



**Your Guide to Earnings Related Volatility Crush**  
with Don Kaufman

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# HOUSEKEEPING!

**This is a skill set and you need pay attention during the following course material.**

- Shut the door
- Turn off Skype, chat, or whatever else is distracting you
- Close Facebook
- Phones on silent mode
- Kick out the kids, grandkids, etc.



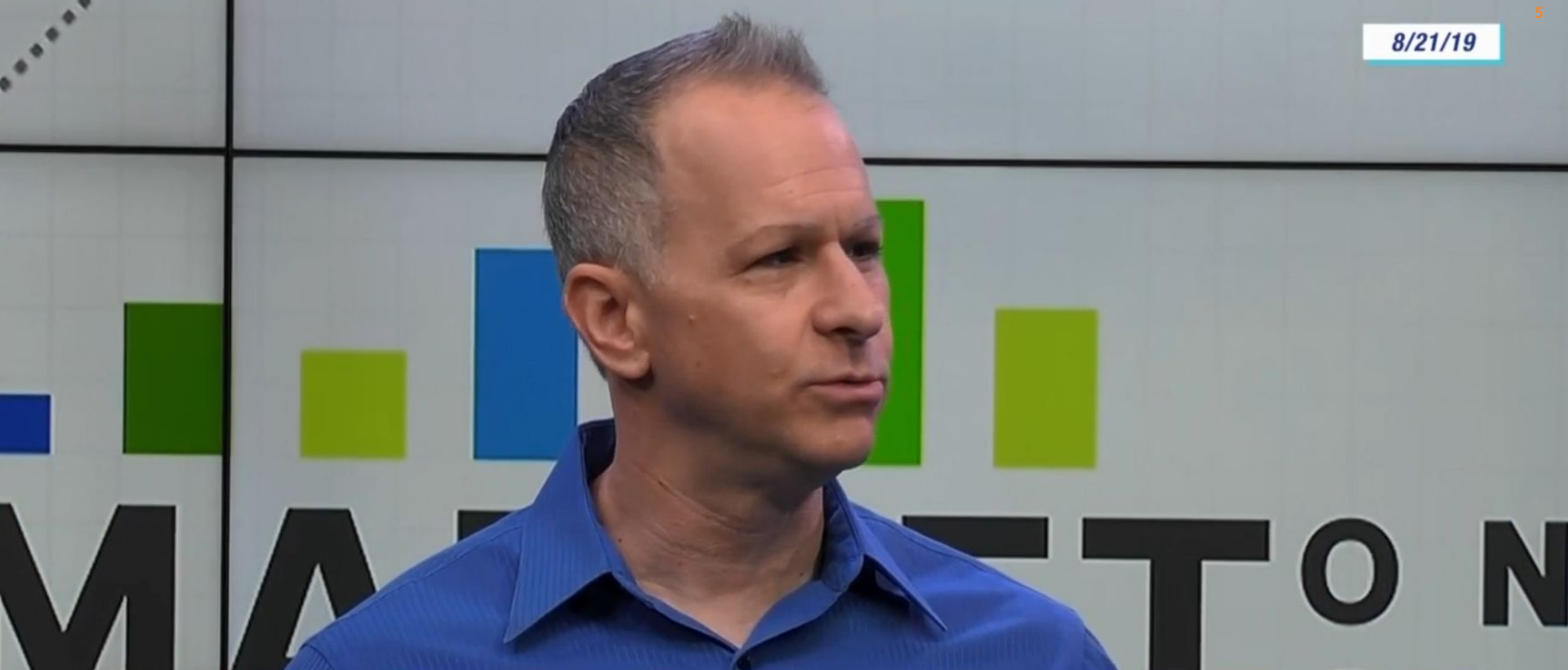
**You took the time to be here... this is important, now focus on being here!**

