

# Generating Option Trading Ideas using Fidelity's Tools & Resources



*Presented by:*  
**Trading Strategy Desk**

# Disclosures

- ✓ Options' trading entails significant risk and is not appropriate for all investors. Certain complex options strategies carry additional risk. Before trading options, please read [Characteristics and Risks of Standardized Options](#), and call 800-544- 5115 to be approved for options trading. Supporting documentation for any claims, if applicable, will be furnished upon request.
- ✓ Examples in this presentation do not include transaction costs (commissions, margin interest, fees) or tax implications, but they should be considered prior to entering into any transactions.
- ✓ The information in this presentation, including examples using actual securities and price data, is strictly for illustrative and educational purposes only and is not to be construed as an endorsement or recommendation.

# Goal of this webinar:

To educate traders about different ways to leverage Fidelity's tools and resources to find option trading opportunities.

## What we will cover:

- Introduce a **Trading Plan**
- Review different approaches to screening:
  - **S&P Screener and Best 10** (provided by S&P Capital IQ)
  - **Strategy Ideas** (Provided by Livevol, Inc.)
  - **Market Scanner** (Provided by Livevol, Inc.)
  - **Expert Option Analysis/Intraday Trade Ideas** (Provided by Livevol, Inc. & S&P Capital IQ)
  - **Stock screener**
  - **ATP filters**

# Have a Trading Plan in Place!

- Identify your outlook
- Decide how to trade that outlook
- Evaluate the trade idea
- Monitor and re-evaluate the trade at specific points
- Have an exit strategy in place
  - Profit targets
  - Loss threshold

# Tools for Generating Option Trading Ideas

## S&P Screener & Best 10 Covered Calls / Calendar Spreads

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- Identifies specific covered call and diagonal spread trading ideas
- Screener is used to refine opportunities
- Report provided for rationale
- S&P provides rating on strategies



*Best 10 - Covered calls and calendar spreads selected daily by analysts at S&P. These are based on options related to underlying stocks with a minimum S&P Key relative risk ranking of 3 Keys. S&P Key relative risk ranking of 3 Keys.*

# S&P Best 10 - Report Finder

(Provided by S&P Capital IQ)

**Options**

**Overview** **Quotes & Tools** **Trading Ideas** **Scans & Screens** **Market Scanner** **Strategy Ideas** **Strategy Evaluator** **Tools** **Report Finder** **Intra-Day Trade Ideas** **Expert Options Analysis**

**S&P Market Commentary**  
Mixes signals  
PROVIDED BY S&P CAPITAL IQ  
05/12/2016 10:22:00AM  
Stocks are mixed this Thursday morning, despite the highest number of initial unemployed reported in over one year. Oil made a convincing move upward overnight, but commodities and currency don't seem to be driving the market this week, for a change. It's a big day for Monsanto (MON)...

**See More Commentary**

**S&P Best 10**  
PROVIDED BY S&P CAPITAL IQ  
05/11/2016 4:00:00PM  
Top covered calls and calendar spreads, daily from S&P.

**Covered Calls** **Calendar Spreads**

**High Option Volume** **Exploding IVs** **Imploding IVs**

High option volume is based on relative to average, minimum 200 average.

Stock Symbol	Annualized Return Rate*	Symbol	Company Name	Last	Last Change	Option Volume	Avg. Option Volume	% Avg. Volume
MNK	50.21%	EIGI	Endurance International Group Holdings Inc	\$8.64	-\$0.18	11,608	430	2,700
BMRN	41.12%	KND	Kindred Healthcare, Inc.	\$12.21	-\$1.00	5,684	284	2,001
BIIB	34.34%	JNK	SPDR Barclays Capital High Yield Bond ETF	\$34.92	-\$0.02	31,420	2,655	1,183
SIG	30.78%	BLOX	Infoblox Inc	\$18.59	\$3.28	5,207	495	1,052
CELG	30.02%	HW	Headwaters Inc	\$18.82	-\$0.00	3,178	308	1,032
AN	29.48%	MON	Monsanto Company	\$98.06	\$7.72	96,712	11,454	844

**See More**

\*Annualized Return Rate is shown for comparison purposes only.

