



# THE VALUE LINE

## Daily Options Survey

*On Line at the Opening Bell, Every Trading Day*

Pages 1-2

### *The Weekly Option Strategist*

March 8, 2004

## What's Free from the Exchanges?

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**Value Line Option Spring  
Seminar Schedule - See  
page 63 for details**

This report is an update of one we did several years ago. If anything, the array of free services from these institutions has expanded. In a forthcoming report, we will walk you through the various attractive free "demos" that you can get from various commercial websites.

### **The Options Industry Council [www.optionscentral.com](http://www.optionscentral.com)**

We start this report with *The Options Industry Council* (OIC). This is a non-profit association of the Exchanges and the Options Clearing Corporation. Its goal is to educate investors and brokers about listed options. We strongly recommend the OIC's free cd-rom software, *The Options Investigator*. On this disk, you will find a full interactive course on options, from basics to advanced, complete with audio (if you want it) and quizzes at the end of each section. Also check out the free seminars that are offered by the OIC, which are posted at its web site. If you have questions on options, you can email the OIC at [options@theoicc.com](mailto:options@theoicc.com).

### **The CBOE [www.cboe.com](http://www.cboe.com)**

The Chicago Board of Options Exchange (CBOE) is the world's largest options exchange. It provides a wealth of content at its well-formatted website. Here is a brief description of some of its more interesting offerings.

Starting at the homepage, click on *Learning Center*, then on *Option Tutorials* and finally on *Options Basics*. Here the neophyte will receive an excellent web-based introduction to options. To go beyond basics, click on *Advanced Strategies* for such topics as selling puts, vertical spreads and when to use ratio call spreads. Multiple choice quizzes at the end of each session make these tutorials fun and interesting. (See Figure 1 on page 2.)

*Trader Tools* gives you more of the nuts and bolts of option trading. You can get a delayed quote (quotes are delayed 20 minutes) on an individual option or a full chain (calls and puts) on any U.S. optionable stock or index. One nice feature offered here is the ability to download these option chains to spreadsheet-compatible text files.

A very useful feature of the CBOE's website is its Java-based Options Calculator. This will allow you to price an option given changes in one or more of the determining variables - volatility, stock price, strike price, interest rate, dividend, and European/American style (See Figure 2 on page 2.) To calculate an option's implied volatility click on *Volatility*. A dialogue box appears into which you can enter the premium, and check off whether the option is a call or a put. The corresponding implied volatility (and other solutions) will appear in the Calculator.

### **Other Exchanges**

The American Stock Exchange, [www.amex.com](http://www.amex.com), is where most Exchange Traded Funds are listed. It also offers delayed prices on individual options and full or partial option chains on all underlying stocks. Also, be sure to check out the International Securities Exchange (ISE) at [www.iseoptions.com](http://www.iseoptions.com). Three years ago, this Exchange was the new kid on the block. Today, it leads all the other Exchanges in equity option volume (although the CBOE appears to be closing that gap). As part of its educational services, the ISE will offer seminars to qualified user groups by experienced option instructors. Go to [education@iseoptions.com](mailto:education@iseoptions.com) for information on this Service.

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## Mail Call

This week, we review some typical email questions that we get from subscribers. We always welcome your questions and comments at [vloptions@valueline.com](mailto:vloptions@valueline.com).

### Q: Can I change the output displays in *Interactive Options*?

At our *Interactive Options* page, the only way you can change your display is by re-sorting the data. You do this by double clicking on the column headings.

If you want greater flexibility in formatting your output, we suggest you use our *Options Screener* instead of *Interactive Options*. In the screener, you can create your own output formats for individual stocks, for lists of stocks and for *Selected Options* for the major strategies (call buying, covered call writing etc.).

Here is an example. Suppose you want to display our 200 best scoring *Selected Options for Covered Call Writing*, showing the highest yielding ones first and also displaying *protection* and *maximum profit*. Go to *Preset Screens* in the *Screener* and highlight *Selected Options for Covered Call Writing*. Then click on *Edit Display Options*. You can set up the display options to produce the output shown in Figure 1 on page 4. You can then save this screen to use every day.

### Q: Suppose I want to change the format on options on an individual stock?

Here is an example where you want to look for yield on an individual stock, such as Elan Corp. In the *Screener*, enter the stock's ticker code, ELN, in the box marked *Stock Ticker(s)*. Then click on *Edit Display Options* for the output that you want. In Figure 2 on page 62, we show the sample output for Elan from our screener.

The above two examples are only limited applications of our *Screener*. With our screener, you can save screening Criteria

(as many sets as you want), enter (and save) as many stock ticker codes as you want, and edit your display options any way you want. See last week's report, "A Refresher Course on our Options Screener" (Ot040223.Pdf) for more comprehensive instructions.

### Q: Do you rank spreads in the Value Line Daily Options Survey?

We currently do not rank spreads in our Service. However, you can use our option ranks and evaluations to find attractive spreads. For instance, if you are looking for attractive credit put spreads, start by looking of our rank 5 puts that are fairly close-to-the-money. Then look for a lower strike put on the same stock with the same expiration. It often helps to use our option position evaluator, *Whatifi2.Xls*, to see if the net credit (or debit) of the spread is better or worse than our estimated net premium. (See "Using Our Whatifi2.Xls Template - New Version," Ot030602.Pdf.) You can also use our template, *Spreadsearch.Xls*, to find attractively priced bull and bear spreads from our options database. (See "A Template to Search for Bull and Bear Spreads," Ot030721.Pdf.)

### Q: Can you explain your option ranks?

We rank naked options from 1 to 5, with 1 being the best for the buyer and 5 being the best for the writer. However, since you cannot buy an option at the bid price, we only rank bid prices as follows: 5 (best for writing), 4 (hold the naked write), and 3 (neutral or close out the naked write). Similarly, since you cannot write an option at the ask price, we only rank the ask prices as 1 (best for buying), 2 (hold the naked write) and 3 (neutral, or close out the purchase). On a typical day, about 5% to 8% of naked options (ask side) are ranked 1 for

buying and a similar percentage of our naked options (bid side) are ranked 5 for buying.

We rank covered call ranks based on the call bid prices, with 1 being the best, 2 being the hold position, and 3 neutral or close the position. Married put ranks are based on the put ask prices, with 1 being to establish the married put (i.e. buy the stock and protect it with the put), 2 being the hold position, and 3 close out the married put.

### Q: What is meant in your Service by undervalued and overvalued?

By undervalued or overvalued, we compare the option's implied volatility to our adjusted volatility forecast. Implied volatility is the volatility needed to produce a particular premium with a Black Scholes model, given all the known variables (stock price, strike price, expiration, interest, and dividends). The specific formula is: (implied volatility – adjusted volatility forecast)/(adjusted volatility forecast). If the implied volatility is below the adjusted volatility forecast, then the option is undervalued. If it is above the adjusted volatility forecast, then the option is overvalued.

### Q: Once I have bought the option, how am I supposed to make a decision to sell it, since the buy ranks are based on the ask prices? Obviously, I cannot sell the option to close my position at the ask price. I have to do it at the bid price. However, the bid prices only have ranks of 5, 4 or 3. How do I interpret these ranks and evaluations?

If an option ask price is undervalued and recommended for buying, it is unlikely that the bid price is overpriced according

*continued from page 3*

to our evaluations. You have several choices. You can wait for the pricing of the option to better reflect its underlying volatility, in which case the rank of the ask side would likely go to a 3. Alternatively, you can close out the option even if the bid price is underpriced.

**Q: What if the stock and option prices are different from what you are showing on your pages?**

Since stock and option prices change constantly, it is likely that the premiums you see quoted when you go to execute a trade will be higher or lower than what we show. One way to check to see if an option is still favorably priced for the strategy chosen (underpriced for a purchase and overpriced for a naked or covered write) is to calculate what our estimated normal price would be

using a Black-Scholes model and our *Adjusted Volatility Forecast*. You can find the spreadsheet version of the Black Scholes model in our *Templates Archive* under the name, *Black.Xls*. We show a sample of this in Figure 3 on page 62.

Here is how you can make these calculations. Enter today's date in cell B2, the current stock price in B3, the strike price in B4, and the expiration date in B5. Also, make sure to enter the current interest rate in B6 and the annualized dividend rate in B7. In cell B8, enter our *Adjusted Volatility Forecast* for that particular option. You can find this number either in the *Options Profiles* online or in column AM of our Daily Download Files (Allnew.Csv, Calls.Csv or Puts.Csv). If the premium number produced is higher than the one you are currently seeing in the market at

the stock price entered, then the option is still underpriced and suitable for buying.

**Q: Going to your Selected Options, I find 200 options for each of the major strategies. How do I narrow this list down further?**

Usually investors have certain preferences for the types of options that they may want to buy (or write). For instance, if they are buyers, they may want to look for options that do not expire too soon and which are neither too far out-of-the-money or too deep in-the-money. Again, you can access the *Selected Options* under *Preset Screens* in our *Screener* and then filter out the options that meet your desired criteria.

