

TOM KING TRADING SYSTEM - AUTOMATED FRAMEWORK REFERENCE

KEY TOM KING QUOTES & PRINCIPLES

On Money Management

- "I don't care about percentages, I care about dollars. I want to make money."
- "3% monthly is my goal after 40 years of trading. If you can make 3% monthly consistently, you're beating 99% of hedge funds."
- "Trade small, trade often - but with strict rules"

On Experience & Losses

- "Experience is the best teacher. I've blown up accounts 6 times before 2008."
- "The 112 wasn't the problem - I had 6 positions on. Overleveraging was the problem."
- "Each time you blow up, you learn what not to do. The last time was 2008."

On Strategy

- "I only trade ES/SPX for zero DTE. It's liquid, predictable, and I've not lost in 2 years."
- "I hate stocks. I only trade the biggest names that can't go to zero overnight."
- "Rolling is closing a loser and opening a riskier trade. Just take the loss."

On Simplicity

- "I don't want to day trade. 30-60 minutes maximum. Put the trade on, set the stops, walk away."
- "I'd rather trade 5 products I know well than 20 I don't understand."
- "The best ticker is the one that's working. Don't force trades in dead products."

On Risk

- "Reduce size after losses, not increase. The biggest mistake traders make is trying to 'make it back!'"
- "Never risk more than 2% of your portfolio on any single trade."
- "When VIX is 12, be patient or trade calendars"

On Success

- "I like to win. I want a 70-80-90% win rate."
- "Slow and steady doesn't just win the race - it's the only way to finish the race at all."
- "Start with what's liquid: ES for 0DTE, crude and gold for strangles."

On Trading Philosophy

- "This is a trading account, not retirement. I'm willing to take risks here."
- "Diversification is protection, not speculation."

- "When in doubt, stick to ES, CL, and GC. They've paid my bills for 20 years."

MATHEMATICAL FORMULAS FOR AUTOMATION

Position Sizing Calculations

Kelly Criterion Modified for Options

Position Size = $(\text{Win}\% \times \text{Avg Win}) - (\text{Loss}\% \times \text{Avg Loss}) / \text{Avg Win}$

Tom's Override: Cap at 5% of account regardless of Kelly

Buying Power Allocation

Available BP = Account Value \times VIX_Multiplier \times 0.8

Where VIX_Multiplier:

<13: 0.45

13-18: 0.65

18-25: 0.775

>25: 0.50

>30: 0.80 (puts only)

Contract Sizing Formula

Contracts = MIN(
 Floor(Risk Amount / Max Loss per Contract),
 Max Contracts by Strategy,
 Correlation Limit
)

ODTE Strike Selection

Call Short Strike = Current + $(\text{ATR} \times 0.7)$

Put Short Strike = Current - $(\text{ATR} \times 0.7)$

Wing Width = Always 30 points (ES)

Strangle Strike Calculation

Put Strike = Underlying $\times (1 - (\text{IV} \times \sqrt{\text{DTE}/365}) \times 0.5)$

Call Strike = Underlying $\times (1 + (\text{IV} \times \sqrt{\text{DTE}/365}) \times 0.4)$

IPMCC Weekly Call Strike

If 8EMA > 21EMA: Strike = Current \times 1.005

If 8EMA = 21EMA: Strike = Current \times 1.000

If 8EMA < 21EMA: Strike = Current \times 0.995

Risk Metrics

Position Health Score (0-100)

Health = 100 - (
(DTE_Risk × 20) +
(PnL_Risk × 30) +
(Correlation_Risk × 25) +
(BP_Risk × 25)
)

Where:

- DTE_Risk = 1 if <21 DTE, else 0
- PnL_Risk = 1 if at stop loss, else 0
- Correlation_Risk = Current/Limit ratio
- BP_Risk = Usage/Max ratio

Expectancy Calculation

Expectancy = (Win% × Avg Win) - (Loss% × Avg Loss)

Minimum Required: £100 per trade

Maximum Drawdown Tolerance

Max DD = Account Value × 0.20

If DD > 10%: Reduce new positions 50%

If DD > 15%: Stop new trades

If DD > 20%: Close all positions

Correlation Calculations

Correlation Coefficient Check

If abs(correlation) > 0.70: Same group

If abs(correlation) > 0.50: Monitor closely

If abs(correlation) < 0.30: Independent

Group Exposure Calculation

Group Risk = Sum(Position Deltas × Underlying × Multiplier)

Max Group Risk = Account Value × 0.15

Profit Target Formulas

Standard Profit Targets

0DTE: 50% of credit received

Strangles: 50% of credit received

112 Naked Puts: 90% of credit received

IPMCC Weekly: 90% of extrinsic value

Butterflies: Hold to expiration

Diagonals: 50% of max profit

Time-Based Exits

If DTE < 21 and Profit% > 25%: Close

If DTE < 7 and Profit% > 10%: Close

If Friday 3:00 PM: Close all 0DTE

VIX-Adjusted Formulas

Strangle Sizing by VIX

Base Contracts \times (Current VIX / 20)

Capped at 2 \times base regardless of VIX

Butterfly Debit by VIX

Max Debit = Account \times 0.003 \times (VIX / 15)

Never exceed £500 regardless

Weekly Iron Condor Variations (0DTE)

When Market is Flat ($\pm 0.5\%$)

Standard Iron Condor:

- Call Short: Current + (ATR \times 0.5)
- Put Short: Current - (ATR \times 0.5)
- Wings: 30 points each side
- Credit Target: £400-500

Broken Wing Iron Condor (Tom's Preference):

- Wider wings on tested side
- 30 points untested side
- 50 points tested side
- Reduces risk on trending days

Batman Spread (Advanced)

For Extreme Low Volatility (VIX <12):

- Sell 2 ATM straddles
- Buy 1 OTM strangle for protection
- Risk graph looks like Batman symbol
- Only for experienced traders

COMPLETE MARGIN & BP REQUIREMENTS

Micro Futures (Perfect for £30-50k)

- **MES (Micro E-mini S&P):** £400 margin per contract
- **MNQ (Micro NASDAQ):** £500 margin
- **M2K (Micro Russell):** £350 margin
- **MYM (Micro Dow):** £350 margin
- **MCL (Micro Crude):** £2,200 margin
- **MGC (Micro Gold):** £2,700 margin
- **M6E (Micro Euro):** £200 margin
- **M6A (Micro Aussie):** £150 margin
- **M6B (Micro British Pound):** £250 margin

Mini/Full Futures (£50k+ accounts)

- **6E (Euro):** £1,800 margin
- **6A (Aussie):** £1,900 margin
- **6B (British Pound):** £2,000 margin
- **6C (Canadian):** £1,700 margin
- **ZC (Corn):** £1,500 margin
- **ZS (Soybeans):** £2,000 margin
- **ZW (Wheat):** £1,800 margin
- **LE (Live Cattle):** £2,500 margin
- **HE (Lean Hogs):** £2,400 margin

E-mini/Full Size (£75k+ accounts)

- **ES (E-mini S&P):** £13,000 margin
- **NQ (NASDAQ):** £16,000 margin
- **RTY (Russell):** £7,000 margin
- **CL (Crude Oil):** £5,500 margin
- **GC (Gold):** £6,800 margin

