



>: It's simple -- Making money, that is!

Thursday, January 19, 2006 | Chris Rowe

Over the holidays I saw lots of family, immediate and extended.

-- My subscribers paid \$2.00 for the March 35 puts today. (That means they have the right to sell the stock at \$35.00 any time before March 17th.)

Of course you have your relationships that are close, and then you have the family that you *sort of* know about (at least in my family). So we make a lot of small talk, and when we're done talking about the weather in Florida as opposed to New York (blah blah blah) ... the next topic is always work. I try to avoid it, believe it or not, but I tend to end up talking about options. Then I hear all of the responses that I try to avoid debating too hard, because I just don't want to be "that" guy.

So I was just thinking about it, and I realize just how many people are frightened by the thought of trading options. Everyone has heard some horror story about a friend of a friend who lost half of their net worth in one options trade. Listen to the way that we make big money on options in a very safe fashion ...

As many of you know, I now run a trading service called The Trend Rider. A little over six weeks ago I recommended that the subscribers to my trading service buy the June 20 call options on a certain software company, at \$8.70. It was mainly a technical play. I liked the chart, and they're in a hot industry. The options traded right around \$9.50-\$11.00 for about a month.

Today the stock popped 4 points higher and the call options that I recommended went up to about \$14.80, which gave The Trend Rider members a 70% gain. I think that there may be more good news to come based on the huge buying that came into the stock today. On the other hand, the stock has already come a long way in a short period of time and I'd hate to lose that profit that my subscribers are currently sitting on.

There is also a rule that many traders go by and that is that if a stock trades up over 20% in one week, you should not sell your entire position.

You either sell half or none at all.

Here's what we recommended doing: The March 35 call options were at \$1.90. I recommended a strategy that will guarantee that my members lock in a 40% profit, and enjoy the possibility of even more upside. Like I said, we have 70% in profits right now. I locked in 40% of that profit.

Here's how:

Let's review: We have the right to buy stock at \$20.00, and to sell stock at \$35.00.

That is obviously a \$15.00 difference.