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## Description of Selected Option Tables

The Selected Option Tables in pages 5 through 10 show our 50 best scoring options for each of the following six strategies

Naked Put Buying (a bearish premium buying strategy);  
Naked Call Buying (a bullish premium buying strategy);  
Naked Put Writing (a bullish premium selling strategy);  
Naked Call Writing (a bearish premium selling strategy);  
Covered Call Writing (a bullish premium selling strategy; and  
Married Put Buying (a bullish premium buying strategy).

**Ticker** shows the full option ticker code with the last two letters indicating the month and the strike price.

**Common Name** is the name of the company.

**Common Rank** is the rank of the common stock. (Rank 1 is best for relative performance.) Options that are recommended for bullish strategies (such as Naked Put Writing) are likely to have underlying stocks with a common rank of 1 or 2.

**Expiration** is the day the option stops trading (usually the Saturday after the third Friday of the month).

**Strike** is the price at which the owner of the option can exercise it (i.e. buy the stock with a call or sell the stock with a put.)

**Common Price** is the most recent trading day's closing price.

**Premium** is the last trading day's closing option premium.

**Delta** is the option's sensitivity to a small move in the underlying stock. For instance - if the option has a delta of 50 - then if the stock moved by \$0.25 -the option will move \$0.125 (or match the stock for 50% of its move). In the money options tend to have very high deltas while out of the money options tend to have low deltas.

**Under/Over Value** indicates the degree the option is undervalued (negative number - good for buying) or overpriced (positive number - good for writing). The exact calculation is the implied volatility of the option divided by the forecasted volatility of our model for that particular option. Usually when you buy options you want them to be undervalued (i.e. cheap). When you sell options -you want them to be overvalued (i.e. expensive).

**Lower Common and Premium:** Here we show likely option prices if the stock declines by a typical amount in one day (i.e. one standard deviation). At the new premium levels the rank of the option would be unchanged.

**Higher Common and Premium:** Here we show likely option prices if the stock rise by a typical amount in one day (i.e. one standard deviation). At the new premium levels the rank of the option would be unchanged.



## Selected Options for Naked Put Buying (50 Best Scoring For This Strategy)

Ticker	Common Name	Common			Common	Premium	Delta	Under/Over	Lower		Higher	
		Rank	Expiration	Strike					Common	Premium	Common	Premium
YXA MG	Baxter Int'l Inc.	5	1/21/2006	\$35	\$29.35	\$7.80	65	-34%	\$28.66	\$8.25	\$30.05	\$7.35
CIN PH	Cinergy Corp.	5	4/17/2004	\$40	\$40.04	\$0.75	53	-35%	\$39.39	\$1.14	\$40.7	\$0.45
CIN SH	Cinergy Corp.	5	7/17/2004	\$40	\$40.04	\$1.55	55	-36%	\$39.39	\$1.93	\$40.7	\$1.22
XEI MH	Cooper Cameron	5	1/22/2005	\$40	\$45.45	\$2.40	26	-36%	\$44.06	\$2.79	\$46.88	\$2.05
XEI MI	Cooper Cameron	5	1/22/2005	\$45	\$45.45	\$4.50	42	-37%	\$44.06	\$5.11	\$46.88	\$3.93
YXX MI	Cooper Cameron	5	1/21/2006	\$45	\$45.45	\$6.50	39	-39%	\$44.06	\$7.07	\$46.88	\$5.96
YXX MJ	Cooper Cameron	5	1/21/2006	\$50	\$45.45	\$9.20	51	-41%	\$44.06	\$9.92	\$46.88	\$8.51
CYT QG	Cytec Inds.	5	5/22/2004	\$35	\$35.02	\$1.70	47	-34%	\$34.14	\$2.14	\$35.92	\$1.32
D SL	Dominion Resources	5	7/17/2004	\$60	\$63.43	\$1.00	27	-40%	\$62.36	\$1.34	\$64.52	\$0.73
D SM	Dominion Resources	5	7/17/2004	\$65	\$63.43	\$3.20	68	-49%	\$62.36	\$3.96	\$64.52	\$2.52
YLK ML	Dominion Resources	5	1/21/2006	\$60	\$63.43	\$5.20	43	-39%	\$62.36	\$5.67	\$64.52	\$4.75
QEF RZ	E-LOAN Inc.	5	6/19/2004	\$3	\$2.84	\$0.25	29	-37%	\$2.64	\$0.32	\$3.05	\$0.19
ESV UF	ENSCO Int'l	5	9/18/2004	\$30	\$30.51	\$2.45	42	-37%	\$29.47	\$2.91	\$31.58	\$2.03
XNB MD	Enzo Biochem	5	1/22/2005	\$20	\$18.13	\$4.30	50	-35%	\$17.25	\$4.75	\$19.05	\$3.87
YNA MX	Enzo Biochem	5	1/21/2006	\$23	\$18.13	\$7.20	51	-40%	\$17.25	\$7.65	\$19.05	\$6.76
YNA ME	Enzo Biochem	5	1/21/2006	\$25	\$18.13	\$9.10	58	-39%	\$17.25	\$9.6	\$19.05	\$8.6
HWQ SB	Hollywood Entertainment	5	7/17/2004	\$10	\$11.24	\$0.70	28	-34%	\$10.7	\$0.87	\$11.81	\$0.55
HWQ SV	Hollywood Entertainment	5	7/17/2004	\$13	\$11.24	\$1.95	62	-41%	\$10.7	\$2.29	\$11.81	\$1.63
HWQ VB	Hollywood Entertainment	5	10/16/2004	\$10	\$11.24	\$0.95	30	-37%	\$10.7	\$1.13	\$11.81	\$0.79
XZH MC	Hollywood Entertainment	5	1/22/2005	\$15	\$11.24	\$4.50	72	-37%	\$10.7	\$4.87	\$11.81	\$4.13
YZH MV	Hollywood Entertainment	5	1/21/2006	\$13	\$11.24	\$3.40	45	-38%	\$10.7	\$3.64	\$11.81	\$3.16
HPT UH	Hospitality Properties	5	9/18/2004	\$40	\$43.90	\$1.15	28	-34%	\$43.23	\$1.36	\$44.58	\$0.97
XSJ MC	Human Genome	5	1/22/2005	\$15	\$12.94	\$3.70	53	-36%	\$12.27	\$4.06	\$13.65	\$3.35
YAI MW	Human Genome	5	1/21/2006	\$18	\$12.94	\$6.60	53	-37%	\$12.27	\$6.96	\$13.65	\$6.24
YAI MD	Human Genome	5	1/21/2006	\$20	\$12.94	\$8.60	60	-37%	\$12.27	\$9	\$13.65	\$8.19
YAI ME	Human Genome	5	1/21/2006	\$25	\$12.94	\$12.80	73	-38%	\$12.27	\$13.28	\$13.65	\$12.31
YAI MF	Human Genome	5	1/21/2006	\$30	\$12.94	\$17.40	79	-36%	\$12.27	\$17.93	\$13.65	\$16.86
IUE OE	ILEX Oncology	4	3/20/2004	\$25	\$24.55	\$0.70	69	-71%	\$23.31	\$1.71	\$25.86	\$0.15
QST PV	Monolithic System Technology	4	4/17/2004	\$13	\$13.14	\$0.25	25	-63%	\$12.51	\$0.49	\$13.8	\$0.11
NLS PW	Nautilus Group	5	4/17/2004	\$18	\$16.23	\$1.75	69	-38%	\$15.58	\$2.22	\$16.9	\$1.33
XVN MD	Nautilus Group	5	1/22/2005	\$20	\$16.23	\$5.20	64	-36%	\$15.58	\$5.62	\$16.9	\$4.79
YAT MC	Nautilus Group	5	1/21/2006	\$15	\$16.23	\$3.10	34	-35%	\$15.58	\$3.33	\$16.9	\$2.88
YAT MD	Nautilus Group	5	1/21/2006	\$20	\$16.23	\$6.00	57	-43%	\$15.58	\$6.37	\$16.9	\$5.63
NAA SV	NetBank Inc	5	7/17/2004	\$13	\$12.23	\$1.30	49	-39%	\$11.67	\$1.59	\$12.82	\$1.04
NE UU	Noble Corp.	5	9/18/2004	\$38	\$42.09	\$1.45	24	-40%	\$40.73	\$1.82	\$43.49	\$1.14
NE UH	Noble Corp.	5	9/18/2004	\$40	\$42.09	\$2.30	35	-41%	\$40.73	\$2.82	\$43.49	\$1.85
XVO MH	Noble Corp.	5	1/22/2005	\$40	\$42.09	\$3.20	36	-43%	\$40.73	\$3.72	\$43.49	\$2.73
YVJ MI	Noble Corp.	5	1/21/2006	\$45	\$42.09	\$7.70	47	-44%	\$40.73	\$8.36	\$43.49	\$7.06
PGU OG	Performance Food	5	3/20/2004	\$35	\$35.07	\$0.60	47	-41%	\$34.18	\$1.11	\$35.98	\$0.27
PGU RG	Performance Food	5	6/19/2004	\$35	\$35.07	\$1.60	46	-47%	\$34.18	\$2.05	\$35.98	\$1.22
PGU UG	Performance Food	5	9/18/2004	\$35	\$35.07	\$2.40	45	-43%	\$34.18	\$2.82	\$35.98	\$2.02
SSQ SA	ScanSoft Inc	5	7/17/2004	\$5	\$5.47	\$0.60	33	-40%	\$5.1	\$0.73	\$5.86	\$0.48
SSQ VA	ScanSoft Inc	5	10/16/2004	\$5	\$5.47	\$0.80	33	-42%	\$5.1	\$0.93	\$5.86	\$0.68
SUV RA	SciClone Pharm.	5	6/19/2004	\$5	\$5.91	\$0.30	23	-41%	\$5.56	\$0.39	\$6.28	\$0.22
SUV UU	SciClone Pharm.	5	9/18/2004	\$8	\$5.91	\$2.10	66	-39%	\$5.56	\$2.32	\$6.28	\$1.88
QKQ RB	Talk America Holdings Inc	5	6/19/2004	\$10	\$10.59	\$1.10	36	-39%	\$9.87	\$1.39	\$11.36	\$0.85
QKQ UB	Talk America Holdings Inc	5	9/18/2004	\$10	\$10.59	\$1.60	36	-39%	\$9.87	\$1.88	\$11.36	\$1.35
UVQ UV	Verisity Ltd	5	9/18/2004	\$13	\$10.82	\$2.45	64	-34%	\$10.33	\$2.76	\$11.34	\$2.15
WHP MH	Wyeth	5	1/21/2006	\$40	\$40.03	\$5.80	44	-40%	\$38.96	\$6.28	\$41.13	\$5.34
WHP MJ	Wyeth	5	1/21/2006	\$50	\$40.03	\$12.40	72	-45%	\$38.96	\$13.17	\$41.13	\$11.63