- **SI (Silver):** £7,500 margin
- **ZB (30-Year Bond):** £3,300 margin
- **ZN (10-Year Note):** £1,800 margin

ETF Strangles (Alternative to Futures)

- **SPY:** £4,000 BP for strangle
- **QQQ:** £3,500 BP for strangle
- **IWM:** £2,500 BP for strangle
- **GLD:** £1,000 BP for strangle
- **SLV:** £800 BP for strangle
- **TLT:** £1,200 BP for strangle
- **XLE:** £1,000 BP for strangle
- **XOP:** £1,200 BP for strangle

TOM KING'S COMPLETE "NEVER TRADE" LIST

Products Tom Explicitly Avoids

- **OJ (Orange Juice):** "Terrible liquidity, impossible to manage"
- **LBS (Lumber):** "Too thin, violent moves"
- **DX (Dollar Index):** "Trade the components instead"
- **VX (VIX Futures):** "For professionals only, not retail"
- **NG (Natural Gas):** "The widow maker - only after 2 years experience"
- **ZR (Rough Rice):** "No liquidity whatsoever"
- **PA (Palladium):** "Insane volatility, no edge"
- **Coffee/Cocoa/Sugar:** "Unless you're a specialist, avoid"

Stocks Tom Won't Touch

- **Chinese ADRs:** "Regulatory risk too high"
- **Biotech without products:** "Binary events, gambling"
- **Penny stocks:** "Can go to zero overnight"
- **Meme stocks at peaks:** "FOMO kills accounts"
- **SPACs:** "90% go to \$2"
- **Leveraged ETFs for holding:** "Decay will kill you"

Strategies Tom Rejects

- **Naked calls:** "Unlimited risk for limited reward"
 - **Buying options directionally:** "I want to win 80%, not 20%"
 - **Day trading:** "I don't want to stare at screens"
 - **Forex:** "Too much leverage, too little edge"
 - **Crypto futures:** "I don't understand it, so I don't trade it"
 - **Binary options:** "Pure gambling"
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THE AUGUST 5, 2024 LESSON - FULL DETAILS

What Actually Happened

The Setup:

- Account value: £530,000
- Running 6 LT112 positions (all same expiration)
- VIX spiked from 16 to 65 overnight
- Japan crisis triggered global selloff

The Damage:

- **9:30 AM:** Down £150,000 (-28%)
- **10:30 AM:** Down £250,000 (-47%)
- **Close:** Down £308,000 (-58%)
- **Final:** £222,000 remaining

What Went Wrong:

1. **Correlation:** All 6 positions same direction
2. **Sizing:** Each position was max size
3. **Timing:** All same expiration date
4. **No Hedges:** Abandoned rules for greed

The Recovery:

- Followed rules religiously after
- Back to £400,000 in 4 months
- Now never exceeds 3 correlated positions
- Calendars everything (different expirations)

Tom's Quotes About It:

- "The strategy wasn't wrong, my position sizing was"

- "I got greedy and abandoned my own rules"
- "58% down in one day after 40 years trading"
- "Best lesson cost £300,000 but saved my future"

New Rules Post-Crash:

1. Maximum 3 positions same correlation group
2. Never same expiration on multiple positions
3. Always maintain hedge positions
4. Check correlation WEEKLY (it changes)
5. Reduce when everyone's bullish

COMPLETE WIN RATE TARGETS

By Strategy (Tom's Actual Results)

0DTE (Friday Credit Spreads):

- Target: 85-90%
- Tom's Actual: 92% over 2 years
- Key: Never trade before 10:30 AM

LT112 (Naked Puts + Hedge):

- Target: 70-75%
- Tom's Actual: 73%
- Key: 120 DTE gives more time

Futures Strangles:

- Target: 70-75%
- Tom's Actual: 71%
- Key: Manage at 50% always

IPMCC (Weekly Calls):

- Target: 80-85%
- Tom's Actual: 83%
- Key: Never sell OTM

SPY LEAP Puts:

- Target: 80-85%
- Tom's Actual: 82%

- Key: 12-14 delta only

Butterflies:

- Target: 15-20%
- Tom's Actual: 18%
- Key: 10:1 payoff makes it work

Ratio Spreads:

- Target: 70-75%
- Tom's Actual: 72%
- Key: Defense at delta 25

Diagonals:

- Target: 60-65%
- Tom's Actual: 63%
- Key: Only when VIX <15

SPECIFIC MANAGEMENT PROTOCOLS BY DTE

The 21 DTE Rule (Universal)

All Strategies Except 0DTE:

- <21 DTE + Profitable: CLOSE
- <21 DTE + Losing: EVALUATE
- <21 DTE + Threatened: CLOSE

The 50% Rule (Universal)

Take Profits Mechanically:

- Strangles: 50% of credit
- Ratio Spreads: 50% of credit
- Diagonals: 50% of max profit
- IPMCC Weekly: 90% of extrinsic
- 0DTE: 50% of credit

The Defensive Line Rules

Strangles & Ratio Spreads:

- Delta 16: Normal, hold
- Delta 20: First defense, roll untested

- Delta 25: Second defense, close tested
- Delta 30: Full exit, no questions

LT112 Naked Puts:

- 100 points away: Safe
- 75 points away: Monitor closely
- 50 points away: Prepare to exit
- 25 points away: CLOSE ALL

IPMCC LEAP:

- Down 10%: Continue normally
- Down 15%: Reduce size on calls
- Down 20%: Sell below strike
- Down 30%: EXIT POSITION

TAX OPTIMIZATION STRATEGIES

UK Tax Considerations

For UK Traders:

- Spread betting may be tax-free
- CFDs taxed as capital gains
- US options need W-8BEN form
- Consider ISA wrapper where possible

US Tax Considerations

Section 1256 Contracts (Futures):

- 60% long-term, 40% short-term
- Mark-to-market accounting
- Better tax treatment than equities

Options on Indices (SPX, NDX):

- Also Section 1256
- Cash-settled = no assignment tax
- European style preferred

Tax Loss Harvesting

December Strategy:

- Close losers by Dec 15
- Avoid wash sale rules
- Reset cost basis
- Redeploy in January

Throughout Year:

- Track by strategy
- Separate short/long term
- Document everything
- Consider trader status

CRITICAL FOUNDATION (ALL ACCOUNTS MUST READ FIRST)

The August 2024 Lesson - What Kills Accounts

The Catastrophic Event

- **Date:** August 5, 2024
- **Loss:** 58% in single day (£530k → £222k)
- **Cause:** 6 correlated positions in same direction
- **Lesson:** Correlation kills, not individual strategies
- **Recovery:** Back to £400k+ by following strict rules

The Non-Negotiable Rules from 40 Years Experience

1. **Never exceed 3 positions in any correlation group**
2. **Never risk more than 2% on any single trade**
3. **Never roll losing positions (it's doubling down)**
4. **Never trade before 10:30 AM on 0DTE**
5. **Never exceed BP limits by VIX level**
6. **Always keep 20% BP as emergency reserve**
7. **Take profits at mechanical targets (no greed)**

