TRANSCRIPT

Trade the way you want in Active Trader Pro®

BRETT YODER: Hi, everyone. Brett Yoder here, joining you as a member of the Trading Strategy Desk. Alongside me is Mr. Nate Herkimer, also a member of the Trading Strategy Desk. An exciting hour for you here, set aside all about Active Trader Pro and trading the way that you want. Specifically, we're going to focus in the additional settings that you can manipulate and change to really make your trading experience as seamless as possible and get you to that place where you're worrying about analyzing the market, not worried about the different specifics on how you're typing in your trade. There's a lot of different defaults that we have found clients can most certainly take advantage of that aren't being taken advantage of that you can manipulate and change. That's where we're going to spend that hour.

Now real quick, right here at the beginning, if you haven't heard of our group, the Trading Strategy Desk, we're a group set aside to help you as clients develop, hopefully, a systematic way to analyze the market and then trade individual issues, whether it's stocks, ETFs, learning options strategies or deploying options strategies in your portfolio. We help from everything from idea creation, the fundamental, technical analysis, to managing your trade once you're inside your trade, reviewing risk and reward, looking at return on capital, etc. The whole way to overall account and positional management. How much should you be really looking at trading this asset class, that asset class, etc. Trying to get to that end goal, of course, which is, you know, making money, growing our assets and creating alpha in the marketplace.

Laying out the agenda for you here today, really straightforward, we are going to be taking a lot of time in the settings of Active Trader Pro. Hopefully, you've already had the chance to go to fidelity.com, have your Active Trader Pro client downloaded. That will be far more beneficial for you. You can even do it here in the first few minutes, as I'm running over some of the additional resources that we have. That's fidelity.com, in the search bar, type in "Active Trader Pro," you'll see the download link. This is a free trading program, it's available for all of our clients. Simply need to download it to get started. And, within that, like I said today, setting the default trade settings on all of the different trade tickets that we offer and the different ways to trade, getting into that how to use our click-to-trade functionality, that you can trade off of a chart. You can trade using menu bars on almost every one of our different tools in Active Trader Pro. So, whatever layout you decided with or gone with or set up for yourself, there's going to be a way to very quickly execute on that idea that you have, actually get into the market and invest your money.

We'll take some time today to go over our Trade Armor tool, and the huge benefit that that has, as far as positional management and trade management, and then rounded off today, we can't forget about our option traders. We'll certainly spend some time with the option layouts and the different option tools that we have.

Here, I just want to point out the Fidelity Learning Center. You've obviously familiar with it, and that's how you signed up for today's webinar. I just want to point out, we're going to have videos, articles, and more information there at the Learning Center. That's News & Research on Fidelity.com's menu bar, down to the Learning Center. You'll find all the different articles and information here that'll touch a little bit more in-depth on, say, the specific tools that we're going to be using today, but not quite so much on settings that we're going to be laying out for you.

So, without further ado, let's go ahead and switch over to that screenshare, get that pulled up right now for you. And in the meantime, Nate, why don't you go ahead, introduce yourself, and let's get started.

NATE HERKIMER: Yeah, excellent, Brett. Thank you so much. Excited to be here with you today. My name is Nate Herkimer, as Brett said. Part of the Trading Strategy Desk. And today, we are going to start with a couple of ideas here. So, first, we're going to look at Active Trader Pro as if we were more of a day trader, right? Wanting to trade a little bit quicker. We're going to transition, then, and showcase some of the tools and settings that we can use as if we were more of a position trader, right? We're kind of holding for a couple weeks, maybe even up to a year, and some of the tools that might be useful. And settings that might be useful there. And then the third part we're going to look at is as if we were an option trader, and the different tools that we have that we can customize and the settings that we can change that benefit us there, trading options.

So, first thing we're going to do is, one, we have Active Trader Pro pulled up. We have a blank slate. We're going to go up to the top right, we're going to click on "settings", and we're going to head down to "trade." And once our trade pulls up, this is going to allow us to set our defaults, what automatically populates in our trade ticket. So, let's start here just with "general." And right here, default trading account, we have or individual accounts. Now, some of you at home may have multiple accounts, and maybe just have specifically one account you're looking to trade in. And here is where, if that's the case, you would choose that account. Now, this is our test account, so we only have the one. So, we have individual accounts. So, we're going to click on that.

Yoder: Yeah, absolutely. And the reason why you would pick, say, no default account - keep in mind, Active Trader Pro in general has one account that's going to pull up for all of the different tools. It's the overall default account. It’s the account that you set in just general settings. For your trade ticket, you can set that different account, if you're always trading in one account, you can also go with the no default account. Of course, if you have three or four different accounts, maybe you stick to strategy A in account 1, strategy B in account 2, and so forth, maybe you do want no default account to pop up on your trade ticket, because you want to pick which account you want that strategy to fall into. So, yeah. Great. No default account sometimes is the best, but you do have to go ahead and pick. But, in this case, that's only for today's example, we'll just switch that and keep on that individual account.

