

Ophir Gottlieb (00:00:00):

Disclaimers. The results here are provided for general information purposes. As a convenience to you, the viewers, the materials are not a substitute for obtaining professional advice from a qualified person, firm, or corporation. This is not a solicitation to buy or sell any security ever, and this is not advice. We're going to do a highlight reel of what we did in the past webinar, but first we're going to do an animation of the normal distribution. This was requested by someone in community. It was a very good request. So I'm going to ask you to do a little bit of a magic. I'm going to show you an animation with the bunch of balls I want you. They're all different colors. I want you to imagine each ball is like a single day stock return. So you're going to see a ball fall and you're like, oh, that's Monday, that's Tuesday. That's it for a year. So it could be a large positive ball. A lot of these make what we call the fat upside tail. Some of them could be large negative, so a lot of these would be like fat downside, tail.

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Usually they're near the middle, so usually it's like a day is like whatever. So remember that what we're looking for on a bullish speculation is these balls that are going to fall on the right hand side, and if we're doing a bearish speculation or a volatility speculation, we're probably looking for companies that have had a history of the second thing, like a large negative return. So I'm going to let the animation run. Again, think of each ball as a day of stock returns. This is going to be an animation of the normal distribution. Stock returns are not normally distributed. They're log normally distributed, but I hope this adds a little bit of meaning to those of you who weren't quite understanding. What do you mean by a distribution? So maybe this animation helps. So I'm going to do the animation. It's short. I'm going to tell you what we just saw, and then I'm going to do the 14 minutes review and then we're going to get into how to use trade machine. Okay, so here's the animation. Hypothetically, I push play and it works. Okay? Remember, each of these balls that falls down is one single day of soccer games.

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Every day stock returns. Some are way to the right. It's a big day, some are far to the left. It's a down day. Most are in the middle. It's kind of a whatever day. So every day we are plucking out a stock return for each stock. They're falling into one of these buckets. This happens to be normally distributed.

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What we're looking for when we're talking about the research that I'm going to present again with kurtosis is fat tails. So we're looking for things where instead of being evenly distributed on the right tail and the left tail, there's a lot more on the right tail, and these would be big stock returns. We're going to a lot more of these in the past for a particular stock or alternatively, alternatively, for we're looking for negative returns or volatility trades, we're probably looking for stocks that have a history of fatter tails out here. So you can imagine some of the balls over here getting borrowed and put here, some of the balls that are in the middle getting borrowed here when we're talking about skew rather than this symmetric distribution in the middle, we're kind of looking for distributions to the left or to the right. So that is my best attempt at trying to, I didn't create this animation. This is an awesome animation by something called G Board or someone maybe, but that was my best effort at trying to satisfy that request. Okay?

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Now it is time for the highlight reel. So I'm going to get out of this. I'm going to put a movie in front of us. Now you're going to hear 14 minutes of a 51 minute webinar that I did before. So you're actually going to be watching a movie even though I'm here live. So that's the best I could do because when I tried to do it myself to repeat it myself, I timed myself. It took 38 minutes. I don't want to do a 38 minute review, and I know a lot of you don't want a 38 minute review. So when I just cut up the movie

and kind of timed it, I got it to 14 minutes. So I think this is a good compromise. Before I get to how to use trade machine, I hope you feel that way too. I hope you don't feel like I'm wasting your time.

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I certainly worked pretty hard on this. So we're going to be talking about tail risk, talking about the risk of an extreme event occurring that could drastically change the value of a portfolio or investment. We then talk about something called kurtosis, which is statistically the tailored of the probability distribution. So tail risk is this extreme event or the risk of an extreme event. Kurtosis measures how much of that tail risk you have. Kurtosis is a measure of tail risk, specifically provides information about the tails and the sharpness of the distribution. It's a measure of risk or opportunity ultimately. So you can wipe out all the top bullet points, and I'm talking about a particular risk tail events. This is what PIMCO said, right? So one of the largest fixed income shops. So tail events are very rare in normal distributions and normal here we're not using the word normal colloquially.

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We're using it fundamentally as a definition. So what type of distribution? A Gaussian distribution. But in finance, they're much more frequent. So we see fatter tails, much fatter tails than people realize, but there's also the tail of the tails. So tail risk, and then the really edgy stuff in the tails, we're going to talk about that too. Okay, the tail of tails. Let's turn those words into pictures. Okay, so I'm going to give you two distributions. One is going to be in blue, dark blue. It's going to be the normal distribution, and the one that's in orange or gold or however you see that color is going to be a fat tail. So it would be what we would call larger kurtosis, the tailored, okay, so the next thing you're going to see is two charts, one on top of the other. Okay, so the blue one is normal.

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Okay, I'll just stop it right here. Remember I showed the animation of those balls falling where each day was a stock return. That's what this is a representation of where the blue one is, what we looked at in the animation, and I'm going to discuss the difference between the blue one and this gold one or orange one right now. Okay? The orange one is fat tails. What do I mean by fat tails? First of all, what are we looking at? The vertical axis up and down is the frequency of an event. So the events in this area occur very often. The most often for these two distributions. The events that occur over here or over here, they're lower on the vertical axis, they occur less frequent, but in the orange or gold distribution, the tails are bigger. These are the tails, right? So the likelihood or the frequency of a loss is much larger.

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This is the kurtosis. The frequency of a tail event is much larger and in particular in this one, same thing on the right hand side. The frequency, the frequency of an event is larger, right? This level is larger than the level down where the blue is. Okay? This is fat tail distribution, okay? So when I say kurtosis, I'm talking about the fatness of the tails, and when I'm talking about tails, I'm talking about events which happen less frequently. I'm going to take this image, you see, I'm just going to stuff it in the right hand corner. These are fatter tails that we looked at, right? I'll go back. These are fatter tails, but they're symmetric. You guys see that? They're symmetric, they're fatter here and fatter here. The same amount. So same size tails. This is the downside tail and the upside tail. So we can talk about kurtosis, right? We can talk about tail fatness, but we can also talk about the symmetry of it. What if we could find stocks where there were asymmetric tails? So for example, a bullish speculation, we would want the green but not the red. We'd want this, but we would want this.

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We'd want an asymmetry. We'd want the upside to be greater than the downside, or in a bear speculation, we would want the red, but not the green. We'd want this, but not this. Where the

downside is greater than the upside. That would be an asymmetry. So this combines the fatness of tails analysis, ketosis with asymmetry. So here's our third definition. S skew. Skew is a measure of asymmetry. So we have tail risk. It's the risk of an extreme event. We have kurtosis, which is the frequency of that extreme event, and then we have sku, which is the asymmetry in the context of stock performance. The skewness or the skew refers to the measure of the asymmetry of the probability distribution. And as luck would have it, there's two kinds of skew. There's positive skew and there's negative skew. So now let's talk about skew in images.

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I'm going to show you three different pictures. So this is one example of negative skew. You notice that the tail and everything's to the left hand side, there's no upside tail now, or here's positive skew. This is what people in standard would call the log normal distribution. This is stock returns because stocks can only go down to a hundred percent. There is no tail risk in a stock. It can go down to zero, but hypothetically, and we're being hypothetical now, a stock can go up infinitely. So that's positive skew, that's negative skew. If that picture didn't work for you, okay, that's okay. Let's try a different chart. That's one. Lemme try another one. This is what a normal distribution would look like. Normal meaning a Gaussian distribution, not normal in the colloquial sense, and as a positive skew leaning over here and there's a negative skew kind of leaning over here.

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Okay, so let's talk about it a little bit. Remember we said in a bullish speculation, want the green but not the red in a bear speculation, want the red but not the green. Then we started saying, well, gosh, what that means we kind of want an asymmetry maybe? And then so we said, well actually asymmetry has a name. There's positive. We would want positive skew and negative skew. So we're starting to get an understanding just at a high level what might interest us. I haven't proven that it does interest us. I'm just saying hypothetically it could interest us. So we refer to this green and red part as ketosis and we refer to the asymmetry, sku, proptosis and sku. That's what we're going to be talking about today, this chart and this chart, our research in the option space. Okay, just a quick reminder from that animation, remember those curves are formed by daily stock returns and then they pile up, however they pile up.

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And if there's a lot more of those on the right hand side, far out over there, we'd say that it's got right side ketosis, fatter tails on the right side. And if alternatively, if they pile up on the left side, we've got left side ketosis or downside ketosis, right? So those curves are representing daily stock returns. Just to make it not esoteric and very explicit, those curves are formed by daily stock returns is rather famed. And please check my background after this webinar when someone says our research is famous or we're published in certain places, check, I'm going to share with you ideas behind what we've discovered. The spirit, I'm going to describe it to you, the spirit, but I'm not going to share the exact algorithm. So we did some research, some groundbreaking research in 2016, and it was about pre earnings optimism. It's this idea that right before earnings, a certain group of companies tend to have this optimism that they're going to be earnings and the stocks just rise.

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It's not an earnings bet. The trade closes well before earnings, actually a day before earnings. You just ride this kind of optimistic wave and that research was very, very well read and some of the largest firms in the world published it on top of us and most didn't give us credit. Now, unfortunately, I cannot share it to you if it was privately sent to clients, but what I can share with you is what they did in public. So when I published the research on LinkedIn, some of the people at the firms weren't paying attention that they weren't logged in. And who were those firms? Goldman Sachs, BlackRock, BMO, Merrill Lynch

and Bloomberg. You can go onto my LinkedIn and you can see I'm not sharing anything that I can't share. So once bit and twice shy. So how do you verify the results I'm going to show you if I don't hand you the algorithm?

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It's a fair question. So what I can do for you is you can just do it in trade machine and I'll show you how to do it in a few minutes. Now, we've made our way all the way through this far. Now we're into results. So what I have done hopefully for you is motivated why we're talking about what we're talking about and now I need to motivate it further. Okay, seven more minutes. I can talk to you about a lot of interesting things, particularly in mathematics and statistics, which simply don't matter in finance because they've already been discovered. And my claim to you today is that this has not been discovered, but let me prove it to you. So you would do it through pattern finder or trade machine. Alternatively, you could do it through this webinar. I want to be very clear. I have not demonstrated that any of this matters.

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All I have done is demonstrated why it might matter. You could be saying that's true. I'd like fatter tails on the upside for bullish bet, or I'd like skew leaning to a positive skew or both hypothetically, it makes sense. It's a logical argument. You haven't proven it to me yet, and when I talk about it, I mean return distribution characteristics. I'm talking about the fatness of the tails. We can call it kurtosis and I'm talking about the asymmetry in the return distribution or skew if you like. So why does it matter? Why do return distribution characteristics matter beyond the sort of pedantic conversation of how distributions could work? So the first thing I'm going to do is motivate it with stock returns.

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Alright, before those things show up the last six minutes of this video, I'm going to kind of just insert my own opinion. What you are about to see possibly have seen before from us if we were on the webinar a month ago. This is an anomaly. This is a serious finding as we will demonstrate in about five seconds, it results in superior returns, it results in higher win rates. This is, forgive my crudity, this is not bullshit and I'm going to let the numbers speak for themselves. I just wanted to kind of get your attention. Alright, six more minutes and we're done with this video.

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If we took the constituents of the S and P 500 in 2018 and I said I want to see the average one year return for every stock in that group from June, 2018 to June 20, 23, 1 year return, every single stock in the S and P 500, the win rate, which is simply measured as were the returns positive or negative, was 59.4%. That makes sense. Stocks go up in general, in particular large caps, the average one year return was 10%. This is not me doing anything. This is observational. Then I said, well, what if we took a measure of kurtosis, which I'm not going to tell you exactly how we did it. It's not just the return distribution and I just said it was greater than one. This is already standardized for the normal and the average return went from 10% to 13%. The win rate went from 59% to 63.

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There was a 99.9% statistical significance. So what that means there is a one minus 99.9% chance that we would find these results as they are and that it would be random 0.1% chance, okay, let's say I said, hmm, that's interesting. What if I took, do you remember when I said the tail of the tails? Remember that the tail of the tails, what if I said the tail, the upside kurtosis? The net kurtosis was greater than three and again, for those of you that are statisticians, I'd be greater than six. It's relative to the normal. All of a sudden the win rates went from 63.1 to 63.9, the average return from 13% to 15% statistical significance rose. Now I'm only talking about the tails so far, right? I'm not talking about the asymmetry

of returns. I haven't talked about skew. Well, let's do that. Okay, I'm not going to go through everything, but here's the last one.

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If I said, well, what if I took the tail of the tails, I took the one year kurtosis, it was greater than three. I took the medium term skew, six month greater than one and the one year skew greater than two. So I took the tails of the tails and I took a signature win rate, went from 59% to 66% and the average trade went from 10% to 20%. Very strong statistical significance. So look, as we kept adding return distribution characteristics, how the win rates went up and the returns went up. Some other research that I just completed this week, but I'm not sharing in this webinar or on this video is that I took a look at a group of companies that are very non-growth. So I looked consumer durables, utilities, energy, sorry, minerals, non-energy and minerals that are energy. So four groups with market caps above \$3 billion large caps in what you consider low beta boring industries just to make sure that this thing we're looking at is not just picking up like yeah, these are growth companies. So these are the antithetical to growth companies. The five-year return average return in this group was 17%. When I imposed the same kurtosis and skew requirements, the 17% per year, this is per year went to 45%. 45% a year. So I did not force this into this video because it's only so many charts and tables I want to show. But this is when actually I was speaking to the chairman who is one of the grandfathers of modern portfolio theory, James Kaplan, who basically invented duration hedging and changed fixed income forever.