Core Risk Management Matrix

Buying Power Usage by VIX

- **VIX <13:** 40-50% BP maximum (wait for opportunities)
- **VIX 13-18:** 60-70% BP maximum (optimal conditions)
- **VIX 18-25:** 75-80% BP maximum (harvest premium)

- **VIX 25-30:** 50% BP maximum (protect capital)
- **VIX >30:** 80% BP for put selling only (generational opportunity)

Correlation Groups & Limits

Group A1 - Equity Indices: ES, MES, NQ, MNQ, RTY, M2K, YM, MYM (Limit: 2) **Group A2 - Equity ETFs:** SPY, QQQ, IWM, DIA, IPMCC positions (Limit: 3) **Group B1 - Safe Haven:** GC, MGC, GLD, TLT, ZB, ZN (Limit: 2) **Group B2 - Industrial:** SI, SIL, SLV, HG, PL, PA (Limit: 2) **Group C1 - Crude Complex:** CL, MCL, QM, RB, HO, XLE, XOP (Limit: 2) **Group C2 - Natural Gas:** NG only (Limit: 1) **Group D1 - Grains:** ZC, ZS, ZW (Limit: 2) **Group D2 - Proteins:** LE, HE, GF (Limit: 1) **Group E - Currencies:** 6E, 6B, 6A, 6C, M6E, M6A, DXY (Limit: 2)

Drawdown Response Protocol

- **-10% (Yellow):** Reduce new positions by 50%
- **-15% (Orange):** Stop all new trades, close losers
- **-20% (Red):** Close all positions, 2-week break
- **-30% (Terminal):** Consider this account blown

Emergency Protocols

Platform Failure:

1. Switch to mobile app immediately
2. Use backup broker if available
3. Phone broker to close positions
4. Document for claims

Margin Call:

1. Close losing positions first
2. Close highest margin positions
3. Close strangles before 112s
4. Wire funds if available

Black Swan (>5% move):

1. Close all ODTE immediately
2. Close all butterflies
3. Close all strangles (huge winners)
4. Wait 24 hours before acting

VIX >30 Opportunity Protocol:

1. Close ALL strangles (200-300% profit)
2. Deploy 30% capital: SPY puts 45 DTE, 20 delta

3. Deploy 30% capital: ES puts 60 DTE, 15 delta
 4. Deploy 20% capital: IWM puts 45 DTE, 25 delta
 5. Reserve 20% for VIX >40
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PHASE 1: £30,000-40,000 FOUNDATION

Available Strategies at This Level

1. ZERO DTE STRATEGY (Fridays Only) - Primary Income

Why It's #1: Tom's best performer, no losses in 2+ years, 90% win rate

Ticker: ES only (1 contract maximum)

Entry Rules:

- Never before 10:30 AM EST
- 10:00-10:30 AM: Identify trend
- If ES up >0.5%: Sell 30-point call spread
- If ES down >0.5%: Sell 30-point put spread
- If flat ($\pm 0.5\%$): Iron condor

Technical Specs:

- Delta: 15-25 (never 30+)
- Profit Target: 50% of credit
- Stop Loss: 2x credit (3x total loss)
- Time Stop: 3:00 PM EST
- Expected per Contract: \$600-750 (£450-550)
- Monthly Target: £1,800-2,200

2. INCOME POOR MAN'S COVERED CALLS - Weekly Income

Why It Works: 2-3% weekly on LEAP, 100-150% annualized

Ticker: QQQ or SPY only (1 position maximum)

LEAP Entry:

- DTE: 365 days
- Delta: 80 (range 75-85)
- Entry: Never at channel tops
- Prefer: 21/50 EMA tests

Weekly Call Sales:

- Day: Friday morning
- DTE: 7 days
- Strike Selection:
 - 8 EMA > 21 EMA: Sell ATM
 - 8 EMA < 21 EMA: Sell 1-2 strikes ITM
 - Extended market: Sell ITM

Management:

- Weekly Target: 90% of extrinsic
- Stop Loss: 30% loss on LEAP
- Assignment: Accept and roll Monday
- Expected Monthly: £1,000-1,500

3. FUTURES STRANGLES - Diversification

Why It Works: True non-correlation, defined risk

Available Tickers (Choose 1):

- **MCL (Micro Crude):** \$3,000 margin (£2,200)
- **MGC (Micro Gold):** \$3,650 margin (£2,700)
- **GLD (Gold ETF):** £1,000 margin, easier
- **TLT (Treasury ETF):** £1,200 margin, negative correlation

Entry Rules:

- Day: Second Tuesday of month
- DTE: 90 days
- Put Delta: 5-7
- Call Delta: 5-6
- Management: Close at 50% or 21 DTE
- Expected Monthly: £150-200

Phase 1 Position Sizing

- **ODTE:** 1 contract (5% of account risk)
- **IPMCC:** 1 position (£10-14k allocated)
- **Strangles:** 1 position maximum
- **Total BP Usage:** 45-50%
- **Reserved:** 50% for opportunities

Phase 1 Weekly Schedule

Monday:

- Review positions
- IPMCC management if needed

Tuesday (Second of Month):

- Strangle entry
- Position review

Wednesday:

- No new trades
- Monitor existing

Thursday:

- Prep for Friday 0DTE
- Review economic calendar

Friday:

- 9:15 AM: IPMCC weekly roll
- 10:30 AM: 0DTE entry
- 3:00 PM: Close management

Phase 1 Expected Returns

- **Conservative (90% probability):** £2,200/month (8.5%)
- **Optimized (70% probability):** £3,000/month (11.5%)
- **Aggressive (40% probability):** £4,000/month (15.4%)
- **Target to Graduate:** Reach £30,000

PHASE 2: £30,000-45,000 SCALING

\$40,000-60,000 USD Equivalent

New Strategies Unlocked

Enhanced 0DTE - DOUBLE YOUR BEST STRATEGY

At £30k you unlock 2 contracts (\$40k threshold)

- Was: 1 contract = £450-550/week
- Now: 2 contracts = £900-1,100/week
- Monthly impact: £3,600-4,400 (vs £1,800-2,200)

- This single change doubles your income!

4. LONG-TERM 112 STRATEGY - Monthly Base

The Evolution: 120 DTE uses 25% less BP, generates 2x income

Ticker Selection:

- **£30-37k:** MES (8-16 contracts)
- **£37-45k:** MES (16-24 contracts)

Entry Specs:

- Day: First Wednesday of month
- DTE: 120 days
- Put Debit Spread: 25 delta, 50 points wide, ~\$10 debit
- Naked Puts: 2x quantity, 5 delta each, \$20+ credit

Management:

- Close naked puts at 90% (30 days)
- Hold debit spread as hedge
- Expected Monthly: £600-1,000

Hedge Monetization (After Day 30):

- Sell weekly calls against spread
- Strike: 5 points above long put
- Credit: \$75-100 weekly
- Additional Monthly: £250-350

5. RATIO SPREADS - Capital Efficiency (£37k+)

Why Superior: 40% less BP than naked strangles

Available Tickers:

- SPY (most liquid)
- IWM (higher volatility)
- TLT (bonds)

Put Ratio Setup:

- DTE: 45 days
- Short: 2x at 16 delta
- Long: 1x at 25 delta
- Credit: \$200-250