Excellent. Moving straight down the list, our default trade ticket, clicking on that, notice that we have several options available to us here. So, we have our standard trade ticket, we have our directed trade ticket and our multi trade ticket. We are going to do a deep dive on the directed trade ticket here in just a moment, but we are going to stick for today, at least right now, with that standard trade ticket. So, whenever we pull up a trade, that standard trade ticket is what's going to come up. Next, moving down, we have "always display trade type dropdown." So, this is going to be specific to those accounts that have margin enabled on them. This will allow you to see, be able to toggle between cash and margin, and this becomes an important functionality here, and if you're having issues and it's saying you don’t have the correct trade type, this might be your problem, and go ahead and say "yes" there and you can switch between those trade types.

Moving down, "skip preview." So, just a quick mention. What this is going to do is before you place any trade, we give you a preview. What it is is what you're trying to do, the number of shares, what type of order you're doing, and then it might give you any warnings, any warnings in regards to violating a cash rule or a margin rule, that if your trade might put you into a call. Things of that nature. So, well, we certainly have the capability to skip the preview, which will create a fast experience as far as trading goes, which we'll demonstrate here, just once we pull up the trade ticket. I wouldn't necessarily recommend it because a lot of goof information is going to be in that preview, including things, and I've seen this being on the trading desk here at Fidelity for a while, including if you accidentally set finger to zero. An extra zero in there, and instead of 100 shares, you're doing 1000 shares, or 1000, you're doing 10,000 shares. So, again, wouldn't recommend skipping it, but the capability is there, if speed is of the utmost importance.

Yeah, so I mean, trader beware, at this point. This will definitely be for a seasoned trader that is very comfortable with assuming those risks, right? If not, leave the preview on there. I can't tell you how many times, even for myself in my own trading, that preview has caught me from making a mistake. But, again, as Nate is going to reiterate, that is most certainly the fastest way to the market. And we can actually show you a way to even get to three-click trading here at Fidelity. There's even other ways to go faster if you want to skip the preview.

Let's go ahead and cancel that, though. Let's talk about that confirmation, Nate.

Herkimer: Yeah, so confirmation, this is going to be post-trade. So, we'll get a confirmation saying what the trade was, that the trade was accepted. You can certainly skip this if you'd like. You don't need a confirmation. You're going to be able to find it in a number of areas, including just our orders page, you can get that pulled up. So, we're all set there. We'll leave that on as well.

Now, let's go up, top of the page, you see these different tabs. We are going to click on stock default here. So, here's where we get kind of to the meat of our settings, where we can make this a quick experience. We're going to start with default quantity. So, you may have a certain quantity as a trader that you go to. One hundred, two hundred, three hundred shares. Maybe it's 1000 shares or more. And of course, that could change depending on the security you're trading, and that price of the security you're trading. But for now, we're going to go ahead and put 300 in there, assuming that most of the time, when we trade, we are trading 300 shares.

Let's click on "default order type," and you'll see all the different order types here. Now, we have a lot of resources available to you to learn these order types, and if you have a question about any of these, just don't click on it. Definitely call and we'll go through what exactly they mean. But we are going to click on "limit" here, so our default order type will be a limit order. Take a look at time and force. Again, a lot of options here that are available to you. Day at order, good till cancelled, custom, fill or kill. For today's example, we're going to do day. Again, we're kind of simulating that day trader.

Let's take a look at transitions. Again, you can give these default conditions, if you're always an all or none trader, or do not reduce, it would be a little bit more applicable for good till cancelled, but none the less, we're going to go with "none" here, but know that it's available for you.

Now here comes the fun part, right? Present by limits. So, where do we want to buy our security, our 300 shares? Do we want to buy above the ask, at the ask, or below the ask? Or, we could also do the bid or below the bid. So, you as the trader get to decide this. So, for this example, let's say that you decide you want to go just above the bid on your buy orders. So, think of this as the person that's going to pay the most out there right now, you're going to cut in front of them in line. So, we're going to go buy above the bid, and let's say by a penny on our buy orders.

Now, let's preset our sell limits. So, let's go "sell", and kind of the same options are available to us, but now as we're selling, that idea of cutting in front, cutting in front of the line, we're going to do on the ask side. So, let's go "sell below the ask," yeah, and we're going to do it by a penny. Excellent. And then the last part you're going to see on a stock default is this trade armor bracket settings. We're going to table that for just a moment, and here, we have our stock default set. Let's hit "apply." Excellent.

Now, let's set up what would be common in a day trader's pool. So, certainly, let's start with actually a chart. If we go over to "charts," and we'll just pull up the blank six-month chart. Let's throw a symbol in there just to get a symbol in there. Let's go "IVV," that's just the SMP500 ETF. And then, yeah, if we can expand that. Thank you so much Brett. Let's go up to "quotes and watchlist" and pull up our filters tool. So, just quick note on this tool. It is simply a screener. So, it's looking through the market for our most active securities in this case and giving us a list. So, it's not looking for anything else other than that most active.

Now, Brett, if you don't mind, go up to the chart on the top left. That little tool on the top left, go ahead and left-click that and hit "link to grey tool," the default here. Now I'm going to add a couple indicators to the chart. Again, we have whole presentations on how to chart, getting started or even a more advanced chart or technician. But right here, let's just go ahead and add a couple simple moving averages, so Brett quickly typed in "SMA." We get an SMA pulled into the chart. Let's do it again, SMA, simple moving average. Let's click on one of those and modify that to a 50 period. And the reason I'm doing this is I want to showcase this fantastic way we can just run through a list of securities, and our indicators will stay on the chart.