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When he saw that he was the one who pushed me to do it, that's when he said, look, I love him and he's been a great mentor to me and I dunno what my life would be without him, but he just got very serious and he said, he calls me kids sometimes even though I'm 47. He said, Hey kid man, he said, this is no bullshit. He said, you did it. So I just wanted to point out that there could be some questions here where people say, isn't this just growthy stocks? It isn't. Alright, let's keep going. So remember this. Remember when I said I have not demonstrated that it matters. All I have done is demonstrated why it might matter. Now for stocks, I have demonstrated that it matters. The trading strategy was a triviality. There's nothing special I did here. I checked the skew and kurtosis for each stock in the S and P 500 and if it qualified, I held the stock for a year and I did nothing else.

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It's the results that are not a triviality. So it wants you to imagine your win rates rising by about 10% with 99.9% statistical significance. And now I want you to imagine your day trading, your swing trading returns double. Just because I checked an annual holding period doesn't mean that we're going to do annual trades. So that's the takeaway for stocks. The strategy can be optimized, it was rather trivial. The results were not a triviality. This is a remarkable finding for stock traders. The ability to double your average returns and win rates go up about 10% is life-changing if it's sustainable? So it's a remarkable finding for stock traders and it should translate into truly remarkable finding for option traders because options are levered. I said first I would motivate it with stock returns, it being return distribution characteristics. I did that. Then I said I would motivate it with win rates on option trades, it being return distribution characteristics. Then I said I would motivate it with win rates and returns on successful strategies that already exist in trade machine. Now lemme prove it to you.

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We just did the benchmark. Now I'm going to show you a strategy that's in trade machine fade the dip. It's also selling a put spread but only when certain technical conditions are meant, okay? The win rates go from 60% to 75%. The average returns go from a loser to a winner and the statistical significance is through 32 decimals. Now I'm going to take a fade the dip and say I only want to do it in companies

where the skew is positive and the same kurtosis, the one year kurtosis is greater than one fade. The dip with tail dynamics, 17% returns. So what happened? Fade the dip is a winner. This is the immense value of trade machine as it exists currently. Current trade machine members, you've been getting a lot of value with this strategy, but fade the dip with skew and kurtosis is a bigger winner and this is the start of the immense value of trade machines upgrade. Just the start we've just begun and then I said I would motivate it with win rates and returns on successful strategies already in trade machine. I did that too. I showed stock, I showed three option strategies. I could have filled five hours with the strategies that exist in traders and how they've improved. This is the second time in my 25 year career that I've seen what can be called the statistical anomaly or even an aberration. An aberration is a departure from what is normal, usual or expected. This is remarkable. Remember the stock trading strategy that was a triviality could certainly be improved. The results were not a triviality. I'm going to gray that out for a second. I want to talk about the options.

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The option strategies were not a triviality, so trading machine tested strategies already. The results were also not a triviality. I want you to imagine now on your option trades, your win rates rising by about 10% with 99% statistical significance and imagine your average returns doubling or tripling. That's the option takeaway. These are the takeaways. A doubling or tripling over the long arc of trades.

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All right? Promised it would be short. That is a review for those who requested it of the return distribution characteristics that we discussed before we get into the platform, which we're going to do now, how to use trade machine, the rest of this webinars that. It's just how do you search and live q and a? I'm just going to tell you that no one can do anything other than convey their opinion to you about anything I'm saying I'm not talking about a physical reality, okay? Just mentally from distance, what you do or how that impacts your thought processes, how your intellect digests, analyzes, considers and then makes conclusions on that is very personal. It's how your brain is wired, how my brain is wired, it's all different. We would find no two people do that the same way I think I've said enough with regard to how unusual this is for some people who you don't do finance for a living, you actually work for a living.

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It's not so apparent. I've done this for a very long time and this is the third time I've seen something like this. It's the second time that I've seen it in stock returns. Alright, so the next thing I'm going to do, I practiced how to use trade machine, like how to do it myself and I kind of went down it boom little script and that took me like 48 minutes and I was like, oh my god, 48 minutes after they just did 14 interviews. I actually was in the video making mood so I took those 48 minutes and I took it into 18 minutes. So I'm going to show you how to use trade machine and now in an 18 minute video and then I'm going to go to live q and a and this is my best way to make up for time. We lost in the last video that was review while not essentially punishing you to have to watch a presentation that's too long.

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So this is now my me making amends for people who didn't really want to see a review. Okay, well then I'll do how to treat, how to use trade machine. I'll put a lot of effort into creating a movie that cuts out all of the hemming and hawing so you can enjoy a movie at that pace as well. So I'm going to do a movie, a video, how to use trade machine. This is how to use trade machine. That's it. And then we're going to get to live q and a and we'll open up the app when necessary. Okay, so if you're wondering, oh I don't fear, why are you doing videos in a live webinar? I'm trying to satisfy two groups of people and I don't think I can do it unless I do this and if someone has a better idea next time I'm all ears.

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So this is the back test tab and as it tells you, you enter a ticker in the top left corner, let's enter the ticker Microsoft across the top, you'll pick your back test length. If you click three years, you can actually see the dates fill in. You can also go to any dates you like. These are calendars. Here is where you would enter your days to expiration. That is the length of the options you want to. So for experienced trade machine users, the beginning is going to feel a little slow. Don't worry, we kind of gain momentum and go more advanced. And for pattern finder members, I will go live and show how I combine both, but so this starts out at very beginner level and kind of thrusts itself forward rather quickly.

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This is not a closing rule. So if you were to put one data expiration trade machine would simply look for the options that are the closest to one data expiration, which will probably be a week. So again, days to expiration sets the type of options you want to backtest it is not a closing rule. Then we come to the settings which are quite important. First you can set the number of contracts that you want to backtest. I'll note that it doesn't actually matter how many contracts you backtest if you're looking at average trade returns and win rates. That doesn't change for one contract or a thousand contracts. This is only if you wanted to look at total returns and amount risked. If you're doing a stock back test, which you can do a five would mean 500 shares. Next we come to execution fill type.

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This is how you want the back test to assume fills are occurring. Rather than go through a detailed discussion, there is a video right here. If you click on what is execution fill type, it will open in the learn tab and there will be a discussion of this. Next, you could set your commissions, your stock commissions of which there are normally no commissions and your option commissions. They can set the ticket fee. So that is the cost per trade, the minimum cost per trade, or you can set a per contract fee or both. Finally, this is where you would set your custom deltas. Delta is one of the most important parts of options trading and for using trade machine it may be the most important part. You can click on what's a delta to understand the importance and it's so important we're going to discuss it.

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Now a delta measures the moneys of an option. So it's the amount by which an options price will change for a one point change in the stock price. So for example, a 90 delta option will move about 90 cents if the stock moves about \$1, a 50 delta option will move about 50 cents. If the stock moves about \$1 and a 10 delta option will move about 10 cents if the stock moves \$1. We note that delta itself is also a function and delta changes by something called gamma. So anything above 50 is considered in the money. An option at a 50 delta is at the money and deltas that are below 50 are out of the money. You can read real world examples from November 29th, 2016 with Apple. If you want to finally just remember these numbers, 60, 50, 50, 30, 20 and remember these blue highlighted boxes, they'll matter in a second.

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Now we're ready for a back test. So let's back test a 30 day option in Microsoft over the last three years will get a call and will go long. This back test is testing the results of being long a 30 day call and then rolling it every 30 days in Microsoft for the last three years. Of course Microsoft is one of the magnificent seven, one of the largest companies in the world, which has been going straight up. So just buying calls is probably going to make money over this three year period. And you can see the 60 delta calls had a total return of 72%. The at the money calls, the 50 delta calls had 153%. This is the same tile, 1550, the 30 delta calls 574% and the 20 delta calls 868%. But you'll notice that the win rates are going down. This is the nature of deltas and please don't consider this an actual option strategy.

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It's not a useful back test to look at a stock that has gone straight up and see if buying calls had worked. One thing I'll draw your attention to is the deltas 60, 50, 50, 30 and 20. Those numbers came from the settings that we had here. 60, 50, 50, 30 and 20. We can change those if we like. You can always see the details behind the back test by just clicking on the tile and now you can see how the stock has done. It started at \$203. It is as of July 25th, \$337. Here are the details of all of the trades as we start thrusting forward into more complex uses of the back test strategy. I also want to point out that I think the real value of this webinar after this is real world users asking questions and me answering them in real time in the app. So I'm looking forward to that and I think that's where a lot of questions will be answered because if you have the question then I'm guessing another 10 or a hundred people have the same question.

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So we'll get through this and then we'll get to more advanced use cases and you can actually see every single trade step by step across all three years and you can even download them into Excel. But what if we wanted to back test more than one ticker, for example, the entire magnificent seven. We can enter all seven tickers on the same back test and now trade machine won't show you tiles, it'll show you the results in a list, but the question is which Delta is being tested here? If you recall when we were doing Microsoft, there were five different choices and you can see that it's choosing the 50 deltas. That is the middle delta. That's what will be chosen when you're doing a multi stock back test. That's why these are circled in blue. If you were doing a spread, it would do a 50 30 spread, but we'll get to that.

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Alright, so far we have looked at some of the functionality of the back test tab, but we haven't really done anything particularly interesting. Let's go down to earnings handling. Nothing special means trade machine is not paying attention to earnings at all. Let's do the opposite. Let's do this exact same trade but always avoid earnings. That is two days before any earnings, all positions are closed. There's a four day blackout window and then two days after earnings, those options can be opened again, we'll do never trade earnings, alright? We can also do only trade earnings, which is to say only trade two days before earnings all the way through two days after earnings. These would be only earnings speculations, but let's do something more interesting. Let's do custom earnings here. We will open this call 14 days before earnings and we will close it one day before earnings.

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This is a pre earnings momentum trade. Let's see what we get. We see in total a 49% win rate and the average two week trade is 20%. That's pretty good. But let's go further. Let's go down the left side of the back test tab and let's go to the stops and limits. Let's say if there's a 40% gain on any trade, we'll close it and equally, if there's a 40% loss, we'll close it. And let's go back to the results. What was once a 49% win rate now goes to 57% and the average trade remains a 20% win over two weeks. And let's go further into the power of the back test tab. We'll go to the technical open and now we will revisit the remarkable finding we found about our proprietary measure of skew and kurtosis. We will add the one year kurtosis and we'll say only open this trade not only if it's 14 days before earnings, but also if and only if the past year kurtosis is greater than one.

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We can see now a 69% win rate and the average trade has now gone up to 29% in just 14 days. That would be 60% a month. And now you're starting to see the power of the back test tab. We started with some trivialities, then we looked at a pre earnings momentum trade, which we have discussed for the last seven years. Then we added stops and limits to increase the win rates. And finally we touched on some of the most remarkable data we have ever come across. Taking the win rates from 49% to 69%



and the average trade from 20% to 29% over just 14 days. Now let's explore more sophisticated strategies. Let's take this down. Two stocks, Microsoft and Apple. So we can see that over the last three years Microsoft has five wins, three losses with a 75.6% total return and apple's got six wins and four losses and 125% return.

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That's a great strategy. Let's now go to creating a custom strategy. Click the custom button. In this case, let's look at a calendar call spread. So let's get long a 50 delta call. That's an at the money call. 14 days to expiration. So this is still a 14 day call, but now I also want to get short a further out of the money. Call 30 delta with seven days to expiration. You'll note that when you're creating a custom strategy, you could have up to four legs calls and puts different expirations, different sizes, any ratios you like. We'll call this a call diagonal spread and I want to close the entire strategy when the seven day options expire. So this 14 day option and the seven day option will close at the same time, but we'll keep all the same rules we had to open 14 days before earnings.

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Microsoft has gone from five wins and three losses and a 70% return to 136% return and Apple has gone from six wins and four losses and 125% return to eight wins and two losses with 189% return. And that's by using a custom strategy that we've created. So now we're getting more in-depth use of the back test app. If we like these two back tests and would like to get alerted when Microsoft and Apple are 14 days before earnings if and only if the kurtosis in the past year is greater than one, we can now click add alert. This will take us to the alerts tab. You can see the tickers Microsoft and Apple days before earnings, 14 days before earnings with the technical setting that kurtosis over the last year is greater than one. I'll get an email and I can get a text message as well. I'll even write myself a note pre earnings call diagonal. The trade machine link is included in there and now I'll click add alert.

[\(00:37:15\):](#)

And now I've created two more alerts when Apple and Microsoft are 14 days before earnings. If they're kurtosis over the last year is greater than one, I will get an alert for each of them. Let's go back to the back test tab. So we've seen a plain vanilla long call, we've created a custom strategy. You can use any other built-in strategy or create your own strategy in the back test tab. But while some traders like to create their own trades, their own technical opens and their own back tests, others prefer to see back tests which have been vetted by the CML team. And that's how we go to the pro scanner. In the pro scanner you can choose which ticker group you're looking at. Let's do the NASDAQ 100 and then you can choose from dozens of strategies, whether it's strategies that never trade earnings, so they always avoid earnings or that only trade earnings or that come right after earnings or that are before earnings.

[\(00:38:15\):](#)

So for example, the 14 days pre earnings long call is actually a scan and if you click on it, you'll see the results from the NASDAQ 100 that have performed well over the last year, two years and three years. And you can choose any time periods you like, sort by ticker, sort by the number of wins. And if you like any of these trades, you can simply check them and add them to alerts. Click add three alerts. I've just created three alerts from the scan tab. One feature of the pro scanner that few people know is that you don't just have to search by strategy, you can search by ticker. So for example, if you're interested in looking at the results of the magnificent seven, we can just enter those seven tickers and the pro scanner will pull up every single strategy that has worked for all of these tickers.

