STRATEGIC TRADING STRATEGIES

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Strategic Trading Strategies

In this training I'm going to go over the strategic trading strategies that we'll be using.

You'll be learning how to implement and all the details of each strategy from me in the Jack Carter inner circle. Thank you for joining that. That's the only way this training is available is through joining the Jack Carter inner circle. I just wanted you to know that.

We're going to really have a lot of fun with this.

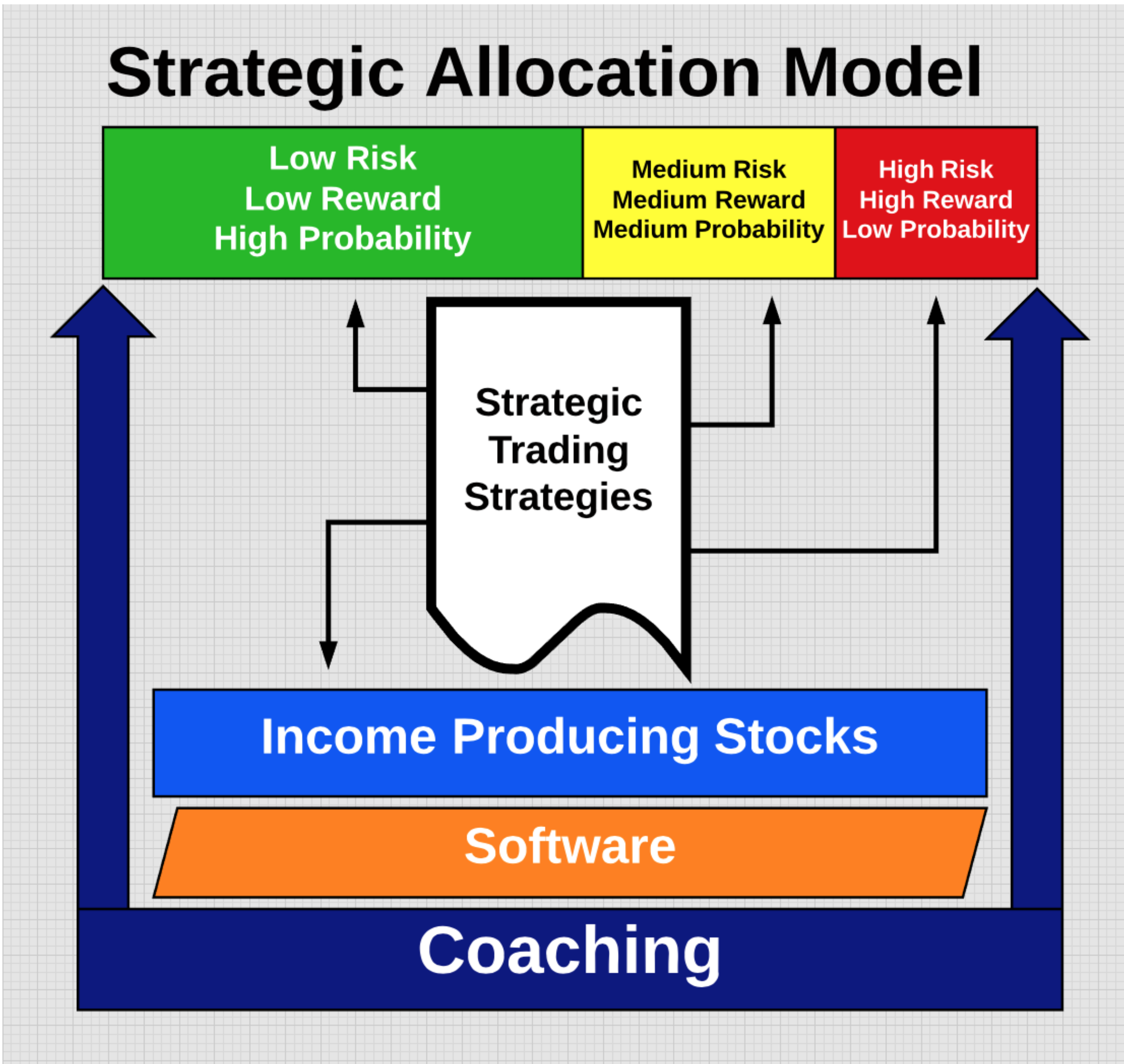
In the first video, you had an introduction to the strategic allocation model.

What we're going to do is build on that, but we're going to realize that these strategies, these strategic strategies themselves are assets as well. In fact, it may be the biggest asset to the whole program.

Just in review, this is what we have here. The coaching, you're going to get from me. The software, I'm going to show you how to use. That's going to also include a little bit of automation.

Then, the rest of it is just strategies.

That's what we're going to get into in this training.



Income Producing Stocks

The first part of that in our base there was income-producing stocks. I cannot over emphasize how important this is to the whole program.

If you're just going to go to one level of this, make it just this level.

The reason is, as I mentioned earlier, the data just keeps pouring in that income-producing stocks by themselves outperform the market, give you the highest returns available in the market if you buy and hold and produce income. With this, we can also add a strategic strategy to, in some cases, even double that income. I just want to stress the importance of this.