# I WATCHED ORDER FLOW FOR 15 YEARS... THAT'S WHY I AM HERE

- I grew up around traders and started trading in the late 90's.
- I went on to work with thinkorswim and TD Ameritrade from 2001 to 2015.
- In that time, I built and ran education for both firms, more importantly had access to the largest retail order flow in the industry.
- What's watching order flow? Well... that means I had access to everything you did.
- We studied trades and we know what works and what does not.
- What you learn here comes from watching billions in others mistakes and the knowledge of what works best for retail traders.
- **Don Kaufman - [Support@theotrade.com](mailto:Support@theotrade.com)**



8/21/19



TGT

102.51

+16.98 +19.85%

Y/Y EPS: \$1.82 VS \$1.47 LAST YEAR

**TD** Ameritrade  
NETWORK

/ES

2923.75 +0.88%

/YM

26187.00 +0.99%

/NQ

7734.25 +0.86%

/RTY

1511.20 +0.99%

MARKET OUTLOOK / B6

 **Uptrend Under Pressure**

LEADERS & SUCCESS / A4

**Ben Bradlee, Legend**  
Famed journalist Bob Woodward opens up about his former boss

INTERNET & TECHNOLOGY / A5

**IPOs Look To 2023**  
A "perfect storm" of headwinds crippled 2022's public offerings

THE NEW AMERICA / A6

**Mobileye's Second Act**  
Founder Amnon Shashua locks in pragmatic new revenue streams

INDUSTRY SNAPSHOT / A8

**Natural Gas Overflow**  
Russia's war in Ukraine boosts production, maybe by too much

# IBD WEEKLY

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## Wringing Profits In A Sour Market

Savvy investors used short-selling, options and bonds to prosper in a rocky year



**"This has actually been the best year I've had since the financial crisis of 2008..."**



BY KATHLEEN DOLER  
INVESTOR'S BUSINESS DAILY

**T**his past year humbled even seasoned investors. Bonds went down with stocks, which goes against standard investing theory. And the value in value investing was hard to find. Dividend funds and stocks did better than most, but many still posted painful losses.

That's the whiny tune we've all heard for months — investing in 2022 was a hellscape.

Or was it?

If you used 2022's market volatility to your advantage — investing in energy stocks, trading options, short selling stocks, buying U.S. bonds and, late in the year, buying Treasury bonds —

In trading, as in life, perspective is everything.

"This has actually been the best year I've had since the financial crisis of 2008," said Don Kaufman, an active investor, short seller and chief market strategist at TheoTrade, a trading education site.

What's more, Kaufman added: "You could see this one coming from a mile away." The Fed started signaling that it would raise interest rates long before it did it, says Kaufman.

Investors have been sharing 2022 tales of triumph and woe with IBD. As this topsy-turvy investing year comes to a close, it's time to study survival strategies and glean lessons. Who did well and why?

And as the bear ran through some portfolios, eating away



# THIS IS WHY YOU ARE HERE!

**By the end of this webcast, I want you to walk away with the following knowledge:**

1. Discover volatility crush, expected move, and how to use it around earnings.
2. Learn how efficiency in the markets can benefit retail traders and use this advantageous resource in all aspects of your investments; retirement accounts, cash accounts, futures trading and more!
3. Learn what Weekly's strategy can take minimal risk and produce astonishing returns surrounding predicable or manipulated movements.
4. Discover a unique method you can use surrounding earnings announcements.



# PRICE MOVEMENT DEFINED...

- As stocks move traders/investors alike can measure those movements after the fact by what is termed historical volatility.
- Historical Volatility – the annualized standard deviation of PAST stock price movement!
- Effectively historical vol tells you the rate at which a product is “actually moving” based on previous days and/or weeks of data.



JPM 9 M 1D [NYSE] D: 7/9/24 O: 205.63 H: 208.78 L: 205.45 C: 208.76 R: 3.33



HistoricalVolatility (20, Annual) 0.199515



# A MARKET OF FORESIGHT

- Looking back is great and provides plenty of insight... if only we could produce foresight in the markets. Enter Options Markets!
- Most view options as the ability to “take a shot” be bullish or bearish and not have to trade the stock... but there is so much more!
- We view Options as placing a price tag on risk and future moves within a given stock!