## Selected Options for Naked Call Buying (50 Best Scoring For This Strategy)

Ticker	Common Name	Common			Common	Premium	Delta	Under/Over	Lower		Higher	
		Rank	Expiration	Strike					Value	Common	Premium	Common
A HH	Agilent Technologies	1	8/21/2004	\$40	\$34.43	\$1.40	30	-46%	\$32.92	\$0.98	\$36.01	\$1.94
WEW AN	Amazon.com	1	1/21/2006	\$70	\$42.22	\$2.45	24	-57%	\$39.94	\$1.93	\$44.63	\$3.08
TQA ED	AmeriTrade Holding	1	5/22/2004	\$20	\$16.92	\$0.35	21	-54%	\$16.01	\$0.19	\$17.88	\$0.6
TQA HD	AmeriTrade Holding	1	8/21/2004	\$20	\$16.92	\$0.90	32	-53%	\$16.01	\$0.63	\$17.88	\$1.26
BKS GG	Barnes & Noble	1	7/17/2004	\$35	\$34.78	\$2.05	52	-42%	\$33.7	\$1.53	\$35.9	\$2.68
BKS JG	Barnes & Noble	1	10/16/2004	\$35	\$34.78	\$2.70	54	-46%	\$33.7	\$2.15	\$35.9	\$3.34
ZSH AG	Barnes & Noble	1	1/22/2005	\$35	\$34.78	\$3.40	55	-45%	\$33.7	\$2.83	\$35.9	\$4.05
YZU AM	Biogen Idec Inc.	1	1/21/2006	\$65	\$57.27	\$9.60	52	-46%	\$54.71	\$8.3	\$59.95	\$11.05
QKW CB	CNET Networks	1	3/20/2004	\$10	\$9.71	\$0.30	41	-51%	\$9.05	\$0.1	\$10.42	\$0.69
COH EI	Coach Inc.	1	5/22/2004	\$45	\$42.04	\$1.50	36	-43%	\$40.6	\$1.03	\$43.53	\$2.11
COH HH	Coach Inc.	1	8/21/2004	\$40	\$42.04	\$5.00	64	-42%	\$40.6	\$4.12	\$43.53	\$5.99
UPU GJ	Cognizant Technology	1	7/17/2004	\$50	\$46.00	\$3.70	44	-42%	\$43.91	\$2.84	\$48.19	\$4.75
UPU GK	Cognizant Technology	1	7/17/2004	\$55	\$46.00	\$2.15	30	-44%	\$43.91	\$1.57	\$48.19	\$2.89
XCK AW	E*Trade Fin'l	1	1/22/2005	\$18	\$14.24	\$1.00	35	-57%	\$13.52	\$0.77	\$15	\$1.29
XCK AD	E*Trade Fin'l	1	1/22/2005	\$20	\$14.24	\$0.50	21	-59%	\$13.52	\$0.36	\$15	\$0.68
YZK AE	E*Trade Fin'l	1	1/21/2006	\$25	\$14.24	\$0.75	21	-57%	\$13.52	\$0.6	\$15	\$0.93
YKF AH	Emulex Corp.	1	1/21/2006	\$40	\$24.10	\$2.35	31	-56%	\$22.53	\$1.88	\$25.78	\$2.92
YKF AI	Emulex Corp.	1	1/21/2006	\$45	\$24.10	\$1.70	25	-57%	\$22.53	\$1.33	\$25.78	\$2.15
DNA IB	Genentech Inc.	1	9/18/2004	\$110	\$105.49	\$7.50	48	-44%	\$101.69	\$5.81	\$109.43	\$9.51
XZT AZ	Genentech Inc.	1	1/22/2005	\$120	\$105.49	\$7.00	39	-46%	\$101.69	\$5.62	\$109.43	\$8.63
HUM EX	Humana Inc.	1	5/22/2004	\$23	\$21.80	\$1.00	45	-41%	\$21.06	\$0.7	\$22.56	\$1.38
HUM HX	Humana Inc.	1	8/21/2004	\$23	\$21.80	\$1.55	49	-44%	\$21.06	\$1.21	\$22.56	\$1.95
HUM HE	Humana Inc.	1	8/21/2004	\$25	\$21.80	\$0.75	29	-45%	\$21.06	\$0.55	\$22.56	\$1
IMH GX	IMPAC Mortgage Hldgs	1	7/17/2004	\$23	\$21.86	\$0.70	33	-42%	\$21.2	\$0.5	\$22.54	\$0.96
WBW AI	Juniper Networks	1	1/21/2006	\$45	\$25.82	\$2.40	30	-50%	\$24.31	\$1.96	\$27.43	\$2.92
QTN GW	Knight Trading Group	1	7/17/2004	\$18	\$13.59	\$0.45	22	-48%	\$12.9	\$0.31	\$14.32	\$0.64
XTI AC	Knight Trading Group	1	1/22/2005	\$15	\$13.59	\$1.90	50	-47%	\$12.9	\$1.57	\$14.32	\$2.29
LH EV	Laboratory Corp.	1	5/22/2004	\$43	\$38.75	\$0.70	24	-54%	\$37.53	\$0.44	\$40.01	\$1.08
LH HV	Laboratory Corp.	1	8/21/2004	\$43	\$38.75	\$1.55	34	-55%	\$37.53	\$1.16	\$40.01	\$2.03
LH HI	Laboratory Corp.	1	8/21/2004	\$45	\$38.75	\$0.95	23	-55%	\$37.53	\$0.68	\$40.01	\$1.29
KQT IO	Martek Biosciences	1	9/18/2004	\$75	\$61.66	\$3.40	32	-41%	\$58.75	\$2.54	\$64.71	\$4.47
UVM HI	Marvell Technology	1	8/21/2004	\$45	\$44.96	\$5.00	56	-51%	\$42.39	\$3.67	\$47.68	\$6.64
UVM HK	Marvell Technology	1	8/21/2004	\$55	\$44.96	\$1.65	26	-54%	\$42.39	\$1.06	\$47.68	\$2.48
YUN AJ	New Century Financial Corp	1	1/21/2006	\$50	\$48.57	\$9.70	56	-41%	\$46.78	\$8.7	\$50.43	\$10.78
ZFU AF	Nextel Commun. 'A'	1	1/22/2005	\$30	\$26.56	\$2.50	44	-55%	\$25.13	\$1.91	\$28.07	\$3.21
ZFU AG	Nextel Commun. 'A'	1	1/22/2005	\$35	\$26.56	\$1.30	27	-56%	\$25.13	\$0.95	\$28.07	\$1.76
WFU AG	Nextel Commun. 'A'	1	1/21/2006	\$35	\$26.56	\$3.20	41	-55%	\$25.13	\$2.64	\$28.07	\$3.86
WFU AH	Nextel Commun. 'A'	1	1/21/2006	\$40	\$26.56	\$2.15	31	-56%	\$25.13	\$1.73	\$28.07	\$2.65
ZOK AE	Nokia Corp. ADR	1	1/22/2005	\$25	\$22.07	\$1.30	36	-48%	\$21.25	\$1.02	\$22.92	\$1.63
WIK AF	Nokia Corp. ADR	1	1/21/2006	\$30	\$22.07	\$1.15	26	-50%	\$21.25	\$0.95	\$22.92	\$1.39
XVK AE	Norfolk Southern	1	1/22/2005	\$25	\$21.61	\$0.60	24	-45%	\$21.07	\$0.47	\$22.17	\$0.75
OKU GU	ON Semiconductor Corp	1	7/17/2004	\$8	\$8.64	\$1.75	73	-46%	\$8.11	\$1.38	\$9.2	\$2.17
OKU GB	ON Semiconductor Corp	1	7/17/2004	\$10	\$8.64	\$0.65	37	-47%	\$8.11	\$0.46	\$9.2	\$0.89
ZLU AP	Qualcomm Inc.	1	1/22/2005	\$80	\$62.20	\$2.45	25	-50%	\$59.41	\$1.81	\$65.12	\$3.26
SWH HH	SOFTWARE HOLDRS TRUST	1	8/21/2004	\$40	\$36.53	\$1.25	32	-42%	\$35.38	\$0.91	\$37.72	\$1.68
SYQ GI	Symantec Corp.	1	7/17/2004	\$45	\$42.00	\$2.35	41	-47%	\$40.29	\$1.7	\$43.78	\$3.16
SYQ GJ	Symantec Corp.	1	7/17/2004	\$50	\$42.00	\$1.00	22	-49%	\$40.29	\$0.66	\$43.78	\$1.46
ZVR AI	Symantec Corp.	1	1/22/2005	\$45	\$42.00	\$4.30	49	-48%	\$40.29	\$3.51	\$43.78	\$5.22
WAT HH	Waters Corp.	1	8/21/2004	\$40	\$37.56	\$1.75	40	-49%	\$36.22	\$1.26	\$38.95	\$2.37
XWT AG	Waters Corp.	1	1/22/2005	\$35	\$37.56	\$5.80	66	-43%	\$36.22	\$4.95	\$38.95	\$6.75