**IV INDEX MONITOR**

Index	IVX	Change	1-Yr Hi/Lo
DJX	13.4	+0.7	34/10
SPX	13.2	+0.4	33/10
NDX	15.5	+0.7	39/11
OEX	13.2	+0.6	33/10
VIX	74.8	-9.9	191/160
RUT	17.6	+0.8	34/12
OSX	36	+0.8	52/22
SOX	23.6	+2.5	43/16
XAU	52.8	+1	59/29
SPY	13.4	+0.3	33/10
QQQ	15.9	+0.7	38/12

**CBOE DJ INDUSTRIAL AVERAGE INDEX**

**IVX Chart**



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# Report Finder

(Provided by S&P Capital IQ)

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#### Reports

- In/At the Money
- Out of the Money
- Both

#### S&P STARS Ranking

- 5   4   3 

#### S&P Risk Ranking(1-5)

From  On to  On

#### Strategies

- Covered Calls
- Calendar Spreads
- Both

#### S&P Top Rated

- Power Picks  Best 10

#### Days to Expiration

From  to

#### Downside Protection

From  % to  %

#### Net Debit

From \$  to \$

#### In the Money

From  % to  %

#### Assigned Return Rate

From  % to  %

#### Annualized Return Rate

From  % to  %

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#### FIND BY SYMBOL

[Find Symbol](#)

# S&P Options Report

(Provided by S&P Capital IQ)

## RESULTS ( DDD - 3D Systems Corporation )

Report Summary (Complete report, including profit/loss charts)

### Strategy

Buy Side

Sell Side

Net Debit

Downside Protection

In the Money

Break Even

Assigned Return Rate

Static Return Rate

Annualized Return Rate\*

Annual Dividend Yield

S&P Risk Ranking

S&P STARS Ranking

### S&P Options Report for DDD(PDF)

#### Covered Call

DDD  
\$ 12.18

#### Calendar Spread

Jan 20 17 5.00 C  
252 Days

### RELATED INFORMATION

3D SYSTEMS CORPORATION (DDD)

\$12.18 -0.39 (-3.10%)

AS OF 4:01:00PM ET 05/12/2016



## OPTIONS REPORT

May 13, 2016

### 3D Systems Corporation

Note: The Options Report is not a substitute for the underlying stock's Stock Report which contains information about the underlying stock and basis for the STARS Ranking.

Stock Symbol: DDD  
Stock Price (as of May. 13, 2016): \$12.18  
12-Mo. Target Price (set May. 05, 16): \$15.00  
Annual Dividend Yield: Nil  
50-Day Moving Average: 15.14  
100-Day Moving Average: 12.00  
200-Day Moving Average: 11.75

Option Strategy Summary: The DDD November 18 covered call with a \$10 strike price could potentially yield a 11.38% return if DDD stock is above \$10 a share at expiration 189 days from now. A diagonal spread that involves selling the November 16 10 call and buying the January 17 5 call should cost \$4.38 less per share than the covered call and potentially yield a 8.7% return if the stock is above \$10 at expiration. The higher return covered call has a 3 Key (Moderate Relative Risk) ranking while the diagonal spread has a riskier 2 Key (Considerable Relative Risk) ranking. On May 5, 2016 S&P Capital IQ set a \$15.00 12-Month price target for DDD which is currently trading \$2.82 below that target. Potential returns may be higher than simply holding the stock if DDD is below \$13.20 on November 18, 2016. The covered call strategy offers protection of 26.27%, if the stock goes below \$8.98 expect losses.

Strategy	Covered Call	Diagonal Spread
Buy/Sell	Stock Symbol Stock Price	DDD \$12.18
	Call Month Call Strike Price Call Ask Price	Jan '17 \$10.00 \$7.80

Key Metrics	Buy/Sell	Sell/Sell	Key Metrics
			Net Debit
			\$8.98
			\$4.60
Downside Protection (%)	26.27	21.18	
In-The-Money (%)	17.90	17.90	
Break Even	8.98	9.60	
Assigned Return (\$)	1.02	0.40	
Assigned Return (%)	11.38	8.70	
Ann. Assigned Return (%)	21.94	16.79	
Expiration Date	November 18, 2016		November 18, 2016
Trade Duration (Days)	189	189	
Relative Risk Ranking	3 <span style="color: green;">Low</span>	2 <span style="color: green;">Low</span>	