So, going back over to filters, because we've linked our chart to the grey tool, we can just double-click on this filter tool, this screener, and the security that we double-clicked on automatically filters in over to our chart, and you'll notice all of our indicators we put on, so our two, our twenty, and our fifty, stay in place. So, let's just go down the list. Here we go. Bank of America, right? RLGY, Snap, perfect. So, you see, you can run through a list of securities here fairly quickly with your indicators staying in place.

Yoder: The point here is trading the way that you want. I don't want to take time typing in the different indicators for each different symbol. I don't want to waste time trying to go over to the top of my chart and just thumbing through the different indicators. Of course, I can become efficient at it and go fast, fine. But at the same time, just the ease of use here, the GEX, going over to Coke, let's go back up to GE, and for that matter, for the example, we can go back to IVV, but the idea is, as soon as you have that systematic way that you're going to trade, say you just want to use technical analysis. Once I'm very familiar with my setups being the fast-moving average over the slow-moving average, or the price in relationship to the fast average, or price in relationship to the slow average, or just the crossover for trade decisions. However, you want to use technical analysis, you can assess that very, very quickly. You don't want to be hindered by moving the mouse, overly clicking, overly typing in things. And it may sound silly, but at the same time, I'm going to trade the way I want. I want to be able to sit down and actually get to a trade. So here, just with these two tools, Nate, how do I actually get to a trade?

Herkimer: Yeah, I love it. So, if you were at home, you're watching the chart, you find a security that you decide you want to buy, and you have these windows up. If you right-click the chart, you'll notice we get all of these options, and the first four on top of that little popup are all actions. So, let's hit "buy," and once we hit buy, notice our trade ticket pulls up. We have our symbol, IVV, obviously, it was on the chart, we have buy. But then we get our 300 shares, remember our default setting. Limit at $300.27. At the time, that was a penny above the bid. And it's good for the day. So, all of our preset settings, so those things that we took about five minutes to create, are going to allow us to trade quickly and easily from chart, and from a number of other areas.

Yoder: Very good. And I just want to point out, let's just show it again. It doesn't matter where I right-click, OK? I still have this, I was up in the corner. And if I go to the other corner, right click. I was even on a candle when I right-clicked there. The field is going to be inside the actual tool. If I right-click inside the actual tool, then I get that menu. And, what menu this is? Is there going to be another way that we can access it? That's up here in the upper left corner of the chart, you can see the little - it's called a hamburger icon, but it's the three lines on top of each other - the menu. If I click that, you'll notice it's the same menu. And that's going to be a theme that's going to continue throughout all of the other tools that we look at and everything else.

Herkimer: Yeah, Brett, and think about this. If you're at home and you have a Mac and you don't have a mouse, you might not have the ability to right-click. So, that little hamburger icon is going to be where you're going to. So, just maybe to kind of complete the thought here, because we did set up a sell limit order, too. Let's exit out of that trade ticket, and let's go back to the hamburger icon if you don't mind, and let's hit "sell short." So now we have a sell ticket in, OK? So, action, "sell short," our quantity, 300 shares, that was our preset at $336, a penny below the ask currently, good for the day. So again, that taking the time to set this up really allows quick trading.

Now, if we would have skipped preview here, we would have three-click trading. That is right-click; trade or whatever you want to do, buy, sell, sell short, buy to cover, whatever it is; and then place the trade. Now, because we have preview, it's four-click trading, but it really is efficient, easy, and speedful.

Yoder: Yeah, I mean, without question. And again, you can debate as much as you'd like on the need for that. And I'll reiterate one more time, I want to trade the way I want. I want you to be able to trade that you want. You need to be able to sit and look at the information as you want it, spend your time on idea generation, spend your time on being able to assess the current situation, whether it's technical analysis or maybe the push in the marketplace, which is what we're going to go into right now, but be able to then trade off of that right away.

Herkimer: Yeah, well, and Brett, thinking of day traders, right, with that kind of trader in mind, one of the tools that directly stands out for me, both because we can create some fast clicks and preset trade tickets, but also because of the second level quotes, there's going to be this directed trade ticket that we have.

Yoder: Yeah, absolutely. So, the directed trade ticket. You may be already familiar with it. If not, it's a fantastic tool. What we're going to do, we just pulled up a new tool. What we're going to do is come here, very first, we're going to click the link and then link to grey again. Just want to keep this as an open tool for as little bit. And immediately we light up, and we have all these colors. The directed trade ticket actually gives you a bit of insight into the overall trading market. The current limit orders that are out there. The orders that are on the books, if you will. This is not a full level two quote, but it's definitely that second level of being able to see where the market is, where the volume is within, in this case, IVV.

