



VectorVest®

Options

Pro

3

**simple
steps**

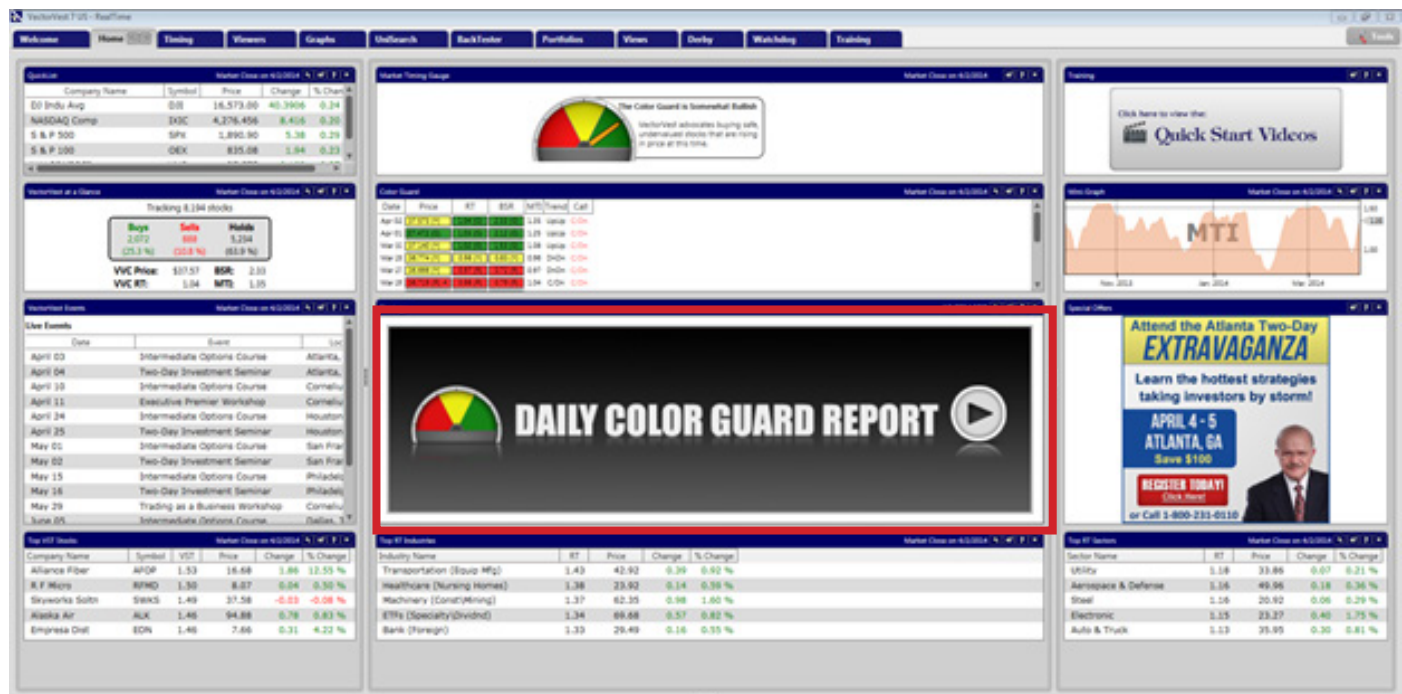
Quick Start Guide

Welcome to OptionsPro

The sophisticated OptionsPro platform integrates seamlessly with the power and performance of the VectorVest system to help you quickly and easily identify optimal option trades in real-time. This brand new money-making resource will not only save you tons of time, but also deliver a significant boost to your bottom line! Can't wait to get started? Read on! That's exactly why VectorVest created this Quick Start Guide.

Step 1. TIMING

Successful option trades begin (and end) with accurate timing. The first thing you need to know is whether the market's trend is bullish, bearish or neutral. For the easiest way to get the most thorough and up-to-date market analysis, click the 'Daily Color Guard Report' video on the VectorVest Home Tab. This short video (<10 minutes) is updated nightly and will give you a comprehensive view of the market's outlook along with the types of strategies that offer the highest probability of success for the current market.