### COMPARISON LADDER

Based on range of stock prices at expiration

Above \$14.88	Strategy shown not applicable
Not Applicable	Diagonal Spread (Min. Return)
Between \$13.56 - \$9.98	Covered Call
Below \$8.98	No Covered Call Strategy
Between \$8.68 - \$14.88	Diagonal Spread (Max. Return)
	Assumes Long Call Retains Time Value

### Option Strategies Risk Assessment

#### Covered Call Risk Assessment

Our 3 Key (Moderate Relative Risk) covered call strategy risk assessment reflects the volatility of DDD and S&P Capital IQ's view of the company's prospects over the coming 12 months. A 3 Key ranked strategy has moderate relative risk, which means there is a potential for the strategy to not be outperformed on or before 11/18/2016 (expiration day), and that the strategy may not be able to outperform the proxy listed in the covered call table. As with any stock or option strategy there is always risk of losing money. If DDD heads downward for any reason, only \$2.20 of that drop will be protected using this strategy. If DDD stock is selling for over \$13.56 at expiration, holding the stock without selling the call would have yielded a higher return. See elsewhere in this report for a further discussion of potential risks related to the Covered Call Strategy.

#### Diagonal Spread Risk Assessment

The diagonal spread strategy will normally carry more risk than a covered call strategy. If the stock price at expiration is below \$10 this strategy will not generate the potential returns shown. Another risk for this strategy is related to the bought Call Option price. If the stock drops in price between now and expiration date, there is a possibility that the Jan '17 5.00 call could drop quickly. See elsewhere in this report for a further discussion of potential risks related to this strategy.

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# Tools for Generating Option Trading Ideas

## Strategy Ideas

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- Filters that assist with selecting option strategy based on your own outlook
- Strategy specific screens
- Security specific option strategy screens
- Real-time opportunities
- Provides description of strategy



# Strategy Ideas

(Provided by Livevol, Inc.)

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**STRATEGY IDEAS** [How to use Strategy Ideas \(PDF\)](#) | [View Demo](#)

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To begin, select filters to narrow down matching strategies, or click on any strategy name to learn more

**Select Filters** Reset All

Outlook:  Bullish  Neutral  Bearish

Profit Potential:  Limited  Substantial  Unlimited

Risk Potential:  Limited  Substantial  Unlimited

**Available Strategies**  
Click on a strategy to see its definition and run a market scan.

<a href="#">Bearish OTM Put</a>	<a href="#">Bullish OTM Call</a>	<a href="#">Call Time Spread</a>
<a href="#">Put Time Spread</a>	<a href="#">Collar</a>	<a href="#">Covered Call</a>
<a href="#">Double Diagonal</a>	<a href="#">Iron Condor</a>	<a href="#">Long Call Butterfly</a>
<a href="#">Cash Covered Puts</a>	<a href="#">Long Put Butterfly</a>	<a href="#">Long Straddle</a>
<a href="#">Short Straddle</a>	<a href="#">Long Vertical Call Spread</a>	<a href="#">Long Vertical Put Spread</a>
<a href="#">Short Vertical Put Spread</a>	<a href="#">Short Vertical Call Spread</a>	

**Top 50 Results**

Adjust Scan Parameters

Enter Underlying  Find a Symbol Days to Expiration  Apply Reset

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# Strategy Ideas

(Provided by Livevol, Inc.)

Iron Condor N | V | ~

**DESCRIPTION**  
Both an out-of-the-money call and put spread are sold simultaneously for a net credit. Maximum profit is limited to the premium received. Loss is limited to the difference between the strike prices, less the premium received.

**Option Approval level 3**

**Top 50 Results**

Adjust Scan Parameters  
Enter Underlying  Days to Expiration     
Find a Symbol

Out-of-the money iron condors with attractive risk/reward ratio based on recent stock volatility.

