

IBKRCampus

IBKRWebinars

July 10, 2024

Aeromir Corporation

Make the Fed Your Friend

Wayne Klump

Founder
Environmental Trading Edge

www.ibkrcampus.com/webinars

www.ibkrcampus.eu/webinars

Exchange and Industry Sponsored Webinars are presented by unaffiliated third parties. IBKR is not responsible for the content of these presentations. You should review the contents of each presentation and make your own judgment as to whether the content is appropriate for you. IBKR does not provide recommendations or advice. This presentation is not an advertisement or solicitation for new customers. It is intended only as an educational presentation.

Disclosure:

Options involve risk and are not suitable for all investors. For information on the uses and risks of options, you can obtain a copy of the Options Clearing Corporation risk disclosure document titled Characteristics and Risks of Standardized Options by visiting ibkr.com/occ. Multiple leg strategies, including spreads, will incur multiple transaction costs.

Futures are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading futures, please read the [CFTC Risk Disclosure](#). For a copy visit your local Interactive Brokers Website.

Security futures involve a high degree of risk and are not suitable for all investors. The amount you may lose may be greater than your initial investment. Before trading security futures, please read the [Security Futures Risk Disclosure Statement](#). For a visit copy your local Interactive Brokers Website.

There is a substantial risk of loss in foreign exchange trading. The settlement date of foreign exchange trades can vary due to time zone differences and bank holidays. When trading across foreign exchange markets, this may necessitate borrowing funds to settle foreign exchange trades. The interest rate on borrowed funds must be considered when computing the cost of trades across multiple markets.

The Order types available through Interactive Brokers Trader Workstation are designed to help you limit your loss and/or lock in a profit. Market conditions and other factors may affect execution. In general, orders guarantee a fill or guarantee a price, but not both. In extreme market conditions, an order may either be executed at a different price than anticipated or may not be filled in the marketplace.

There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations.

IRS Circular 230 Notice: These statements are provided for information purposes only, are not intended to constitute tax advice which may be relied upon to avoid penalties under any federal, state, local or other tax statutes or regulations, and do not resolve any tax issues in your favor.

Interactive Brokers LLC is a member of NYSE FINRA SIPC

Interactive Brokers Canada Inc - Is a member of the Canadian Investment Regulatory Organization (CIRO) and Member - Canadian Investor Protection Fund

Interactive Brokers (U.K.) Limited is authorised and regulated by the Financial Conduct Authority. FCA Register Entry Number 208159

Interactive Brokers Ireland Limited is regulated by the Central Bank of Ireland. CBI, reference number C423427

Interactive Brokers Australia Pty. Ltd. - ABN 98 166 929 568 is licensed and regulated by the Australian Securities and Investments Commission AFSL: 453554

Interactive Brokers Singapore Pte. Ltd. - Is licensed and regulated by the Monetary Authority of Singapore. MAS, Licence No. CMS100917

Interactive Brokers Hong Kong Limited is regulated by the Hong Kong Securities and Futures Commission, and is a member of the SEHK and the HKFE

Interactive Brokers India Pvt. Ltd. member: NSE, BSE, SEBI. Regn. No. SEBI Registration No. INZ000217730; NSDL: IN-DP-NSDL-301-2008

Interactive Brokers Central Europe Zrt. is licensed and regulated by the Central Bank of Hungary (Magyar Nemzeti Bank) under no. H-EN-III-623/2020

Make the Fed Your Friend

WAYNE KLUMP

Disclaimer

Aeromir LLC, Environment Trading Edge LLC. and Members are NOT a Broker Dealer or Investment Advisor.

Environmental Trading Edge LLC. and Members engage in trader education and training. Environmental Trading Edge LLC. offers a number of products and services via the internet at EtradingEdge.com. Environmental Trading Edge LLC. offers web-based, interactive training courses on demand.

The webinars and seminars given by Environment Trading Edge LLC. and Members are for educational purposes only.

This information neither is, nor should be construed, as an offer, or a solicitation of an offer, to buy or sell securities. You shall be fully responsible for any investment decision you make, and such decisions will be based solely on your evaluation of your financial circumstances, investment objectives, risk tolerance, and liquidity needs.

Options, futures and currencies involve risks and are not suitable for all investors.

Prior to buying or selling an option, a person must receive a copy of Characteristics and Risks of Standardized Options. Copies are available from your broker, by calling 1-888-OPTIONS, or at www.theocc.com. The information in this presentation is provided solely for general education and information purposes. No statement should be construed as a recommendation to buy or sell a security or to provide investment advice. You are fully responsible for any investment decisions you make. Such decisions should be based solely on your evaluation of your financial circumstances. Such decisions should be based solely on your evaluation of your financial circumstances, investment objectives, risk tolerance and liquidity needs. Supporting documentation for any claims, comparisons, statistics or other technical data in this presentation is available at Environmental Trading Edge LLC. (Info@EtradingEdge.com).

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

Parameters relating to past performance of strategies discussed are not capable of being duplicated. In order to simplify the computations, slippage, commissions, fees, margin interest and taxes have not been included in the examples used in this presentation. These costs will impact the outcome of all stock and options transactions and must be considered prior to entering into any transactions. Multiple leg strategies involve multiple commission charges. Brokerage firms may require customers to post higher margins than the minimum margins specified in this presentation. Investors should consult their tax advisor about any potential tax consequences. Simulated trading programs are designed with the benefit of hindsight. No representation is being made that any portfolio or trade will, or is likely to, achieve profits or losses similar to those shown.

All investments and trades carry risks.

For personal use only. All information in this presentation is for your personal, non-commercial use only.

Commercial use requires the written permission of Environmental Trading Edge LLC. and may involve licensing fees.



Contents

1. Who am I
2. History of Changes in Finance
3. The Concept of Money
4. “Modern” Monetary Policy
5. Applying Monetary Policy to Trading/Investing
 - Mean Reversion
 - Trend Following
 - Asset Allocation
 - Options Income Trading
6. Open Q/A



Who Is Talking?



Wayne Klump



An aerial photograph of the Theatre of Ephesus, a large ancient Roman amphitheatre. The theatre is semi-circular with many tiers of stone seating. In the background, a modern city is visible, built on a hillside. The entire image is overlaid with a semi-transparent grey filter.

The History of Finance Changes

EVOLUTION IS A NATURAL FORCE

Changes is Finance

First Currency: Shekel 650 B.C.

First Stock: EITC 1611

First Option Contract: Tulip 1637

First Government Bond: England 1694

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

Changes in Finance

First Futures Exchange: Japan 1710



First Mutual Fund: MITT 1924



First ETF 1990



Crypto Currency 2009



Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.

(c) 2024 Environmental Trading Edge



The Concept of Money

IS MONEY A THING?