# OPTIONS ARE YOUR FUTURE!

- Why is an option trading for \$3?
- Embedded in options pricing is the IMPLIED future move of a stock!



**If we know what to look for in the options marketplace, we can determine how far a stock or index product can move within a given period!**

**Why are YOU not using this?  
YOU NEED TO GET IN THE KNOW OF  
WHAT IS EXPECTED!**



## “GET IN THE KNOW”

- You may not know where markets are going but you CAN measure how far the markets can move within a given period.
- This “normal” fluctuation is what we term “**Expected Move**”.

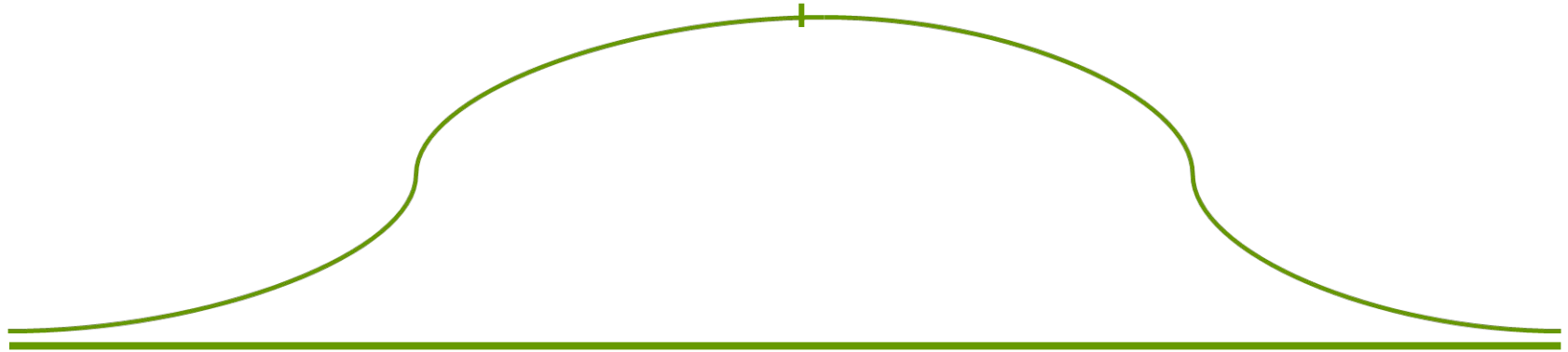


## WHAT TO EXPECT WITH EXPECTED MOVES

Expected Move does NOT tell us which way the markets are going to move but DOES tell us the approximate movement an equity or index product is likely to encounter within a defined period.



# VOLATILITY, MOVEMENT, AND EARNINGS



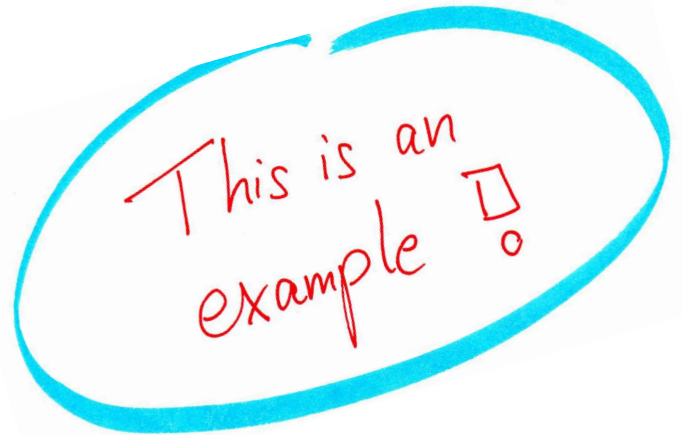
# EXPECTED MOVE AND PROBABILITY

- Expected move defines a one standard deviation move (68.3%) in a given underlying.
- Therefore, there is a 68.3% probability of an underlying closing inside of the expected move by the designated expiration.
- Expected move is a probability of expiring inside a given range by a specified date.



## EXPECTED MOVE EXAMPLES

Let us evaluate a several short duration “Weekly” expected moves and make SURE you now know what it is we are looking for...