[\(00:39:11\):](#)

You can add as many tickers as you like. I'm just going to pause here because it's easy to fall asleep. This is something that most people don't know about trade machine. We track usage and this is like 1% of

users, yet we get emails into support of members asking for this. This does exist. You can search by ticker or by group of ticker to find the strategies that have worked. Alright, we'll keep going and scroll through them. You can sort by ticker if you like or you can sort by strategy. For example, if you wanted to look at one month after earnings, technical short, put spreads and see which companies it works for. Or you can look at the back test that have had the most wins in these companies or the highest win rate or the largest average trade return. So you can go buy ticker or buy strategy, but perhaps we want to do a little bit more investigating.

[\(00:40:00\):](#)

Let's take a look at the fade, the dip, technical trade, and let's look at Adobe. We just click on the ticker and this strategy, what we're about to review now has been one of the top three common questions we get, which is this is great that these strategies exist. What are they? How do I find them, how do I build them? That's what this is intended to do. This is intended to take you away from curiously trying to understand what the technical conditions are for some of these strategies to being able to build to see them, and then to build on top of them. We'll open in the back test app. So what is this trade? Well, it looks like it's short a put spread and it looks like it's the 40 30 delta put spread. Looks like it never trades earning, but there are some technicals.

[\(00:40:50\):](#)

Let's see what those are. This back test waits for the day that the stock crosses up through the 200 day moving average, which means it was below the 200 day moving average and came up through it. The stock is also above the 10 day exponential moving average and the RSI is less than 70. So it's not overbought. This technical condition or combination of technical conditions we call fading the dip. So it's a stock that is recovering, its 200 day moving average with short-term momentum and we're selling the put spread and these are the results for Adobe. If we wanted to change the Deltas, we're back testing in this case 40 30, we go to our settings and we go right to that middle area colored in blue. So perhaps we want to the 40 20 put spread and we get the same number of wins and losses, but the total return is lower.

[\(00:41:42\):](#)

Now we've seen a use of the back test tab to look at a long call pre earnings to use a custom strategy pre earnings to look at getting short of put spread, never trading earnings with a special technical open. We've added alerts from the back test tab. We've added alerts from the ProScan tab. Anytime you want to know one of the strategies that capital market laboratories looks at and you don't know how to set it up, the easiest way to do it all is to go to the ProScan tab. You pick any ticker group and you pick any strategy that you are interested in like the Bollinger by the dip, which has done so well and it's a fair question. Well, what is the Bollinger by the Dip? Just click on any ticker, it will load in the back test tab, show you the results and you can scroll down and look what's going on.

[\(00:42:31\):](#)

First we'll take a look at the technical open. This strategy triggers when the RSI is below 30, so it's oversold and the stock price crosses down through the lower band of a two standard deviation wide Bollinger Band, for example, right here when the stock dipped below. This scan is also using a custom strategy. We can see what it is by clicking edit. This strategy gets long a two month 50 delta option and gets short a one month 20 delta option. So it's getting long a diagonal call spread, but it's a two month to one month spread and it closes when the 30 day options expire. Again for any strategy we have built into the pro scanner, the easiest way to see what's going on is to go to the scanner, pull up any ticker, and then go back to the back test tab and investigate.

[\(00:43:25\):](#)

So thus far we've looked at how to enter a ticker, how to choose your test length, the fact that a test length can actually be used with a calendar, how to set your days to expiration, what your settings mean and how to save them. How a back test comes out as a tile. And if you click on the tile, you can see the details. You can even download the trades, how to choose different strategies or create a custom strategy, how to use your own earnings handling, whether it's just ignoring earnings altogether, avoiding earnings trading during earnings, or doing something custom with the earnings date like 14 days before earnings. How to set a technical open and use either technicals like moving averages or Bollinger Bands or our kurtosis in our sku, how to set stops and limits, how to add alerts from the back test tab, how to use the pro scanner to add alerts and to load back tests into the back test tab to investigate what the technical settings are.

[\(00:44:20\):](#)

So we've done the back test tab, the ProScan tab, and the alerts tab. Now we'll do the today tab. The today tab takes a subset of the strategies in the scanner and looks for those that are triggering on the day. You can actually read a definition of what is the today tab by clicking on the link. This takes us to the learn tab and it tells us that the today tab has a selection of some of the prebuilt strategies in the scanner and checks every 30 minutes during the market hours to see if anything is triggering. And just like alerts, these strategies are scanned intraday. So once a ticker appears on the today tab, it will remain there even if the technical conditions change later in the trading day, you can come to this help page and see which strategies are on the today tab.

[\(00:45:05\):](#)

This list will grow as we add kurtosis and KU filtering. I just want to reemphasize that last part. What's on the today tab is going to grow. It may double actually as we start putting kurtosis and SKU filters on the strategies that are already there. So if those of you who are waiting for us to ingest ketosis and SKU into things that are built into trade machine like scans and the today tab that's coming very soon, it's the next thing coming to trade machine. We're going step by step. That's coming in a matter of weeks and you can read about the requirements as powerful as the back test tab is. That is the Brains of trade machine and the pro scanner is a subset of the back test tab. The today tab is a subset of the ProScan tab, and when you log into trade machine, you will first land here to see which tickers and which strategies are triggering right now you can change which ticker groups you want to look at on the today tab across the top.

[\(00:46:03\):](#)

You can also set alerts just from the today tab. You go to set today tab alerts, you enter your email address and you select which strategies you want to be alerted to when they trigger on the day and which groups of stocks. So for example, I want to know if any company in the Dow 30, the NASDAQ 100 or the largest 500 by market cap trigger in the Bollinger by the dip buy the sell off fade, the dip technical or the custom diagonal 14 days pre earnings trigger that we looked at. That's that custom strategy. You can add alerts simply by clicking. So this too is a way to set your own alerts. Once you're done, you save it. And that is the today tab and an overview of the power and the functionality of trade machine from the brains in the back test tab to the pro scanner, which takes the hundreds of millions of different interactions you can have on the back test tab to thousands.

[\(00:46:56\):](#)

And then combined with alerts turns into the today tab, which takes those thousands or hundreds of thousands into hundreds. Thanks for watching. So that's where we are. Apparently I had something more to say. No, we don't want to do that anymore. Okay, now we're going to go into trade machine and take q and A live, and this is probably where the greatest value will be because people who are

actually using trade machine who are having trouble finding how to do things, you guys are probably similar. And that is to say we're not totally fulfilling the need for seamless user environment. So we will start with there was one question which was emailed. So I'll do that and then we have a lot of live questions. So lemme just look. I'm looking on my phone at the question that was asked.

[\(00:47:47\)](#):

Someone says, can you please explain the volatility chart on the Ask the AI with UpToDate financial data page? So someone is asking about Ask our integration with chat GPT, and there is this question which is show me an apple volatility chart. So they're asking, what is this? Let's let it load. So what we've got here is three different windows of time. This is historical volatility, not implied volatility. This is actual volatility, this is what has happened. Implied volatility is the option market reflecting or reflecting what could happen. So over the last, if you take a one month rolling window since 2020 and look at apple's volatility, actual realized volatility, this is what it's done, it's this and two months is in red, three months is in blue, this dip right here, which has been since the start, well around the end of 2022 and all of 2023.

[\(00:48:48\)](#):

This is what people are talking about. If you see on financial media, or God forbid on Twitter, that there's just no volatility occurring right now. And in general when there's very low volatility, that regime can last for a while. Look at this, it lasts for a while, but when it breaks, you then get a new regime of high volatility. So people are hypothesizing that with, and I'm certainly one of them, that with monetary policy continuing to tighten that no matter the remarkable strength of the US economy, eventually that constrictor over the US economy will in fact take us from a low vol regime. So this, we're kind of in this quiet period to a period that is rather not quiet. So that is what this chart intends to do. And in times if you'll see a great divergence between sort of a one month rolling window and the three month rolling window, whatever, let's say the green one was doing this. They say, oh, it looks like we're coming out of that vol regime at least for this stock. But all of a sudden it's starting to rise while the three month one is still looks pretty lazy because it has three month of lower vol data. So this is how you could start checking vol regimes in realized volatility. Okay. All right. Go to the back test tab. I imagine that's what we're going to be talking about. Jay, if you wouldn't mind, do you want to go through the live questions on q and a?

Jason Hitchings [\(00:50:13\)](#):

Yep, sure thing.

Ophir Gottlieb [\(00:50:15\)](#):

First one is just, oh, hold on. Before you go, lemme just introduce you. Jason is our CTO, but he's more than our CTO. He's not only the architect of trade machine who's actually the carpenter as well. So he not only architected it, he also built it himself. So trade machine is the creation is Jason's creation from architecture to line by line, bit by bit code. So you could not be speaking or have on a webinar someone who is more valuable to understanding trade machine than this. Man, go ahead.

Jason Hitchings [\(00:50:52\)](#):

Thanks for the introduction. I think you might've downplayed your own intellectual role somewhat, but thanks. Just the same. So first question is simply, can you explain the difference between pro and standard for trade machine?

Ophir Gottlieb [\(00:51:05\)](#):

Yes, absolutely. The difference between pro and standard is very simple. Pro gets to Kurtosis and SKU standard does not. We believe this is worth hundreds of thousands or millions of dollars a year depending on the size of your trading account obviously. But for those of you who say, Hey, you know what, I'm not really that into their kurtosis and SKU stuff, well, we're not going to charge you for it. So you can go to Trade Machine Standard. That's the difference. It's SKU and kurtosis.

Jason Hitchings ([00:51:37](#)):

Great. Would you mind showing people who are new members how to sign up

Ophir Gottlieb ([00:51:43](#)):

Through? Oh

Jason Hitchings ([00:51:43](#)):

Yes. Wwww or wherever.

Ophir Gottlieb ([00:51:45](#)):

Yeah, so there's a lot of places you can go to. Trade machine.com. Oh, I'm logged in. That's not going to work. You can go to Bit Bitly trade machine. So that, and then if you go here, it should bring up a signup page and then you can sign up and you'll see at the bottom that there is a Trade Machine Pro and then Trade Machine standard. Okay, so that's how you would do it. And you choose which one you want. You want standard. You're like, Hey, I don't want the skew and ketosis. Then go here. You're like, yes, I absolutely want the skew and ketosis. Then you go here.

Jason Hitchings ([00:52:23](#)):

Thank you. Okay, yawn asked. So fear asked me to ask this during the webinar. I have pattern finder, but how do I do a daily screen with notifications within Trade machine to find positions that meet Mytosis skew and my specific strategy requirements?

Ophir Gottlieb ([00:52:40](#)):

Yeah, so that's great. Oh, sorry. Yeah.

Jason Hitchings ([00:52:42](#)):

Well he says I'm guessing, et cetera, but you can

Ophir Gottlieb ([00:52:46](#)):

It, yes. So if you're a trade machine member, you can get pattern finder for \$11 a month. So not, you try to make it really easy. So I'm going to log into pattern finder and show you what I do exactly. Okay. It's pattern finder. I created a stock screen, but I, I'll do a new one. Okay, so go to, I'll just type here. I'm looking for kurtosis. Aha, ptosis. Okay, so let's say I'm looking for fat tails on the right hand side. So I, let's say I want kurtosis greater than three. So here's the strategy that I was showing with stock, right? Kurtosis in the one year greater than three, the six month ask skew is greater than one, and the one year S skew is greater than two. Okay? There's a particular group of companies that I'm only interested in, so I'm just going to do things for myself, but there is a market cap kind of limit for me. So I'm going to go to Market Cap and say they're at least let's say a billion dollars. I also, I tend to real companies, so I'm just going to say companies that actually have revenue. So revenue in the last year is let's say at least, I don't

know, a hundred million dollars, like an actual company that belongs public. So 199 companies. Okay, so I'm going to go here. I'm going to export the tickers.

[\(00:54:04\)](#):

Okay, download one is fine. I open it up. Yeah, my Excel takes really long. I have CapIQ running fax at running visible, alpha running. So sorry, this is going to take a while to log loading like 37,000 libraries. Okay, so here's the tickers. So I'm just going to copy and paste these. I'm going to go back to trade machine. I'm going to create a new portfolio, a click portfolio. I'll call new, I'll say, what should I call this? Kurtosis Skew filters. These are still on my clipboard. I'm going to add all these tickers indeed. Good. Okay. So that's it. I've now created a portfolio. I'm done.

[\(00:55:01\)](#):

And now what I'll do is I'll find the strategy that I'm looking for. Let's say I'm just going to do the 14 day per earnings trade, and I can't remember how to do that. I'll just go to the pro scanner. I'll go to the 14 day pre earnings diagonal. It doesn't matter which ticker, I'll open up the ticker. And so now I know that it's now loaded for me. I'll let that one ticker load, and now I'm going to go out of one ticker and I'm going to go into the portfolio and I just called the portfolio and SKU filters. I'll just do the six month one. I would let this back test run. I won't let it run. Now it's going to go through a bunch of back tests. When I'm done with this, I would add the alerts. When I click the add alerts button, it's going to add all 200 companies that currently have good skewing kurtosis for this strategy.