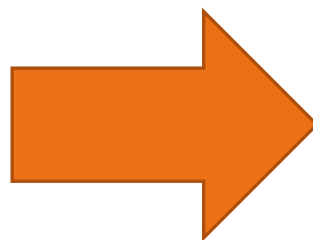
Money

MEDIUM OF EXCHANGE



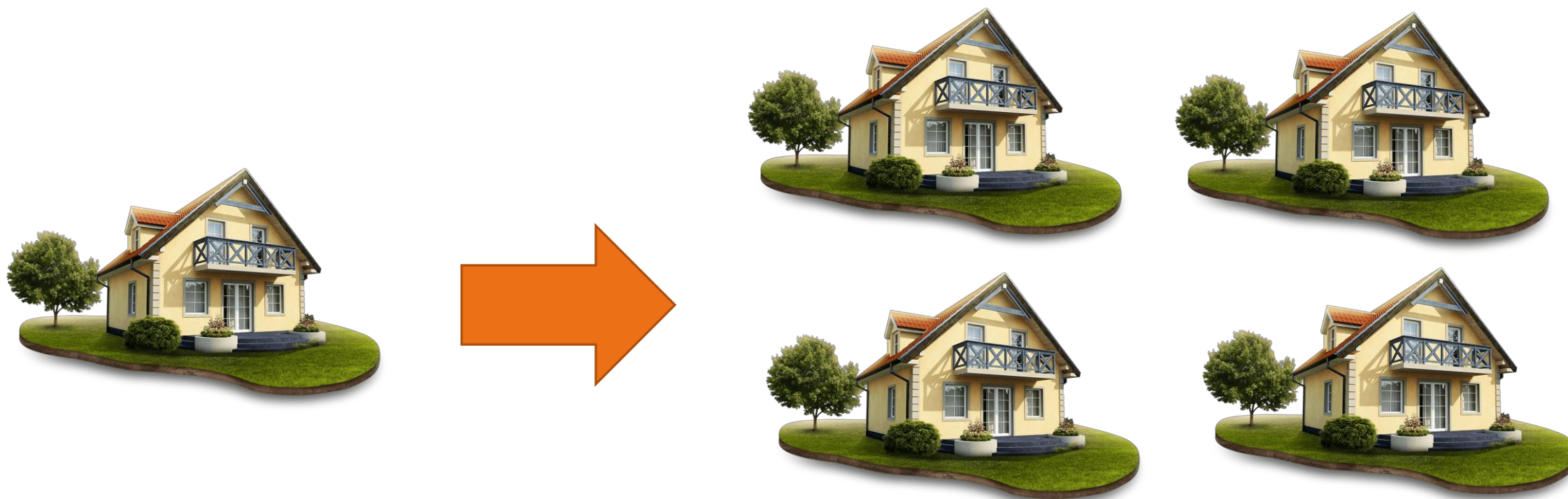
Money

STORE OF VALUE



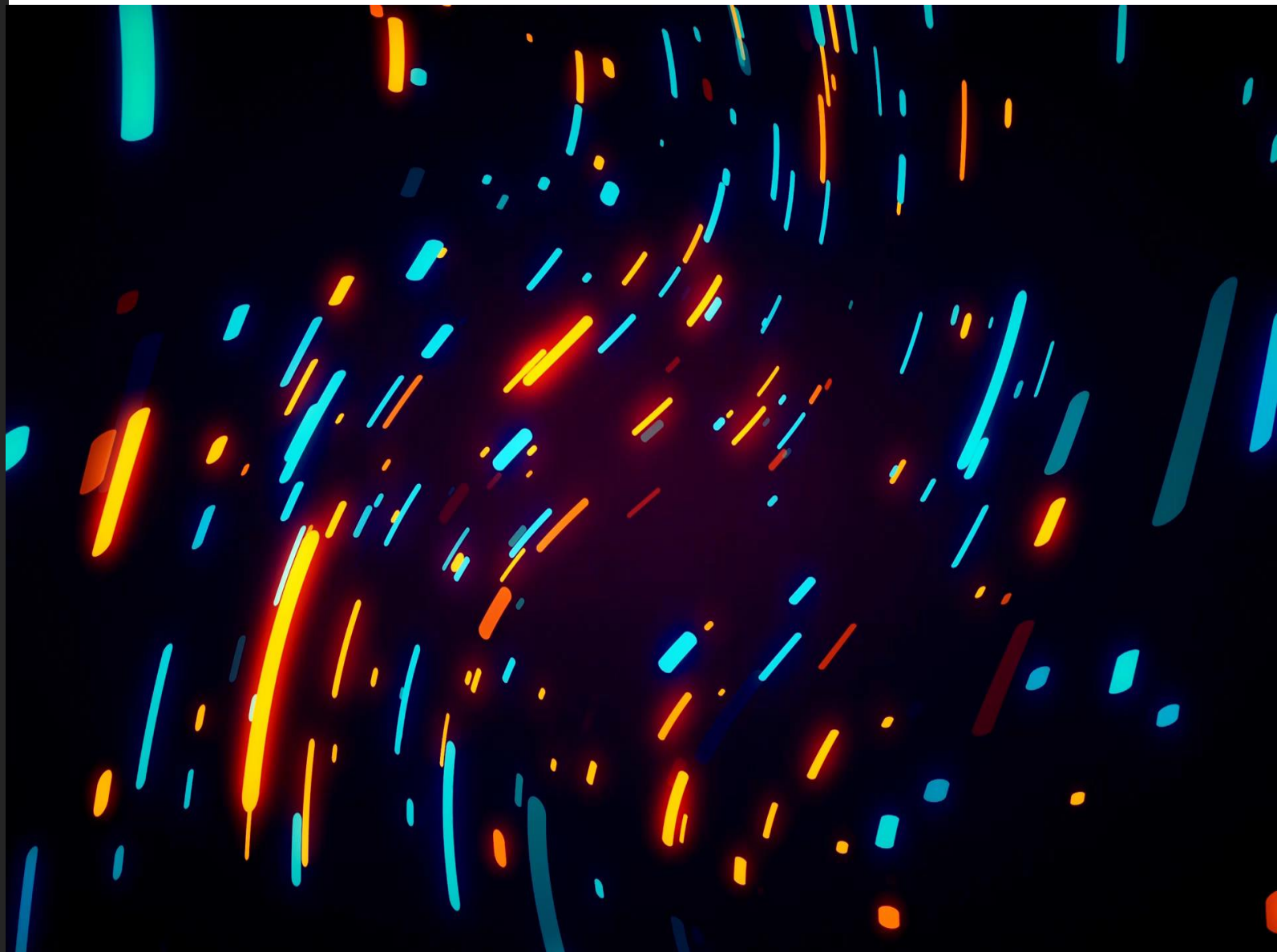
Money

STORE OF VALUE



Money

Liquidity

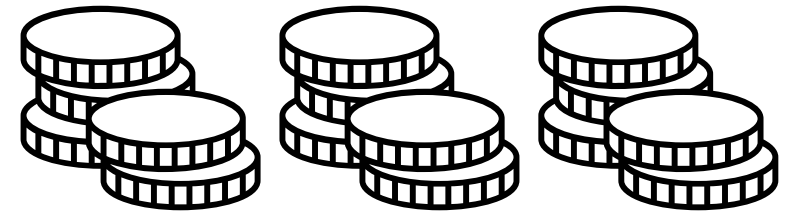
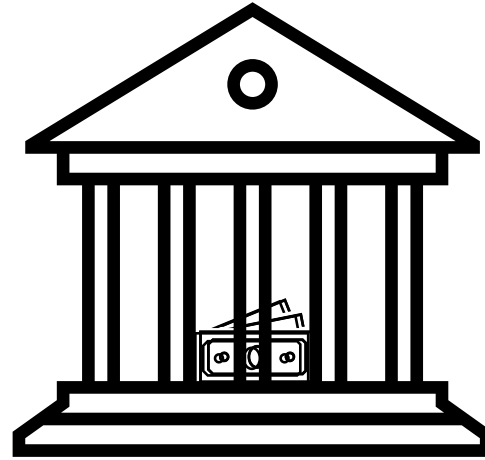


Banks



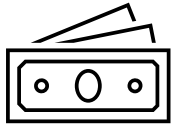
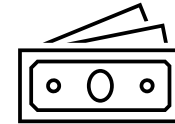
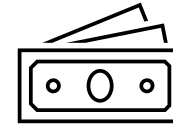
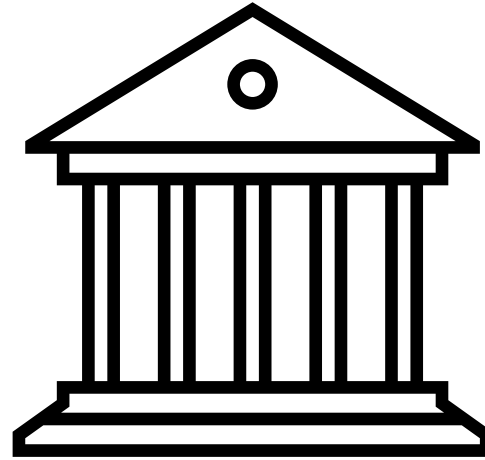
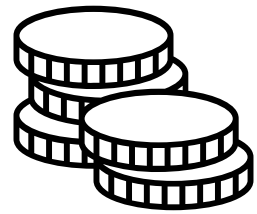
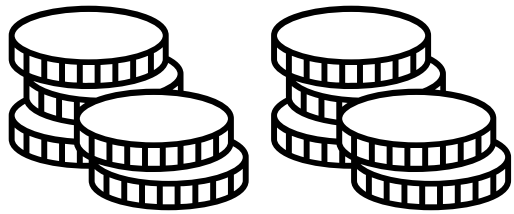
Fractional Reserve Banking

AN EYE FOR TWO EYES



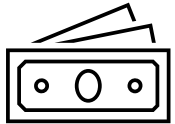
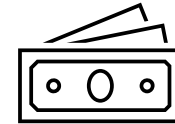
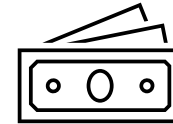
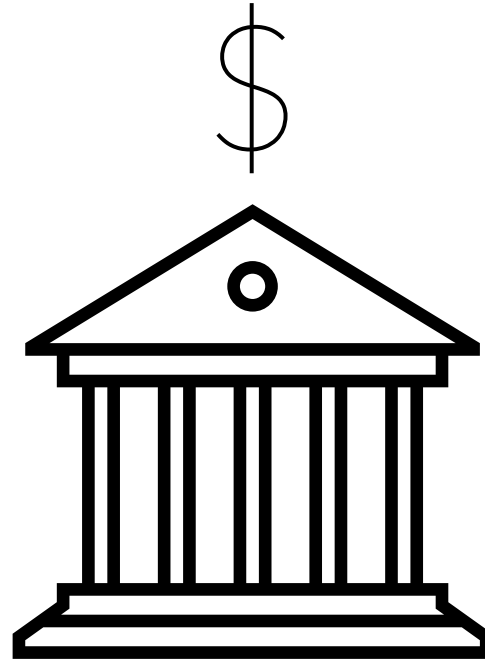
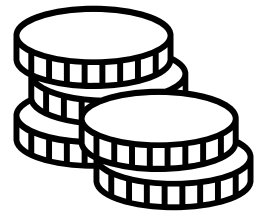
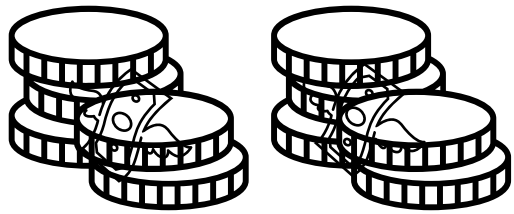
Debt