Now, as you guys probably know, I got into the business as a day trader, NASDAQ market-maker. I had my own firm, so forth and so on. It was all day trading. I never thought in my life I would buy an income-producing stock or need to.

As you go from your 20s into your late 50s, I'm 56 years old as I'm doing this; you realize that having an asset, having money invested in an asset like that rather than cash is going to produce way more income for you.

There's another little reason that I want you to do this, strongly consider this and that is because the returns can just be enormous.

As I said, I've always been a fast money guy. I've never been a buy and hold guy.

A long time ago, I had a client. Seven years old was the client. The goal was to put some money into this thing, into an income-producing stock and see what happens when he was 28 years old.

That seven-year old turned out to be the most successful investor I've ever met. His return on that alone, over 4,000 percent with the dividends reinvested, I don't even know what it would be.

It's just amazing. That was just one stock. The power of these income-producing stocks are great. You're going to let time do most of the heavy lifting.

We're going to apply some strategies to this as well.

Income-producing stocks are stocks that give you income through capital gains and dividends and not just dividends. If you can, you want to position yourself into this so that you're going to get some appreciation in the stock prices as well.

I'll show you some of those.

Then, of course, strategically with a strategy, we can add options to this, if we want, with a strategic strategy.

These stocks should be in positive trends almost all the time.

There's only one exception to this.

That's on an income stock you're just going to hold no matter what.

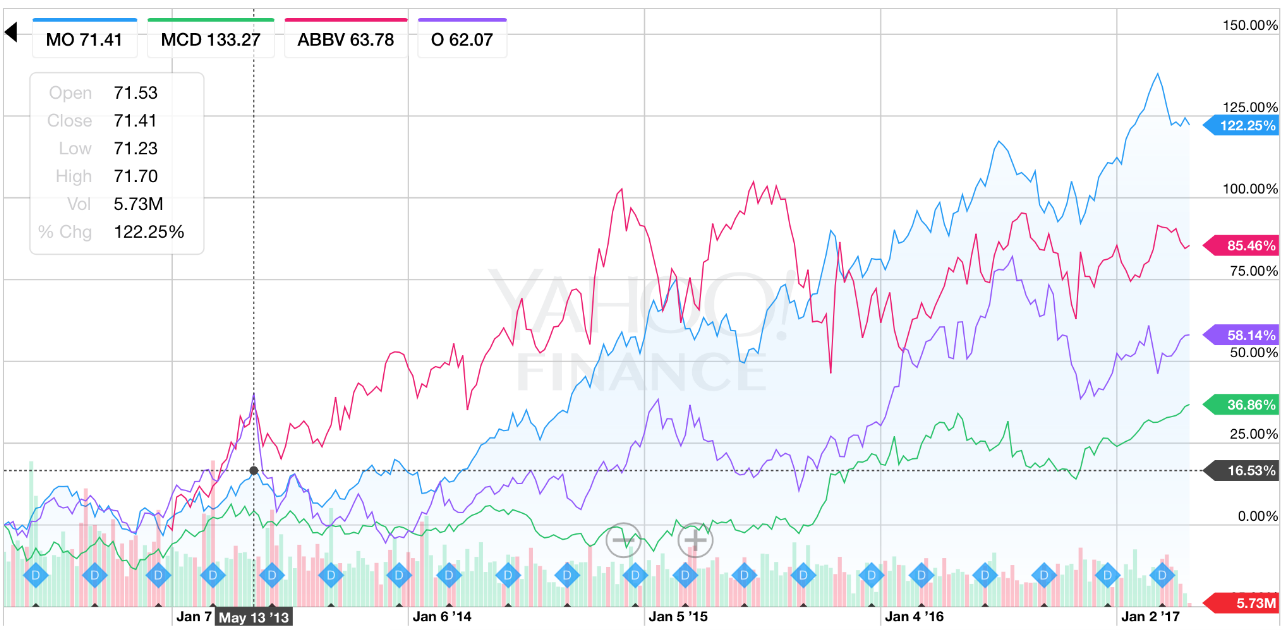
What you really want to do, though, is get price appreciation and a decent dividend yield so you've got the income from that dividend.

You get the income from the price of appreciation.

Let me just show you something here.

It's kind of crazy. Most people have no idea that this is what's happening in the marketplace.

This is a five-year chart of some of the stocks that I've always really liked and still really like and still own some of these.



Just to give you an example, Altria. It's the ticker symbol MO right here.

It's up 122 percent in the last five years.

That does not include quarterly dividend distributions you can use to take that every quarter and buy more stock or take that in the form of a check.

Then, of course, there is some strategies we can add to this stock as well, trade it a couple of different ways and do things to boost that yield.

Another one in here, ABBV, you see is up 85 percent. It's been a tremendous dividend payer.

We've got Realty Income Corp., another one I'm still long to stock.

Love It. Pays a monthly dividend. I'll tell you more about that later.

