

# 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

### Option Chain

**Underlying**

Enter name or symbol

**Calls & Puts**

[Find Symbol](#)

### 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

Stock Symbol	Annualized Return Rate*
<a href="#">MNK</a>	50.21%
<a href="#">BMRN</a>	41.12%
<a href="#">BIIB</a>	34.34%
<a href="#">SIG</a>	30.78%
<a href="#">CELG</a>	30.02%
<a href="#">AN</a>	29.48%
<a href="#">GPI</a>	28.44%
<a href="#">IAC</a>	28.41%
<a href="#">AVGO</a>	27.10%
<a href="#">MYL</a>	26.42%

[See More](#)

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

### 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](#)

### Market Scanner

PROVIDED BY LIVEVOL, INC.  
AS OF 05/12/2016 1:27:00PM

High Option Volume

Exploding IVs

Imploding IVs

High options volume relative to average, minimum 200 average.

Symbol	Company Name	Last	Last Change	Option Volume	Avg. Option Volume	% Avg. Volume
EIGI	Endurance International Group Hldgs Inc	\$8.64	-\$0.18	11,608	430	2,700
KND	Kindred Healthcare, Inc.	\$12.21	-\$1.00	5,684	284	2,001
JNK	SPDR Barclays Capital High Yield Bnd ETF	\$34.92	-\$0.02	31,420	2,655	1,183
BLOX	Infoblox Inc	\$18.59	\$3.28	5,207	495	1,052
HW	Headwaters Inc	\$18.82	-\$0.00	3,178	308	1,032
MON	Monsanto Company	\$98.06	\$7.72	96,712	11,454	844

### Options

- Overview
- Quotes & Tools
- Trading Ideas

#### Scans & Screens

- Market Scanner
- Strategy Ideas
- Strategy Evaluator
- Report Finder
- Intra-Day Trade Ideas
- Expert Options Analysis

#### Tools

- Report Finder
- Intra-Day Trade Ideas
- Expert Options Analysis

#### DJIA

17,690.06 -21.06 (-0.12%)

17,690.06 1:27 PM ET 05/12/16

17,795  
17,755  
17,715  
17,675  
17,635

10a 11 12p 1 2 3 4

#### NASDAQ

4,720.70 -39.98 (-0.84%)

#### S&P 500

2,059.24 -5.22 (-0.25%)

#### VIX

14.93 0.24 (1.63%)

#### VXN

17.69 0.53 (3.09%)

#### 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	191/60
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

#### CBOT DJ INDUSTRIAL AVERAGE INDEX

IVX Chart

13.6  
13.4  
13.2  
13  
12.8

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# Report Finder (Provided by S&P Capital IQ)

## Options


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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   to  

**Net Debit**  
From \$  to \$

**Strategies**  
☐ Covered Calls  
☐ Calendar Spreads  
☒ Both

**S&P Top Rated**  
☐ Power Picks ☐ Best 10

**Annual Dividend Yield**  
From  % to  %


**In the Money**  
From  % to  %

**Days to Expiration**  
From  to

**Downside Protection**  
From  % to  %

**Assigned Return Rate**  
From  % to  %

**Annualized Return Rate**  
From  % to  %

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**FIND BY SYMBOL**  
 [OK](#)  
[Find Symbol](#)

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# 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

Covered Call Relative Risk Ranking **MODERATE**

Diagonal Spread Relative Risk Ranking **CONSIDERABLE**

S&P Capital IQ STARS® Ranking For Underlying Stock **HOLD**

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, 16): \$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 '16 covered call with a 10 strike price could potentially yield a 11.36% 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 Side	Stock Symbol: DDD Stock Price: \$12.18	Call Month: Jan '17 Call Strike Price: \$5.00 Call Ask Price: \$7.80
Sell Side	Sold Call Month: Nov '16 Sold Call Strike Price: \$10.00 Current Sold Call Bid Price: \$3.20	
Key Metrics	Net Debit: \$8.98 Downside Protection (%): 26.27 In-The-Money (%): 17.90 Break Even: 8.98 Assigned Return (\$): 1.02 Assigned Return (%): 11.36 Ann. Assigned Return (%): 21.94 Expiration Date: November 18, 2016 Trade Duration (Days): 189 Relative Risk Ranking: 3 <b>Om</b>	Nov '16: \$4.60 \$10.00 \$3.20 \$4.60 21.18 17.90 9.00 0.40 8.70 16.79 November 18, 2016 189 2 <b>Om</b>