The Great Idea



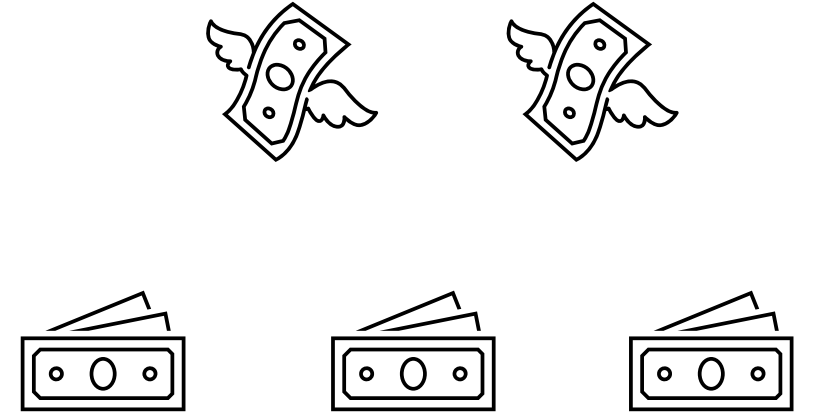
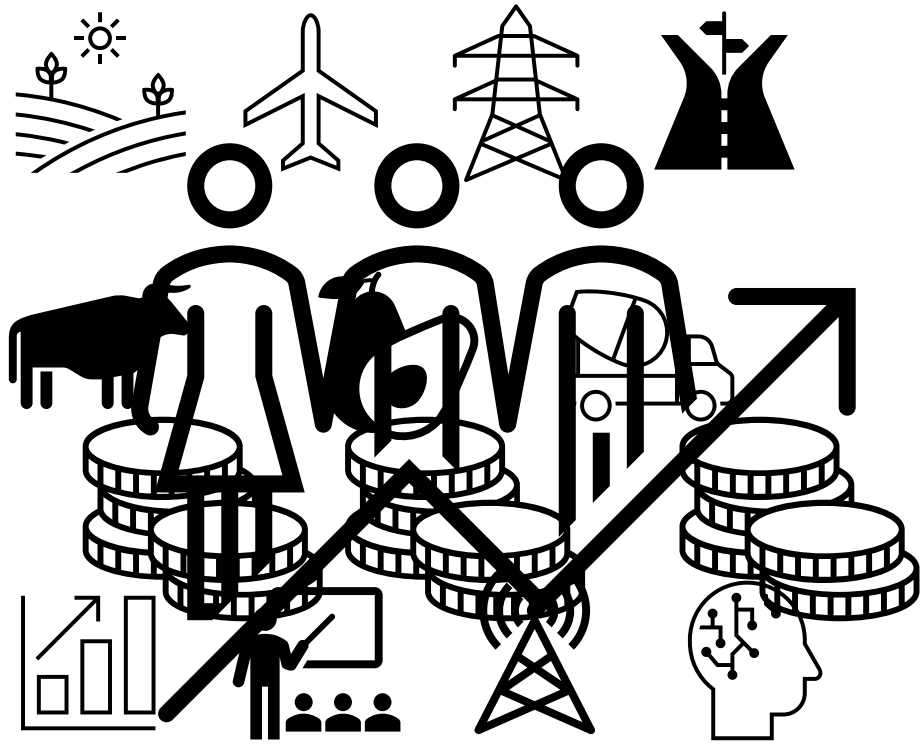
Debt

The Great Idea



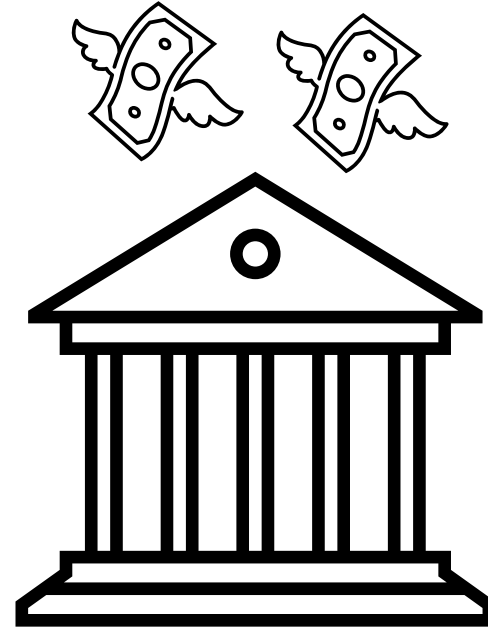
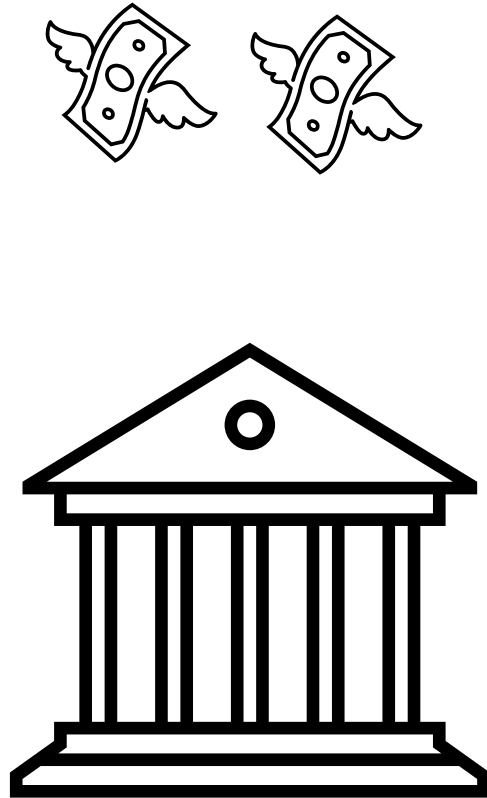
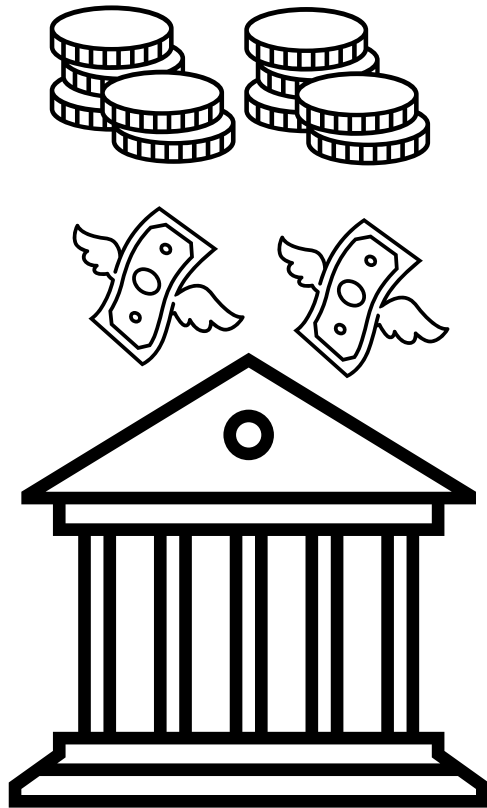
Debt

The Great Idea



Debt

The Great Idea



Debt

Run on Banks

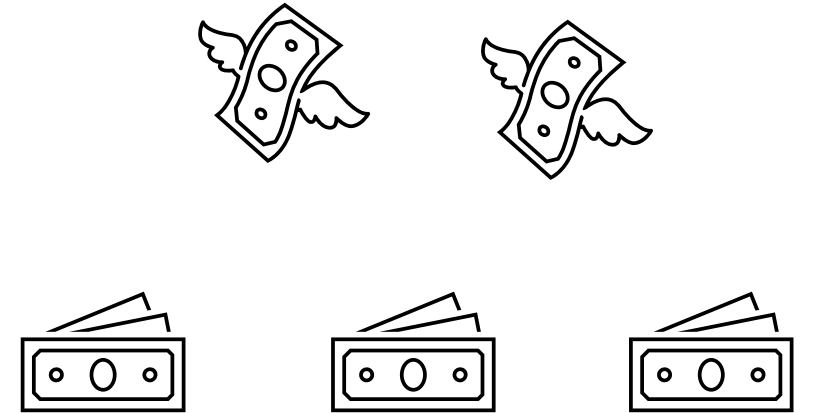
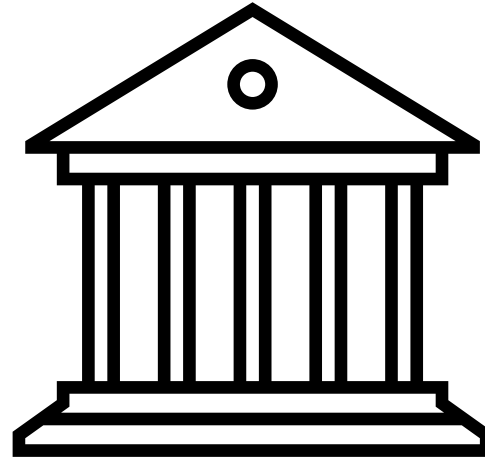
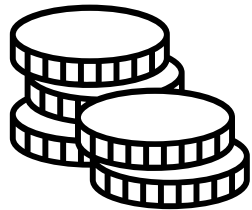