Then you've got good, old McDonald's up 36 percent over that timeframe with great dividends being paid out as well.

The power of these stocks alone, you're going to beat everybody, every portfolio.

You're going to beat just pretty much everybody else, and you're going to get a great return.

We'll want to go for that dividend that's going to throw off some cash and then that stock appreciation.

This is a strange thing….

Simply by investing in income-producing stocks, you'll create an asset that pays you out two ways in capital gains and dividends.

Then, adding a covered call will make that three ways to make income.

Sometimes, just by moving your focus and your assets into this part of the model is going to give you better gains than what you've got now.

A lot of people just have it spread out. The portfolios I see are just a mess.

If you just can focus on this part, you'll probably get better results than what you're doing right now.

Let's move onto the low risk, low reward, high probability section.

Low Risk
Low Reward
High Probability

These would include…

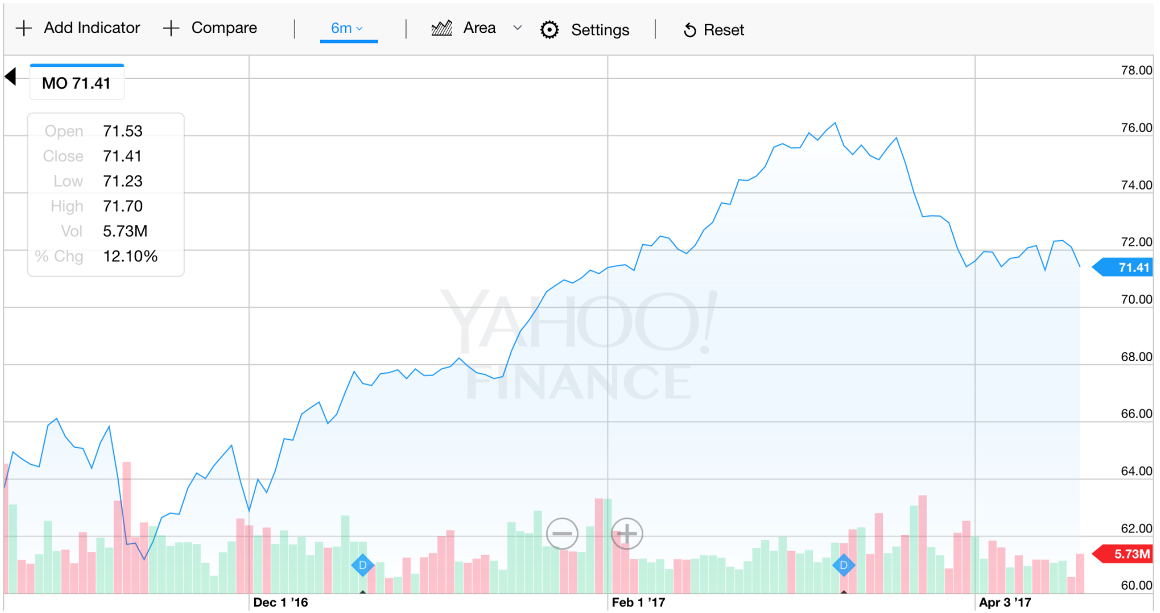
1. income-producing stocks,

2 incoming-producing stocks plus covered calls and…

2. an uptrending stock with a covered call.

We went through the income-producing stocks. Now, let's look at income-producing stocks with a covered call.

In this case with Altria took, symbol MO, stock is at $71 a share.



Four ways to make money…

1. Own the stock. This way you get price appreciation.
2. Collect dividends. Now you have an income producing asset.
3. Sell covered calls. Now you accelerate the profits and income.
4. Sell a Call and get Called Out.

If you owned it now and I'm giving you this demonstration in April of 2017, you're going to run \$2.10 if you sold the January 18^{th} … they would expire on January 18^{th} with a strike price of \$75.

If you sold that call today, you'd get \$2.10 today in cash heading to your account.

Then if the stock is below $75 on January 18th, you get to keep the stock.

And keep collecting dividends.

If it's above 75 per share, you're probably going to get called out.

Which is…

AN ADDED BONUS!

If you do get called out, you'd make an extra almost $5 profit just from getting called out.

You have collected the dividends as well. All those quarters that fell every three months that you had it the time you bought it and got called out, you'd get the dividend.

Then, of course, you get the cash immediately in your account from selling the call.

The third profit would be the difference between the price you get called out and the price you bought the stock at.

Another way we can apply this is with uptrending stocks and a covered call.

This is a phenomenal strategy. This is one that just keeps working. If you do this right, it's almost hard to lose with this.

I dare say it, knock on wood. In fact, I'm not going to say it but you know what I was going to say. This is a very difficult strategy to mess up. It's very easy to have a high probability of success.

As a matter of fact, just covered call strategy alone, the Chicago Board Options Exchange recently said that having a covered call is less risky than just owning a stock.

That's why I say it's hard to mess this up.

If you do it the Jack Carter way, you're going to see this be a real profit booster for you.

You can make even more than we looked at in the case of a stock like Altria, McDonald's.