- BP: £2,000-3,000

Management:

- Target: 50% of credit
- Defense: Exit if long strike touched
- Expected Monthly: £200-250

6. WEEKLY SPY LEAP PUTS (£37k+ Only)

The Compounder: Tom's \$50k strategy = £37k UK

Setup:

- Product: SPY only
- Entry: Every Monday
- DTE: 365 days
- Delta: 12-14
- Structure: Naked put sales

Management:

- Profit Target: 30% of credit
- Average Days: 40 days
- Credit per Position: \$400
- Expected Monthly: £200-300

Phase 2 Enhanced Positions

Expanded Strangles (Add 1-2)

New Tickers Available:

- **TLT:** Bond ETF, negative correlation
- **SLV:** Silver ETF, higher volatility
- **XOP:** Oil & Gas ETF
- **6A:** Aussie Dollar (£1,900 margin) - at £37k+
- **M6E:** Micro Euro (£200 margin)

Phase 2 Position Sizing

- **0DTE:** 2 contracts (DOUBLED!)
- **LT112:** 2-4 MES positions
- **IPMCC:** 1-2 positions
- **Strangles:** 2-3 positions

- **Ratio Spreads:** 2 positions (£37k+)
- **SPY LEAPs:** 1-2 weekly (£37k+)
- **Total BP Usage:** 55-65%

Phase 2 Weekly Schedule

Monday:

- SPY LEAP entry (£37k+)
- IPMCC management
- Sell calls on 112 hedges

Tuesday:

- Strangle entry (second week)
- Ratio spread entry (£37k+)
- Position adjustments

Wednesday:

- LT112 entry (first week)
- Portfolio rebalancing

Thursday:

- Prep for Friday
- Check economic calendar

Friday:

- 9:15 AM: IPMCC rolls
- 10:30 AM: 0DTE entry (2 contracts!)
- 3:00 PM: Close management

Phase 2 Expected Returns

- **£30k Conservative:** £3,500/month (11.7%)
- **£30k Optimized:** £4,500/month (15%)
- **£37k Conservative:** £4,000/month (10.8%)
- **£37k Optimized:** £5,000/month (13.5%)
- **£45k Target:** £5,500/month (12.2%)
- **Target to Graduate:** Reach £45,000

PHASE 3: £45,000-75,000 OPTIMIZATION

\$60,000-100,000 USD Equivalent

Professional Strategies Unlocked

7. WEEKLY BUTTERFLIES - Asymmetric Returns (£45k+)

The Lottery Ticket: 10:1 reward/risk on Fridays

Setup:

- Product: SPX only
- Entry: 10:30 AM Friday (after 0DTE)
- Width: 10 points symmetrical
- Risk: \$250-400
- Max Profit: \$1,000-1,200

Expected Monthly: £750-1,500 (1-2 wins)

UPGRADE TO ES FUTURES at £55,000

\$75,000 USD Threshold

What Changes at £55k:

- **LT112:** Switch from MES to ES (full size)
- **0DTE:** Can run 3 contracts
- **Strangles:** Add full-size products (CL, GC, 6E)
- **Box Spreads:** Now available!

8. SPX BOX SPREADS - The Game Changer (£55k+)

Why Critical: Borrow at 1% instead of 7-10% margin

Setup:

- Product: SPX only
- Structure: Buy call spread + put spread, same strikes
- Width: 500 points
- DTE: 365-730 days
- Cost: 1% annualized

Impact:

- Frees: £20,000 BP
- Annual Cost: £200
- Additional Income Potential: £1,500-2,500/month

9. DIAGONAL CALENDARS - Vega Hedge (£55k+)

When to Use: VIX <15 environments

Setup:

- Products: SPY, QQQ, IWM
- Long Leg: 60 DTE, 30 delta
- Short Leg: 30 DTE, different strike
- Debit: \$300-400

Management:

- Week 3-4: Close short at 50%
- Roll or close entire position
- Expected Monthly: £250-500

10. PORTFOLIO MARGIN ELIGIBILITY

TastyTrade: \$150,000 minimum = £111,000 UK

At £75k you're approaching portfolio margin eligibility.

Phase 3 Enhanced Execution

Upgraded 112 Strategy (£55k+)

- **Switch to ES:** Full-size futures
- **Stack Weekly:** Not just monthly
- **Add hedge monetization:** Extra £400/month

Full Strangle Deployment

Add These Products (£55k+):

- **LE (Live Cattle):** \$3,400 margin
- **6E (Euro):** \$2,400 margin
- **CL (Crude):** \$7,400 margin (careful!)
- **ZB (Bonds):** \$4,500 margin

Maximum Efficiency

- 3 IPMCC positions
- 3 0DTE contracts (£55k+)
- 4 ratio spreads
- 2-3 butterflies weekly
- 2 diagonal calendars (£55k+)

Phase 3 Position Sizing

- **£45k Accounts:**
 - 0DTE: 2 contracts
 - LT112: 4 MES positions
 - IPMCC: 2 positions
 - Strangles: 3 positions
 - Butterflies: 1-2 weekly
 - Total BP: 60-65%
- **£55k Accounts:**
 - 0DTE: 3 contracts
 - ES 112: 1 position (upgrade!)
 - IPMCC: 2-3 positions
 - Strangles: 3-4 positions
 - Box Spread: 1 (frees £20k)
 - Total BP: 65-75%
- **£75k Accounts:**
 - 0DTE: 4 contracts
 - ES 112: 2 positions
 - IPMCC: 3-4 positions
 - Strangles: 4-5 positions
 - Box Spreads: 1-2
 - Total BP: 70-80%

Phase 3 Weekly Schedule

Monday:

- SPY LEAPs (2-3 positions)
- 112 hedge monetization
- Weekly planning

Tuesday:

- Full strangle deployment
- Ratio spreads (3-4)
- Diagonal calendars (£55k+)

Wednesday:

- Stack ES 112 (£55k+)
- Box spread check
- Rebalancing

Thursday:

- Full prep day
- No new positions

Friday:

- Complete income day
- 3+ 0DTE contracts (£55k+)
- 2-3 butterflies
- All rolls and entries

Phase 3 Expected Returns

- **£45k Conservative:** £4,500/month (10%)
- **£45k Optimized:** £5,500/month (12.2%)
- **£55k Conservative:** £6,000/month (10.9%)
- **£55k Optimized:** £7,500/month (13.6%)
- **£75k Conservative:** £7,500/month (10%)
- **£75k Optimized:** £10,000/month (13.3%)
- **Target Achievement:** Financial freedom possible

PHASE 4: £75,000+ PROFESSIONAL

\$100,000+ USD Equivalent

Full System Deployment

Complete Strategy Matrix

1. **0DTE:** 4-5 contracts weekly
2. **LT112:** 3+ ES positions stacked weekly
3. **IPMCC:** 4+ positions across tickers
4. **Strangles:** 5+ diversified positions
5. **LEAP Puts:** 10-position ladder
6. **Box Spreads:** 2-3 positions
7. **Butterflies:** 3-4 weekly

8. **Ratio Spreads:** 5+ positions
9. **Diagonal Calendars:** 3-4 positions
10. **Hedge Monetization:** All positions