Debt

THE GREAT IDEA

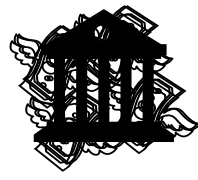


Debt



Debt

Run on Banks

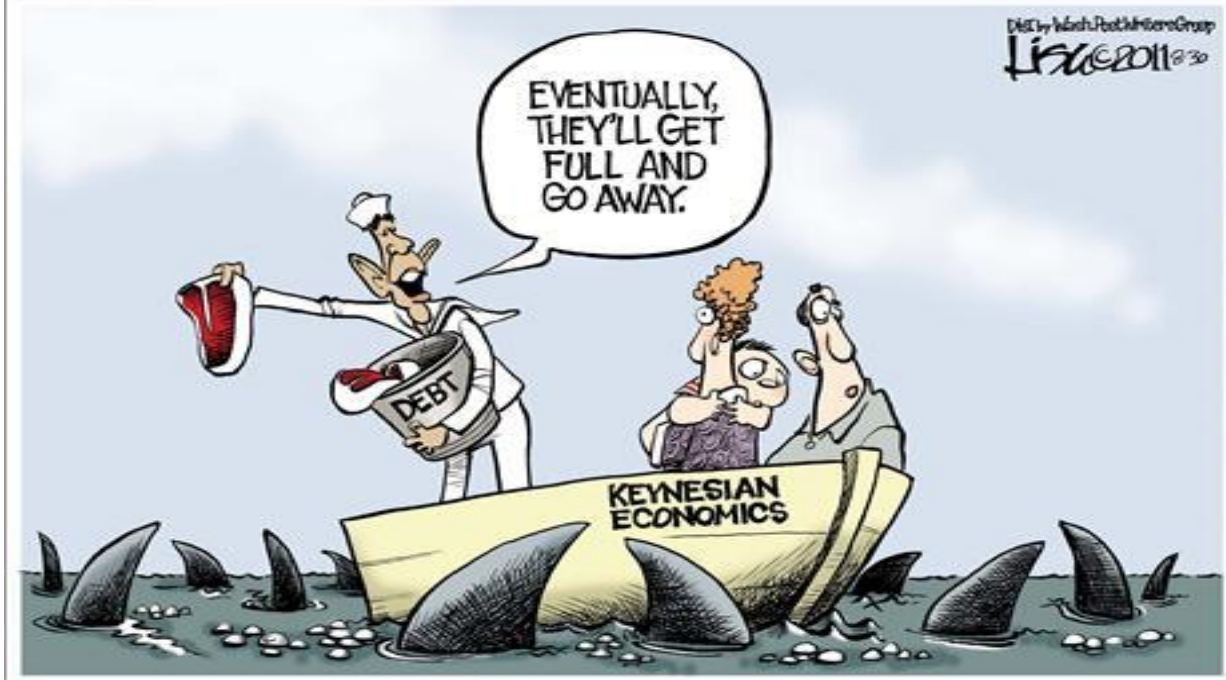


Central Bank

The Bank of Banks



This Photo by Unknown Author is licensed under [CC BY-SA](#)



This Photo by Unknown Author is licensed under [CC BY](#)



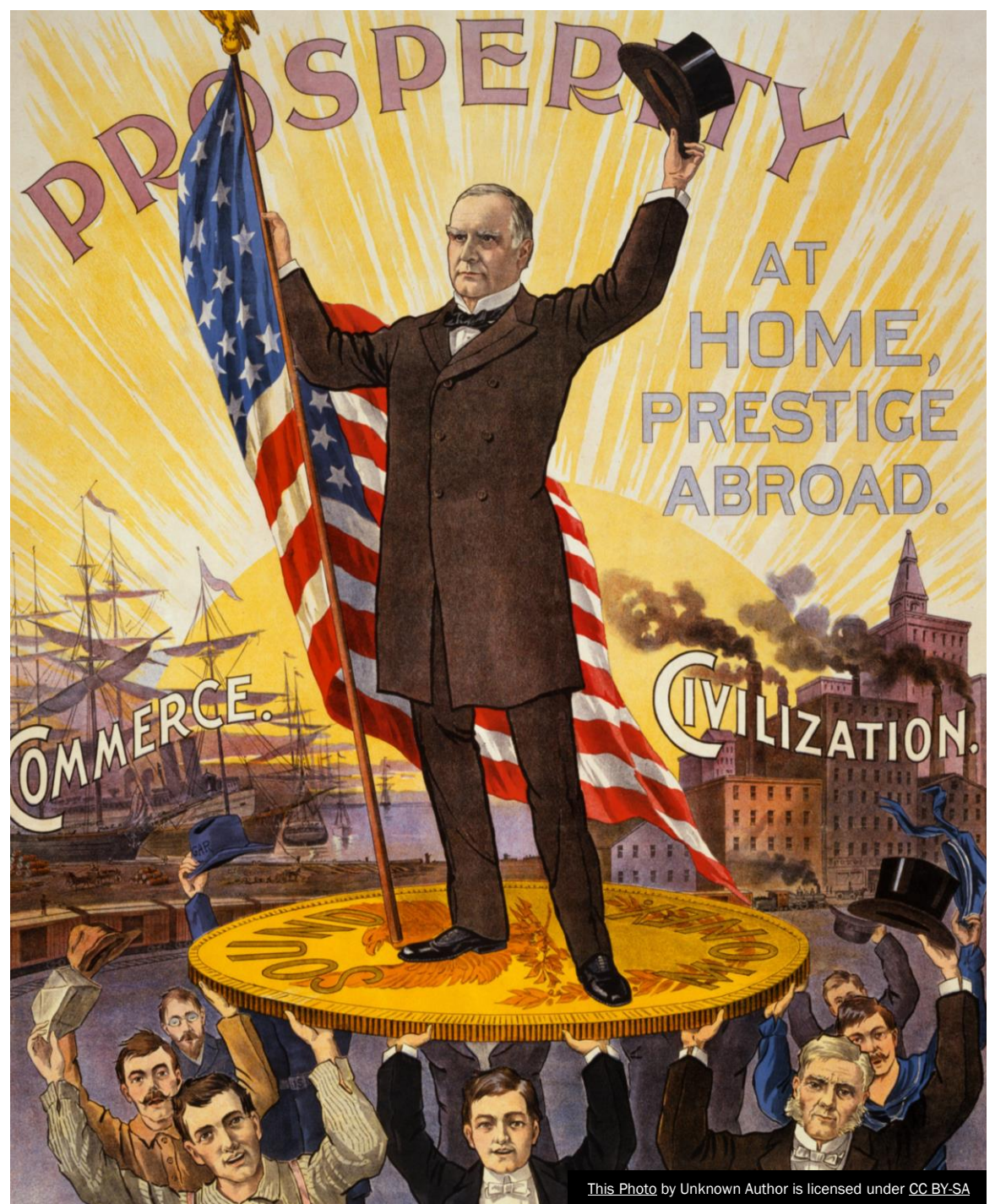
This Photo by Unknown Author is licensed under [CC BY-ND](#)