Color coding down here, we're going to see this dance around because we're in the live market, but we have a green, yellow, blue, red, and if we expand that a little bit further, we're going to see this darker blue color. The colors all denote the same price. This green color, it's the best of book, or top of book as it's referred to. What that means is the highest bidding price someone's willing to buy at $300.45, now 46, and again, that'll continue to dance on us. Someone then is willing to sell at $350 in this case, 51 as it continues to dance. So, we'll see the market move. But what we're seeing is the volume or the amount of marketplaces that are willing to pay the same price. There's a whole lot of price at 46 cents. Look, that's just dropped down to 46 cents. Now a lot more people are willing to buy at 46, so it jumped up to the offer price. You can kind of see the dance that goes on here, as far as orders come in. It's important to note that it would take somebody to change their price to actually get an execution, or someone trading at market price, willing to pay whatever that offer is, willing to receive whatever the bid currently is.

On the right side of the screen, of course, we actually see those trades as they tick off. This our time in sales. You can see the quantity here, unfortunately a couple people traded one share at a time. But the quantity and at what price. Their color coding, very simple. If it's an execution at the asking price, we expect that to be the triggering party, or the party that's actually making that trade happen is going to be the person willing to buy and spend the offer, so we consider that as bullish, or green, right? They're spending that, that's the active party, we're bullish. Same thing can be said in reverse for the red, someone willing to sell at the lower price of the bidding price, then that is going to be the actionable trade, not the limit order, therefore we'll color that as red. So, you'll see them all go, and if you ever see a neutral color, well of course, that's just because the execution was in-between the bid and the ask.

But to get into a little bit of how this tool can help us trade the way that we want, one, it's more information for you to see. Of course, that's self-given. But here, in what you can do with the ticket. Now is where it gets interesting. So, here on IVV, let's just put a hypothetical buy order of, say, 500 shares into place. So, the order itself, we can do a market, limit, stop, all the standard expectations you could have. In this case, let's add a limit order. We'll say we're willing to spend, I don't know, $300.45. And that's even above market, but you saw how fast this was dancing around, maybe we want to make sure that we get an execution. Here is where the directed trade ticket really stands out. Here, we can send it directly to the ARCA, ECN, directly to FDLM, that's Fidelity's routing system, Nasdaq, everyone's familiar with that. And then, we can actually trade algorithmic trades with this as well. Say we had a significantly large order, and we only wanted to represent a certain percentage of volume. That's exactly what these target volume, TV, orders are. You can be 5%, or we can attempt to have the algorithm trade to get 5% of total volume, 10%, 20% of total volume. And then there's that fabled VWAP order, right? We hear about the V-W-A-P order, volume-weighted average price order, all the time. Here's the way that you can actually trade that the way that you want, when you want, one line, here through Active Trader Pro.

So, for the fun of it, let's go ahead and route to NASDAQ. Once we route to NASDAQ, and certain marketplaces are actually going to give us a lot more functionality over what our order does once it gets sent. If I set just a normal limit order, I'm just going to be displayed out to the marketplace at my limit price, for however many shares I have. There's not anything else you can do with that. If I go to a standard trade ticket, send limit order, that's the functionality that happens. But here, setting a certain marketplace, you have additional functionality. You can peg your order. Pegging your order keeps it within a certain limit of maybe the bid price or the asking price, but it's pegging your order to a certain price. You can choose whether to display all 500 shares, or not display all 500 shares. There's even other orders, too, like a reserve order, where you're only going to display a certain amount of shares. Again, this is only going to be applicable in very rare cases, or certain cases. But the functionality is there. And given today's theme of settings, wouldn't it be nice if we could just set this all up and not have to click through each one of these fields going into it? Yeah, it definitely would be. So, let's take some time to do that.

I'm going to close out of the directed trade ticket, come up to settings, here we'll start right back in the trade. First, I want to switch my default to a directed trade ticket, because again, I'm trying to get to where I'm spending time doing what I want to do on Active Trader Pro, not doing business work. So, I applied that, I'll go back up to settings, and look, directed trade has its own field. Within directed trade, we're going to go through general, the order types, and stock shortcuts, and just a brief moment on the option shortcuts. But in general, that kind of Christmas tree look, the green, yellow, blue, red, dark blue - again, those are all different price levels, with the darkest blue being anything that's far away from the book, right? If we wanted to switch that, and we didn't want all those different colors, you can switch to just blues. So, some of you may be used to just seeing it as blues, dark to light, dark is best or top of book, going the lighter, lighter, lighter, the further away from the money. Keep it to that industry standard just because it's what I've been staring at for the past however many years.

Go down and take a look at max book quantity, the bid ask click action. The book sort order, and finally, the default route. Well, the max book quantity is going to be the max amount that we actually want to trade on our trades. There's a functionality to click and receive a certain limit price on the directed trade ticket that if we don't put the max amount that we actually want to come up to our trade ticket, we may end up trading a lot more shares than what we want to be, especially if you saw how busy that screen was. It dances around a lot. So, in this case, let's switch to the - we had already said we'll own this three lot, and 300 shares system. By clicking the bid price, we would get a sell order. By clicking the ask price, we would get a buy order. We can change that to where we're actually having a shorting, right? If we're just a long trader, we're not going to change this. But if we're a short trader, look, you can sell short, buy to cover. It's still going to coincide by clicking the bidding price. We assume you're looking to sell to the bidder. By clicking the asking price, we assume you're going to buy or pay the asking price. We leave that the same. That default route code, OK, well, here we go. I can come in. We can look at all the different ones. Yeah? Let's leave it to NASDAQ.

