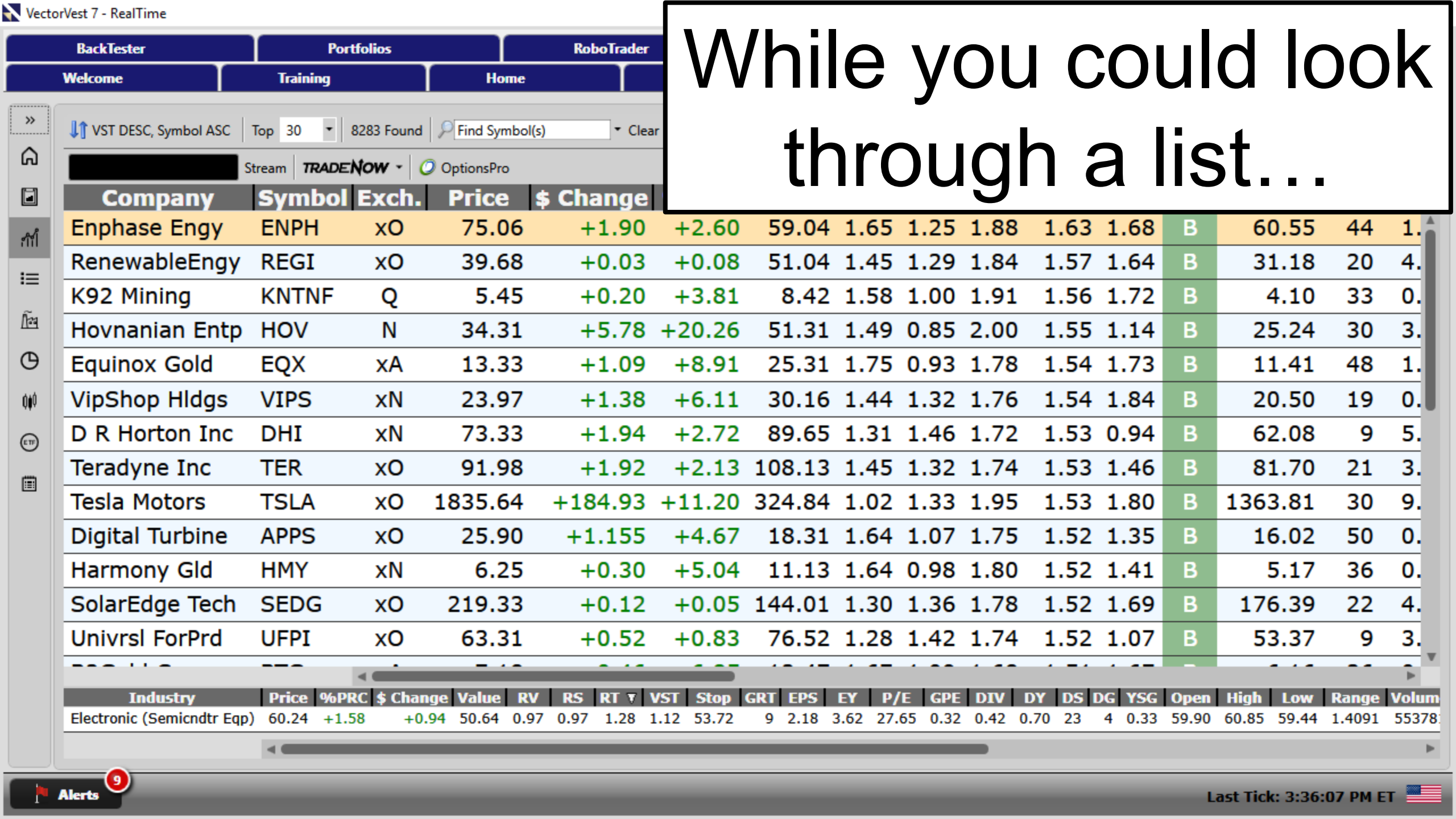
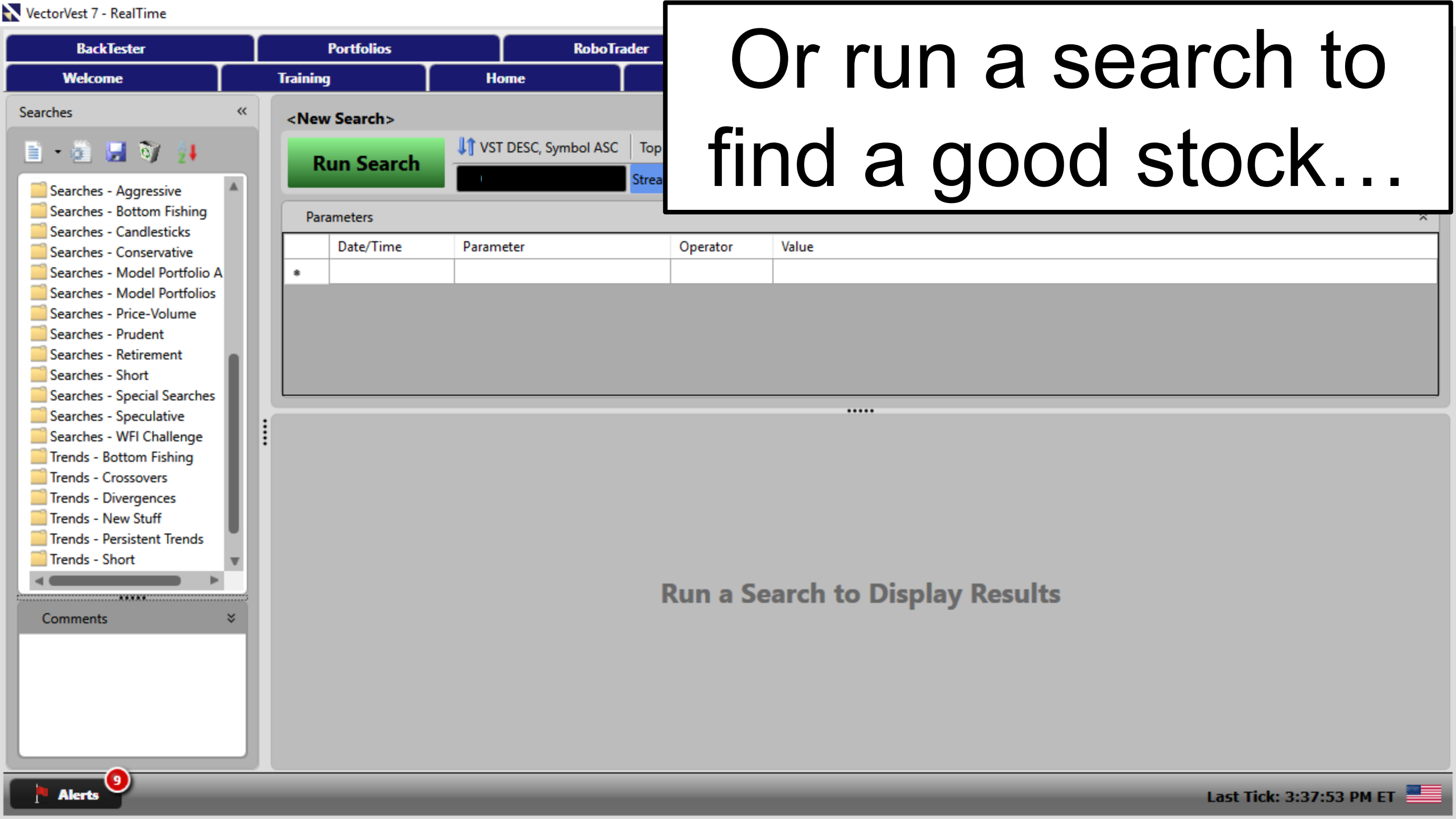
15 Minutes a Week, consistent income.

Part 1.
What to Trade



While you could look through a list…


VectorVest 7 - RealTime
BackTester
Portfolios
RoboTrader
Welcome
Training
Home
Searches
Searches - Aggressive
Searches - Bottom Fishing
Searches - Candlesticks
Searches - Conservative
Searches - Model Portfolio A
Searches - Model Portfolios
Searches - Price-Volume
Searches - Prudent
Searches - Retirement
Searches - Short
Searches - Special Searches
Searches - Speculative
Searches - WFI Challenge
Trends - Bottom Fishing
Trends - Crossovers
Trends - Divergences
Trends - New Stuff
Trends - Persistent Trends
Trends - Short
Comments
<New Search>
Run Search
VST DESC, Symbol ASC
Top
Strea
Parameters
Date/Time
Parameter
Operator
Value
Run a Search to Display Results
Alerts
9
Last Tick: 3:37:53 PM ET
Or run a search to find a good stock…

Instead, focus on one. Just trade the SPX index.

