

Disclaimer

- Today's webinar is for educational purposes only.
- Nothing in today's presentation should be considered a recommendation to buy or sell any security.
- All stocks and options shown are examples only.
- Any pricing or potential profitability shown does not take into account your trade size, brokerage commissions or taxes which will affect actual investment returns.
- Stocks and options involve risk and are not suitable for all investors and investing in options carries substantial risk.
- Past stock or option performance is no guarantee of future price appreciation or depreciation.
- Prior to buying or selling options, a person must receive a copy of Characteristics and Risks of

InvestorsObserver Workshop

InvestorsObserver Workshop

- What's going on at *InvestorsObserver*:
- Market update
- Member-driven content: Questions, site demonstrations, etc.
 - Can prepare slides for questions submitted ahead of time: Mention “workshop”

S&P 500



S&P 500



S&P 500



What is happening?

- Still a virus-driven economy
 - Cases are rising again
 - Cold weather likely to increase proportion of spending online
 - Good for big businesses
 - Less good for smaller businesses
 - Vaccine provides a light at the end of the tunnel
 - BUT new lockdowns are happening
 - Data from the Spring showed that people didn't need lockdowns to stay home
- Stimulus?
 - Political calculations have changed since the election
 - Smaller deal now, plus more in Jan. seems likely, although no deal until Jan. is also possible
- Election
 - Over until Jan. 5 runoff in Ga.

What is happening?

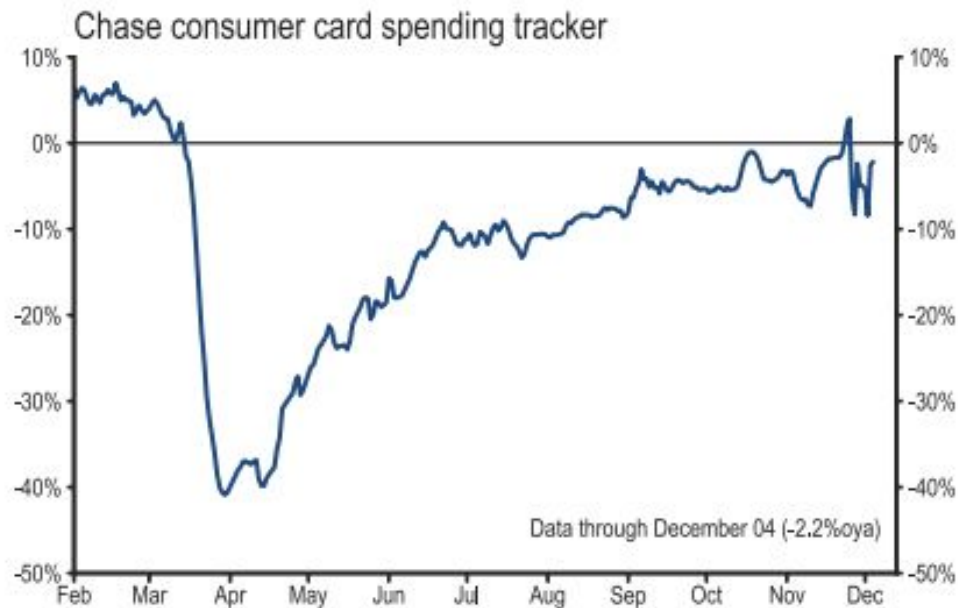
- Facebook Lawsuit
 - Short-term problem for the stock
 - Case won't be resolved for years
 - Potentially some slower growth, but growth was slowing anyway
 - Anti-competitive behavior is buying competitors
 - DOJ approved both of these deals, so these suits signal some changes in thinking
- Other Tech Cos?
 - Short term: Much more careful in doing M&A
 - Some may also face antitrust or similar suits, but harder to bring as they don't have big acquisitions in the recent past like Facebook does, so will be different legal maneuvers.