### 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: \$8.98 - \$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 possibility that the stock will not be assigned on or before 11/18/2016 - expiration day - and that the strategy may not be closed at the profit level shown 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 \$3.20 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

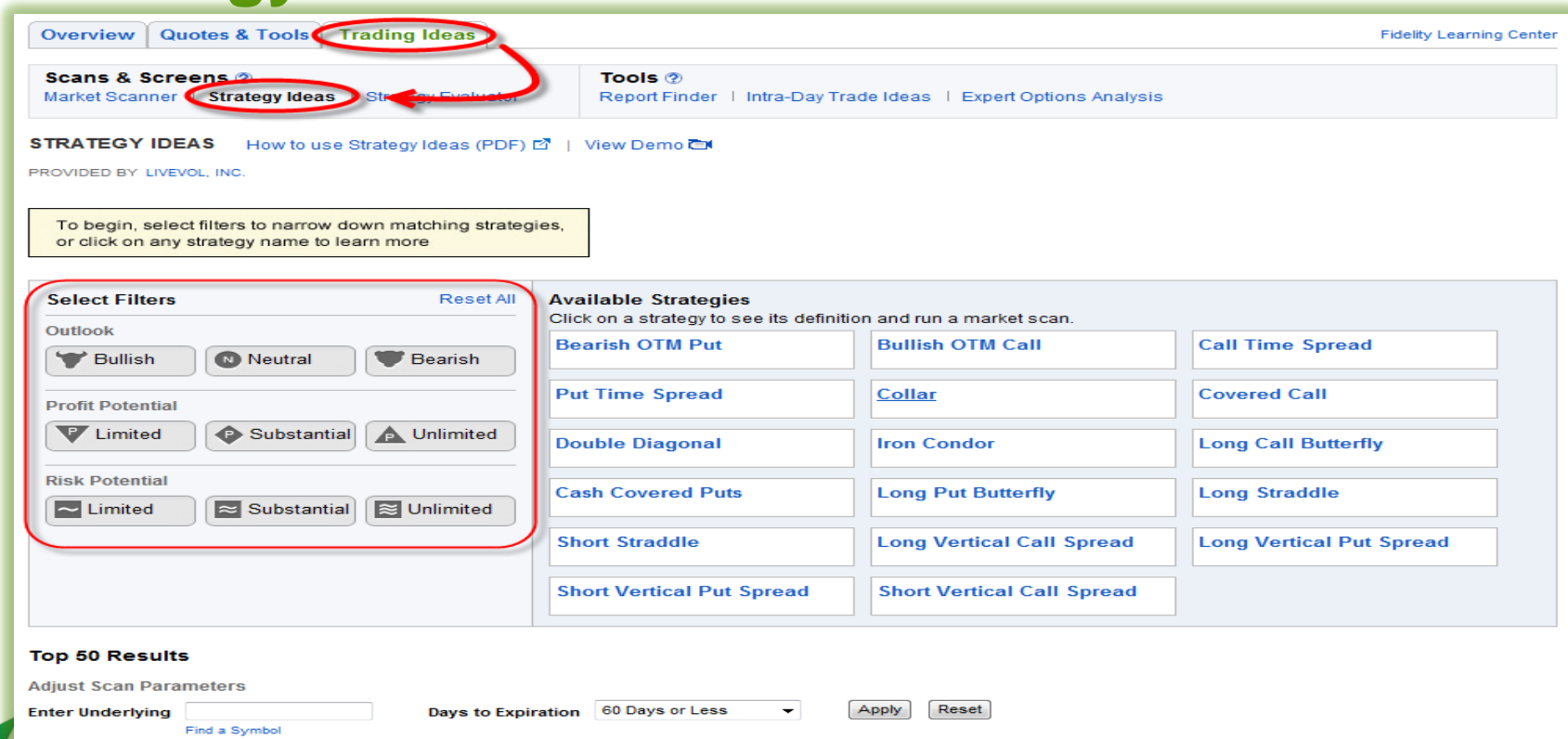
---

- 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.)