Step 2. FINDING THE RIGHT STOCKS

The second critical step in making money with options is choosing the right underlying stock for your option trade. With VectorVest's powerful searches and indicators you'll be able to quickly and easily find the best stocks for any type of option trade from aggressive to ultra-conservative.

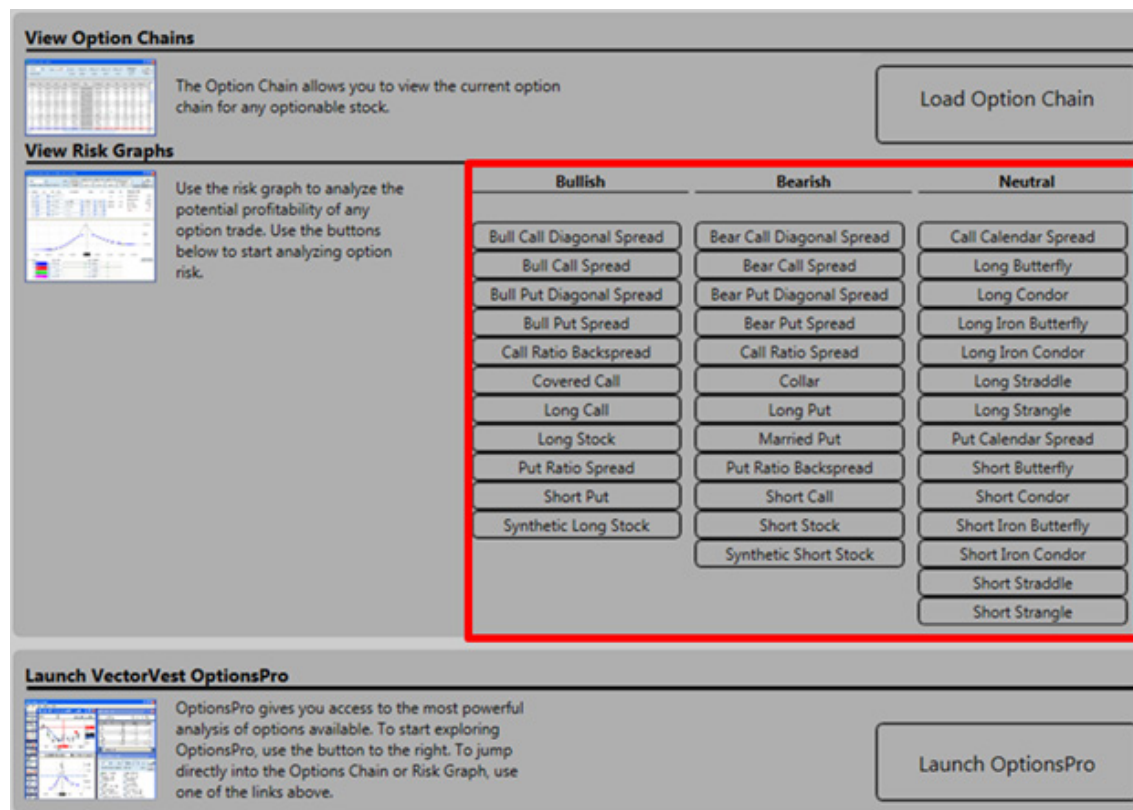
If you're looking for the best of the best for your bullish options strategies, look no further than VectorVest's Stock Viewer where more than 8,000 stocks are automatically and continuously ranked for the best combinations of value, safety and timing.

Should you wish to target a specific investment style or technique (conservative, aggressive, bottom-fishing, bearish short-selling, etc) simply click the UniSearch tab to find exactly what you're looking for. Not sure what's working now? Just watch the Daily Color Guard Video or the Strategy of the Week video for ideas.