[\(00:55:54\)](#):

So I know and skewing kurtosis doesn't change that quickly. Looking at one year skewing kurtosis or one year kurtosis, and both six month and one year sku. So I'm going to put those in automatically in my alerts, and I know in the next four weeks, if I get alerted, then these companies probably satisfy my skew and kurtosis requirements. And I'll also know it is now officially 14 days before earnings, so I can start to look at the trade. So that's how I combine Pattern Finder with a trade machine. I create portfolios and do it. Now for those of you who are now, there's actually three versions of Trade Machines. Trade Machine Standard doesn't OBS skew and kurtosis this Trade Machine Pro, which has everything. There's also Trade Machine Platinum, which is everything Trade Machine Pro has, but it allows you to do back tests of up to 500 tickers once we update the database.

[\(00:56:44\)](#):

So as of right now, as a Trade Machines Pro member, I think you can do 50 back tests or a hundred back tests at once. If you want to do larger groups like these 200 or 500, then you would want to be a Platinum member. The nice thing about Trade Machine Platinum is it doesn't cost more. You just have to pay upfront, right? We're basically reserving server space. So it's the same price as Trade Machine Pro. You just have to pay 12 months upfront. That's it. There's no price increase. So this is to answer the question, how I use Pattern Finder to get the current and mass right in a list, in a screen, my kurtosis and skew requirements, put it in the back tester, let this finish, add it to alerts. Then I know for the next two or three weeks, that's what I'm getting. Does that mean I have to go into my alerts later and delete a lot? Yeah, that's true. Okay, so fair. That's fair. So that's how I do it.

Jason Hitchings [\(00:57:37\)](#):

Great. Could you explain how you would use skew and kurtosis to get the most out of trading long straddles or strangles?

Ophir Gottlieb [\(00:57:45\)](#):

Yes. So in general, a long straddle or strangle is a volatility bet, right? If you're naked long options and you have no backstop from let's say implied volatility holding up because of earnings, you need the stock to move. In general, when stocks move a lot, it's down. It's not always the case. They can be up, but I would look for skew and kurtosis, particularly kurtosis that is negative leaning. So I'm going to go to the back test tab. I'm going to pick the magnificent seven. Did I create a portfolio with Magnificent seven? No, because why would I do that? So I'll do it by ticker. I'll do Apple, Amazon, Google Meta, Microsoft, Tesla. I'm forgetting someone Nvidia. There we go. Okay, let's get along the strangle. I want the strangle to be a 40 delta strangle so long, the 40 delta put and long, the 40 delta call. That means I'm getting long and out of the money call and I'm getting long and out of the money put. Okay, the same time I'll make it 30 day options. I don't want to trade earnings. Now I will use skew and kurtosis. I only want to even consider this if the one year kurtosis, let's say is below negative three, and even further perhaps that the six month skew is below negative one. Actually, I might as well just go with the whole thing. This is our general setup negative too. So it's the reverse of what worked for stocks. Now, I don't know if this is going to work. Can

Jason Hitchings ([00:59:29](#)):

You just for people getting exposed to this for the first time, can you put into layperson's terms what having a skew and kurtosis below certain values means?

Ophir Gottlieb ([00:59:38](#)):

Sure. So let me pull up this. It's best with pictures. Sorry, everything I open in office is going to take a while because it has all these libraries. Okay, lemme just go back to a picture. All right, don't worry, I'm not going to do a whole presentation again. Blah, blah, blah. Oh, it was in the movie, wasn't it? I'll take a screenshot of the movie. Sorry, we're going to be talking. We're going to talk about nothing. Okay. So a negative kurtosis would be something that has these fat tails on the left hand side. This red part, I don't know how to make this go down. Sorry. So it was just about to be there. Oh, actually what I can do is this though.

([01:00:47](#)):

There we go. So a negative kurtosis, I'm saying less than negative three would mean negative three is we're getting to the tail of tails. These are adjusted for the normal distribution. So for those of you that understand measure theory, it would actually be a kurtosis that's less than negative six. So we're getting things that have a big fat tail out here over the last year. And with the negative skew, we're saying stocks which have this kind of dimensionality. Now what's actually happening for skew and kurtosis, I think Max asked this in community, when you ask our AI for a comparison of a stock to the market and it gives you skew and kurtosis, it gives you the left hand side and the right hand side. What we're, oh, it's really loud. Neighbors just started mowing their lawn. What we are giving you in trade machine is the net. So it's whatever this is plus whatever this is. So if this is five and this is negative three, it's going to be two, right? It's the net. So when I say less than negative three, I mean this plus this is less than negative three. So this is much, much larger than this. How much is this larger than this? Three or larger? Three or more. That's what it means.

([01:02:10](#)):

By the way, this is the long strangle straddle. The reason this isn't occurring very often right now is because I'm picking stocks which only go up. So they're not going to have the negative skew and kurtosis. But the way I would, by the way, you see the win rates are low, but the returns are good is I would obviously go to stops and limits. So maybe something like this. I'm not going to go through the whole thing, but this is how I would start looking for volatility burst. I would actually use the volatility

burst screen. So okay, stops and limits didn't work. So you need the big wins. So I would go to the pro scanner, I would go to the never trade earning strategies. I would go to long technical strangle, wherever that is, technical long strangles, pull it up. I just pull up any ticker so I know what the strategy actually is. There are some technicals. Let's let it happen.

[\(01:03:10\)](#):

Okay, well then I would put in my tickers. Right now I'm using a very particular technical open. I'll show you what that is in a second. As you can see, the win rates are now going up compared to just a regular long strangle. Right now, the win rate 67% and it was 30%. Now, I would go here and I would add various parts of the ketosis. For example, I'm not going to do the whole thing, but this is sort of a mechanism or a systematic way of doing it. Right now. All of a sudden we're at a 75% win rate. So that's how I would do it.

Jason Hitchings [\(01:04:01\)](#):

Great, thank you. Someone asks the question. Can you just explain, give a quick overview of the difference between pattern finder and trade machine?

Ophir Gottlieb [\(01:04:09\)](#):

Yeah. So trade machine is first of all, trade machine is options and stock. Secondly, trade machine is fundamentally a backtester. These are backtest. How did things do in the past with various strategies, technical strategies, various option strategies, custom option strategies, kurtosis, not kurtosis. Earnings, not earnings. Trade machine is, sorry, pattern finder is a spot. It is right now what's going on right now, and it's very chart driven. So for example, if I went to a screen in pattern finder and I said, just show me some bullish charts right now in multiple timeframes, I don't really know. I'm choose the largest market cap. Oh, Schwab, that's interesting. So right. And then you're going to find a chart like this, which is like, Hey, here's a stock which is bounced off of support, went through congestion is now on another congestion point. The next upside to next congestion would be 13%.

[\(01:05:03\)](#):

Downside is 8%. That is more reward to risk, right? The next stop up would be 13% up. The downside is 8%. How did I find that so quickly? Well, it's done for me, right? I didn't know Schwab did this. It looks like Schwab is filling this gap. This would be the next reasonable place. That's all expressed in pattern finder. So pattern finder is about stock charts, about profit zones and loss zones and about sort of screening and about right now, it's not about a back test. You could say that a chart is and of in and of itself a back test because a chart is historical data. So if you'll work with me and say a chart isn't formally a back test, then that's the difference. Options, data and trade machine back testing data and trade machine pattern finder doesn't have it. I think together they're very valuable and that's why trade machine, that's why for trade machine members pattern finds only \$11 because of what I just showed you. I want to look at charts, I want to be able to screen and dump things in. I want to be able to go back and forth between them, but that's the difference.

Jason Hitchings [\(01:06:06\)](#):

Great, thank you. Let's see. This will probably feel like a redundant question, but I think the skew and kurtosis are abstract enough that going over it a couple of times is good. It says, so when we see kurtosis and skew in pattern finder trade machine, what is a good number versus a bad number?

Ophir Gottlieb [\(01:06:25\)](#):



Well, that's arguable, but I can tell you what the back tests showed and the back tests showed this. So this hypothetically, it's definitely in the learn tab. I'm trying to think if there's an easier way than the learn tab. I don't think there is. So you would have to go to the learn tab. So I'm going to answer the question, but I want to show you how to get the answer right. I'll just do kurtosis. That's crazy. So it'll take you to this webinar I was talking about. I'm going to, so here it is, it's the eight minute version. I'm not going to play the video. I'm going to go to the parts where it's tail risk. I really wish it would just shut up. I know that's me, but I wish I would shut up.

[\(01:07:10\)](#):

Okay, here we go. Okay, there we go. So this is in the learn tab. So what is the setup? Well, for stocks, it'd be the one year ketosis greater than three. This is for bullish speculations. One year ketosis greater than three six month kurtosis greater than one, two years, sorry, six month skew greater than one. One year S skew greater than two. This is the same thing I did with consumer durables, utilities and minerals basically. So really boring sectors and the results were even stronger with the exact same setting. So in the stock realm, the bullish realm, this is what I'm looking at. If you want to look at very particular option strategies, you can do that too in the exact same way. So how did we get fade the dip to go better? I said the one year skew is greater than zero, and the one year ketosis is greater than one. And how about the 14 day diagonals? Okay, yeah, that would be in the longer, that would be in the longer webinar. So that would be down here. I would go here when I published the research on LinkedIn.

[\(01:08:16\)](#):

Let me go here it is short foot spread. I should probably write these down. I got it, but I want to answer the question too. Okay, 14 day pre earnings calendar. All I said was that thesis, I didn't put it. Thesis was the one year ketosis was greater than one. So that's it. Maybe one year ketosis is greater than one or one year ketosis greater than three with a couple of skew factors. That's what I would consider in air quotes. Good, but I'm not going to say call it good. I'm going to call it bullish.

Jason Hitchings [\(01:08:51\)](#):

Great, thank you. Similar vein, if ketosis is negative, that's bearish and if ptosis is positive, that's bullish. Correct?

Ophir Gottlieb [\(01:09:02\)](#):

Ask

Jason Hitchings [\(01:09:02\)](#):

Is the

Ophir Gottlieb [\(01:09:02\)](#):

Question. Yeah, we have shown historically that large positive ketosis has meant bullishness. I haven't looked as closely at negative ptosis. Having said that, if I'm only looking at companies that have a large positive ketosis and they're outperforming, well, the underperformance has to be somewhere else, so probably the ones that have lower ketosis, right? It's almost a tautology. So to answer the question probably,

Jason Hitchings [\(01:09:35\)](#):

Okay, so here's kind of a wide open one, which you won't be able to answer completely without spending an hour, but you can see what comes to mind. Sam asks how long you have to hold the options

trade? How long do you have to hold the options trade to get the results you mentioned? And what are the impacts of kurtosis and skew for earnings? Do you have to trade at high deltas? Thanks for this session.

Ophir Gottlieb ([01:10:01](#)):

Yes. So all of those questions, I would actually just answer them through trade machine, right? So you're asking me historically what has worked? I don't know. I would look, you definitely don't need high deltas in the earning traits. For example, what we're doing is like a 50 30 diagonal spread or a long 40 delta options. So it's actually out of the money or at the money options. What was the first question, Jay? First part of the question,

Jason Hitchings ([01:10:27](#)):

I just clicked it as answered, but essentially, how long do you have to hold the trade? You have to use high deltas was

Ophir Gottlieb ([01:10:33](#)):

The big thing. Okay, so yeah, so back test it. So for example, something that's worked extraordinarily well, which we shared on the longer that sort of 50 minute webinar was the Bollinger by the dip. And just to show you, I'm answering the question by going to the strategy whatever to applied materials. And the reason I'm doing is I'm going to show you that this is actually a longer option strategy. So the other ones were actually seven days. If you're doing the pre earnings calendar, you're opening 14 days before earnings and closing seven days before earnings. That's a one week trade. This trade is actually a 30 day holding period. You're getting long a 60 day option, getting short, a 30 day option closing when the 30 day option expires. So in this case, this is a 30 day hold. So it depends what you're doing in the bullish, the buy the Dip Bollinger strategy that we have here, it's a 30 day hold. In the pre earnings trades, it's seven days or 14 days. The deltas are actually only at the money or less, but you can try different doubles. You can try deepen the money options and see what happens. Just change it.

Jason Hitchings ([01:11:39](#)):

Thank you. I can answer this question of, Brian's alluded to it earlier, but Brian asks, will the ketosis and skew settings be added to the results that appear in the today's tab? And the answer is definitely yes. And within the next few weeks,

Ophir Gottlieb ([01:11:54](#)):

That's right. I don't know how it's going to look because I can't design anything but ask Jay's brain and he'll know how it's going to look.

Jason Hitchings ([01:12:01](#)):

Yeah, and the direction that we're going on it is that the results will just appear underneath the existing results and there'll be sort of a flag or lightning bolt that indicates that the same condition has triggered, but with the sort of skew and kurtosis settings that we find to be most meaningful. And so you'll get kind of an exclamation point that will say, this strategy is live with a really nice SKU setup up as well.

Ophir Gottlieb ([01:12:26](#)):

But if you're a standard trade machine member, you will not be able to see it. And if you're pro trade machine member, then you will be able to,

Jason Hitchings ([01:12:34](#)):

Matthew asks, where do you set the cell criteria? What's the default?

Ophir Gottlieb ([01:12:39](#)):

Sure. So in general with options, there's many ways to set a closing. So let's just start with the thing we started with, which is Microsoft just getting longer call kind of blindly, just like never trade earnings, just get longer call for, I think I did 30 day options. So again, I don't care about this strategy, I want to show you the closing rules. So if you do nothing but just this is that, right? Longer call. Interesting. Okay. Yep. So if you do nothing, this is just closing odd expiration. Okay, but what if you want to do more than that? Well, there's lots of ways you could set closing rules. Another one is to say stops and limits. Let's say a 40% stop, a 40% limit, that's one. So the trade will close when that condition happens, or 30 days, whichever is the soonest. Okay? But there's other things you can do too.