**Overview** | **Quotes & Tools** | **Trading Ideas** Fidelity Learning Center

**Scans & Screens** ? | **Tools** ?

Market Scanner | **Strategy Ideas** | Strategy Evaluator | Report Finder | Intra-Day Trade Ideas | Expert Options Analysis

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

PROVIDED BY: LIVEVOL, INC.

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  |

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# Strategy Ideas (Provided by Livevol, Inc.)

**Iron Condor**
N
P
~

**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**

**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 135 Call  
 Short 1 XYZ 125 Put      Long 1 XYZ 140 Call

**P/L CHART**

**PROFIT**

**LOSS**

**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.

AS OF 9:34:04AM ET 05/13/2016 [Refresh Data](#)

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	Action
YHOO	36.96	06/17/2016	33.00	34.00	40.00	41.00	0.34	1.00	2.941 to 1	19.94	Action
ANF	23.92	05/27/2016	20.00	22.00	26.00	28.00	0.67	2.00	2.985 to 1	33.21	Action
CRM	76.09	05/27/2016	68.00	72.00	80.00	84.00	1.23	4.00	3.008 to 1	10.12	Action
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	Action
WMT	65.96	05/27/2016	62.00	63.00	69.00	70.00	0.20	1.00	5.000 to 1	17.81	Action
LOW	75.09	06/17/2016	67.50	70.00	80.00	82.50	0.48	2.50	5.208 to 1	14.32	Action
BBY	31.02	05/27/2016	26.50	28.50	33.50	35.50	0.38	2.00	5.263 to 1	28.14	Action
FXE	110.57	07/01/2016	105.00	107.00	114.00	116.00	0.36	2.00	5.556 to 1	6.40	Action

## Top 50 Results

### Adjust Scan Parameters

Enter Underlying

[Find a Symbol](#)

Days to Expiration

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# Strategy Ideas (Provided by Livevol, Inc.)

Iron Condor N P ~

## 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.

AS OF 9:42:28AM ET 05/13/2016 [Refresh Data](#)

	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	
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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 ▾
<input type="checkbox"/>	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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Fidelity Learning Center

### Scans & Screens

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### Tools

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## MARKET SCANNER

[How to use the Market Scanner](#)

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[+ Custom Scans](#) [Create New](#)

### Top Scans

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

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# Market Scanner (Provided by Livevol, Inc.)

**MARKET SCANNER** [How to use the Market Scanner](#) | [View Demo](#)

PROVIDED BY LIVEVOL, INC.

[< Return to Market Scanner](#)

**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"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<div>▲▼</div>	<div>🗑</div>
IV30 Percentile	--	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<div>▲▼</div>	<div>🗑</div>
HV20	--	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<div>▲▼</div>	<div>🗑</div>
IV30	--	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<div>▲▼</div>	<div>🗑</div>

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.)

## Options

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### EXPERT OPTION ANALYSIS [View Demo](#)

PROVIDED BY LIVEVOL, INC.

THU  
MAY 12, 2016

WED  
MAY 11, 2016

TUE  
MAY 10, 2016

MON  
MAY 9, 2016

FRI  
MAY 6, 2016

>

#### MONSANTO CO (MON) - Positioning On News

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

##### Overview

<b>MON</b> MONSANTO CO	<b>Bid</b> 98.09 X 9	<b>IV30</b> 39.89	<b>IV60</b> 38.40	<b>IV90</b> 36.07	<b>Dividend</b> 0.54	<b>Sector</b> Materials	<b>Industry</b> Chemicals	<b>Consensus Rating</b> Buy	<b>Estimated Earnings</b> 2.38
<b>\$98.09</b> <b>▲7.75 (8.58%)</b>	<b>Ask</b> 98.10 X 6	<b>Vol</b> 16,906,793	<b>News</b> <a href="#">View</a>	<b>Dividend</b> 0.54	<b>04/06/2016</b>	<b>Buy</b>	<b>06/29/2016-Q3</b>		

AS OF 3:45:00PM ET 05/12/2016

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

<b>Bid</b>	98.41 X 4
<b>Ask</b>	98.50 X 4
<b>Vol</b>	392,355
<b>IV30</b>	39.84 <b>-0.49</b>
<b>HV30</b>	32.59 <b>+6.92</b>

[Stock Research](#) | [Quotes & Tools](#)

#### RELATED NEWS

**Unusual call flow in option market (TheFlyOnTheWall)**

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


#### CATEGORIES

- High Volatility
- Depressed Volatility
- Time Spreads
- Order Flow
- Earnings Opportunities
- Miscellaneous
- Education
- News of Interest

#### ARCHIVES

- 2016
  - MAY
  - APRIL
  - MARCH
  - FEBRUARY
  - JANUARY
- 2015
- 2014
- 2013
- 2012
- 2000

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INVESTMENTS

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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)

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 Russia					

Here is the option and stock trade. Important note is that the option is a total of 1,170,000 shares traded in conjunction with the options (10 shares).

