



Trade Alert - (SPY) - BUY

**Buy the S&P 500 (SPY) *October* 2022 \$340-\$350
in-the-money vertical bear put spread at \$8.80 or best**

Opening Trade

9-6-2022

expiration date: October 21, 2022

Portfolio weighting: 10%

Number of Contracts = 12 contracts

I will be the first to admit that at the height of the summer doldrums, and after the top of a 10% move in the market, there are very few attractive trades out there on a risk/reward basis.

At some point in the next month, there will be a cataclysmic selloff that will profit a great long side entry point.

Not only that, the volatility Index (VIX) has just suffered a decline from \$36 to \$19 in just 2 months. The few trades out there pay very little. And with the **Mad Hedge Marketing Timing Index at 42**, it is screaming at us that there is nothing to do.

There is no law that you have to have a position every day of the year. Overtrade your account and only the brokers win. I'm all about cherry picking.

Therefore, I am recommending the **S&P 500 (SPY) *October* 2022 \$340-\$350 in-the-money vertical bear put spread at \$8.80 or best.**

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 5 cents with a second order.

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

If you don't do options, stand aside. This is a short-term options play only.

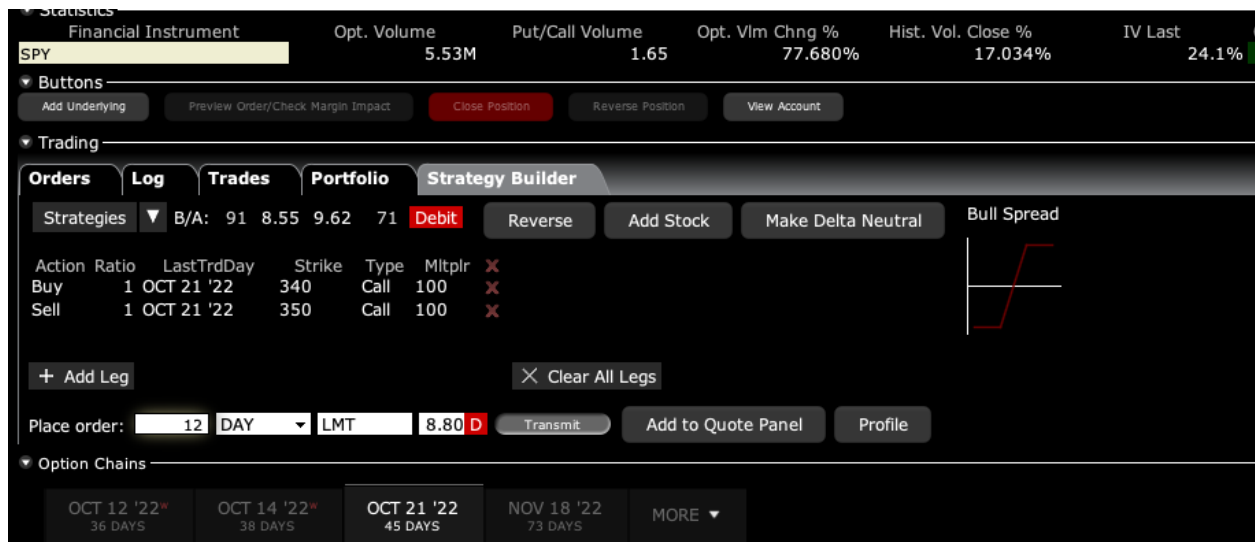
This is a bet that the S&P 500 (SPY) will not trade below \$350.00 by the October 21 options expiration day in **34** trading days.

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

Buy 12 October 2022 (SPY) \$340 calls at.....	\$52.00
Sell short 12 October 2022 (SPY) \$350 calls at.....	<u>\$43.20</u>
Net Cost:.....	\$8.80

Potential Profit: $\$10.00 - \$8.80 = \$1.20$

$(12 \times 100 \times \$1.20) = \$1,440$ or 13.63% in 34 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 Bear Put Spread*” by clicking here at <https://www.madhedgefundtrader.com/ltt-vbcs/>

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.

**This is not a solicitation to buy or sell securities
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