



## **>: 5 Profitable Trading Rules**

*Thursday, July 26, 2007 / Chris Rowe*

# Rule #1: Only Trade When Volatility is High Buy the Dip, Sell the Peak, and Flatten the Portfolio. It's simple, really, and all that you have to do is take a few hours to understand it. IT'S WORTH IT!

## Buy the Dip, Sell the Peak, and Flatten the Portfolio.

Some markets are better than others to implement this strategy. As a matter of fact, today's market is nervous and the VIX has been climbing, which reflects expensive options on the S&P500. This usually indicates that a large portion of optionable stocks are attractive covered call candidates. If you are familiar with these strategies, you can make over 15%- 20% in a market that trades flat for 12 months.