## Selected Options for Naked Put Writing (50 Best Scoring For This Strategy)

Ticker	Common Name	Common			Common	Premium	Delta	Under/Over	Lower		Higher	
		Rank	Expiration	Strike				Value	Common	Premium	Common	Premium
AXE OF	Anixter Int'l	3	3/20/2004	\$30	\$29.95	\$1.50	48	110%	\$29.12	\$1.93	\$30.8	\$1.13
BFT OA	Bally Total Fitness	3	3/20/2004	\$5	\$5.93	\$0.15	21	84%	\$5.74	\$0.19	\$6.12	\$0.12
IDK OK	Biogen Idec Inc.	1	3/20/2004	\$55	\$57.27	\$1.55	34	21%	\$54.71	\$2.61	\$59.95	\$0.83
IHD OL	Biogen Idec Inc.	1	3/20/2004	\$60	\$57.27	\$4.10	64	15%	\$54.71	\$5.94	\$59.95	\$2.59
CNA QE	CNA Fin'l	2	5/22/2004	\$25	\$27.95	\$0.60	23	34%	\$27.41	\$0.73	\$28.5	\$0.49
CQK OG	Comcast Corp Cl A	2	3/20/2004	\$35	\$29.95	\$6.00	72	218%	\$29	\$6.72	\$30.93	\$5.31
CQK PG	Comcast Corp Cl A	2	4/17/2004	\$35	\$29.95	\$6.10	71	78%	\$29	\$6.8	\$30.93	\$5.42
CBH OL	Commerce Bancorp NJ	1	3/20/2004	\$60	\$61.27	\$0.90	35	1%	\$60.11	\$1.38	\$62.45	\$0.55
DCX PI	DaimlerChrysler AG	3	4/17/2004	\$45	\$44.99	\$2.55	48	55%	\$43.97	\$3.07	\$46.03	\$2.08
DCX PW	DaimlerChrysler AG	3	4/17/2004	\$48	\$44.99	\$4.40	60	75%	\$43.97	\$5.05	\$46.03	\$3.79
DCX PJ	DaimlerChrysler AG	3	4/17/2004	\$50	\$44.99	\$6.70	68	106%	\$43.97	\$7.42	\$46.03	\$6.01
DCX PK	DaimlerChrysler AG	3	4/17/2004	\$55	\$44.99	\$11.60	74	163%	\$43.97	\$12.38	\$46.03	\$10.83
DCX PL	DaimlerChrysler AG	3	4/17/2004	\$60	\$44.99	\$16.60	77	203%	\$43.97	\$17.41	\$46.03	\$15.79
DAL PU	Delta Air Lines	3	4/17/2004	\$8	\$8.97	\$0.35	22	82%	\$8.65	\$0.43	\$9.31	\$0.28
ELN OC	Elan Corp. ADR	1	3/20/2004	\$15	\$16.77	\$0.40	24	48%	\$15.95	\$0.62	\$17.63	\$0.24
RQC OF	Ericsson ADR	1	3/20/2004	\$30	\$29.21	\$1.55	58	-6%	\$27.82	\$2.5	\$30.67	\$0.84
GMT OX	GATX Corp.	2	3/20/2004	\$23	\$23.77	\$0.20	23	39%	\$23.25	\$0.34	\$24.31	\$0.11
GGG OI	Graco Inc.	2	3/20/2004	\$45	\$43.15	\$3.80	56	153%	\$42.33	\$4.29	\$43.99	\$3.34
HOV OP	Hovnanian Enterpr. 'A'	1	3/20/2004	\$80	\$84.47	\$1.10	25	-4%	\$81.86	\$1.91	\$87.17	\$0.58
N PG	Inco Limited	1	4/17/2004	\$35	\$37.70	\$0.75	26	5%	\$36.73	\$1.03	\$38.69	\$0.53
N PH	Inco Limited	1	4/17/2004	\$40	\$37.70	\$3.20	65	1%	\$36.73	\$3.88	\$38.69	\$2.58
FLQ OV	Investors Finl Svcs	2	3/20/2004	\$43	\$44.00	\$0.70	31	19%	\$42.55	\$1.27	\$45.5	\$0.34
IUV ON	Invitrogen Corp.	1	3/20/2004	\$70	\$73.63	\$0.90	26	-3%	\$70.53	\$1.96	\$76.87	\$0.34
ESI OG	ITT Educational	1	3/20/2004	\$35	\$36.21	\$1.40	38	21%	\$34.89	\$1.97	\$37.58	\$0.95
ESI PH	ITT Educational	1	4/17/2004	\$40	\$36.21	\$5.80	60	22%	\$34.89	\$6.65	\$37.58	\$5
JCI OL	Johnson Controls	2	3/20/2004	\$60	\$58.31	\$2.25	69	21%	\$57.17	\$3.13	\$59.47	\$1.51
MSO OV	Martha Stewart	3	3/20/2004	\$13	\$14.10	\$0.65	27	166%	\$13.51	\$0.83	\$14.72	\$0.5
MSO OC	Martha Stewart	3	3/20/2004	\$15	\$14.10	\$1.75	56	135%	\$13.51	\$2.11	\$14.72	\$1.42
MAY OG	May Dept. Stores	2	3/20/2004	\$35	\$35.53	\$0.70	41	29%	\$34.72	\$1.08	\$36.36	\$0.42
MIL OJ	Millipore Corp.	3	3/20/2004	\$50	\$52.61	\$0.80	27	47%	\$51.25	\$1.23	\$54.01	\$0.49
JWN OH	Nordstrom Inc.	1	3/20/2004	\$40	\$39.77	\$1.10	52	-2%	\$38.57	\$1.85	\$41.01	\$0.57
NT OU	Nortel Networks	1	3/20/2004	\$8	\$7.72	\$0.20	37	-1%	\$7.34	\$0.37	\$8.11	\$0.09
OMG OF	OM Group	2	3/20/2004	\$30	\$31.46	\$0.80	32	33%	\$30.46	\$1.17	\$32.5	\$0.52
OMG PF	OM Group	2	4/17/2004	\$30	\$31.46	\$1.50	36	18%	\$30.46	\$1.89	\$32.5	\$1.16
POG OJ	Patina Oil & Gas	1	3/20/2004	\$50	\$52.37	\$0.70	27	15%	\$50.99	\$1.15	\$53.79	\$0.4
RTQ OI	Reuters ADR	2	3/20/2004	\$45	\$44.38	\$2.10	53	36%	\$42.82	\$3.05	\$46	\$1.35
SWH OG	SOFTWARE HOLDRS TRUST	1	3/20/2004	\$35	\$36.53	\$0.25	22	1%	\$35.38	\$0.61	\$37.72	\$0.08
UQG PU	SuperGen Inc	1	4/17/2004	\$8	\$7.63	\$0.80	41	20%	\$7.23	\$0.98	\$8.05	\$0.64
UQG PB	SuperGen Inc	1	4/17/2004	\$10	\$7.63	\$2.55	76	9%	\$7.23	\$2.88	\$8.05	\$2.22
UQG SU	SuperGen Inc	1	7/17/2004	\$8	\$7.63	\$1.50	38	13%	\$7.23	\$1.66	\$8.05	\$1.35
THO OY	Thor Inds.	2	3/20/2004	\$28	\$29.66	\$0.35	22	48%	\$28.89	\$0.54	\$30.45	\$0.22
THO OF	Thor Inds.	2	3/20/2004	\$30	\$29.66	\$1.30	52	45%	\$28.89	\$1.75	\$30.45	\$0.93
THO OZ	Thor Inds.	2	3/20/2004	\$33	\$29.66	\$3.00	79	22%	\$28.89	\$3.68	\$30.45	\$2.36
THO RE	Thor Inds.	2	6/19/2004	\$25	\$29.66	\$0.90	21	30%	\$28.89	\$1.07	\$30.45	\$0.75
THO RY	Thor Inds.	2	6/19/2004	\$28	\$29.66	\$1.65	33	25%	\$28.89	\$1.92	\$30.45	\$1.41
TWR QA	Tower Automotive	3	5/22/2004	\$5	\$6.20	\$0.35	24	50%	\$5.96	\$0.41	\$6.45	\$0.3
TWR TA	Tower Automotive	3	8/21/2004	\$5	\$6.20	\$0.90	25	74%	\$5.96	\$0.96	\$6.45	\$0.84
UBY OO	Univ. Phoenix Online	1	3/20/2004	\$75	\$80.59	\$0.85	21	13%	\$77.65	\$1.62	\$83.64	\$0.4
UBY OP	Univ. Phoenix Online	1	3/20/2004	\$80	\$80.59	\$2.25	45	0%	\$77.65	\$3.83	\$83.64	\$1.16
WGO OM	Winnebago	1	3/20/2004	\$65	\$68.65	\$1.00	26	-4%	\$66.59	\$1.65	\$70.77	\$0.56