Stock Symbol	Stock Price	Expiration	Long Put Strike	Short Put Strike	Short Call Strike	Long Call Strike	Net Credit/ (Debit)	Strike Differential	Risk/Reward Ratio	HV30
YHOO	36.96	06/17/2016	33.00	34.00	40.00	41.00	0.34	1.00	2.941 to 1	19.94 <span style="color: blue;">Action ▾</span>
ANF	23.92	05/27/2016	20.00	22.00	26.00	28.00	0.67	2.00	2.985 to 1	33.21 <span style="color: blue;">Action ▾</span>
CRM	76.09	05/27/2016	68.00	72.00	80.00	84.00	1.22	4.00	2.008 to 1	10.12 <span style="color: blue;">Action ▾</span>
WDAY	70.44	06/03/2016	60.00							
LULU	60.34	06/17/2016	50.00							
BABA	78.84	06/17/2016	70.00							
IWM	110.13	06/24/2016	102.00							
SPY	206.30	06/24/2016	195.00							
QQQ	105.95	06/24/2016	98.50	100.00	111.50	113.00	0.32	1.50	4.688 to 1	13.24 <span style="color: blue;">Action ▾</span>
WMT	65.96	05/27/2016	62.00	63.00	69.00	70.00	0.20	1.00	5.000 to 1	17.81 <span style="color: blue;">Action ▾</span>
LOW	75.09	06/17/2016	67.50	70.00	80.00	82.50	0.48	2.50	5.208 to 1	14.32 <span style="color: blue;">Action ▾</span>
BYY	31.02	05/27/2016	26.50	28.50	33.50	35.50	0.38	2.00	5.263 to 1	28.14 <span style="color: blue;">Action ▾</span>
FXE	110.57	07/01/2016	105.00	107.00	114.00	116.00	0.36	2.00	5.556 to 1	6.40 <span style="color: blue;">Action ▾</span>

**WHY USE THIS STRATEGY**  
Traders looking to generate income may use this strategy when their outlook is neutral or they expect volatility to be minimal.

**EXAMPLE**  
Long 1 XYZ 120 Put  
Short 1 XYZ 125 Put  
Long 1 XYZ 140 Call

**P/L CHART**

PROFIT

LOSS

Stock Price @ EXP

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 **Fidelity**  
INVESTMENTS

# Strategy Ideas

(Provided by Livevol, Inc.)

Iron Condor | N | P | ~

## Top 50 Results

Adjust Scan Parameters

Enter Underlying  Days to Expiration

Out-of-the money iron condors with attractive risk/reward ratio based on recent stock volatility.

AS OF 9:42:28AM ET 05/13/2016

Stock Symbol	Stock Price	Expiration	Long Put Strike	Short Put Strike	Short Call Strike	Long Call Strike	Net Credit/Debit	Strike Differential	Risk/Reward Ratio	HV30
+	AAPL	91.14 06/03/2016	86.50	87.00	95.50	96.00	0.10	0.50	5.000 to 1	25.93 Action ▾
+	AAPL	91.14 07/01/2016	85.00	85.50	97.00	97.50	0.10	0.50	5.000 to 1	25.93 Action ▾
+	AAPL	91.14 06/24/2016	77.50	87.00	95.50	105.00	1.89	9.50	5.026 to 1	25.93 Action ▾
+	AAPL	91.14 06/03/2016	83.00	87.00	95.50	99.50	0.79	4.00	5.063 to 1	25.93 Action ▾
+	AAPL	91.14 06/03/2016	84.00	86.50	96.00	98.50	0.49	2.50	5.102 to 1	25.93 Action ▾
+	AAPL	91.14 05/27/2016	85.00	87.00	95.50	97.50	0.38	2.00	5.263 to 1	25.93 Action ▾
+	AAPL	91.14 05/27/2016	84.00	87.50	95.00	98.50	0.66	3.50	5.303 to 1	25.93 Action ▾
+	AAPL	91.14 06/24/2016	82.50	85.50	97.00	100.00	0.56	3.00	5.357 to 1	25.93 Action ▾
+	AAPL	91.14 05/27/2016	83.00	88.00	94.50	99.50	0.93	5.00	5.376 to 1	25.93 Action ▾
+	AAPL	91.14 06/24/2016	77.50	86.50	96.00	105.00	1.64	9.00	5.488 to 1	25.93 Action ▾
+	AAPL	91.14 06/03/2016	85.00	86.00	96.50	97.50	0.18	1.00	5.556 to 1	25.93 Action ▾
+	AAPL	91.14 05/27/2016	85.50	86.50	96.00	97.00	0.18	1.00	5.556 to 1	25.93 Action ▾
+	AAPL	91.14 06/24/2016	85.00	85.50	97.00	97.50	0.09	0.50	5.556 to 1	25.93 Action ▾
+	AAPL	91.14 06/10/2016	85.50	86.00	96.50	97.00	0.09	0.50	5.556 to 1	25.93 Action ▾

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# Tools for Generating Option Trading Ideas

## Market Scanner

- Scan for specific option contracts with underlyings that meet your criteria
- Pre-built option scans
- Create your own customized scan to find trading ideas
- Real-time opportunities
- Pre-built scans sorted by type of scan



# Market Scanner

(Provided by Livevol, Inc.)