This Photo by Unknown Author is licensed under CC BY-SA

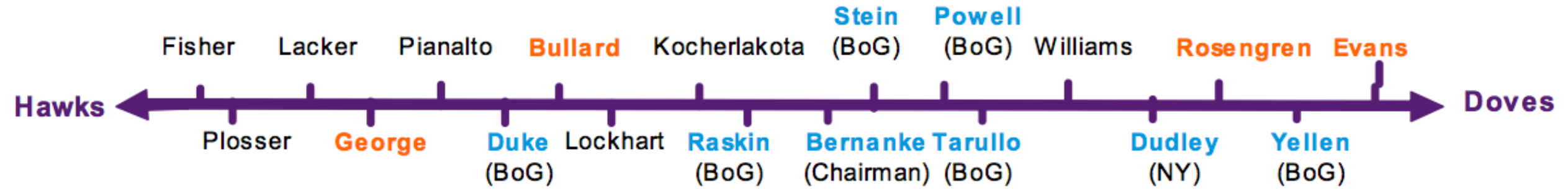


This Photo by Unknown Author is licensed under CC BY-SA



This Photo by Unknown Author is licensed under CC BY-SA

Hawk-o-meter 2013



Voting regional Fed presidents



Permanent voters



Non-voting regional Fed presidents

Source: Fed, Reuters, Natixis

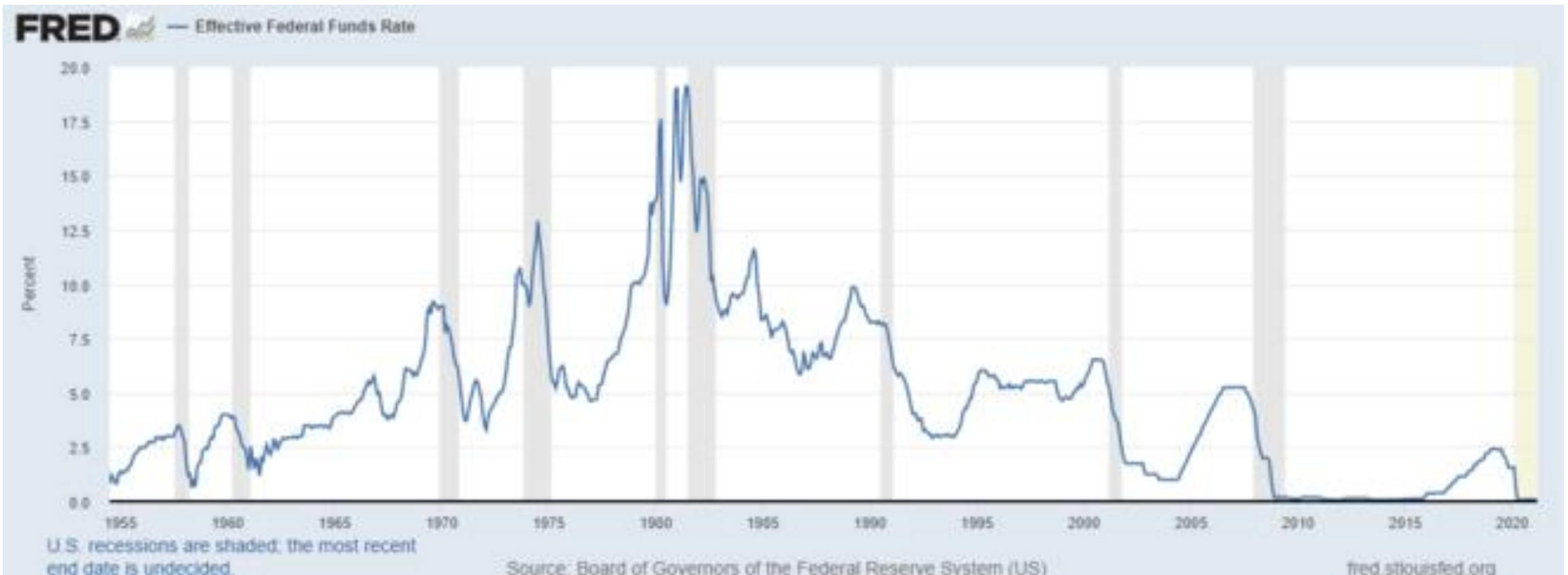




A roll of US dollar bills, tied with a string, is the central focus. The roll is positioned vertically on the right side of the frame. The background is a dense, slightly blurred field of scattered US dollar bills, creating a sense of abundance and financial activity. The lighting is soft, highlighting the texture of the paper and the intricate details of the currency.

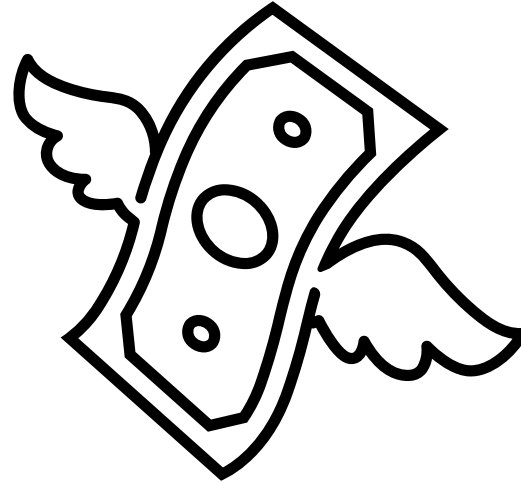
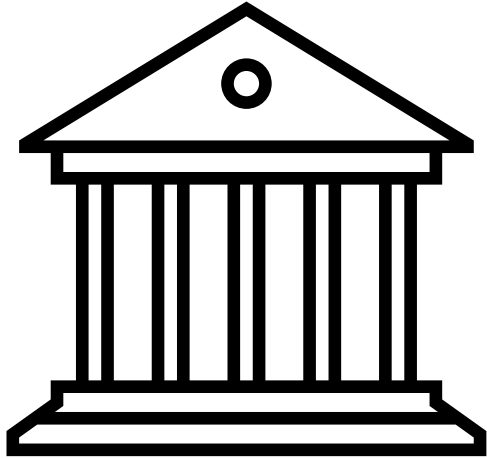
A NEW Type of Inflation

SAVE THE BANKS AND YOU SAVE THE WORLD



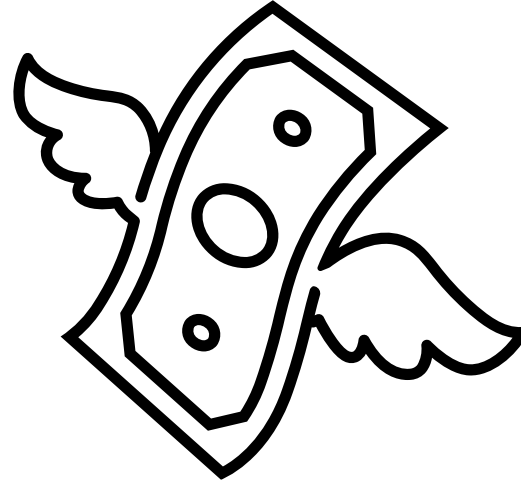
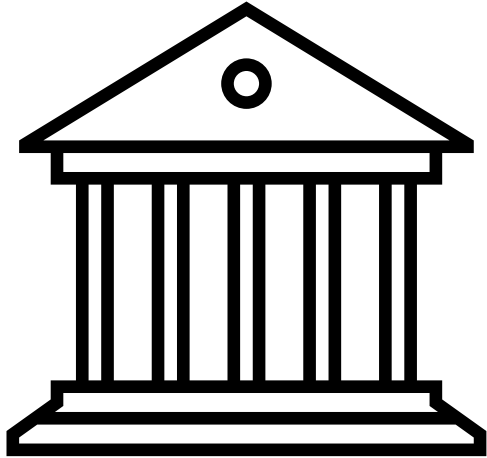
Traditional Monetary Policy

Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.



20%

Traditional Monetary Policy

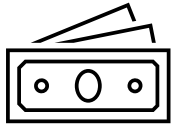
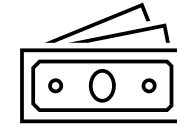
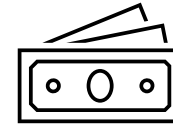
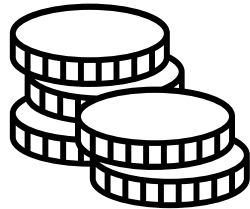
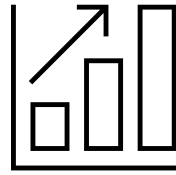
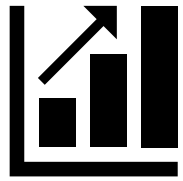


1%

Traditional Monetary Policy

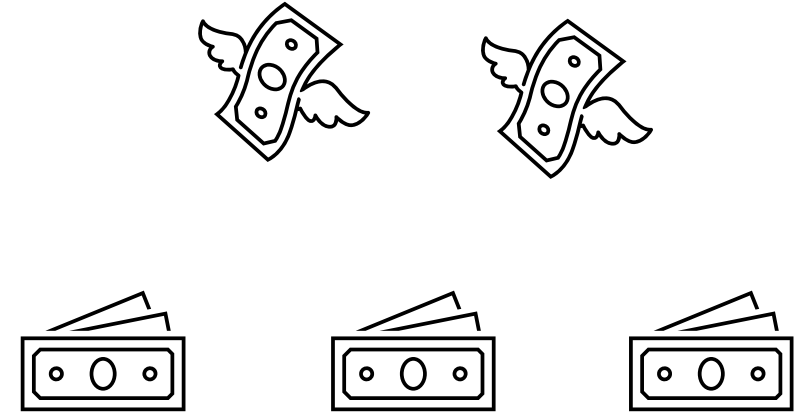
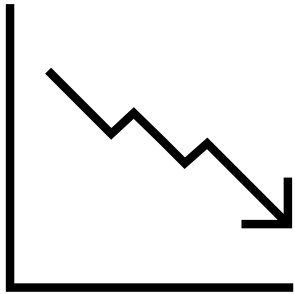






