Profiting from Weekly Options: How to Earn Consistent Income Trading Weekly Option Serials (Wiley Trading)

Robert J. Seifert
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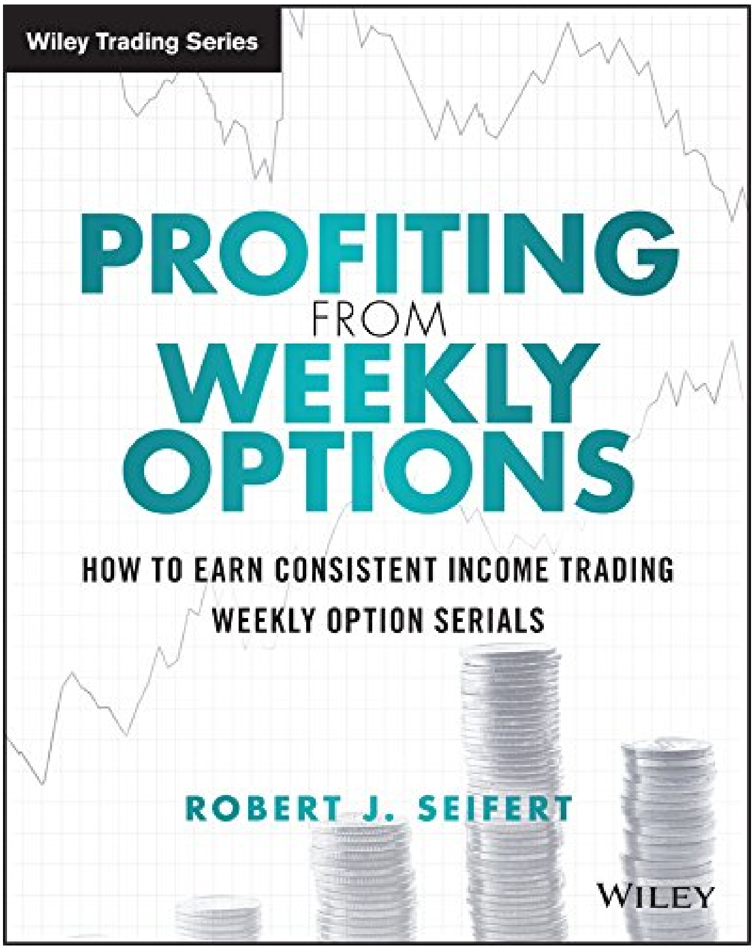

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Robert J. Seifert : Profiting from Weekly Options: How to Earn Consistent Income Trading Weekly Option Serials (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised Profiting from Weekly Options: How to Earn Consistent Income Trading Weekly Option Serials (Wiley Trading):

9 of 9 people found the following review helpful. College level content....... edited by a 6th grader.By FloridasittingduckI am about half way through this book. My biggest problem is that the editing is abysmal. Time and time again the math is not correct, the decimal points are in the wrong place and the formula's have parenthesis in the wrong place. The references to graphs and charts are wrong at times. The option chains depicted are too small and too "dim" to read since they were obviously screen copied from a trading program. The author will describe a trade from an option trade and when you look at it you wonder where he is getting his numbers from. He will use the "last price"

on a portion of the trade he is describing while using the "bid" price on the other half. That makes no sense......This is not a critique of the content, only the presentation. If you have an intermediate knowledge of options you can sentence by sentence, formula by formula figure out what the author is describing or trying to say. It is extremely tedious but can be done.Since this book is "text book" style with test questions at the end of every chapter one would expect that a much better job of editing the material would have occurred. Add to this the fact that this book is relatively expensive it makes you even more miffed when you have to spend time deciphering each point.I give the book a "B-" grade on content and an "F" on presentation. I let the average grade to you to figure out since you are going to need the practice to get through this.0 of 1 people found the following review helpful. Five StarsBy Anita M. PyleGreat information , Fast delivery.3 of 3 people found the following review helpful. Gems of wisdom hidden in a convoluted textBy Chris G. PflumI spent a great deal of time deciphering Robert Seifertrsquo;s text trying to ferret out some useful information. Despite the undefined and unusual terms, the poor editing, mathematical errors, illegible tables, an absence of illustrative figures - particularly risk profiles, and an overestimation of a readerrsquo;s capabilities to make any sense of it all, Seifert provides some practical information that made my effort worthwhile. I hope that these comments might persuade him to republish a more coherent version of his book. My comments also address some of the confusing answers to the multiple choice questions that follow each chapter.Chapter 6, Introduction to OptionsThe definition of ldquo;Volatilityrdquo; sets the stage for repeated errors throughout the book. It states in part, ldquo;Assets with greater volatility [have] options that are higher in price than less volatile assets.rdquo; An equityrsquo;s volatility affects an option's theoretical price, but the actual price is set by market. An optionrsquo;s theoretical and market price often do not correlate and are never the same. During earnings season and surprise announcements, such as mergers and acquisitions, an optionrsquo;s price often implies a volatility that is much higher than the stockrsquo;s volatility. Even index volatilities, which are not as sensitive to earnings or surprises, can significantly differ from the volatility implied by the index options. For example, the attached chart (Figure 1) shows that from November 23 to December 16, 2015 the front-end options for the Russell 2000 implied a volatility that was 5 times higher than the volatility of the Russell 2000 index (IWM).Chapter 8, The Option ChainChapter 8, Question 2: ldquo;What is true about the 40 delta call and the 40 delta put?rdquo; answer: ldquo;It is approximately the same premium.rdquo; Puts and calls in the same series with the same delta never have the same premium. In Figure 2, the February 12, 2016 weekly options for Telsa (TSLA) show that 144 put and 140 call have nearly the same delta but their premiums differ by 7-8%. Generally, puts are more expensive than calls.Chapter 8, Question 5: ldquo;What will happen if volatility doubles in the expiring month?rdquo; answer: ldquo;The at-the-money options will double in price.rdquo; If ldquo;implied volatilityrdquo; doubles, this answer would be correct. The book uses the terms volatility and implied volatility interchangeably when the two are calculated differently, often do not correlate and are never the same. Chapter 9, Option Trading StrategiesChapter 9, Figures 9.1, 9.2 and 9.3 do not exit. Chapter 9 has three illegible unlabeled tables that could be the figures.Chapter 9 and throughout - Instead of referring to the optionrsquo;s strike, the example trades in Chapter 9 and elsewhere cite options as ATM +1, +2, +3 (etc.) or ATM -1, -2, -3 (etc.). The text and glossary do not explain what this notation means; nor can I find its meaning in other trading books. Do the positive numbers identify options that are 1, 2 or 3 strikes into the money and the negative numbers identify options that are -1, -2 or -3 strikes out of the money?Chapter 9, Question 12: ldquo;The amount of premium in any strike in the same serial:rdquo; answer ldquo;is constant and will be the same in a put as well as a callrdquo;. Option premiums are never constant. Options with different deltas, are differentially sensitive to changes in time (Theta) and implied volatility (Vega). Puts and call in the same series with the same strikes never have the same premium (see figure 2).Chapter 9, Vocabulary: ldquo;Theoretical Value [means] The mathematically calculated value of an option. It is determined by the supply and demand for the option. A rise or fall of theoretical value in one option in a serial generally leads to a general rise of fall of all options in the serialrdquo;. An optionrsquo;s theoretical value is calculated from the Black, Sholes, Merton equation. This equation has no inputs for the ldquo;supply and demand for the option.rdquo;Chapter 9 and throughout - Frequently cited here and elsewhere ldquo;the formula for conversions and reversalsrdquo; is used primarily in arbitrage trading. The book should explain its utility in retail trading.Chapter 12, Standard Deviation ndash; The Mathematics of the Price CycleChapter 12, Question 7: ldquo;What is true about a blowoff market? Answer: ldquo;The market will be at +/- 3 sigma.rdquo; The term ldquo;blowoffrdquo; is not a trading term; perhaps the author means ldquo;breakoutrdquo;. A breakout is a stock price that moves outside a defined support or resistance level with increased volume. Depending on the stockrsquo;s trading range, the market could be anywhere following the breakout (e.g., considerably different than +/- 3 sigma).Chapter 12 and throughout - The terms ldquo;strong handsrdquo; and ldquo;weak handsrdquo;, which are frequently cited in connection with trading options, are usually used in the Futures market. Strong hands trade with the intent of acquiring the underlying commodity. For example a food processor bids to take procession of corn. The weak hands have no intention of owning the underlying asset. With the exception of traders who sell naked puts, which this book discourages, most option traders prefer not to own the stock.Chapter 13, Trading in the Congestion Phase of the MarketChapter 13, Question 12: ldquo;How can an ATM credit spread be defended?rdquo; Answer: ldquo;Turn it into an iron condor.rdquo; Assuming that this is a vertical credit spread, the iron condor could generate more profit than the vertical alone. Therefore the iron condor

ATM credit spread may be more profitable as well as defensive.Chapter 13, Question 25: ldquo;A credit spread:rdquo; Answer: ldquo;Sells air and therefore has unlimited risk.rdquo; Every credit spread in this book (e.g., verticals, 1:2 back spreads) has limited risk. Moreover, the author warns against unlimited risk.Chapter 14, Trading in Trending Phase of the MarketChapter 14 and throughout - The text states, ldquo;To implement this trade [the bearish back spread (1 x 2 for even)] effectively, you must split the strikes, which means that they will no longer touch when you have a lot of air in the balloon.rdquo; I have not seen the underscored phrases in other trading books and this book does not explain what they mean. Option strikes are set by the broker; how could a trader ldquo;splitrdquo; them? The term ldquo;air in the balloonrdquo; is cited frequently and appears to mean the optionrsquo;s extrinsic value or Theta.Chapter 14 and throughout - The book discusses rolling a spread: over, down, back, and up. Rolling up and down are common terms, and if the spread is moved to a series with a longer expiration the term ldquo;outrdquo; is added. I have no idea what rolling over or back means. I canrsquo;t imagine rolling a weekly option ldquo;backrdquo; to an earlier expiration.Chapter 16, Selecting a Portfolio to TradeChapters 16 and 17 do not clearly apply to stocks or options. They discuss the necessity of having a diversified stock portfolio. Since stock portfolios are usually held for the long term, it is unclear how they relate to options that expire every week. The text goes on to identify stocks that are not tradeable because of their ldquo;absolute dollar sizerdquo; (e.g., Bank of America - BOA). Why would the price of a stock have any bearing on whether or not it could be traded?Chapter 16 states, ldquo;If you are choosing between two stocks with similar dollar prices, the more volatile stock is the one you want in your portfolio.rdquo; Long-term conservative investors would probably avoid volatile stocks. The text continues to discuss the importance of diversification (which applies more to stocks than to options), bid / ask spreads (which applies more to options than to stocks), and the weekly volatility of stocks (which may or may not apply to options). The author concludes that this is the most important chapter in his book, but in my opinion, it is also the most confusing.

Generate consistent income with a smart weekly options strategy Profiting From Weekly Options is a clear, practical guide to earning consistent income from trading options. Rather than confuse readers with complex math formulas, this book concentrates on the process of consistently profiting from weekly option serials by utilizing a series of simple trades. Backed by the author's thirty years of experience as a professional option trader and market maker, these ideas and techniques allow active individual traders and investors to generate regular income while mitigating risk. Readers will learn the fundamental mechanisms that drive weekly options, the market forces that affect them, and the analysis techniques that help them manage trades. Weekly options are structured like conventional monthly options, but they expire each week. Interest has surged since their inception three years ago, and currently accounts for up to thirty percent of total option volume, traded on all major indices as well as high volume stocks and ETFs. This book is a guide to using weekly options efficiently and effectively as income-generating investments, with practical guidance and expert advice on strategy and implementation. Discover the cycles and market dynamics at work Learn essential fundamental and technical analysis techniques Understand the option trading lexicon and lifecycle Gain confidence in managing trades and mitigating risk Weekly options can be integrated with any existing options strategy, but they are particularly conducive to credit spread strategies and short-term trades based on technical patterns. For investors looking for an easy-in/easy-out method of generating consistent income, Profiting From Weekly Options provides the wisdom of experience with practical, actionable advice.

From the Inside FlapTired of sitting on the sidelines while others make a bundle in the options market? Profiting from Weekly Options offers any trader the information and strategies needed to learn the skills necessary to tap into the power of the competitive options marketplace. Written by Robert J. Seifertmdash;a noted expert in the securities industrymdash;this hands-on resource is designed to empower any level of option trader, from the novice to successful professionals. To get started, Seifert reveals the marketplace psychology that is designed to help traders understand "the other side of the trade." Next, he explains that underlying asset groups have different characteristics and demonstrates how each type of asset can be traded. Profiting from Weekly Options explores the ideal markets for trading options (and points out which ones to avoid), shows how to study markets to spot patterns, and illustrates what it takes to communicate in the distinct vocabulary that brokers demand. The author outlines a unique option model and includes simple mathematical examples to help adjust your vision of markets to the viewpoint of a skilled option trader. He then introduces the option chain and explains how comprehension of this vehicle will be all-important to your trading success. To give your trading ability a boost, Seifert explains four simple trades that you can continuously make. He explains when and how the trades should be initiated, what market conditions give you the best chance for the individual trade to succeed, and how to manage the trade once it is in place. In the final section, Profiting from Weekly Options demonstrates how to manage your greatest asset: cash. The author illuminates how to use your capital in order to ensure that you don't risk ruin when the inevitable capital drawdown occurs, and he identifies which trades can be employed using your available capital levels. A quiz at the end of each chapter tests your knowledge of the information and techniques presented. If you achieve a score of ninety percent or better, you should be ready to tackle the big players in the option market!From the Back CoverTAKE ON THE DERIVATIVES MARKET WITH

SIMPLE TRADES AND DEPENDABLE PROFIT If you've been looking to break into derivatives as an individual investor, Profiting from Weekly Options is for you. It used to be next to impossible to compete with the pros on derivatives, but now there's a surefire entry point: weekly options. In only a few years, weekly options went from being non-existent to accounting for 30% of all options traded. That's because traders have discovered their income potential and, with this book, so can you. Written for investors at all levels, Profiting from Weekly Options describes the recurring trades you can make to establish profit and avoid the risk of ruin from capital drawdown. You'll learn about market psychology, asset groups, and the option chainmdash;without being overwhelmed by complex equations. If you can pass the "Final Exam" at the end of the book, you'll be ready to take on the big leagues!About the AuthorROBERT J. SEIFERT is an independent options trader with over 38 years in the securities industry. He has published articles in Barron's and the Wall Street Journal describing his unique and highly regarded trading model.