Advanced Ticker Access

Full Product Suite

Futures:

- All full-size contracts
- International products
- Softs and exotics (if liquid)

ETFs:

- Sector rotation strategies
- International exposure
- Leveraged products (carefully)

Individual Stocks:

- NVDA, GOOGL (on pullbacks)
- MSTR (volatility plays)
- Blue chips for IPMCC

Professional Execution

Weekly 112 Stacking

- Enter new position each Wednesday
- Maintain 4-week ladder
- Constant income stream
- £2,200+ monthly from 112 alone

Opportunity Protocols

VIX Spikes:

- Pre-positioned for >30 events
- £30k reserved capital
- Potential £40-60k profit

Seasonal Overlays:

- January: Short bonds
- April: Long agriculture

- September: Maximum premium
- December: Tax optimization

Phase 4 Position Sizing

- **£100k Standard:**
 - Total BP Usage: 70-80%
 - Crisis Reserve: 20%
 - Expected Monthly: £8,000-10,000
- **£150k+ Professional:**
 - Portfolio Margin Active
 - Total BP Usage: 75-85%
 - International Products
 - Expected Monthly: £12,000-15,000

Phase 4 Risk Adjustments

Enhanced Monitoring

- Daily correlation checks
- VIX regime awareness
- Seasonal adjustments
- International event calendar

Professional Standards

- Detailed trade journal
- Monthly strategy review
- Quarterly rebalancing
- Annual tax optimization

REFERENCE SECTION: COMPLETE SPECIFICATIONS

Strategy 1: Zero DTE (0DTE) - Complete Specs

Entry Conditions

- **Day:** Friday only
- **Time:** 10:30 AM EST exactly
- **Minimum VIX:** Any level
- **Minimum Volume:** ES >50k contracts

Strike Selection Formula

For Call Spreads (when ES up >0.5%):

- Short Strike = Current Price + (ATR × 0.7)
- Long Strike = Short Strike + 30 points

For Put Spreads (when ES down >0.5%):

- Short Strike = Current Price - (ATR × 0.7)
- Long Strike = Short Strike - 30 points

For Iron Condors (when flat ±0.5%):

- Call Short = Current + (ATR × 0.5)
- Put Short = Current - (ATR × 0.5)
- Wings = 30 points each side

Contract Sizing by Account

- £30k: 1 contract
- £40k: 2 contracts
- £50k: 2-3 contracts
- £75k: 3 contracts
- £100k: 4 contracts
- £150k+: 5 contracts

Management Rules

- **50% Profit:** Close immediately
- **100% Loss:** Close to prevent 2x
- **2:30 PM:** Evaluate for time exit
- **3:00 PM:** Close regardless
- **3:30 PM:** Final deadline

Historical Performance

- Win Rate: 87-92%
- Average Win: £450
- Average Loss: £900
- Expectancy: +£360 per trade
- Monthly: 4.3 weeks × £360 = £1,548

Strategy 2: Long-Term 112 - Complete Specs

Entry Calendar

- **First Wednesday:** Primary entry
- **Second Wednesday:** Stack position (£75k+)
- **Third Wednesday:** Stack position (£100k+)
- **Fourth Wednesday:** Stack position (£150k+)

Contract Structure Details

Put Debit Spread Component:

- Long Strike = ES Price \times 0.93 (7% OTM)
- Short Strike = Long Strike - 50
- Target Debit = £8-10
- Purpose = Catastrophic hedge

Naked Put Component:

- Quantity = 2 \times debit spreads
- Strike = ES Price \times 0.88 (12% OTM)
- Target Credit = £15-17 each
- Purpose = Income generation

Hedge Monetization After Day 30

- **Product:** Weekly ES calls
- **Strike:** Long put strike + 5
- **DTE:** 7 days
- **Credit Target:** £50-75
- **Frequency:** Every Monday
- **Stop:** If ES touches long put

Risk Scenarios

Best Case (70% probability):

- Naked puts expire worthless
- Collect £30-34 credit
- Net Profit: £22-26

Moderate Case (25% probability):

- Close naked puts at 50% loss
- Hedge protects below

- Net Loss: £8-10

Worst Case (5% probability):

- Assignment on naked puts
- Hedge limits loss
- Max Loss: £50 per unit

Strategy 3: Futures Strangles - Complete Specs

Product Selection by VIX

VIX <13:

- Skip futures strangles
- Focus on calendars

VIX 13-18:

- Standard allocation
- All products available

VIX 18-25:

- Increase by 50%
- Focus on high IV products

VIX >25:

- Maximum allocation
- Closest to ATM practical

Entry Checklist

1. Second Tuesday of month
2. 90 DTE expiration available
3. IV Rank >30th percentile
4. No earnings/events within 30 days
5. Correlation check passed

Strike Selection by Product

Energy (CL, MCL):

- Puts: 10% OTM (5-7 delta)
- Calls: 8% OTM (5-6 delta)
- Adjust for contango/backwardation

Metals (GC, MGC):

- Puts: 5% OTM (6-7 delta)
- Calls: 7% OTM (5-6 delta)
- Consider dollar correlation

Currencies (6E, 6A):

- Puts: 3% OTM (5-6 delta)
- Calls: 3% OTM (5-6 delta)
- Check central bank calendars

Agriculture (ZC, LE):

- Puts: 8% OTM (5-7 delta)
- Calls: 10% OTM (4-6 delta)
- Consider seasonal factors

Strategy 4: LEAP Puts - Complete Specs

The Ladder System

Week 1: Position 1 (12 delta) **Week 2:** Position 2 (13 delta) **Week 3:** Position 3 (14 delta) **Week 4:** Position 4 (12 delta) [Continue to 10 positions maximum]

Management Triggers

- **30% Profit:** Close and replace
- **50% Loss:** Hold (rare)
- **150 DTE:** Roll to new 365 DTE
- **Assignment:** Never (too far OTM)

Strategy 5: IPMCC - Complete Specs

Product Selection Priority

ETFs (All Account Sizes):

1. **QQQ** - Tom's #1 choice ("£400 weekly, this is what I showed in the example")
2. **SPY** - Most liquid, slightly higher premium
3. **IWM** - Small cap exposure (higher volatility)

Specialized ETFs (£40k+):

- **IBIT** - Bitcoin ETF (Tom: "We've been doing this every single day")
- **TQQQ** - 3x Nasdaq (use cautiously, higher premiums)
- **TNA** - 3x Small Cap (Tom actively trades)

Individual Stocks (£50k+ and ONLY on pullbacks):

- **NVDA** - Tom: "Best valued right now" (watch earnings)
- **GOOGL** - Tom: "Best valued right now"
- **AAPL, MSFT** - Only at support levels
- **AMZN** - After corrections only

High Volatility (£75k+):

- **MSTR** - MicroStrategy (Tom: "We've been doing it for a while")
- **TSLA** - After major corrections
- **HOOD, SOFI** - Tom's newer additions (high premium)
- **PLTR** - Tom trades "reluctantly"

Never Trade for IPMCC:

- Meme stocks
- Penny stocks
- Biotech without products
- Chinese ADRs (regulatory risk)

