DISCLAIMER: Stock, forex, futures, and options trading is not appropriate for everyone. There is a substantial risk of loss associated with trading these markets. Losses can and will occur. No system or methodology has ever been developed that can guarantee profits or ensure freedom from losses. No representation or implication is being made that using the information in this special report will generate profits or ensure freedom from losses. Risks also include, but are not limited to, the potential for changing political and/or economic conditions that may substantially affect the price and/or liquidity of a market. The impact of seasonal and geopolitical events is already factored into market prices. Under certain conditions you may find it impossible to liquidate a position. This can occur, for example, when a market becomes illiquid. The placement of contingent orders by you, such as “stop-loss” or “stop-limit” orders will not necessarily limit or prevent losses because market conditions may make it impossible to execute such orders. In no event should the content of this correspondence be construed as an express or implied promise or guarantee that you will profit or that losses can or will be limited in any manner whatsoever. Past results are no indication of future performance. Information contained in this correspondence is intended for informational purposes only and was obtained from sources believed to be reliable. Information is in no way guaranteed. No guarantee of any kind is implied or possible where projections of future conditions are attempted.
Introduction

Trading options can be risky. But even beginning traders can dramatically reduce the risk level on any given options trade by examining this pre-trade checklist before placing an options trade.

Many beginning traders think the key to succeeding in the markets is picking winners at a good rate or trying to find some “secret system” that will give them an edge. But experienced traders know the key to succeeding in the markets comes down to reducing risk.

For that reason, I urge you to study this pre-trade checklist before placing any options trade.

NOTE: If you’re not sure what any of these terms mean, don’t worry. I’ve also given you complimentary access to my top-selling training guide – Simple Options Trading For Beginners. This training guide and video explains everything you need to know about trading options in plain English.

Here is the checklist, which you may want to print out and keep next to your computer…
The Safe Trade Checklist For Options Traders

#1: Is open interest at 100 or above?

Note: You can find more information on the concept of open interest on page 66 of *The Simple Options Trading For Beginners* guide.

#2: Is the bid-ask spread less than 10% of the bid?

Note: If this concept is unfamiliar to you, review the section starting on page 42 of *The Simple Options Trading For Beginners* guide.

#3: Are you placing the trade 15 days (or more) before Earning’s Announcement?

Note: Because prices can jump wildly in the days leading up to earnings announcements, it’s usually safest to avoid placing a trade 15 trading days prior to a company’s scheduled earnings announcement. Unless of course you are using a trading strategy specifically designed to be used with earnings announcements.

For more information on different options trading strategies, review page 41 of *The Simple Options Trading For Beginners* guide.

Be sure to watch your email for more tips on how to get started with options trading.

Good trading,
Bill Poulos