[00:00:00] How are you doing friends? This is Ernie with the ODTE podcast. And today is Tuesday, not a Monday, Wednesday or Friday when we normally have the podcast where we’re talking about the day’s trade and about the service, the strategy and everything else that goes along with it.

[00:00:16] But today’s Tuesday. And so, what I decided to do was add a couple more. Podcast episodes each week, either on Tuesday, Thursday, or on the weekend or some combination, of that. So that I can fill in the gaps and maybe provide a little bit of education about what the strategy is about, what the service is about, how we do what we do so that in the interest of complete transparency.

[00:00:42] And so today I’m going to start off by describing the service and everything that we do. And you can see from the title claiming that this is the best ODTE strategy for trading options out there. But I’m going to go further than that. And I’m going to say for a retail trader, this is perhaps one of the best trading strategies out there, period, because really it is one of the only strategies that I am aware of that has built in edge.

[00:01:18] And what I mean by that is that there is a definitive edge that is built into the strategy itself in what we’re trying to do. And primarily that kind of all revolves around selling option premium and at its core. That’s what ODTE is all about. Getting to that very last day of options, expiration where premium is decaying at its greatest rate.

[00:01:47] And with something like the S&P and with some intelligent strategy and analysis, we’re able to create asymmetric trades. And what that means is that there is a huge difference between the risk that we take and then the profit that is potential in that trade. We’re able to put on asymmetric trades that have a very high likelihood, or a very high probability of profiting.

[00:02:13] Now, when you say probability of profit, what does that mean? Does that mean that you’re going to make a million dollars on every trade? No. What it means is that I’m going to make at least some money or a lot of money at a very high rate of return or a very high frequency. So this strategy what’s really great about it is that it is both consistent and actually has a great return on it.

[00:02:38] So you have high probability of profit and high return, which is a very unusual situation. And that is all because of just a few main factors and I’m going to go through each one of those. And as I get through this presentation, there’s, there is going to be a presentation. You’ll see a little further on, I will outline the exact strategy that we [00:03:00] use.

[00:03:00] Now. It will be a high level there because it will be impossible to really tell you everything that we do. That’s the purpose of the service, but you’ll get a good idea. And then
in future episodes, I'll talk about individual components of that. So that maybe over time that you'll start getting the idea of what we're doing.

[00:03:18] Of course, there's nothing like getting in there and practicing the strategy itself. And I'm sure that there are many people over there in the peanut gallery. I'm sorry the chat room that would agree with me as we are coming off of a very big win yesterday. Potentially some people could have made as much as 1200% return on the risk that they put up for their 0DTE trade.

[00:03:41] And not having to put a lot of cash up to receive that kind of return. I might add in this case, the trade that I put on the max risk was only $52 and 50 cents. And there was the potential to make. I think at one point as much as $700, which would have put it [00:04:00] over 1400% something ridiculous, maybe.

[00:04:04] Yeah. It was way probably closer to 2000%, but I think most people cashed in at about between 600 and a thousand percent on that trade. Now that you might think about that is frigging crazy Ernie, and it is, it sounds crazy, but it's something that's a regular occurrence here in our service. I don't mean once in a while, I mean regular now pinning a trade and getting the max profit is probably about a 10% occurrence. And I'll go through all these stats a little later, but on average, where we're making about a hundred, 150%, 200% on each average trade. So, you do the math. I'm not aware of, and I'm going to compare what we do to what other services do.

[00:04:47] And instead of me just keep on talking and gabbing, I'm going to get on with the presentation. All right. And so here we go. The 0-dte.com options, strategy guide. All right, let's see. I'll just click on it and do that.

[00:05:08] So what does 0DTE option? 0DTE, as I explained earlier is the last day of expiration on an options contract and with the S&P whether you're trading the E-mini futures, the SPX index, or the SPY, they each have contracts, option contracts that expire three times a week.