([01:13:33](#)):

You can actually go to a technical close and say, I want to close. If I don't know the 200 day moving average, so let's say the 200 day moving average goes above the stock price. Well, that's going to be confusing. I'll just start, I'll do stock. It's the same thing, but I'll say if the stock price goes below the 200 day moving average, I want to close. So now there's three closing rules here. One is maximum of 30 days. Well, when the 30 day option expires, it might not be exactly 30 days. The other is if there's a stop and a limit. And the third is if the stock goes below the 200 day moving average. So now I've layered several different closing rules and I dunno if you've been seeing, but the returns have been going higher and higher as I have better closing.

([01:14:19](#)):

So that's how you would do it. There's several different ways to do closing rules. Another way to do a closing rule is when you're doing custom earnings, let's say you want to do, I've, I've talked about before, earnings. So let's say after earnings, if you want to get, let's say open a position one day after earnings and close it 30 days after earnings. So the closing rule here would be 30 days after earnings or when the option expires or when the stop row limit is hit, or if the stock goes below the 200 day moving average. Now I've layered four different closing rules and all of a sudden it's positive. I dunno if you guys saw that the start as a negative 50% return, negative a hundred percent return. All of a sudden with the right closing rules, we've got seven out of 12 women and 247% return.

([01:15:03](#)):

And if you guys are curious, what I just did, I didn't realize it. This is getting a longer call in Microsoft one day after earnings closing 30 days after earnings. So it's the post earnings momentum with several different layers of closing rules. In this case, worst case when the option expires or if for 30 days after earnings or if the stock goes below the 200 day moving average or if a stopper limit is hit. So I've just layered four different closing rules on a strategy which didn't work and we turned it into a winning strategy. So this is the power of trade machine, right? There are people who are, if you're not trading with this, this is an opinion. It's not objective. There are people who are trading blindly and getting by calls at Microsoft, let's say, and that's fine if you want to do that, but wouldn't you want to know how it's worked in the past? Because I just found something that requires foreclosing rules in specific timing and I took generally a losing strategy and just something that has basically made you rich. Now again, Microsoft has been in this magnificent seven bubble for three years. So I'm not trying to convey that this

is necessarily a good strategy, but this question and answer demonstrates the power of trade machine. I implore you, anyone in the world, including those of you from Goldman Sachs who are on, I saw your email. It's okay.

[\(01:16:25\)](#):

How else would you know this? I just layered for closing rules with special timing and it took me, how long did that take me? 24 seconds. Okay, do that anywhere else in the world. Show me anywhere. I mean, literally you have infinite money. Show me anywhere else in the world you can do it. It's okay. You cannot, this is the power of trade machine and can you imagine if I added skew and kurtosis to these results? So just imagine, right? So actually let's do it. Fuck it. I don't know how it's going to work. Maybe it won't work, but because I probably won, sorry, three. Anyway, so look how quickly you can test things in trade machine, right? So look, you're trading half as often and getting 145% return. Okay, someone else, show me where you can test four rules. Three, sorry, four closing rules, three open rules. So one day. One day after earnings with a certain kurtosis. Yes. And how you can get these results? You can't. That's the power of trade machine.

Jason Hitchings [\(01:17:39\)](#):

Cool. That was a great example. Can you actually click the tile and show that the trade details actually tell you what open and what closed and why?

Ophir Gottlieb [\(01:17:46\)](#):

Oh yeah. So this is a three-year back test, and the first time these conditions held was in October 28th, 2020 long calls were opened. It was the two 10 strike. They cost 5 88. The stock price was 2 0 2. This is just the stock prices relative to dividends and splits. Okay, this is the delta. Then these calls closed six days later. Why did they close six days or seven days later? They closed because the gain was hit. Remember we have a 40 down here, we have a 40% gain where we pull out, we say if we get a 40% limit, we're out these closed because of the gain. Okay, this trade opened again on January 27th, 2021. That means it was one day after earnings. It closed, what is this? 23 days later, it closed 23 days later because it hit a stop, it hit a 40% loss, and we go to the second page and the third page. And so you can see every single trade, every single reason, every single day, every single price instantly.

Jason Hitchings [\(01:18:49\)](#):

And if you choose, you can download from that screen as well.

Ophir Gottlieb [\(01:18:51\)](#):

Look at it, yes, if you wanted to download it, and then you could be like, okay, let's say you're looking at a ton of trades. You might want to download it and really just look step by step like what's going on.

Jason Hitchings [\(01:19:03\)](#):

Next question. Here's from Richard, and I think PHE has done a pretty great job answering this question. So this might be somewhat rhetorical. He says, how would you specifically incorporate skew and kurtosis in the back tests? And so I think he's shown a thousand ways of doing that.

Ophir Gottlieb [\(01:19:16\)](#):

Yeah, it's a good question. I think people didn't know it's in here. It's in the technical open,

Jason Hitchings ([01:19:21](#)):

So that's okay. Yeah, that's good to just point that out. And then the next part of the question is, do you plan to include skew and kurtosis and pro scans? And the answer to that is definitely yes.

Ophir Gottlieb ([01:19:31](#)):

Yes. So what will be on the today tab? It'll be, I think the today tab. Well, actually it's easy when it's a weekend because no results. So 1, 2, 3, 4. Well, 1, 2, 3, 4, 5, 15, 16 strategies. So there'll be probably 16 new scans.

Jason Hitchings ([01:19:51](#)):

Great. Mark asks what is suggested for creating a custom ratio back? He says back spread, but

Ophir Gottlieb ([01:20:00](#)):

Well, I would backtest it. I am rarely back spread to tell you the, but I'm particularly fond of the one by two, by one by two, which hypothetically is here. I don't know if the, okay, so yeah, so we have a little bit of a bug here, but it's the one by two. Oops. Oh, did I log out? No, it just hasn't loaded. Okay, so interesting. Okay, so it got blown out or something, but there's a one by two by one by two. I have, and you can find out about it. You go to learn tab. I think it might actually be called this. Let's see if I actually have, okay. Yeah, it's fine. I misspelled the word spread. Oh, it doesn't matter. It's right here. So if you go to this, there's a video on my favorite multi strike multi ratio trade. It's not actually being back spread, but that's it. So I would watch, this is a two minute 54 second video on this multi legged four legged double ratio spread.

Jason Hitchings ([01:21:21](#)):

Sometimes there are questions asked, which are probably very valid questions, but they're kind of assuming they're answered in the context of something happening live, and then when they get asked, we can't really answer them. So can you limit the tickers on this feature, for instance? So sorry if I'm answering, I'm clicking some of these as answered because without the context, we can't really answer those. Yeah,

Ophir Gottlieb ([01:21:42](#)):

You can certainly add as many tickers or takeaway as many tickers as you like

Jason Hitchings ([01:21:46](#)):

Charles says, do you have planned streams of working with major brokerages like Schwab, fidelity, E-Trade to allow your users to automate trades with your strategies?

Ophir Gottlieb ([01:21:56](#)):

So we could, I'm going to tell you for these are for people who aren't trade machine members. I'm still a CEO guys. I got to pitch a little bit. So it changes the dynamics of your trade machine account, right? Right. Now, if someone were to hack your trade machine account, what's the worst case scenario? They play around with trade machine and see your alerts? No, I personally identifiable information. The second that it's connected to an API for brokerage, it's a whole nother layer of security. Now, if someone gets into your trade machine account and it's connected to your Schwab account or whatever, oh, now it really does matter. So that's a part of it. Another reason I'm not a big fan of it, and this is me. If you

guys remember the book 1984, there's Big Brother, so I'm being a little bit big brother here, which might not be appreciated, but if you're automating option trades, that means you're buying on the bid, sorry, you're buying on the offer and selling on the bid, and that is not what you do.

[\(01:23:01\)](#):

That's not how Trade Machine is designed. You can backtest like that, but you're trying to negotiate a good price for your trades. You probably don't get an execution right now in execution at a certain point. So if you're automating trades to your brokerage in Options, the reason they like that is well, they get more trades, but also you're just giving money to the market if you're not negotiating your option trades and a negotiation is simply like if an option is two 50 at \$3, a negotiation can just mean you're putting in a bid of two 80. You're willing to pay more than mid market, but that's a negotiation. You don't actually have to talk to someone if you're just automating it in your brokerage account. This is what you're going to get and you're going to lose money and you're going to blame trade machine and it's not trade machine.

[\(01:23:45\)](#):

It's you don't offer, don't trade on the NBBO, negotiate your trades and you can negotiate electronically. I don't have to literally pick up the phone and negotiate. So this is really why I've prevented it. There is a security issue, but more than anything is I don't want people to lose money. It hurts me when you guys lose money and it hurts me even more. Very selfishly, if you lose money and you think it's trade machine, it isn't trade machine. If you're doing this, it's you. That's not how you trade options to make money. I've never seen a human being make money trading on the bid in the offer as a customer never in my life.

Jason Hitchings [\(01:24:21\)](#):

Thank you. Robert asks, some future day. Would you consider teaching us how you stay organized in trading? Thanks for a wonder. Wonderful review today.

Ophir Gottlieb [\(01:24:31\)](#):

I have. Thanks Robert. I have something similar to that. It's a pretty long webinar, but it was fun. I think it was one of the, I was the option spec ation webinar option spec. Again, the reason I'm going to the learn tab is I'm trying to empower you to find, answer these questions. These are really good questions. I just want you to know that there's a lot of answers out here. This is it. I don't want to show the password. If you watch it, I think that might help you. That might give you a sense of what I do. Those are real my trades. What really happened with real prices going through a long series of events. It's the option speculation webinar

Jason Hitchings [\(01:25:14\)](#):

And I think something that he hits on and that whichever serious trader would say the same as if you're not tracking all your trades and having a plan for when you're going to get out of the trade, then that's the most entry level for staying organized.

Ophir Gottlieb [\(01:25:29\)](#):

Yes, write it down. That's write it down. Don't sort of write it down. Don't think you're writing it down. Write it down

Jason Hitchings [\(01:25:41\)](#):

Kind of random. But Kyle asked if we could eliminate the math challenge for logins. It's a slight security thing when we get automated attacks against us. It just helps that slightly. Yep, it's a pretty primitive test. We know we need it today. Tab has the 14 day diagonal popping up, but when we look at it, there are not seven and 14 day options. Does it just default to the monthlys? Almost certainly. Yeah.

Ophir Gottlieb ([01:26:12](#)):

No, go ahead. You got it. Go ahead.

Jason Hitchings ([01:26:14](#)):

Yeah, I was just going to say some of these strategies, if they're a weekly option strategy, this is actually a question we get into support a lot. Someone says, Hey, the thing's broken, it's not trading the weeklys. If it's not, it's because almost 100% of the time the answer is there aren't weeklys in that stock because not every stock has weeklys. So you might see that it will try to do its best to trade that strategy with other options. It won't if the strategy just won't work within earnings, we have a lot of rules in place to make sure that you're trading on the right side of earnings if you're doing a spread per your post that that will all make sense. But if it can slip in the 14 day strategy with 30 day options and satisfy all the conditions, it will happily do so. But when you look at it, it might be just happen to be some 26 data expiration trade or something like that,

Ophir Gottlieb ([01:27:04](#)):

Right? So trade machine, this is important. Trade machine does not manifest options. There's nothing theoretical about trade machine, not that there's anything wrong with that, but trade machine finds the actual options, the options that are closest to the ones that you are requesting. It will not manifest a 14 day option if it didn't exist and create some sort of average of two options. These are actual prices and actual options that's important to know. So when you say 14 days and seven days, it might be 17 days and eight days what exists?

Jason Hitchings ([01:27:38](#)):

Yeah, it's an interesting point because we could have built it that way. It would be a pretty lousy tool, but we certainly could have taken the implied volatility and created an options market around it and said like, Hey, yeah, theoretically it might work like this, but to a fair point, we used the real data that prints right before the end of the day and we traded the real options. So we just used whatever's available at the time. Len asks, can I set option volume requirements for scan slash alerts? And on the today tab, can alerts be sent to my phone as text instead of email?

Ophir Gottlieb ([01:28:10](#)):

So you can definitely, oh, you can't. Can you J? Okay, so no on the today tab, no. Yeah, I

Jason Hitchings ([01:28:16](#)):

Set it outside. I said it out loud because that would be a nice thing to do. It's a good feature request to send that to your phone directly. That way

Ophir Gottlieb ([01:28:25](#)):

We do not have option volume filters. The back test tab will tell you when you're back testing something that didn't have good liquidity. It's not actually volume, it's liquidity. So lemme pick a stock that has

terrible liquidity. Yeah, I try this. Okay, just forget it. When in doubt, go to the ProCan. Okay, I'm just going to show liquidity. Error, not a liquidity error. Liquidity warning, like there's a hundred thousand people on trade machine right now. Okay, so let me add some tickers that are just not really,

[\(01:29:30\)](#):

Yeah,

[\(01:29:38\)](#):

Okay. So it'll tell you when options can't be found and if there's poor liquidity in something, it'll actually give you that warning. I'll do the NASDAQ 100 and just try this and you'll start seeing them in red. So just let it run for a second, right? Somebody must not have liquidity there. The strategy for Cisco 30 delta calls use options with low liquidity and therefore unreliable fill prices, for example. It'll tell you so you'll be warned, but there is no volume filter. I will point something out, and this really does bother me because I think a lot of people who claim to know options basically, so I'm going to write this down for you. This is what liquidity is, right? This is a definition, this is objective. If someone disagrees with this, they are wrong. Okay? I am right. You are wrong if you disagree with this. Ready?