You can make more, sometimes twice as much when you apply the same strategy to stocks that are trending up that have some volatility like Apple, Google, Amazon, Tesla.

I'm going to tell you a secret that I left out of here that I should have put in here in this video.

That secret is that the key to success with this strategy is that you have volatility which these stocks like Apple, Google, Amazon, Tesla, they have volatility. They have more volatility than the general market. Because they have more volatility, they have a higher call price. That means you get more premium coming in when you sell a covered call.

The key to the whole thing is that the underlying stock is the key to the strategy. **That stock must have volatility and a directional bias**, preferably [Bullish].

When you put those two things together…

Volatility + Directional Bias

That combination is going to give you a powerhouse stock that's going to give you better odds of success, higher credits that you could bring in through selling a premium on a covered call.

That's what you want to focus on if you're going to do this just with stocks with this; you want some volatility.

<u>You want volatility and a directional bias.</u>

Let's move on through the spectrum….

Medium Risk
Medium Reward
Medium Probability

Next, we have the medium risk, medium reward and medium probability strategies.

This can have a big section of your portfolio invested in it.

You're going to decide after you see everything in the video how you want to structure yours and how much money you want to allocate to each strategy to get the results that you want to get.

Remember, this is an open-ended thing. It's designed for you to customize this with my help, if you need it, to customize it to get the returns that you want.

You're not following a black box system that's supposed to put out 'X' amount percent return over 'X' amount of time. This isn't like that. This is a totally customizable system from beginning to end, A to Z.

Again, I'll show you how to do that.

Medium Risk
Medium Reward
Medium Probability

Medium Reward, Medium Return, Medium Risk

1. Buying and holding stocks inside trends 2-10 days or longer.
2. Credit Spreads
3. Selling Naked Puts

Buying and holding stocks inside two to ten-day trends.

When we started this, the goal was to get in and out inside two to ten days. I've added the 'or longer' part because some of the biggest profits I have had and that's largely what I'm going to be teaching you from is my own, direct experience with my own money on the line.

The biggest profits I have had have been when it started out as a two-day trend, but it turned into a longer trend because it just kept going according to the criteria of the trend that I'm going to teach you as well.

Sometimes, you'll have some shorter-term stocks in this strategy.

Sometimes, they'll be a little bit longer.

Then, you can add more strategic strategy to that as time goes on.

The next strategy in this category is credit spreads.

The way we do this, we only use options.
There's no stock and option involved.

It's just options. It's good. We've had some phenomenal success.

When I originally taught that system until now, it's been about six years almost; that's been one of the most successful systems we've had in terms of feedback from the people that have used it. It's a great one. We're going to get into that. You're going to love it.

There's even a way to do this to make weekly income.

Then the next one, of course, is selling naked Puts.

Let's take a look at the first one, buying and holding stocks inside trends two to ten days or longer.

This has been, at first, all I switched to from day trading. When I had my hedge fund and I was just about to get out, I could not wait to get out. When I was in the fund, it was an all-day deal. We sat at the desk with multiple monitors. We stared at those all day long. It was tough. You had to be there the whole time the market was open.

And day trading for fast money was a tougher thing, something I was glad I'm out of. I don't want to do 77 trades every day.

When I did stop doing that, I still traded my own money.

When I looked back at what was happening, I was buying stock and making the biggest profits when I was getting into stocks that were already in a trend.

I discovered this almost by accident.

It was something I had to do because I had to get out of what I was doing. This worked out even better.

When we talk about buying and holding stocks inside trends that are two to ten days or longer, the secret for me has always been just one simple thing.

If you don't get anything else out of this part when it comes to stock trading which is the bulk of what you'll probably be doing, it's the bulk of what I do, you're going to want to know this one secret.

It's simply this…

Buy High, Sell Higher!

In this chart, I'm going to show you how to set your charts up like this.

You're going to have different support levels and, if you want, daily color-coded bars.

The main point I want you to take away from this is that this stock was already going up when I bought it.

That means that the likelihood of it going up is extremely high when we add some special criteria to this, which I'll teach you how like a new 52-week high, for example.

If it's already in a great trend and it hits a new 52-week high, there's a high probability it's going to go high over the next two to ten days.

Now, this one went even higher. What you can do a lot of times when you buy a stock is you can just go ahead at the same time you buy it, you can put in an order to sell it if it hits a certain price. That's part of the automation stuff we're going to get into as well. It's key that you do that.

In fact, there's a small article in the back of the Insider's Options Guide that will teach you how to do this.

We want to put in an order that's going to protect you from the downside.

You can put this in to where you have an order to sell the stock if it were to drop, which this one did not.

At the same time, you have one to sell at a higher price than you had it so you can lock in a profit.

You put this in as one cancels other so that if the stock were to drop and you took a loss, it would cancel the order you had to sell it at a higher price. Vice versa if the stock runs up and it hits this higher price order you had in to sell it, your order will get executed to sell. This order you had down here will get cancelled. That's called 'one cancels the other'.

