

PALOS

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Palos Weekly Commentary

Issue No. 51 | DECEMBER 20 2018

Options Corner

By Robert Mendel

Nice week we had, huh? The only real blue-chip stock to stay up was Johnson and Johnson, that is until it was reported they knew they had asbestos in their talcum powder, and oops, down we go 15% in 3 days. So, one person's itchiness is (is that what talcum powder is used for?) another one's opportunity. This is what I did: On Dec 17 with the stock down from \$149 and trading at \$127, I sold a Dec 28 125 put for \$1.77. If it works, it would be a 1.4% return in 11 days which equates to a 47% annually. Let's see.

Onto other things (I get bored easily). I mentioned that I have a covered play on Amazon where I was capped at 1525. Well today, with the stock at 1465, I bought back the December 1525 call for \$2.10 and sold the January 1525 call for \$48.00 thereby allowing me to lower my cost to \$1170. My plan is to keep rolling it.

Instead of giving you all the plays I did which would take me awhile, I figured I would just cut and paste some action from the account, so you can see for yourself on the following page. I am sure you will have questions so fire away...

Remember this is uncle Rob talking so please listen... The only way to survive this market is to make sure you leave some powder dry as they say... Until next week...

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Options Corner cont.

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★ PM190111P67.5	Filled	Sell	1.350
★ NIO190118P7	Filled	Sell	0.850
★ NIO181221P7	Filled	Buy	0.500
★ NIO190118P8	Filled	Sell	1.610
★ NIO181221P8	Filled	Buy	1.500
★ NVDA190215P175	Filled	Sell	40.500
★ NVDA181221P175	Filled	Buy	38.850
★ TJX190118P45	Filled	Sell	3.140
★ TJX181221P45	Filled	Buy	2.900
★ JPM190111P102	Filled	Sell	7.100
★ JPM181221P102	Filled	Buy	5.750
★ INTC190111P48	Filled	Sell	3.350
★ INTC181221P48	Filled	Buy	2.900
★ IBB190125P98	Filled	Sell	6.300
★ IBB181221P98	Filled	Buy	4.600
★ GWPH190118P125	Filled	Sell	23.000
★ GWPH181221P125	Filled	Buy	22.267
★ GS181228P177.5	Filled	Sell	9.500
★ GS181221P177.5	Filled	Buy	9.000
★ GM190201P36	Filled	Sell	2.836
★ GM181221P36	Filled	Buy	1.970
★ FDX	Filled	Sell	161.150
★ FDX190719P210	Filled	Sell	49.884
★ BA190418P300	Filled	Sell	19.600
★ BA190215P300	Filled	Sell	14.800
★ BA190104P325	Filled	Sell	16.500
★ BA181221P325	Filled	Buy	12.700
★ BABA	Filled	Sell	134.370
★ BABA190201P170	Filled	Sell	35.800
★ BABA181221P170	Filled	Buy	35.600
★ AMZN190118C1525	Filled	Sell	48.000
★ AMZN181221C1525	Filled	Buy	2.100
★ AMZN190118P1500	Filled	Sell	100.000
★ AMZN181221P1500	Filled	Buy	50.450

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