

The Wheel Options Strategy Summary

how to find the best stocks for the wheel

now if you're new to the channel let's actually talk about the wheel options trading strategy for just a moment and what that is how it works and why

it is so critical to have the absolute best stocks and here is how it works there's actually three steps to this and step number one

is that you are selling put options and you collect premium then if the stock closes below the strike price that you sold you are getting assigned so

you may or may not get assigned now if you're not getting assigned you're going back to step number one

super easy and you're selling more puts and collect more premium

however if you're getting assigned then you sell calls and

collect more premium so this is the basic premise of

the strategy and i see that i very randomly

capitalize and not capitalize it so

let's just make sure that this all cool

because i will make these notes available for you

so when we are selling put options and collecting premium

this is when we can often get blinded by the premium and i'll show you some very very specific examples so this is why it is absolutely important

you have to select the right stocks for the strategy

so let's write this down and then i will give you multiple examples so

important you must select

the right stocks and this is why i say

the best stocks for this strategy
because you might get assigned and then
here's what happens then when you're
getting assigned you own the stock
at the strike price that you sold so
let me first show you the trades that i
am in
right now my trades and also
how much money i made or lost
this week does that sound good so and
then we will talk about
how to find the best ones but let's uh
just start here because it might give
you an idea
of what i am looking for when i
am looking for the best stocks for the
wheel strategy
AAPL Example
so i want to jump over here into my
account and in my account you see right
now that we have
apple gdxj right riot
and snap so there's five stocks right
now
now you might also see oh my gosh there
is some red there's some red there's
some green
and this is why i want to dissect all of
these trades with you because i think it
is important that you understand
the wheel option strategy so we're going
to start with
apple so apple i sold
the 133 put and i collected premium for
this
i can look it up but it doesn't really
matter right now
how much it is we can take a look at
this because this is
just had a great conversation with
somebody and he called it
the dead soldier because i was assigned
so
i own apple
at 133 dollars and if you look at the
chart right now you will see that

oh my gosh this is actually
one of the stocks that is underwater
because right now i cannot sell calls
because let's talk about this here if
you sign you sell calls and collect more
premium
and this is the important thing if
possible and here's what it means by if
possible
if possible means that i can collect
enough premium that i'm making at least
30 annualized so this is my criteria
your criteria here might be different so
i got assigned apple
and i have not been able this week to
sell any calls
and as you can see on this position
right now i'm down
nine thousand three hundred dollars now
keep in mind this is why i wanna come
back to this
i wanna plot at 133
and my open super important
open p l right now it is underwater
is a negative of let's say around ten
thousand dollars now please keep in mind
i'm trading a 250 000 cash account
which is 500 000 in buying power
so if i'm losing 10 000
on an account with 500 000 buying power
how much is that in percent
and we're taking the 10 000 divided by
the buying power
of 500 000 and uh so i'm down
two percent okay so this right now is a
two percent loss for me
and the super important thing this is a
so-called
open profit and loss so this means
only if i would sell apple right now i
would realize this loss which i'm not
planning to do
because i'm planning to sell calls
against it however
this is again the dead soldier i really
like this

expression here or as one of our
mastermind members said theresa said it
apple right now is like the boyfriend
who is sitting on your couch
playing xbox all day instead of going
out
and trying to get a job right and earn
some money anyhow you get the idea here
so
this is where apple right now is my dead
soldier or
the boyfriend on the couch who is not
making any money and that is
okay and i'll show you in a moment why
that is because let's talk about
the second trade that i have and here's
the deal because this here is called
the best stocks for the wheel i do not
mind
owning apple at all now temporarily i'm
down
on this stock now do i believe that
apple
has actually a pretty good chance to uh
go
up to 133 absolutely i mean if we are
looking at the apple chart here
we just look back here over the past
let's just look back over the past
year let's actually jump to the to my
handy dandy ipad because
then i can use my pen and show you
exactly
what i'm seeing so here's what i want to
do i'm on the ipad
right now and i want to basically
zoom out for a year so that we see
what happened since last year
let me see if i can get rid of this one
so this is why it is
super important do i want to own the
stock
this is what happened a year ago this
was
february then we have marched it and we
had all

