

PALOS

CONTENTS

Palos Weekly Commentary

Issue No. 36 | SEPTEMBER 5, 2019

Options Corner	1
Disclaimer & Contacts	2

Options Corner

By Robert Mendel

I am back.

Protection. We all need it, but it means different things for different people. For my friend's sister if she had it there would not be a little Timmy running around today. For me, it means selling calls on the Dow Jones through an ETF known as the Diamonds (DIA). And I do this on a weekly basis. What do I hope to gain? Well actually, I hope to lose on this play because it means I will be making much more elsewhere. Below are the current short calls on the DIA. If you notice I have already started selling for next week (Sept 13). Now this is not a perfect hedge, far from it, but since these are all out of the money, I should still be able to win even if the market rises. By shorting the DIA I don't have to worry about a takeover or earnings, or any other thing one would have to with an individual stock.

) DIA US 09/06/19 C263	-10.0000	2.00	-2,000.00	1.02	-1,020.00	08/28/19	-980.00
) DIA US 09/06/19 C265	-30.0000	0.89	-2,670.00	0.66	-1,980.00	08/27/19	-690.00
) DIA US 09/13/19 C265	-10.0000	1.95	-1,950.00	1.38	-1,380.00	09/03/19	-570.00
) DIA US 09/06/19 C267	-10.0000	0.19	-190.00	0.82	-820.00	08/30/19	630.00
) DIA US 09/13/19 C267	-10.0000	1.04	-1,040.00	0.72	-720.00	09/03/19	-320.00
) DIA US 09/06/19 C268	-10.0000	0.14	-140.00	0.68	-680.00	08/30/19	540.00
) DIA US 09/13/19 C268	-10.0000	0.70	-700.00	0.56	-560.00	09/04/19	-140.00

Will keep you posted.

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