



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**      6065  
**VIX**            16.72

### FTSE 100 Call

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Recommended Option Series      March 6350 calls

Price                                      7 points

*Rationale:*

This is 285 points (4.69%) above the current level and has the following resistance levels to break:

- 6103    two year high
- 6135    upper bollinger band

### FTSE 100 Put

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Recommended Option Series      March 5500 puts

Price                                      10 points

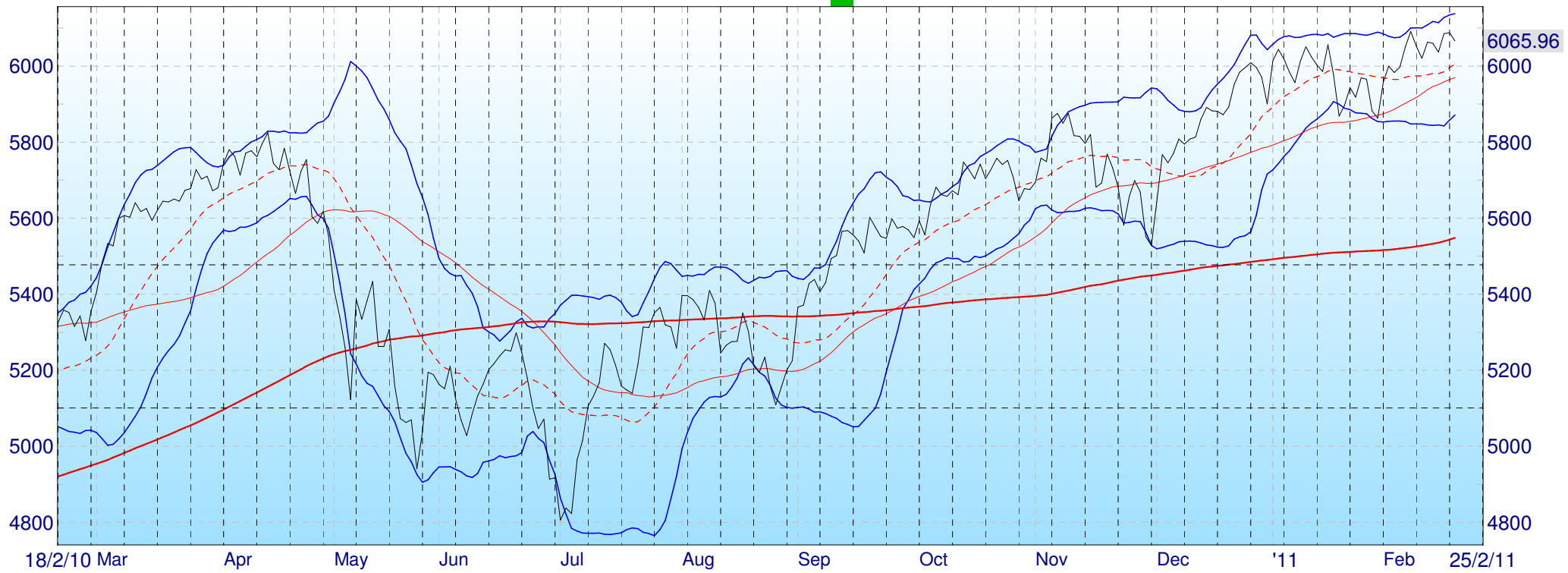
*Rationale:*

This is 565 points (9.32%) below the current level and has the following support level breaks:

- 6002    20 day moving average
- 5970    50 day moving average
- 5872    lower bollinger band
- 5550    200 day moving average

FTSE 100 N

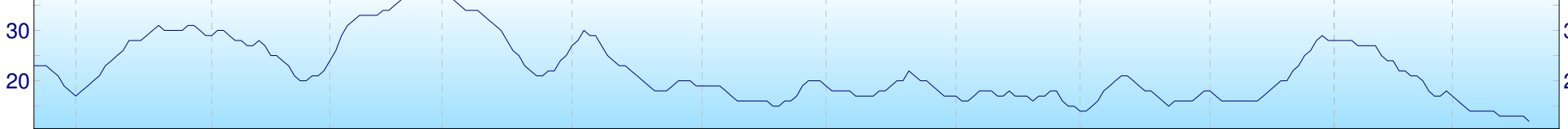
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14 RSI (simple - Daily)



14 ADX (Daily)



Volume (Daily) - M's