Time	Symbol	Option	Qty	Price	Exchange	Condition
1:30	MRVL	May15'15 15 C	25000	0.81	PHLX	Buy
1:32	MRVL	May15'15 15 C	5000	0.81	PHLX	Buy

13:32:01	MRVL	975000	13.67	CHK
13:34:05	MRVL	195000	13.67	CHK

Here is the Trade Breakdown. Total calls for \$0.81. Note that the stock.

## Trade Breakdown

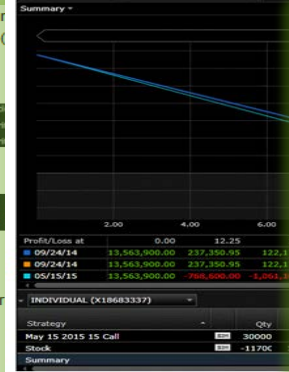
Calls		Puts	
Total Volume	19,219		
Avg Volume	3,219		
Open Interest	3,219		
Avg Open Interest	3,219		
Sold on Bid	1,479	402	
% of Total	4%	21%	
+5% OTM	104 (7%)	129 (32%)	233 (1)
Bought on Ask	28,820	1,448	30
% of Total	80%	77%	
+5% OTM	27,419 (95%)	1,388 (96%)	28,807 (9)
Net Delta	1,055,126	-35,451	1,019
Net Premium	\$2,115,625	\$99,262	\$2,214

Here on the option chain you can see that there was no open interest

Expand All | Collapse All

Last	Change	Bid	Ask	Volume	Open Int	Imp Vol	Delta	Gamma	Theta	Vega	Rho	Action	Strike	Exp
0.00	0.00	1.08	1.22	0	0	30.10 %	0.5074	0.1251	-0.0029	0.0433	0.0341		14	May 15 2015 - Exp in 233
0.80	0.00	0.77	0.81	30,823	0	30.00 %	0.3915	0.1196	-0.0027	0.0418	0.0279		15	
0.45	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	

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.



\*Fidelity.com – For Illustrative Purposes Only



# Intra-Day Trade Ideas (Provided by S&P Capital IQ)

## Options

[Print](#) | [Help/Glossary](#)

[Overview](#) | [Quotes & Tools](#) | [Trading Ideas](#)

[Fidelity Learning Center](#)

### Scans & Screens

[Market Scanner](#) | [Strategy Ideas](#) | [Strategy Evaluator](#)

### Tools

[Report Finder](#) | [Intra-Day Trade Ideas](#) | [Expert Options Analysis](#)

### 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
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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

STAPLES INC

8 covered call. For each 100 shares of Staples, Inc. (SPLS) we have a September 8 covered call option for a \$7.38 (\$8.38 - \$1.00) that's potentially a 8.4% assigned return. Plus, SPLS will have a 10% dividend during this period, which should boost the return higher. This distribution is expected on 6/24/16.

(Expiration/Strike)	Days to Expiration	Strategy Price
09/08 C	127	\$8.38
09/08 C		\$1.00
Net Debit/Break Even: \$7.38		

### 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

[Stock Research](#) | [Quotes and Tools](#)

### 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 >

Content and data provided by various third parties

Stock Details

Enter Company or Symbol

Snapshot

Go

Find Symbol

Stock Research & Ideas

Stock Research Center

My Research

Screen & Filter

Stock Screeners

Preset Expert Strategies

Strategy Testing

News & Insights

Events Calendar

Upgrades / Downgrades

Explore Firm Research

Research Firms

Research Firm Scorecards

Reports Search

RELATED RESOURCES

Fidelity Learning Center

U.S. Markets

Global Markets

Sectors & Industries

ActiveTraderPro.com

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

Stock Research Center

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?