VectorVest 7 - RealTime

BackTester | Portfolios | Welcome | Training

QuickList

Company Name	Symbol	Price	Change	% Change
DJ Indu Avg	DJI	27,754.95	-23.121	-0.08%
NASDAQ Comp	IXIC	11		0.32%
S & P 500	SPX			0.23%
iShr Rus2000	IWM		0.47	0.30%
V V COMPOSITE	VVC	50.7722	-0.087	-0.17%

VectorVest advocates caution when buying stocks at this time.

VectorVest University

VectorVest at a Glance

Tracking 8,291 stocks

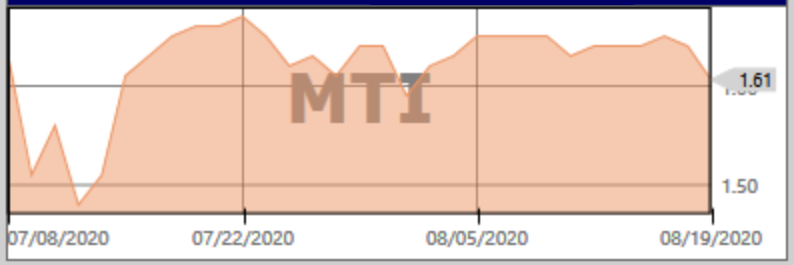
Buys	Sells	Holds
2,194	1,159	4,938
(26.5%)	(14.0%)	(59.6%)

VVC Price: $50.77 **BSR:** 1.89
VVC RT: 1.03 **MTI:** 1.61

Color Guard

Date	Price	RT	BSR	MTI	Trend	Call
Aug 19	50.772 (Y)	1.03 (Y)	1.89 (Y)	1.61	UpUp	C/Up
Aug 18	50.859 (Y)	1.03 (Y)	2.01 (Y)	1.64	UpUp	C/Up
Aug 17	50.928 (G) ★	1.06 (Y)	2.37 (Y)	1.65	UpUp	C/Up
Aug 14	50.568 (Y)	1.06 (Y)	2.34 (Y)	1.64	UpUp	C/Up
Aug 13	50.672 (G) ★	1.07 (Y)	2.41 (Y)	1.64	UpUp	C/Up
Aug 12	50.624 (G) ★	1.07 (Y)	2.54 (Y)	1.64	UpUp	C/Up

Mini-Graph



Top VST Stocks

Company Nar	Symbol	Price	Change	% Change	VST
Enphase E	ENPH	75.55	0.39	0.52%	1.63
Digital Tur	APPS	28.00	1.40	5.26%	1.56
Hovnanian	HOV	33.71	0.49	1.48%	1.56
D R Horto	DHI	74.14	0.60	0.82%	1.55
Tesla Moto	TSLA	1,884.42	-2.6699	-0.14%	1.55

Top RT Industries

Industry Name	Price	Change	% Change	RT
Building (Residentl\(	249.2613	-2.0544	-0.82%	1.63
Building (Wood Prod	34.062	0.722	2.17%	1.59
Retail (Home Furnisl	25.5977	0.4067	1.61%	1.52
ETFs (Sector\Consm	79.0667	-0.1762	-0.22%	1.49
ETFs (Specialty\Envi	61.5343	0.0666	0.11%	1.49

Top RT Sectors

Sector Name	Price	Change	% Change	RT
Building	83.1213	-0.3562	-0.43%	1.31
Instruments	115.3539	0.5672	0.49%	1.31
Container	36.4671	-0.0545	-0.15%	1.26
Auto & Truck	77.1716	-0.1808	-0.23%	1.25
Energy	18.6954	0.136	0.73%	1.22

VectorVest Events

In-Person Events

Date	Event
August 27	The Ultimate Retirement Solution Di

Strategy

Special Offers

Alerts 9

Last Tick: 3:33:29 PM ET

What is the SPX?

What is the SPX?

An Index that tracks the 500 largest US publicly traded companies.

Why only the SPX?

Why only the SPX?

1. Reduce Analysis Time

Why only the SPX?

1. Reduce Analysis Time
2. No Earnings or Dividend Worries

Why only the SPX?

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3. No Large Gaps based on random news

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Why only the SPX?

1. Reduce Analysis Time
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4. Cash Based – no stock to exercise
5. Heavily traded
6. Tax Advantages

Tax Advantages of Cash Indices

Index Options (SPX, etc.) are taxed at a 60/40 Capital Gains Split.

60% of Profits at Long Term Rate
40% at Short Term Rate

* You should consult your own tax and accounting advisor if you have any questions.

Part 2.
Trade Concepts

Trade with the Trend

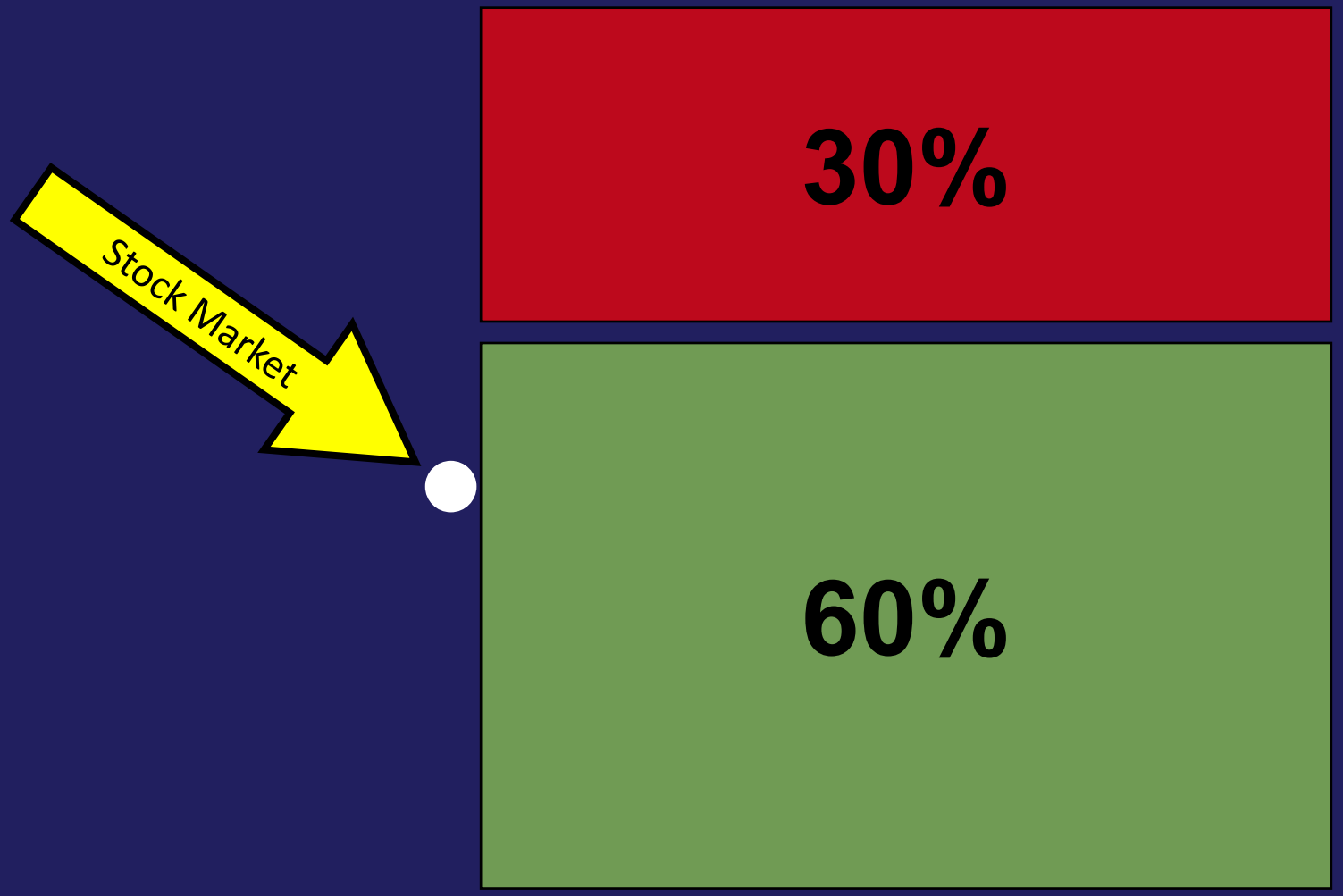
More Likely to Continue in Direction of Trend

