



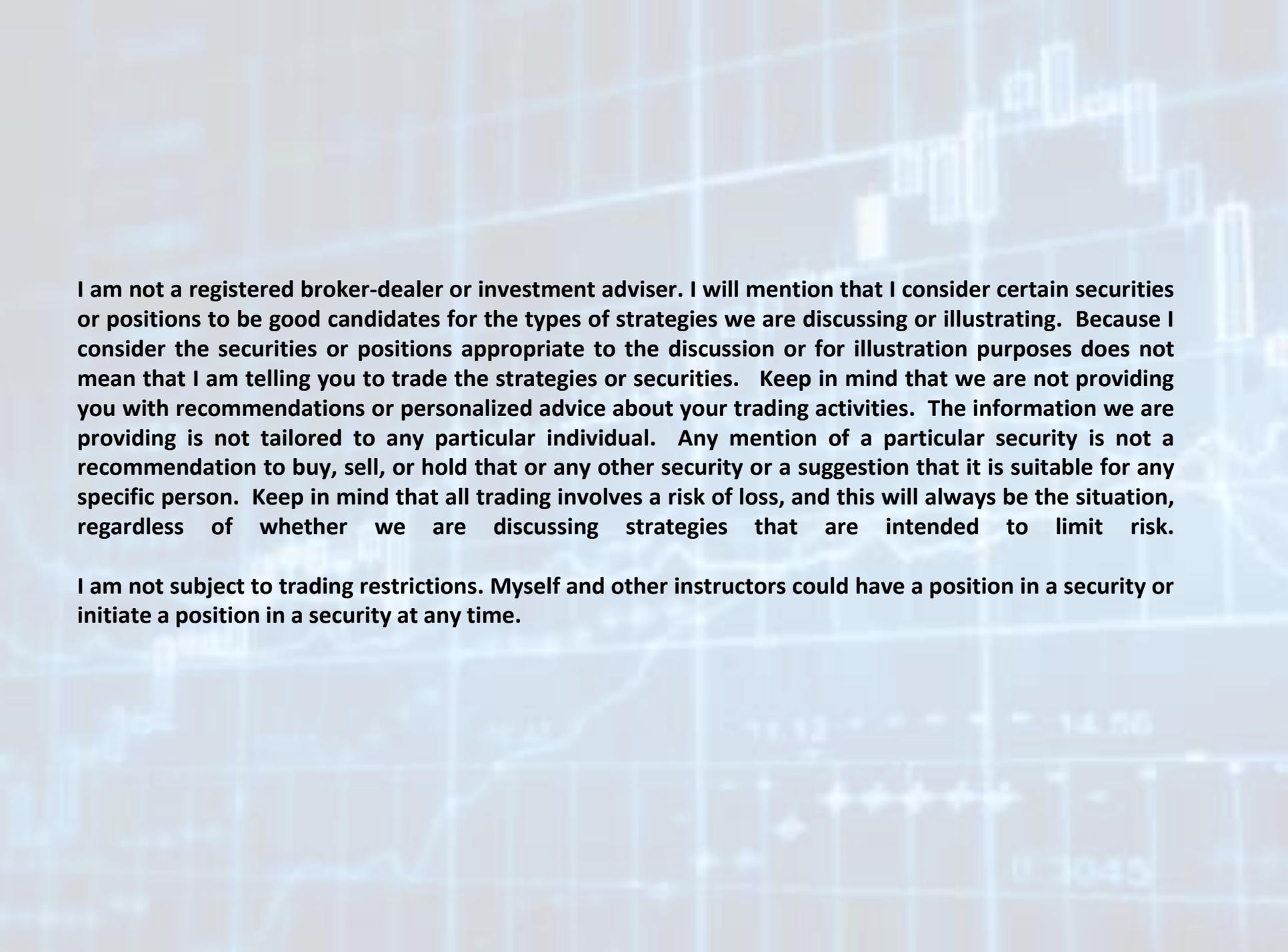
Presents

**Ultimate Options**  
**Day Trader Course**

**Part 4**

*With*

***Bill Corcoran***



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# WELCOME

- I am SUPER excited to do this class.
- This is a day trading class.
- Over the next several weeks our lessons will be based on real trading opportunities that we have traded in my trading group, “The Morning Lab” and/or that I review in “The Day Traders Almanac”.
- This is an open forum, your questions will direct the topics we learn.