Fast data

From JP Morgan

Daily consumer spending tracker

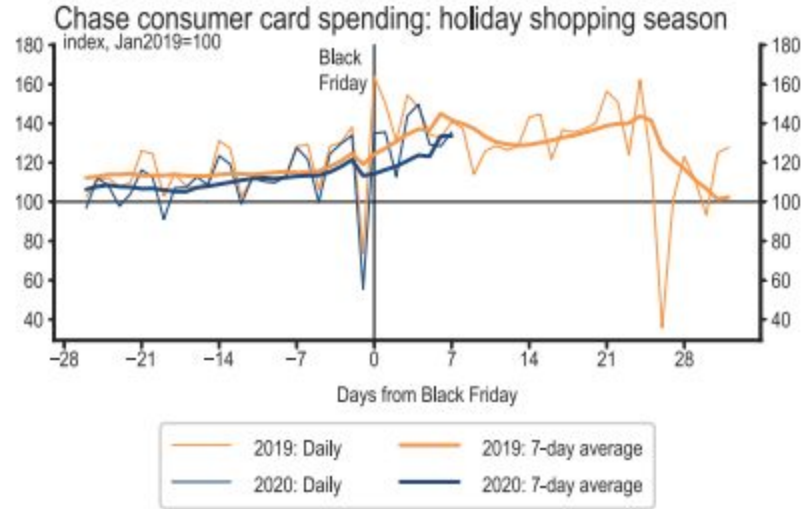
- On December 04, our tracker of Chase consumer card spending rose from -2.6% to -2.2%.
- The tracker rose 6.1%-pt over the prior week, and it is 38.7%-pt above its low of -40.9% on March 30.



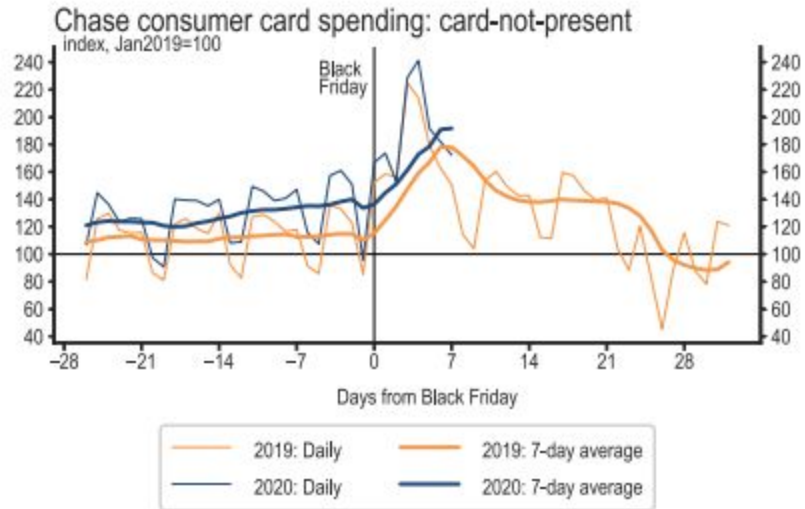
Source: J.P. Morgan, % change over year-ago in 7-day average of total in nonrecurring categories.

