**If you are determined to learn, no one can stop you.**

**Don’t front run, don’t Guess, don’t Gamble, Be surgical and reactive.**

The tallest mountains are conquered with the smallest steps. | A journey of a thousand miles begins with a single step

Beginners

Stock Market for Beginners 2025 | Step by Step Guide[**https://www.youtube.com/watch?v=bqPSFw1eiNc**](https://www.youtube.com/watch?v=bqPSFw1eiNc)

Options Trading (Call / Put / Covered Call / Cash Secured Puts) [**https://www.youtube.com/watch?v=NW1ziUDjB7w**](https://www.youtube.com/watch?v=NW1ziUDjB7w)

Complete Stock Trading - Zero to Hero in 12 Hour (Paid Ver) [**https://www.udemy.com/course/learn-stock-trading-from-scratch**](https://www.udemy.com/course/learn-stock-trading-from-scratch)

How to: Sell a Covered Call on Robinhood[**https://www.youtube.com/watch?v=bN36vX8-S9A**](https://www.youtube.com/watch?v=bN36vX8-S9A)

How to: Sell Cash-Secured Puts on Robinhood [**https://www.youtube.com/watch?v=VJ2hzILF1Vo**](https://www.youtube.com/watch?v=VJ2hzILF1Vo)

How to: Buy to Close [**https://www.youtube.com/watch?v=UYJ1IA9X7To**](https://www.youtube.com/watch?v=UYJ1IA9X7To)

How to: Roll an Option [**https://www.youtube.com/watch?v=EGdzJBfvZA8**](https://www.youtube.com/watch?v=EGdzJBfvZA8)

How to: Wheel Strategy [**https://www.youtube.com/watch?v=WIgznD3-SCc**](https://www.youtube.com/watch?v=WIgznD3-SCc)

8000$/Month selling covered calls. [**https://www.youtube.com/watch?v=hstDr\_1QHxU**](https://www.youtube.com/watch?v=hstDr_1QHxU)

|  |  |
| --- | --- |
| **Buy to Open**: Buy CALL / BUY PUT option | **Sell to Close**: Close CALL / PUT option you bought. |
| **Sell to Open**: SELL CALL (Covered Call)  SELL PUT (Cash Secured PUT). | **Buy to Close**: Close CALL / PUT option you sold. |

Links to Indicators I use [EMA](https://www.youtube.com/watch?v=jdYNaE5GJ0k) [RSI](https://www.youtube.com/watch?v=4dVB_g5YeSE) [VWAP](https://www.youtube.com/watch?v=wVof35ErhEY) [MACD](https://www.youtube.com/watch?v=BSONTIf9rdY) [Order Block](https://www.youtube.com/watch?v=E6vhWtDciic) [Bollinger Band](https://www.youtube.com/watch?v=KsUCmWpyqh8)

**Tools:** <https://www.barchart.com/> <https://www.tradingview.com/> <https://tradingeconomics.com/calendar>

**Option Definition – Contract between 2 Parties (a Buyer & a Seller)**

Options have two types: Calls & Puts

You Buy Calls if you think the stock price is going up (Buy towards the direction)

You Buy Puts if you think the stock price is going down (Buy towards the direction)

You Sell Calls if you think the stock price is going down (Sell towards the opposite direction of the market trend)

You Sell Puts if you think the stock price is going up (Sell towards the opposite direction of the market trend)

The BUYER always has the RIGHT/OPTION to BUY the stock, or PUT the stock to another person.

**The 90/90/90 Rule =>** 90**% of traders lose 90% of their money in the first 90 days**.

1. **Use Paper trading to test a strategy for at least 2 weeks before using actual money.**
2. **Stick to buying good companies & buy those companies only at bargain prices.**
3. **Consistently making 1% on 10,000$ will get you 1.4 million in 2-year timeframe**
4. **The stock market is a device for transferring money from the impatient to the patient - Warren Buffett**
5. **Take a break if you consistently winning, otherwise overconfidence and carelessness can lead to very big loss**
6. Select stocks;

Only from S&P 500 and Nasdaq and with high volume, volatility and economic moat (competitive adv. NVDA, NFLX)

and owned by institutions and mega investors.