So, that's our general type. Let's switch over to order types. What do we want available? Do we want those reserve orders? Do we want that pegged order, or the non-display orders? Do we want those to be available? If so, leave that checked. If you use your directed trade ticket and those fields don't come up, there's a setting that you're probably missing. OK? If you'd like any additional information about the advance order types, give us a call. Any broker here over the phone would be more than happy to go through exactly what those are and how they work in the marketplace.

Switching over to our stock shortcut. So again, here we have shortcut type, sell at bid. Shortcut? I didn't even point this out on the directed trade ticket, but there's a couple of buttons I'm going to show you where you can click "sell at bid" or "buy at ask" and the whole order ticket will fil itself out for you. So, let's start with the sell at bid. Sell at bid, of course, I want to sell, right? Quantity, 100. We need to switch that to that 300. And route, we are going to stick with NASDAQ for now. Same thing with the buy at the ask. Well, let's switch back to $300 as well as NASDAQ.

Herkimer: Excellent, Brett. You know, before you jump off here, I think this is one of the greatest things about this trade ticket is we can create these shortcuts. If we have four or five different ways we trade, we can create up to six shortcuts.

So, if you just hit that little plus button, which Brett just did, and then up to shortcut type, go to "custom." We now can actually fill out a custom shortcut for us. So, let's say we want a short. Perfect, we're going to put in our description, short selling action. So, here we go. Sell short. So now we're creating a shortcut trade ticket within directed trade that's going to prefill all this for us. Order type, let's do what we've been doing, let's go to limit, and excellent order quantity, we've been on this 300 kick so we're just going to keep going there. Time and force, again, we're day trading - oh, excuse me, limit order. We're going to go right below that ask again. So, below the ask. Excellent, .01, or we can do .05, that will be just fine. And time of force, day. Let's hit "apply" now. And now we have this shortcut set up within the directed trade ticket that is going to allow us some speed and to quickly toggle between different shortcuts, whatever we'd like.

Yoder: Perfect. So, I've taken a few minutes. I've set up my settings, and now let's see, is this any more convenient? Can I spend a little bit more time doing what I want to do in Active Trader Pro? How do I get to the directed trade ticket? Remember, I changed that default trade ticket to the directed ticket. So, what can I do on the chart? I can right-click, and I can go to buy. And as expected, hopefully no one was surprised by this, here's my directed trade ticket. Now, with that, I do have a buy order, OK? But let's talk about the different things that we set up. If I did want to buy, I know that I can clicked the ask. Well, if I click the ask, it doesn't really do anything. But what if I click this lot of 200 shares? Now what happened? Now I have my limit, aim for 200 shares, in this case, routing auto. Yeah? So, clicking the ask, routing auto, that's not what I set up. At the limit price of $300.24. Again, not what I set up. There's a theme here. If I click the bid, what would we expect? I've clicked it. We've switched to a sell order. Now 100 shares. OK, you'll notice my defaults are gone. Bid ask trading is another way to click-to-trade. The bid and the ask price, whether it's here on the directed trade ticket, whether it's under a quote box, whether it's on our positions page, wherever you find a bid and ask, that is going to default whatever your order trade is to a limit price at that bidding price or at that asking price. So, it's important to note. That being said, we did set that max book quantity, so let's say we wanted to sell. We're dancing pretty quick here on IVV, but there's that 1000 one. Let's see if I can click one. That lot as I clicked on, it had 1400 shares, and you see the max amount that I took out of the book? Just 300. Now, when the lot was smaller than that, say that 149 shares, then I default to the 149.

So, that's the bid to ask. I click the bid, I get a sell order. I click the ask, I get a buy order. We set that up through our settings. Going down now, we have our shortcuts. Look, here's "sell at bid." Here's "buy at ask." Here's the actual short button that we created. So, let's sell at that bid. Now what do we have? We have the 300 shares, the limit price bounced on us, OK, but we were a penny better than that and then it kind of came up, but we were marketable on that. Now we have that NASDAQ route. So now we have exactly what we were looking for as far as the defaults go. Let's buy at the ask. Again, I came in at 38. At that time, it was $300.37, a penny above the bid, exactly as expected. We have these buttons working. So, I can set these defaults. If you're the kind of trader that is always trading certain lot sizes, certain time in force, certain day, if you've used this directed trade ticket before, maybe this is new to you and you just want to start using it, take time to set up those shortcuts and those buttons. Let's not waste time if we know that right now is when we actually want to trade, let's go ahead and certainly do it.

Let's switch gears now. Let's go over to some different ways that you might be trading or managing your portfolio. Let's look at more of a position. Let's just take a look at the overall general positions here and see if there's ways that we can make trading easy from the positions page.