During A Downtrend

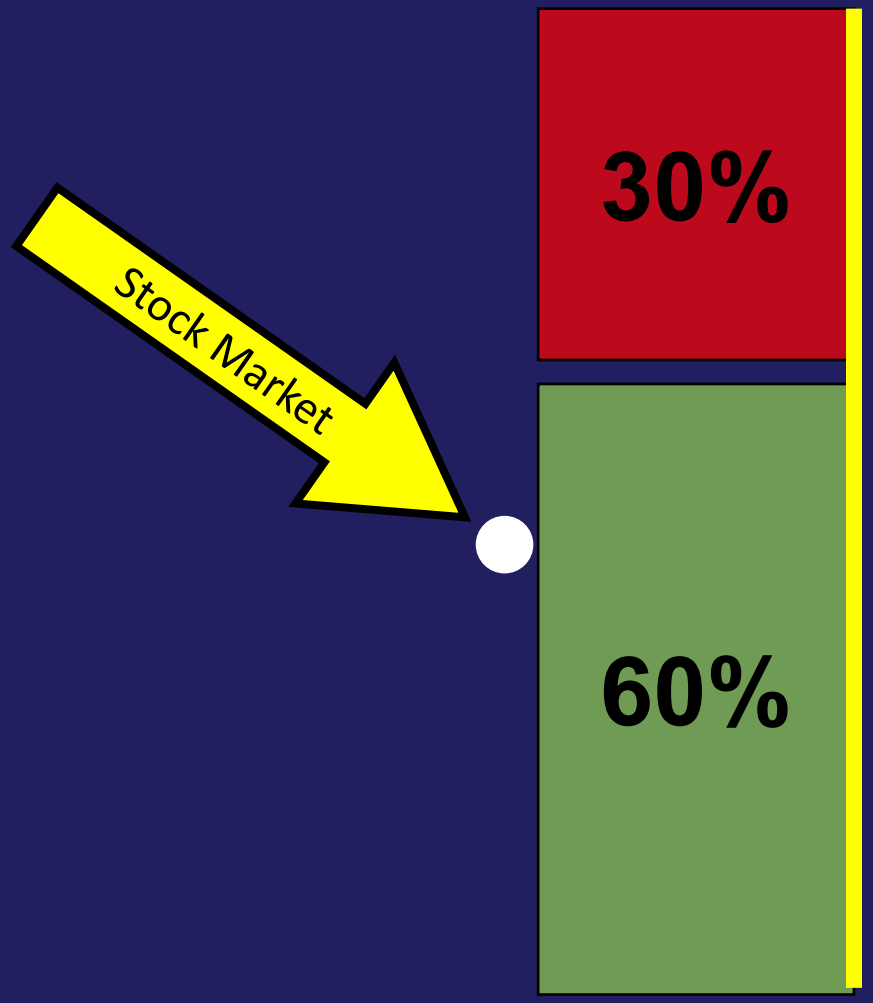
Less likely to be up here.

More likely to be in this area.

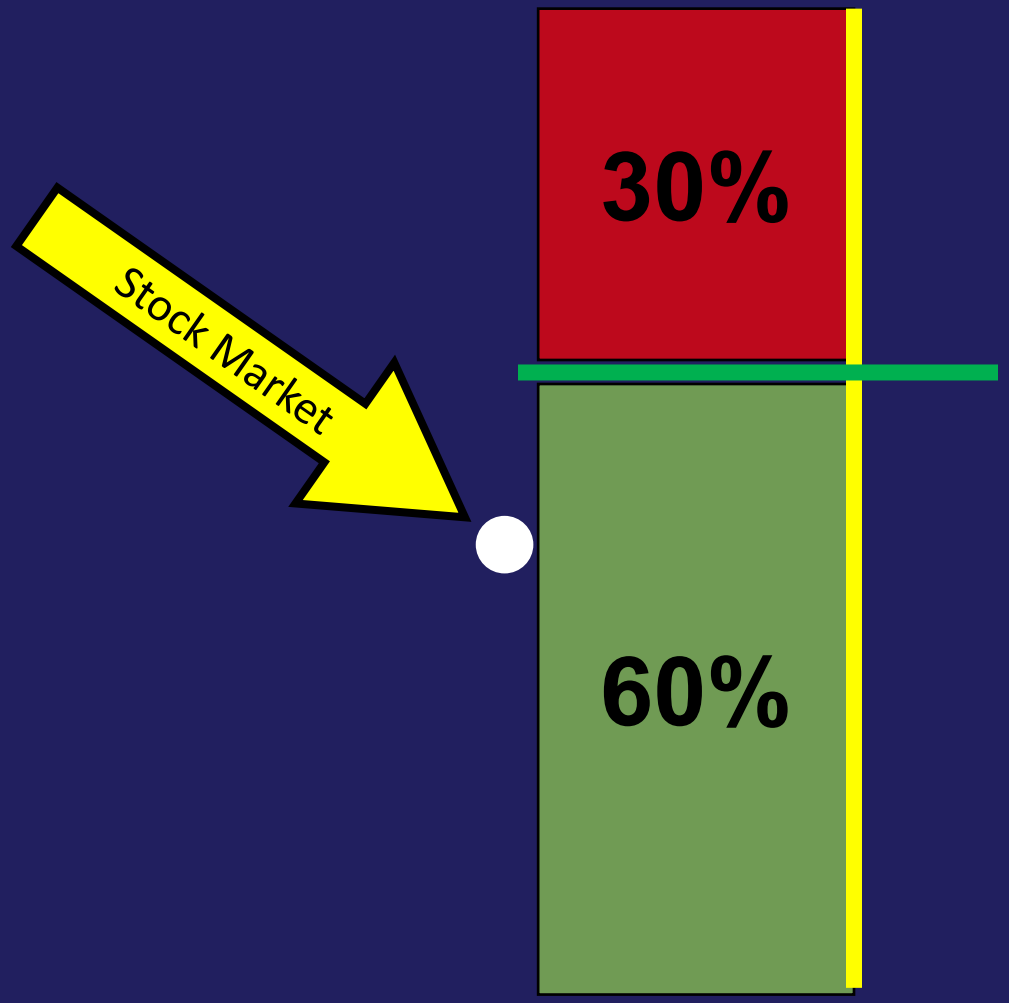
During A Downtrend



In the next 11-25 days.