The mechanics of that are awesome for people that cannot be staring at the computer or get access to it all the time, so they can just run in and make a trade like a dentist. He was just working on me for an hour and a half. There's no way he can go look at a stock or even try to trade this.

It's easier for a guy like that to buy the stock and then go ahead and put in the sell order at a higher price $2, $3, $4, $5 higher and go ahead and put in a protective sell order below that maybe $2 or $3 below that and then have the one cancels the other.

If you're a doctor, you're a surgeon or an oil guy out in the field, construction, whatever, you don't want to be around the computer

You don't have to be around it. That's the other thing I tell people. You do not need for, really, any of these strategies to be sitting in front of the computer watching it happen to get in and out.

That's not what I do.

That's not what I recommend you do. You're going to get burned out doing that. I don't think you're going to get the results you want doing that.

One great way is just to set this up so that you don't have to be in front of a computer.

You can profit from a stock, and you don't have to be sitting there staring at a computer screen.

Let's say that you saw it was going up, and you thought it was going to trend higher.

You can always just cancel the sell order and just let the thing run up and cancel this order to sell it down below.

Once it's gotten a lot higher, you can kind of let it run if you want or you can have this system simply by how it was when I started out. I did not let these things run.

When I got in, I set my exit on both sides and that was just it. It was picking stocks that were already going higher, getting in and selling them at a higher price.

You had a much greater success on selling it higher than lower because it was already going up in price. If you want to turn it into a thing where you can buy it and capture some larger gains, then you can do that too.

I'm going to tell you another secret here.

The largest profit I've ever made was over $100 per share when I just let it go higher.

I did not have an order to sell it in above the price I purchased it at.

The reason I did not was because it moved so much higher so fast, I just let it go.

It's kept going. I've had that happen two or three times now. That's going to be another strategy we'll talk about.

Right now, I'm just giving you like a 30,000-foot overview of what we're going to be doing, how we're going to be doing it together and what we'll be covering through this different spectrum.

This stock trading part is great. It's simple. It's so much simpler than options.

There's only one or two activities you have to do in your brokerage account. You can kind of set it and forget it type of thing. It's awesome for that.

Another strategy that falls into this is credit spreads.

What we're going to be doing here is using the same approach that we did.

What we'll be doing here in the credit spread strategy is we'll find the stock that's already going higher. We're not going to use the stock itself. We're just going to use options. What we're going to do is pick weekly options that are down below the stock’s price then we could sell a put, and buy a put at a lower price. The difference is our net credit.

When we sell the put, we're going to get more premium for that than we spend when we buy the lower price put.

That difference is our net credit.

We’re only going to do this on stocks that are already trending at a higher price.

The best way to do it is inside this little four-day window that I'm going to teach you about.

This is an exciting strategy for people that want income.

The way we have it set up, you'll be able to make weekly income from this. You're going to love that one.

The next strategy we have in this category is selling naked puts.

This is a top strategy used by professionals. Warren Buffet made something like $17 million doing this just on Coca-Cola stock.

Another guy named John Paulson made $13 billion doing this on a bunch of stocks with just this one simple strategy.

It's not a 'get rich quick' strategy.

I don't teach anything that is 'get rich quick' because that's not what I do. That's not what I recommend you do. Most of the 'get rich quick', in fact, all of the 'get rich quick' stuff out there related to the stock and options market is just bullshit. It doesn't work that way.

We're in our 20th year of publishing. We started in 1997. I got into the stock market in '84. Nothing that I've seen that's been pitched as 'get rich quick' has ever worked. I don't do it. I don't believe in it. You don't need to do it. That's the other thing. You can get the results you want not getting rich quick. I just showed you how these guys made more money than anybody should be allowed to have. They did it just with one strategy not quick, but it adds up.

The number one question I get about this, we did a webinar not too long ago that was about selling naked puts and bringing in this premium income.

A lot of the questions were all really about one thing.

It really boiled down to the number one question people were asking me.

That was, "When you do a naked put trade, don't you have to have all or a lot of the money in each trade in case the stock gets put to you?"

That's the common wisdom that's out, and there was the case.

That's not the case anymore.

Some of the top brokerage firms like Options House and Options Express, they allow you to sell naked puts.

You only need about 20 percent of the underlying stock's price in margin. That changes everything because if you had to have all the money upfront in case you got put to stock, then the premium you brought in when you sold the naked put, the yield on that wouldn't be very much because you needed so much capital put down to do the trade.

Now, it's just the opposite of that. In fact, it's dramatically different than that.

With the lower amount of margin required, it makes it dramatically higher.

You can set this up also on a monthly, weekly basis however often you want to bring in this type of income.