LEAP Selection Criteria

1. **Delta:** 70-90 (Tom prefers exactly 80)
2. **Extrinsic Value:** <5% of strike price
3. **Volume:** >1000 contracts daily
4. **Bid-Ask Spread:** <0.5% wide
5. **DTE:** 365 standard (180 minimum, 730 maximum)

Market Timing for LEAP Entry:

- **Never:** At channel tops or 52-week highs
- **Good:** Test of 21-day MA
- **Better:** Test of 50-day MA
- **Best:** Bottom of Bollinger Bands or -3 ATR

Weekly Call Algorithm

Tom's Exact Rules:

- "I want the extrinsic value, not appreciation"
- "Always sell ATM or ITM, never OTM"
- "If assigned, immediately sell next week's call Monday"

Strike Selection Based on Market:

- **Bullish (8 EMA > 21 EMA):** Sell exactly ATM
- **Neutral (EMAs flat):** Sell ATM
- **Bearish (8 EMA < 21 EMA):** Sell 1-2 strikes ITM
- **Extended (>2% above 8 EMA):** Sell 2-3 strikes ITM

Weekly Credits by Product:

- QQQ: £400-450
- SPY: £500-550
- IWM: £300-350
- NVDA: £600-800
- MSTR: £800-1200

Management Protocol

Weekly Routine:

1. **Friday 9:15 AM:** Check position, calculate strike
2. **Friday 9:30 AM:** Place order at mid or better
3. **Friday 3:45 PM:** If not filled, take market

If Stock Drops:

- LEAP down 10%: Continue, sell deeper ITM
- LEAP down 20%: Sell below LEAP strike if needed
- LEAP down 30%: EXIT ENTIRE POSITION

If Stock Rises:

- Small debit to roll up: ACCEPT IT
- Test upper Bollinger: Sell deeper ITM
- Break all-time high: Consider taking profit on LEAP

Assignment Handling:

- Friday assignment: Sell Monday call immediately
- Use assigned cash for other strategies over weekend
- Never panic - it's part of the strategy

Position Metrics

Capital Requirements:

- QQQ 400 strike LEAP: £14,000 cost, £6,000 BP (PM)
- SPY 500 strike LEAP: £18,000 cost, £7,500 BP (PM)

- Individual stocks: £10,000-25,000 per LEAP

Returns:

- Weekly ROI: 2-3% on LEAP cost
- Monthly Income: £1,600-2,200 per position
- Break-even: 35-42 weeks
- Annual Return: 100-150% on LEAP

Risk Metrics:

- Max Loss: LEAP cost (if stock goes to zero)
- Probability of Profit: 85%+
- Vega: +113 per position (portfolio hedge)

Strategy 6: Box Spreads - Complete Specs

Calculation Formula

Annual Rate = $((\text{Box Width} / \text{Price Paid}) - 1) \times (365 / \text{DTE}) \times 100$

Acceptable Rates

- <1.0%: Excellent, maximum size
- 1.0-1.5%: Good, standard size
- 1.5-2.0%: Marginal, small size
- 2.0%: Skip, use margin

Execution Best Practices

1. Use limit orders only
2. Start 0.2% below mid
3. Walk up in 0.05% increments
4. Never cross spread
5. Execute in RTH only

Strategy 7: Butterflies - Complete Specs

Strike Selection Matrix

After 1% Up Move:

- Center: Current Price - 10
- Wings: ± 10 points
- Bias: Put butterfly

After 1% Down Move:

- Center: Current Price + 10
- Wings: ± 10 points
- Bias: Call butterfly

After 0.5% Move Either Way:

- Center: Expected Move strike
- Wings: ± 10 points
- Bias: Direction of fade

Sizing Formula

Risk = 0.3% of account (weekly) Number of Butterflies = Risk / Debit Maximum = 5 butterflies

Strategy 8: Ratio Spreads - Complete Specs

Risk Calculation

Maximum Loss = (Long Strike - Short Strike) \times 100 - Credit Received
 Breakeven = Short Strike - Maximum Loss
 Profit Zone = Between short strikes

Defense Lines

First Defense (Delta 20):

- Roll untested side closer

Second Defense (Delta 30):

- Close tested side
- Keep untested for profit

Final Defense (Delta 40):

- Close entire position
- Take loss, move on

Strategy 9: Diagonal Calendars - Complete Specs

VIX Requirements

- <13: Maximum allocation
- 13-15: Standard allocation
- 15-18: Reduce by 50%
- 18: Close all calendars

Greek Targets at Entry

- Delta: -5 to +5
- Gamma: Negative

- Theta: >£10/day
- Vega: >£50

Strategy 10: Enhanced Positions - Complete Specs

Weekly LEAP Put Optimization

Instead of simple weekly entry:

1. Check VIX level first
2. If VIX <15: Skip week
3. If VIX 15-20: Standard entry
4. If VIX >20: Double size

Strangle Enhancements

Add ratio element:

- Standard strangle (1×1)
- Enhance with put ratio (1×2)
- Reduces BP by 30%
- Similar profit potential

CRITICAL TICKER REFERENCE

Never Trade List

- OJ (Orange Juice) - No liquidity
- LBS (Lumber) - Too thin
- DX (Dollar Index) - Use 6E instead
- VX (VIX futures) - Professionals only
- NG (Natural Gas) - Until 2 years experience
- PA (Palladium) - Extreme volatility
- Coffee, Cocoa, Sugar - Specialists only

Best Liquidity (Trade Anytime)

- ES, MES - S&P futures
- CL, MCL - Crude oil
- GC, MGC - Gold
- 6E, M6E - Euro
- SPY, QQQ, IWM - ETFs

Correlation Warnings

These Move Together:

- ES = SPY = QQQ (95% correlation)
- GC = GLD = Safe haven trades
- CL = XLE = XOP = Energy sector
- All currencies vs Dollar

These Move Opposite:

- Stocks vs VIX
- Dollar vs Gold
- Bonds vs Stocks (usually)

SEASONAL OVERLAY CALENDAR

January

- Short bonds (rate decisions)
- Load tech for earnings
- Tax loss harvest completed

February

- Spring rally begins
- Add equity exposure
- Reduce safe havens

March

- Quarter-end volatility
- Triple witching opportunity
- Prepare for earnings

April

- Plant agriculture longs
- Earnings volatility peak
- Reduce index strangles

May

- "Sell in May" - defensive
- Add gold/bond exposure

- Reduce equity allocation

June

- Summer driving = energy
- Low volatility period
- Russell rebalancing

July

- Lowest volume month
- Reduce all positions
- Preserve capital

August

- Volatility returns
- Jackson Hole Fed
- Increase strangles

September

- Historically worst month
- Maximum put selling
- 0DTE opportunities

October

- Buy the dip month
- Add LEAP positions
- Q4 rally prep

November

- Thanksgiving rally
- Maximum equity exposure
- Reduce hedges

December

- Tax loss harvesting
- Santa rally
- Pin risk for butterflies

By Account Value

£30,000:

- Max Positions: 3-4
- Max BP Usage: 45-50%
- Max Correlation Group: 2
- Strategy Focus: 0DTE, IPMCC, 1 Strangle

£40,000:

- Max Positions: 5-6
- Max BP Usage: 55-60%
- Max Correlation Group: 2
- Add: LT112, Ratio Spreads

£50,000:

- Max Positions: 7-8
- Max BP Usage: 60-65%
- Max Correlation Group: 2
- Add: Butterflies, 2nd IPMCC

£75,000:

- Max Positions: 10-12
- Max BP Usage: 70-75%
- Max Correlation Group: 3
- Add: Box Spread, Diagonals, ES 112

£100,000:

- Max Positions: 15-18
- Max BP Usage: 75-80%
- Max Correlation Group: 3
- Add: Weekly 112 Stacking

£150,000+:

- Max Positions: 20+
- Max BP Usage: 80-85%
- Max Correlation Group: 3
- Full Professional Trading

DAILY EXECUTION CHECKLIST

Every Day

1. Check overnight futures movement
2. Review VIX level and regime
3. Calculate current BP usage
4. Verify correlation limits
5. Check position health scores

Monday Specific

- LEAP put entry (if scheduled)
- 112 hedge monetization
- Weekly planning session
- IPMCC roll preparation

Tuesday Specific

- Strangle entry (second week)
- Ratio spread opportunities
- Diagonal calendar entry ($VIX < 15$)

Wednesday Specific

- LT112 entry (first week)
- Stack 112s (£75k+ weekly)
- Box spread check
- Monthly rebalancing

Thursday Specific

- 0DTE preparation
- Economic calendar review
- Butterfly strike planning
- Set closing orders

Friday Specific

- 9:15: IPMCC rolls
- 10:30: 0DTE entry
- 10:35: Butterfly entry

- 3:00: Time-based closes
 - 3:30: Weekend flat check
-

AUTOMATION TRIGGERS

Entry Triggers

0DTE Entry = TRUE when ALL:

- Day = Friday
- Time = 10:30 AM EST
- ES Move > 0.5% from open
- VIX < 40
- BP Available > £2,000

Strangle Entry = TRUE when ALL:

- Day = Second Tuesday
- 90 DTE expiration exists
- IV Rank > 30th percentile
- Correlation limit not exceeded
- BP available > Required margin

112 Entry = TRUE when ALL:

- Day = First Wednesday
- 120 DTE expiration exists
- ES not at 52-week high
- BP available > £6,000
- No existing 112 at same expiration

Exit Triggers

Take Profit = TRUE when ANY:

- Position at target percentage
- DTE < management days
- Defensive trigger hit
- Better opportunity exists

Stop Loss = TRUE when ANY:

- Position at maximum loss

- Correlation limit breached
- Margin call warning
- Black swan event

Risk Triggers

Reduce Size = TRUE when:

- Account down 10%
- VIX jumps 50% intraday
- Correlation breach warning
- BP usage > VIX maximum

Close All = TRUE when:

- Account down 20%
- Platform failure
- Black swan event
- VIX > 40 (except puts)

PROFIT & LOSS EXPECTATIONS

Monthly Targets by Account

£30k Account:

- Conservative: £2,200 (7.3%)
- Optimized: £3,000 (10%)
- Stretch: £4,000 (13.3%)
- Realistic: £2,500 (8.3%)

£50k Account:

- Conservative: £4,000 (8%)
- Optimized: £5,000 (10%)
- Stretch: £6,000 (12%)
- Realistic: £4,500 (9%)

£75k Account:

- Conservative: £6,000 (8%)
- Optimized: £7,500 (10%)
- Stretch: £9,000 (12%)

- Realistic: £6,750 (9%)

£100k Account:

- Conservative: £8,000 (8%)
- Optimized: £10,000 (10%)
- Stretch: £12,000 (12%)
- Realistic: £9,000 (9%)

Win Rate Targets

By Strategy:

- ODTE: 85-90%
- LT112: 70-75%
- Strangles: 70-75%
- IPMCC: 80-85%
- Ratio Spreads: 70-75%
- Butterflies: 15-20%
- Diagonals: 60-65%

Drawdown Expectations

Normal Monthly Variance:

- Best Month: +15-20%
- Average Month: +8-10%
- Poor Month: +2-3%
- Bad Month: -5-10%

Annual Expectations:

- 10 Winning Months
- 2 Losing Months
- Net Return: 80-120%

CRITICAL SUCCESS FACTORS

The Non-Negotiables

1. Never exceed correlation limits (killed Tom in Aug 2024)
2. Stop at BP maximum by VIX level
3. Take profits at mechanical targets

4. No revenge trading after losses
5. Follow the system exactly

The Optimizations

1. Use box spreads at £75k+
2. Stack 112s weekly at £100k+
3. Monetize all hedges
4. Trade seasonality
5. Prepare for VIX >30 events

The Reality Check

What Works:

- Mechanical rules beat discretion
- 8-10% monthly is sustainable
- Diversification across products
- Taking singles and doubles
- Keeping 20% powder dry

What Doesn't:

- Revenge trading
- Overleveraging
- Rolling losers
- Chasing missed trades
- Trading without rules

LEGAL DISCLAIMER & RISK WARNING

Critical Risk Disclosure

This is NOT a get-rich-quick system.

Tom King's Reality:

- 40+ years experience
- 6 blown accounts before success
- 58% single-day loss in 2024
- Recovered through discipline

Options trading involves substantial risk of loss and is not suitable for all investors.

What Can Go Wrong

- Black swan events can gap beyond stops
- Correlation assumptions can break
- Early assignment creates margin calls
- Platform failures happen at worst times
- Human error is inevitable
- Emotional decisions destroy accounts

Prerequisites for Success

- Risk capital only (can afford to lose)
- 6-12 months emergency fund saved
- Stable income until proven consistent
- Complete understanding of strategies
- Mechanical execution discipline
- Patience for 18+ month journey

Legal Notice

This document is for educational purposes only. Not financial advice. No guarantee of profits. Past performance doesn't predict future results. Consult qualified financial professionals. You can lose more than your initial investment. Trade at your own risk.

COMMON MISTAKES TO AVOID

The Fatal Errors

1. **Trading 0DTE before 10:30 AM** - Most common account killer
2. **Exceeding correlation limits** - What killed Tom in August 2024
3. **Rolling losing positions** - It's revenge trading in disguise
4. **Overleveraging in low VIX** - Picking up pennies before steamroller
5. **Ignoring stop losses** - Hope is not a strategy

The Profit Killers

6. **Fighting the trend in 0DTE** - Fade after move, not during
7. **Adding to losers** - Averaging down = racing to zero
8. **Trading during Fed announcements** - Guaranteed volatility crush
9. **Using market orders on spreads** - Giving away edge
10. **Emotional position sizing** - Bigger after losses = death spiral

The Efficiency Destroyers

11. **Not using GTC orders** - Missing profit targets
12. **Ignoring seasonality** - December NG, September volatility
13. **Trading too many products** - Master 5 before adding more
14. **Checking positions hourly** - Leads to overtrading
15. **Not tracking correlation drift** - Groups change over time

The Psychological Traps

16. **Revenge trading after stops** - Take the loss, walk away
17. **FOMO on missed entries** - Another bus in 15 minutes
18. **Celebrating unrealized gains** - Not yours until closed
19. **Hiding losses from yourself** - Journal everything
20. **Comparing to others' returns** - Your journey, your pace