## Selected Options for Naked Call Writing (50 Best Scoring For This Strategy)

Ticker	Common Name	Common			Common	Premium	Delta	Under/Over	Lower		Higher	
		Rank	Expiration	Strike					Value	Common	Premium	Common
ALE GF	ALLETE	4	7/17/2004	\$30	\$33.40	\$4.00	74	28%	\$32.82	\$3.57	\$33.99	\$4.39
BVF CD	Biovail Corp.	5	3/20/2004	\$20	\$21.01	\$2.00	64	41%	\$20.33	\$1.58	\$21.72	\$2.48
BVF CX	Biovail Corp.	5	3/20/2004	\$23	\$21.01	\$0.80	38	30%	\$20.33	\$0.57	\$21.72	\$1.09
BVF DW	Biovail Corp.	5	4/17/2004	\$18	\$21.01	\$4.20	80	24%	\$20.33	\$3.66	\$21.72	\$4.78
CPN DA	Calpine Corp.	5	4/17/2004	\$5	\$5.24	\$0.55	63	-2%	\$4.98	\$0.4	\$5.51	\$0.73
CPN DI	Calpine Corp.	5	4/17/2004	\$6	\$5.24	\$0.20	32	4%	\$4.98	\$0.13	\$5.51	\$0.29
CAM CI	Cooper Cameron	5	3/20/2004	\$45	\$45.45	\$1.25	58	-12%	\$44.06	\$0.59	\$46.88	\$2.24
DAL DU	Delta Air Lines	3	4/17/2004	\$8	\$8.97	\$1.80	78	74%	\$8.65	\$1.55	\$9.31	\$2.07
EMR CL	Emerson Electric	4	3/20/2004	\$60	\$62.25	\$2.55	77	11%	\$61	\$1.65	\$63.53	\$3.62
ESV CF	ENSCO Int'l	5	3/20/2004	\$30	\$30.51	\$1.05	61	-8%	\$29.47	\$0.52	\$31.58	\$1.82
ENZ CD	Enzo Biochem	5	3/20/2004	\$20	\$18.13	\$0.15	21	-3%	\$17.25	\$0.05	\$19.05	\$0.37
WIO AF	Equity Office P'ptys	5	1/21/2006	\$30	\$29.43	\$1.50	32	-10%	\$29.11	\$1.4	\$29.76	\$1.61
EQR GF	Equity Residential	5	7/17/2004	\$30	\$30.47	\$1.15	53	-17%	\$30.12	\$0.97	\$30.82	\$1.27
FE DH	FirstEnergy Corp.	5	4/17/2004	\$40	\$38.33	\$0.40	27	3%	\$37.66	\$0.25	\$39.01	\$0.61
QGQ CV	Hollis-Eden Pharmaceuticals	3	3/20/2004	\$13	\$13.24	\$1.30	65	33%	\$12.53	\$0.87	\$13.99	\$1.84
KSS CJ	Kohl's Corp.	5	3/20/2004	\$50	\$50.73	\$1.65	61	1%	\$49.41	\$0.96	\$52.09	\$2.58
KSS DJ	Kohl's Corp.	5	4/17/2004	\$50	\$50.73	\$2.45	58	-9%	\$49.41	\$1.75	\$52.09	\$3.31
KSS DK	Kohl's Corp.	5	4/17/2004	\$55	\$50.73	\$0.65	24	-10%	\$49.41	\$0.4	\$52.09	\$1.02
LAB EB	LaBranche & Co Inc	4	5/22/2004	\$10	\$10.42	\$1.40	62	15%	\$10.05	\$1.18	\$10.8	\$1.64
QPA CB	Lawson Software Inc	3	3/20/2004	\$10	\$8.96	\$0.35	34	57%	\$8.59	\$0.24	\$9.35	\$0.49
LQP CC	Ligand Pharmaceuticals	4	3/20/2004	\$15	\$16.50	\$1.80	77	16%	\$15.74	\$1.25	\$17.29	\$2.46
JTQ CA	Liquidmetal Technologies	5	3/20/2004	\$5	\$3.71	\$0.10	22	50%	\$3.49	\$0.06	\$3.95	\$0.15
LMT CI	Lockheed Martin	4	3/20/2004	\$45	\$45.65	\$1.40	60	23%	\$44.58	\$0.84	\$46.75	\$2.15
LYO CW	Lyondell Chemical	4	3/20/2004	\$18	\$17.76	\$0.60	59	10%	\$17.24	\$0.34	\$18.29	\$0.95
MSO CV	Martha Stewart	3	3/20/2004	\$13	\$14.10	\$2.15	73	141%	\$13.51	\$1.73	\$14.72	\$2.63
MSO CC	Martha Stewart	3	3/20/2004	\$15	\$14.10	\$0.80	43	124%	\$13.51	\$0.57	\$14.72	\$1.09
MDT CI	Medtronic Inc.	3	3/20/2004	\$45	\$47.40	\$2.75	79	33%	\$46.39	\$1.99	\$48.44	\$3.63
MDT CJ	Medtronic Inc.	3	3/20/2004	\$50	\$47.40	\$0.40	23	39%	\$46.39	\$0.22	\$48.44	\$0.69
MXT CA	Metris Cos.	4	3/20/2004	\$5	\$5.12	\$0.40	59	19%	\$4.81	\$0.24	\$5.45	\$0.62
MXT DA	Metris Cos.	4	4/17/2004	\$5	\$5.12	\$0.65	60	13%	\$4.81	\$0.48	\$5.45	\$0.86
KQM FZ	Metro One Telecom	5	6/19/2004	\$3	\$2.53	\$0.40	60	-11%	\$2.41	\$0.33	\$2.66	\$0.48
MIL CJ	Millipore Corp.	3	3/20/2004	\$50	\$52.61	\$3.30	73	34%	\$51.25	\$2.35	\$54.01	\$4.41
WIX AX	Newell Rubbermaid	5	1/21/2006	\$23	\$25.44	\$4.70	65	-15%	\$24.85	\$4.32	\$26.04	\$4.86
QKK CF	NPS Pharmac.	4	3/20/2004	\$30	\$30.00	\$1.65	53	13%	\$28.36	\$0.91	\$31.74	\$2.71
QKK DE	NPS Pharmac.	4	4/17/2004	\$25	\$30.00	\$6.30	77	27%	\$28.36	\$5.07	\$31.74	\$7.7
QKK DF	NPS Pharmac.	4	4/17/2004	\$30	\$30.00	\$3.20	56	17%	\$28.36	\$2.36	\$31.74	\$4.24
RTN CF	Raytheon Co.	4	3/20/2004	\$30	\$31.31	\$1.55	75	22%	\$30.42	\$0.94	\$32.23	\$2.31
RTN CZ	Raytheon Co.	4	3/20/2004	\$33	\$31.31	\$0.25	27	10%	\$30.42	\$0.09	\$32.23	\$0.57
SWY CX	Safeway Inc.	4	3/20/2004	\$23	\$22.86	\$0.75	61	10%	\$22.31	\$0.45	\$23.43	\$1.14
SGP CW	Schering-Plough	4	3/20/2004	\$18	\$17.98	\$0.65	69	8%	\$17.52	\$0.37	\$18.45	\$1.02
TLB CG	Talbots Inc.	5	3/20/2004	\$35	\$34.67	\$1.00	48	9%	\$33.5	\$0.54	\$35.88	\$1.67
TWR EU	Tower Automotive	3	5/22/2004	\$8	\$6.20	\$0.45	39	43%	\$5.96	\$0.37	\$6.45	\$0.55
TOY CC	Toys 'R' Us	3	3/20/2004	\$15	\$15.34	\$0.80	61	49%	\$14.88	\$0.55	\$15.81	\$1.11
USB CF	U.S. Bancorp	3	3/20/2004	\$30	\$28.69	\$0.20	24	36%	\$28	\$0.09	\$29.4	\$0.4
VQR CV	Vertex Pharmac.	5	3/20/2004	\$13	\$11.13	\$0.10	21	-5%	\$10.59	\$0.04	\$11.7	\$0.23
WIN DA	Winn-Dixie Stores	5	4/17/2004	\$5	\$6.09	\$1.25	79	98%	\$5.93	\$1.12	\$6.26	\$1.38
WIN GA	Winn-Dixie Stores	5	7/17/2004	\$5	\$6.09	\$1.65	73	101%	\$5.93	\$1.53	\$6.26	\$1.76
ZGH AA	Winn-Dixie Stores	5	1/22/2005	\$5	\$6.09	\$2.15	72	96%	\$5.93	\$2.04	\$6.26	\$2.24
WYE CH	Wyeth	5	3/20/2004	\$40	\$40.03	\$0.90	51	5%	\$38.96	\$0.45	\$41.13	\$1.56
WYE DH	Wyeth	5	4/17/2004	\$40	\$40.03	\$1.50	52	-9%	\$38.96	\$1.01	\$41.13	\$2.12