1. Buy ONLY when the ALL of the following matches.
   * Step 4 Satisfied.
   * Analyze the company’s financial health, focusing on revenue, profit, and debt levels.
   * Review the company's earnings growth trends over recent quarters and years
   * Assess the stock’s valuation using metrics like P/E ratio, P/B ratio, and PEG ratio.
   * Investigate the company’s competitive position and market share in its industry.
   * Evaluate the quality and stability of the company’s management team.
   * Examine cash flow to ensure the company generates sufficient operational income.
   * Check recent news for any impactful events or regulatory issues.
   * Analyze industry trends to see if the sector is in a growth or decline phase.
   * Study analyst ratings and price targets but form your own conclusions.
   * Understand the company’s business model and primary revenue sources.
   * Assess the company's long-term potential rather than just short-term gains.
   * Learn about the stock/Product fully before buying one last time.
   * Buy only the stocks from your own stock universe, don’t buy some new stock because metfool says so.
   * RSI < 30.
   * Price less than EMA (Exponential Moving Average).
   * Price is on Support.
   * Price almost touching the lower band of Bollinger Band.
   * Price is trying to move over the VWAP indicator.
   * MCAD is gaining momentum.
   * No Recent Bad news about the stock/ETF.
   * Analysis on Major websites are positive.
   * Has at least minimum 2% to 20% ATR.
   * Buy when the downturn is ended and one or 2 green candle is generated.
   * Buy only when you have decided on a price for stop loss.
   * Patiently wait until the price you are comfortable (sometimes you have to patiently wait for months)
   * Don’t buy stocks if the price is less than 200 days moving average.
   * Don’t buy stocks on hunch alone, your hunch along with indicators need to match before decision.
2. Sell if any or a combination of items gets satisfied.
   * RSI > 70 and at resistance.
   * When you are 30% profit on the stock.
   * When there is a negative news about the stock you own.
   * When you know selling current stock and investing in another is going to profitable.
   * Sell and cashout when you know unemployment news etc are coming in a day or two.
3. Bollinger Band / EMA / MACD / RSI / Support / Resistance / Trend Lines / ATR/ VWAP/ RSI
4. Learn to Trade, not to make money. If you are a patient disciplined trade, money follows you.
5. Avoid trading during the first 15 to 20 minutes of the market open.
6. **Sell** Stocks between 8.30am to 9.30am | **Buy** stocks around 11am, 1pm or between 2.45 to 3pm.
7. Use limit orders, not market orders
8. Know your entry price, exit price, and stop-loss even before you enter the trade
9. Beginners should not use margin.
10. Have a selling plan
11. Keep a journal of all your trades
12. any pros swear by their journal, where they keep records of all their winning and losing trades.

Write down what you did right or wrong. Doing so will help you improve as a trader, which is your primary goal.

Not surprisingly, you’ll probably learn more from your losers than your winners.

1. Cut your losses.
2. Trade strong stocks long in an uptrend; short weak stocks in a downtrend.
3. Wait for the pullback/retest
4. Stay in the market 30 to 40 percent of the time. The rest of the time be cunningly patient, doing your homework and analysis, holding cash positions, waiting for the next big opportunity and the right setups to present themselves.
5. Don’t trade when the trend is unclear. Remember no trade or no position is great position.
6. Daily Routine:
7. Do analysis on your stock the previous night / Check overnight trades / check gap up and gap downs.

Check news events and draw on the chart / Look for entries on higher timeframe to decide the direction followed by lower timeframe / Take into consideration on major Index. If Major index is red, individual stocks will turn red.

Record trades throughout the day. / Review trades end of day or week.

