



Trade Alert – (V) –BUY

BUY the Visa (V) November 2020 \$180-\$185 in-the-money vertical Bull Call spread at \$4.30 or best

Opening Trade

10-14-2020

expiration date: November 20, 2020

Portfolio weighting: 10%

Number of Contracts = 23 contracts

I am going to use this two-day, 500-point dive in the Dow Average on no news to initiate a new position in Visa. The time to build a new post-election portfolio is fast approaching.

This position also gets huge downside protection from downside support by the 200-day moving average at 190.57.

Visa is the quality play in the credit card area, recently growing at the expense of Master Card and American Express. The world is rushing into an all-digital economy and (V) is a major beneficiary.

They also have profited hugely from the move to “touchless” transactions where people are afraid of using physical cash for fear of contracting COVID-19.

This cycle of COVID-19 infections is going to peak out in months and start declining, at least for the short term.

As a result, I believe the core long FANG trade is long overdue for a break. Instead, I think we are about to witness a major rotation into domestic economic “recovery” stocks like Visa. Stocks will keep going up, but the leadership will change. Bonds and gold are also due for profit-taking.

With the November 20 options expiration only 26 days off, there are a handful of option plays that make all the sense in the world, offering very high return, low-risk returns.

I am therefore buying the Visa (V) **November** 2020 \$180-\$185 in-the-money vertical Bull Call spread at \$4.30 or best

Don't pay more than \$4.70 or you will be chasing. Stock players should go ahead and buy the shares, which probably have a double in them over the next three years.

DO NOT USE MARKET ORDERS UNDER ANY CIRCUMSTANCES.

Simply enter your limit order, wait five minutes, and if you don't get done, cancel your order and increase your bid by 10 cents with a second order.

This is a bet that Visa (V) will not trade below \$185 by the November 20 option expiration day in 26 trading days.

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

Buy 23 November 2020 (V) \$180 calls at.....\$24.50

Sell short 23 November 2020 (V) \$185 calls at.....\$20.20

Net Cost:.....\$4.30

Potential Profit: $\$5.00 - \$4.30 = \$0.70$

$(23 \times 100 \times \$0.70) = \$1,610$, or 16.27% in 26 trading days.

Statistics
 Financial Instrument: Opt. Volume: 27.1K Put/Call Volume: 0.48 Opt. Volume Change %: 74.004% Hist. Vol. Close %: 26.181% IV Last:

Buttons
 Add Underlying Preview Order/Check Margin Impact **Close Position** Reverse Position View Account

Trading
 Orders Log Trades Portfolio **Strategy Builder**

Strategies B/A: 103 **4.05 4.55** 98 **Debit** Reverse Add Stock Make Delta Neutral Bull Spread

Action	Ratio	LastTrdDay	Strike	Type	Mltplr
Buy	1	NOV 20 '20	180	Call	100
Sell	1	NOV 20 '20	185	Call	100

+ Add Leg Clear All Legs

Place order: DAY Transmit Add to Quote Panel Profile

Option Chains
 NOV 06 '20* 23 DAYS NOV 13 '20* 30 DAYS **NOV 20 '20 37 DAYS** NOV 27 '20* 44 DAYS MORE



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**.

If you are uncertain on how to execute an options spread, please watch my training video by [clicking here.](#)

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 on expiration months farther out.

Keep in mind that these are ballpark prices at best. After the alerts go out, prices can be all over the map.

