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Sheridan Options Mentoring

Formulating a Trading Plan for 2022

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Sheridan Options Mentoring

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OPTIONS MENTORING



“Formulating A Trading Plan For 2022”

With: Dan Sheridan

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Big Picture Perspective

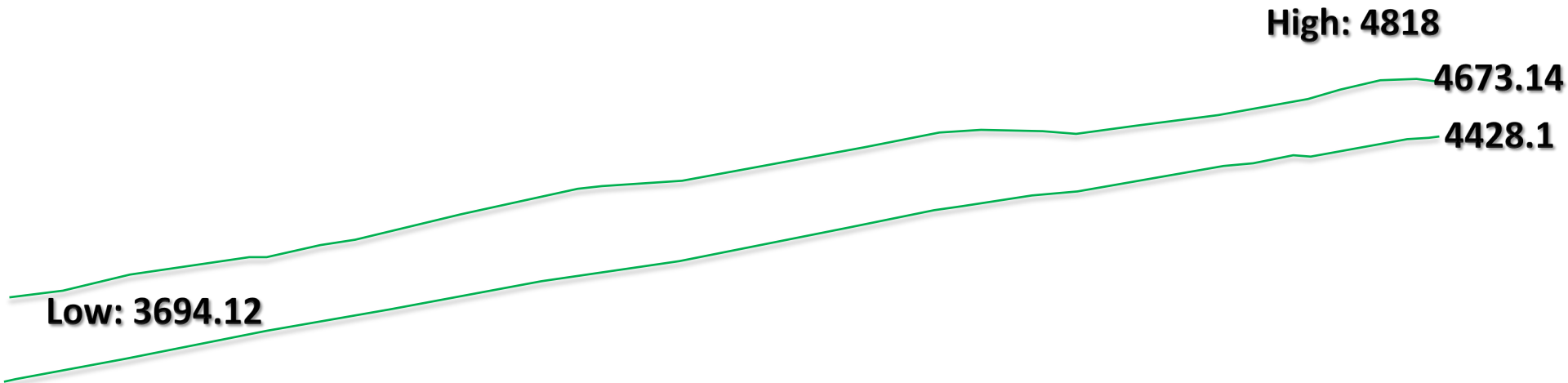
- **Long Portfolio: Neutral to Bullish Long Term:** Covered Writes, Cash secured Puts, Long Diagonals, Long Leaps, Long Stocks, Long ETF's, Put Credit Spreads.
- **Income Portfolio: Range Bound Strategies based on Probabilities:** Calendars, Butterflies, Iron Condors, Double Diagonals.
- **Speculative Portfolio: I Have an Opinion:** Long Calls and Puts, Long Verticals, Directional Calendars and Butterflies, Ratio Back Spreads.

Allocation Percentages

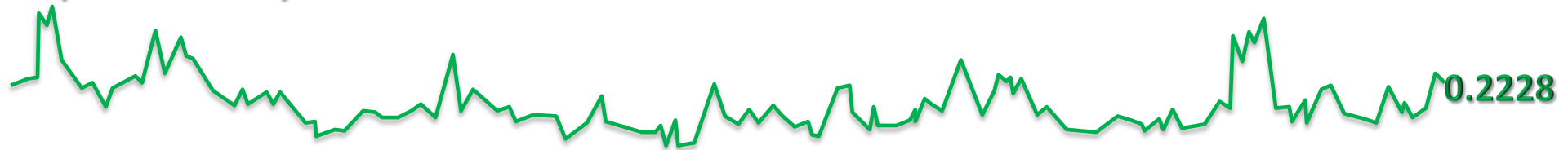
- Long Portfolio 40%
- Income Portfolio 40%
- Speculative Portfolio 10%
- Cash 10%



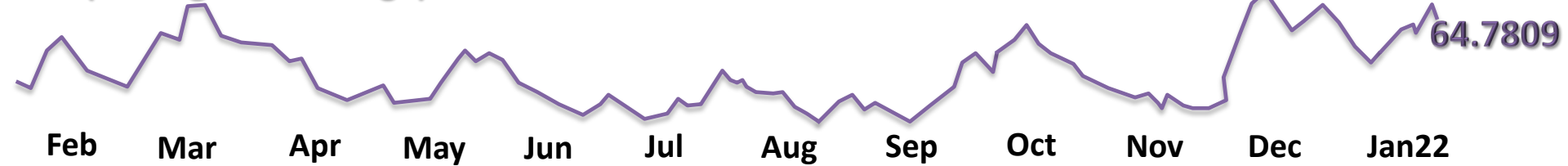
SPX 4577 +44 (Jan 20, 2022)