1. <https://tradingeconomics.com/calendar> note important dates like CPI, PPI, unemployment, Jolts etc.
2. User Stop Loss or Hedge your stocks for downside. Learn to protect **profit** by using trailing stop loss.
3. Options are tough to understand, ask your friend to teach you basics before investing time yourself
4. Don’t Buy options, Even If you are 100% sure :) (**I never bought options**, only sold options).
5. Allocate max 20% of your portfolio for sell options.
6. Sell Options and generate income using Covered calls and absolutely know how to roll an Option.
7. Please keep options simple to covered call alone, no need for fancy spreads/straddle/strangle/condor/butterfly
8. Buy Options when VIX < 20 | Sell Options when VIX > 30
9. Allocate the highest % of funds to your best growth stock.
10. Know your stocks earnings date and don’t run through the earning. IV gets crushed on or after Earnings Report Date.
11. Buy Stocks 3 weeks before the Earnings date and sell the same 2 or 3 days before the Earnings date.
12. 50 cents profit on 500 stocks is 250$, 2 trades will get 500$ a day. So having 1% to 2% daily goal is doable
13. Stocks communicate in whole numbers. \*\* Institutions play in Whole numbers, so I play in fractions \*\*
14. Set Alerts on stocks.
15. Invest 50% of your capital and keep the other 50% in cash for bad day / Red day.
16. Patience and discipline are the key in buying and selling. (If you are in doubt don’t trade, your 1st thought is 90% right).
17. Keep daily track of stocks. |The night before and do analysis and be ready for the next day.
18. Treat every $ as your Parents/Wife/Kids money. You will automatically become very responsible.
19. Don’t average on losing stock.
20. Follow great investors like Warren Buffet, Charlie Munger, Nancy Pelosi etc.
21. Try to stay very little time in the market. (to minimize drawdown, swipe and be out safe as quickly as possible).
22. Use discord to record your trades. Keep a trading journal – study your winning and losing trades.
23. In trading 30 percent is strategy and 70 percent psychology.
24. Keep an eye on US30, US100, SP500, IV and VIX and high impact news like layoffs, mergers, new CIO etc.
25. Keep an eye on Elections, news, wars, Economy. (This is one of the main reasons to lose money).
26. Watch news like CNBC etc. to keep up to date in the market. Visit Barchart.com for news.
27. Big move is always followed by retracement or pullback.
28. Have the stomach to do nothing on deep red days, don’t panic sell, ultimately things will be back to normal.
29. Don’t overtrade on winning or losing days. If you are using 500 shares on winning day, use same qty on loosing day.
30. Fidelity, Schwab etc. all have facility to research on stocks, Make use of this free service.
31. Remove fear & emotions in trade. Aug 5th 24 Dip: Retailer sold $1 Billion; institutions bought +$14 billion
32. TEAM: Together Each Achieves More (Validate and do you own analysis after getting TEAM ideas).
33. Slow and steady win a race. Always analyze and improve your trades.
34. Practice, Practice, Practice and keep learning. Read Books on Stocks / Options
35. Buy Options at the money if possible and only if you an expert, then buy options.
36. Spread out trades between multiple non-correlated stock groups.
37. If you using options Learn Covered call, Bear Call Spread, Bull Put Spread, Short Strangles, Naked Calls and Puts.
38. Sit out on bear market.
39. The most important strategy begins in your mind. Be more focused on your target and become profitable
40. It is not over when you lose, it is over when you quit.
41. Just because you had a big day, “doesn’t mean you can lose respect for money. Because when you’re trading, you can lose money just as fast as you got it.”

Follow YouTube channel

<https://www.youtube.com/@parkevtatevosiancfa9544> (Stock Selection)

<https://www.youtube.com/@FiredUpWealth> (Stock Selection)

<https://www.youtube.com/@tastyliveshow> (Deep advanced Analysis).

