



THE VALUE LINE

Daily Options Survey

On Line at the Opening Bell, Every Trading Day

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The Weekly Option Strategist

February 23, 2004

A Refresher Course on Our Options Screener

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This week, we offer a refresher course on our *Online Options Screener*. Since its introduction one year ago, this web-based screener has greatly enhanced the user-friendliness and flexibility of our service. With our recently introduced mid-day updates of our model, you can use the screener to find the most current trading opportunities.

Getting Started

Simply go to the *Value Line Daily Options Survey* online and select the *Options Screener* link on the left-hand side of the page. This takes you to the page shown in Figure 1 on page 61. Our new screener searches through our entire database of 80,000 plus options. Subscribers to the *Value Line Investment Survey* will notice that the format is similar to *Online Stock Screener*, also available at www.valueline.com.

Tickers, Preset Screens and Industries

We designed the *Options Screener* so that you can operate it without having to read extensive instructions. Here is a walk-through of what you get.

You will notice that there is a box that allows you to enter the underlying stock (or index) ticker code or codes. You can enter (or copy) as many tickers as you want into this box. Just make sure to separate them with a space.

You will also see a box with 9 *Preset Screens*, including *Calls*, *Puts*, *Longer-Term Options (Leaps)* and our *Selected Options* for the 6 basic strategies (*Naked Call Buying*, *Naked Put Buying*, *Naked Call Writing*, *Naked Put Writing*, *Covered Call Writing* And *Married Put Buying*). The box on the left allows you to select an industry - or if you wish - any number of different industries. To select more than one industry, simply press the "Ctrl" key while clicking on the desired industries.

Ranks

Below these boxes are our 8 rank selectors; Common, Technical, Naked Call Buyer's, Naked Put Buyer's, Naked Call Writer's, Naked Put Writer's, Covered Call Writer's and Married Put Buyer's. Clicking on more than one rank in a particular row gives you all the options that meet any of the selected criteria (e.g. Common ranks of 1 or 2). Clicking on boxes in different rows will search for options that meet both criteria (e.g. Common rank of 1 and Naked Call Buyer's rank of 1). Notice that in Figure 1 on page 3, we have selected all options with a common rank of 1 or 2 and a technical rank of 1 or 2.

Additional Option Information

In the 10 boxes below, you can select more than 40 different criteria fields for your screens. (These fields are listed in the six different groups in Figure 2 on page 3.) You can select your data field via these six groups via *Click to select a field name*. This will give you a separate dropdown menu for each. Alternatively, you can click on *Please select a field name here*. This will give you the field names in alphabetical order. You then need to select a *Minimum Value* and/or a *Maximum Value*. Click *Remove* in the right hand column, if you want to erase a particular selection.

Notice that in Figure 3 on page 4, under *Additional Option Information*, we have specified that we want (1) covered call/put writes with a per-annum yield of 25% (enter .25), (2) covered call/put write protection with a minimum of 10% (enter .10), (3) an expiration date of between 3/10/2004 (minimum) and 5/25/2004 (maximum), (4) writer's under/over priced greater than 0% (i.e. not over-priced).

Display Options

When you do a screening, the default display is the options ticker code plus the data fields that you have selected. For instance, if you screen for the following: *Common rank 1, Technical rank 1, and Put Writer's rank 5*, -the default display will return only the ticker code information plus these 3 columns of information.

For more complete displays, you can use the *Edit Display Option* feature. Just click on it and the box shown in Figure 4 will appear. Notice you can save these display options. You can make these display options your new default by clicking on the box marked *Always use saved displayed columns in result window*. Also notice that you are given a choice of which field you can sort by and whether this sort will be in ascending or descending order. (In Figure 4 on page 4, we chose to display the options in descending order of *Cov'd Call/Put Write Return* in descending order – i.e. the highest yielding options first.)



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Sample Results

In Figure 5 on page 5, we show a sample output. Notice that we screened 25 options and sorted them by their per-annum return. You can, if you wish, sort these options by some other displayed field, such as expiration date or strike price.