Implied Volatility



ATR (Average True Range)



VIX 22.21 -1.64 Jan 20, 2022

High: 37.51

22.2
20.34
18.61

Low: 14.1

Implied Volatility

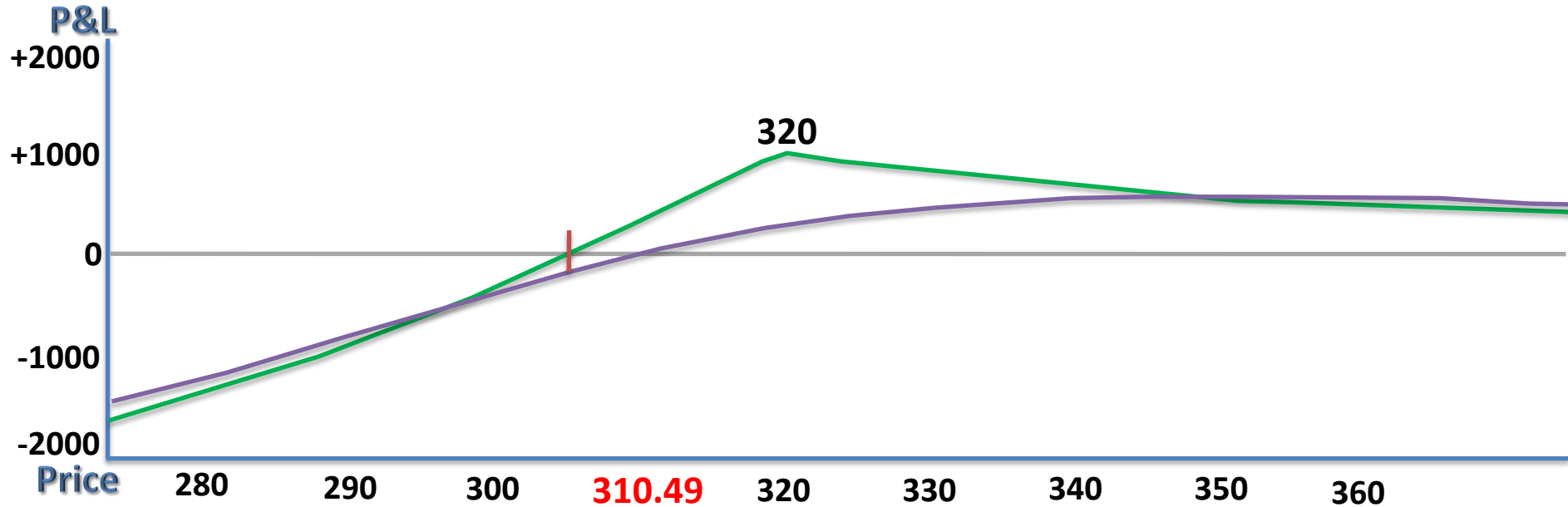
1.2418

ATR (Average True Range)

