

STRADDLES

In PowerAnalyzer service, we provide you with the unique capability to customize your search for the best Straddle.

By clicking on the drop down windows, you are able to see the choices available for your customize searches (this feature is available only in on-line version of this manual and not in pdf format.)

Set Underlying Price Range					
0	<	Stock	Price	<	1000
Select Volatility and Time					
1 Day Implied Vol.	>	AND	Number of Days to Expiration	<	75
Primary Criteria					
Estimated Profit/Loss	>			>	0
Secondary Criterions					
Probability of Success	>			>	50
0	<	Option Prices		<	1000
Customize Your Report					
Sort By			Sequence		
Prime Criteria	>			Descending	>
Search			Reset		

PARAMETERS

SET UNDERLYING PRICE RANGE.

- Select Underlying Type (Stocks or Index are your only 2 choices)
- Set Price Range (10 < Stock < 100 Stocks between \$10 and \$100)

SELECT VOLATILITY AND TIME.

- Select Volatility to be used in calculations (default is 1 Day Implied Volatility, but you can change it to 5 Days, 20 Days or 100 Days Statistical Volatility.)
- Number of Days to Expiration defines, which expiration months will be used.

PRIMARY CRITERIA. CHOOSE ONE OF THE FOLLOWING FIVE. "ESTIMATED RETURN" IS ALWAYS A SAFE CHOICE.

- Estimated Profit/Loss – Profit/Loss weighted by probability of each Profit/Loss happening
- Estimated Return – Estimated Profit/Loss as a percent to investment. Investment is the total price of the put and the call combined.

SECONDARY CRITERIONS.

- Probability of Success – Probability that Profit would be greater or equal 0. Set the Probability that you required,
- Option Price – Set the price range for the Options.

CUSTOMIZE YOUR REPORT.

- Sort By – Defines the field that final Report will be sorted by. "Prime criteria" is usually your best choice, since that is what you selected for your Primary Criteria.
- Sequence – Ascending or descending sort

The output below is that of a "Straddle Report" generated using the default criteria, except the "Primary Criteria" was set to "Estimated Return." The "Probability of Success" was set to 50% (the default.) Note that the output includes a printout of all of your selection criteria before giving you the individual straddles that it has found.

Users of this report, please be cautioned that a computer analysis does not know if a company has agreed to a takeover offer and if the drop in volatility is caused by this change. We do a great deal to avoid these stocks, we can miss the announcement of merger or acquisition. Users must always do further "homework" after seeing the items on this list to ensure that 1) the indicated option prices are accurate at the current time, and 2) that there is not some fundamental reason, such as a takeover, why these options appear to be inordinately cheap. Remember that something that looks "too good" is probably not real – there is no free lunch on Wall Street.

Finally, any individual straddle shown below can be analyzed with the instructions given on the first few pages of this user guide.

STRADDLE REPORT.

Set Underlying Price Range

0 < Stock Price < 1000

Select Volatility and Time

1 Day Implied Vol. AND Number of Days to Expiration < 75

Primary Criteria

Estimated Return > 0

Secondary Criterions

Probability of Success > 50

0 < Option Prices < 1000

All data is as of closing on Friday, 07/31/09 .

Copyright © 1996 - 2009 EzTrade.com All Rights Reserved

Nbr.	Symbol	Description	Est. Return	Stock Price	Exp. Month	Strike	Call Price	Put Price	Prob.	1 Day Impl V.
1	NURO	NEUROMETRIX INC	336.46	1.88	09/19/09	2.5	0.2	0.85	76.47	404.47
2	PVX	PROVIDENT ENERGY TR	153.68	4.98	08/22/09	5	0.15	0.25	75.1	105.18
3	NCOC	NATIONAL COAL CORP	153.14	0.95	09/19/09	2.5	0.15	1.8	59.16	513.88
4	MSCS	MSC SOFTWARE CORP	141.17	7.32	09/19/09	7.5	0.15	0.35	74.55	55.72
5	PLUG	PLUG POWER INC	125.31	0.79	09/19/09	2.5	0.1	1.85	60.6	518.44
6	HRP	HRPT PPTYS TR	115.57	4.82	09/19/09	5	0.25	0.55	70.51	116
7	ALSK	ALASKA COMMUNICATIONS SYS GR	104.31	7.41	09/19/09	7.5	0.4	0.45	69.31	78.55
8	CBLI	CLEVELAND BIOLABS INC	89.19	4.81	08/22/09	5	0.3	0.5	67.02	157.51
9	BBI	BLOCKBUSTER INC	84.97	0.73	09/19/09	2.5	0.05	1.85	61.41	487.12
10	SPSS	SPSS INC	81.46	49.48	09/19/09	50	0.2	0.7	66.57	11
11	VM	VIRGIN MOBILE USA INC	81.16	1.91	08/22/09	5	0.25	0.25	66.1	95.13
12	GIGM	GIGAMEDIA LTD	77.02	4.88	09/19/09	5	0.35	0.55	64.21	106.82
13	ABK	AMBAC FINL GROUP INC	76.1	0.75	09/19/09	2.5	0.05	1.85	60.4	474.09
14	MFA	MFA FINANCIAL INC	75.98	7.4	09/19/09	7.5	0.35	0.4	65.06	60.36
15	ISLN	ISILON SYS INC	74.99	5.21	09/19/09	5	0.7	0.4	61.32	119.32
16	SIFY	SIFY TECHNOLOGIES LIMITED	69.87	1.81	09/19/09	2.5	0.2	1.1	58.46	284.17
17	BBW	BUILD A BEAR WORKSHOP	68.34	4.75	09/19/09	5	0.25	0.75	63.11	114.72
18	VRS	VERSO PAPER CORP	68.27	1.72	09/19/09	2.5	0.35	1.1	56.21	308.41
19	XING	QIAO XING UNIVERSAL TELEPHON	66.97	2.23	09/19/09	2.5	0.15	0.55	62.43	158.91
20	ALU	ALCATEL-LUCENT	66.88	2.76	09/19/09	2.5	0.4	0.15	58.51	106.19