Fast data

From JP Morgan



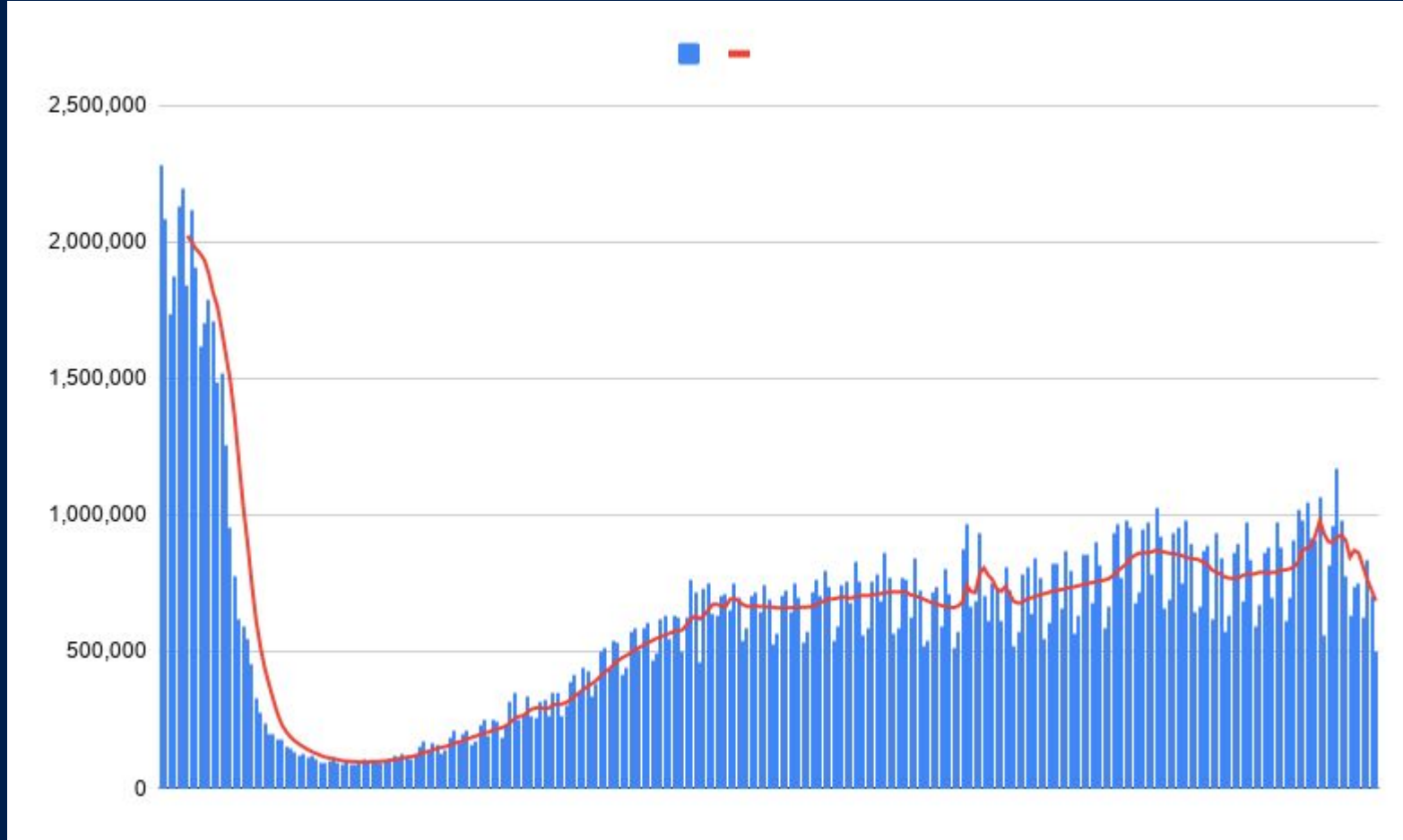
Source: J.P. Morgan.