2.60565

Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan22

MSFT Long Diagonal



Buy 1 April 14 290 Call

Sell 1 Feb 4 320 Call

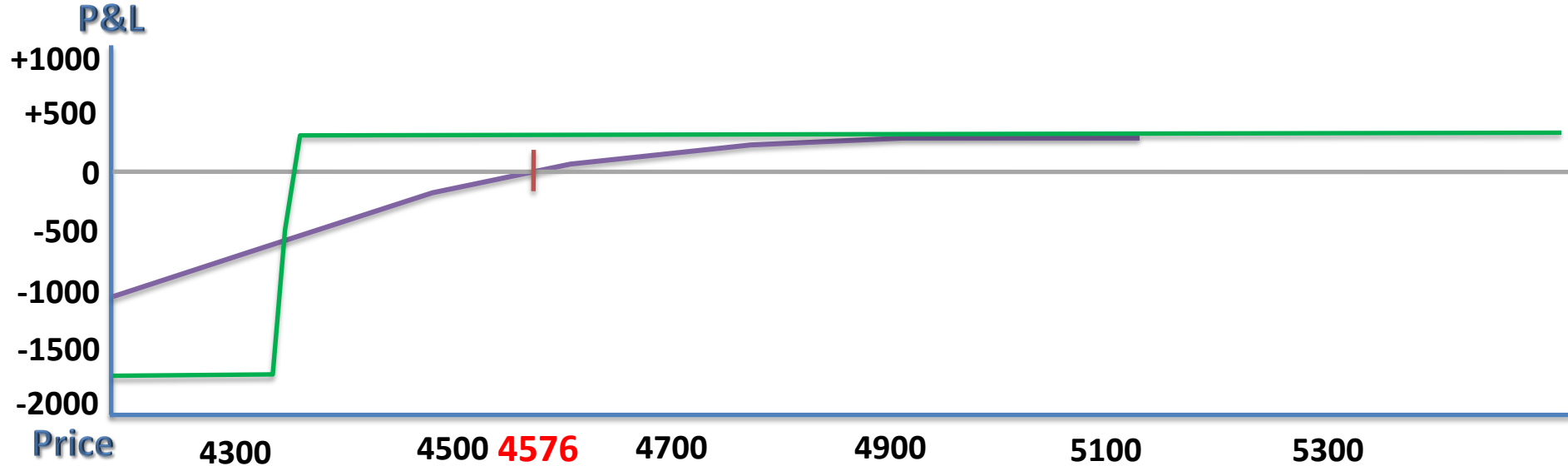
\$25.60 Debit

Jan 20

Deltas 34

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SPX Put Credit Spread Jan 20



Sell 1 Feb 11 4360 Put

Buy 1 Feb 11 4340 P

\$3 Credit

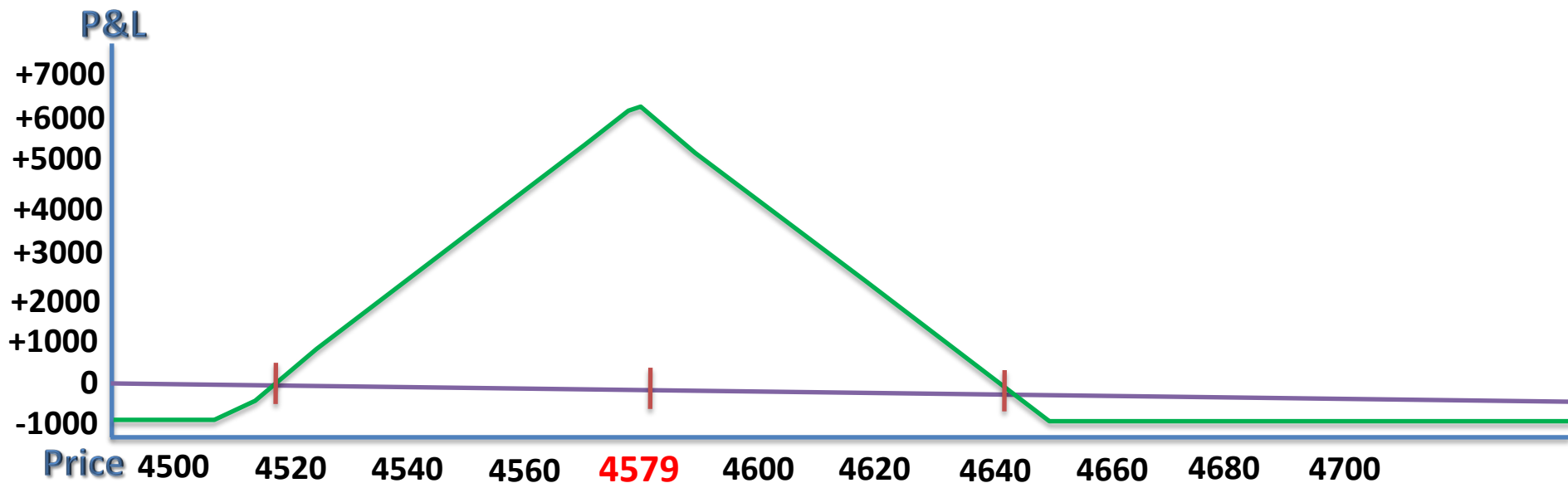
Margin \$1700

Deltas 1.71

VIX 22.09

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SPX Butterfly



Jan 20
SPX 4579
VIX 22
Deltas -1.79
Theta 15
Vega -44

Buy 1 Feb 18 4510 Call
Sell 2 Feb 18 4580 Call
Buy 1 Feb 18 4650 Call
7.60 debit
Margin \$760

VIX 22

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Formulating a Plan with more Turbulence in the Market

- Smaller Size
- More Duration
- Short Vega Strategies for Income Portfolio

Realistic Yields with Options Strategies

- Depends on Duration and Turnover of trades
- Depends on Risk Management
- 2-3% Weekly or 10% Monthly is reasonable in my opinion for disciplined, experienced and consistent Option Traders. And most important, these yields won't be possible without a good Risk Management for each Trade.