Herkimer: Yeah, so Brett, I like that you minimized everything. First thing I actually want to do, back up to settings, and I, you know, as a position holder, you might be trading a little bit less frequently. So, let's click on "trade" here, and let's switch that back just to the standard trade ticket. We don't want the depth of market, we don't need the speed of the shortcuts. Let's hit apply, and now let's go up to accounts on the top left, and down to positions. So, this might be a page that you're looking at quite a bit as a position holder. You want to know what you've gained since you've held the security. Now, this page is pretty busy. As Brett scrolls to the right, we have a lot of information just on our positions page. I would say almost too much information. And we can manage that. So real quick, let's go up to manage on the top right of our positions page and hit "add and remove column." Quick heads-up, on the left-hand side are all the columns available to you. They're currently all checked. And whatever is checked goes onto the righthand side, that's going to be our selected columns that are being shown currently. If we deselect all of them, so on the top left, you can left-click and just deselect everything, and then we can go through and find the information that's going to be useful for us. So, things that I'd like to keep there -- last, right? I want to know what the security is trading at. I would like today's gain loss. So even though I might be a long-term trader, I'm holding this for longer than a month, today's gain or loss is going to be important to me, let's say. So, I'm going to go down and we're going to find today's gain loss, perfect. We're also going to put on gain loss. We're going to put on value, so what's this security actually worth. Basis, we'll throw on. And let's throw on quantity as well. Quantity. Now go ahead and hit apply and watch what happens. Our positions page shrinks quite a bit. So, let's say that this is the information that you find important. So, we've modified it down.

Now we're watching our positions, and we decide that, you know, let's say Citi Group, the C up there, this is the gain that we've been looking for. We've hit a price target, or for whatever reason, we've decided we want to liquidate the position and get out. A couple of ways to really simply do this. One, we can certainly right-click anywhere on C, on that column, and we get, again, our dropdown bar, we can hit "sell." And something interesting happened here, especially if you've been paying attention to our quantity. We've been doing 300. Well, it defaulted to 20. Well, why? It's smart enough to pick up that we only have 20 shares. So that overrides that default setting from our positions page into the trade ticket, and it put it down to 20 shares. The limit, however, was exactly where we wanted it, selling a penny below the ask, right? So, we have our time and force set for day, and we're good to go. We have that trade ticket set up, very easily accessible and trading right off the positions page.

Now, another way to get there, again, the little hamburger, if we left-click that, we get the same option. Once again, applicable to those of you using a Mac that don't have the right-click capability.

Now, let's say I want to add positions here. I don't want to get rid of Citi. You at home, let's just hypothetically say you decide you want to add to your position. Well, if we left-click that hamburger, or again, right-click anywhere on the column and hit "buy", trade ticket pulls up very quickly, buy, guess what's back? That's our 300 shares. Of course, limit, and the $71.99, a penny above the bid, cutting in line there, and we're good for the day. So those presets are ready to go.

Now, we would have our positions page up, and let's say we have our chart pulled up as well. And once our chart's pulled up, let's move this, and we can, again, one of the great things, just drag and drop tools however you'd like to get a better idea or a better look on how you want your setup, right? How do you want to analyze your tools? And then let's pull up a quote box. Let's say we want a quote box here. So, Quotes & Watch List, and quote, and let's go ahead and link that to the grey tool. Now, what we did earlier was double-clicked a list of filters. Let's do the same thing with positions. If you don't mind double-clicking maybe Bank of America, here. And notice what it does. It automatically filters into everything that's linked to grey, which would be our quote tool and our charts. Now, over to the quote tool, we can trade from here. Here where we have the bid ask, remember, any time we see a bid ask, if we click on that, it's going to pull up our trade ticket ready to go. The only difference is the limit isn't going to be our preset, it's going to be that ask price that we clicked on. So, keep that in mind. If we use the hamburger in our quote tool, right, on the top of the page, that's when all of our presets are going to be in, so we'll be a penny above the bid, excuse me. So, bid ask will pull up the limit at that price. If we right-click the tool or use the hamburger, we're going to get our presets. Excellent.

One last not here on quote tools, we can modify all this information, too. So, if something is important to you and it's not on here, if you right-click anywhere on the quote and head down to "add field," it's third from the bottom, we can add more information. So, if you wanted earnings date, for instance, or equity summary score, you can put that right on. If, later on, you decide that you don’t want a column here, you can just right-click whatever column that is and head down to "remove field" and you pop it right off there. So, really modify the information you want to see, and you can easily trade from this screen. Now, this setup we have, positions, quote, chart, looks a lot like a tool that I think is just fantastic and it's our trade armor. Brett, I want you to kind of lead us through Trade Armor if you don't mind.

Yoder: Yeah, absolutely. And just a point to note, Trade Armor's always going to be a link here on that either menu icon or the right-clicking within the field of a tool, Trade Armor will always pull up. I'm going to show you just the normal way to get to it, and that's just Trade & Orders, and then Trade Armor, right here. If you're not familiar with this tool, I tell you what, we incorporate technical analysis, general research, dividend information, news, a lot of different information gets brought into this one tool. We'll go ahead and link that to grey, and let's stick with Bank of America here real quick and leave this kind of up in the corner. Just to familiarize yourself, what you're going to be look at, three main areas. You've got the technical side, and this is going to be charting. It's an open high-low and close chart. With that, it defaults to showing you three months' worth of data. Feel free to look through maybe intraday, all the way up to the five-year monthly. You definitely have control over the amount of information that you're seeing here on this left side, on the chart itself.