<https://www.youtube.com/@juniortrader> (Chart Analysis)

<https://www.youtube.com/@ChrisSain1> (Chart Analysis)

<https://www.youtube.com/@honeydripnet>

<https://www.youtube.com/@InvestwithHenry>

<https://www.youtube.com/@TomNashTV>

<https://www.youtube.com/@StockAnalysiswithIQBAL>

<https://www.youtube.com/@JerryRomineStocks>

<https://www.youtube.com/@wethekhmers>

<https://www.youtube.com/@STOCKUPwithLarryJones>

<https://www.youtube.com/@ReyJayTrades>

<https://www.youtube.com/@KenanGrace>

Public Library Users \*\* Good to do these courses when you have time \*\*

McKinney => <https://galeapps.gale.com/apps/udemy/auth?userGroupName=txshrpub100250> (Frisco txshrpub100509)

<https://gale.udemy.com/course/foundation-course/>

<https://gale.udemy.com/course/advanced-course-plus-strategies/>

<https://gale.udemy.com/course/day-trading-swing-trading-strategies-stocks>

<https://gale.udemy.com/course/live-stock-trading-course-beginner-to-pro/>

<https://gale.udemy.com/course/complete-course-introduction-to-option-trading/> : First 6 chapters Alone

Advanced Options

Bull Put Spread alias | Short Put Spread | Put Credit Spread | Selling a put spread” |

Used when Price is at support with large buy orders.

<https://www.youtube.com/watch?v=51l6HFcvl70>

<https://www.barchart.com/education/webinars/176/earning-income-with-bull-put-options-credit-spreads>

<https://www.barchart.com/media/education/pdf/Earning%20Income%20with%20Bull%20Put%20Options%20Spreads.pdf>

Bear Call Spread: Price at Resistance with large sell orders

<https://www.youtube.com/watch?v=dKvlQDDcClc>

<https://www.youtube.com/watch?v=ih5VMCN6biQ>

**Bull Put Spread (Slight Bullish, Price at Support, Low-Risk)**

**Other Names: Put Credit Spread, Short Put Spread, Bull Put Spread,**

<https://www.tastylive.com/concepts-strategies/bull-put-spread>

[**https://www.youtube.com/watch?v=j4VddcIlDkQ**](https://www.youtube.com/watch?v=j4VddcIlDkQ)

A Bull Put Spread is a bullish options strategy that involves selling a higher-strike put and buying a lower-strike put, both with the same expiration date. It is designed to profit from a stock staying above the higher strike price

**Sell a higher strike put option and buy a lower strike put option with the same expiration date**

**Stock**: XYZ is trading at $50.

**Strategy**: Sell a $48 strike put for $2.50 and buy a $45 strike put for $1.00.

* **Net Credit**: $2.50 - $1.00 = $1.50 ($150 per contract).
* **Maximum loss**: Difference in strike prices ($48 - $45 = $3) - Net Credit ($1.50) = $1.50 ($150 per contract).
* **Maximum Profit**: The net credit received ($1.50 or $150 per contract).

**Scenarios**:

* **If stock stays above $48**: Both puts expire worthless. You keep the net credit = $150 profit.
* **If stock falls below $45**: Both puts are exercised. Loss = $150 (maximum risk).

**Important Considerations**

1. **Time Decay**: This strategy benefits from time decay because you receive a premium upfront. The options lose value over time, especially the short call, which helps increase profit as expiration approaches.
2. **Implied Volatility**: High implied volatility can increase premiums, which may result in a higher net credit at the start. However, if volatility drops, it can make it easier for the options to expire worthless, benefitting the trade.

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**How It Works:**

* **Slightly Bullish Outlook:** If you expect the stock price to stay above a certain level but don’t anticipate a big move upward, this strategy works well. Example: If a stock is trading at $100, you might sell a $95 put and buy a $90 put.