## Options

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**Top Scans**

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- [High Open Interest](#)
- [Imploding IV30s](#)
- [Exploding IV30s](#)

**Top Options Scans**

- [Implied Volatility](#)
- [IV vs HV](#)
- [Order Flow](#)
- [Time Spreads](#)
- [Earnings](#)

**High Option Volume - High option volume today, relative to average (minimum 200 average)**

AS OF 05/13/2016 10:30:00AM [Refresh Data](#) | [Export Data](#)

Symbol	Company Name	Last	Last Change	Option Volume	Average Option Volume	Percent Average Volume	Action
VNQ	Vanguard REIT Index Fund	\$84.30	-\$0.86	24,712	1,484	1,665%	Action
LGF	Lions Gate Entertainment Corp. (USA)	\$20.36	-\$0.13	37,574	3,055	1,230%	Action
LAMR	Lamar Advertising Co	\$63.27	-\$0.68	2,536	237	1,070%	Action
TLLP	Tesoro Logistics LP	\$48.10	-\$0.62	1,562	264	592%	Action
FIS	Fidelity National Information Services	\$72.45	\$0.68	2,613	451	579%	Action
ZBH	Zimmer Biomet Holdings Inc	\$117.98	\$0.54	4,113	960	428%	Action
STRZA	Starz	\$26.61	-\$0.22	2,102	499	421%	Action
DDS	Dillard's, Inc.	\$59.42	-\$1.22	2,530	602	420%	Action
MYCC	ClubCorp Holdings Inc	\$12.67	-\$0.03	2,000	511	391%	Action
KANG	iKang Healthcare Group Inc (ADR)	\$17.39	\$0.16	1,530	447	342%	Action
SOHU	Sohu.com Inc	\$39.43	-\$0.57	1,647	486	339%	Action
DKS	Dicks Sporting Goods Inc	\$40.97	-\$1.09	8,730	3,107	281%	Action
WSM	Williams-Sonoma, Inc.	\$52.62	-\$1.89	7,102	2,571	276%	Action

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# Market Scanner

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**Create New Scan**

- Underlying Price**
  - 52 Week High
  - 52 Week Low
  - 52 Week Percentile
  - Close
  - High
  - Last
  - Last Change +/-
  - Low
  - Open
  - % Change from Close
  - % Change from Open
  - Price Gain from Open
- Volatility**
- Underlying Volume**
- Option Volume**
- Fundamentals**
- Order Flow**
- Vol Differences**

Create your own scan by adding market criteria from left menu box to shaded area below.

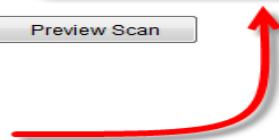
\*Indicates required field

Scan Name\*  [?](#)

Description  [?](#)

Sort Order	Min Value	Max Value	Show	Re-order	Delete
Symbol	<input type="text" value="--"/>	<input type="text" value="--"/>	<input checked="" type="checkbox"/>	<a href="#">▲</a> <a href="#">▼</a>	<a href="#">Delete</a>
IV30 Percentile	<input type="text" value="--"/>	<input type="text" value="--"/>	<input checked="" type="checkbox"/>	<a href="#">▲</a> <a href="#">▼</a>	<a href="#">Delete</a>
HV20	<input type="text" value="--"/>	<input type="text" value="--"/>	<input checked="" type="checkbox"/>	<a href="#">▲</a> <a href="#">▼</a>	<a href="#">Delete</a>
IV30	<input type="text" value="--"/>	<input type="text" value="--"/>	<input checked="" type="checkbox"/>	<a href="#">▲</a> <a href="#">▼</a>	<a href="#">Delete</a>

[Preview Scan](#) [Save Scan](#)



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# Tools for Generating Option Trading Ideas

## Expert Option Analysis Intra-day Trade Ideas

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- Contributors share the opportunities they have found
- Idea generation and educational resources
- Shares their methodology for screening opportunities
- Archives of ideas to reference later



*\*Expert Option Analysis provided by Livevol, Inc*

# Expert Option Analysis

(Provided by Livevol, Inc.)

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PROVIDED BY **LIVEVOL, INC.**

THU MAY 12, 2016	WED MAY 11, 2016	TUE MAY 10, 2016	MON MAY 9, 2016	FRI MAY 6, 2016	>
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### MONSANTO CO (MON) - Positioning On News

POSTED 3:59:59PM ET 05/12/2016

#### Overview

MON MONSANTO CO	Bid 98.09 X 9	IV30 39.89	▲ +13.04	Sector Materials
<b>\$98.09</b> <span style="color: green;">▲ 7.75 (8.55%)</span>	Ask 98.10 X 6	IV60 38.40	▲ +10.63	Industry Chemicals
AS OF 3:45:00PM ET 05/12/2016	Vol 16,906,793	IV90 36.07	▲ +8.22	Consensus Rating Buy

Monsanto shares are up over 8% today after it was reported that two competing bidders may be interested in acquiring the company. Even with the move today, shares are down more than 23% over the past year. Obviously there is not guarantee a deal gets done. Monsanto has first-hand experience with that, after its failed takeover attempt of Syngenta in 2015.

### Monsanto Shares Soar After Reports of Potential Bids by Rivals

BY Dow Jones & Company, Inc.  
— 10:45 AM ET 05/12/2016

#### RESEARCH IN THIS DAY'S POSTS

MON - MONSANTO CO

**\$98.44** ▲ 0.52 (0.53%)

AS OF 9:42:00AM ET 05/13/2016

[Bid 98.41 X 4](#)

[Ask 98.50 X 4](#)

[Vol 392,355](#)

[IV30 39.84 -0.49](#)

[HV30 32.59 +6.92](#)

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[Unusual call flow in option market \(TheFlyOnTheWall\)](#)

Fly On The Wall - 05/13/2016 7:35:00AM

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# Expert Option Analysis

(Provided by Livevol, Inc.)

OTM Calls on Offer - Highest percentage of out-of-the-money (OTM) calls trading at the ask price (minimum 2,000 contracts underlying security price greater than \$1)

AS OF 09/24/2014 1:40:00PM						
Symbol	Company Name	Last	Last Change	Call Volume	OTM Calls on the Ask Price	OTM Calls Percentage
MRVL	Marvell Technology Group Ltd.	\$13.73	\$0.34	35,479	26,919	76%
XHB	SPDR S&P Homebuilders (ETF)	\$30.22	\$0.07	8,436	6,007	71%
GDX	Market Vectors Gold ETF					
DHI	D.R. Horton, Inc.					
RSX	Market Vectors Russ					

Here is the Trade Breakdown. Total volume of 1,170,000 shares traded. 975,000 calls for \$0.81. Note that the company is a stock.

Trade Breakdown

	Calls	Puts	Total
Total Volume	19,21,0	37,0	37,0
Avg Volume	3,21,0	4,0	4,0
Open Interest	3,21,0	122	122
Avg Open Interest	4,31,0	135	135
Sold on Bid	1,479	402	1,479
% of Total	4%	21%	4%
>5% OTM	129,445 (7%)	129,445 (7%)	129,445 (7%)
Bought on Ask	28,820	1,445	28,820
% of Total	80%	77%	80%
>5% OTM	27,419 (95%)	1,388 (96%)	28,807 (95%)
Net Deltas	1,055,120	35,451	1,055,120
Net Premium	\$2,115,020	\$99,202	\$2,115,020

Expand All | Collapse All

Last	Change	Bid	Ask	Volume	Open Int	Imp Vol	Delta	Gamma	Theta	Vega	Rho	Action	Strike	Ac
CALLS													May 15 2015 - Exp in 233	
0.00	0.00	1.08	1.22	0 0	30.10 %	0.5074	0.1251	-0.0029	0.0433	0.0341	▼	14		
0.80	0.00	0.77	0.81	30,823 0	30.00 %	0.3915	0.1196	-0.0027	0.0418	0.0279	▼	15		
0.46	0.00	0.37	0.59	0 51	28.60 %	0.2789	0.1091	-0.0023	0.0369	0.0208	▼	16		
0.00	0.00	0.23	0.37	0 0	28.36 %	0.1941	0.0898	-0.0018	0.0305	0.0149	▼	17		

\*Fidelity.com – For Illustrative Purposes Only

Here is Fidelity's Active Trader Pro profit and loss chart. The breakeven for this trade is when Marvell stock price is either below \$11.60 or above \$17.40 by the May/2015 expiration.



Marvell Stock price has appreciated 14% over the past year.



# Intra-Day Trade Ideas

(Provided by S&P Capital IQ)

## Options

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### Intra-Day Trade Ideas

Check back during the day for updated trade ideas

FRI  
MAY 13, 2016

FEATURED  
SYMBOL

WED  
MAY 11, 2016

TUE  
MAY 10, 2016

MON  
MAY 9, 2016

FEATURED  
SYMBOL

10:59 AM ET  
SPLS

10:43 AM ET  
GNC

10:31 AM ET  
MGM

10:59 AM ET  
**SPLS**

10:43 AM ET  
**GNC**

10:31 AM ET  
**MGM**

LES INC

8 covered call. For each 100 shares of Staples, Inc. ([SPLS](#)) September 8 covered call option for a \$7.38 (\$8.38 - \$1.00). That's potentially a 8.4% assigned return. Plus, SPLS will likely pay a dividend of \$0.10 during this period, which should boost the return higher. The next distribution is expected on 6/24/16.

(Expiration/Strike)	Days to Expiration	Strategy Price
.00 C	127	\$1.00

Net Debit/Break Even: **\$7.38**

**PINION ON SHARES OF STAPLES TO BUY FROM HOLD**  
We reduce our 12-month target by \$4 to \$11, or 12X our FY 17 EPS estimate of \$0.91, as we longer factor in potential benefits from the now terminated planned

### RELATED INFORMATION

STAPLES INC (SPLS)

**\$8.27**  **0.04 (0.55%)**

AS OF 10:40:00AM ET 05/13/2016

**Bid** 8.26 X 71

**Ask** 8.27 X 73

**Vol** 3,762,389

**IV30** 52.59  **0.70**

**HV30** 61.75  **0.18**

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### RELATED NEWS

[Wal-Mart Bets on Free Two-Day Shipping](#)

Dow Jones & Company, Inc. - 05/12/2016 8:05:00PM

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# Tools for Generating Option Trading Ideas

## Stock Screener

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- First the security, then strategy approach
- Security fits specific criteria
- Vast amount of criteria to select from
- Scan for ETFs as well



# Stock Screener

Accounts & Trade      News & Insights      **Research**      Guidance & Retirement      Investment Products

Research > Stocks >

DJIA: 17,653.56 -66.94 (-0.38%) | NASDAQ: 4,735.821 -1.513 (-0.03%) | S&P 500: 2,057.37 -6.74 (-0.33%) — Markets

Content and data provided by various third parties

**Stock Details**  
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**Trending Stocks**

**Market Movers** **Top Rated by Sector** **Orders by Fidelity Customers**

The table below shows the top stock for each sector based on the current Equity Summary Score (ESS). How is ESS calculated?

Sector	Top Symbol	Equity Summary Score provided by Thomson Reuters StarMine AS OF 05/13/2016				
		Score Methodology	1 Month Change	Underlying Analyst Opinions	# of Very Bullish in Sector	
	Cons. Disc.	LEA	10.0	+0.3		23 Stocks
	Cons. Stap.	TSN	10.0	0.0		15 Stocks
	Energy	VLO	9.4	+0.4		1 Stocks
	Financials	GBL	10.0	+0.5		17 Stocks
	Health Care	BCR	9.9	+0.4		14 Stocks
	Industrials	MAS	9.9	+0.5		26 Stocks
	Info. Tech.	NTGR	9.9	+0.5		25 Stocks
	Materials	AVY	10.0	+0.2		10 Stocks

**Research**

Watch List  
Quotes  
Alerts  
Mutual Funds  
**Stocks**   
Today's Ever AS OF 10:36 AM ET  
Earnings (51)  
Dividends (24)  
Splits (13)

Find Stocks  
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 By Equity Score  
 By Sector  
 By Market Capitalization  
 By Dividend Yield

Fixed Income & Bonds  
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# Stock Screener

Screening Criteria: Unsaved Screen

Criteria	Value	Benchmark	Results	Delete
Type Criteria Here or... <a href="#">Select Criteria</a>	<a href="#">Select a Value</a>			
<b>Basic Company Facts</b>				
Security Type	Market Capitalization	Revenue (TTM)		
Security Price	Sector	Total Cash		
Exchange	Industry	Employees (Full Time)		
Options	Company Headquarters Location			
<b>Dividends</b>				
Ex Dividend Date (Most Recent)	<a href="#">Dividend Growth Rate (IAD to Prior Yr)</a>	<a href="#">Dividend Coverage (EPS Next Yr/IAD)</a>		
Dividend	<a href="#">Dividend Growth Rate (5 year avg)</a>	<a href="#">Dividend Coverage (EPS TTM/IAD)</a>		
Dividend Yield (Annualized)				
Dividend Payout % Last Quarter				
<b>Earnings</b>				
Earning Yield (TTM)	Positive Earnings Surprises (7 Days)	Negative Earnings Surprises (7 Days)		
Earnings Announcement (Days Since)	Positive Earnings Surprises (30 Days)	Negative Earnings Surprises (30 Days)		
Earnings Announcement (Days Until)	Positive Earnings Surprises (90 Days)	Negative Earnings Surprises (90 Days)		
<b>Company Value</b>				
P/E (Price/TTM Earnings)	Cash/Price Ratio	Enterprise Value		
EPS (Earnings Per Share)	EPS Yield	PE Ratio		

Save Screen | Enable Score Weighting [?](#) | Clear Criteria

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Total Results: --

[Start a Screen](#)

[Saved Screens](#)

Based on general investing criteria. You can refine your search.

How Scores Are Determined

† How Scores Are Determined

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Unit Trust Fund (REIT) (0) [?](#)  
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BY S&P CAPITAL IQ | GROWTH

**Something for Everyone**  
BY ZACKS INVESTMENT RESEARCH, INC. | GROWTH/VALUE

**Diamonds are Forever-Bullish**  
BY RECOGNIA, INC. | TECHNICAL

**Value-At-a-Reasonable Price "VARP"**  
BY EVA DIMENSIONS | VALUE

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# Tools for generating option trading ideas

## ATP Filters

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- Real-time opportunities
- Access to pre-built and customized scans
- Technical events scans
- General market scans



# ATP Filters

The screenshot displays three windows of the Active Trader Pro (ATP) software interface, illustrating the use of filters for market analysis:

- Top Left Window (Markets Filter):** Shows filters for "Most Actives" across all markets. The "Markets" tab is selected. The table lists various stocks and their performance metrics.
- Bottom Left Window (Technical Filter):** Shows filters for "Technical" analysis. The "Technical" tab is selected. The table lists various technical indicators and patterns.
- Top Right Window (Options Filter):** Shows filters for "Options" analysis. The "Options" tab is selected. The table lists various options-based filters.

\*Active Trader Pro – For Illustrative Purposes Only

Technical analysis focuses on market action — specifically, volume and price. Technical analysis is only one approach to analyzing stocks. When considering which stocks to buy or sell, you should use the approach that you're most comfortable with. As with all your investments, you must make your own determination as to whether an investment in any particular security or securities is right for you based on your investment objectives, risk tolerance, and financial situation. Past performance is no guarantee of future results.

# Generating Option Trading Ideas

## Points of emphasis:

- Strategy ideas presented may not fit your risk tolerance, trading style, etc.
- If a strategy idea interests you, the next step is to evaluate the trade with your own process
- Think of the strategy ideas as a starting point
- Position management will minimize the impact of one trade on the overall portfolio
- Set an exit strategy, and consider points to re-evaluate the trade
- Contact Fidelity with questions concerning the evaluation and analysis process
  - Fidelity.com Learning Center (Courses, Webinars, Articles, etc.)
  - Trading Strategy Desk

# Key Takeaways

- Have a **trading plan** in place...and follow it!
- Several different tools and resources available to find opportunities:
  - **S&P screener** (Provided by S&P Capital IQ)
  - **Strategy Ideas** (Provided by Livevol, Inc.)
  - **Market Scanner** (Provided by Livevol, Inc.)
  - **Expert option analysis/intraday trade ideas** (Provided by Livevol, Inc. and S&P Capital IQ)
  - **Stock screener**
  - **ATP filters**
- Strategy ideas is just a **starting point**
- Manage your **position size** relative to the portfolio and have an **exit strategy**

# Generating Option Ideas using Fidelity's Tools and Resources

This concludes today's Presentation

Thank you for attending!

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