I just wanted to show you this because a lot of people just had so many questions about this margin to do this trade that I thought I would just go to OptionsExpress.com, which you can go do, and you'll find this right on the OptionsExpress.com website…

www.optionsxpress.com/about_us/margin_guidelines.aspx

Transaction	Requirement
Long Stock Transactions	50% of the purchase price upon initiating the position. 40% of the market value for maintenance. 100% of the security price for stocks priced $5.00 and under.
Short Stock Transactions	50% of the short value (maintenance is 40%) and $5/share requirement on Short Sales below $10/share.
Covered Call Writing	Requires a long stock position equal to the amount of exercisable calls. On a single order combination transaction, the long stock position requirement is not offset by the proceeds of the call until after the transaction.
Equity Short Puts	20% of the underlying market price + the premium - amount out of the money OR 10% of the underlying market price (or strike price for O-T-M puts) + the premium, whichever is greater.

What I wanted to just show you here is if this is the margin requirement, if you're going to do this transaction which is called the 'equity short puts', the requirement, as you see here, is just 20 percent of the underlying stock plus the premium which is the amount that you get when you sell it plus any amount out of the money. In this case, we're deeply out of the money. You would subtract that from the overall thing.

That's why in some cases, it might be less than 20 percent or 10 percent of the underlying market price or the strike price for out of the money puts plus the premium, whichever is greater.

Usually, whichever is greater is the formula right here, 20 percent of the underlying stock price plus the premium you get when you sell it minus the amount out of the money.

One of the problems with this is that nobody wants to do this math every time they go to do a trade.

I know I didn't.

I'm terrible at math. It gives me a headache to find 20 stocks and then apply this 20 percent plus the premium. Then, you don't know what the premium is until you look at the options chain and blah, blah, blah. People want to just give up on this. They shouldn't because the yield is great on this and the probability is great on this.

What old Jack did is he hired a guy to make this little calculator which I can give you.

I couldn't do this myself because I don't know how to do any programming.

I wanted to show you how easy this is to find out what your yield is and what your margin requirement is.

In this case, the stock was at $98.51.

The premium that you would get when you sold that put was $1.

The strike price of the put you sold was $94.50.

No one's going to put the stock to you at $94.50 while it's trading at $98.51, they'd lose $4 if they did that.

You don't have to worry about anything unless this stock dropped down to around $93.50 because that would be your break-even price.

You've got your strike price minus the amount you brought in.

Like I said, the hard part is calculating all of this stuff to figure out is this a good trade to make and what my yield's going to be and how much money do I have to put down to make the trade. Like I say, I had a guy make this calculator. All you've got to do is type in these numbers…

Stock Price	Put Price (Premium)	Strike Price	Number of Contracts
$98.51	$1.00	$94.50	10

(Type values into the 4 blue boxes above)

Results shown below:

20% of Stock Price	$19.70
Out of the money by ...	$4.01
Margin required per contract ...	$1,669.20
Total margin required ...	$16,692.00
Credited to your account INSTANTLY ...	$1,000.00
PROFIT = ...	6.0%

In this case, we're looking at an example as if you did ten contracts. What would it be? Twenty percent of the underlying stock price would be $19.70.

The amount out of the money is $4.01. You can see it's $98.51. Out of the money is below the market price. We subtract that which means the total required per contract is only $16.69. That's another thing people said, "Don't you have to have a lot of money?" In one case, a guy said, "Wouldn't you have to have like $170,000 to do the trade?" No. You wouldn't. You wouldn't need $100,000 to do this trade as if people would think.

Per contract, it shows you right here. Since each contract is worth 100 shares, your margin required per contract is only $1,669.20. To do ten, you're going to have to put down $16,692. The credit you get here is $1,000. That's going to hit your account the minute that trade gets executed. It now works to a profit of six percent.

When you have it set up that all you've got to do is type in these variables, you can just rip through these stocks and look at these options chains and figure out in about ten minutes which ones are good, which ones no good. I think you'll like it. I think you'd be stunned at how much you can make doing this as well.

The best results with this you'll get when you base the whole thing on your ability to pick stocks.

Like I said, you want stocks in uptrends.

When it comes to options strategies, the key is always the underlying stock.

Pretty much everything we do, we're going to want that stock to be in an existing uptrend before we start to apply any strategies to it. That's a key, key thing.

I'm going to give you the step-by-step instructions on how to do that as well. It should be in your welcome package. There was a special video I put in there on a hard drive. It's about an hour-long class. It was just about trading stocks.

That's why I say the key with options is the underlying stock. Your ability to have success with any options trade is going to be based on that underlying stock. That's why we put so much emphasis on correctly analyzing that.

They don't have to be stocks that are skyrocketing in uptrends. Overall uptrends, that's going to help you because the odds of the stock dropping to your strike price are going to be much lower.

Remember, we looked at the manifesto, strategic manifesto. It was all based on probability, building an entire portfolio around strategies that put the probability in your favor and gave you better results.

The probability you're going to have with success with your options trade is going to be based on you using stocks that are in uptrends. If you're just trading stocks, the probability you're going to have is going to be greater when you're just buying it high and selling it higher on stocks that are already in uptrends. Keep that in mind.

Let me go back here. What I'm going to do is give you a little walkthrough here. Like I say, they don't have to be in uptrends. If you're going to do this strategy, the next thing you would do is sell a put at a strike price that is below the stock's current price. That way, you bring in cash immediately. The goal here is to select a strike price and an expiration date that's below the stock's current price at a price the stock will not likely hit before the options expire.

