



GIBRALTAR ASSET MANAGEMENT  
STOCKBROKERS & INVESTMENT MANAGERS

## FTSE 100 Short Strangle Strategy

The objective is to sell front month out-of-the-money calls and puts on the FTSE 100, taking maximum advantage of “time decay” which falls the most during the last 30 days of trading. Strike prices are calculated using a combination of technical analysis and mathematical reference to the VIX, which indicates where the market thinks the S&P could finish based upon current volatility. Any option that is within 25 points of the strike will be rolled higher or lower for the same month.

**FTSE 100**      5725  
**VIX**            19.57

### FTSE 100 Call

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Recommended Option Series      December 6050 calls  
Price                                      8 points

*Rationale:*

This is 325 points (5.7%) above the current level and has the following resistance levels to break:

5875    two year high  
5909    upper bollinger band  
6000    psycologically important resistance point

### FTSE 100 Put

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Recommended Option Series      December 5100 puts  
Price                                      9 points

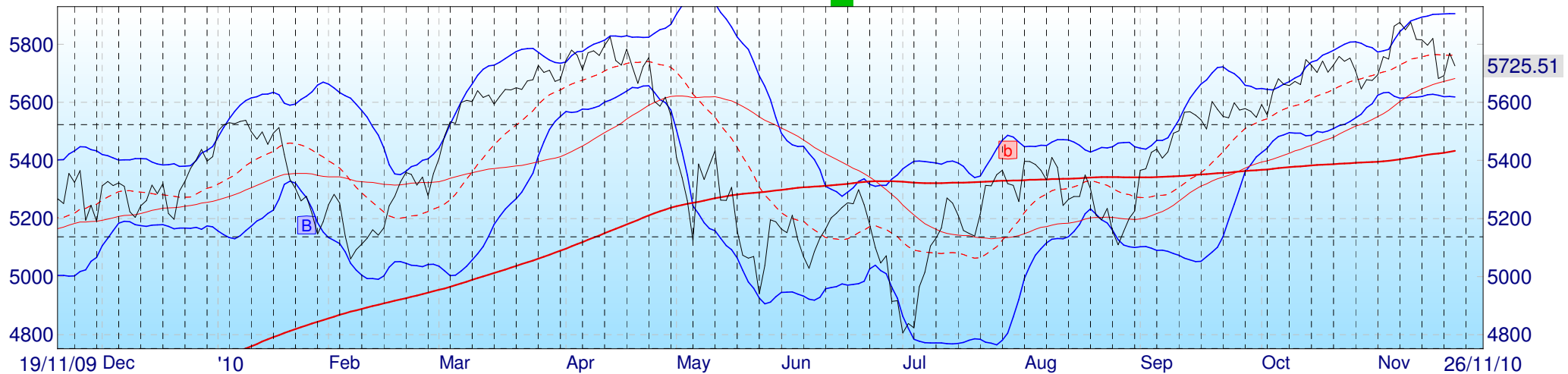
*Rationale:*

This is 625 points (10.9%) below the current level and has the following support level breaks:

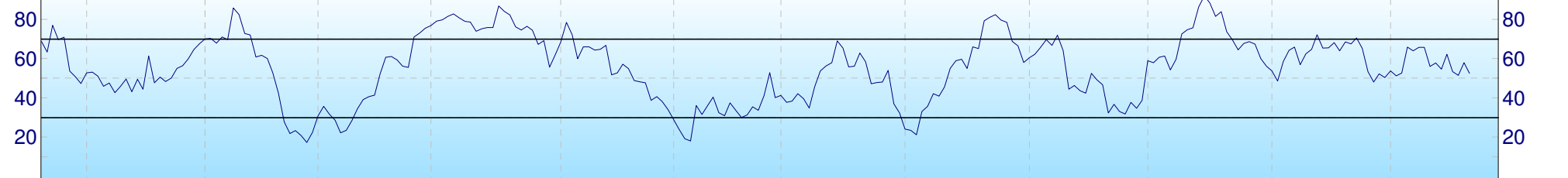
5685    50 day moving average  
5616    lower bollinger band  
5434    200 day moving average

FTSE 100 N

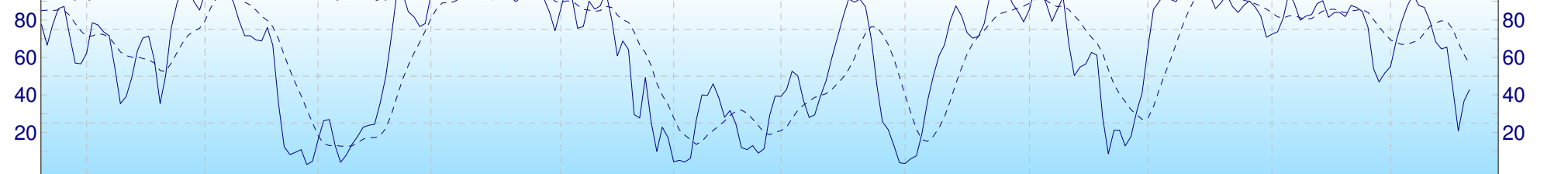
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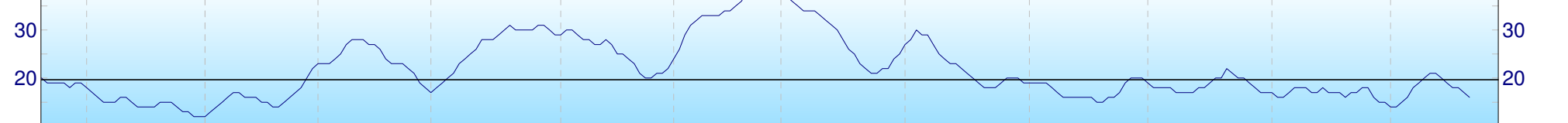
14 RSI (simple - Daily)



20(2)%K 9%D Stochastic Osc. (Daily)



14 ADX (Daily)



Volume (Daily) - M's