Sending Your Stock(s) to OptionsPro:

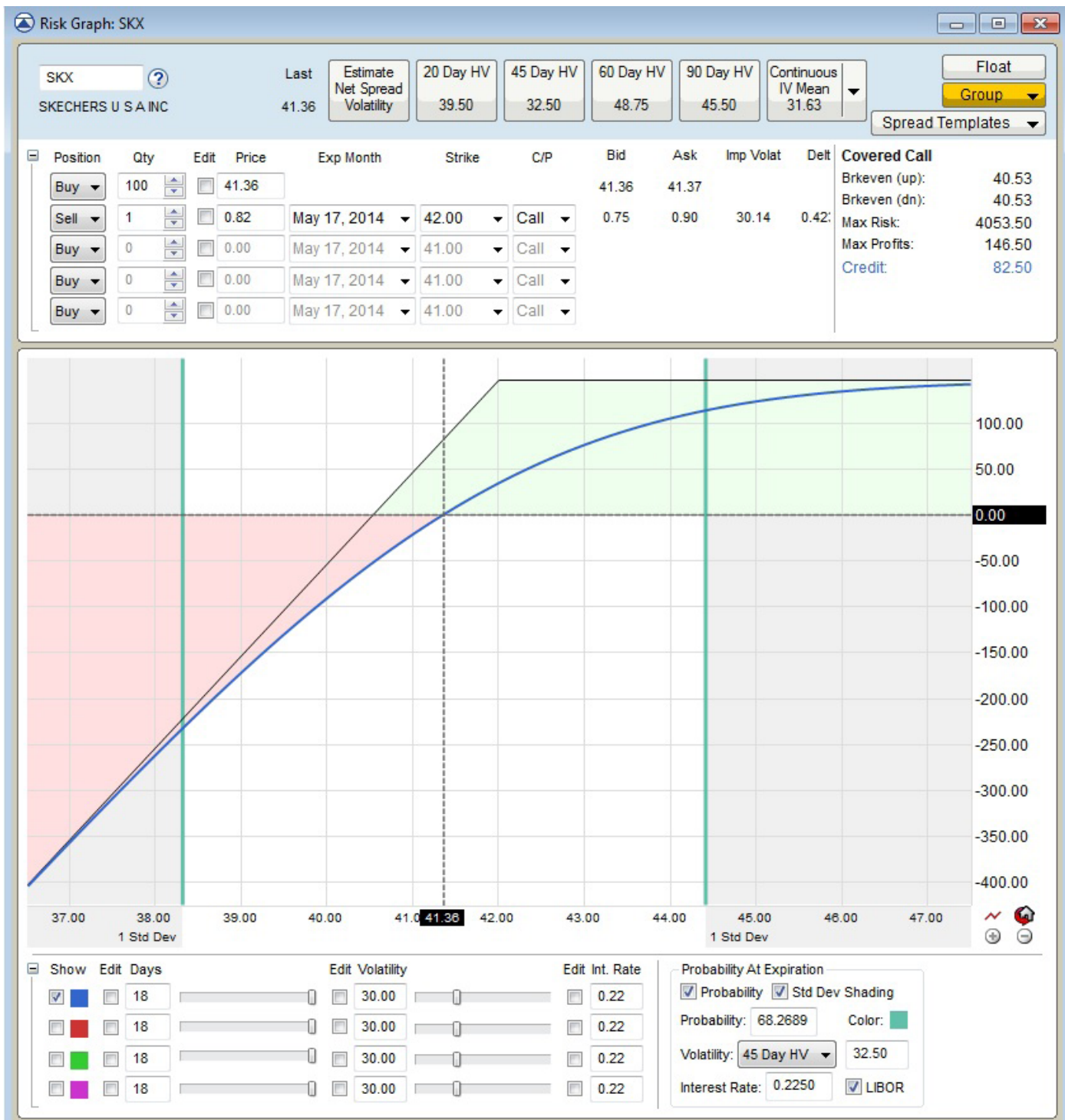
1. Select the stocks you're interested in.
2. Right click and select 'OptionsPro.'
3. From the pop up menu that appears, select the bearish, bullish or neutral option strategy you're most interested in.

Figure 1. Sending Stocks to OptionsPro for Real Time Analysis



OptionsPro will automatically open to a risk graph of your selected trade. Using preset defaults, the risk graph provides a visual presentation of the maximum profit and loss that are possible at expiration. Further analysis in OptionsPro will allow you to customize this information and set up the ideal trade for your profit target and risk tolerance.

On the right edge of the OptionsPro window, you'll find the ticker symbols you selected in VectorVest (known as the 'Symbol List'). Now you're ready to use OptionsPro is to select the best option trades!



