



ONE SIMPLE STRATEGY FOR TRADING SPY OPTIONS



ONE SIMPLE STRATEGY THAT ANYONE CAN DO RIGHT NOW!

Options trading does not need to be complex. With a few key tools in your belt, you can be well on your way to becoming a profitable trader!

Here is a very effective, simple [strategy](#) with SPY options that you can use right now.

Look to the premarket trading hours and [find a level of resistance heading up to the opening bell](#). This will be a price level on a 1 minute chart that SPY appears to move up toward but is unable to break through. You can see this as the high point of the bodies of two candles, usually within 30 to 34 minutes before the opening bell.

Tip: Learn about how to effectively identify support and resistance levels at [DayTradeSPY](#).



1. Notice the level of resistance shown in yellow near 297.09. The premarket is shown as the gray background.

2. When the first price candle after the opening bell crosses over the yellow resistance line, consider entering a position with calls.

Charts courtesy of TD Ameritrade
Think or Swim

- If/when the stock breaks through this resistance with a printed candle, purchase a call option that will expire in 5-14 days that is the next strike price up from where the equity is currently. Buy for that prevailing price using a limit order.
- Immediately after entering the position, put in a sell order for a 5% profit target. Then walk away and let the market work its magic. Most times, you will soon find your gains comfortably sitting in your account.
- In the unlikely event the sell order does not fill within the first day, hold overnight and consider managing the position in the coming days if necessary. This is why we buy options with longer, safer expiration dates.

Tip: Sell orders tend to fill quickly, usually within the hour. However, should the need arise, you may have to manage the positions. Learn about how to do so at DaytradeSPY.com.

As you can see, the stock broke through the pre-market resistance and continued higher.

Live market hours are shown as the black background.



Remember, options trading is risky and losses can be substantial. Past performance does not guarantee future results. Never trade with more than you can afford to lose.

Options trading with SPY is actually quite workable when you have the right knowledge and mentorship. This simple strategy can help get you started but an investment in training can be invaluable to gaining consistency and enhancing your earning potential.

FREE PERSONAL CHAT WITH HUGH

Discover how you can learn to earn by trading SPY options.

[Click here to book a call!](#)



HUGH'S TOP 5 GREATEST TRADING SECRETS

I will always remember the anguish of trying to master options trading. It's no surprise that 95% or more people lose their money the first year and then drop out. Armed with that knowledge, I knew it was not going to be easy. I did manage to learn a few key concepts and strategies and now have the opportunity to teach others to do the same. For those initiated, serious traders will learn and earn as they apply this new-found skill to their trading.

You may not think that earning 5% is big a deal but rest assured, it is. We aim to make that or more a day on the money invested in the trade.

Here are a few more bits of advice to help you along your way!

Secret #1: Become the expert

When I first began trading, I had no clue where to start. I felt like I was drowning in a sea of variables – which companies should I consider, which strategy should I use, long-term or short-term? I would spend hours doing nightly scans and comparing my results with others just trying to find their way. It was more effort than it was worth. Truth be known, you do not need to know everything about the market and its endless strategies. When you find one great methodology that works for you, master it and stick with it. The feeling of missing out will soon pass as you begin to reap the rewards.

Secret #2: Analysis paralysis

Today's trading platforms come with many and varied indicators ready to be activated. It is common for new traders to believe that more information is better. But that approach is misleading. The reality is that markets can only move up or move down: therefore, simple is actually better.

There will never be a single indicator that can accurately predict the future. Every measure is a representation of the past. And if you wait for all the stars to align, so to speak, you will often miss the move entirely, or worse.

Learn to use only a handful of reliable indicators and remove any unnecessary and redundant tools from your charts. We show you exactly what to use for effective trading of SPY options.

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Secret #3: A great mentor is solid gold

Learn from someone else's mistakes as you cannot afford to make them all yourself!

Align yourself with experience, passion and understanding. A great coach will work with you, celebrating your successes and encouraging you through challenges.

Secret #4: Plan you trade and trade your plan

Would you enter a trade without a clear exit plan? Or what about entering a trade without understanding why? Do you guess and hope for the best, or understand the fundamentals and manage your position to profit?

Plan the trade and trade the plan. This is not only good advice; it is vital to success.



Secret #5: Understand that success is a process

Most new traders approach options trading with a *get rich quick* mentality, probably why most new traders never make it to year two!

There is a boat-load of money to be made trading SPY options, but it takes time to master the skill. Learning to trade is a process – understand the fundamentals, learn the strategies, depend on the experience of a great mentor. Give the process the time it needs and to cultivate your mental acumen. Most importantly, stay with the program.

Learn more about enhancing your trading skills at [DayTradeSPY](#) and book a personal webinar with Hugh – we're always happy to chat about your trading experience and goals to get you on the right path to becoming a great trader!

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