

## Trade Alert - (SLV) – BUY

**BUY the iShares Silver Trust (SLV) *November* 2020 \$19-\$20 in-the-money vertical Bull Call spread at \$0.85 or best**

## Opening Trade

**11-10-2020**

**expiration date: November 20, 2020**

**Portfolio weighting: 10%**

**Number of Contracts = 118 contracts**

I am going to use the 7.23% dive in silver Monday morning to establish a new long position.

Silver is a great industrial play and if you believe in the global economic recovery you want to be loading the boat.

It is used in electronics and solar panels, which are about to get a big boost from the new president. Every Tesla requires 20 pounds of silver, which will more than double production next year from 500,000 to 1.1 million units.

And yes, it is still used for jewelry, which gets bought more during economic recoveries.

Silver tends to lag gold, which has already started to move. When it plays catch-up it rises twice as fast as gold.

I am therefore buying the iShares Silver Trust (SLV) *November* 2020 \$19-\$20 in-the-money vertical Bull Call spread at \$0.85 or best

Don't pay more than \$0.92 or you'll be chasing.

**Stock players buy the (SLV) 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 2 cents with a second order.

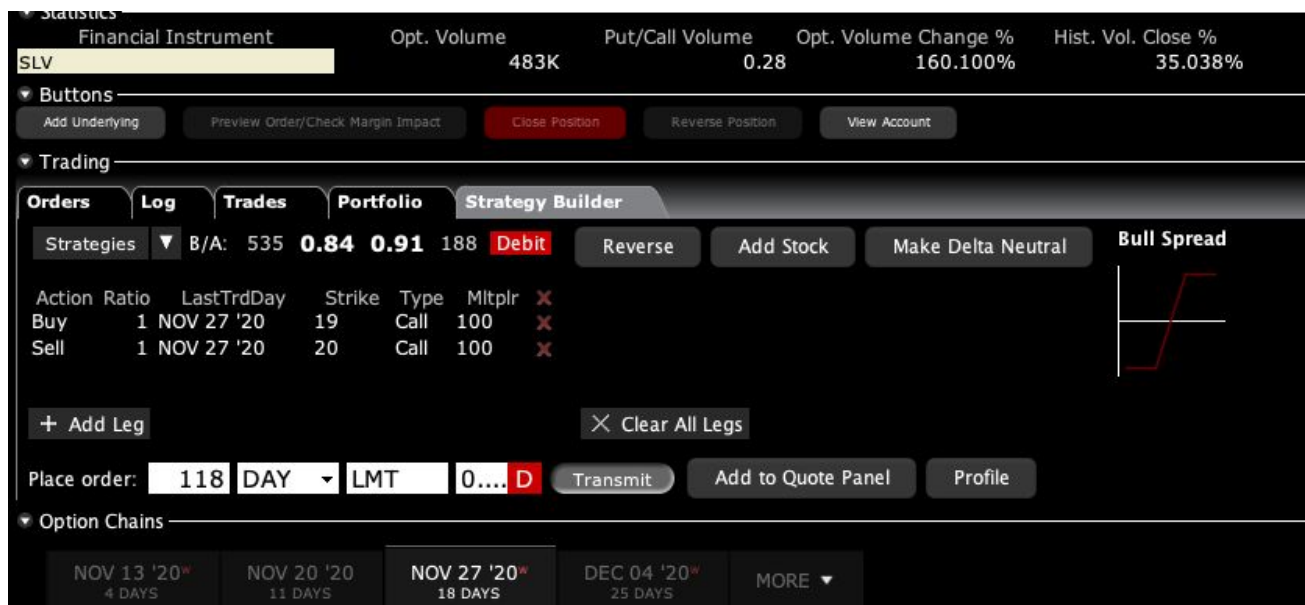
This is a bet that the iShares Silver Trust (SLV) will not fall below \$20 by the December 20 option expiration day in 9 trading days.

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

**Buy 118 November 2020 (SLV) \$19 calls at.....\$3.25**  
**Sell short 118 November 2020 (SLV) \$20 calls at.....\$2.40**  
**Net Cost:.....\$0.85**

Potential profit:  $\$1.00 - \$0.85 = \$0.15$

$(118 \times 100 \times \$0.15) = \$1,770$  or 17.64% in 9 trading days.



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

If you are uncertain on how to execute an options spread, please watch my training video on “*How to Execute a Vertical Bull Call Spread*” by clicking here at <http://members.madhedgefundtrader.com/ltt-vbpds/>

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.