Options Profiles and Add to Portfolio

As with our regular interactive options page, you can tag the boxes on the left of the options ticker. The click on *View Profile*. Notice that you can tag all the boxes just by clicking on the *option ticker* box at the top of the left-hand column.

You can also click on *Add to Portfolio* just by clicking on the link so marked. These options will then be tracked in our *User Portfolio* in *Interactive Options*.

Saving Your Screen Criteria

Going back to the top of Figure 1, notice that you can save your screens (i.e. set of selection criteria) to use another day. The default name is *My Screener Filter.Txt*. You can save as many screens as you like, but always make sure you use a separate name and the *.txt* filename subscript (e.g. "*Putwrite.Txt*" for screen selected in Figure 4).

Saving Your Screenings

You can also save your actual screenings as spreadsheet friendly comma separated (CSV) files. If you click on *Export Results* you save the output as it appears on your screen with the columns you selected in *Display Options*. If you click on *Export as Port.Csv*, you save the options in our standard spreadsheet format with all 49 fields of data. (Note you can if you wish change the name of the file as you save it in the dialogue box that appears.)

Questions and Answers

Q: Will I still be able to download all the records in spreadsheet compatible files?

A: Yes, you will find these files (*Allnew.Csv*, *Calls.Csv*, and *Puts.Csv*) in *File Downloads*.

Q: Can I use the screener to find the best options from a particular list of stocks?

A: Yes you can. Simply enter or copy the stock ticker (or tickers) in the box marked *Stock Ticker(s)*. Make sure to separate the tickers with a space.

Q: Can I save and use different screens for different strategies?

A: You can save as many different screens as you want.

Q: Can I re-sort the screened data?

A: You can re-sort your screened data by double clicking on the column head.

Q: What other new features have you added to the screener?

A: We have added three new rank order fields: *Buyer's Rank Order*, *Writer's Rank Order* and *Covered Call/Married Put Rank Order*. With this new feature, if you want to see our top 50 selections for any strategy, you can select this field and specify a minimum of 50. You can also use the filter with other criteria – say the top 50 call buys that expire in July 2004. If you have questions, comments or suggestions, please feel free to contact us at vloptions@valueline.com

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Figure 1 - Online Option Screener - Preset Screens and Ranks

RESEARCH CENTER

Value Line Option Screener

To save a screen, just click on **Save Screen As** button.
To open a saved screen, click **Browse...** to locate and select the saved screen, then click **Open**.

Screen Location: OR

Basic Information

Company/Index

Stock Ticker(s) (Separate tickers by spaces)

Industry

ALL
ADVERT
AIRTRANS
ALCO-BEV
APPAREL

Preset Screens

ALL
Calls Only
Puts Only
Longer-Term Options (LEAPS)
Selected Options for Naked Call Buying

Ranks

Common (Stock) (1=Best)	<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Technical (Stock) (1=Best)	<input checked="" type="checkbox"/> 1	<input checked="" type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5
Naked Call Buyer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3		
Naked Put Buyer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3		
Naked Call Writer's (5=Best)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3		
Naked Put Writer's (5=Best)	<input type="checkbox"/> 5	<input type="checkbox"/> 4	<input type="checkbox"/> 3		
Covered Call Writer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3		
Married Put Buyer's (1=Best)	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3		

Figure 2 - Additional Option Information Data Fields

Information on Underlying

*Common Price**Common Rank**Dividend Yield**Historical Volatility**Technical Rank**Volatility Forecast*

Covered Calls, Married Puts and Put Writes

*Cov'd Call/Married Put Breakeven**Cov'd Call/Married Put Rank Order**Cov'd Call/Married Put Relative Volatility**Cov'd Call/Put Write Max Profit**Cov'd Call/Put Write Protection**Cov'd Call/Put Write Return**Covered Call/Married Put Rank Order*

Option Information

*Buyer's Option Rank**Buyers Rank Order**Buyer's Under/ Over Priced**Change Per Point**Estimated Normal Price**Expiration Date**Open Interest**Recent Price Ask**Recent Price Bid*

Option Information (Continued)