[00:05:30] So where most options. That are out there for the more popular stocks and everything and other indexes, they only have weekly options or monthly options, but the S&P is a special case giving us an incredible opportunity to be in that game three times a week. Lots of opportunities. So, you're always going, now. Premium or the value of an option. That's the underlying value there's time value. And then there's intrinsic value, but we're really interested in the time value, which is made up of time and volatility, and sometimes they're somewhat related and that's what gives an option. And that's decaying from the time the option is created say a few weeks ago to now and at no period, is it decaying faster than in that very last day now?

[00:06:24] Who that is advantageous to is the people who are writing the contracts or selling those option contracts. And that's exactly what we do. We create strategies that are primarily focused on selling, that last day of expiration. And so, when you sell it and you get that fast premium decay, what it's really translating into is fast profit coming into your account.
So that's why we do the ODTE. At all, and that's a huge edge and there are other technical reasons why it is a real in fact edge beyond the fact that it's decaying fast, premium on options is generally overstated. And this is just a fact of human existence, that anything that is out in the future and has some uncertainty with it. We tend to overstate it. And so, when you overstate options, premium and volatility, what that translates into is an overpriced option. And wouldn't, you love it. If you could just sell to your heart's content products that were always overpriced and the people who are willing to buy it are more than willing to buy it all the time.

That's exactly what's happening here in ODTE. Now I had mentioned that we create an asymmetric strategy. And again, what an asymmetric strategy is one where you have a huge difference between the risk and the reward. Now, most of the services that are out there. Something completely different from what we have. They have very large risk to make very small reward. Typically, they're putting on neutral strategies, like an iron condor or iron butterfly at the money, and they must make it wide enough so that they can compensate for their lack of understanding of where price is going to go. And make it what they consider a high probability profit trade or a high pop trade.

And that results in a very large spread with large risk at the wings and very small amount of profit. Additionally, they trade the SPX, which means that they can only open a trade at nine 30. In the morning and then they have until four o'clock in the afternoon to make that small amount of profit and that profit that's all that can exist in that period.

Now for us, we do something completely inverse of that we do, and their trade is in fact asymmetric. It's just asymmetric in the wrong way. We do an inversion of risk strategy where we have a very tiny amount of risk. As much as one 10th to one 20th, the amount of risk that they take with a profit, that is an order of magnitude greater than what they take.

Asymmetric strategy is in our favor as opposed to against us. And there, there are a lot of benefits to having small risk and big profit ahead. Have you, and one is that you're not sweating the details. You're not sitting there trying to manage your risk. Instead, we spend most of our time in trades managing the.

Wouldn't you love that ability to manage just profit instead of sweating risk and wondering whether your leg is going to get compromised. And you're going to get a max loss and you're going to wipe it three weeks of trades that never happens in our store strategy ever. So let me just make that point very clear.

There are a lot of new people coming up with zero DTE strategies and they all basically follow the same strategy, some variations of it, but all of them have huge risk chasing after small profits where we do exactly that inverse small risk take chasing after a huge, not even chasing, allowing the huge profits to just come to us.

So why options wiser, DTE, options are relatively complex. There's no doubt about it. And I'm sure that there are some people out there that are new to options. And
maybe even new to futures or the indexes and stuff like that. And they've been mired in Todd and brought up and bamboozled by technical analysis and Fibonacci and Elliott wave.

[00:10:44] And they think that this is the path to trading Nirvana. And I'm telling you right now, it's not, you've been fed a load of bull. That is the broker narrative. They want you to. Commit or trade or create transactions. That's how they make money. They don't care if you win or lose technical analysis and I'll do a separate video on this.

[00:11:07] I'm in another one of these segments. Technical analysis is a scam. All right, you can believe me. I don't care or not. Believe me. I really don't care. That is your delusion to choose or not. ODTE. Like I explained before the last day of expiration is that period when premium is decaying at its most rapid rate.

[00:11:32] And that last day is of particular importance, because what it really means is that we can get in and grab a lot of premium and capture it very quickly and then get out with very little. And isn't that what we're really after maximizing our profit and minimizing the amount of exposure that we have in the market.

[00:11:54] Yeah. This is an overstatement or a duplicate of what I said before trading. The last day of expiration allows us to take advantage of the exponential decay in premium giving us this huge edge because of the overstatement. And of course, I said that options on the S and P futures have three expiries every week, Monday, Wednesday, and Friday.

[00:12:13] So we have three opportunities, of course. The opportunity varies each week, and it largely varies on how much volatility there is in the market. The more volatility, the better in general, we like volatility anywhere from 17 to 34 on the VIX. Right now, we're I'm in the middle there, right around 21, 22.

[00:12:36] So we're in a sweet spot, but in the last few weeks, we were down around 15, which was much lower and making it a little bit more difficult for us to. Create trades that have the kind of returns that we like. And so, there were several days that we just had to sit on the sidelines and wait for them for those days to pass because eventually after long periods of low volatility, what follows that?

[00:13:02] Bam, lots of volatility. And we love that.

[00:13:05] All right. Next slide. So, there are different types of option, premium collection strategies. The purest option premium collection strategy is to sell a naked option. You can sell a, put, sell a call. There's tremendous amount of risk involved with that. Although it also allows you to collect the maximum amount of premium.

[00:13:28] And so that is, the most basic type. Then there are several other types of strategies that. That set you up in such a way that you are collecting premium in all strategies. Most of them, whether it's a vertical or an iron condor or a butterfly or a calendar you can collect premium. The ones that are generally designed for neutral to bullish or purely neutral or neutral to bearish strategies are designed to collect premium some, do it more efficiently than others.
Of course, the naked option is going to do it most efficiently, but it is very difficult to try to manage a naked option in this market with a small account, which most people are, they're stepping into this. They're not going to want to put naked calls and naked puts on a small account and chance blowing it up.

If things go awry. And the one advantage that naked puts have is that the advantage of being able to easily. Adjust them or roll them to future dates. Why would you want to manage or roll to a future date when all the action is happening today? So that's one of the reasons why we don't use naked options.

We do. However, in our strategy, we use butterflies because they have two short strikes in the apex of the butterfly where they basically are doubling up on that premium. And if. Place the butterfly in such a way that we have small amount of risk and huge amount of premium and with a high level of certainty, which means that in general, our butterflies are out of the money butterflies.

So we're using them like directional tools sometimes, but only sometimes only slightly directional enough so that we get these asymmetric returns. Now the placement of those strikes and the width of those butterflies, all of that is part and parcel of our strategy. And Proprietary information our special sauce, our intelligence in what we do in this.

And it's the thing that all the other services are lacking or they're lacking general. They mostly will rely on technical analysis, which gets them nowhere and forces them into using these very risky iron Condors and small amounts of potential profit with humans. We go exactly the opposite way. So, we have something that makes this trading venture very highly profitable, zero anxiety, and just a pleasure.

You can develop confidence in this strategy very quickly because you start seeing those profits. We're rolling. All right. Next slide. As I said, the most popular strategy. I talked about those at the money I'm getting ahead of myself. Cause hey, I wrote this presentation, so I already know what's in it.

And why are these strategies flawed? I've already said this. And I want to emphasize that the profits that we are going after are orders of magnitude greater than the profits they are going after. Not. Not even one or two times, but 10 to 20 times greater than what all these other services are going after while I risk is smaller.

So what that means is that we can go after the same amount of profit, if we want to and spend hardly any time in the market or go for huge li larger amounts of profit and spend still less time than they spend in the market and then get out and be profitable. That is. The difference. It's as simple as that.

And that's yeah, that's exactly what, like I said, I'm getting ahead of myself. All right. Now we're getting into the meat attitude is everything, they say that your trading psychology is something that we all wrestled. How do we get over the FOMO? How do we get over the anxiety? How, these are the things, how do we get over the greed?
All the things, all the human frailties that bring us down because we're dealing with strategies that are tenuous at best, that we don't really believe in the edge that they have. And then when they go against us a little bit, we freak and we wondering, what the hell are we going to do? And those few times when they do come home, we want to pile on some more.

Then we overtrade and that leads to its own problems too. So, attitude really is everything. And it all comes down to the strategy, your methodology and your discipline that you have when you have a strategy that is super comfortable to work with, you can develop a level of confidence. A very high level of confidence and having confidence in your strategy is perhaps the most important aspect to trading to a successful trader, that there is being able to trade with confidence because your edge and you know what to expect.

And you're not worried about the downside at. So, we trade our strategy because it promotes zero anxiety and high confidence and traders who follow it. There is no more important thing to a trader's mental state and ability to maintain that discipline. And if you don't have a lot of demons chasing after you, meaning maintaining discipline is easy.

It's a matter of fact, it's too easy in our strategy and which may lead to its own problems. Some people get a little bit too confident and, that's okay. We just must reel them in and get them focused and make them accountable to what they're doing. So, our service is focused on that aspect that.

Accountable. And that's the big coaching and mentoring aspect. So, each member has given it the attention they need to become successful. They're here to learn the strategy and the mindset. Our alerts are really a demonstration of that strategy and they're not the central feature of the service.

They are damn fricking good alerts, far greater in profitability and low risk and high probability and all this other stuff than any other service out there. And I can say that with absolute confidence because I've seen every single service, I've tried every service I've tried. It's a matter of fact, before I started this service, I tried to introduce them to my strategy, but they were too.

Mired and steeped in their way of doing things, thinking that no, we've got this nailed in here or any, we're going to make this work and eat out our 5% profit while we're sitting there rolling in with 500, a thousand percent profit.

Now you might think that I'm talking hyperbole, but I'm not. And this is easily verifiable by people who are in the strategy that are in the service. All right. So, this is the four-step process to our strategy. So, pay attention. This is what we do. This is how we make on average, about 200% portrayed or sometimes, maybe one out of 8 million.

Be one out of 10. We make 500, a thousand, 2000% on our trades. This is how we do it. So, four steps. One is we do an intense now I probably, you probably thought that, Hey, this is, this is, what are you going to do make us become some sort of mastermind that I have to get like a PhD in astrophysics or something or any, no, it's not that, but there is some level of work and there is some level of skill that you have to do.
Because what we're trying to do is we're trying to develop a bias, a definitive bias or something that we're comfortable. And that will show both direction and magnitude of that direction. And we do that through global macro and micro analysis of the markets. So, this means that we're out there looking at the currency situation the bonds, the economic reports, the geopolitical situation, the thing that is going to set us up and give us the best opportunity to do figure out which way price is going and how hard it's going to go for that.

And that session alone, we don't care about next session or three sessions from now or our week. We only care about that next 12 to 15 hours. That's it. That's all we care about. And we focus all our efforts on that. And once we've developed that we go to number two. So, number two is to develop a market structure using volume profile and other statistical tools.

And we combine that with step one and that produces a few ranked scenarios. Where we can say, okay, we're going to develop a bullish or bearish in a neutral scenario. And then we're going to rank them as to the ones that we think are most probable and based on our analysis, we're going to be able to tell Ian also, maybe the expected move in ATR and other things where price is likely to go and whether it's going to move hard and fast or grind it out or whatever it is.

And that's. So, we build these scenarios, right? So, this is what we think we don't, we're not focused on just one thing. We're looking at the whole picture, but we must rank them. We have to say that. According to our analysis. This is number one, this is number two, number three. And so, we're going to develop a strategy for number one, but we'll have an alternate strategy for number two and number three.

And that also picks up when, once we get into trade, we want to know what do you do when you're in the trade? So, after we've done that, number two, combine it with number one, we fashion than an asymmetric options. Now when you're creating an option strategy, what you're doing really. And a lot of people don't really understand this.

You're creating a model of the market. A lot of people think it's just all about leverage and hey, I'm going to create a range and hopefully I'll capture some price within there. I'm going to use statistics. Most of the statistics that are on your options platform are dead wrong. Go ahead, check it.

I can guarantee you. They are off by a huge amount. Historically, it's not about statistics. It is about modeling the volatility, the time that you have in the market, and then the price direction, the Delta, you model those three things. And then you use the information that you find from steps one and two to place your strikes and everything that will give you the best opportunity to profit within that session.

And then the fourth is the management. Right through to exit of the strategy prior to the end of that session. Now I'm not going to go into huge amount of detail here, but it is very similar to number three, but it is the management process, the things that we do given various scenarios. And that's what we do.
We have different strategies for getting into that trade and different strategies for getting out, to maximize our return. All right. You’re getting an education here. Now here are the results. Our win rate is somewhere between 80 and 85%, depending on what volatility regime we’re in.

When volatility is very low, our win rate goes down a little bit when it goes up. If it doesn’t go too high, our win rate goes up. The returns that we get on average are a little bit better than 150% of the risk that we take. So, if we take a hundred dollars, on average we’re looking to return $150, right?

That’s more than doubling the money that we put in. The risk that we take per trade or per position is usually around, or this one. The cost of the trade, 50 to $150 most are right around 50 to $100, but sometimes we go a little bit more extravagant and make a wider, more aggressive trade at 150.

Now the breakdowns of what we get about 65% of those winners will return about 75 to 200% of the risk capital about 25% of them. Now that will bring us up to about 90% of the time. Give us something better between 200 and 500% return of the risk capital. And occasionally, we penetrate like yesterday and can make, 500, 600 a thousand, 2000%.

That happens about 10% of the time.

Now the breakdown of the losses we do lose. And we recognize that most of our losses are totally innocuous. They are breakeven. And if you want to, I don’t know if you call that a loss, but we call it a loss. But about 15 to 20% of our trades result in a loss. And because our risk is so small. That loss is not hard.

About 50% of those losses. We just allow it to go to the max loss because we think, hey, we took a shot at it. We took very little risk. We had huge profit potential. We’re fine with that. Let it go. Some of them were able to get out with between 50% of the original risk. And so, we at least recover some of it, but it’s not a high priority for us.

In other strategies, that’s all they do is they try to manage that risk because it is so important because their risk is so huge. So, we shift the focus from managing the risk to managing the profit. All right. Transparency, all the trades are posted in discord. I post and take a screenshot of my platform showing the actual fill orders, both in and out.

Most of the traders that are in the service are also doing the same thing. They’re taking that lead and showing their in and out trades. So, everybody knows exactly what everybody else is doing. Some traders, miss something, some, sometimes something occurs. We’re there to help them and prop them up and make sure that they can maximize what they’re doing.

All right. Full transparency.

And as I said, one of the things that really differentiates what we do. Is support. This is really a coaching and mentoring service with alerts, not an alert service with some menial support. This is intensive coaching, mentoring, learning the strategy, getting
skilled at what we're doing. And then we put out alerts to demonstrate that, and then you can take advantage of that in practice.

And as I said, there's my phone number. I give everybody my phone number. It's. There's my phone number right there. You can take it right now. You can call me. I'm not going to answer right now because we are alive, but you can call me and ask me any questions. You'd like every member of the service gets that phone number as well, and they can call me anytime they want.

And for members, we also, I will also set up one-on-one mentoring sessions with them.

Wow. Hey, I just said that again. I get ahead of myself. But you can go to the zero-dte.com website. We have a four-week trial membership. You can also sign up for a monthly or a yearly. The yearly has about a 25% discount on it. And we have every Saturday we have webinars where we talk about what we did for the week, a review session, review the strategy, review the trades, ask questions, answer questions, that sort of thing.

Tooling around with creating a course, but I keep on throwing it aside, but the course really is the mentoring and the coaching in the service. There is nothing else out there like this guarantee it all right. That's it. Let's go back to the big head. Yeah, it is the big head. All right.

All right. I hope you enjoyed that presentation. I hope you got a lot out of it. I hope you understand exactly what we're doing and how we are different than every other service out there and how perhaps you can see why this is superior to technical analysis, swing trading and all that other crap.

It doesn't have a real edge. It has an edge that has been basically a conspiratorial law. There is no edge in technical analysis. Now there are some people who might be using technical analysis that have a have a good Intuit, a lot of experience in the market that can make it work for them. But those people represent about, about 2% of the trading population.

The rest of you are either lucky or losers sometimes, or usually. More losers than lucky, more losers than lucky. We have a definitive edge. Here we win because the odds are in our favor. The edge is in our favor, and it will always be there. That's why we win. And everybody that comes into our service is there to learn a skill.

I want everybody to be a self-sufficient trader. Of course, I never want them to leave the service and just keep on paying the monthly fee. But that would be my ideal situation, but really my focus is on teaching people.

Let's see, there are some questions. Can we negotiate the commissions with our broker? Yes, you can. Absolutely options. Commissions are negotiated. Hey, Ronnie. How does the gains AF fair after taxes example? Because we are trading with futures are different in terms of the tax situation than the SPX or equities, where they are taxed at the nominal tax rate.
So if you're say in the 35% tax rate, Range then all your profits are going to be taxed at 35% with futures. There's a 60, 40 deal. 60%. The first 60% of profits are taxed at the capital gains rate, which is markedly lower than the nominal tax rate. And then the last 40 is at the tax rate. Now I'm not a trading tax attorney.

I, this is what I know this is public information. So, there is an advantage to using futures over. Although says why volume profile and not market profile with TPO I'm a fan of market profile volume profile is easier to understand. And market profile tools are very difficult to come by where volume profile is a, the next level up from market profile.

I understand that a trading view is going to add market profile and footprint charts to them. To their charting program, they have the best cost-based volume profile tool that's available right now. And so that's what I recommend everybody in the service use. But you're right.

Market profile has its advantages, especially with the time price opportunity, which is the TPO. But I would say that for the most part we get by with Volume profile, not market profile. It would be good if we had it because, look any kind of additional edge that we can get.

That would be great. And understanding the nature of how price moves within a balance. that's a market profile term is very valuable because there you can discern daily patterns and have maybe gain a greater understanding about the direction and magnitude of that direction of the price as we go into the session.

So yeah, a micro profile would be good, but unfortunately, the availability and the price, the cost of those tools are prohibitive for most people. So that's.

How low can we get it to go down? Oh, you're referring to options. In ToS, now I have traded with a 9-figure account before with toss as well, eight figures, and for a brief time, nine figures. And I brought it down to around 30 to 40 cents per contract.

But I think that for most people that have high volume, they can get it down to a dollar per contract. I think they start out at 2 25. If you have a marginal volume, you can probably get it down below two maybe one 50. So yeah, that's how low you can get it. That's that should be a realistic expectation for most.

And if you are trading three times a week with this service, you're going to rack up several contracts. So, you're going to get the volume up there and you'll have more negotiating power with the broker to bring that cost down. All right, that's it. I hope this this was helpful. I hope you enjoyed what we were talking about here.

This is in my view, the best trading strategy that is out there, bar none. I would say that the second best is probably just selling naked puts that is an extremely effective strategy. You don't have the same kind of time opportunity. And also, I think that you can make a little bit more with this strategy, but overall, that is a far more stable.
Strategy, slow, incremental returns. And what I would recommend is that you do both. And in fact, in our service, I offer a naked put strategy for people that if they want to do that on the side, I show complete examples strategy, everything. And I also provide my own naked puts that I'm playing in the market, and they can follow those, or they can do their own.

We have our own watch list, et cetera. So, it's all in there. All right. So that's it. Hey, thank you. Thank you very much.

And we'll take it from here. We'll, like I said, we'll be doing more of these presentations on Tuesdays, Thursdays, and during the week, I hope you all have a great rest of the week. We'll see you tomorrow for the next 0DTE trade. I think it's going to be a good one. All right. Take care.

Peace to all of you. Where's that off button.