In some cases, you might want to have the stock put to you if it's a stock you already own or you're playing it really close to the current market price. Maybe you want that stock. In that case, you would only use it on stocks that you wouldn't mind owning like dividend stocks, income-producing stocks, stuff like that. You'd be buying them on the cheap.

In the third case, if you did not want to own this stock, you could just sell it once you had it put to you and you make a little profit with the difference between would be about the premium that you brought in.

Like I showed you before, your actual price is going to be lower than the strike price by the amount that you brought in the premium when you sold the put.

What's cool about this is because you get to pick the expiration, it means you could set this up on a schedule where you're selling naked puts to bring in income any time you want, weekly, every two weeks.

You could sell it one day that expires in two weeks or one that expires the Friday of that week or a couple of months down the road or about a month out, six months out.

In the training you'll get from me, you'll see where I did it on one of my stocks. About six months out, it doubled the yield I was going to get in terms of the dividend. That's pretty cool.

You want to set this schedule up so that it's going to bring you the income that you want.

Rather than following somebody else's system, base it around your system. For a lot of people, they like to do it monthly.

However you decide to do it, just make sure that you know when these options expire. If you want to roll that cash into the next trade, you'll also have that on a schedule as well.

Moving along here down the spectrum, we’ve got the high risk, high reward, low probability stuff.

What's ironic when I look at a lot of people's problem that they have when we talk in consultations is that they're doing too much of this stuff in the red, too much of this red zone stuff, as I call it, not enough of the green zone or the yellow zone.

1. Day trading, that's one of the strategies.
2. Speculating on stocks, that's another strategy and
3. Buying put or call options.

There's three strategies that fall under this high risk, high reward, low probability category.

The first one is day trading.

Do you want to know something weird? At one point, I was one of the best day traders in the world. I wrote a book on it. I had amazing results from it. I used that as a basis to even start my own hedge fund.

This was me, back then, as a day trader.

I wrote about this stuff in the '90s. Being glued to the computer all day, it was just crazy.

A lot of this happened when other amateurs were sitting at home or in offices side-by-side day trading. They were just getting killed.

That was going on during the bull market. The one thing is you've got to love that mullet.

This is me today…

I don't teach day trading too much anymore because the most profitable strategies, they're far less stressful. They don't take nearly as much time. That's what a life in a market will do to a guy. It will take you from a full head of hair to almost no hair just from the stress involved. Low stress for me is a big thing.

That being the case, there are two or three times you might want to consider a day trade.

The first time is when a stock is gapping up or down on the market's open, that very first hour the market is open.

Some of those make for a really good snapback.

The fastest day trading profit I ever made happened in less than 60 seconds. It happened right on the market's open.

It all happened so fast, it was almost impossible to record.

I wrote about that. It's not something I recommend you try to get up to do every morning.

If you are up at the market's open and you do see a stock gapping up, that could be a really good trade for you.

The second one is the reason the day trade would be during the day when you'd have an overreaction to intraday news.

Sometimes just during the market, it's already open. Some kind of news comes out and causes the stock to drop. Then if you're around and you see that happen, that's usually done as a day trade.

Oddly enough, I'm in a trade right now that I've been in for a while. The fact is I'm up over $100 per share. That's the first time that's ever happened to me. I'm still in this trade.

This trade started out as a day trade. I bought it on a dip. That's what I call buying in the face of fear. When everyone else is selling and you can tell the computers have started to sell because the spike in the stock gets so deep, so steep so fast, then you know the computers are in.

Then once it's down, people that have been watching it, the computers kicked in. They knocked the stock down even more.

People that are still long, at this point, they're scared shitless. They just throw in their order to sell it “at the market” because they're just too consumed by fear to even be rational.

To me, when I see that, that's just ridiculous buying opportunity on some stocks.

Sometimes, you can see these stocks down so much on relatively week news.

I mean what is news anymore, anyway?

I like to get in there and sometimes buy these. What happens is the markets, it drops down so fast, so steep, super-fast. Then, it pauses briefly. That's when the last of the 'sell at market' orders are executed.

Then, without warning, the stock goes back up sometimes so fast, it's nuts.

Here's a true story. People really don't even know that this can happen. I got filled one time at a price that was $3 higher than my limit order. This happened during a fast market because the execution was barely even caught up with the pricing. At Schwab, some of these firms, when the stock is down and it's moving back up, sometimes it can actually gap between prices up even higher. That's when I got a little bit more with this, this one.

Some of this happens in the after-market. I'll be telling you about that too as part of a member. Sometimes that the after-market, when it's overreacting to news or earnings, it can be a great time to place a trade. You can even get in and out right after the market closes or get in and then sell it the next morning even before the market opens again. There's a session you could enter your order in like at Schwab. It will say 'premarket' or 'after hours'. You can trade in that session as well almost at any brokerage firm now. That's not a problem either.

Here's another thing I'll tell you that I haven't told anybody else...

