

OPTIONS

INVESTORS' OPTIONS TRADING LETTER

JULY 2016

 OPTIONS STRATEGIES

 MARKET REVIEW



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OPTIONS STRATEGIES

Options Trading Ideas & Strategies

[Of Mice and Men and Rolling Options](#)

[Managing Risk](#)

[Expected Return A Statistical Concept with a Real World Application](#)

[The ETF Option Advantage](#)

[Hedging Risks on Canadian Banks](#)

Options Trading Square

Markets highlights

- The Volatility Index VICX reflected relative prevailing low volatility market during the month of July.
- The put-call ratio* oscillated between 0.46 (July 4, 2016) and 0.90 (July 29, 2016).
*It should be noted that a low put-call ratio reflects a bullish market sentiment.
- Energy and Financials and materials remained the most active traded sectors

This month's strategy pick: Bull Call Spread

- Definition: buy a call with one strike price and write, or sell, another call with the same underlying stock, the same expiration month but a higher strike price.
- A bull call is a debit spread, since the long call always costs more than the premium received for the short call. You always pay a net debit to establish it.
- Here is an example:
Buy 1 CAE Sept 17 Call @ 0.44
Sell 1 CAE Sept 18 Call @ 0.08
Net debit is $\$0.44 - \$0.08 = \$0.36$
Total cost is \$ 36 ($\$0.36$ debit X 100 shares = \$36)
- This strategy is considered a moderately bullish strategy because the maximum profit potential is limited.
- Theoretical maximum profit at expiration can be calculated as the difference between strike prices, which is the spread's maximum value, minus the debit originally paid.
- The maximum loss is always limited to the debit paid for the spread, no matter how low the underlying stock drops in price.
- To learn more about Bull Call Spread, consult our [Guides and Strategies](#) and visit [our blog](#) for examples.

Options, as an Income Strategy

The covered call calculator enables investors to find option series that can generate their desired levels of current and potential returns.

Find out more at [MX Covered Call Calculator](#)

Announcements

[New Equity Options Classes](#)

Workshops Calendar

[Options Workshop Schedule](#)