## Selected Options for Covered Call Writing (50 Best Scoring For This Strategy)

Ticker	Common Name	Common			Expiration	Strike	Common	Premium	Delta	Under/Over	Lower		Higher	
		Rank								Value	Common	Premium	Common	Premium
IBU CU	ABIOMED Inc.	1	3/20/2004	\$8	\$7.16	\$0.20	38	-9%	\$6.79	\$0.09	\$7.55	\$0.38		
ANN CI	AnnTaylor Stores	1	3/20/2004	\$45	\$46.04	\$2.00	63	-7%	\$44.28	\$1.06	\$47.87	\$3.32		
IDK CK	Biogen Idec Inc.	1	3/20/2004	\$55	\$57.27	\$3.70	66	14%	\$54.71	\$2.19	\$59.95	\$5.69		
IHD CL	Biogen Idec Inc.	1	3/20/2004	\$60	\$57.27	\$1.35	35	13%	\$54.71	\$0.64	\$59.95	\$2.52		
CHS CI	Chico's FAS	1	3/20/2004	\$45	\$44.09	\$1.15	43	-12%	\$42.25	\$0.53	\$46.01	\$2.16		
CCU CI	Clear Channel	1	3/20/2004	\$45	\$43.50	\$0.45	30	-6%	\$42.22	\$0.18	\$44.82	\$0.96		
CCU DH	Clear Channel	1	4/17/2004	\$40	\$43.50	\$4.00	80	-11%	\$42.22	\$3.02	\$44.82	\$5.12		
CBH CL	Commerce Bancorp NJ	1	3/20/2004	\$60	\$61.27	\$2.15	65	-2%	\$60.11	\$1.46	\$62.45	\$2.99		
CBH FL	Commerce Bancorp NJ	1	6/19/2004	\$60	\$61.27	\$4.10	59	-13%	\$60.11	\$3.44	\$62.45	\$4.84		
ELN DW	Elan Corp. ADR	1	4/17/2004	\$18	\$16.77	\$1.40	49	22%	\$15.95	\$1.03	\$17.63	\$1.85		
ELN DD	Elan Corp. ADR	1	4/17/2004	\$20	\$16.77	\$0.70	31	23%	\$15.95	\$0.49	\$17.63	\$0.98		
UDB CF	eResearchTechnology	1	3/20/2004	\$30	\$31.60	\$2.45	67	-13%	\$30.09	\$1.52	\$33.18	\$3.64		
RQC CF	Ericsson ADR	1	3/20/2004	\$30	\$29.21	\$0.80	42	-3%	\$27.82	\$0.35	\$30.67	\$1.55		
RQC DF	Ericsson ADR	1	4/17/2004	\$30	\$29.21	\$1.60	47	-14%	\$27.82	\$1.02	\$30.67	\$2.38		
GQD CB	Geron Corp	1	3/20/2004	\$10	\$8.90	\$0.15	24	-14%	\$8.41	\$0.07	\$9.42	\$0.3		
HOV CP	Hovnanian Enterpr. 'A'	1	3/20/2004	\$80	\$84.47	\$5.50	75	-9%	\$81.86	\$3.67	\$87.17	\$7.7		
HOV CQ	Hovnanian Enterpr. 'A'	1	3/20/2004	\$85	\$84.47	\$2.45	49	-11%	\$81.86	\$1.38	\$87.17	\$3.97		
N CH	Inco Limited	1	3/20/2004	\$40	\$37.70	\$0.30	23	1%	\$36.73	\$0.14	\$38.69	\$0.57		
N DG	Inco Limited	1	4/17/2004	\$35	\$37.70	\$3.40	74	-2%	\$36.73	\$2.7	\$38.69	\$4.19		
N DH	Inco Limited	1	4/17/2004	\$40	\$37.70	\$1.00	35	4%	\$36.73	\$0.71	\$38.69	\$1.38		
N GH	Inco Limited	1	7/17/2004	\$40	\$37.70	\$2.50	45	-2%	\$36.73	\$2.09	\$38.69	\$2.97		
ESI CG	ITT Educational	1	3/20/2004	\$35	\$36.21	\$2.60	62	19%	\$34.89	\$1.84	\$37.58	\$3.53		
ESI CH	ITT Educational	1	3/20/2004	\$40	\$36.21	\$0.90	30	31%	\$34.89	\$0.58	\$37.58	\$1.35		
ESI DH	ITT Educational	1	4/17/2004	\$40	\$36.21	\$2.00	39	19%	\$34.89	\$1.53	\$37.58	\$2.57		
MOT DR	Motorola Inc.	1	4/17/2004	\$17	\$18.38	\$1.75	75	-14%	\$17.7	\$1.28	\$19.08	\$2.31		
MOT DS	Motorola Inc.	1	4/17/2004	\$18	\$18.38	\$1.15	59	-12%	\$17.7	\$0.79	\$19.08	\$1.6		
QQQ CJ	NASDAQ 100 SHARES	1	3/20/2004	\$36	\$36.72	\$1.10	67	-8%	\$35.72	\$0.53	\$37.75	\$1.9		
JWN CH	Nordstrom Inc.	1	3/20/2004	\$40	\$39.77	\$0.90	48	1%	\$38.57	\$0.44	\$41.01	\$1.61		
JWN DH	Nordstrom Inc.	1	4/17/2004	\$40	\$39.77	\$1.60	50	-11%	\$38.57	\$1.07	\$41.01	\$2.29		
NT CU	Nortel Networks	1	3/20/2004	\$8	\$7.72	\$0.45	62	8%	\$7.34	\$0.25	\$8.11	\$0.73		
NT DJ	Nortel Networks	1	4/17/2004	\$7	\$7.72	\$0.95	74	-11%	\$7.34	\$0.69	\$8.11	\$1.26		
NKQ CV	Novell Inc.	1	3/20/2004	\$13	\$11.20	\$0.15	22	-6%	\$10.67	\$0.07	\$11.76	\$0.3		
NKQ EB	Novell Inc.	1	5/22/2004	\$10	\$11.20	\$1.85	71	-14%	\$10.67	\$1.49	\$11.76	\$2.26		
POG CJ	Patina Oil & Gas	1	3/20/2004	\$50	\$52.37	\$3.00	74	8%	\$50.99	\$2.05	\$53.79	\$4.13		
PFE DG	Pfizer Inc.	1	4/17/2004	\$35	\$36.77	\$2.20	73	-8%	\$35.98	\$1.65	\$37.57	\$2.83		
PD CQ	Phelps Dodge	1	3/20/2004	\$85	\$87.60	\$4.40	65	31%	\$85.4	\$3.08	\$89.86	\$6.01		
PD CR	Phelps Dodge	1	3/20/2004	\$90	\$87.60	\$2.00	40	33%	\$85.4	\$1.25	\$89.86	\$3.02		
PD DP	Phelps Dodge	1	4/17/2004	\$80	\$87.60	\$9.60	76	27%	\$85.4	\$7.99	\$89.86	\$11.38		
PD DQ	Phelps Dodge	1	4/17/2004	\$85	\$87.60	\$6.30	61	24%	\$85.4	\$5.02	\$89.86	\$7.77		
PHM DJ	Pulte Homes	1	4/17/2004	\$50	\$54.21	\$5.40	74	8%	\$52.68	\$4.31	\$55.79	\$6.63		
RCV DW	Red Hat Inc.	1	4/17/2004	\$18	\$18.44	\$2.05	64	-14%	\$17.4	\$1.44	\$19.54	\$2.81		
UQG GU	SuperGen Inc	1	7/17/2004	\$8	\$7.63	\$1.75	63	20%	\$7.23	\$1.51	\$8.05	\$2.02		
UBY CO	Univ. Phoenix Online	1	3/20/2004	\$75	\$80.59	\$6.40	78	9%	\$77.65	\$4.21	\$83.64	\$9.03		
UBY CQ	Univ. Phoenix Online	1	3/20/2004	\$85	\$80.59	\$0.95	27	-4%	\$77.65	\$0.38	\$83.64	\$2.01		
URQ CI	Urban Outfitters	1	3/20/2004	\$45	\$43.69	\$1.00	40	-9%	\$41.96	\$0.47	\$45.49	\$1.86		
VAR CQ	Varian Medical Sys.	1	3/20/2004	\$85	\$84.76	\$2.00	50	5%	\$82.6	\$1.1	\$86.97	\$3.28		
VAR EP	Varian Medical Sys.	1	5/22/2004	\$80	\$84.76	\$7.80	68	-4%	\$82.6	\$6.4	\$86.97	\$9.38		
VAR EQ	Varian Medical Sys.	1	5/22/2004	\$85	\$84.76	\$5.20	53	-1%	\$82.6	\$4.13	\$86.97	\$6.44		
ZMH CO	Zimmer Holdings	1	3/20/2004	\$75	\$77.06	\$3.00	68	-10%	\$75.54	\$2.04	\$78.62	\$4.17		
ZMH FN	Zimmer Holdings	1	6/19/2004	\$70	\$77.06	\$9.00	76	-9%	\$75.54	\$7.86	\$78.62	\$10.22		

