BUY the S&P 500 (SPY) *December* 2018 $240-$250 in-the-money vertical BULL CALL spread at $9.00 or best

Opening Trade

12-6-2018

expiration date: December 21, 2018

Portfolio weighting: 10%

Number of Contracts = 11 contracts

I still believe that the S&P 500 (SPY) is defining the bottom of a new range from which it will spring to much higher highs.

With the **Mad Hedge Market Timing Index** close to single digits at 11, close to a 3-year low, there is a high chance that this will be a successful trade.

I am therefore buying the S&P 500 (SPY) *December* 2018 $240-$250 in-the-money vertical BULL CALL spread at $9.00 or best.

This is a bet that the S&P 500 (SPY) will not trade below $250 by the December 21 option expiration day in 15 trading days. It is also a bet that the (SPY) will **NOT** drop below the February $250 low.

With many positive yearend effects about to kick in, that is a bet I am willing to make. Buy when traders are jumping out of windows. That is always a great trading rule.

Don't pay more than $9.30 or you'll be chasing.

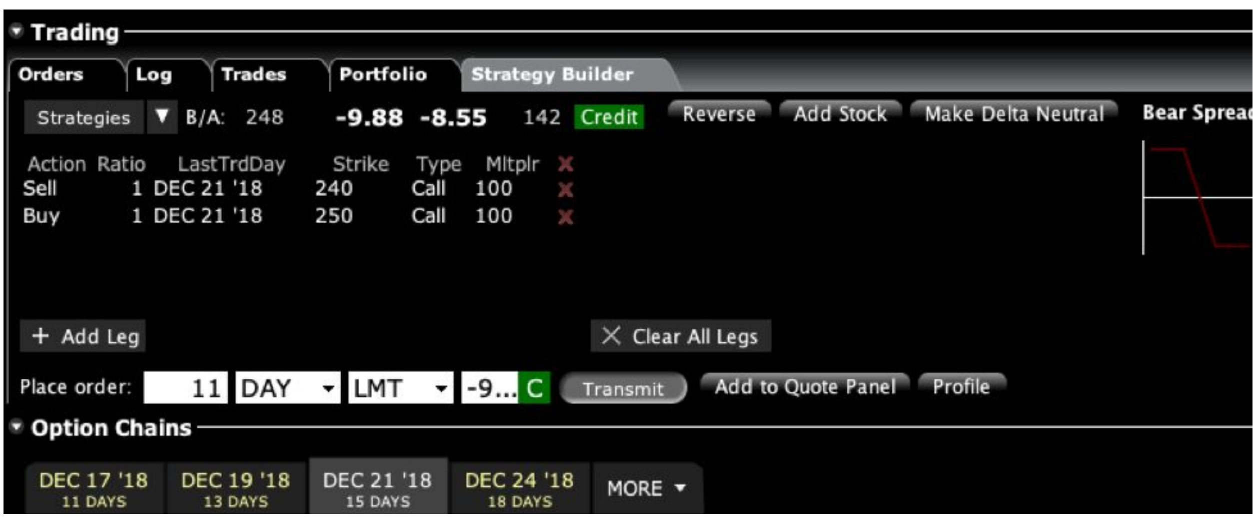
If you can't do options, buy the stock outright for a trade.

Here are the specific trades you need to execute this position:

Buy 11 December 2018 (SPY) $240 calls at…………..………$26.00
Sell short 11 December 2018 (SPY) $250 calls at…………..<u>$17.00</u>
Net Cost:…………………………..………..………….…......$9.00

Profit: $10.00 - $9.00 = $1.00

(11 X 100 X $1.00) = $1,100 or 11.11% in 15 trading days.



To see how to enter this trade in your online platform, please look at the order ticket above, which I pulled off of ***Interactive Brokers***.

Please keep in mind that these are ballpark prices only. There is no telling how much the market can move by the time you get this.

Be sure you've signed up for our **FREE** text alert service. When seconds count, this feature offers a trading advantage. In today's market, investors need every advantage they can get.

The best execution can be had by placing your bid for the entire spread in the middle market and waiting for the market to come to you.

The difference between the bid and the offer on these deep in-the-money spread trades can be enormous.

Don't execute the legs individually or you will end up losing much of your profit. Spread pricing can be very volatile close to expiration.

If you don't get done, don't worry. There are another 250 ***Trade Alerts*** coming at you over the coming 12 months.