Equity Summary Score provided by Thomson Reuters StarMine AS OF 05/13/2016

Sector	Top Symbol	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

My Research favorite securities

Today's Earnings AS OF 10:36 AM EST

Earnings (51)

Dividends (24)

Splits (13)

Find Stocks

By My Screeners

By Equity

By Sector

By Market Capitalization

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# Stock Screener

The screenshot displays the Fidelity Stock Screener interface. A red circle highlights the 'Start a Screen' button in the top right corner. A red arrow points to the 'Saved Screens' dropdown menu below it. Another red circle highlights the 'Start a Screen' button in the top right corner of the 'Most Popular Screening Criteria' section. The interface includes a 'Screening Criteria: Unsaved Screen' header with links for 'Save Screen', 'Enable Score Weighting', and 'Clear Criteria'. Below this is a table with columns for 'Criteria', 'Value', 'Benchmark', and 'Results'. The table is divided into sections: 'Basic Company Facts', 'Dividends', 'Earnings', and 'Company Value'. The 'Basic Company Facts' section includes criteria like Security Type, Security Price, Exchange, and Options. The 'Dividends' section includes criteria like Ex. Dividend Date (Most Recent), Dividend, Dividend Yield (Annualized), and Dividend Payout % Last Quarter. The 'Earnings' section includes criteria like Earning Yield (TTM), Earnings Announcement (Days Since), and Earnings Announcement (Days Until). The 'Company Value' section includes criteria like P/E (Price/TTM Earnings), Cash/Price Ratio, and Enterprise Value. The 'Most Popular Screening Criteria' section includes checkboxes for Security Type, Security Price, Market Capitalization, Dividend Yield (Annualized), Equity Summary Score from StarMine, Sector, Industry, PEG Ratio, P/E (Price/TTM Earnings), and Price Performance Today. The 'Find Expert Screens' section includes checkboxes for Growth, Value, Growth/Value, Technical, Sector, and Other. The 'Preset Expert Screens' section includes a description of expert screeners and a list of featured screens: 'Low Coverage, High Projected Growth' by S&P CAPITAL IQ | GROWTH, 'Diamonds are Forever-Bullish' by RECOGNIA, INC. | TECHNICAL, 'Something for Everyone' by ZACKS INVESTMENT RESEARCH, INC. | GROWTH/VALUE, and 'Value-At-a-Reasonable Price "VARP"' by EVA DIMENSIONS | VALUE. The 'Research Firm' section includes a dropdown menu for 'All Providers' and a 'GO' button. The 'Related Resources' section includes links to Fidelity Learning Center, U.S. Markets, Global Markets, Sectors & Industries, and ActiveTraderPro.com. The 'Unit Trust Fund (209)' and 'Unit Trust Fund (REIT) (38)' sections are also visible.

Screening Criteria: Unsaved Screen

Save Screen | Enable Score Weighting | Clear Criteria

Criteria Value Benchmark Results Delete

Type Criteria Here or... Select Criteria Select a Value

**Basic Company Facts**

Security Type Market Capitalization Revenue (TTM)

Security Price Sector Total Cash

Exchange Industry Employees (Full Time)

Options Company Headquarters Location

**Dividends**

Ex. Dividend Date (Most Recent) Dividend Growth Rate (IAD to Prior Yr) Dividend Coverage (EPS Next Yr/IAD)

Dividend Dividend Growth Rate (5 year avg) Dividend Coverage (EPS TTM/IAD)

Dividend Yield (Annualized)

Dividend Payout % Last Quarter

**Earnings**

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)

**Company Value**

P/E (Price/TTM Earnings) Cash/Price Ratio Enterprise Value

Control + click to select multiple criteria

How Scores Are Determined

Unit Trust Fund (209) Unit Trust Fund (REIT) (38)

GO

**Most Popular Screening Criteria**

☐ Security Type

☐ Security Price

☐ Market Capitalization

☐ Dividend Yield (Annualized)

☐ Equity Summary Score from StarMine

☐ Sector

☐ Industry

☐ PEG Ratio

☐ P/E (Price/TTM Earnings)

☐ Price Performance Today

GO

**Find Expert Screens**

**Equity Style**

☐ Growth ☐ Technical

☐ Value ☐ Sector

☐ Growth/Value ☐ Other

**Research Firm**

All Providers

GO

All Expert Strategies

**Preset Expert Screens**

Our expert screeners allow you to conduct more precise searches using highly specific criteria. Note that screeners with a lock icon require that you be logged in.