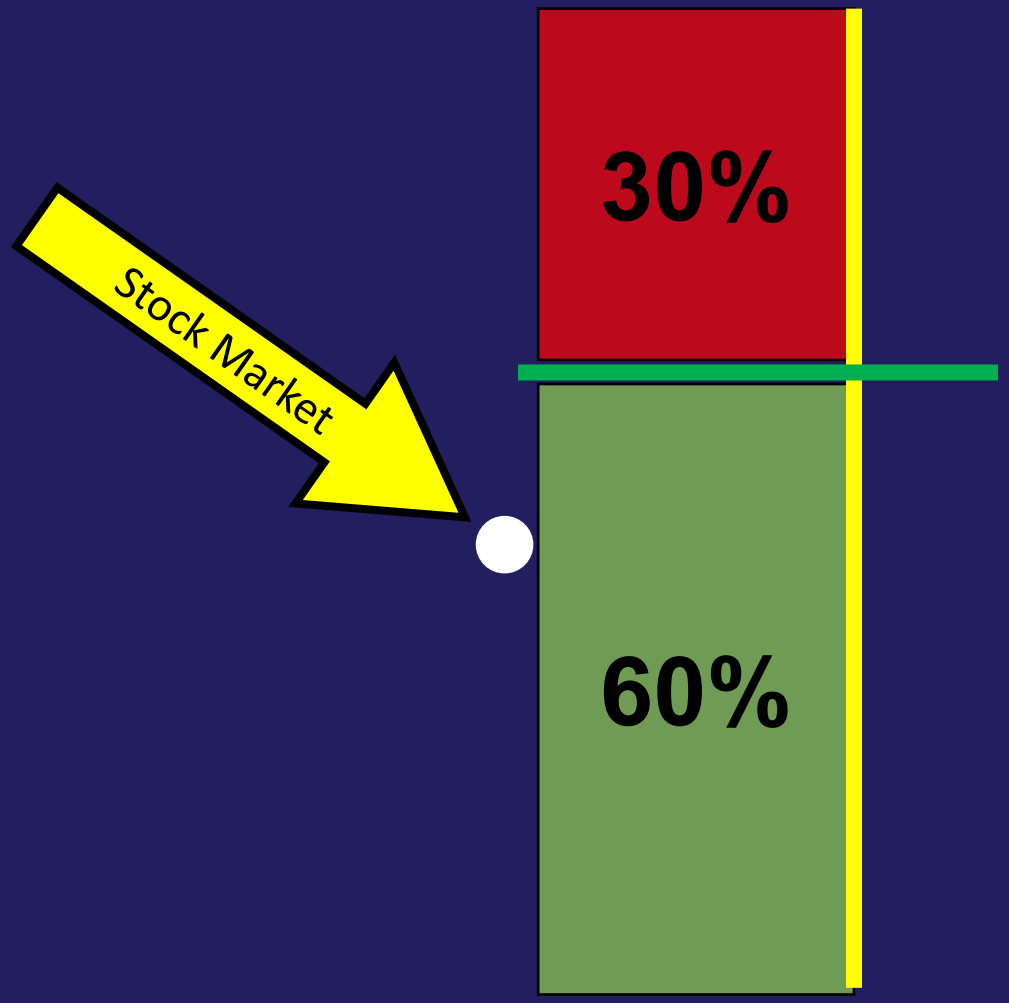


In the next 11-25 days.



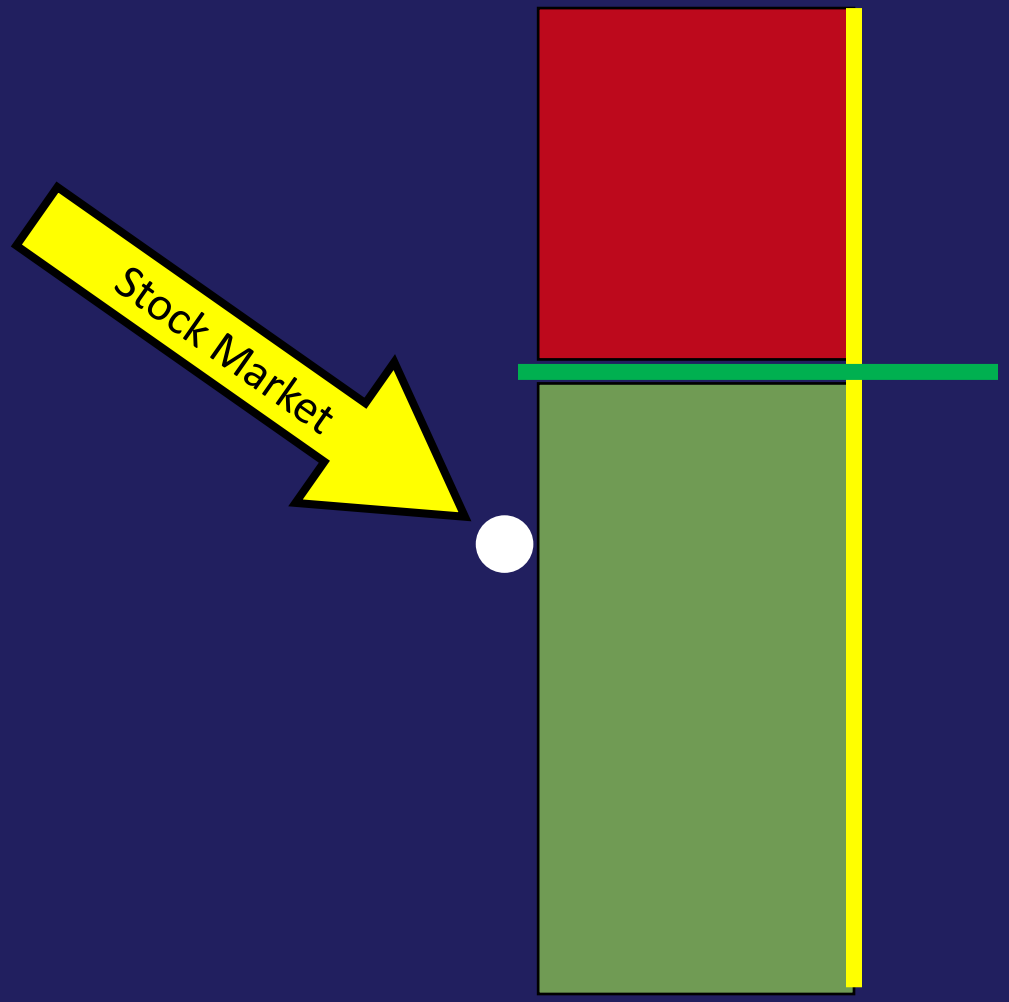
Most likely won't go above that price.

In the next 25 days.



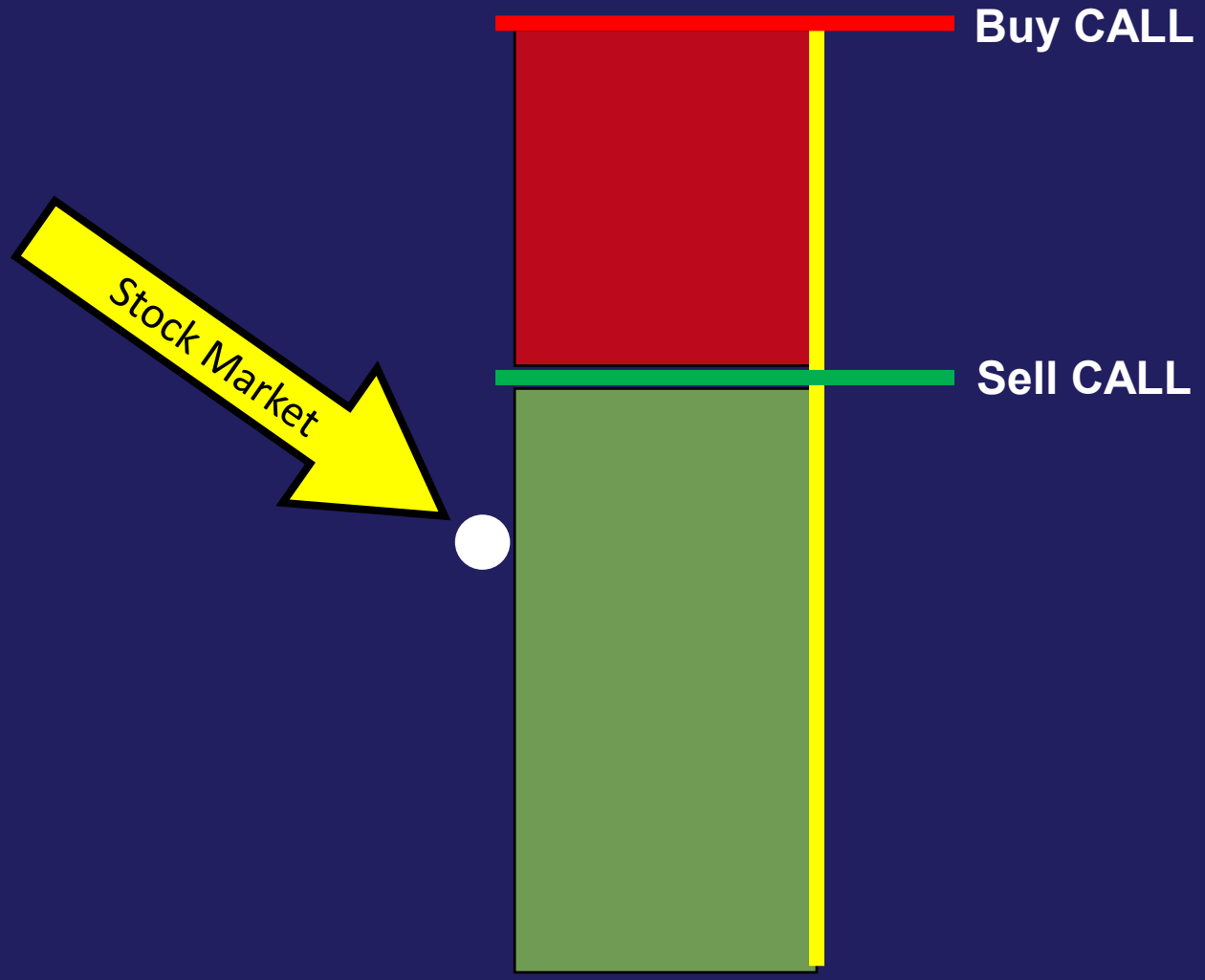
If it does, you exit the trade at a loss and move on.