Step 3. FINDING THE RIGHT OPTIONS

OptionsPro has proprietary analysis tools, graph studies and option scans to help you quickly and easily identify prime option candidates from any of your VectorVest selections.

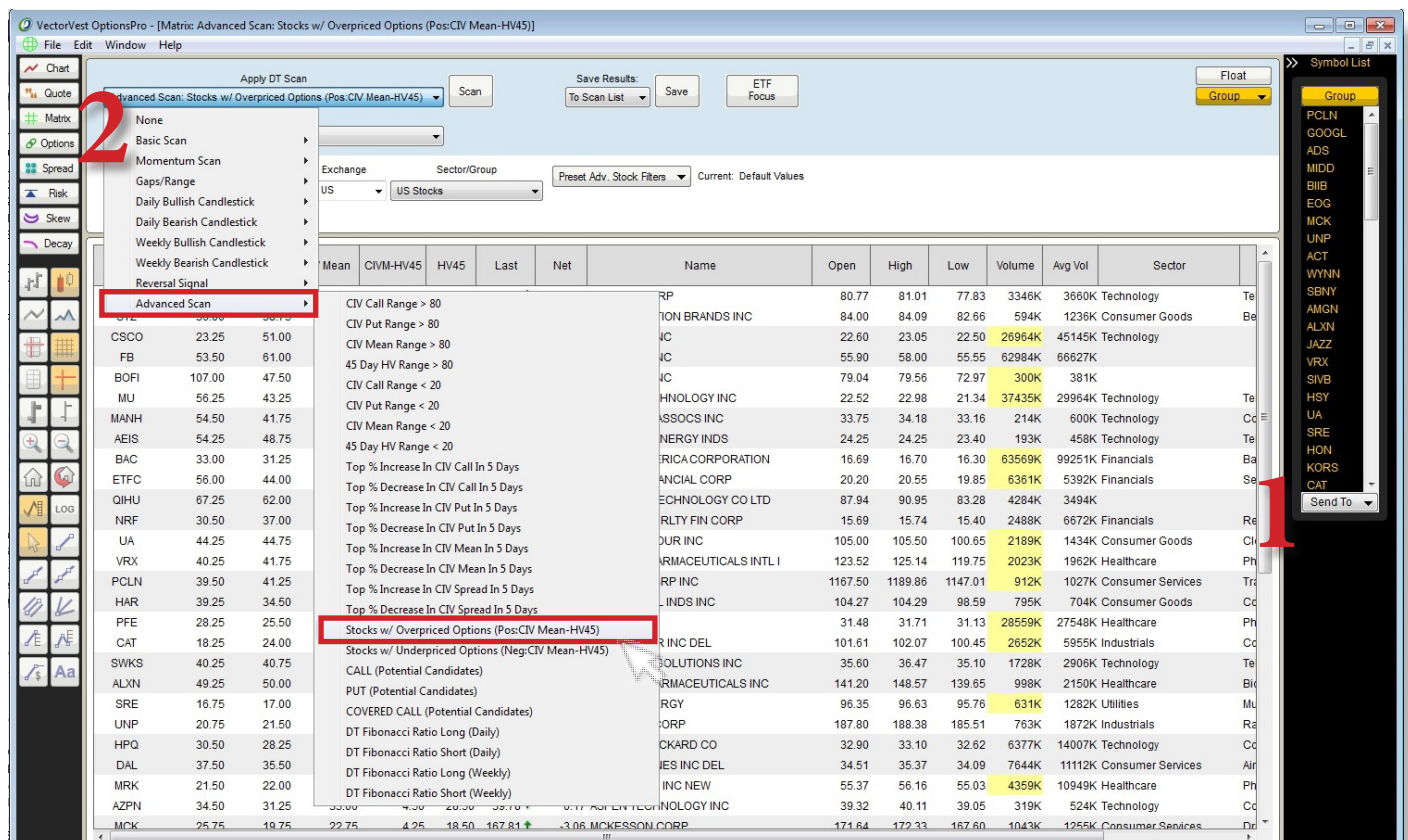
Using OptionPro's Matrix to Scan for the Best Option Candidates

1. Click the 'Send to' button located at the bottom of the symbol list; select 'Matrix.'
2. Under 'Apply DT Scan,' click the drop down arrow to select a filter to refine your VectorVest symbol list. For this example, we'll use the 'Stocks w/Overpriced Options' scan located under 'Advanced Scan.' (For suggestions based on specific options strategies, see chart, page 12).