Also, Trade Armor includes as a benefit, support resistance, given the Recognia as well as 52-week high and low plotted across the chart, and that's exactly what we have. Green is resistance. If you float your mouse over the arrow, you get the actual resistance level, it's been calculated by Recognia, same thing as support. Up to the top here, we have our orange 52-week high.

So, we have technical information, price information, charting information here on the left side. We of course have a dynamic pricing column. Here, as I float my mouse, you can see one, it draws my horizontal line across to look at what these different price levels are, it actually shows me what that level is with the flag, and the price changes, of course, as I mouse over that. And there's a lot of functionality here. If I put my mouse over the plus sign, I'm given some options. Adding a trade or setting an alert. If I was to have a trade or an alert featured, it would be here in the middle column, and that takes us to the right side then, where here, we have some quote information by default or news. Look, I have the tabs down at the bottom. So, I have news. I can also switch over to research. In research, I can get that summary score. I can go further into it by clicking "view details" as well as earning expectations and then dividend information all coming up here right in the research tab. No more linking and clicking over to fidelity.com to get this information, it's available in Active Trader Pro. We can also take a look at our current position. Now, this bar, you noticed it was green. Well, it's green because we got into the position and the position is currently up given our basis. By how much? We can look right here. Current value is $151, we got it at $106, we had 2% gain today, 42% gain overall, and I can actually have a couple links here into my equity orders. So, I can place a limit, place a stop, or place a bracket order.

The one thing I want to show is just how dynamic this all is. Here we have Bank of America itself, and this account happens to be long, so we definitely don't want the price to trade against us. Trading the way that you want also comes with being informed at the time that you want to be informed. I'm alluding to a price alert. If I was to right-click or use the menu icon, I can most certainly add an alert to the underlying, to Bank of America in this case, right? So set price alert. So, I right-mouse to... and what do we want to do? We want to set a price movement alert if the price trades down.

Now, here I can see that within the technical trading, it looks like Bank of America was bouncing around that $29 level. So maybe we don't want to lose that gain, lose that $29 level gain, especially since we're seeing $30 today. So maybe we want that $29 level to be our alert. Here's our alert box. What we're saying is, if the price falls below $29, at that point, we want to be informed. So, we go ahead and set that alert. Now the alert is set, we can see that confirmed.

Looking over, though, if you were kind of looking at the corner of the screen here, what did you notice over here? Trade Armor. What happened? Well, here we have an alert flag. That's exactly what has happened, and it's that instantaneous. So, the tools will speak to themselves right away. And within that, here's the grey functionality of Bank of America. Now I can see the $29 level, and I can see it in relationship to these different prices. Well, what if I didn't necessarily want that? What if I wanted to drag this down, and if this window, or if this gap in price gets closed, that's when I want to be alerted. Well, I could've used some other tools on the chart to pinpoint that, but instead, I just use Trade Armor, and look. Floating your mouse on the flag draws my horizontal line, and that's right where I want it to be. No longer am I dictated by round numbers. No longer am I looking just at 29. No longer am I rounding. Now I'm trying to maybe be a little bit more robust and use specific figures based off the charts, kind of using that chart as a guide. To finish it off, all we have to do is click "update alert." My right pane is going to update to whatever I'm manipulating or changing here in the center. "Update alert."

Now that the alert is updated, we see that the flag turned back into that kind of pale blue or locked in state.

What if I didn't want that price alert at all? What if I was so convinced that if the price breaks down below that, I truly do want to sell, and I just want to place an exit order? I can do that. First, if I float the flag, float my mouse on the flag, you can see the red X. All I have to do is click to cancel, it's one click, it's gone, I no longer have my price alert. Second, if I wanted to place an exit order, I certainly can, again, on the positions field or floating my mouse and using the plus sign, I can definitely add a trade. But here, let's place this bracket order. Do you remember me saying the strategy desk is all about having that predefined exit, knowing when we're right, being able to take our profit, knowing when we're wrong and being able to place our exit? Conditional trading, or one cancels the other order types, i.e. a sell bracket, falls right in line with that planning. You have the two S's here, those are sells orders, and that's as complicated as it gets. Nothing too complicated here. So, sell at $30.52, sell at $29.78. How is that set? I'm not 100% sure. We're going to have to dive into those actual price levels, why so far above or so far below, and wouldn't it be nice if we could actually set that as a default? Yeah, you see the allusion I'm making here, of course we're going to get to it.

So, again, same functionality. We can drag and drop to whatever price level we want as far as our take profit, drag and drop to whatever price level we wanted as our exit price, and you'll notice my right-side order being updated. So, one, I've got a stock, it looks like we're setting up this bracket. I've got my upper limit now of $30.73, updated dynamically from the middle. I have a standard stop order at $28.68, I can certainly switch that to either stop limit or trailing stop, etc. Lastly, if I wanted to, I could preview and then place the trade, and again, as Nate told us, if we skipped the preview, this would simply be placed, and you'd have live orders. Once the orders were live, I can adjust the limits just as I adjust that price alert.