# Last Week



- **More Charts, TA for Day Trading**
- **7 Setups**
- **Opening Setup**
- **Multi Time Frame Setup Evaluation**
- **Pre Setup indicators**
- **Order Execution**
- **Stop Management**
- **80/20**
- **Profit Management**

# This Week

- **Strategy Review**
- **Multi Time Frame Confirmation**
- **Pre Setup/ Next Setup**
- **BB Bottoms and Tops**
- **Pre-emptive exits**
- **Building into the trend**
- **Nuance**

# WHAT IS IT??

- **This course is the result of over 13 years of experience trading and teaching people to trade the options market.**
- **It evolved from a need to find an options strategy that could be traded in any market condition.**
- **It avoids overnight “headline risk” and can be scaled to fit virtually any trading account size.**
- **This strategy has the potential to generate significant income with minimal time expenditure once it is mastered.**

The background of the slide features a light blue grid with several faint, semi-transparent financial charts. These include a candlestick chart in the upper right, a line graph with multiple data series in the middle, and a bar chart with arrows in the lower right. The overall aesthetic is clean and professional, typical of a business or financial presentation.

# STRATEGY REVIEW

# SPY Day Trading Strategy

- This is a highly leveraged day trading options strategy that exploits very small moves in the underlying stock price for potential profit or comparable loss.
- It is based several observations of technical price behavior.
- This strategy employs 8 “setups” consisting of chart patterns occurring at key technical levels.
- Risk management is strictly based on measured historical performance.

# SPY Day Trading RULES

- What follows is a description of my day trading strategy specific to the SPY weekly options.
- Due to the compressed time frame of these options, typically seek to trade the **nearest expiration**.
- **Only** trade options with a delta of .65 or higher.
- **ONLY** enter a trade when one of the seven specific high probability “setups” appear

The background of the image is a blurred financial chart. It features a grid with horizontal and vertical lines. There are several data series: a prominent blue line graph that trends upwards from left to right, a yellow line graph that fluctuates around a central level, and a candlestick chart with white and blue bars. Faint numerical values are visible on the grid, such as '11.92', '14.55', and '0.3045'.

# MULTI TIME FRAME

# Multi Time Frame

- Trade signals are most valuable when they are supported in multiple time frames.
- Trade entry should generally only be taken if the trade signal on the 5 minute chart is confirmed on at least one of the other time frames.
- Trade signals confirming across more than two time frames is unusual and should be considered to be very strong signals.

# Multi Time Frame

- For this strategy the 5 minute chart is the **PRIMARY** trading time frames.
- The 1-minute chart is used **ONLY** for confirmations and timing of entries based on the 5-minute chart.
- The 15 minute chart can be used for confirmation of the 5-minute chart or for evaluation of the strength/momentum of a price move.
- Daily Chart is used to determine daily trends and their impact to intraday setups.





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# SETTING UP THE SETUP

# Get Ahead

- If you wait for the setup to appear and then trade it, you are already too late.
- Trade setups can seem to “appear” out of thin air.
- The stock only needs to move around .21 to generate a dime of profit on the correct option. If the stock has already moved .10 or .15 before you FINALLY execute the trade, the move is potentially almost over.

# Look Ahead

- Your job is to look ahead and establish several likely possibilities.
- Current chart patterns, technical indicators, price activity and market sentiment or news can all affect potential outcomes.
- Look for the next **most probable** setups.

# The Observer

- Do not attempt to “predict” what will happen.
- Observe, analyze and evaluate.
- Determine which of the 7 setups is most likely to happen next.

# What's Next?



# What's Next?



# Were you Right?



# Pop Quiz

- Pen and Paper or text your answers
- You are going to see a chart
- You will have 30 seconds to determine the next 3 most likely setups in order of probability.

