

# Disclaimer

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- Nothing in today's presentation should be considered a recommendation to buy or sell any security.
- All stocks and options shown are examples only
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# *InvestorsObserver* Workshop

# InvestorsObserver Workshop

- Charts
- What Else is Happening?
- Hot Right Now
- Member-driven content: Questions, site demonstrations, etc.
  - Can prepare slides for questions submitted ahead of time: Mention “workshop”

# S&P 500



S&P 500  
One Year

# NASDAQ



Nasdaq  
One Year

# Russell 2000



Russell 2000  
One Year

# S&P 500 vs. Equal Weight

One year



# Growth vs. Value

VTV vs. VUG one year





# What Else is Going On?

- Interest Rates / Inflation / Federal Reserve
  - Back in the driver's seat.
  - Fed seems to be getting more aggressive
  - 50 basis points seems more than likely in May
  - Lots of outside effects potentially keeping inflation elevated
  - Tighter money means higher financing costs (lower multiples on stocks)
- Earnings season
  - Interesting so far
    - Winners: Coca-Cola, Microsoft, some Airlines
    - Losers: Netflix, Google
- Russia/Ukraine: Potential source of volatility at any moment
  - Commodities
  - Seeming escalation or other unpleasant surprise could be more widespread
- China is an interesting wildcard
  - Economy is struggling (remember those struggling real estate firms?)
  - Zero Covid policy not working
  - A slowdown in China could be good for some inflationary factors
    - China recently said they were going to support the economy but how is a little unclear

# Hot Right Now

- Energy
  - Thermal Coal
  - Oil & Gas Drilling
  - Oil & Gas E&P
- Utilities
  - Independent Power Producers
  - Regulated Gas
  - Regulated Electric
- Basic Materials
  - Coking Coal
  - Steel
  - Agricultural Inputs
- Real Estate
  - REIT - Residential
  - REIT - Industrial
  - REIT - Specialty
- Financial Services
  - Financial Data & Stock Exchanges
  - Insurance - Diversified
  - Insurance - Property & Casualty

# Questions?

*What is your view on AMZN, given expectations for a stock-split in the near future, Eg. AMNZ announced 20-for-1 stock split earlier this year.*

*I know the text-book definition of a stock-split projects no stock price change, but in my experience it always does immediately change (higher).*

– Garth

How many pieces you cut out of the pizza doesn't make the pizza any bigger.

- It may create some additional interest though
  - Some people can't/won't buy stocks above a certain price
  - Index inclusion, mainly the DJIA on the table post split

Try to consider post-split performance alongside pre-split performance

- Stocks split when their prices have gotten high... this means the stock was doing well before the split
- Amazon and most of big-tech has been beaten up recently.
  - Split could provide a short-term bump
  - Longer term continued execution in post-Bezos era is what's important

# Questions?

I'm asking how to navigate your platform to find 'repair' or 'income' choices to fix any position that has moved against me (not performed as I thought it would).

An example could be MU

BTO 3/25/22, 100 shs., (cost basis, \$77)

STO 5/20/77, \$77.50, covered call – Garth

- Out-of-the-Money Covered Call Tool can help you find calls to sell
  - Position Repair
  - Income generation
- Calls will have a low probability of assignment (generally < 30%)
- In Position Repair mode, calls will not be assignable for a loss.

# Questions?

More Position Repair:

BTO (1) ABBV 4-29-22, \$157.50 'PUT'

STO (1) ABBV 4-29-22, \$155.00 'PUT'

- Garth

Opened on 4/22/2022 when stock was ~\$158

- As of earlier today... both sides are OTM, so looking good again.
- Not really a good way to 'repair' these trades
  - Method used by some traders is to "roll" the position
    - Buy to close the sold leg and sell to close the bought leg
    - Open new position further out in time, usually with more at risk
  - This strikes me as closing a position and opening a new position
    - Do you want to open a new position on a stock that just did something you didn't expect? Do you want to do that with even more at risk?
- If you're going to close a trade and open a new trade, why limit yourself to something you just got wrong?

# Questions?