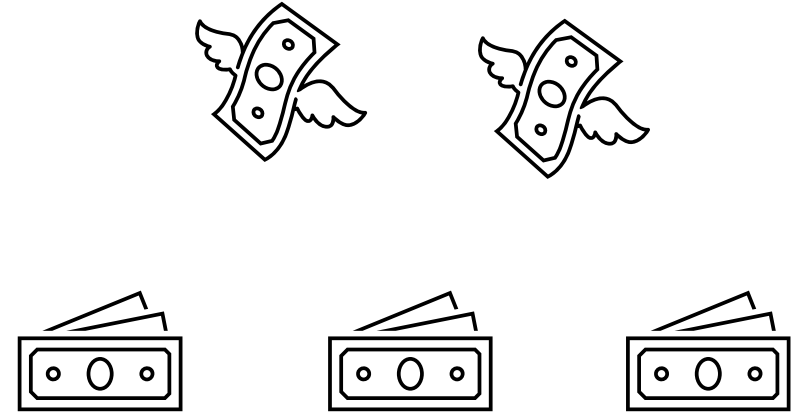
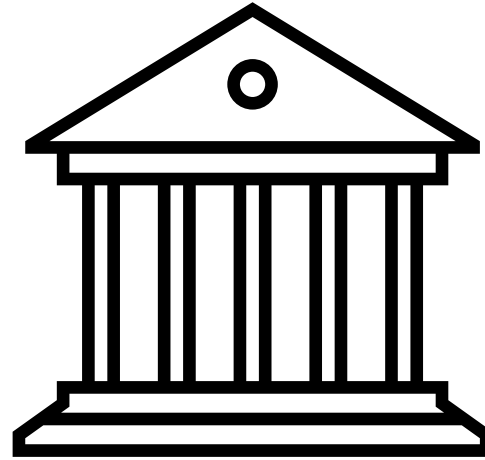
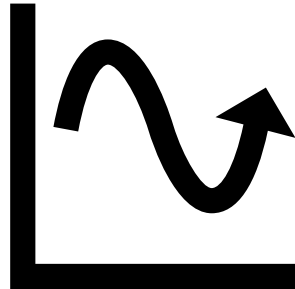
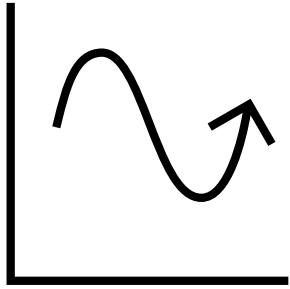
Quantitative Easing