## Selected Options for Married Put Buying (50 Best Scoring For This Strategy)

Ticker	Common Name	Common			Common	Premium	Delta	Under/Over	Lower		Higher	
		Rank	Expiration	Strike					Common	Premium	Common	Premium
YA MJ	Agilent Technologies	1	1/21/2006	\$50	\$34.43	\$17.10	71	-51%	\$32.92	\$18.18	\$36.01	\$16.02
WEW MK	Amazon.com	1	1/21/2006	\$55	\$42.22	\$16.80	58	-56%	\$39.94	\$18.18	\$44.63	\$15.45
WEW ML	Amazon.com	1	1/21/2006	\$60	\$42.22	\$20.60	65	-56%	\$39.94	\$22.13	\$44.63	\$19.08
WEW MM	Amazon.com	1	1/21/2006	\$65	\$42.22	\$24.80	71	-56%	\$39.94	\$26.44	\$44.63	\$23.16
WEW MN	Amazon.com	1	1/21/2006	\$70	\$42.22	\$29.10	75	-56%	\$39.94	\$30.84	\$44.63	\$27.34
WEW MO	Amazon.com	1	1/21/2006	\$75	\$42.22	\$33.60	78	-55%	\$39.94	\$35.41	\$44.63	\$31.76
ZXK MX	AmeriTrade Holding	1	1/22/2005	\$23	\$16.92	\$6.60	69	-49%	\$16.01	\$7.24	\$17.88	\$5.97
ZXK ME	AmeriTrade Holding	1	1/22/2005	\$25	\$16.92	\$8.60	79	-51%	\$16.01	\$9.32	\$17.88	\$7.88
WKZ MC	AmeriTrade Holding	1	1/21/2006	\$15	\$16.92	\$2.80	30	-49%	\$16.01	\$3.08	\$17.88	\$2.53
YZU MM	Biogen Idec Inc.	1	1/21/2006	\$65	\$57.27	\$15.30	49	-49%	\$54.71	\$16.6	\$59.95	\$14.04
YZU MR	Biogen Idec Inc.	1	1/21/2006	\$90	\$57.27	\$34.70	74	-49%	\$54.71	\$36.61	\$59.95	\$32.78
XBL MN	BIOTECH HOLDERS TRUST	1	1/22/2005	\$170	\$148.10	\$25.70	70	-49%	\$143.84	\$28.77	\$152.48	\$22.76
YEE MN	BIOTECH HOLDERS TRUST	1	1/21/2006	\$170	\$148.10	\$29.50	60	-51%	\$143.84	\$32.12	\$152.48	\$26.97
DVA SI	DaVita Inc.	1	7/17/2004	\$45	\$46.45	\$2.15	38	-51%	\$44.65	\$2.92	\$48.32	\$1.52
ET OP	E*Trade Fin'l	1	3/20/2004	\$14	\$14.24	\$0.30	39	-56%	\$13.52	\$0.68	\$15	\$0.1
ET SQ	E*Trade Fin'l	1	7/17/2004	\$16	\$14.24	\$2.40	65	-57%	\$13.52	\$2.89	\$15	\$1.94
XCK MW	E*Trade Fin'l	1	1/22/2005	\$18	\$14.24	\$4.10	65	-57%	\$13.52	\$4.58	\$15	\$3.63
YZK MD	E*Trade Fin'l	1	1/21/2006	\$20	\$14.24	\$6.80	65	-57%	\$13.52	\$7.27	\$15	\$6.33
YZK MX	E*Trade Fin'l	1	1/21/2006	\$23	\$14.24	\$8.90	73	-56%	\$13.52	\$9.42	\$15	\$8.38
YKF MY	Emulex Corp.	1	1/21/2006	\$28	\$24.10	\$7.90	45	-55%	\$22.53	\$8.63	\$25.78	\$7.19
YKF MF	Emulex Corp.	1	1/21/2006	\$30	\$24.10	\$9.60	51	-56%	\$22.53	\$10.42	\$25.78	\$8.8
YKF MG	Emulex Corp.	1	1/21/2006	\$35	\$24.10	\$13.20	61	-57%	\$22.53	\$14.19	\$25.78	\$12.22
YKF MH	Emulex Corp.	1	1/21/2006	\$40	\$24.10	\$17.30	70	-57%	\$22.53	\$18.41	\$25.78	\$16.18
YKF MI	Emulex Corp.	1	1/21/2006	\$45	\$24.10	\$21.80	77	-56%	\$22.53	\$22.99	\$25.78	\$20.59
GYI SJ	Getty Images	1	7/17/2004	\$50	\$51.69	\$3.20	39	-51%	\$49.2	\$4.28	\$54.3	\$2.31
YUE MI	Getty Images	1	1/21/2006	\$45	\$51.69	\$5.70	28	-55%	\$49.2	\$6.45	\$54.3	\$5
WBW MG	Juniper Networks	1	1/21/2006	\$35	\$25.82	\$12.40	56	-51%	\$24.31	\$13.27	\$27.43	\$11.54
WBW MH	Juniper Networks	1	1/21/2006	\$40	\$25.82	\$16.30	65	-52%	\$24.31	\$17.3	\$27.43	\$15.3
WBW MI	Juniper Networks	1	1/21/2006	\$45	\$25.82	\$20.60	71	-51%	\$24.31	\$21.69	\$27.43	\$19.5
WBW MJ	Juniper Networks	1	1/21/2006	\$50	\$25.82	\$25.00	76	-51%	\$24.31	\$26.17	\$27.43	\$23.81
YTIMD	Knight Trading Group	1	1/21/2006	\$20	\$13.59	\$7.70	63	-49%	\$12.9	\$8.13	\$14.32	\$7.27
LH QU	Laboratory Corp.	1	5/22/2004	\$38	\$38.75	\$1.40	37	-52%	\$37.53	\$1.91	\$40.01	\$0.99
LH QH	Laboratory Corp.	1	5/22/2004	\$40	\$38.75	\$2.65	57	-53%	\$37.53	\$3.4	\$40.01	\$2
LH TG	Laboratory Corp.	1	8/21/2004	\$35	\$38.75	\$1.40	26	-51%	\$37.53	\$1.75	\$40.01	\$1.1
LH TH	Laboratory Corp.	1	8/21/2004	\$40	\$38.75	\$3.50	52	-54%	\$37.53	\$4.17	\$40.01	\$2.89
XZV MH	Laboratory Corp.	1	1/22/2005	\$40	\$38.75	\$4.80	48	-51%	\$37.53	\$5.41	\$40.01	\$4.23
UVM TH	Marvell Technology	1	8/21/2004	\$40	\$44.96	\$2.65	28	-49%	\$42.39	\$3.47	\$47.68	\$1.97
UVM TT	Marvell Technology	1	8/21/2004	\$43	\$44.96	\$3.60	36	-50%	\$42.39	\$4.63	\$47.68	\$2.73
UVM TI	Marvell Technology	1	8/21/2004	\$45	\$44.96	\$4.80	44	-51%	\$42.39	\$6.04	\$47.68	\$3.72
UVM TJ	Marvell Technology	1	8/21/2004	\$50	\$44.96	\$7.80	60	-52%	\$42.39	\$9.44	\$47.68	\$6.29
ZFU MF	Nextel Commun. 'A'	1	1/22/2005	\$30	\$26.56	\$5.70	56	-55%	\$25.13	\$6.54	\$28.07	\$4.9
WFU MF	Nextel Commun. 'A'	1	1/21/2006	\$30	\$26.56	\$7.30	48	-55%	\$25.13	\$8.01	\$28.07	\$6.62
WFU MG	Nextel Commun. 'A'	1	1/21/2006	\$35	\$26.56	\$10.70	61	-57%	\$25.13	\$11.59	\$28.07	\$9.82
WFU MH	Nextel Commun. 'A'	1	1/21/2006	\$40	\$26.56	\$14.70	71	-57%	\$25.13	\$15.72	\$28.07	\$13.68
WIK ME	Nokia Corp. ADR	1	1/21/2006	\$25	\$22.07	\$5.30	55	-49%	\$21.25	\$5.76	\$22.92	\$4.84
WIK MF	Nokia Corp. ADR	1	1/21/2006	\$30	\$22.07	\$9.00	74	-52%	\$21.25	\$9.61	\$22.92	\$8.36
WLU MO	Qualcomm Inc.	1	1/21/2006	\$75	\$62.20	\$18.70	58	-52%	\$59.41	\$20.36	\$65.12	\$16.95
WLU MP	Qualcomm Inc.	1	1/21/2006	\$80	\$62.20	\$22.30	64	-52%	\$59.41	\$24.14	\$65.12	\$20.33
WLU MQ	Qualcomm Inc.	1	1/21/2006	\$85	\$62.20	\$26.00	71	-54%	\$59.41	\$28.02	\$65.12	\$23.79
WLJ MG	Research in Motion Ltd	1	1/21/2006	\$135	\$98.57	\$48.40	56	-51%	\$92.8	\$51.74	\$104.7	\$45.08