A lot of people wonder in the course of 20 years, have I told <u>everything</u> about what I do in the stock and options market.

The answer is, "No."

I don't tell everything.

I've been experimenting with my own money trading like this. I'm going to tell you about it in an upcoming issue of the Carter Inner Circle. I can't wait to tell you about it. I'm not sharing this with people that are not in the Jack Carter Inner circle. Most of the stuff I put out now will not be shared with people that are not in the Jack Carter Inner Circle. I just want you to know that.

The second way we have to trade stocks in this section of high risk high reward, low probability is speculating on stocks.

Will we ever be doing that?

No.

We will never do that.

There is no strategy for speculation.

That's the kind of thing you read about on the internet about a story or somebody sends you a tweet about a stock. There is no strategy behind that. It's just pure speculation. You might as well be blind betting on a horse.

We don't do that either in here.

No strategy goes with speculating. We won't be speculating on stocks. Will we ever be doing that? The answer is never.

Then the third way is in the high risk, high reward, low probability category.

The third way we can use this category is buying put or call options.

Most of the time, I would say not to do this.

The odds are very low.

The largest profits you could make in the shortest time possible, they would come from buying call or put options. That's just a fact.

The problem is if the underlying stock does not move in your desired direction, odds are you'll lose 100 percent of your money.

You have to consider that fact.

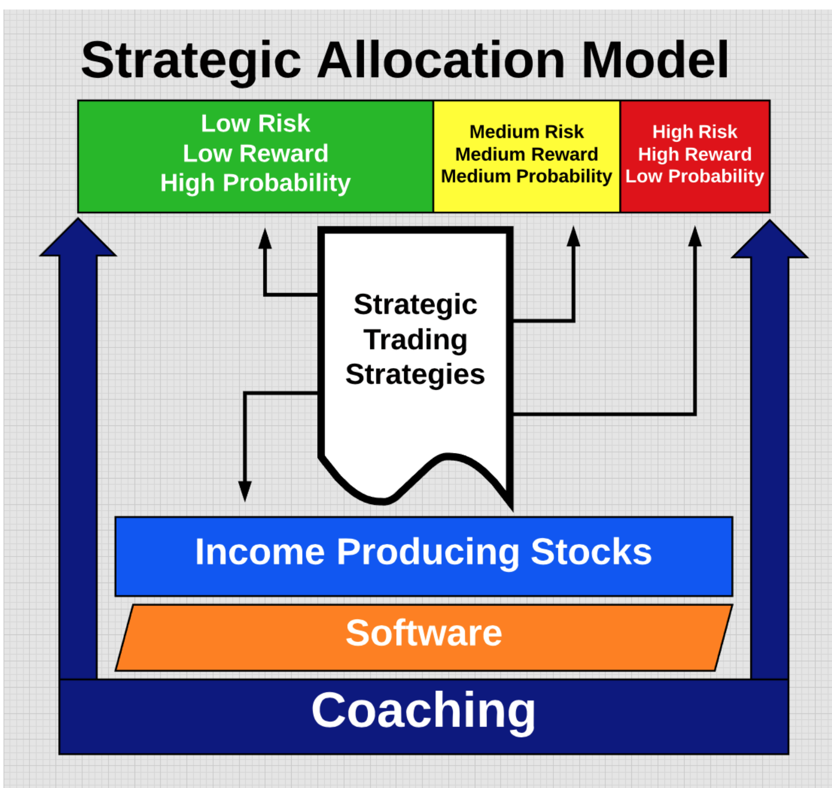
We want to be, most of the time, option sellers.

On the other hand, in the rare times buying options does work, the profits can be 200 percent or more. I've seen some just enormous profits made with options.

Like I say, the odds are so bad. You only want to allocate two percent to five percent to any one trade if you do that.

You don't have to rule it out. It's going to be a real small part of what you do, if ever. That’s, again, another thing. You don't even have to do this. If you don't want to stretch your portfolio out strategically this far, you just want to stay in the yellow and green zones, that's fine. It's just income-producing stocks, alone. That’s fine.

Let's take a look at this model before I close here and give you a review of just exactly what we're going to be doing.



Again, the coaching is coming from me. You're going to get that through being a member of the Inner Circle.

The software, again, I'm going to help you get set up with that. We're going to add some automation to that so that all this stuff becomes easier.

Then we're going to go through income-producing stocks. We're going to have a strategy to build that portfolio and boost the yield we get on that.

Then, we're going to allocate our strategies based on the results you want individually into these three categories.

Really, the whole thing is strategic trading strategies.

It's using strategies themselves to help you get better results in everything you do.

That’s what I'm really excited about with bringing this to you through the Jack Carter inner circle. There's no system out there that's like this. I think just following this, you're going to get some fantastic results. I want you to read the newsletter this month as well.

Please, do that. That's going to get you off to a flying start.

I hope you enjoyed this training as much as I've enjoyed making it for you. I can't wait to help you more in the inner circle.

That way, I'll have a list of them prepared and will help you specifically get the results you want.

Remember, you can do it.

It's happening.

Let’s make it happen for you.