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Fast data

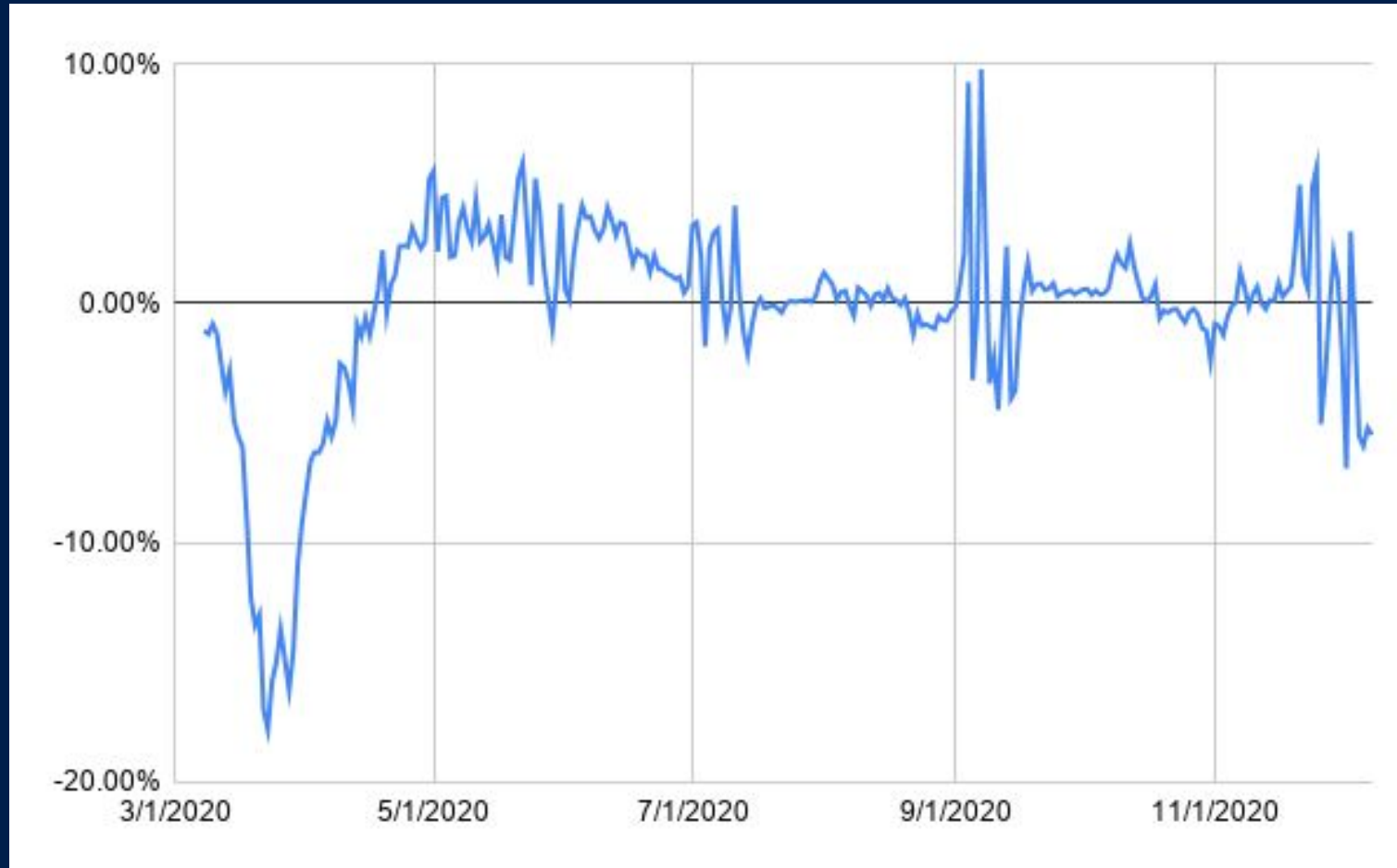
data from TSA



Passengers per day and seven-day average

Fast data

data from TSA



Daily rate of change in seven-day average

Questions?

Can you help identify the 20 stocks that J.P. is referring to in this message ?

“Some high-multiple software names could be in for a wakeup call come the June quarter, wrote J.P. Morgan's Sterling Auty, who downgraded a series of high-flying software names like Zoom Video Communications Inc. (ZM), Okta Inc. (OKTA), DocuSign Inc. (DOCU) and CrowdStrike Holdings Inc. (CRWD) to neutral from overweight in a Wednesday note to clients. Auty stressed that the 20 highest-multiple stocks at the end of 2009 outperformed the software industry average in 2010, after the financial crisis, a trend that could repeat once the economy gets back into gear.” -- John

- A list of tech stocks from 10 years ago isn't relevant to today... The idea might be though.
- BUT FIRST... I think there's a typo in the quote. The next part of the article is this quote from the analyst: *“These ratings changes by no means reflect anything on the tremendous operating condition of these names, but rather our view that an expanding economy could cause sector rotation and potential performance headwinds for these types of stocks like they did in 2010.”*
- This makes me think it should say “underperform” instead of outperform.
- These software names are up huge this year, but it is hard to imagine 2020s growth continuing into 2021.
 - Who are the new Zoom users in 2021 that aren't using it in 2020?
- INTU, ADSK, WIX, ALTR are names Auty says are more likely to see big gains from economic expansion.
 - These stocks have exposure to small businesses and the design space, which is likely to see a lot of growth from new projects.

Questions?

How to enter a bull-put spread

A bull-put spread, like any multi-leg trade, should be entered as a spread.

This is usually an option under options trading, sometimes calls multi-leg or combined ticket. Since the trade involves two pieces for a net price (one credit and one debit), you want to make sure you get both pieces at the price you want.

Once you find the order entry form, enter the ticker, from there you can enter the details of your options.

For vertical spreads, the expiration dates will be the same and the strike prices will be different.

Credit Spreads: The strike closest to the current price will be sold (this means the higher price for a bull-put spread).

Debit Spreads: It can vary here, but the option that is the least in the money (or maybe furthest OTM) will be sold here.

Once you enter the details for your options, you need to enter a price. You only need one price, the net price of the two options. This will be a net credit for credit spreads or a net debit for debit spreads.

Questions?