the covet stuff hitting it after this
apple
soared to new all-time highs which
was probably somewhere here around
september
and ever since has been trading between
i want to say this probably 108
and as high as 144.
so between 108 and 144
now do i believe that apple has the
potential to go up to 144
absolutely and if i wouldn't believe
this i wouldn't
trade the stock somebody says why is
this not a clear image
it should be let me just make sure let
me ask my team do we see a clear image
here or is it somewhat a little bit
blurry
it should be a very clear image at least
i hope this is what i was planning to do
this is where we go back to if i share
this
the rule number one of
the wheel club don't sell puts
on stocks that you don't want to own
i believe that apple can go up to 144
now i
also believe that apple can potentially
go
down to 108 and if this happens if it
goes down
to 108 i will fly a so-called
rescue mission and what do i do then
a rescue mission means that i'm selling
more puts sell more puts
and so this means that i would own more
apple stock
at 108. this is such an important
concept that i decided
to dedicate a coffee with marcus to it
so i will show you on monday in the next
coffee with marcus
of how exactly i'm planning to do this
and what this does
because i think it is important that

when you are trading the wheel
that you know how to fly rescue missions
because
every now and then they might happen so
i'll show this to you in the next coffee
with marcus but today let's first stay
focused on
finding the best stocks for this okay
so going back here to the first rule of
the wheel club
don't sell puts on stocks that you don't
want to own so let's talk about the next
GDXJ Example
one
gtxj is the next stock that i have
with 3dxj i sold the 48 put
and with gtxj now i own
gdxj at 48 because it closed below my
put
again if you're not familiar i'm just
giving you here the highlights of the
strategy if you would like to learn more
about the strategy
i'll leave a link in the description i
have a whole playlist for you so if you
are interested in this
take a look at that because i also want
to show you of what happened here so
apple did not make any money this week
now
gdxj on the other hand i own gdxj
and therefore i can move on to step
number three
of the wheel and this is where on monday
i sold the 48 call again remember
this is if assigned then you sell calls
and collect more premium
if possible so this was possible i'll
sold the 48 call and i'm gonna show you
exactly
how much money i made there so i sold
21 calls for 70 cents
and yesterday i bought them back for
seven
cents so 70 minus seven is 63
so i sold 21 times

the 48 call and made
63 dollars this week from monday
until yesterday so let's just now use
the handy-dandy calculator and say
how much is that in profit and then we
talk about gdxj of why
i like the idea of gtxj times 63
so this is 1000 three hundred and twenty
three dollars
so one thousand three hundred and twenty
three dollars
in profits that i realized so now
i don't have any calls there so
therefore
on monday i can sell more calls so
let's talk about gdxj what the heck is
gdxj
and why do i like this so
gtxj is an index of the gold miners
and gtxj is highly correlated to gold so
let me just add here
gold as a comparison and we're looking
at the gold futures
so i can add it here as a comparison
symbol you see
that actually as gold goes up
so does the index of the gold miners as
gold goes down
so does the index of the gold miners so
gold right now
is probably at a nine month low but
in the long term i believe that gold is
a safe haven
so especially when the market is going
down
usually gold is going up now right now
there's a different focus the focus is
on
the yield and bonds but i overall
still am bullish on gold and therefore
i'm also on the gold miner so this is
why
i don't mind owning the gold miners at
48
because there's some good premium in
this that can be sold