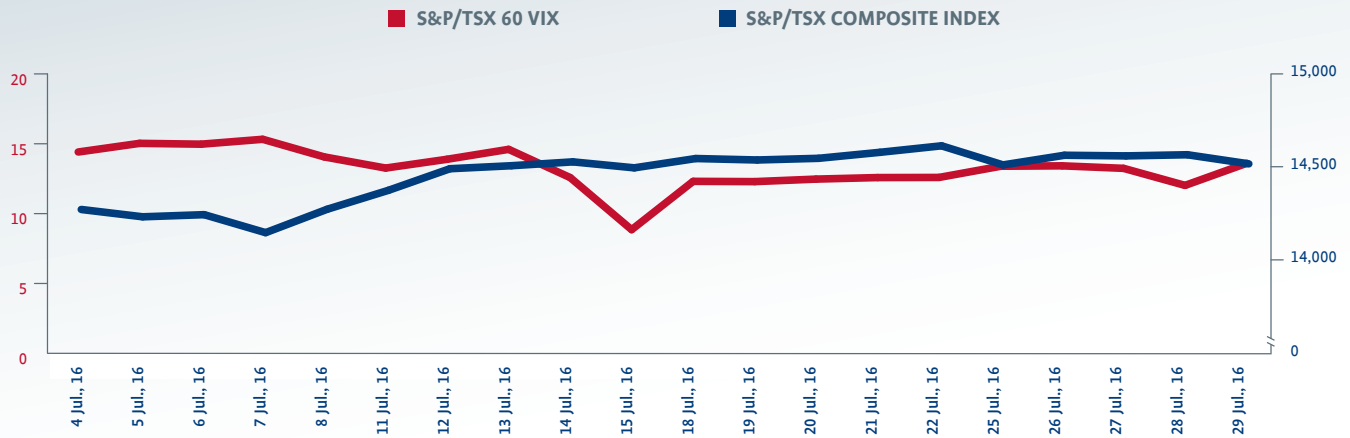
2016 Trading Calendar

AUGUST						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

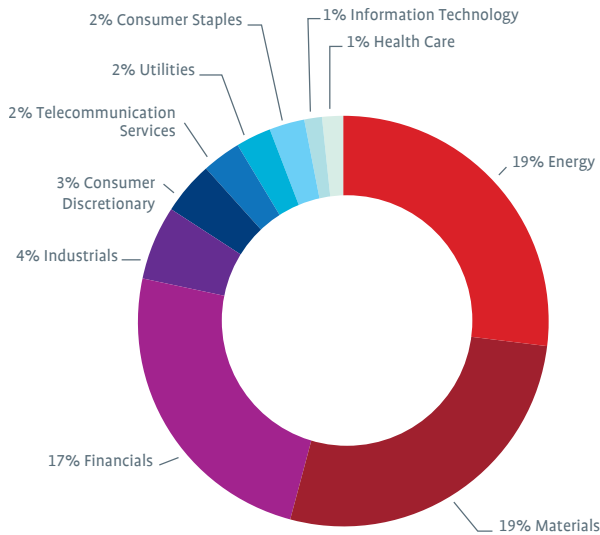
- Listing
- Last trading day
- Expiration
- Equity & ETFs options
- Weekly options
- S&P/TSX 60 Index Options (SXO)
- Options on the US Dollar (USX)

MARKET REVIEW

Volatility Index, S&P/TSX 60 VIX



Options Trading Volume by Sector

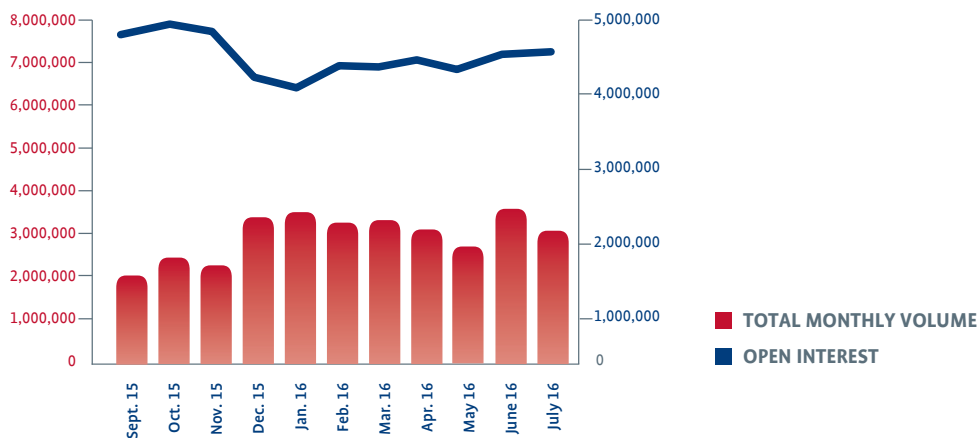


Top 10 Most Active Option Classes

	NAME	SYMBOL	MONTHLY VOLUME
1	iShares S&P/TSX 60 Index Fund	XIU	608,600
2	Royal Bank of Canada	RY	67,017
3	Bank of Nova Scotia (The)	BNS	44,265
4	iShares S&P/TSX Capped Energy Index Fund	XEG	37,047
5	S&P/TSX 60 Index Options	SXO	61,112
6	Suncor Energy Inc.	SU	50,131
7	Toronto-Dominion Bank (The)	TD	47,252
8	TransCanada Corporation	TRP	30,515
9	Barrick Gold Corporation	ABX	71,877
10	Bank of Montreal	BMO	42,540

Equity and ETF Options

Total Monthly Volume and Open Interest



Useful Links

GUIDES

- » [Equity derivatives](#)
- » [Index derivatives](#)
- » [Currency derivatives](#)
- » [Equity options tax regime](#)

MX INDICES

- » [S&P/TSX 60 VIX Index \(VIXC\)](#)
- » [MX Covered Straddle Writers' Index \(MPCX\)](#)
- » [MX Covered Call Writers' Index \(MCWX\)](#)

OTHERS

- » [Options List](#)
- » [Put/Call Ratios](#)

Trading Tools

COVERED CALL
Calculator

OPTIONS
Calculator

TMX Trading
SIMULATOR



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