Bearish Trade



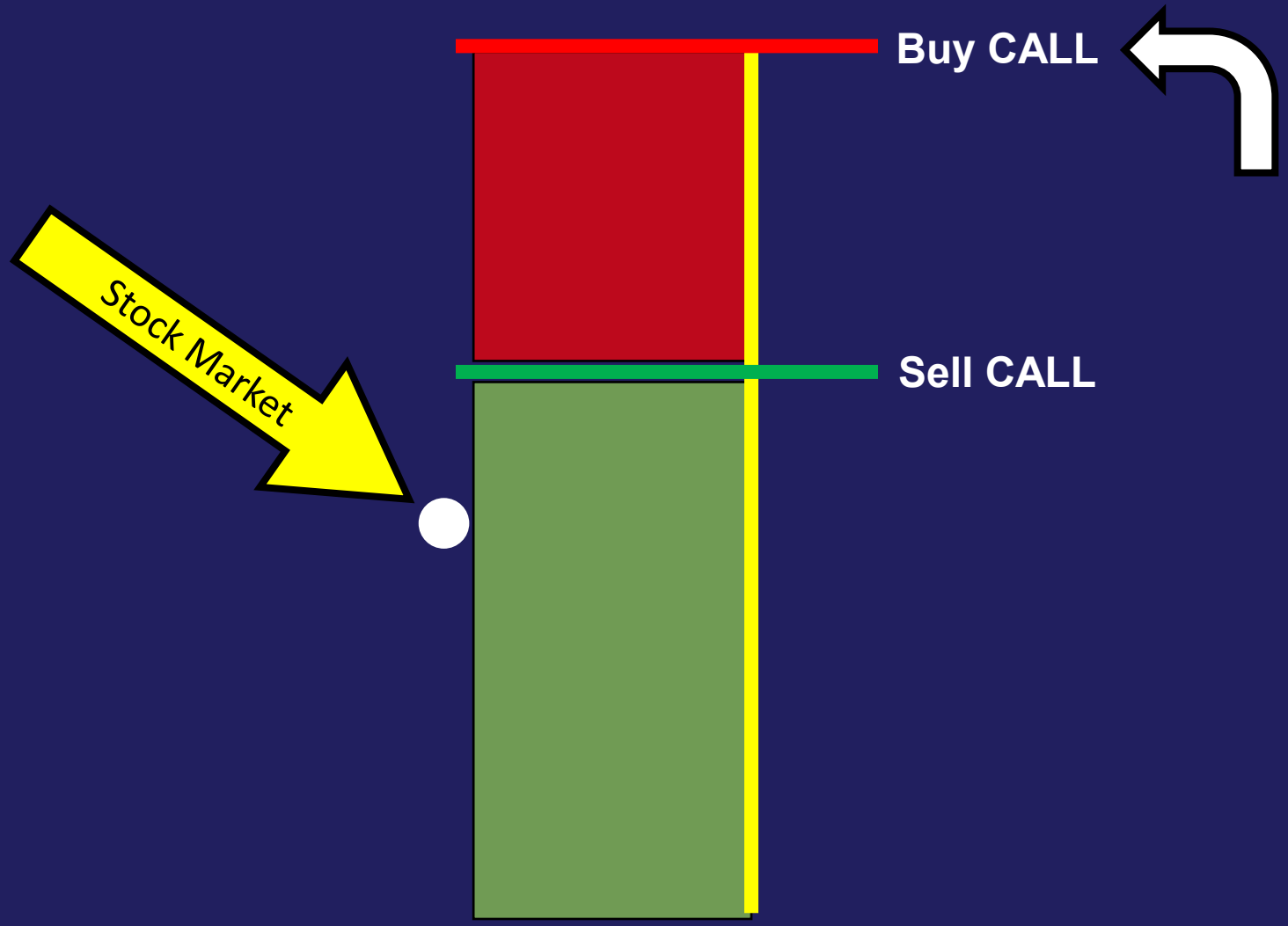
When Bearish, use a thing called **CALL**s.

Bearish Trade



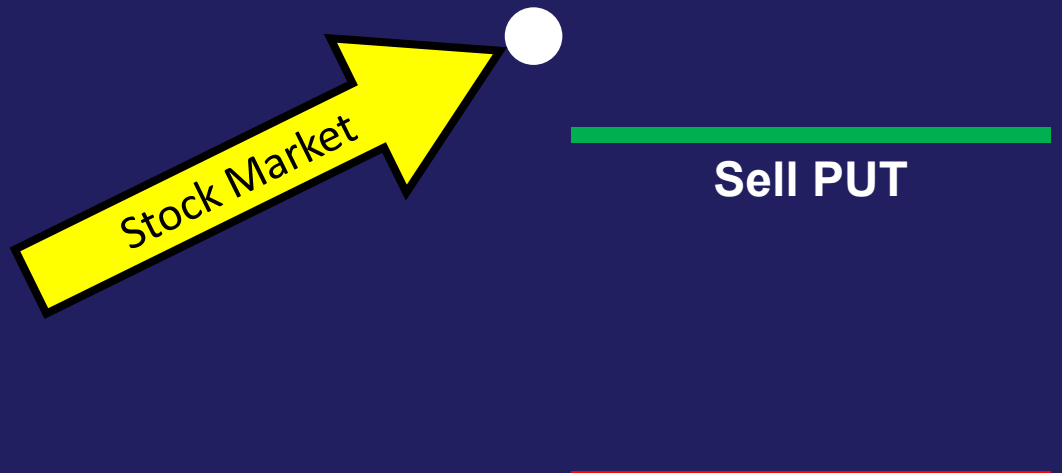
Sell a CALL and Buy a CALL at the same time.

Bearish Trade



Remember, the CALL you buy, we refer to as your “insurance” because it protects you.

Bullish Trade



Bearish Trade

Option Chain: ^SPX

Group | Dock

^SPX

	Last	Net	5 Day HV	20 Day HV	45 Day HV	60 Day HV	90 Day HV	180 Day HV	CIV Calls	CIV Puts
S&P 500	3663.53	-3.24	36.22	29.43	30.69	27.83	26.68	19.83		