Run on Banks/ Deleveraging



Quantitative Easing

Run on Banks/ Deleveraging



Quantitative Easing

Run on Banks/ Deleveraging

Inflation Variables



Interest Rates

Checks

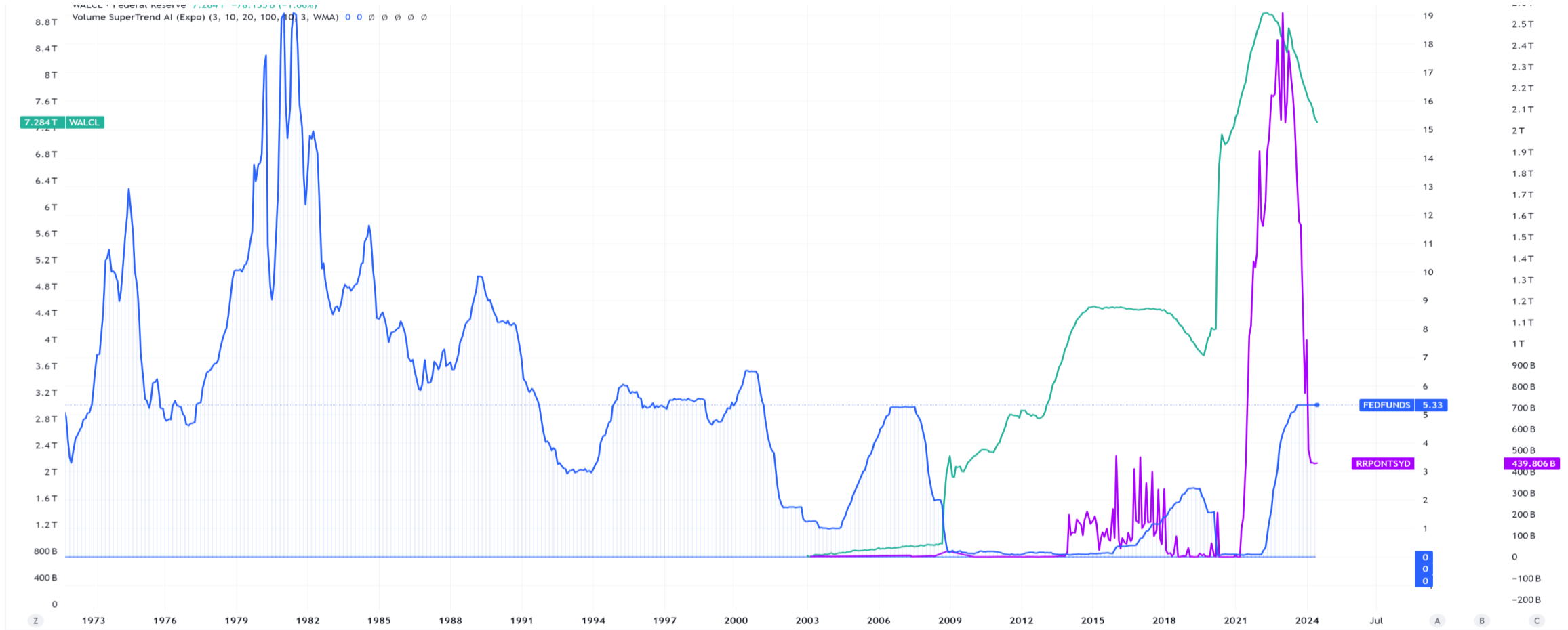
Taxes



Interest Rates

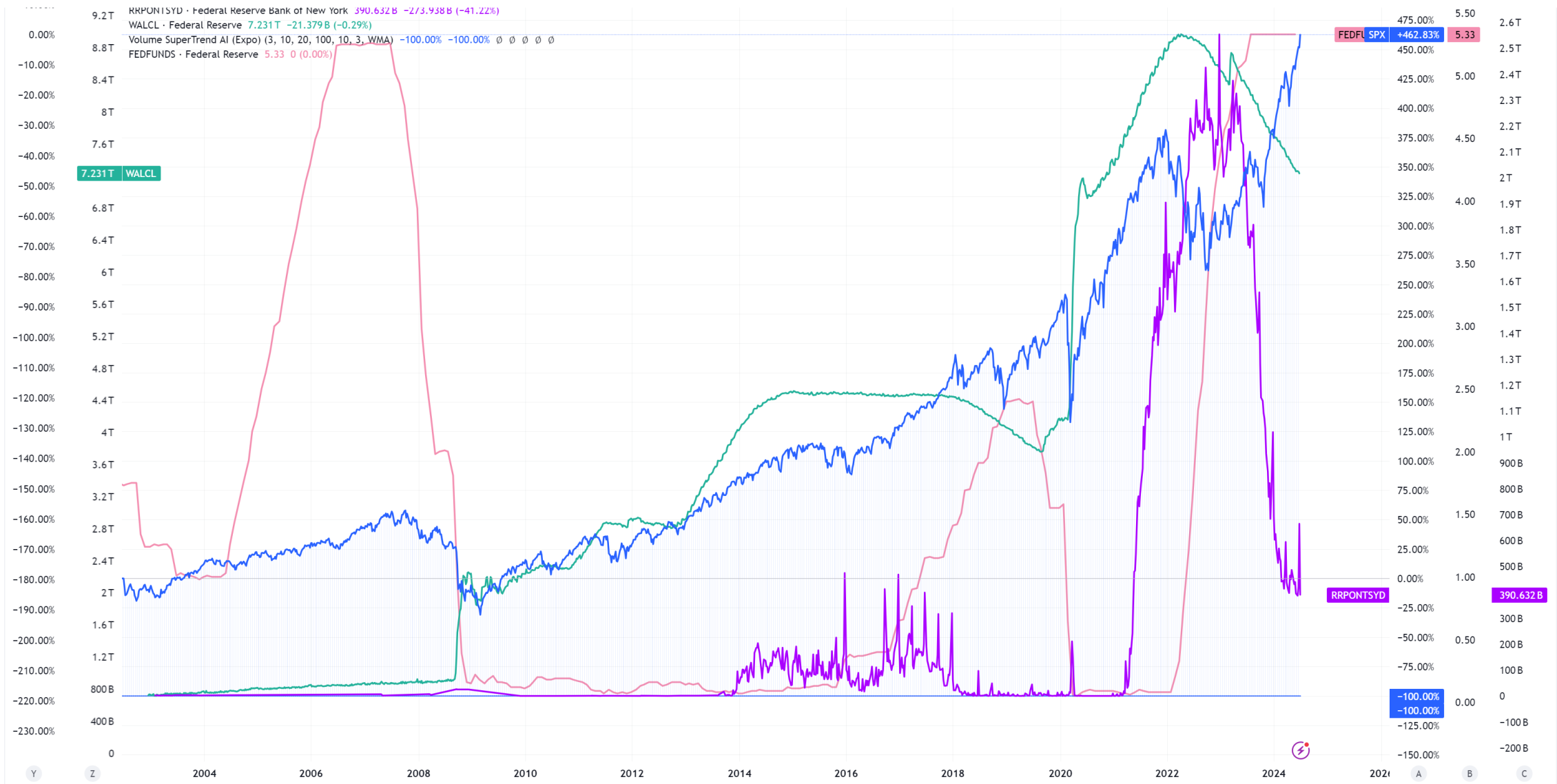
Quantitative Easing

Taxes

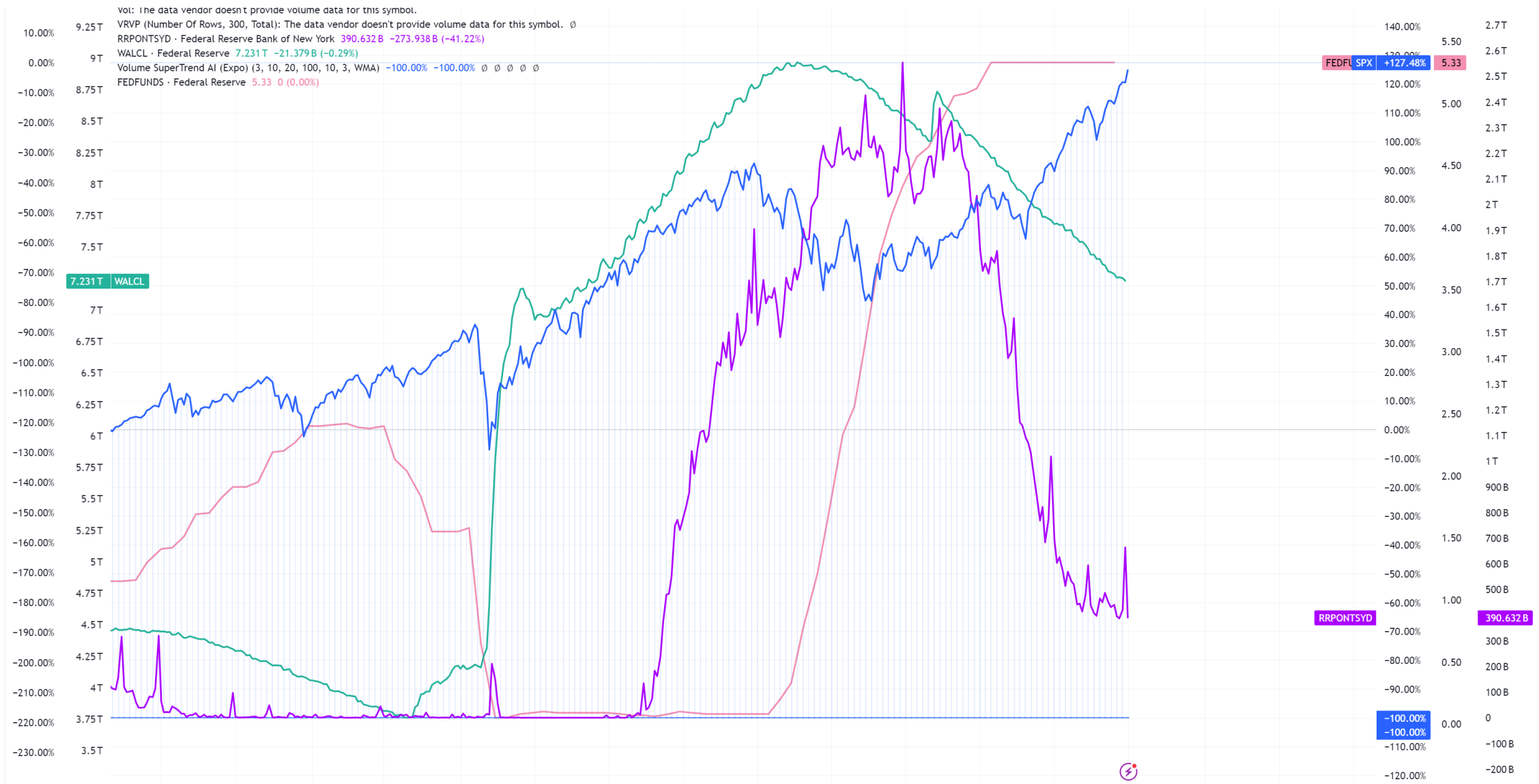


“Modern” Monetary Policy

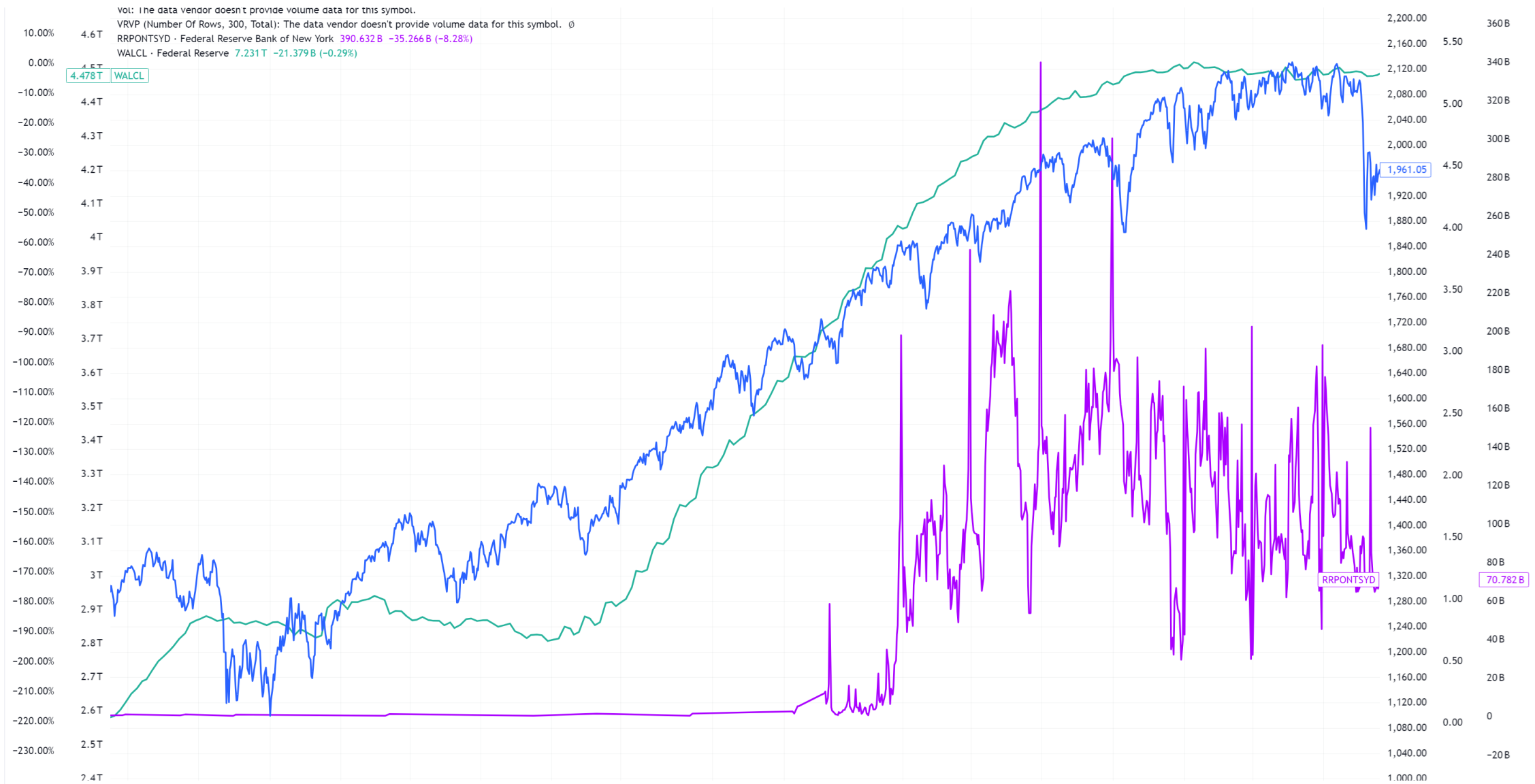
Any stock, options or futures symbols displayed are for illustrative purposes only and are not intended to portray recommendations, or an invitation or inducement to trade a particular financial instrument or to engage in an investment activity. There is a substantial risk of loss in trading futures and options. Past performance is not indicative of future results.