in fact on monday i'm planning to sell
more calls maybe i'll do it here in a
little bit
so peter says if you close dx early why
didn't you sell a new call for the next
week immediately
uh because i didn't get enough premium
and this is where
it's so important it's a great question
peter so
i collect more premium if possible and
for me my criteria
is i want to have more than 30 percent
per year or an annualized premium so
that's what i want to achieve here and
this i was able thus far for this year
make a little bit over 46 thousand
dollars in just two months so
it's not too bad i think i'm doing quite
well here so
it didn't meet my criteria i rather wait
another day
we might be able to sell one together
here in just a moment
but i want to show you the other stocks
and so again
do i like owning gdxj at this price
absolutely
do i right now lose a little bit of
money on the stock
yes but again based on my account size
how much am i losing on the stock one
percent
losing around five thousand dollars and
this is an open p l
so i would only lose it if i would close
this position right now which i'm not
planning to do because i am following
the wheel strategy where i'm
selling more calls okay is this making
sense
thus far at all is this helpful if it is
do me a favor click on like really quick
because i see here in my counter how
many likes we are getting and then i
know that this is helpful and i will

continue walking through this
but i don't want to bore you with my
traits if you
don't find this helpful at all so do me
a favor and click on like really quick
if i see
that the likes are jumping up we'll keep
going why not
uh so let's talk about the next one so
RIDE Example
the next one here
is right so let's talk about ride which
is the next stock that i own
right is actually an electric car maker
this is where i
sold the 2150 put this here where right
now i
own right at 21.50 and you might say
that's probably not a good idea and
you're right if you're looking at right
here right now
you see that right is down to 16
we can get rid of gold here so i marked
the strike price that i got assigned it
and uh right now as you can see i'm
underwater on the stock
but let's talk about before we talk
about the stock here and why i think
that this was a good stock here
and then can we talk about the best
stocks and how you can find the best
stocks and be really really
uh picky in your selection criteria so
that you
can make money with the strategy because
ultimately that's what it's all about i
mean we're here
you're watching me not because you're
bored out of your mind maybe you are
but probably because you want to have
some more tips and tricks on how to make
money and this channel is all about
real money and real trade so therefore
i'm showing you
my real trades here so let me show you
what i did with

ride this week for right
i sold the 2250 call again
after i owned the stock so here this is
what i did on monday
on monday i sold the
2250 call and i sold
47 of them and let's see at what price
and the price that i sold it for
was 30 cents right here at 30 cents and
this is where i made
30 cents per contract i sold
47. so it's 47 times 30.
so in this one i made 1410
in profits now i will keep all the
premium
and this will not get called away if
right today
closes below 22.50 but do you think
in the next 10 minutes that ride will go
above 22.50
probably not right so yeah i will keep
all of the premiums so this is
what i made profits there again i
am down on this and so we'll talk about
it why do i like right
well wright is one of the companies like
other electric car makers that are about
to produce cars so they are not there uh
with
neo and tesla yet neo and tesla they're
already producing cars
but they are about to produce cars and
this is where i want to just overlay
this uh with tesla so that you see
that uh they are like an electric car
maker
went up up above made a triple top look
at this
top top top and is right now going down
so this week
tesla same as ride is not everybody's
darling
but we know the story of tesla don't we
we can also take a look at this here if
you look at
neo and compare neo the other electric

car maker to this very very similar
up above went down went up so made a
triple top
top top top and went down here but
overall
i mean i don't know about you but i like
electric cars i mean
there's so many initiatives going on a
lot around electric cars so this is why
i don't
mind owning ride and selling calls
against it do i believe that right
can go back up to these levels
up here to 30 absolutely absolutely is
this going to have to happen today
no it does not right but that's fine i
don't own
i don't mind owning right and this is
why
it's so important we're going back to
rule number one
of the wheel club don't sell puts on
stocks that you don't want to own
i want to own right now i wanted to own
it at 21.50
did i want ride to go down 1650
no but i don't mind because i believe
that right will turn around all of the
trades that i did
thus far not a single trade this year
not a single trade has been a losing
trade
right here see all of these trades have
been winning trades when i closed them
out
now some of them looked ugly like this
while they were still open but then they
came back because
what do we do we follow our plan