MONTHLY CHECKLIST

Week 1 Tasks

- ☐ Calculate total month P&L
- ☐ Review win/loss ratio by strategy
- ☐ Check if any strategy <50% win rate
- ☐ Verify correlation groups still valid
- ☐ Plan LT112 Wednesday entry
- ☐ Set month income target

Week 2 Tasks

- ☐ Execute strangle Tuesday entries
- ☐ Review all position health scores
- ☐ Check for early profit targets hit
- ☐ Verify BP usage within VIX limits
- ☐ Update correlation matrix
- ☐ Plan any ratio spread entries

Week 3 Tasks

- ☐ Close all >50% profit positions
- ☐ Review defensive triggers

- ☐ Check VIX regime for changes
- ☐ Reduce if account down >5%
- ☐ Update trade journal
- ☐ Calculate mid-month P&L

Week 4 Tasks

- ☐ Review month performance
- ☐ Identify best/worst trades
- ☐ Check drawdown status
- ☐ Plan next month's allocation
- ☐ Update strategy performance stats
- ☐ Celebrate wins, document lessons

Month-End Tasks

- ☐ Export all trades for records
- ☐ Calculate strategy-specific returns
- ☐ Review emergency fund level
- ☐ Check for tax loss harvesting
- ☐ Update annual P&L tracker
- ☐ Write monthly trading notes

Quarterly Reviews

- ☐ Full correlation analysis
- ☐ Strategy performance ranking
- ☐ Position sizing adjustment
- ☐ Broker statement reconciliation
- ☐ Tax payment preparation
- ☐ System rule modifications (if any)

FINAL WISDOM FROM TOM KING

"After 40 years and 6 blown accounts, here's what I know:

The difference between traders who make it and those who don't isn't intelligence or luck - it's discipline and risk management.

Start small, trade mechanically, take profits systematically, and never risk more than you can afford to lose.

This system works if you work it. But it only works if you follow it exactly. No modifications, no 'improvements,' no exceptions.

Your freedom awaits. Execute accordingly."

TOM KING'S 40-YEAR WISDOM COMPILATION

On Account Blowups (6 Times Before 2008)

1. **1985:** "Tried to catch falling knife in commodities" - Lost £8,000
2. **1987:** "Black Monday with no stops" - Lost £15,000
3. **1991:** "Overleveraged in Gulf War" - Lost £22,000
4. **1998:** "LTCM crisis, correlation broke" - Lost £35,000
5. **2000:** "Dot-com naked calls" - Lost £50,000
6. **2008:** "Financial crisis, all correlated" - Lost £75,000
7. **2024:** "August 5th, broke own rules" - Lost £308,000

Lesson: "Each blowup taught me what not to do. The tuition gets expensive."

On Mechanical Trading

- "Discretion is the enemy of profits"
- "If this, then that. No emotions."
- "The market doesn't care about your feelings"
- "Rules keep you alive when your brain wants you dead"
- "I trade like a robot because robots don't revenge trade"

On Position Sizing

- "I'd rather make 3% on £100k than 30% on £10k"
- "Size kills more traders than direction"
- "When you size up after wins, you're one trade from zero"
- "Start with 1 contract and earn the right to trade 2"
- "Your biggest position should be your highest conviction with lowest correlation"

On Time Decay

- "Theta is my employee that works weekends"
- "I sell time to people who think they can predict direction"
- "Weekend theta is free money"
- "The house doesn't gamble, it collects rent"

On Market Makers

- "Market makers aren't smarter, they just have better tools"
- "Retail can win by being mechanical"
- "You don't need to beat them, just be consistent"
- "They provide liquidity, I provide discipline"

On Specific Strategies

ODTE: "It's not gambling if you wait until 10:30" **112:** "Best strategy ever created, if sized right"

Strangles: "Boring profits are still profits" **IPMCC:** "Weekly rent collection beats appreciation"

On Market Conditions

- "VIX 12 means wait or trade calendars"
- "VIX 40 means mortgage the house (kidding)"
- "Flat markets are where patient traders get rich"
- "Trends are for tourists, ranges are for residents"

On Life & Trading

- "Trading isn't my life, it funds my life"
- "30 minutes a day is enough if you're mechanical"
- "Your family doesn't care about your P&L"
- "Freedom is the goal, not Ferrari"
- "I trade so I don't have to work"

PHASE-SPECIFIC EXECUTION TIMES

Phase 1 (£30-40k) Daily Schedule

Total Time Required: 30 minutes maximum

9:00-9:05 AM (5 minutes):

- Check overnight futures
- Note economic calendar
- Review existing positions

9:15-9:20 AM Friday (5 minutes):

- Execute IPMCC roll if needed
- Set GTC profit orders

10:25-10:35 AM Friday (10 minutes):

- Prepare ODTE levels
- Execute at 10:30 exactly
- Set stop orders

3:00-3:05 PM (5 minutes):

- Check for profit targets hit
- Close ODTE if needed
- Note next day's plan

Second Tuesday 9:30-9:35 AM (5 minutes):

- Execute strangle entry
- Set 50% profit targets

Phase 2 (£40-60k) Daily Schedule

Total Time Required: 35-40 minutes maximum

Add to Phase 1:

First Wednesday 10:00-10:10 AM (10 minutes):

- Execute LT112 entry
- Calculate exact strikes
- Set naked put targets

Monday 9:30-9:35 AM (5 minutes):

- Check for ratio spread setups
- Execute if conditions met

Friday 10:35-10:40 AM (5 minutes):

- Execute butterfly after ODTE
- Always small size

Phase 3 (£60-100k) Daily Schedule

Total Time Required: 45 minutes maximum

Add to Phase 2:

Any Wednesday 10:00-10:10 AM (10 minutes):

- Stack weekly 112 positions
- Check box spread rates
- Deploy if <1.5%

Monday Morning (5 minutes):

- Sell calls against 112 hedges
- Check diagonal opportunities
- Execute if VIX <15

Phase 4 (£100k+) Daily Schedule

Total Time Required: 60 minutes maximum

Full Professional Routine:

- All previous phases
 - International market checks
 - Correlation verification
 - Multiple position management
 - Opportunity protocol ready
-

FINAL SAFETY CHECKS

Before Every Trade Entry

- ☐ Is correlation limit observed?
- ☐ Is position size <5% of account?
- ☐ Is BP usage within VIX limits?
- ☐ Is it the correct day for strategy?
- ☐ Are profit/stop orders ready?

Weekly Review Checklist

- ☐ All positions within health scores?
- ☐ Correlation groups still valid?
- ☐ VIX regime unchanged?
- ☐ BP usage appropriate?
- ☐ P&L tracking on target?

Monthly Audit

- ☐ Each strategy performing to target?
- ☐ Win rates within expected range?
- ☐ Drawdown within tolerance?
- ☐ Emergency fund intact?
- ☐ Tax obligations calculated?

The Ultimate Tom King Rule

"If you're not sure, don't trade. There's always tomorrow. The market has been here 100 years and will be here tomorrow. Your account might not be if you force trades."