This is an example!

# WHY EXPECTED MOVE MATTERS!

- Expected move is not based on some line drawn on a chart or a figment of a trader's imagination.
- Expected move is based on billions of dollars at risk within a LIVE market and produces astonishing results.



# CAN EXPECTED MOVE KNOWLEDGE HELP PROVIDE A TRADABLE EDGE ?

**You ain't seen nothing yet...**



# APPLICATION OF EXPECTED MOVE

- Our knowledge of expected move became apparent in the SPX (SP500) and index products many years back however, the growth of **algorithms and computerized trading** has created this definitive “expected” edge in stocks as well.
- Earnings announcements bring **HEAVY** trading volumes into options markets... those heavy trades create a solid expected moves.
- **Stocks adhere DEEPLY** to expected moves surrounding earnings announcements!

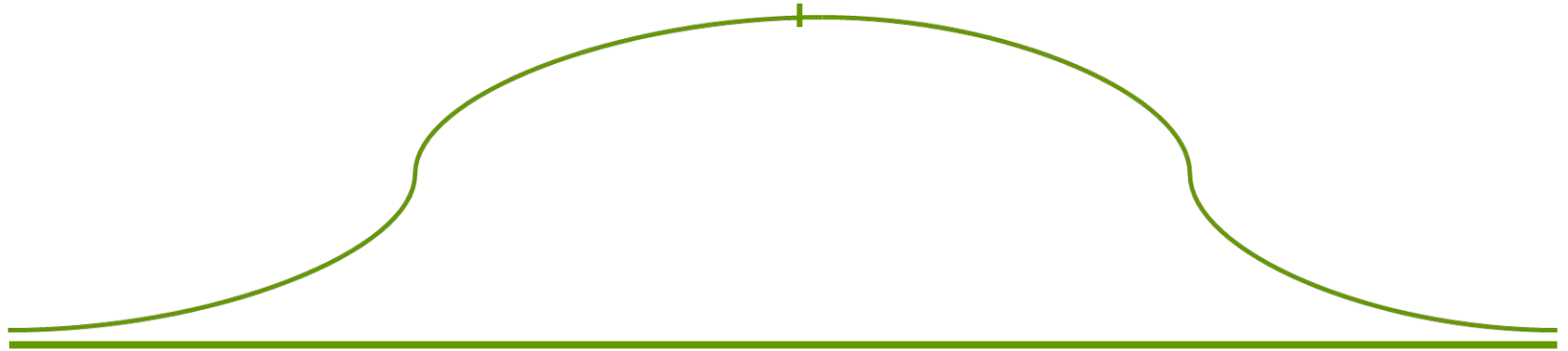


# POSITIONING YOURSELF AROUND EXPECTED MOVES

- Let's get down and dirty; how do you position yourself most effectively around these earnings expected moves **WITHOUT** absorbing large amounts of risk?



# CRUSH TRADES EXPLAINED



# THIS IS WHY YOU WANT TO USE EARNINGS CRUSH TRADES...

1. Highest rate of return surrounding earnings announcements.
2. Extremely low upfront cost and overall risk!
3. Never need to buy or sell the stock!
4. Provides a consistent earnings trade without having to continually monitor markets or the stock.

**YOU NEED THIS IN YOUR LIFE!**



**Earnings Crush Trades give YOU the power to trade MASSIVE stocks around earnings with mere pennies at risk...**



**...and if you want Trading Alerts, Inner Circle with LIVE Alerts is [HERE!](#)**



# INNER CIRCLE STARTS JULY 18TH!

- Inner Circle will consist of 24 highly detailed weeks of in-depth discussions above and beyond ANY TheoTRADE archived material!
- **3 LIVE trades per month will now accompany Inner Circle**
- Xmas Trees, Inverted Catapults, **Earnings Crush Trades**, to Funky Ratio and Infinity Spreads...
- Trading ideas the likes of which many TheoTRADERS have never known!