Spread

Jul 08, 2022 w | 25 Strikes | Above and Below | ATM | Look Back: | Current

Calls														Puts										
BrkEven	ITM	Theta	Vega	Gamma	Delta	IV	OI	Vol	Net	Bid	Ask	Last	Strike	Last	Ask	Bid	Net	Vol	OI	IV	Delta	Gamma	Vega	Theta	ITM	BrkEven
37.2%	55.1%	-	-	0.4502	0.5498	-	30	0	0.00	122.40	124.40	131.30	3625.00	90.00	83.90	83.00	-2.34	24	318	-	-0.4218	0.0015	-	-	44.9%	32.9%
37.0%	54.3%	-	-	0.4576	0.5424	-	0	0		119.50	120.40		3630.00	96.34	85.90	85.20	0.07	10	217	-	-0.4576	0.5424	-	-	45.7%	33.3%
36.7%	53.6%	-	-	0.4650	0.5350	-	12	0	0.00	116.40	117.30	125.60	3635.00	97.37	87.80	87.10	-1.63	11	159	29.48	-0.4366	0.0015	3.4594	-2.3447	46.4%	33.7%
36.4%	52.8%	-2.4588	3.4684	0.0016	0.5581	28.43														29.70	-0.4445	0.0015	3.4700	-2.3673	47.2%	34.1%
36.1%	52.1%	-2.4575	3.4778	0.0016	0.5503	28.35														29.33	-0.4519	0.0015	3.4787	-2.3420	47.9%	34.5%
35.9%	51.4%	-2.4506	3.4859	0.0016	0.5423	28.21														29.20	-0.4596	0.0016	3.4864	-2.3357	48.6%	34.9%
35.6%	50.6%	-2.4487	3.4927	0.0016	0.5343	28.16														29.14	-0.4674	0.0016	3.4929	-2.3325	49.4%	35.3%
35.3%	49.9%	-2.4432	3.4981	0.0016	0.5263	28.07														28.98	-0.4752	0.0016	3.4981	-2.3222	50.1%	35.8%
35.0%	49.1%	-2.4373	3.5021	0.0016	0.5182	27.98														28.88	-0.4831	0.0016	3.5019	-2.3149	50.9%	36.2%
34.7%	48.4%	-2.4287	3.5046	0.0016	0.5100	27.88														28.85	-0.4910	0.0016	3.5045	-2.3122	51.6%	36.5%
34.4%	47.7%	-2.4224	3.5056	0.0016	0.5018	27.81														28.71	-0.4991	0.0016	3.5056	-2.3000	52.3%	36.9%
34.1%	46.9%	-2.4124	3.5052	0.0016	0.4936	27.71														28.68	-0.5070	0.0016	3.5054	-2.2963	53.1%	37.3%
33.8%	46.2%	-2.3983	3.5033	0.0016	0.4852	27.58														28.54	-0.5152	0.0016	3.5037	-2.2809	53.8%	37.7%
33.4%	45.5%	-2.3937	3.4999	0.0016	0.4770	27.57														28.48	-0.5232	0.0016	3.5007	-2.2726	54.5%	38.1%
33.1%	44.7%	-2.3794	3.4949	0.0016	0.4687	27.46														28.43	-0.5313	0.0016	3.4962	-2.2640	55.3%	38.4%
32.8%	44.0%	-	-	0.5608	0.4392	-														28.35	-0.5394	0.0016	3.4903	-2.2515	56.0%	38.8%
32.5%	43.3%	-2.3532	3.4802	0.0017	0.4519	27.29														28.27	-0.5475	0.0016	3.4829	-2.2389	56.7%	39.1%
32.1%	42.6%	-2.3368	3.4705	0.0017	0.4435	27.20														28.17	-0.5557	0.0016	3.4739	-2.2227	57.4%	39.5%
31.8%	41.8%	-2.3237	3.4593	0.0017	0.4352	27.15														28.09	-0.5639	0.0016	3.4636	-2.2071	58.2%	39.8%
31.4%	41.1%	-2.3095	3.4466	0.0016	0.4268	27.09														28.02	-0.5721	0.0016	3.4518	-2.1926	58.9%	40.2%
31.1%	40.4%	-2.2872	3.4318	0.0016	0.4183	26.96														27.92	-0.5803	0.0016	3.4383	-2.1735	59.6%	40.5%
30.7%	39.7%	-2.2699	3.4158	0.0016	0.4099	26.89														27.88	-0.5884	0.0016	3.4238	-2.1587	60.3%	40.8%
30.4%	39.0%	-2.2536	3.3986	0.0016	0.4016	26.84														27.65	-0.5973	0.0016	3.4062	-2.1279	61.0%	41.2%
30.0%	38.3%	-2.2335	3.3794	0.0016	0.3933	26.77														27.72	-0.6048	0.0016	3.3898	-2.1207	61.7%	41.4%
29.6%	37.6%	-2.2147	3.3589	0.0016	0.3849	26.71														27.66	-0.6129	0.0016	3.3708	-2.1017	62.4%	41.7%
29.3%	36.9%	-2.1886	3.3361	0.0016	0.3764	26.59														27.58	-0.6211	0.0016	3.3500	-2.0798	63.1%	42.2%
28.9%	36.3%	-2.1657	3.3122	0.0016	0.3681	26.52														27.51	-0.6291	0.0016	3.3281	-2.0581	63.7%	42.3%
28.5%	35.6%	-2.1471	3.2877	0.0016	0.3600	26.49														27.46	-0.6371	0.0016	3.3050	-2.0378	64.4%	42.6%
28.2%	34.9%	-2.1204	3.2605	0.0016	0.3517	26.39														27.03	-0.6473	0.0016	3.2734	-1.9821	65.1%	43.1%
27.8%	34.3%	-2.0978	3.2327	0.0016	0.3436	26.34														27.34	-0.6531	0.0016	3.2543	-1.9918	65.7%	43.2%
27.4%	33.6%	-2.0721	3.2030	0.0016	0.3354	26.27														27.28	-0.6610	0.0015	3.2272	-1.9689	66.4%	43.4%
27.0%	32.9%	-2.0429	3.1711	0.0016	0.3271	26.18	13	14	-9.30	47.40	48.10	43.88	3780.00	180.76	163.90	163.00	11.69	103	174	27.22	-0.6689	0.0015	3.1985	-1.9433	67.1%	43.7%
26.6%	32.3%	-2.0210	3.1401	0.0016	0.3193	26.16	183	4	-4.10	45.70	46.40	47.50	3785.00	155.64	167.10	166.30	-15.32	4	9	27.13	-0.6769	0.0015	3.1678	-1.9153	67.7%	43.9%
26.2%	31.7%	-1.9942	3.1068	0.0015	0.3115	26.10	154	12	-10.42	44.20	44.80	40.68	3790.00	163.38	170.40	169.40	0.00	0	164	27.05	-0.6849	0.0015	3.1361	-1.8879	68.3%	44.2%

Options have a built-in statistical probability.

Delta or an ITM% can be used.

Probability

A Delta of .50 or 50 indicates a probability of 50% that the strike price will be in the money at expiration.

Probability

In other words…

If you construct a trade around a 50 Delta, you have a statistical 50/50 chance of success.

Part 3.
Under Standing Risk

One bad trade wipes out a bunch of winners

It’s hard to recover losses

Control Your Risk:

The enemy of any income trader is to take losses that far exceed the average gain.

Risk Management

SPX Income Trading

Risk:Reward of 1:1

Example:

- Win $1,500 on a winner
- Lose $1,500 on a loser

Risk Management

SPX Income Trading

Risk:Reward combined with Probability is how we make money.

How do you make money???

>50% Winners
and good risk to reward

Risk Management

60% Winners But…

W	W	W	L	L	W	L	W	W	W
L	L	L	W	W	L	W	L	W	W

You can still have a string of losers.

In A Typical Year at 60%

32 winners

20 losers

Accept it.

Cardinal Rule

Only risk losing 3% of your total account on each trade

Risk Management Mantra

Live to Trade
Another Day

Max Risk Per Trade

Account Size	3% Max Risk Per Trade
$5,000	$150
$10,000	$300
$15,000	$450
$30,000	$900
$50,000	$1,500
$75,000	$2,250
$100,000	$3,000
$125,000	$3,750
$150,000	$4,500

Run the Numbers

60% Success Rate based on Delta.

100 Trades

60 Winners and 40 Losers

Avg Gain per winner 150.00

Avg Loss per loser 150.00

Run the Numbers

60% Success Rate based on Delta.

60 Winners = $9000.00 Winners

40 Losers = $6000.00 Losses

This Works.

Run the Numbers

80% Success Rate based on Delta.