Figure 2 - Sample Options Chain from Screener

Value Line Option Screener - Result Table										
Results: 1 - 108 out of 108 option(s) « Previous 1 - 108 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	Expiration Date	Strike Price	Recent Price Bid	Writer's Option Implied Vol	Writer's Under/Over Priced	Cov'd Call/Put Write Protection	Cov'd Call/Put Write Return
<input type="checkbox"/> (1) ELN CV (ELN)	Elan Corp. ADR	13.02	1	2004-03-20	12.50	1.10	0.61	0.24	0.08	1.09
<input type="checkbox"/> (2) ELN OV (ELN)	Elan Corp. ADR	13.02	1	2004-03-20	12.50	0.55	0.59	0.21	0.08	0.91
<input type="checkbox"/> (3) ELN DV (ELN)	Elan Corp. ADR	13.02	1	2004-04-17	12.50	1.45	0.60	0.05	0.11	0.72
<input type="checkbox"/> (4) ELN PV (ELN)	Elan Corp. ADR	13.02	1	2004-04-17	12.50	0.90	0.59	0.04	0.10	0.63
<input type="checkbox"/> (5) ELN GV (ELN)	Elan Corp. ADR	13.02	1	2004-07-17	12.50	2.10	0.56	-0.17	0.16	0.41
<input type="checkbox"/> (6) ELN DC (ELN)	Elan Corp. ADR	13.02	1	2004-04-17	15.00	0.55	0.61	0.06	0.04	0.35
<input type="checkbox"/> (7) ELN SV (ELN)	Elan Corp. ADR	13.02	1	2004-07-17	12.50	1.55	0.57	-0.16	0.15	0.35
<input type="checkbox"/> (8) ELN JV (ELN)	Elan Corp. ADR	13.02	1	2004-10-16	12.50	2.60	0.56	-0.22	0.19	0.32
<input type="checkbox"/> (9) ELN CC (ELN)	Elan Corp. ADR	13.02	1	2004-03-20	15.00	0.20	0.58	0.16	0.01	0.27
<input type="checkbox"/> (10) ELN VV (ELN)	Elan Corp. ADR	13.02	1	2004-10-16	12.50	2.00	0.56	-0.21	0.19	0.27
<input type="checkbox"/> (11) ELN GC (ELN)	Elan Corp. ADR	13.02	1	2004-07-17	15.00	1.15	0.56	-0.18	0.08	0.26
<input type="checkbox"/> (12) ELN PC (ELN)	Elan Corp. ADR	13.02	1	2004-04-17	15.00	2.45	0.58	0.01	0.03	0.25
<input type="checkbox"/> (13) ELN JC (ELN)	Elan Corp. ADR	13.02	1	2004-10-16	15.00	1.65	0.56	-0.23	0.12	0.23
<input type="checkbox"/> (14) ZEB AC (ELN)	Elan Corp. ADR	13.02	1	2005-01-22	15.00	2.10	0.55	-0.25	0.16	0.21
<input type="checkbox"/> (15) WTB AV (ELN)	Elan Corp. ADR	13.02	1	2006-01-21	12.50	4.20	0.56	-0.27	0.32	0.20

	A	B
1	<b>Figure 3 - Black Scholes Example</b>	
2	Today's Date	02/26/04
3	Common(Index)	17.00
4	Strike Price	15.00
5	Expiration Date	04/17/04
6	Interest % P.A.	2.00
7	Dividend % P.A.	0.00
8	Volatility	82.00
9		
10	Output	
11	Call	\$ 3.13
12	Put	\$ 1.09
13	Future	17.05
14	Call	3.13
15	Call Delta	71%
16	Call Theta	0.0171
17	Put	1.09
18	Put Delta	28%
19	Put Theta	0.0173
20	Gamma	\$0.00065
21	Vega	0.0190



## Spring 2004 Options Seminar Schedule

Register by phone 1-800-654-0508 or go to [www.valueline.com](http://www.valueline.com)

We are pleased to announce our Spring 2004 Options Training Seminars. We designed these sessions to teach you how to use options as an investment tool and how to get the most out of *The Value Line Daily Options Survey*.

### **Continental Breakfast (8:30 to 9:00)**

### **Morning Session (9:00 a.m. to 12:00 noon)**

We start with an introduction to options and an overview of the options market. We then discuss the basic option strategies (Call & Put Buying, Call & Put Writing, Covered Call Writing and Married Put Buying) and we will review the recent performance of our option ranks. We will then show you how to get started with our new, interactive, online service. We will cover such topics as what to look for in an option and how to find options that suit your objectives.

### **Coffee & Tea Break (10:00 a.m.)**

### **Lunch (12:00 Noon to 1:00 p.m.)**

### **Afternoon Session (1:00 p.m. to 4:00 p.m.)**

We will show you how to use our daily download files for advanced option queries. We will walk you through our templates for portfolio tracking, position evaluation and strategy allocations. We will show you how to build a market neutral portfolio, designed to make money in bearish as well as bullish markets. Finally, we will show you how to use option spreads to make optimum use of your capital with limited risk.

There is a registration fee of \$145 for the day, which includes a copy of the presentation. You must make hotel reservations directly with the hotel, phone numbers are provided below. In addition, lunch will be provided. As space is limited, pre-registration is required, and we cannot offer refunds. You may, however, designate someone to attend in your place. You must make hotel reservations directly with the hotel.

### **Locations:**

**Las Vegas, NV**  
**\*Sunday, April 18, 2004**  
**MGM Grand Hotel & Casino**  
**3799 Las Vegas Blvd. South**  
**Las Vegas, NV 89109**  
**702-891-7777**  
**For hotel reservations, go to**  
**[www.mgmgrand.com](http://www.mgmgrand.com)**

**White Plains, NY**  
**Saturday, May 15, 2004**  
**Crowne Plaza**  
**66 Hale Avenue**  
**White Plains, NY 10601**  
**914-682-0050**  
**For hotel reservations, go to**  
**[www.crowneplaza.com](http://www.crowneplaza.com)**

\* The April 18 Seminar in Las Vegas and the May 2 Seminar in London will be given on a Sunday (the day after the Value Line Investment Survey seminars).

**Market Review - Week Ending 03/02/04**

<b>Market Indexes</b>	<b>Close</b>	<b>% Change</b>	<b>Volatility Indexes*</b>	<b>% Change</b>
Dow Jones Industrial	10,591.48	0.24%		
Nasdaq 100	1,473.22	0.76%	22.42	-9.16%
S&P 500	1149.1	0.88%	14.86	-6.54%

**Performance Tables**

<b>Common Ranks</b>	<b>% Change</b>	<b>Count</b>	<b>Percent</b>
Rank 1	4.01%	8742	8.45%
Rank 2	3.19%	20804	20.12%
Rank 3	3.00%	57448	55.56%
Rank 4	2.66%	12423	12.01%
Rank 5	2.92%	3981	3.85%

**Call Buyer's Ranks**

Rank 1	27.03%	4038	7.80%
Rank 2	20.09%	10071	19.47%
Rank 3	18.86%	37628	72.73%

**Call Writer's Ranks**

Rank 5	-16.02%	2173	6.06%
Rank 4	-14.27%	5741	16.01%
Rank 3	-14.57%	27952	77.93%

**Covered Call Ranks**

Rank 1	2.39%	2685	7.49%
Rank 2	-0.48%	6198	17.28%
Rank 3	0.90%	17549	48.93%
Rank 4	1.06%	6487	18.09%
Rank 5	0.97%	2947	8.22%

**Put Buying Ranks**

Rank 1	-13.34%	5067	9.79%
Rank 2	-14.30%	9723	18.79%
Rank 3	-15.59%	36952	71.42%

**Put Writer's Ranks**

Rank 5	13.36%	2628	6.98%
Rank 4	12.91%	6013	15.96%
Rank 3	11.96%	29033	77.06%

**Married Put Ranks**

Rank 1	1.14%	4060	7.85%
Rank 2	0.80%	10292	19.89%
Rank 3	1.02%	24781	47.89%
Rank 4	1.31%	7797	15.07%
Rank 5	1.67%	4812	9.30%

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