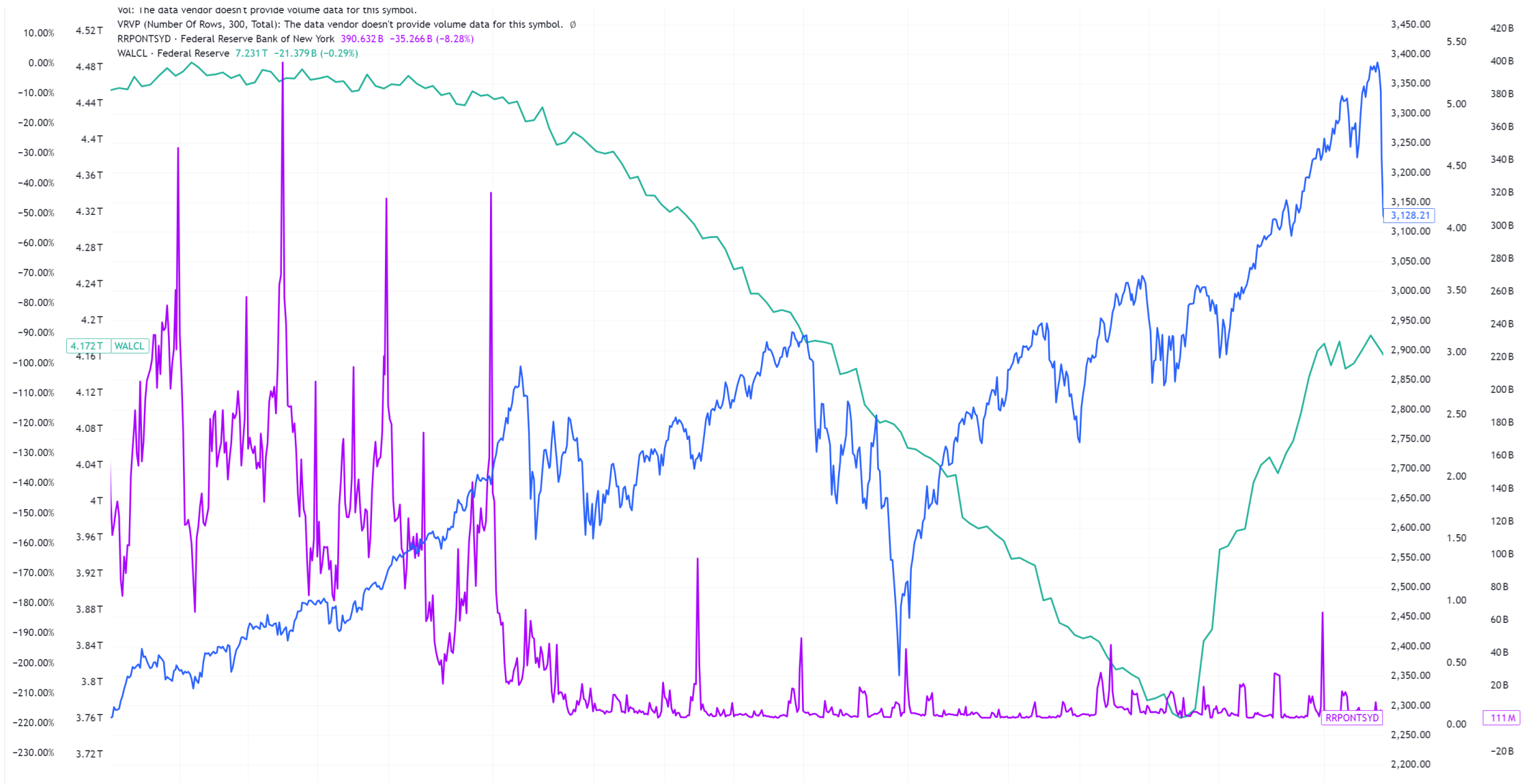
“Modern” Monetary Policy



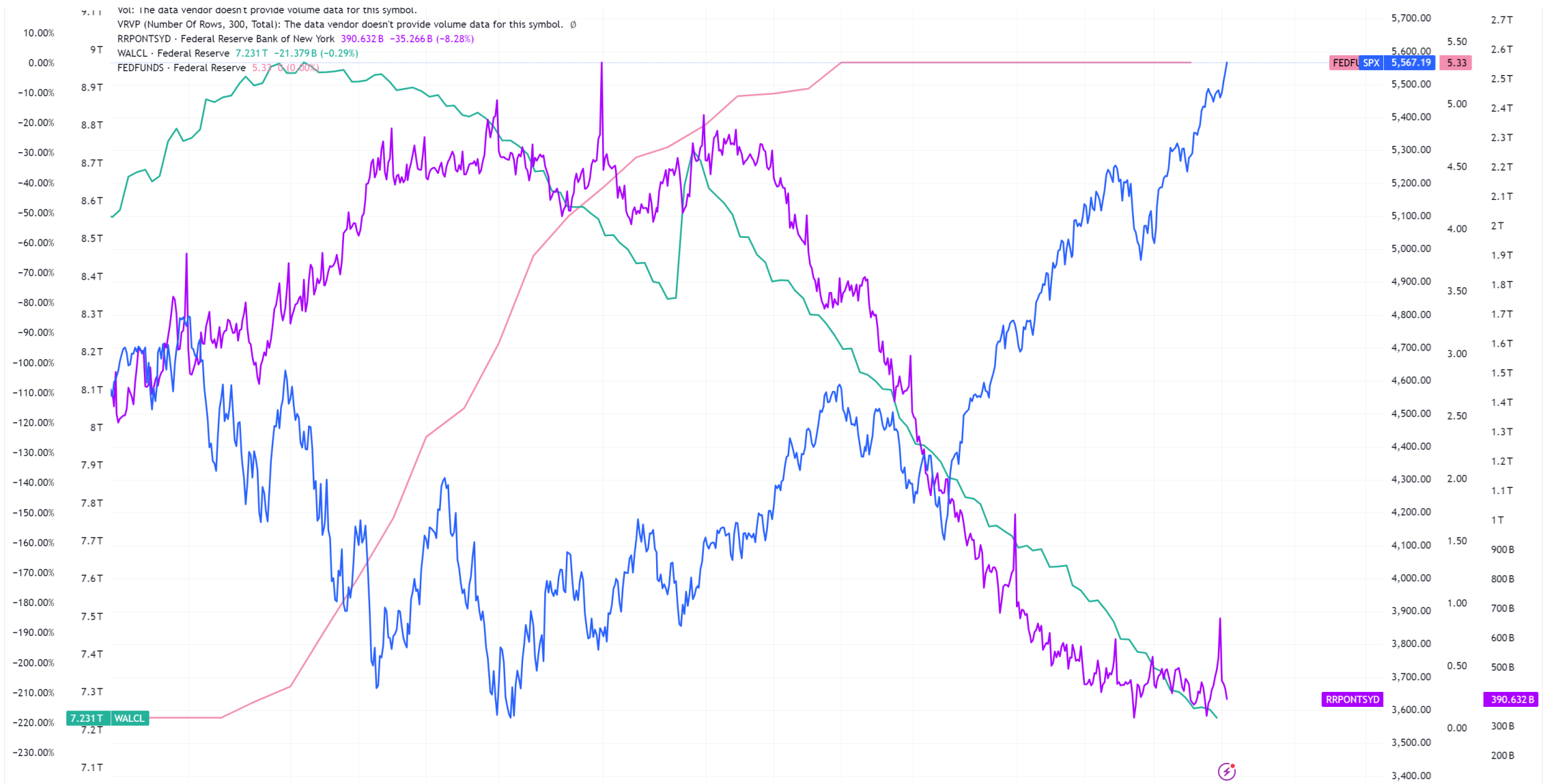
“Modern” Monetary Policy



Trend Trading



Mean Reversion / Shorting



Options Income Trading



Review

- FINANCE HAS ALWAYS CHANGED; WE MUST ADAPT TO STAY RELEVANT
- MONEY IS A CONCEPT NOT A THING
- PRINTING MONEY IS DONE THROUGH FRACTIONAL RESERVE BANKING AND BUYING OF ASSETS BY A CENTRAL BANK
- CENTRAL BANKS PRINT MONEY TO DELEVERAGE BANKS TO STAVE OFF SELLING OF ASSETS ON THE OPEN MARKET
- MODERN MONETARY POLICY CREATES TWO TYPES OF INFLATION
 - CPI
 - ASSET
- FED CAN BE YOUR FRIEND WHEN TRADING ANY STYLE