75

+255%

Shorting

Put options allow you to short stocks that do not have short shares available



What is my Course Designed to Teach You?

Analyzing the markets to locate options trades

What is my Course Designed to Teach You?

Building a watchlist of stocks

What is my Course Designed to Teach You?

Understanding options premiums, options greeks, and options chain

What is my Course Designed to Teach You?

My options trading strategies

Chapter 1 Recap

What are options?

What is short term options trading?

Why trade options?

What is my course designed to teach you?

With a proper trading strategy and a disciplined trading mindset, options can help generate incredible returns and offer a unique way to trade the stock market.