The instant the scan is selected, the OptionsPro Matrix will filter your list to show you the most attractive option candidates. From here, you can do further analysis by taking advantage of OptionsPro's charting and/or analysis tools.

To continue analyzing this trade, right click on the first stock in the scan results; select 'Chart.'

Figure 2 (A). Using the Scanning Matrix

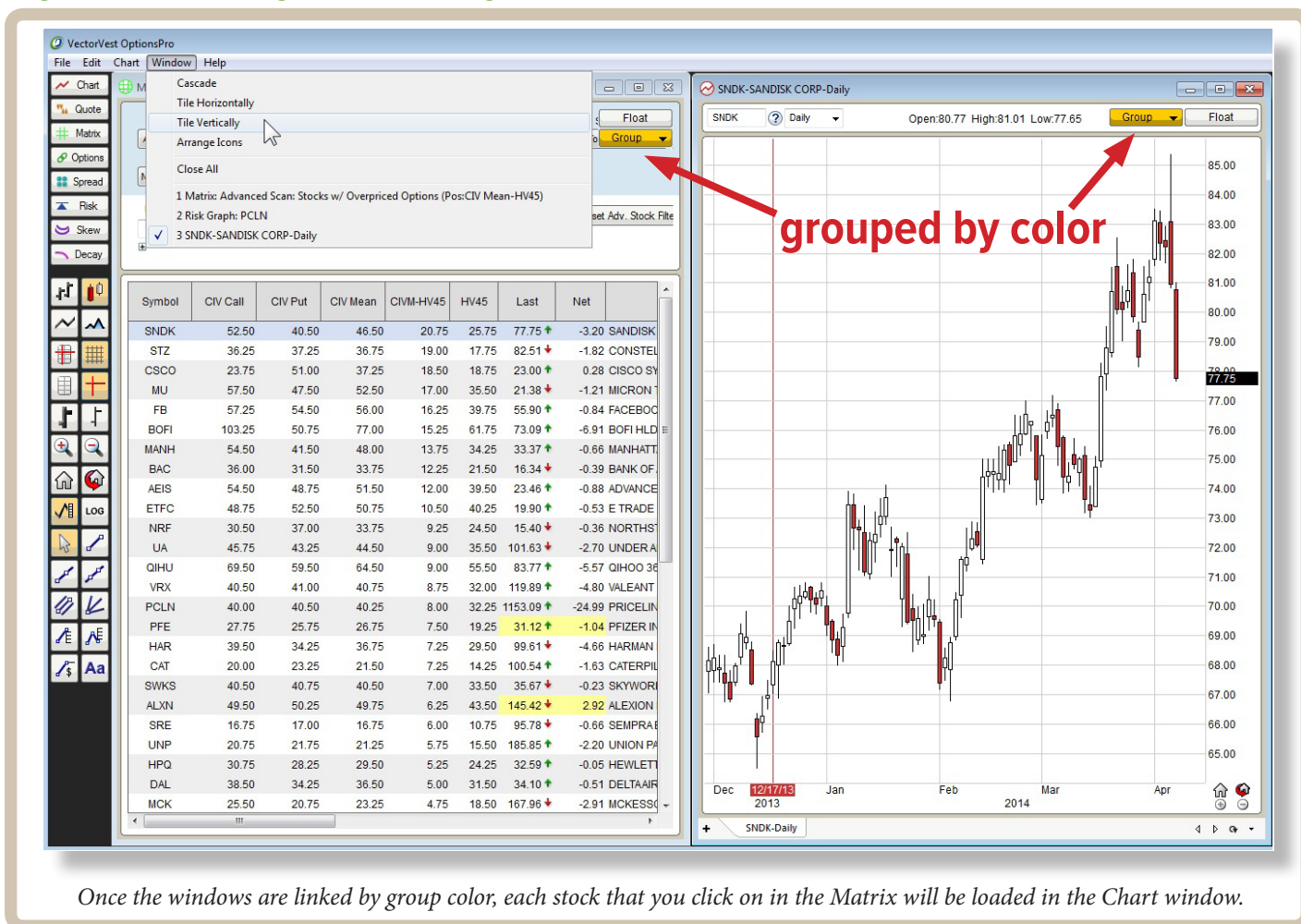


To make further analysis a cinch, tile and link your matrix and chart window:

Click on the 'Window' menu option at the top of the OptionsPro; select 'Tile Vertically'. This will show all open windows, side by side. The Matrix window and the chart window will automatically be linked, or "grouped", by color.

(Note: If you had several windows open, close the ones you aren't using then repeat the step to tile vertically.)

Figure 2 (B). Using the Scanning Matrix



OptionsPro chart studies will help you analyze the most critical factor in options pricing—volatility. These studies compare historical and implied volatility so you can easily spot overpriced options to sell and underpriced options to buy.

Using OptionPro's Chart Studies to Cherry-Pick the Best Option Candidates

1. To add a study, right click on the chart and select 'Add Study,' and then select from the list. For this example, select 'DT Volatility Range.' (*Graphic shown on next page.*)
2. Customize the settings or click 'OK' to accept the default settings for this study.
(*For graphing suggestions based on specific options strategies, see chart, page 12.*)

NOTE: To remove a study, right click on the graph where the study is shown.)

Figure 3. Charting & Adding Studies



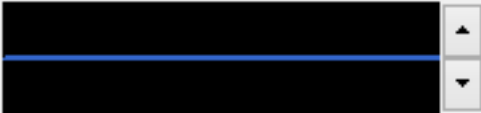
A trader favorite for identifying whether an option is “cheap” or “expensive” is ‘DT Volatility Range’ shown above. The high and low range of volatility is shaded (shown in gray here), when the indicator line (shown in blue) is above the upper band, implied volatility is high which indicates an expensive option, just the reverse is true when the indicator line is below the lower band.

DT Volatility Range ✕

Volatility

Level: Symbol ▾ Type: Continuous Implied Calls ▾

Look back period: 45 ▴ ▾ Historic Length: 21 ▴ ▾ Smoothing: ☒ 3 ▴ ▾

Line: Chart Blue ▾ 

High/Low Range: Pale Yellow ▾

☒ Display percentage bands

Upper: 80 ▴ ▾ Custom ▾

Lower: 20 ▴ ▾ Custom ▾

☐ Display using solid lines

Save As Default Factory Settings

OK Apply Cancel Remove

Accept the study defaults or customize the study by selecting calls or puts or changing the look back period for the volatility range.

Using OptionPro's Analysis Tools to Execute Precision Option Trades

The analysis tools in OptionsPro not only save you tons of time in accessing essential information, but they also give you an unbeatable edge when it comes to executing the most advantageous trade. You'll be able to view spreads for as many option strategies, strikes and expirations you choose, quickly weigh risk vs reward for multiple strategies and 'skew' the odds in your favor!

Below, you'll find a brief description of these tools and their benefits. (*Suggestions on which tools to use for specific trades can be found on page 12.*)

Click on any analysis button to open the analysis window.

All analysis tools are located on the left-side of the OptionsPro window.

Analysis Tool	Who benefits...	What it does for you...
Decay (pg. 10)	Option sellers	Use this tool to make sure you've hit the 'sweet spot' for maximizing time premium and time decay. The 'Decay' graphically shows you the ideal date range (i.e. "the sweet spot") to sell a specific option. Figure 4.
Skew (pg. 10)	Everyone	As a buyer you want to buy low volatility, as a seller you want to sell high volatility, the skew graphically shows you where both are at for multiple strike prices and expiration dates. 'Skew' the odds in your favor and get the most bang for your option buck. Figure 5.
Spread Select (pg. 11)	Multi-leg option traders (e.g., vertical spreads, calendar spreads, covered calls, diagonal spreads)	Can't choose? Compare as many option strategies, strike prices and expirations dates as you like here using streaming options pricing. The risk, reward, net debit or credit will all be shown, along with the "Greeks" and probabilities.
Risk (pg. 11)	Everyone	"See" the trade before you make it. The risk graph lays it all out for you—your break-even, max profit, max loss and everything in between. Build a custom strategy or select from the spread template drop-down in the upper right of the window.