[\(01:30:46\)](#):

Two things define option. Liquidity and volume is not one of them. The first thing that defines option liquidity is the depth of the market. The depth of the market means how many contracts are available on the NBBO. So if an option is priced \$1 at 1 0 5, you're like, oh, that's liquid. No. What if there was two contracts you could sell and three you could buy? Okay, that's really bad. That's bad liquidity. People aren't trading in general two and three lots. Okay? The second thing of course is the width of the market. So that is to say that if something is \$1, \$1, oh my god, \$1 at \$2 and it's like it's like 500 by 500, it's like, oh my god, that has great depth. But the market's really wide liquidity in options is defined by the depth and the width of the market. Volume is not a definer of liquidity.

[\(01:32:10\)](#):

It's true that if there is good depth in a market and there is good width in a market, which means there is good liquidity in a market, it's probably true that there's good volume, but it doesn't have to be true. And if there's a lot of volume in a strike, it's probably true that there's good liquidity, there's probably good depth and good width, but it doesn't necessarily have to be true. There can be a lot of volume in illiquid options. Liquidity is defined by the depth and the width of the market. Volume is not a definer of liquidity.

Jason Hitchings [\(01:32:47\)](#):

Someone might call into the floor and get some 10,000 lot put through in a pit with a bunch of guys that agree to do it. So it prints some huge contract coming through, but the options could be super illiquid at the same time

Ophir Gottlieb [\(01:32:59\)](#):

So you could see it. That's exactly right. You can see a huge volume because there was a negotiated trade between a broker and an option market maker, which happens all the time. And as a customer you're like, oh, that must mean there's liquidity. No, there isn't. If you're calling from Goldie with a 10,000 lot maybe,

Jason Hitchings [\(01:33:17\)](#):



And likewise there could be some ETF that's pinned to some commodity that people can arbitrage easily. So it's extremely, extremely tight markets and people will let you do an infinite amount of it. They're just trying to make a fraction of a cent on the trade and they're willing to take infinite order flow,

Ophir Gottlieb ([01:33:32](#)):

But they don't get and

Jason HITCHINGS ([01:33:33](#)):

Yet, but no one trades it and anyway, there's only two people, very low volume, but extremely liquid.

Ophir Gottlieb ([01:33:39](#)):

You can have something that's a dollar or a dollar one a dollar at 1 0 1 penny wide, 10,000 by 10,000 and it just doesn't trade. So that's very liquid, no volume. Yeah,

Jason HITCHINGS ([01:33:54](#)):

And same with open interest. It doesn't tell you that much. No. Okay, so we have a multi-part question. I like them from an anonymous attendee, but person clearly is kind of getting their hands dirty with trade machine in a good way. So it's a lot of practical questions. So I'm going to ask them one by one, how can we delete or edit a saved strategy we built on our own to adjust indicators we built or remove the strategy completely as part one

Ophir Gottlieb ([01:34:24](#)):

So I can go to one. I saved fade the dip, this is my fade, the dip. So you can delete it right here if you load it. So that's how you delete it. Now if you want to change it, let it load. And let's say you want to change the technical opens, you want to change it. So let's say you just don't care about RSI. Great. It's going to redo it now you can save this strategy, give it a new name, new name. So that's it. So you can delete the old one, save the new one.

Jason HITCHINGS ([01:35:05](#)):

Yeah. When you delete the old strategy, it shouldn't change your current settings, it just removes it from your saved list, so then you can immediately save a new one.

Ophir Gottlieb ([01:35:14](#)):

Now you guys, now you see strategy that I've saved and why Go ahead.

Jason HITCHINGS ([01:35:21](#)):

How can we delete alerts set based on these strategies personally built? So I don't get those alerts any longer.

Ophir Gottlieb ([01:35:29](#)):

Yes. So let's say I wanted to delete all my apple. I just do that and delete, delete, delete, delete, right? X, X, X, X, x, x, x. But they're just like, oh, maybe it was just I want to delete the ones that have anything to do with proptosis. I don't know why you want to do such a thing. Oh, it doesn't search that interesting or certain conditions does it search conditions? Okay, so Jay, it only searches ticker and alert pipe.

Jason Hitchings ([01:36:02](#)):

Yeah, I think we did that because people were trying to search for ticker and when we allowed it to search for everything, it was too verbose. I think you can sort by however, right? I think you can sort a rob by these

Ophir Gottlieb ([01:36:14](#)):

Conditions. You can sort by if you're like, oh, I don't want anything that has 14 days per earnings, delete, delete, delete, delete, delete. Actually my stock below ones I can delete. I actually don't need this anymore. There's a perfect example.

Jason Hitchings ([01:36:35](#)):

Yeah, so basically it's a little cumbersome. It would be kind of a cool feature if you named a strategy and we saved that automatically in the notes, that would be cool. Basically the simplest way to do it would be to look up the conditions and then sort by the conditions and just delete all the ones with that condition. And if you order by that condition, then they'll all be stacked up together. That's right. It's a two step process, but you can,

Ophir Gottlieb ([01:36:55](#)):

If I wanted to delete every 14 day pre earnings trade, you sorted by condition. No, I just deleted them. Okay.

Jason Hitchings ([01:37:05](#)):

Yeah, I really like those questions because clearly the first one was really getting into trade machine. So kind back to a different topic that we started on earlier, but what's the rationale behind why kurtosis and skew improve results?

Ophir Gottlieb ([01:37:22](#)):

So I can tell you a little bit of it, but I can't tell you all of it. I'd have to reveal the proprietary measurement, but broadly speaking, it's the idea that stocks which have unusually large returns, or sorry, unusually large returns and unusually common number of times tend to outperform in the next year. And equally probably those that tend to have large negative returns, a large frequency of an unusually frequent number of times tend to underperform over the next year. That's the rationale. Broadly speaking, how it's been refined is just something I'm not going to share. So just so you know, the rationale behind it is more nuanced than just those words.

Jason Hitchings ([01:38:17](#)):

Great. Ed asks, will you ever add the ability to have our own watch lists on the today tab instead of just the preset ones? I think that would be a great feature.

Ophir Gottlieb ([01:38:29](#)):

Yeah, so instead it would be something like, here, here, here, here, and that'd be my portfolios, right? Something like that. Ticker filter.

Jason Hitchings ([01:38:37](#)):

Yeah, I think so. I do think that would be helpful. Same with texts from the today tab alerts. At what time of the trading day do we receive alerts that have triggered, is one message a day or can we receive multiple alerts in the same day? I'll fill that one. It starts running about 15 minutes or half an hour after the market opens, and then it runs continuously throughout the day. You will never get an alert for the same stock on the same conditions within one day, but you could, if you have some conditions set for a bunch of different stocks with the same conditions, you might get one on app on one on Amazon in the same day, but those will trigger as soon as they occur. And we have a bunch of big servers running those constantly. We have hundreds of thousands of alert requests set, and we essentially just process them as fast as possible and get your alerts out as fast as possible. Typically, things run about once an hour, so we check them roughly six times a day or something like that. Okay.

Ophir Gottlieb ([01:39:38](#)):

Damn, that QA list is just growing. Okay.

Jason Hitchings ([01:39:40](#)):

Yeah, it's exploding. I know, and I'm going to have a three-year-old that I'll have to get to at some point, but what is more important technicals or skew? Ptois

Ophir Gottlieb ([01:39:53](#)):

In my, oh, pardon me. Finish the question. I apologize.

Jason Hitchings ([01:39:57](#)):

Oh, it says also the trades and TM are 60 days to xpr, but the kurtosis skew are six months to one year. How do you trade this? Okay, some interesting concepts coming together.

Ophir Gottlieb ([01:40:10](#)):

Yeah, so the first question is what's more important? Technicals or skewing ptois. I've never seen anything more important than ptois, so I can just tell you that right now. The question you asked about the length of trades, first of all, the length of trades and trade machine are up to you. This is all settings. The ones generally an hour scanner or the today tab are generally 30 days or less, like trade time, 30 days, seven days, the skew and kurtosis results. So the historical net skew and kurtosis have impacted their returns, even if it's let's say a two week trade, and that's what I showed in that webinar then. So it's sort of SI spell it right? Yeah. So if you go here and then go to this webinar, you'll see exactly what, yeah, you'll see exactly what I mean. So the answer to the question is that behavior that let's say outperformance behavior is let's say evenly distributed throughout the next year. I have no reason to believe one way or the other that it's uniquely powerful on day seven and not uniquely powerful on day 214. I haven't seen that.

Jason Hitchings ([01:41:27](#)):

Essentially, if something only occurred, if a stock hit some kind of 10 year low and it was very profitable, it might have taken 10 years for that situation to occur. But if you tested that and decided and found out that stocks that hit 10 year lows actually do extremely well, they might do well in the next month or in the next year, but it doesn't really matter that it took 10 years to get to that point. What matters is they're at the circumstance where you want to institute the trade, whether you're looking at six months or a year of data in the past or whether you're looking at one week of history.

Ophir Gottlieb ([01:42:04](#)):

That's right.

Jason Hitchings ([01:42:06](#)):

Okay. That one live, can we, we scan volatility where volatility is trending down in trade machine.

Ophir Gottlieb ([01:42:16](#)):

We don't have a volatility scan, screen scan, sorry, scan.

Jason Hitchings ([01:42:21](#)):

Okay. When a company has a black or white swan event, can trade machine pick it up and suggest a way to trade it going forward?

Ophir Gottlieb ([01:42:33](#)):

Well, you can test it.

Jason Hitchings ([01:42:34](#)):

Yeah.

Ophir Gottlieb ([01:42:35](#)):

So one of my favorite thing is to test is to trade after earnings, but only if the stock, let's say the stock was up 25% or more. So I want to do this trade. I haven't even said what the trade is. Oh, sorry. All right. I want to look a day after earnings and I want to look and hold this straight for the next three days, but only if the stock was up 25% off earnings. Now what would I do? We could just make this up together. Let's just say I would get, I'm guessing this wouldn't work actually, but let's say I wanted to get long a call. I think this actually would not work over the last two years. Okay, well, in the NASDAQ 100, it almost never happens because apple's not up 25% in a day. So let me change that slightly to, so this is what I would do.

([01:43:37](#)):

I would just backtest it. So I'm going through the NASDAQ 100. I'm saying for one day if a stock is up 10% or more the day after earnings or off the earnings event for the next 30 days, if I bought a call, how would I have done? Well, we're about to find out. So it's happening very infrequently. This is the NASDAQ 100, and that doesn't happen that often NAS 100, but this is how you would backtest it. For example, in earnings, I think Jay, do we actually have a technical open that has nothing to do with earnings? I'm almost sure we do. Yes. So if we say the stock was up 10% or more yesterday, I'm going to take off the custom earnings. I'll just say nothing special. So now I'm saying if the stock is up 10% or more in a day, I'll do the technical open again. Sorry, technical open. If the stock moves was up 10% or more yesterday, what happens if I get long, a 30 day call? A 30 day call, right afterwards? This is how you would test it. So I don't know if this is a good strategy, I'm just showing you that's how you would test it. You do technical open, you'd say the stock move to a certain amount yesterday, a stock moves certain amount today, what do I do then? That's how you would test the white swan or black swan event.

Jason Hitchings ([01:44:55](#)):

Yep, exactly. Yep. You can definitely do it that way. How quickly does kurtosis change for give ticker IE? What kurtosis period and levels do you find most useful?

Ophir Gottlieb ([01:45:07](#)):

For me, it's been one year and the level is either above one or above three. That's all inside this remarkable finding and then end to learn tab if you just type in kurtosis, but that's the answer

Jason Hitchings ([01:45:24](#)):

Brian asks, can a filter be added to options trades to filter out non optionable stocks? And then there's that question and then that says low liquidity, large bid, ask spreads, which we kind of touched on previously.

Ophir Gottlieb ([01:45:39](#)):

If something doesn't have options, it will just show something like this. That's not why it's happening for Apple. It's because Apple hasn't moved up 10% a day, but in a certain sense, you won't get any data. So I dunno if that helps answer the question.

Jason Hitchings ([01:45:58](#)):

So there's feature request stuff mixed in here. Some of them are good ideas. Someone asks about a bull market, bear market condition be added to a scan. I mean, in a sense you can look at a bull market bear market condition through how the 200 day moving average has been trending versus the 50 day moving average or versus the stock can see what the sort of general trend in that stock has been. Yeah, it's interesting to think about it for the market.

Ophir Gottlieb ([01:46:24](#)):

Yeah, you can also define, well, that's why I have this button for 2007, 2009. If you want to look at how things did during the great financial crisis, here you go, right? If you really want the great financial crisis, I would do the end of September through the end of March. This is the barest of bear markets, not including covid, right? It doesn't matter what I'm testing right now, I don't even know what I'm testing, but I would run back test during this period and that's how things do during a bear market. And if you want to look at a bull market, we had a pretty well-defined bull market from 2014 through, let's say we want to get before the 2018 taper tantrum. So let's say June struggle, they're only 30 days in June. So you could test during a bull market period here too. So that's one way to do it. And then you determine for yourself, are we in a bull market or bear market? So that's what you would test

Jason Hitchings ([01:47:26](#)):

And you can now download those trades once it's done with these portfolio back tests.

Ophir Gottlieb ([01:47:31](#)):

Yeah, you can download all

Jason Hitchings ([01:47:32](#)):

Those are essentially fixed points in time, more or less, and you can define your own bull and bear market. It takes a little extra work, but you can piece those together without too much effort.

