



## 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**      5923  
**VIX**            16.96

### FTSE 100 Call

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Recommended Option Series      February 6250 calls  
Price                                      5.5 points

*Rationale:*

This is 327 points (5.53%) above the current level and has the following resistance levels to break:

- 5991 20 day moving average
- 6000 psychologically important resistance point
- 6060 two year high
- 6081 upper bollinger band

### FTSE 100 Put

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Recommended Option Series      February 5450 puts  
Price                                      11.5 points

*Rationale:*

This is 473 points (7.99%) below the current level and has the following support level breaks:

- 5893 lower bollinger band
- 5855 50 day moving average
- 5511 200 day moving average

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