**Featured Screens**

**Low Coverage, High Projected Growth**  
BY S&P CAPITAL IQ | GROWTH

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

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

**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

**FILTERS**

Markets Technicals Options

Most Actives ▾ Across All Markets ▾ DESCRIPTIONS

	Last	Chg	% Chg	Bid	Ask	Volume
Most Actives	7.33	-0.47	-6.03	7.32	7.33	27,129,131
52 Week Highs	1.42	0.01	0.71	1.41	1.42	20,911,461
52 Week Lows	205.91	-0.65	-0.31	205.90		
Top \$ Gainers	14.155	0.015	0.11	14.15		
Top \$ Losers	39.98	4.41	12.40	39.97		
Top % Gainers	0.8999	0.5599	0.62	90.89		
Top % Losers	15.26	0.11	0.73	15.25		
Volume Movers	24.545	-0.005	-0.02	24.54		
	32.44	-0.42	-1.28	32.44		
	8.0205	-7.2095	-15.94	38.02		
UVXY	13.85	0.22	1.61	13.84		
FCX	10.779	-0.251	-2.28	10.77		
VALE/P	3.53	-0.11	-3.02	3.52		
MGT	1.39	-0.13	-8.55	1.39		
TVIX	3.1098	0.0498	1.63	3.10		
VALE	4.32	-0.12	-2.70	4.32		
CHK	4.00	-0.17	-4.08	4.00		
MT	4.585	-0.145	-3.07	4.58		
VRX	24.53	-0.40	-1.60	24.52		
EWJ	11.538	-0.152	-1.30	11.53		
LC	3.64	-0.12	-3.19	3.64		
F	13.379	0.029	0.22	13.37		
X	13.9801	-0.8299	-5.60	13.98		

**FILTERS**

Markets Technicals Options

Uptrend Stocks ▾ 3% on 15% Higher Vol ▾

	% Chg	Bid
Uptrend Stocks	3.37	8.29
Short Term Uptrend		
Downtrend Stocks		
Short Term Downtrend		
Moving Average Crossover Upside		
Moving Average Crossover Downside		
Relative Strength Index Turnover		
Bollinger Band Upside Breakout		
Bollinger Band Downside Breakout		
Bullish Parabolic SAR Crossover		
Bearish Parabolic SAR Crossover		
Bullish Morning Momentum		
Bearish Morning Momentum		
Stochastic Bearish Turnover		
Stochastic Bull Run Correction		

**FILTERS**

Markets Technicals Options

High Option Volume ▾ DESCRIPTIONS

	st	Chg	% Chg	Opt Vol	Avg Opt Vol	% Avg Vol
High Option Volume	7	-1.19	-1.40	24,438	1,484	1,647
High Call Volume	1	-0.08	-0.39	37,533	3,055	1,229
High Put Volume	3	-0.82	-1.28	2,531	237	1,068
High Open Interest	9	0.62	0.86	2,611	451	579
Exploding IV30s	2	-0.1228	-0.46	2,099	499	421
Imploding IV30s	7	0.23	0.20	3,991	960	416
Earnings	3	-0.17	-1.34	2,000	511	391
Implied Volatility	7	0.14	0.81	1,530	447	342
IV vs HV	5	-2.755	-4.54	2,061	602	342
Order Flow	1	-0.69	-1.72	1,606	486	330
Time Spreads	2	-1.04	-2.47	8,470	3,107	273
Top Options Scans	1	-1.90	-3.49	6,666	2,571	259
Custom	5	1.79	5.22	6,692	2,636	254
	1	0.14	1.14	508	223	228
	1	4.24	11.92	30,178	15,051	201
	5	-0.03	-0.86	610	304	201

\*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!**

*Find the next interactive classroom session with the Trading Strategy Desk here (registration is limited):*

<https://www.fidelity.com/learning-center/events/interactive-classroom-sessions>

*To Register for another educational webinar, please visit the Fidelity.com Learning Center*

<https://www.fidelity.com/learning-center/events/overview>

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