Let's get out of this and let's go back to that settings, let's talk about Trade Armor. Let's go back to settings and trade. Within settings and trade, of course, we need to be talking about stock defaults, that Trade Armor is going to be a stock trading tool primarily, and here's those brackets. We said we'd get back to them, here it is. The upper exit price, the lower exit price, exactly what we're talking about as far as exit strategy. Let's click the dropdown and let's say "how about a percent above current price? Sure." So, we want to make sure we get some sort of arbitrary figure, let's just say 10% on the upside, and on the downside, we can go percent or dollar below, let's go percent below, and let's do, how about a two to one? I'm going to say we're willing to take 5% of risk to gain 10% or get twice the return as how much we're risking. Click "apply," and we'll just show you this in practice, back up to Trade Armor. Within Trade Armor, we'll link that to get our Bank of America backloaded in here, and finally positions and place bracket, and now you can see much different prices.

Now, if this was a brand-new position, we would see the gain was 10% and the loss was 5%, but here, we're in the current position, right? So, within that, our loss on our stop, we're looking at 35% gain as well as our gain, 56% gain. I want to point out, this order is sky high. As far as the three-month support and resistance, this order is a little bit further than what we want to get to, so let's click on that dropdown, let's go out to a year, and let's use that data and say, OK, well, given a year, does that make sense ,given five years, does that price make sense, and we can kind of weigh out our trade to see if we have realistic expectations.

Let's switch gears here, let's spend the last couple of minutes here talking about options and going through the option chain.

Herkimer: Yeah, thanks so much, Brett. Let's take a look at the option chain, arguably the most important tool for you as an option trader. So, let's go ahead and throw in a symbol, the symbol we've been using, IVV, and first thing we want to do, right? Here's the chain, but we keep talking about settings and getting those settings set up, so if we go up to settings on the top right of the page, settings, and let's hit "trade" first. Trade. Now, we've done our general, we've done our stock. Let's take a look at our option defaults. We have the same options available to us as we had for the stock default. So, how many contracts to we want to trade, limit order, do we want any extra conditions, and then if we're going to buy, where do we want to buy, and if we want to sell, where do we want to sell? So, we're going to put these, fairly similar, we're going to do a five-cent difference here with our options and hit "apply." So now we have our trade ticket ready to go with options. Back up to settings, one last thing we need to do is down to our option chain here is set what columns are important to us. So, let's do the same thing. Let's unselect all of the columns, and you guys should remember this, this is exactly what we did with the positions page, and we go through and find the information that's important to us. So, we'll do volume, open interest, we'll do delta and we'll do theta and we'll just call that good for now. We'll hit "apply." Excuse me, before we hit apply, let's take a look at the top of the page at the filters here. So, you see, we can change between calls and puts, or if we just want to see calls and puts as our default, when we open the chain this is what shows. How many strikes we'd like, so we're going to change that to five. And then expirations, you can have it automatically populate these different expirations. We're going to stick with no expirations and just manually choose the one we want. From here, let's hit "apply." Go ahead and exit out of the chain and then come back up to option, option chain. Let's throw IVV in there again. Notice what happens? We have five strikes as our default, calls and puts, and let's just choose August 16th and take a look at what we have here.

So, here is a list of prices in the option chain and expirations. Real quick functionality, just like anything else, if we click the ask price, it assumes we want to buy those three contracts at that $3.40 limit, because we clicked on the ask price. Go ahead and exit out of that. Now do the right-click there, or the hamburger click. We buy to open, and what happens? Our preset comes in and we're at $3.05, so five cents above that bid at the time. So, bid ask clicking versus right click, then buying to open or selling to open.

Next, I want to showcase, we can actually trade right in the chain. So, on the top, we just "trade in chain," and watch what happens now when we click the $3.40. Instead of pulling up a separate trade ticket, it populates right in the bottom of the chain. Now, something else here that's, I think, pretty neat, is we can put multiple trades down here, multiple legs. So, let's go ahead and click on the same strike, just on the put side. Watch what happens, because we click the ask, it populates that leg on the bottom of the option chain at $3.01, now we have to put. So, we can preview that, and away we go, we're buying three calls and three puts.

Yoder: You can actually go up to four legs within the trade-in ticket, if you'd like, but then you are getting into the multi-leg ticket, and just show off real quick here before we get to questions, calls and puts, we can go down and pick some of these named strategies. Let's say we want that straddle, like what we just built, that at the money straddle of the $3.01. If we come to just straddle and then click the asking price, we actually get the multi-leg option trade ticket. A lot of the same information laid out a little bit better, a little bit more information and more big advocates here on the desk of analyzing this trade before we actually place it. If you click "analyze profit and loss," this brings us to our profit and loss calculator, where you can take a look at the entire position, make sure you understand your break evens, how much you're set to gain or lose given the price movement you're looking at.

So, again, plan, plan, plan, before we put our assets at risk. That's the whole idea. Today was all about taking the time to get your default settings into a place where that you can spend time in Active Trader Pro doing what you'd like to do, whether it's looking at your portfolio, looking at the market, taking a look at your chart, getting to actually investing should not be the hurdle.

END OF AUDIO FILE