

# Short Strangle on Future Options and Mechanical Defense on the Underlying Future Monthly & Weekly Options

This is not simply an Indicator, but it is a **complete Strategy** that works on different Futures: Currency, Commodity, Index (16 monthly structure and 6 weekly structures). This Workspace covers 10 Futures:

**ES (monthly)    YM (monthly)    NG (monthly)    CL (monthly)    W (monthly)**  
**C (monthly)    LC (monthly)    GC (monthly)    AUD (monthly)    EUR (weekly)**

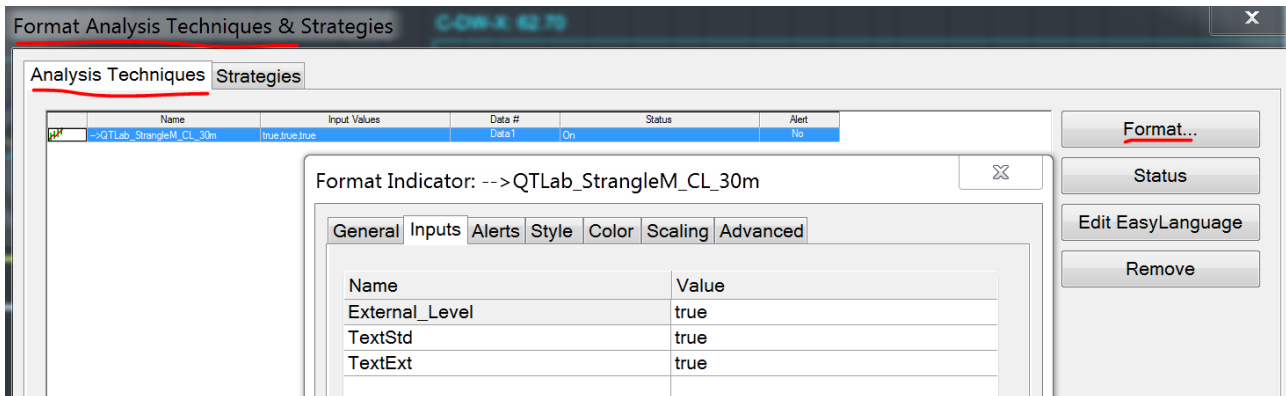
It provides the levels that indicate the strike to sell Options on the next weekly or monthly expiration (to create a Short Strangle) and the levels for the mechanical defense with the underlying future. Once a week (or once a month, for the monthly option strategy) it plots these levels and it shows the whole picture of what to do until the next options expiration (sell these options to enter the Short Strangle, and insert the orders on the underlying future to defend these options, with the stop loss attached - No automation is required).

This is how the **Workspace** provided should appear:



Indicators should be applied on the Custom Future Symbol provided in the workspace and with Time Zone (Format Symbol) = Exchange.

In “**Format Indicator**” you can choose to visualize (“External\_Level” set to true) the other levels to help you to manage the position according to the rules explained in the Webinar about how to manage the position; you can also decide to visualize (true) the text labels above (or below) the Standard Level or the External Level.



***As a subscriber, you can email us to get some detailed information about this strategy and a strategy performance report that combines options and futures equities of the last 3 years (when we started to follow this strategy).***

## TRADING RISK DISCLOSURE

PAST TRADING RESULTS ARE NOT INDICATIVE OF FUTURE RESULTS. PAST PRICE PATTERNS MAY NOT REPEAT IN PRECISELY THE SAME WAY AND SUBSEQUENTLY TRADING SYSTEMS MAY NOT ACHIEVE PROFITS/LOSSES SIMILAR TO PAST ACTUAL OR HYPOTHETICAL RESULTS. THERE ARE JUST TOO MANY VARIABLES IN THE MARKETS TO ACCURATELY FORECAST FUTURE RESULTS FOR ANY SYSTEM OR TRADER.

HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY ANY PARTICULAR TRADING PROGRAM.

ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING CONDITIONS. IN ADDITION THE ABILITY TO WITH STAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS WHICH CAN ALSO ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE MANY OTHER FACTORS RELATED TO THE FINANCIAL MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS, ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS.

THE RISK OF LOSS IN TRADING FUTURES, OPTIONS, COMMODITIES, AND STOCKS CAN BE SUBSTANTIAL. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER SUCH TRADING IS SUITABLE FOR YOU IN LIGHT OF YOUR FINANCIAL CONDITION. IN CONSIDERING WHETHER TO TRADE OR TO AUTHORIZE SOMEONE ELSE TO TRADE FOR YOU, YOU SHOULD BE AWARE OF THE FOLLOWING: IF YOU PURCHASE OR SELL A FUTURE, OPTION, YOU MAY SUSTAIN A TOTAL LOSS OF THE INITIAL MARGIN FUNDS AND ANY ADDITIONAL FUNDS THAT YOU DEPOSIT WITH YOUR BROKER TO ESTABLISH OR MAINTAIN YOUR POSITION. IF THE MARKET MOVES AGAINST YOUR POSITION, YOU MAYBE CALLED UPON YOUR BROKER TO DEPOSIT A SUBSTANTIAL AMOUNT OF ADDITIONAL MARGIN FUNDS, ON SHORT NOTICE. IF YOU DO NOT PROVIDE THE REQUIRED FUNDS WITHIN THE PRESCRIBED TIME, YOUR POSITION MAY BE LIQUIDATED AT A LOSS, AND YOU WILL BE LIABLE FOR ANY RESULTING DEFICIT IN YOU ACCOUNT. THE PLACEMENT OF CONTINGENT ORDERS BY YOU OR YOUR TRADING ADVISOR, SUCH AS A "STOP LOSS" OR "STOP LIMIT" ORDER, WILL NOT NECESSARILY



LIMIT YOUR LOSSES TO THE INTENDED AMOUNTS, SINCE MARKET CONDITIONS MAY MAKE IT IMPOSSIBLE TO EXECUTE SUCH ORDERS.

THE HIGH DEGREE OF LEVERAGE THAT IS OFTEN OBTAINABLE IN FUTURES AND OPTIONS MARKETS CAN WORK AGAINST YOU, AS WELL AS FOR YOU. THE USE OF LEVERAGE CAN LEAD TO LARGE LOSSES AS WELL AS GAINS. THIS BRIEF STATEMENT CANNOT DISCLOSE ALL THE RISK AND OTHER SIGNIFICANT ASPECTS OF THE FINANCIAL MARKETS.