*Relative Vol (opt)**Stock Down 10%**Stock Up 10%**Strike Price**Volume**Writer's Option Rank**Writers Rank Order**Writer's Under/ Over Priced*

Margin Information

*% Margin**Max% from Margin**Yield from Margin*

Risk Management

*% In- or Out-of-the-Money**Adjusted Volatility Forecast**Buyer's Option Implied Vol**Percent to Double**Prob of Strike Based On Buyer's Implied**Prob of Strike Based On Forecast**Prob of Strike Based On Writer's Implied**Time Decay 100 Shares**Writer's Option Implied Vol*

Figure 3 - Additional Option Information with Maximum and Minimum Values

Married Put Buyer's (1=Best) 1 2 3

SUPPORT

FAQs

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Requirements

Use drop-down menu: Option Information - Writer's Under/Over Priced

#	Click to select a field name	Minimum Value	Maximum Value	Remove All
1	Cov'd Call/Put Write Return	0.25		Remove
2	Cov'd Call/Put Write Protection	0.1		Remove
3	Expiration Date	03/10/2004	05/25/2004	Remove
4	Writer's Under/Over Priced	0		Remove
5				Remove
6				Remove
7				Remove
8				Remove
9				Remove
10				Remove

Search Reset All [Click here to edit display options](#)

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Done Internet

Figure 4 - Edit Display Options

Value Line Option Screener - Displayed Fields Option - Microsoft Internet Explorer

VALUE LINE

Available Columns:

- % In- or Out-of-the-Money
- % Margin
- Adjusted Volatility Forecast
- Buyer's Option Implied Vol
- Buyer's Option Rank
- Buyer's Rank Order
- Buyer's Under/Over Priced
- Call/Put
- Change Per Point
- Common Ticker

Displayed Columns: (Up to 50)

- Company/Index
- Common Price
- Common Rank
- Technical Rank
- Expiration Date
- Strike Price
- Recent Price Bid
- Writer's Under/Over Priced
- Cov'd Call/Put Write Protection
- Cov'd Call/Put Write Return

Sort By: Cov'd Call/Put Write Return ☒ Descending Order?

☒ Always use saved displayed columns in result window?

Save Close

Figure 5 - Sample Screen: Common Rank 1 or 2; Technical Rank 1 or 2; Cov'd Call Put Write Return >= 25%; Protection >= 10%; Expiration March through May; Not Under-valued.