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# Pre-emptive Exits

# Early Exit

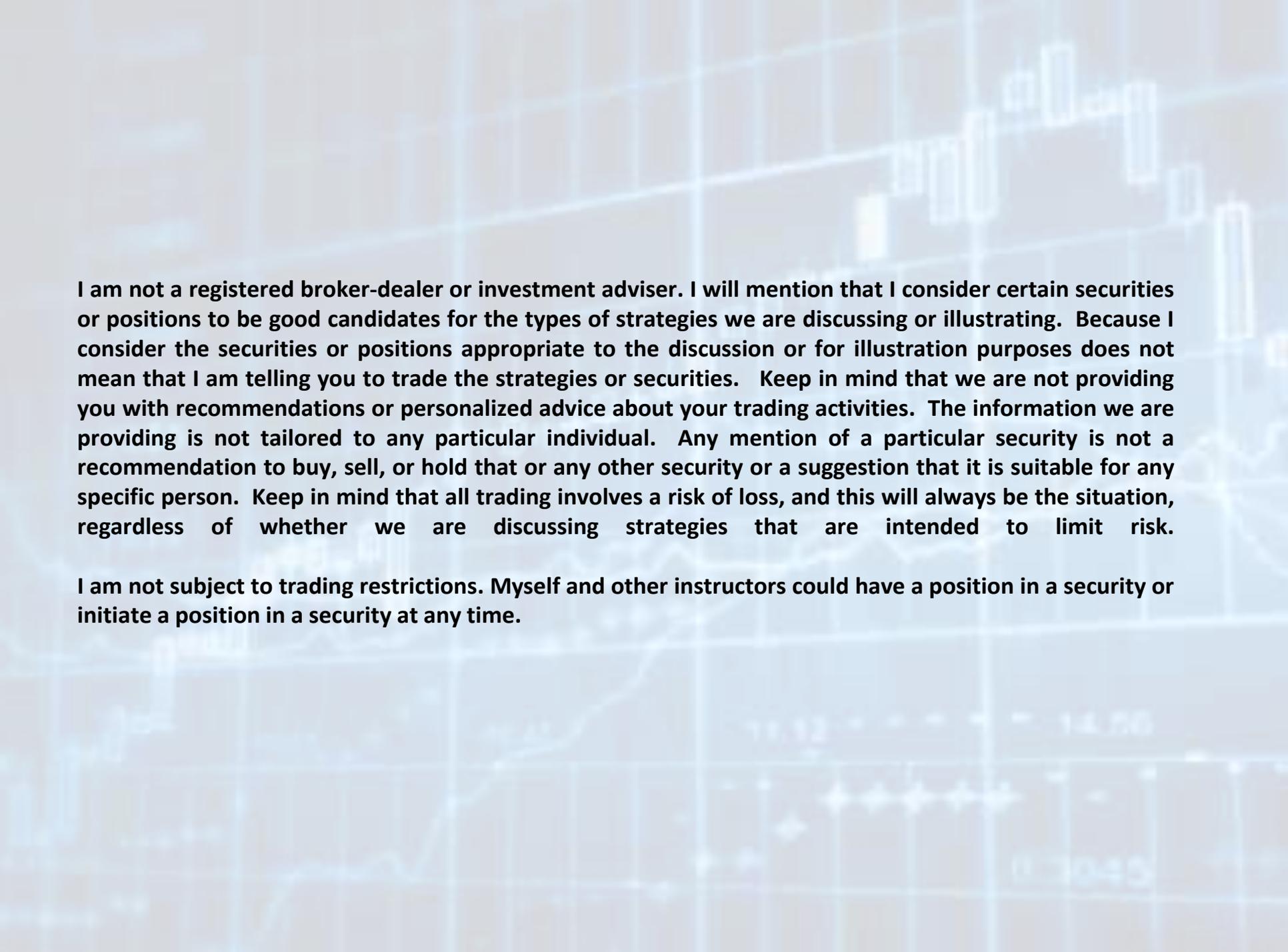
- You want to avoid early exits.
- If there is compelling technical evidence of an impending REVERSAL, an exit can be considered.
- Any other reason is EMOTIONAL and IRRATIONAL and should be avoided.

The background of the slide features a light blue grid with various financial data visualizations. At the top, there is a candlestick chart showing an upward trend. Below it, there are several line graphs with different colored lines (yellow, green, blue) representing various data series. Some of the lines show a steady upward trend, while others are more volatile. There are also some numerical values and symbols scattered across the grid, such as '11.92', '14.55', and '0.3045'.

# Build the Trend (80/20) Example

# Next Week

- **TRADE EXECUTION**
- **Examine Real Setups as they develop**
- **Staying Connected to the Market**
- **Making the Transition to Funded Trades**
- **Increasing Leverage**
- **Advanced and Nuanced Entries**



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