Figure 4. Decay “Sweet Spot”



Figure 5. Skew



Figure 6. Spread Selector

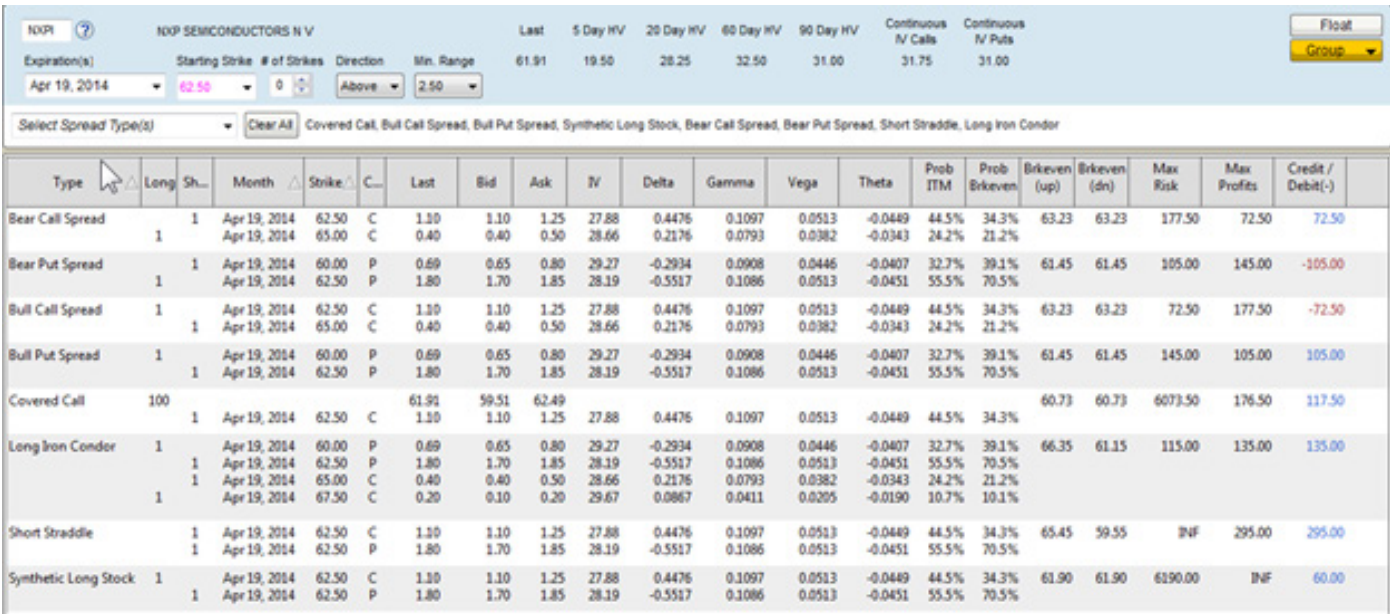


Figure 7. Risk Analyzer

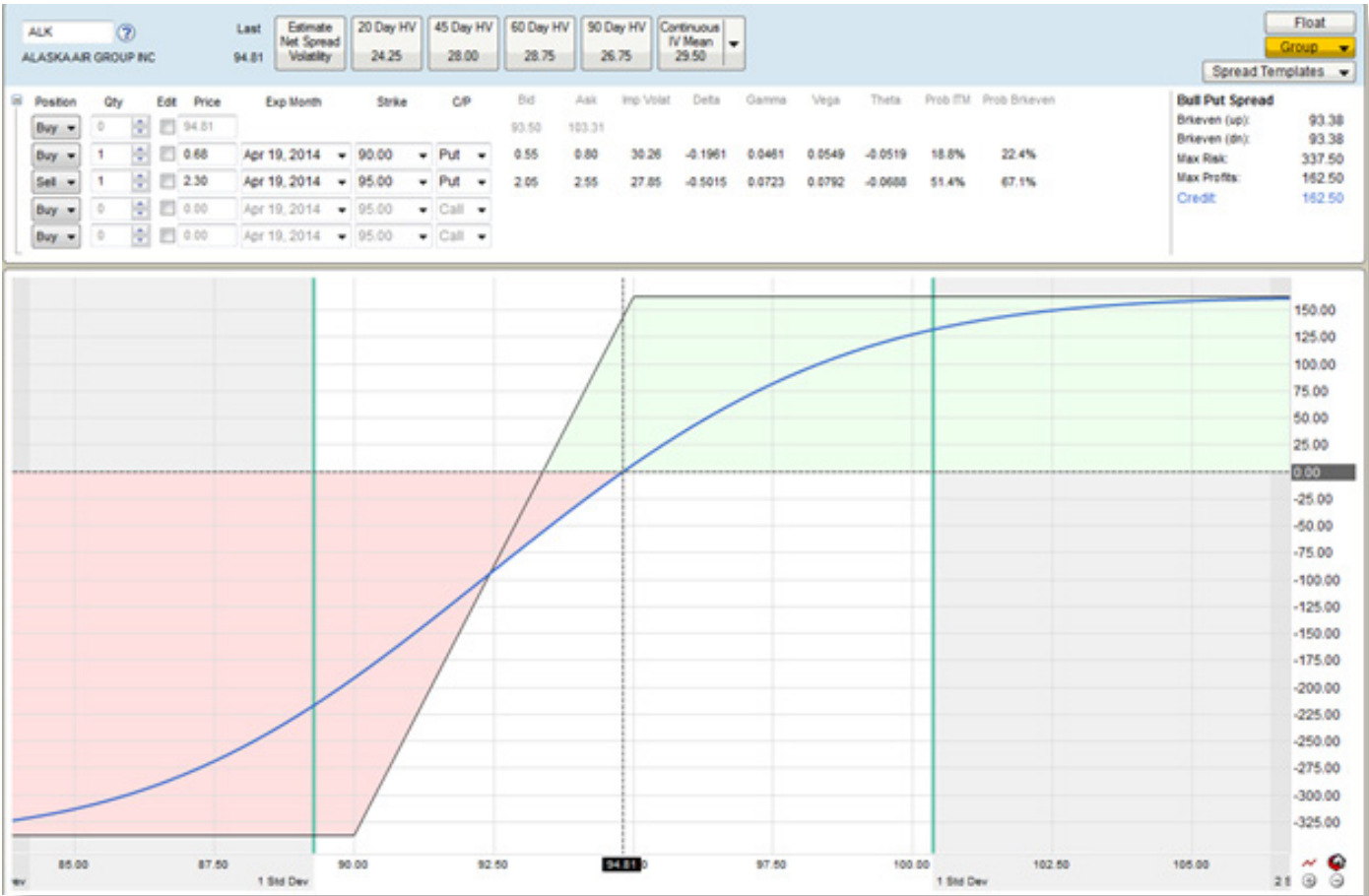


Figure 8. Trader Favorites

Bullish (Up-Trending Market)			
Option Strategy	Scan	Analysis Tool	Chart Study
Buying a Call	Advanced Scan: Call (Potential Candidates) or Advanced Scan: Stocks with underpriced options		DT Volatility Range
Selling Covered Calls	Advanced Scan: Stocks with overpriced options	Decay	DT Volatility Range
Bull Call Spread (Debit)		Skew & Decay	
Bull Put Spread (Credit)		Skew & Decay	
Bearish (Down-Trending Market)			
Buying a Put	Advanced Scan: Put (Potential Candidates) or Advanced Scan: Stocks with underpriced options		DT Volatility Range
Bear Put Spread (Debit)		Skew & Decay	
Bear Call Spread (Credit)		Skew & Decay	

And there you have it! Start using these OptionsPro essentials today to elevate your options trading to a whole new level, and if you have time, take advantage of our OptionsPro tutorial video at www.vectorvest.com/optionsprotutorial.

Our expert staff is also here to help you with any questions you have, just give our dedicated help line a call at 1-888-658-7638.

Here's to *bigger, better* options profits!



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