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Checklist

The Safe Trade Checklist For Options Traders

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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