Ophir Gottlieb ([01:47:41](#)):

Yeah, the more effort you put into your back test, hypothetically, and I believe this, the better your trading will be, right? You saw that with that silly little Microsoft example that I was just messing around with and all of a sudden we found something that was terrible and all of a sudden it returned 250%. Well, that's because I added closing rules and open rules and timing. So work the back test tab, work it.

Jason Hitchings ([01:48:03](#)):

Yeah, totally. It says, is there a way for me to report that on the current kurtosis level for a given ticker at a moment in time? The answer to that is currently pattern finder. Pattern finder, right? We're going to add that to trade machine very soon.

Ophir Gottlieb ([01:48:20](#)):

Yes. So for pattern finder, it's actually super easy. So we're looking at John items, ticker Schwab, go to financial stats,

([01:48:30](#)):

Skewing kurtosis in trade machine. You can't. We're going to have it in there soon, but for now, what you do is you go to ask GPT and you say compare. I dunno. You compare Nvidia to the market. I don't want to do Nvidia because too sick people get angry D to the market. It'll run through our little algorithm hypothetically. Okay, so this is 3.56 years. That doesn't matter. You're looking at the last year, and here's the upside kurtosis and the downside kurtosis, we're using the net kurtosis, so five minus seven. So this would've negative kurtosis, for example. Same thing with the sku.

Jason Hitchings ([01:49:15](#)):

Great. I know this is a trade machine webinar, but you also mentioned pattern finr. My question is if we have saved a watch list of 25 stocks, I would like to see in a list certain things like kurtosis and sku, among other things. I get how to find candidates and screen for them and to create alerts. Sometimes I just want to see my list's, current metrics. Does that make sense?

Ophir Gottlieb ([01:49:41](#)):

So what you want to do is you go to stock screen, create a new screen. You want to import a watch list. Do you remember how to do that, Jay? There's definitely a way.

Jason Hitchings ([01:49:56](#)):

Oh yeah. To do it. Filter by ticker.

Ophir Gottlieb ([01:49:58](#)):

Is that what it is? Thank you. Yeah. Oh yeah, that's right. So yes, yes, yes. Okay, cool. Yeah. So you enter a list of tickers here. Let's just do the magnificent seven. You have your own list. Let's just say your list was Apple and Microsoft and Tesla, and you don't want to screen, you just want to see information. You go to proprietary characteristics. All you do is select all values. It's not screening it, it's just going to tell you what the values are. Then you go down and you can see for the stocks you're interested in, here's their proptosis and sku. You're not screening, you're not saying above or below, you just want to see the values. That's how you do it. There is a way to do it. The watch list, and I actually don't remember how to do it, but yeah, so that's how

Jason Hitchings ([01:50:53](#)):

There's some relatively new watch list kind of import export functionality.

Ophir Gottlieb ([01:50:58](#)):

But if you go to ticker and do it that way, copy and paste your tickers, that's how you do it. So this is for any metric and pattern finder, just click all values. That's what all values means. It means I'm not screening, I'm just showing you what the values are. That's how you do it.

Jason Hitchings ([01:51:10](#)):

Yeah. I think on the watch list tab, you can kind of go the reverse direction. It'll pump the watch list into your te

Ophir Gottlieb ([01:51:15](#)):

Okay, see? Oh yeah, view a screen. So I have a thumb thing. Here's my watch list. View it as a screen. Here it is. Now I can edit the results and let's say I just wanted to see revenue growth. I don't want to, let's say I want to see the one year annual revenue growth, but I don't want to screen on it. I just want to see it. So I just click all values and now all of a sudden, here's my revenue growth for the stocks that I'm interested in. So that's how you do it. Great question. And that's the answer. Thanks Drew.

Jason Hitchings ([01:51:52](#)):

Cool. Nicholas asks, if there's a way to see yesterday tab that shows what triggered from the today tab. I think we certainly could include the way we do in the technical breakouts. We show stuff in the last few days. We certainly could include, we could say yesterday next to one, something triggered on the today tab. Right now for options trades, we only showed things happening today, but on the thing down below, it shows the last few days the technical breakouts, so that's says three days ago. We could certainly add something like that. That might be helpful because oftentimes the trades last longer than it's not something that has to be traded that day. You could trade the next morning and it'd be fine. So I think it's a good suggestion.

Ophir Gottlieb ([01:52:32](#)):

Okay. I'm going to take a quick break. Bathroom break. We'll be right back. Alright, hold on. Let me do this. After all, I am a CEO. Okay, be right back. Okay.

Jason Hitchings ([01:52:45](#)):

I can answer one or two questions while he's away. Says, what are the max number of tickers that can be back tested? I believe currently this is going to be changing as we are just releasing a much of a more robust infrastructure for trade machine. It's been a big project from our engineering team for platinum. I think Platinum is currently 200. Platinum will be going to 500 I think for, I think we're currently at either 50 or 100. If you just get a list of s and p 500 stocks and plug it into the portfolio, you'll see the limits. But Platinum has the most that you can test live.

([01:53:32](#)):

Let's see here. Do I need stock Trade Machine and trade Machine Pro? No. Trade Machine Pro includes everything that stock trade machine has. Format is slightly different, but there's nothing in stock PRI machine that's not in trade machine Pro. Many of these are wanting to show it in the tool and PHE has control of the screen. So I'm kind of skipping past it. Let's see here. Yeah, you'll notice in some of the

strategies it says QA in front of it. That's kind of a legacy of the way that we were doing the scanner. QA was just a little indicator that it was tests that we were doing in-house. So QA basically means it's a CML scan. We'll eventually get around to changing those names, but you can just ignore the QA in front of it.

Ophir Gottlieb ([01:54:35](#)):

That's right.

Jason Hitchings ([01:54:38](#)):

I was just answering a couple easy ones. I will need to hop off for a couple minutes myself. Sure. Of fear, but let me ask another question. Please show us how to chart skew and ketosis and tm. Actually that's coming soon. It's actually not chartable yet, but that's kind of coming in the next batch of features that we're putting out, is there a way to turn off the data box on the charts or at least be able to move the data box away from the current price? I find the popup data very annoying.

Ophir Gottlieb ([01:55:17](#)):

Yes, for sure. There is a way. It's a button. Let's just look at an Apple stock price. Just get long stock. Okay. This is a nothing back that's just get long stock. I just want the chart to show up. I dunno why it's doing a strangle. I want it to be stuck. Thanks. Okay, I'll show you. Okay, so blah, blah, blah, blah, blah. I think you can, okay. Is there not a way J There's definitely way pattern finder

Jason Hitchings ([01:55:56](#)):

On the create tab.

Ophir Gottlieb ([01:55:58](#)):

Okay. Yeah, I

Jason Hitchings ([01:55:59](#)):

Think we have that feature, but we can definitely add it to the today tab.

Ophir Gottlieb ([01:56:01](#)):

Yeah, so on the create tab you could do that. So we should do it on this. So I'm Long Apple just let it do its thing. Yeah, you can hide pool tip and that's gone magical. You can do the same thing in pattern. Can

Jason Hitchings ([01:56:19](#)):

You check the draw tools on the back test? I actually had thought it might just be in the development environment, but I thought we hit it. Add that it might just be somewhat hidden or maybe it's just sitting on a dev box That hasn't been out yet.

Ophir Gottlieb ([01:56:36](#)):

Why it's doing that?

Jason Hitchings ([01:56:50](#)):

No. Okay. Yeah, that's in development. We can get that out.



Ophir Gottlieb ([01:56:54](#)):

Yeah, just to be a button that says tool tip on and off. That's how it is a pattern finder. By the way, if you go here, tool tip off now it's gone. You just get the cross hairs.

Jason Hitchings ([01:57:09](#)):

Okay, so I think there's a little confusion over the custom delta settings, so I think that is definitely worth touching on in terms of if you click on a pro scan or something on the today tab, it says that it appears when I click an option test from the today tab, it will use your Deltas only if my settings use my own Deltas is not checked. Thanks. Yeah, that's a little bit of a confusing part of trade machine that's worth touching on in terms of it. It toggles back its own deltas essentially.

Ophir Gottlieb ([01:57:41](#)):

Yeah, if you click on a strategy no matter what, it should use the deltas of that strategy. But if you're talking about all five, remember a back test on the today tab is only one delta or a set of deltas. If you have used your own deltas and you're looking at all of them, I'm not sure what it will do Jay, if I click from the no, it'll get overwritten.

Jason Hitchings ([01:58:07](#)):

Yeah, if you said to use your own Deltas, it'll get overwritten, but it can sometimes load the setting in from the actual shared back test. Right, so it'll kind of overwrite your Delta for that shared back test.

Ophir Gottlieb ([01:58:20](#)):

It'll overwrite your Deltas. Yes. You'll inherit the settings from that back test. That's right,

Jason Hitchings ([01:58:25](#)):

Yeah, and also typically if you click a pro scan and you click that one scan, result it, show them that real quick

Ophir Gottlieb ([01:58:40](#)):

And

([01:58:41](#)):

Then go to here.

Jason Hitchings ([01:58:42](#)):

This is something you'll notice there's a comma after the ticker and that says, Hey, we're going to use a list of tickers only use the middle delta in our custom deltas. It is kind of a funny little pack in order to get the results,

Ophir Gottlieb ([01:59:00](#)):

So this is showing the 50 delta call because my middle one is 50. If I change this to 40, oops, I change this to 40, it's going to inherit just that 40. When you put a comma, it only does the middle one because it's expecting multiple tickers and if you do multiple tickers, it's just going to use this delta or this set

Jason Hitchings ([01:59:19](#)):

And that delta actually changed when PHE clicked the ProScan. It actually kind of overwrites the deltas that you have in there to use its own deltas from that scan. That's right. So yeah, that's what's happening. It could be a little bit confusing also, if he removes that comma, then instead of using just that middle delta, it'll use all of the deltas. If you have that checkbox check that says use custom deltas, so it's kind of an idiosyncrasy to,

Ophir Gottlieb ([01:59:48](#)):

Well, if you say don't use my Deltas, it will show five deltas. It'll just be the ones that we set which is 90, 60, 50 for.

Jason Hitchings ([01:59:58](#)):

Okay, so I'm going to have to take care of something with childcare in a second. Last question before I hop off for a minute is please explain if you're looking at a swing trade for three or six months of buy on pattern finder, you can get very different results. When you look at nine months, 18 months, three years, et cetera, what periods would you tend to use for your trades given all the different results? Same question for running back tests and trade machine.

Ophir Gottlieb ([02:00:29](#)):

So for charts, you can leave Jay, I got it. For charts, I like to look at long periods of time, long-term, kind of medium term and short term. I like them all to agree if something disagrees. I like the shorter term ones to agree, so like the medium term and short term to agree and I'll let the long-term one not agree if I want. So this might be a good one. Well, these all look good, but that's the answer to that in the back tester in trade machine, essentially I would just back test what I'm looking for, but if you're looking at a one week trade and you want to know how was it done recently, I wanted to have worked the last six months or a year and at least the last three years. The reason I'm not a huge fan of five-year and 10 year back tests to tell you the truth is because options, the option market tends to move in volatility regimes and you're probably crossing over a volatility regime if you're doing a five-year back test. So it doesn't really matter if the back test worked over five years. What matters is, is it working in the current volatility regime? Say, well, how do I know if it's working in the current volatility regime? Well look shorter term like look two years, one year or six months. That's my answer to that. All right, I'm going to go to the qa high O fear, right? Good afternoon.

([02:02:06](#)):

Oh, I see what Jay was doing. He's going to the bottom. Sorry, I'm just going through the catching up to where Jay was. Okay. All right. Questions I when looking at a ticker in pattern finder on the financial stats tab, when the TNSR positive numbers that represents upside greater than downside for that period, correct? Yes. I think you're talking about skew and kurtosis if that's what you're asking and yes, that's right. So in pattern finder, if you go to the financial stats tab and you go down to tail and SKU analysis, TNS, if this is a seven, what this means is that it's the net kurtosis, right? The upside is this much larger than the downside. That's what that means. So that is correct.

([02:03:07](#)):

So a question, can the general market condition be added to this type scan? And I think we covered that. Okay. For those who trade the NQ futures, have you seen any applicability of setting up a custom scan of the magnificent seven to 10 of the biggies to gain any directional insights in the shorter term measured from one day to one week? I haven't done that, but my expectation currently, although it has been rebalanced, so before the rebalance would've been yes, the indices, those indices that index NQ has been driven by those seven stocks. There has been a rebalancing. So I would generally say probably, I

can't say that I've done it, but I'm going to say probably aren't there times you want to test positive and negative ketosis separately? Same for skewness net ketosis, yes, there is not a time where I'd want to test just the positive ketosis and not take into account the negative ketosis because when you're testing net kurtosis, you're inherently sort of implicitly accepting the dynamics, the return distribution dynamics of the stock itself. So a stock that's very, very volatile will have naturally larger ketosis on the upside and the downside, well that doesn't really help me. What I want to know is the net and equally a stock which doesn't trade with great volatility will probably normally have smaller upside and downside ketosis. Again, that doesn't really interest me. I want to know how much more the upside kurtosis is than the downside kurtosis.