**Why "Play the Opposite Side"?**

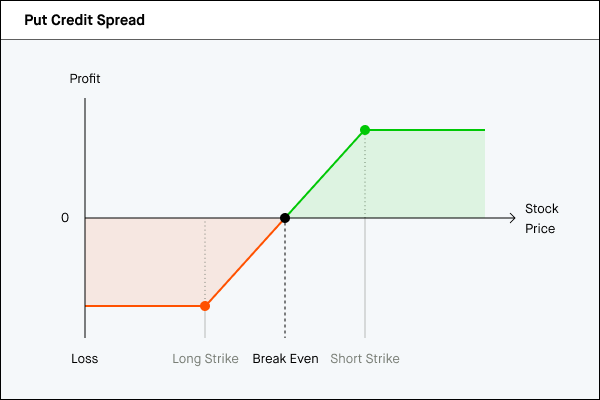
* **Selling puts** means **you're betting the stock won’t fall significantly.**
* You sell the higher-strike put (closer to the current price) because it has a higher premium, and buy the lower-strike put for protection, limiting potential losses.

**Profit and Loss:**

* Maximum Profit: Premium collected when the stock stays above the higher strike price (all options expire worthless).
* Maximum Loss: The difference between the strike prices minus the premium collected, if the stock price falls below the lower strike.

**Ideal Scenarios for Bull Put Spreads:**

* You expect the stock to stay flat or rise slightly.
* Example: A stock trading at $100; you sell a $95 put, buy a $90 put, and collect premium if the stock remains above $95.



**Bear Call Spread (Slightly Bearish, Price at Resistance, Low-Risk Bearish Trade) (a) Call Credit Spread.**

**Bear Call spread is Best/most used.**

<https://www.tastylive.com/concepts-strategies/bear-call-spread>

<https://www.youtube.com/watch?v=iATEuiE42uY>

A Bear Call Spread is a bearish options strategy that involves buying a higher-strike call and selling a lower-strike both with the same expiration date. It is designed to profit from a stock staying below the lower strike price

**Buy a Call with higher Strike price and sell a call with lower strike price (With Same expiration Date).**

**Stock**: XYZ is trading at $50.

**Strategy**: Sell a $52 strike call for $2.00 and buy a $55 strike call for $1.00.

* **Net Credit**: $2.00 - $1.00 = $1.00 ($100 per contract).
* **Maximum Risk**: Difference in strike prices ($55 - $52 = $3) - Net Credit ($1.00) = $2.00 ($200 per contract).
* **Maximum Profit**: The net credit received ($1.00 or $100 per contract).

**Scenarios**:

* **If stock stays below $52**: Both calls expire worthless. You keep the net credit = $100 profit.
* **If stock rises above $55**: Both calls are exercised. Loss = $200 (maximum risk).

**Important Considerations**

1. **Time Decay**: This strategy benefits from time decay because you receive a premium upfront. The options lose value over time, especially the short call, which helps increase profit as expiration approaches.
2. **Implied Volatility**: High implied volatility can increase premiums, which may result in a higher net credit at the start. However, if volatility drops, it can make it easier for the options to expire worthless, benefitting the trade.

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**How It Works:** Slightly Bearish Outlook:

If you expect the stock price to stay below a certain level but don’t anticipate a sharp drop, this strategy works well.

Example: If a stock is trading at $100, you might sell a $105 call and buy a $110 call.

**Why "Play the Opposite Side"? Selling** **calls** means **you're betting the stock won’t rise significantly**.

You sell the lower-strike call (closer to the current price) because it has a higher premium, and buy the higher-strike call for protection, capping potential losses.

**Maximum Profit:** Premium collected when the stock stays below the lower strike price (all options expire worthless).

**Maximum Loss:** The difference between the strike prices minus the premium collected, if the stock price rises above the higher strike.

**Ideal Scenarios for Bear Call Spreads:** You expect the stock to stay flat or fall slightly.

**Example:** A stock trading at $100; you sell a $105 call, buy a $110 call, and collect premium if the stock remains below $105.

**Why Play "Opposite Sides"?** The idea of "playing the opposite side" refers to aligning your strategy with a probable lack of significant movement in the stock. In both cases, you collect premium based on the assumption that the stock won't breach your short option strike:

