

# Comparison of 0-DTE Alert Services

[00:00:00] 3, 2, 1 live man. I've got that down. How ya doing friends, Ernie here. Or do I have it down? There it is. Let's start over again. Three, two, Nope. Wrong finger. 3, 2, 1 life. How are you doing friends Ernie here? And this is the zero dash DTE podcast. That's zero days to expiration. That's right. What we do is we trade options on the S and P on the very last day of expiration.

[00:00:46] This is episode number 63, and today we're going to do a comparison. Zero DTE strategies and services and how we are different from everybody else. In fact, we are so different that one might even say that we are the exact opposite of every other zero D T E online service that's out there. Now, first, what is this all about?

[00:01:17] What it's all about is what most traders are looking for. And that is a true edge, a way to trade the markets, where they feel like they have the upper hand, that they're going to make profit, that they're going to grow their account and trading particularly day trading is so elusive for, so for so many people, we all have heard the statistic.

[00:01:45] Upwards of 90, 95%, some even say 98%. In fact, there is a study of over 350,000 traders day traders that definitively show long-term study that 98% of all day traders eventually lose money. Why do people keep on coming back, looking for what they think is that holy grail of trading. There's technical analysis.

[00:02:15] This Elliott wave is Fibonacci. This price action. There are candlesticks and all these different strategies you can use these indicators, Mac D RSI stochastic. It goes on and on moving averages. You just can build up your chart until it is so

[00:02:35] What's the best work polluted. With indicators thinking that you now have the world by its balls, you are the trader extraordinary with all this power yet you still lose. So along comes this. Relatively obscure, a strategy called zero DTE playing on a very specific event that happens in all options contracts.

[00:03:07] And that is the very last day of an options contract with something very special happens. That is the day where premium completely decays. So all the extrinsic value of an option gets depleted. And disappears. And you only have, if there is any intrinsic value or no value in that option left. Now that is a very important day for options traders.

[00:03:35] It is very important for people that go long on options, because they're always fighting against that day because that day is decreasing the value of their option. And they're trying to race against time to hopefully there. Contract its price will reach its objective. Prior to that day. Coming now, on the other hand, there are sellers of options.

[00:04:05] They are on the exact opposite side. They are what we call feta positive time is on their side TA uh, um, it's on my side. I am not a singer, sorry for butchering that fantastic song by the rolling stones. But the option seller has been shown to be from a efficacy point of view from the, from their strategy point of view, the trader or the entity that will win more often than the long strategy.

[00:04:41] And options in general, give you way more flexibility in how you can develop strategies and using these properties of options, the premium decay, feta, and all the Greeks, all that stuff are complex to some degree. And for that reason, out of. Or perhaps not as accessible to most day traders who want simplicity.

[00:05:10] It's hard enough just to make any money at all, but to complicate it with the leverage and power and complexity of options and all the different strategies that you could put on, it's very difficult. However, there is a strategy that's coming along that tends to simplify a lot of that. Tears away all the complexity and focuses on just one very specific moment in the history and the life of that option.

[00:05:38] The last day of expiration, where people have found an edge and that edge essentially is the during higher volatility times or most times about 85% of the time. The premium on an option is overstated, or I should say the volatility of an option is overstated and therefore the options are overpriced.

[00:06:03] And so people that are trading this strategy are going with that idea that they can sell that premium that is overpriced, and people will buy it. And they have that edge. The problem though, is that most of the other strategies that are out there. All follow, basically the same formula because of the inherent difficulty of options, trading and day trading in general, the originators of some of the more popular strategies around Zero DTE decided to take a very high probability route.

[00:06:43] Create a strategy where they would use spreads that were five deltas. Now, what that means is it's a very high probability trade that is supposed to have a 95% probability of winning. Now you gotta be very careful when you

start talking about probabilities and, statistics on options, because it can be very. Just because it says that there is a 95% probability of winning does not mean that your life is going to be Nirvana when you're in that trade.

[00:07:17] In fact, that trade going on 95% probability of profit, what comes with that is a necessary pain that you must go through where you will be put into an unrealized loss. The likes of which you have never seen before and may not be able to handle. And likely will probably bail before seeing that trade come to its fruition.

[00:07:51] So what they do, what most of these strategies do is they use an iron condor, and an iron condor is made up of two credit spreads. And what they'll do is both of those, they'll have a call and a put credit spread and. Put them way, way out of the money. What's called a five Delta spread and the characteristics of a five Delta spread is that yes, you will have a 95% probability of profit.

[00:08:18] So they say, however, your risk will be tremendously large. The other problem is that you're going to have something called gamma risk, and that is this profit curve. That is a dome. Imagine being up on the top of, oh, like a weather radar dome, this big, huge dome and you're standing up top and.

[00:08:43] You're right at the very center and you want to see just how stable you are up there. And you know that if you take a step forward or step back to the left or the right, all of a sudden, you're going to be on the descending part of that dome. And you're sitting up there a hundred feet up in the year and it's going to feel like, hell, you're going to feel like you're going to fall off that dome.