100 Trades

60 Winners and 40 Losers

Avg Gain per winner 150.00

Avg Loss per loser 750.00

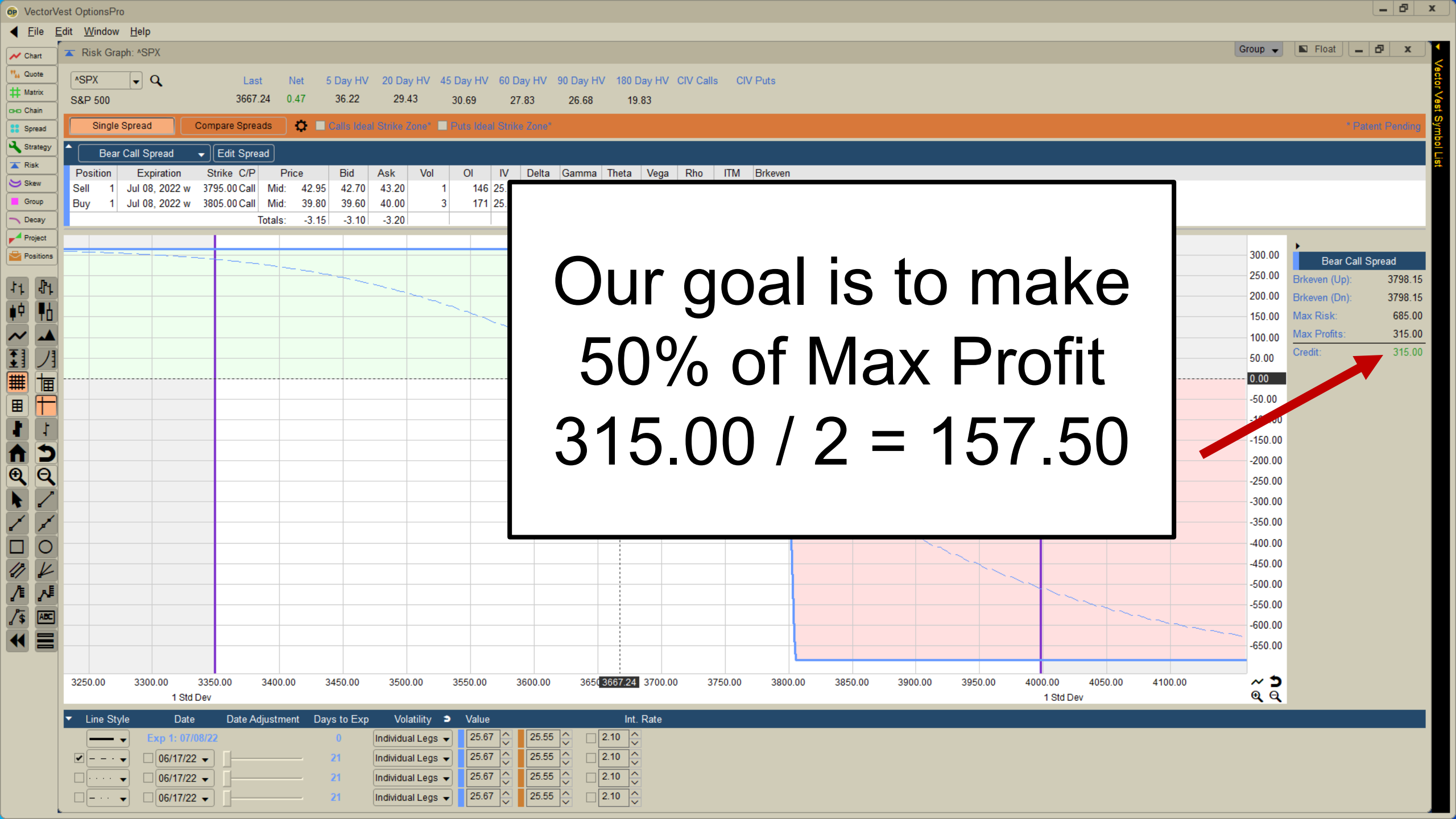
Run the Numbers

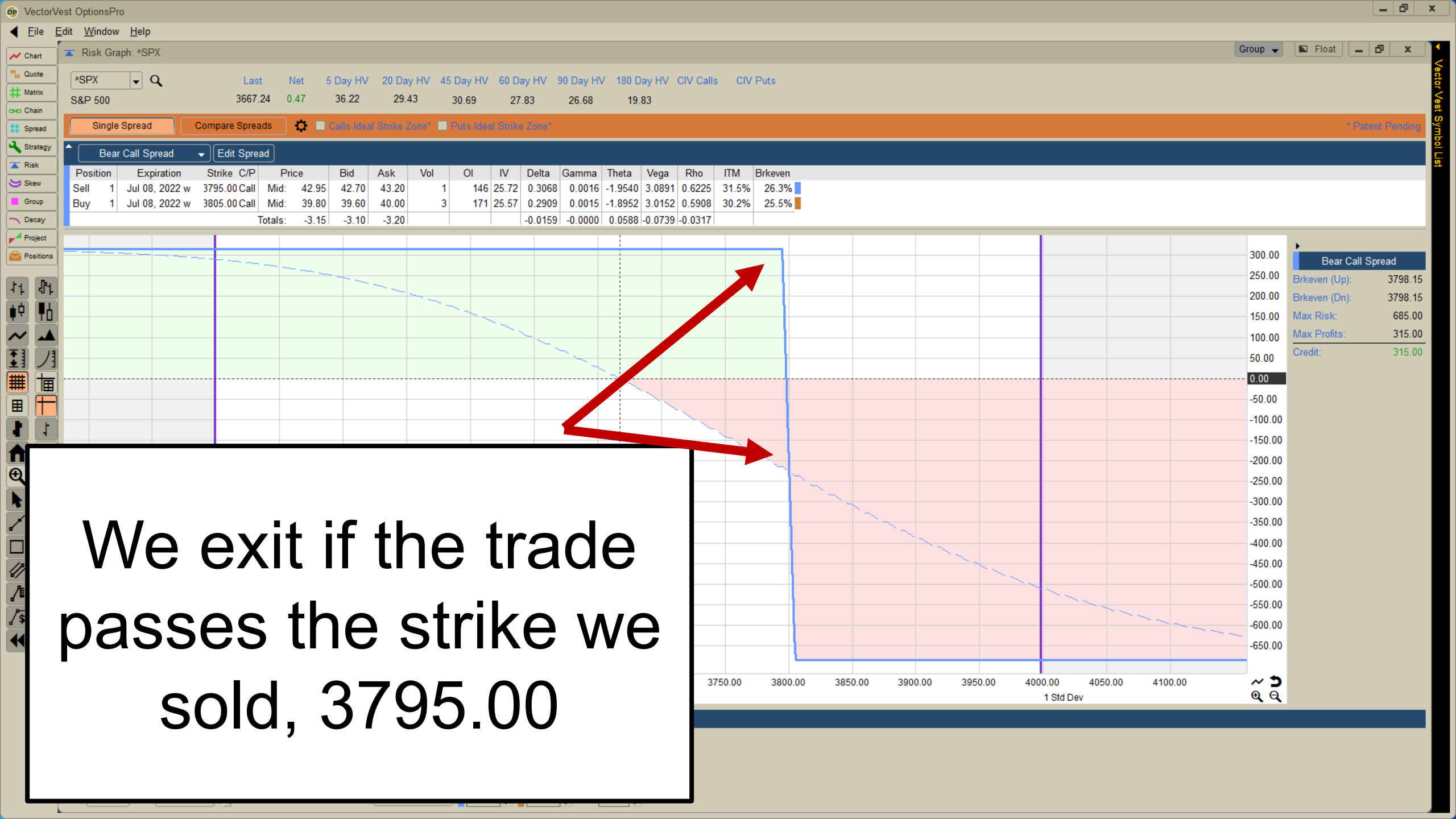
60% Success Rate based on Delta.

80 Winners = $12000.00 Winners

20 Losers = $15000.00 Losses

This doesn’t work.


VectorVest OptionsPro
File Edit Window Help
Risk Graph: ^SPX
Group Float
^SPX
S&P 500
Last Net 5 Day HV 20 Day HV 45 Day HV 60 Day HV 90 Day HV 180 Day HV CIV Calls CIV Puts
3667.24 0.47 36.22 29.43 30.69 27.83 26.68 19.83
Single Spread Compare Spreads Calls Ideal Strike Zone* Puts Ideal Strike Zone* * Patent Pending
Bear Call Spread Edit Spread
Position Expiration Strike C/P Price Bid Ask Vol OI IV Delta Gamma Theta Vega Rho ITM Brkeven
Sell 1 Jul 08, 2022 w 3795.00 Call Mid: 42.95 42.70 43.20 1 146 25.
Buy 1 Jul 08, 2022 w 3805.00 Call Mid: 39.80 39.60 40.00 3 171 25.
Totals: -3.15 -3.10 -3.20
Our goal is to make
50% of Max Profit
315.00 / 2 = 157.50
Bear Call Spread
Brkeven (Up): 3798.15
Brkeven (Dn): 3798.15
Max Risk: 685.00
Max Profits: 315.00
Credit: 315.00
1 Std Dev
1 Std Dev
Line Style Date Date Adjustment Days to Exp Volatility Value Int. Rate
Exp 1: 07/08/22
06/17/22
Individual Legs
25.67
25.55
2.10
Vector Vest Symbol List



We exit if the trade passes the strike we sold, 3795.00

VectorVest OptionsPro

File Edit Window Help

Risk Graph: ^SPX

^SPX	Last	Net	5 Day HV	20 Day HV	45 Day HV	60 Day HV	90 Day HV	180 Day HV	CIV Calls	CIV Puts
S&P 500	3667.24	0.47	36.22	29.43	30.69	27.83	26.68	19.83		

Single Spread | Compare Spreads | Calls Ideal Strike Zone* | Puts Ideal Strike Zone* | * Patent Pending

Bear Call Spread | Edit Spread

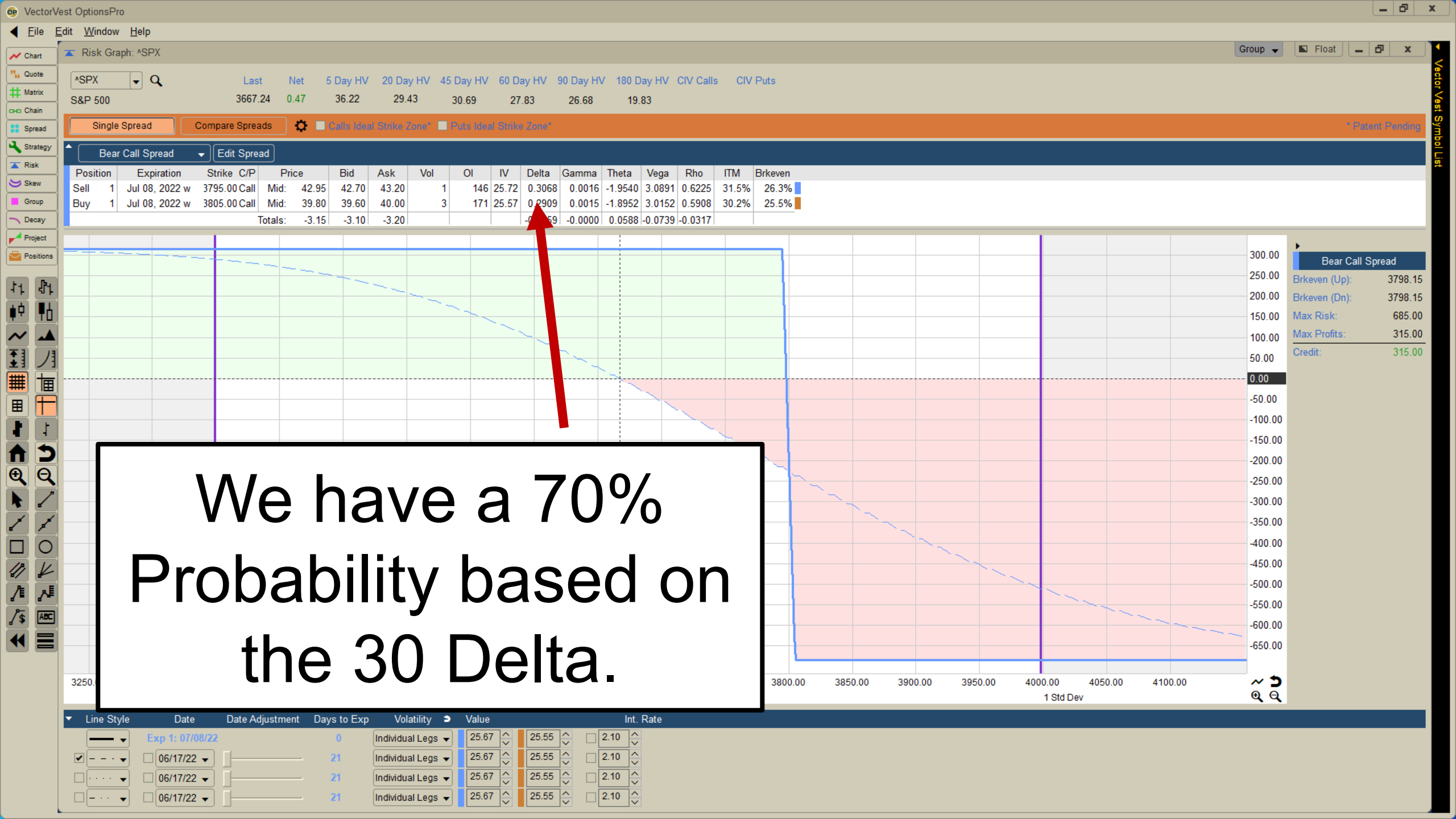
Position	Expiration	Strike	C/P	Price	Bid	Ask	Vol	OI	IV	Delta	Gamma	Theta	Vega	Rho	ITM	Brkeven
Sell 1	Jul 08, 2022 w	3795.00	Call	Mid: 42.95	42.70	43.20	1	146	25.72	0.3068	0.0016	-1.9540	3.0891	0.6225	31.5%	26.3%
Buy 1	Jul 08, 2022 w	3805.00	Call	Mid: 39.80	39.60	40.00	3	171	25.57	0.2909	0.0015	-1.8952	3.0152	0.5908	30.2%	25.5%
				Totals: -3.15	-3.10	-3.20				-0.0159	-0.0000	0.0588	-0.0739	-0.0317		

Bear Call Spread

Brkeven (Up):	3798.15
Brkeven (Dn):	3798.15
Max Risk:	685.00
Max Profits:	315.00
Credit:	315.00

We would lose
205.00

06/17/22	21	Individual Legs	25.67	25.55	2.10	
06/17/22	21	Individual Legs	25.67	25.55	2.10	
06/17/22	21	Individual Legs	25.67	25.55	2.10	


VectorVest OptionsPro
File Edit Window Help
Risk Graph: ^SPX
^SPX
S&P 500
Last 3667.24
Net 0.47
5 Day HV 36.22
20 Day HV 29.43
45 Day HV 30.69
60 Day HV 27.83
90 Day HV 26.68
180 Day HV 19.83
CIV Calls
CIV Puts
Single Spread
Compare Spreads
Calls Ideal Strike Zone*
Puts Ideal Strike Zone*
* Patent Pending
Bear Call Spread
Edit Spread
Position Expiration Strike C/P Price Bid Ask Vol OI IV Delta Gamma Theta Vega Rho ITM Brkeven
Sell 1 Jul 08, 2022 w 3795.00 Call Mid: 42.95 42.70 43.20 1 146 25.72 0.3068 0.0016 -1.9540 3.0891 0.6225 31.5% 26.3%
Buy 1 Jul 08, 2022 w 3805.00 Call Mid: 39.80 39.60 40.00 3 171 25.57 0.2909 0.0015 -1.8952 3.0152 0.5908 30.2% 25.5%
Totals: -3.15 -3.10 -3.20 -0.0000 0.0588 -0.0739 -0.0317
Bear Call Spread
Brkeven (Up): 3798.15
Brkeven (Dn): 3798.15
Max Risk: 685.00
Max Profits: 315.00
Credit: 315.00
300.00
250.00
200.00
150.00
100.00
50.00
0.00
-50.00
-100.00
-150.00
-200.00
-250.00
-300.00
-350.00
-400.00
-450.00
-500.00
-550.00
-600.00
-650.00
3800.00
3850.00
3900.00
3950.00
4000.00
4050.00
4100.00
1 Std Dev
We have a 70% Probability based on the 30 Delta.
Line Style Date Date Adjustment Days to Exp Volatility Value Int. Rate
Exp 1: 07/08/22 0 Individual Legs 25.67 25.55 2.10
06/17/22 21 Individual Legs 25.67 25.55 2.10
06/17/22 21 Individual Legs 25.67 25.55 2.10
06/17/22 21 Individual Legs 25.67 25.55 2.10
Vector Vest Symbol List

Run the Numbers

70% Success Rate based on Delta.

70 Winners = $11025.00 Winners (157.50 X 70)

30 Losers = $6150.00 Losses (205.00 X 30)

This works!

Run the Numbers

If we took 50 trades per year it would take 2 years to complete 100 trades.

Trading 1 Contract our account would go from $5000.00 to $9875.00 in 2 Years.

In 15 minutes per week.

The Last 7 Years

These are the building blocks of our income approach we use in both the Options Paycheck Experience and our URS program.