Results: 1 - 25 out of 25 option(s) « Previous 1 - 25 Next »										
View Profile Add to Portfolio Export Results Save as port.csv Print-Friendly										
<input type="checkbox"/> Option Ticker	Company/Index	Common Price	Common Rank	Technical Rank	Expiration Date	Strike Price	Recent Price Bid	Writer's Under/Over Priced	Cov'd Call/Put Write Protection	Cov'd Call/Put Write Return
<input type="checkbox"/> (1) QAY CC (AMSC)	Amer. Superconductor	15.71	2	1	2004-03-20	15.00	1.90	0.27	0.12	1.60
<input type="checkbox"/> (2) QZD CW (DITC)	Ditech Communications Corp	18.50	1	2	2004-03-20	17.50	2.35	0.05	0.12	1.53
<input type="checkbox"/> (3) QZD OW (DITC)	Ditech Communications Corp	18.50	1	2	2004-03-20	17.50	1.40	0.09	0.12	1.39
<input type="checkbox"/> (4) QAY OC (AMSC)	Amer. Superconductor	15.71	2	1	2004-03-20	15.00	1.15	0.25	0.11	1.31
<input type="checkbox"/> (5) QAY DC (AMSC)	Amer. Superconductor	15.71	2	1	2004-04-17	15.00	2.35	0.08	0.14	1.03
<input type="checkbox"/> (6) QAY PC (AMSC)	Amer. Superconductor	15.71	2	1	2004-04-17	15.00	1.70	0.13	0.15	0.92
<input type="checkbox"/> (7) AUE CG (CRDN)	Ceradyne Inc.	38.94	2	2	2004-03-20	35.00	5.70	0.15	0.14	0.81
<input type="checkbox"/> (8) AUE OG (CRDN)	Ceradyne Inc.	38.94	2	2	2004-03-20	35.00	1.70	0.14	0.14	0.72
<input type="checkbox"/> (9) OMG DF (OMG)	OM Group	30.86	2	2	2004-04-17	30.00	3.20	0.20	0.10	0.64
<input type="checkbox"/> (10) QZD OC (DITC)	Ditech Communications Corp	18.50	1	2	2004-03-20	15.00	0.60	0.16	0.22	0.56
<input type="checkbox"/> (11) OMG PF (OMG)	OM Group	30.86	2	2	2004-04-17	30.00	2.25	0.18	0.10	0.56
<input type="checkbox"/> (12) ULN CC (CELL)	Brightpoint Inc	17.37	2	2	2004-03-20	15.00	2.90	0.01	0.16	0.51
<input type="checkbox"/> (13) QZD CC (DITC)	Ditech Communications Corp	18.50	1	2	2004-03-20	15.00	4.00	0.06	0.21	0.48
<input type="checkbox"/> (14) UQT QE (UTEK)	Ultratech Stepper	26.12	1	2	2004-05-22	25.00	2.55	0.01	0.14	0.46
<input type="checkbox"/> (15) QAY CV (AMSC)	Amer. Superconductor	15.71	2	1	2004-03-20	12.50	3.60	0.32	0.22	0.44
<input type="checkbox"/> (16) QAY OV (AMSC)	Amer. Superconductor	15.71	2	1	2004-03-20	12.50	0.40	0.35	0.22	0.43
<input type="checkbox"/> (17) NT CU (NT)	Nortel Networks	8.32	1	1	2004-03-20	7.50	1.05	0.03	0.12	0.43
<input type="checkbox"/> (18) QAY PV (AMSC)	Amer. Superconductor	15.71	2	1	2004-04-17	12.50	0.70	0.14	0.24	0.40
<input type="checkbox"/> (19) UFW OC (CRYP)	CryptoLogic Inc	17.55	2	1	2004-03-20	15.00	0.40	0.07	0.16	0.35
<input type="checkbox"/> (20) RTQ OI (RTRSY)	Reuters ADR	49.05	2	2	2004-03-20	45.00	1.20	0.19	0.10	0.35

Market Review - Week Ending 02/17/04

Market Indexes	Close	% Change	Volatility Indexes*	% Change
Dow Jones Industrial	10,714.88	0.05%		
Nasdaq 100	1,506.57	-0.07%	23.87	2.36%
S&P 500	1156.99	0.19%	15.40	-0.39%

Performance Tables

Common Ranks	% Change	Count	Percent
Rank 1	0.16%	8097	8.06%
Rank 2	0.21%	21033	20.93%
Rank 3	-0.08%	54580	54.32%
Rank 4	0.13%	12959	12.90%
Rank 5	0.46%	3818	3.80%

Call Buyer's Ranks

Rank 1	6.49%	3295	7.80%
Rank 2	1.17%	8533	20.20%
Rank 3	0.07%	30407	71.99%

Call Writer's Ranks

Rank 5	0.52%	1742	5.87%
Rank 4	0.35%	4711	15.88%
Rank 3	-0.26%	23207	78.24%

Covered Call Ranks

Rank 1	-0.06%	2097	7.07%
Rank 2	0.24%	4899	16.52%
Rank 3	0.04%	14603	49.23%
Rank 4	0.12%	5584	18.83%
Rank 5	0.05%	2477	8.35%

Put Buying Ranks

Rank 1	-0.21%	4359	10.30%
Rank 2	0.84%	8392	19.83%
Rank 3	1.26%	29571	69.87%

Put Writer's Ranks

Rank 5	0.41%	1923	6.07%
Rank 4	0.76%	4976	15.71%
Rank 3	0.18%	24767	78.21%

Married Put Ranks

Rank 1	0.12%	3433	8.11%
Rank 2	0.05%	8949	21.15%
Rank 3	-0.03%	20440	48.30%
Rank 4	-0.06%	6238	14.74%
Rank 5	-0.05%	3262	7.71%

* - VIX for the S&P 100 and VXN for the Nasdaq 100