[00:09:01] That is exactly what it's like to be in a, an iron condor trade. That is five Delta where you put it in center, right on at the money you're sitting on top of that dome. And when price goes a little bit down or a little bit up, you immediately go into a loss, an unrealized loss, but a loss. Nonetheless. Now there's so much that you can take.

[00:09:30] And for a while there it's tolerable, but it can get to the point where now, your potential profit might only be X, but your max loss can be 10 X and very quickly with price. Just moving a little bit to the left, a little bit to the right, even though you're still under that 95% probability tent, you could be down four or five times the potential profit that you're hoping to make.

[00:10:02] That is incredible pressure. So. What people do with this strategy is they want to fix that. They want to fix that feeling that you don't feel that

distress for too long, that when it gets too bad and you're challenging those wings of that iron butterfly or that iron condor

[00:10:25] that you get. You get out of it before it gets too bad before you get too far on the edge of that dome and feel like you're going to fall off and die. So they'll put stops. Now, this is the crazy part. They put stops on an options strategy. Now this gets worse and worse as time is going on because that dome is getting deep, more and more pointy and pointy as time goes on and it's getting worse and worse.

[00:10:51] And if you don't stay right in the. In other words, if price manages somehow to stay right at the money where you put it on, then you'll be okay. But as we know, price never does that. It never does that. It moves all over the place. So, the chances are that you're going to end up in the middle of that dome are Milton.

[00:11:17] Particularly over these last few days where volatility has now jumped up into the upper twenties and the thirties on the VIX, we get daily moves where prices moving, 50, a hundred points. What do you think's happening with those people? Trading those zero DTE strategies. They're feeling a lot of pain. And in fact, that is there.

[00:11:46] Every trade they get into is pain. Sure. They can eat out small bits of profit, managed to stay, I guess, settled or stoic for a little bit. And hopefully they'll gain at least 50% of the premium that they're going after, and they'll get out quickly. They never really achieved that full amount of premium.

[00:12:09] So they're going for 10 times the risk and half of the premium to put it into real terms. They may putt on a trade where there's a thousand dollars of risk. \$50 of potential premium profit, but they only take half of that. They want to get out quickly so that they don't ride that wave fall off that dome and hit their stop and get a 3, 4, 5 times.

[00:12:39] Now a lot of traders, they will forego those stops because they think, well, it's going down, but I think it's going to come back. And so, they'll take the stop off for a bit, thinking that, well, I'm going for an impending loss. I don't want a loss. I want to win. So they'll take the stop off and they'll end up getting a max loss and wipe out weeks' worth of profits that they make sure they might make small profits here and there, trade after trade.

[00:13:04] Maybe 5, 6, 7, 8 trades in a row. And then all of a sudden, it's all wiped out with one trade because they achieve a max loss that now you may

wonder, man, if that's the life of a zero DTE trader, why would someone do that? Because they get placated for that those 8, 9, 10 trades where they're making small little wins and they feel like, man, I can't lose until they do.

[00:13:28] Now, what we did. At zero DTE. Remember I said that we're doing exactly the opposite of what everybody else does. What we do is we invert the whole risk equation. And instead of using an iron condor and going with the idea that you must put it at the money, we take reality into consideration. We use, first we.

[00:13:59] Using no technical analysis. Unlike a lot of these Aero DTE players, they are very heavy in technical analysis. We evaluate the market structure using volume profile and determine a direction and use butterflies and create an asymmetric trade following. A lot of the tenants that are laid out in some of the seminal works done by Nassim Taleb.

[00:14:22] A lot of our philosophy behind all this asymmetry skin in the game. Anti-fragile is all baked into our strategy where we take small risks to make potentially huge profits examine again, the exact inverse of what all the other zero DTE traders are doing. And so, what this does for us is that we are no longer managing risk because the risk is so.

[00:14:52] We are instead now in the enviable position of managing profit. That's what we're doing. And our losses are very small and almost inconsequential from now. Everybody talks about how the psychology is such an important part in. And one of the reasons for that is that most trading involves huge amounts of risk.

[00:15:22] People want to put on these high probability strategies, but with that, they're taking huge risk. And so that naturally puts them into positions where they are facing pending doom. In many cases, they want to use leverage to try to get ahead of the. And they go on tilt. It creates an incredible battle in their heads.

[00:15:45] It peaks their sensibilities. And for that reason, they need to find artificial ways to get control of their emotions, to weather these storms in order to try to make better decisions. But it's so tough and quite frankly, most. Most people fail their emotions, get the better of them.

[00:16:14] They suffer from FOMO, greed, fear, all of that comes to a head. And that is the number one reason why people are unable to make day trading

or any kind of trading work. However, in our strategy, all that fear and that stress is taken away, it's gone completely. We no longer must deal with the fear.

[00:16:38] And instead of managing our risk, which is akin to managing your losses or forgetting about profit, that's kind of a second thought. We're just trying to figure out how little we can lose so that hopefully we can win. That's what other people are doing. What we're doing is we're managing our profits without a.