# BEEN THERE DONE THAT? NO, YOU HAVE NOT!

- Don is going where no TheoTRADER has gone before!
- Inner Circle is changing! I am reducing some of the theory and adding more strategy.
- Strap in as we discuss:
  - in/out spreads and tweaks
  - earnings trades
  - funky ratio spreads
  - Xmas trees
  - VIX volatility spreads
  - Catapults beyond your wildest imagination...



# INNER CIRCLE AND THEOTRADE 2024 LIVE EVENT

- Inner Circle Instructor: Don Kaufman
- Assisted by Todd Sweet, Brandon Chapman, and Blake Young
- 24 Week Mastermind
- 3 trades per month – Email Notification
- **Unlimited Trading Horizons** - Scottsdale Live or Streaming Live Event - September (event is archived)

[Theotrade.com/IC](https://Theotrade.com/IC)

**\$3000**



*Join us for the*  
**THEOTRADE  
2024 LIVE EVENT**

**SEPTEMBER 12-14, 2024**

**"UNLIMITED TRADING HORIZONS"**

**THE SCOTTSDALE RESORT AT MCCORMICK RANCH  
SCOTTSDALE, AZ**

- Get out from behind your computer and meet the entire TheoTRADE team.
- Education, Food, Fun, Prizes, friendship in a luxury Scottsdale resort - What could be better?
- Yes, you can stream this event from the comfort of your home or mobile device, the event is recorded for ALL that attend live or stream.
- **But we want to see YOU LIVE in Scottsdale!**



# BREAK BREAD WITH THEOTRADE AND GUESTS

- Tom Sosnoff of tastylive
- Paul Kamhout of CME Group
- Tony Rago
- Blake Young
- Jeff Bierman
- Corey Rosenbloom
- Gianni Di Poce
- Brandon Chapman
- Don Kaufman



# BLAKE YOUNG

1. The Triple-Threat Trading System
2. The Money Flow Squeeze Strategy



# TONY RAGO

1. The Life Changing Power of One Simple Setup
2. DAY DONE! The Road to Daily Profits



# JEFF BIERMAN

1. Wall Street's Secret Weapon Can Be Yours:  
The Genesis Cog EXPOSED!
2. The Parachute Trading System
3. Don Kaufman vs Jeff Bierman - The ODD  
Trading Couple – Options Mega Geek vs  
Professor Chart Tweak, they say opposites  
attract!



# COREY ROSENBLOOM

1. Significant Profits In Sideways Markets
2. The One Pattern for Spotting a Trend



# GIANNI DI POCE

1. Become a Momentum Master in Minutes
2. Hidden Wealth in Secret Cycles



# BRANDON CHAPMAN

1. Surviving the Death of the Dollar
2. Big Money Magnets!



# DON KAUFMAN

1. Building Future Trading Concepts
2. All Skewed Up – A Traders Guide to Xmas Trees
3. Don Kaufman vs Jeff Bierman -- The ODD Trading Couple – Options Mega Geek vs Professor Chart Tweak, they say opposites attract!



# ACT NOW !!

- Live events ALWAYS sell-out!
- X factor this year, TheoTRADE is 3 times larger than previous years
- Early Bird Opportunity
- Strictly 200 people can attend LIVE



## INNER CIRCLE + SCOTTSDALE LIVE (OR STREAMING)

- Package DEAL people!
- Scottsdale LIVE is \$2,000 per ticket live or streaming
- Inner Circle is \$2,000 for 24 weeks
- Act NOW, \$3,000 includes Inner Circle + Scottsdale LIVE (or streaming)



# NOW IS THE TIME TO LEARN THESE STRATEGIES!

- Geopolitical events
- Election Year
- FED reducing Interest rates
- Recession?



# THEOTRADE IS A RISKLESS TRADE! 30 DAY MONEY BACK GUARANTEE

- Money back guarantee –if you are not satisfied in the next 30 days, email [support@theotrade.com](mailto:support@theotrade.com) and received a FULL refund.
- Money Back Guarantee Stipulations – there are NONE!
- No excuses, no questions, no commentary needed...  
just email us and ask for your money back!

