

The background features abstract, overlapping geometric shapes in various shades of blue, creating a modern and professional look. The shapes are primarily triangles and polygons, some with thin white lines intersecting them.

Exclusive Barchart Webinar:

Unlock the Power of High-Accuracy Option Trading

February 5, 2025

Brought to you by: **barchart**

Welcome!

I'm John Rowland, CMT

- ▶ Barchart's Senior Market Strategist
- ▶ Head of Trading Education
- ▶ Chartered Market Technician
- ▶ 35+ years of trading experience



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Special Guest

Chuck Hughes

- Chuck Hughes is a former Air Force and retired airline pilot.
- Chuck started his options trading career nearly forty years ago and has been educating traders on his options trading strategies for over thirty years.
- 15-time published author who resides on the Central Coast of California with his wife and trades full-time.
- Chuck enjoys working with four of his six children and his son-in-law, who help manage his trading services.
- He is an avid tennis player and enjoys hiking in the mountains of Big Sur.



Today We Are Going To Explore

- ▶ Hughes Optioneering High Accuracy Options Trading
- ▶ Chuck's four-step trade selection process designed for higher accuracy
 1. Select a stock on a Power Trend "Buy" Signal.
 2. Find a lower-risk entry point using Keltner Channels technical analysis.
 3. Select a stock that is rated as a Barchart "Strong Buy."
 4. Use Chuck's "1% Rule" to select an option strike price.

Choosing a Field of Candidates

- ▶ One good starting point is stocks making new 52-week highs, which is a good indicator of stocks in powerful uptrends.
- ▶ [Barchart's 52-Week New Highs](#) page identifies these candidates as a potential predictor of future price movement.
- ▶ The Hughes Optioneering team looks for stocks that are making a series of new 52-week.

Step One: The Power Trend “Buy” Signal

- ▶ A “Buy” signal is generated when the current one-month price of the stock is **above** the 10-month simple moving average.
- ▶ The Power Trend System believes the “Buy” signal’s likely future price movement for a stock is up, thereby increasing the odds for a successful trade.
- ▶ Stocks that generate a “Sell” signal (one-month price **below** the 10-month moving average) are not considered because of the difficulty of predicting when the uptrend will resume.

Step Two: Timing a Low-Risk Entry Point

- ▶ Often, when a stock receives a Power Trend “buy” signal, it can be overbought, making it a higher-risk time to enter a call option position.
- ▶ Using a technical tool like Keltner Channels can help a trader select a lower-risk entry point.
- ▶ Keltner Channels use a three-line system to identify “overbought” and “oversold” conditions.
- ▶ The Power Trend System waits for the stock price to trade below the upper channel, which is referred to as the “Buy Zone.” This is when a call option can be purchased.

Step Three: Barchart Technical Opinion

- ▶ The Power Trend System likes to enter call options on stocks with a “Strong Buy” signal, according to Barchart’s Technical Opinion.
- ▶ The Barchart Technical Opinion represents the average of 13 popular indicators. The common interpretation of the studies is that if the price is above the security's moving average, then this is generally considered an upward trend or a buy.
- ▶ The Barchart Technical Opinion is a great way to narrow down our list of buy candidates and can lead to higher probability trades.

Step Four: 1% Rule to Select an Option Strike Price

- ▶ Once a stock has satisfied the three previous conditions (Power Trend “Buy” Signal, Keltner Channel “Buy Zone,” and a Barchart “Strong Buy” rating) you can start the option strike selection.
- ▶ Option premiums consist of two variables: Time Value (the cost of holding an option until expiration) and Intrinsic Value (the difference between the current stock price and the strike price.)
- ▶ Each day before option expiration, the Time Value portion of an option decays, regardless of stock movement, and is referred to as a “decaying asset.”
- ▶ Our goal is to buy an option with minimal Time Value and maximum Intrinsic Value.

Step Four: 1% Rule (continued)

- ▶ To accomplish this strategy, select In-the-Money options that have more Intrinsic Value and less Time Value than At-the-Money or Out-of-the-Money options.
- ▶ The 1% Rule utilizes a Strike price that limits the Time Value portion of an option premium to less than 1% of the stock price.
- ▶ If you limit the Time Value portion of a call option to less than 1% of the stock price, the stock price only needs to increase 1% for the option trade to profit!
- ▶ Because a 1% price action is more likely, the ITM options become profitable sooner than ATM or OTM strike options, which could require a 5%-10% price increase of the underlying asset.

Long Call Option Screener Setup

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<input type="checkbox"/>	LAST PRICE	greater than [value] ▼	<input type="text"/>					
<input type="checkbox"/>	STRIKE PRICE <small>The Strike price for the option.</small>	greater than [value] ▼	<input type="text"/>					
<input type="checkbox"/>	%TIME PREMIUM MID <small>The amount by which an option's price exceeds its intrinsic value if ITM ((Midpoint - Intrinsic Value) / Stock Price), else if OTM then (Midpoint / Stock Price)</small>	between [values] ▼	Range: <input type="text" value="0"/> % to <input type="text" value="1"/> %					
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<input type="checkbox"/>	SECURITY TYPE	<input checked="" type="checkbox"/> Stock <input type="checkbox"/> Non-Common Stock <input type="checkbox"/> ETF <input type="checkbox"/> Index						
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A Special Gift as a Reward for Taking Action

Thanks for signing up for the webinar.

As a special gift, 10x trading champion Chuck Hughes is giving you his **High Accuracy Options Trading program** absolutely free!

[Click here for more information](#)