[00:17:00] To, I shouldn't say without a care, but we always care about the losses. We want to make sure we're in the game enough times. And we have a strategy that assures that we're in the game an equal amount of time as these 95 percenters, but without any of the risk. So now we're not dealing with this headcase, this self-inflicted headcase that we put ourselves through.

[00:17:26] Instead we are calm. Collected able to make smart decisions because we're not under that duress. Not only that we are managing profits and our profits compared to what the other zero DTE players are doing are literally orders of magnitude bigger and we're using less. So, we're using less capital for much larger profits with zero stress, as opposed to using huge amounts of capital for a tiny little bit of profit with nothing but stress.

[00:18:13] That is the fundamental difference between what everybody else is doing in Xero DTE, and what we are doing here at zero dash DTE. That's it in a nutshell, go to the testimonials on our website, read those, read the stories behind these people. Come to my discord. There's a link below you can join for free and you can talk to traders in our service right there.

[00:18:43] Try out the service I give a four-week trial. It's a paid trial, but if you join, then I'll rebate the cost of that trial and you will get an education like you have never gotten before. Not only will you step into a completely different environment for trading one that is much more fulfilling, easy, calm, collected.

[00:19:12] Cool. Profit-making where we are. Making great decisions and have great outlook and edges piled up. Like you wouldn't believe the strategy is super strong. We focus on growth of our capital as opposed to trying to eat out small little pieces of income. When in the world has the market decided that it's going to give you a steady in.

[00:19:43] It doesn't the market is so unpredictable. So, what we do is we play on that by putting on asymmetric trades, we're putting on tiny little landmines and we're waiting for the market to step on our landmine. And when it does, we

collect the profit without stress. It's hard to imagine that how do you step on a landmine and no stress, but we're not stepping on the landmine, the market.

[00:20:13] But again, we're, a lot of what we're doing is playing off some of the seminal work that is done by Nassim Taleb in books, like the black Swan and skin in the game, which I treat T's about asymmetric, wagers, or asymmetric bedding, or how you live in an asymmetric world, which is a more realistic depiction of what the real world is like.

[00:20:37] Again, our strategy, low stress, low risk, huge potential profit, zero fear, and fantastic returns. In fact, our returns average 150 to 200% about three quarters of the time. And then about 10% of the time we're able to penetrate. That means that we go for the. Potential profit fair, where it could be 500, 800, 1500% return.

[00:21:12] And the other zero DTE strategies. You never have that opportunity at best. You're going for a 5%, maybe a 10%. And at the very outset of 15% return,

[00:21:24] that is so far and away apart from what we do. Where we're averaging, literally an order of magnitude more than that for a minimal return or what we call our average return without the stress and without committing huge amounts of cash out of our account.

[00:21:47] We have a few, people, I didn't think there was going to be anybody online watching me. Cause it's, you know, here it is. It's one 30 in the evening. And normally I do these podcasts right after. Our market session. But I didn't get a chance to do that today. And today was another winning day for us here at zero dash DTE.

[00:22:08] So I didn't, I wasn't, I always do my podcast live, live streams. And so I was not thinking that anybody would show up, but there's a few people out there. I think that they're all, probably overseas, right? So, we have James, accordion and he's saying good morning from the UK. And drew McNeely west coast for the wind.

[00:22:27] Okay. So, he's on the other coast. So, he's three hours behind I'm on the east coast and V Lee he's asked me he can't sleep tonight. I already, well, you gotta do it. You must do all right. So, I, hopefully I described, Zero dash DT is about if you'd like to try out the service, go to 0-dte.com/try that's, T R Y, and sign up for our four week trial.

[00:22:56] I don't mind if you go and check out these other services to go check them out, I'll even tell you who they are. I mean, it would be a waste of time. I've told you precisely what their service is about. In fact, most of our new members now are coming from those other services. Once they hear about what we do, Vili wants to know where a Bitcoin Bob is.

[00:23:20] Yeah. If you want to know what about Bitcoin Bob search Bitcoin, Bob on my YouTube channel. And you'll see what Bitcoin Bob is back there. I'll bring them out, sometime soon.

[00:23:32] I want to thank you guys. The few people that did show up here at almost two o'clock in the morning and we'll see you next time. Tomorrow is not a zero DTE day. It's a day off. That's another great part about trading the zero DTE strategies. We get Tuesdays, Thursdays and weekends off because we only trade on Monday, Wednesday, and Friday.

[00:23:55] It's fantastic. Great cadence. Just the perfect environment for a day trader. If you want to learn a strategy that will take all the stress away and where you'll start making consistent profits where you'll grow your account, come join us

[00:24:14] or the dogs. Okay. Yeah. And the dogs are fine, but they're asleep. Usually, one of them will come down around this time at night and want to go out. Bark at some coyote or something. But I haven't seen one yet. I'm expecting OB or, or NEMA to come down very soon. They're doing great. Thanks for asking.

[00:24:34] I've Ridgebacks so, all right, that's it for now. Thank you very much. We'll see you Wednesday. Take care and peace. Get a good night's sleep.

[00:24:48] What is that button? Even at night, I lose where the button is. There it is.