[\(02:04:41\):](#)

Hi, I am currently CML pro and pattern finder subscriber. I used to trade machine but canceled it. If I need to get TM Pro, what is the rate going to be? So if you're a pattern finder subscriber and you get trade machine, pro trade machine pro will be the normal price, but then we will turn your pattern finder and put an \$11 subscription. So that's the discount ultimately that's the net discount. Okay, answer live. Is it possible for TM to show skew and ketosis value to be shown in the back test charts similar to ours? So yes, that's coming very soon. That's right, soon. So I'll tell you the steps that are going to happen. First what's going to happen is if you do any stock, you do a back test. We're just going to list all four. So both skews and both kurtosis here, right here, just like next to the stock price, I find it to be as important as the stock price that's coming first. Then we're actually going to chart it. So yes, that's coming very soon.

[\(02:05:38\):](#)

Okay, done. If you have time for people on concept, how would a stock look on the chart if in kurtosis or skew if you have time for people unclear on the concept, how would a stock look on the chart if it had screw crit? So in the way we measure it, my guess is no human being would be able to tell the difference. That's how confident I am in the algorithm that I've written that you actually wouldn't be able to tell. Now if you're doing standard skewing kurtosis, so like what you would learn in a stats class, if you saw something with very large kurtosis, you'd just see a lot of volatility, big moves that would make it essentially left critic back test and liquidity. TM back test often flag low liquidity. Does TM go ahead and still include this in the back test or does ignore it does, yeah. In a back test with a large ticker count the tickers with warnings appear in red below the test and then disappear. Is there any way to get that back or to flag them they should cascade, is that not right? Let's do SP 500 and let's do, I'm actually testing this. I don't know, I'm just running a whatever trade I want to see liquidity warnings not happening. Let me go to something else.

[\(02:07:26\):](#)

And does PHE have a lot of custom strategies? He does. Let's see what we get. I am just trying to get a lot of warnings. Hypothetically, you're going to get a warning in red about a ticker having low liquidity and they should cascade, so it should be below it below, so they shouldn't actually just, okay, good. Here's a L, but then we want another one basically. Yes. So it's cascading A LAP, so they should stay there. Okay. Is there an easy way to change a scale on pattern finder from standard to log? Yes, absolutely. You go here and you go linear or you go log. Okay, so on pattern finder there's a linear and log button and that's how you changes really easily. Feel like I'm getting the easy questions.

[\(02:08:17\):](#)

I've seen positive numbers for downside ketosis and skewness. What does that mean? A positive number for downside? Ketosis is correct. Kurtosis can only be a positive number. So you can think of ketosis as always positive or always an absolute value. So what you want to look at is the absolute

difference between upside and downside. So downside kurtosis should be a positive number and then max asks and a positive number for downside. Skewness is just a weird data bug. You should not have a positive number for downside skew. That doesn't make sense. I believe you're seeing it, so I'm believing you. I'm just telling you that that's our error. I see. Here's 1.050, this is, oh no, this is net. No, net is okay. Sorry if you're, max is probably talking about actually this. He's talking about if you ask GPT, yeah, this is what Max is asking, right?

[\(02:09:22\):](#)

Compare to the market. So Max just, you should not see a positive number for downside skew. So here's downside skew. This should always be negative and if you see a positive number, then it's essentially a data error. So good question. Alright, when will skew and kurtosis be added for indices sectors? The average skew in kurtosis. That's interesting. So in pattern finder we have sector and industry strength. We could add the average skew in kurtosis. That's doable. All right. Why should we believe that the return distribution characteristics of a stock will apply into the future? It's a fair question and the only way you can try to believe it is to look at the past. Has it been predictive of future returns and it has been. If you don't believe it'll repeat, then that's okay. Then you wouldn't believe it.

[\(02:10:35\):](#)

Is there a different way to look at pattern finder on mobile? Have a hard time figuring it out. No Pattern finder is just not mobile friendly, so I just straight up no bullshit. It's not a mobile friendly application. It's a good question. Okay. Is pattern finder included in trade machine pro or C pro Pattern finder is not included in either one of them, but it is if you're a trade machine member, trade machine, pro member pattern finder is \$11 and how do you get that? You email support and they'll get back to you and give you a special coupon code.

[\(02:11:10\):](#)

Reasonably often when I load charts and pattern finder, I get price on a very compressed y axis. I think it's trying to normalize the whole chart to capture prior highs. Could we start setting with a chart auto adjust to present near term low term? So you can do that by switching between log and linear. I think you can also do that by zooming in and zooming out. You can. Oh yes you can. Yes. So I'm using my mouse wheel so as I zoom in and zoom out for my mouse wheel, notice how that's at 50 and I zoom out, it's 55, zoom out goes to 60 65, so seventy five, eighty, eighty five, ninety, a hundred five. So that's using my mouse wheel to do that, but I would use the linear and nonlinear.

[\(02:11:55\):](#)

Is it true that the greater the kurtosis number and or skew, the greater the chance for higher returns are wins versus losers? That's what we have shown using our proprietary skew and kurtosis in particular, our proprietary net skew and kurtosis. That's what we've shown in the past. Yes, that's right. What about a scan that recognizes when a skew or tail goes from positive to negative? Yeah, you mean like kurtosis was negative one month ago and is now positive? That could be interesting. We don't have that yet. Okay. I'm visually impaired. Can't see much on a white background. Do you have a dark mode? We know we should have a dark mode pretty soon. I think we have it in trade machine. No. Yes. Trade machine there is. So you click on the moon and then you get dark mode. So if you're asking about trade machine, then yes, that's how you do it.

[\(02:12:55\):](#)

Okay. Could we see kurtosis skew on the pattern finder chart Maybe in a data box. Okay, do we not do that? Okay. Yeah. So you're saying skew and kurtosis like in the tool tip or something? Let we turn the tool tip back on. Yeah, I think we could do that soon enough. You're going to be able to chart skew and kurtosis and I think it will solve the problem. Is there a lazy person's way to get trade recommendations

of either good long-term stock buys or options trades asking because all this is going way above my head. Yeah, I mean I don't want to call you lazy, but the lazy way would be to go to the today tab. Go to the today tab, look for the group of stocks that interest you the most. Let's say the nasdaq, I'm just going to say the NASDAQ a hundred just because they're usually liquid and then so come here every day, go to the today tab.

[\(02:13:50\)](#):

There's nothing on the today tab now because it's a weekend, but in the weekdays you'll see all of them and if you're only interested in certain ones, then you would go to set today tab alerts like these are the ones I'm interested in. This is super lazy, not meant in a denigrating way. It's super easy. I'm just getting emails of the things that interest me. So yes, there is a super easy way, this is how you would do it and I don't think you're lazy. I just think you're looking for something to make your life easier. You showed a credit put spread that had no losing trades and said one had greater return than the other, but the other one had a greater credit received. Isn't that a mistake And the data retrieval process? No, because the amount risks increases as the width of the put spread changes. So even though you're receiving a greater credit, you're also risking more and the trade off between amount risked and amount received has made the total return worse as part of the scans as a possible to only include results with weekly options. We don't have that right now. We've been asked so we can work on that, but we don't have that right now.

[\(02:14:56\)](#):

Can TM help us find good prices on options? A TM back test has tiles that show the individual trades with options that list the options trades delta iv. Is there any way to set, use the options IV in the back test? So you cannot use the IV in the back test. I am noticing that 14 days before earnings, the pricing of options can really change. So it depends on which options. So a part of the change in options before earnings, the options change more slowly if you're just looking at the Vega. So the amount due to volatility, that's kind of the trick. And we A, you would want to go to the learn tab and to understand that. So I think it's under pre earnings.

[\(02:15:39\)](#):

Yeah. So yes, pre earnings on calls. I'm trying to see where I get really into it. Is this it? Yeah. So if you look enough through pre earnings, you'll find what it is I'm trying to do with that trade. So Vegas should actually change very little and that's the benefit. Whereas options that are expiring before it, which are the pre earnings diagonals, you're getting the great benefit and I show a chart of how Vega or just in general, how option premium collapses after earnings stays a little less curved and a little more linear when earnings are there. And it's that behind this pre earnings trade and these pre earnings diagonals is a volatility trade. It's just that it's much easier to convey that to non-option professionals by using the dynamics implicitly. So you are doing that now? It is not. You cannot trade machine cannot help you find good option prices on options and I think by good you mean liquid markets and no, you cannot do that.

[\(02:16:52\)](#):

Okay. I think I just got like three Amazon deliveries at once. I don't think the delivery driver was happy. Okay. Sorry. In the back test, if one place a 40% profit limit and it hits the profit limit before the 30 day expiration period, does the back test model this exit versus waiting for their 30 day roll? Yes. When you have closing rules in trade machine, they're all or right, if this happens or this happens or this happens or this happens close. So any of those, so it's an or. Okay. When you're using technical opens and so the stock price is above stock price is above the 50 day and the stock price is above the 200 day and the kurtosis is greater than one they're, and so opening is and closing is, or based on your analysis, that's RSI result in better results than Bollinger BD macd.

[\(02:17:50\):](#)

So the most powerful technical I've seen, I'm not talking about return distribution characteristics, is actually RSI and in particular I have a special kind of thing I look, it's actually I found that if the RSI is below 25, that is one of the, if not the strongest technical measurement I've found for something that's oversold. That's what I found in my own analysis. I didn't do it enough to write a paper on it or something. But yes, I found a very, very low RSI even lower than what people consider oversold and a very, very high RSI to be pretty good measures. In particular A very, very low RSIA, high RSI can persist actually.

[\(02:18:32\):](#)

Okay. Alright. Can you add or are you planning to add the PSAR to the technical indicator list for back tests? We're probably not adding a lot of technicals to this list because I'm finding that most technicals and many technicals simply don't work. It's just kind grinding your head. So you'll notice that there's not a lot of technicals here and a lot of them aren't really technicals. It's like stock moved by a certain percent in a few days, stock moved by a certain percent yesterday or today or the stock price. These aren't really technicals, right? These last four are return distribution characteristics and this is the vix, the level of the vix. There's very few technicals we have here. From what I've tested, technicals generally don't work. Some do and they're in trade machine. So why am I not adding others? I don't find them to have value.

[\(02:19:19\):](#)

It doesn't mean you don't find 'em to have value. I'm talking, that's what I think. Does using GPT along with kurtosis improve the profitability? Historically? Yes. You don't have to use GPT, just ker. Will I get an alert when on one of the closing criteria is met? I don't think so. No. I'll think alerts are only opening. Yeah, it's a good question. That's a good question. Is there a way to filter portfolio strategies by alert recency eeg, perhaps a bullish trade alert fired a few days ago, the stock dipped to support three days later, but this trade still has time to be profitable. It may be present an area to add to the position. Could this alert be found in portfolio screen function? Essentially asking if there's a filter for live trades. Let me just think for a second.

[\(02:20:14\):](#)

No, I don't think we have that in trade machine. Sorry. Do we get closing alerts? So I'm going to ask the same question. No, we don't get a closing alert. You can set a closing alert, right? So okay, I shouldn't have said no. I'm going to do a simple trade and show you what the alert is. Okay, let's do Apple. I want to get long. Let's just do stock and my one technical condition is that the stock, as long as the stock's above the 50 day moving average, I'll get long. Okay, so here's a back just over two years. Oh, and I want to close the trade after, let's say I know it's a 30 day trade, so every time Apple is above the 50 day moving average, I'll open a trade, I'll hold it for 30 days and then I'll check again. But let's say I had a technical close, which is that also I want to close if the stock price goes below the 50 day moving average, right?

[\(02:21:06\):](#)

Okay, so that's the SPECT test. Okay. And it's like, oh, I want an alert. Sure. So you go to alerts, you put in Apple, it's a technical alert. It's when the stock price, the price is below the 50 day moving average when I add this alert, so I'll just call it now, close my long. Oops. So yes, if you do this and add the alert, yes, you will get alerted when it's time to close. You just have to set. So I shouldn't have said no. Yes you can. You just have to set it explicitly. It's two different alerts. One alert is for the open, one alert is for the close.

[\(02:21:52\):](#)

In that rule set you just pointed to the four rules. Did then take the closing price, option price at the end of the day or other words, what is it to bring the price you get when closing? Yes, so very good question. Trade machine uses 15 minutes before the close when options are the most liquid to set. Its open rules and its close rules you can do as you like. As a trader, I don't follow end of day rules all the time. Sometimes during the day I'm like closing, opening, but we had to set a rule if we're going to have a back tester. So the rule is very rigid, 50 minutes before the close, we're checking stock prices, we're checking option prices. That's when those are the best liquidity and that's what trade machine is using for its triggers. Open and close. Good question. TM shows total return for back test. Is it possible to easily see average return? Yes it is. So I'll show you how. Let's get longer call and Apple and whatever 60 days go here and average return. So you click in the tile average return

[\(02:22:57\):](#)

Trade machine uses prior knight's closing prices. How do you account for gap? Risk when performing back tests? So we don't really need that. If you open yesterday at 1245 or depending 1245 Pacific, 3 45 eastern and then you close tomorrow at 1245, if there was a gap, then that back test includes the gap. It's automatically accounted for. We're doing nothing unusual as long as you use the same time every day. And that's why we use the same time every day. And how do you account for it in your portfolios? Well that's personal. How do you risk manage

[\(02:23:35\):](#)

Technical open close logic. Okay, technical open and technical close use and logic. Is that correct? Technical open uses and logic. A technical close uses or logic? That's a good question. Does the backtest algorithm test the position against closing rules minute by minute every hour? No, it checks it once a day, 15 minutes before the close. Those are great questions guys. I really appreciate them. I'm subscribed to Pattern Finder. What is the TM cost? So trade machine. Think I have a special right now for Trade Machine Pro. I literally don't remember the URL. This is the URL. Let's see, okay, I think I've lowered the price to 1 49, normally 2 0 9. So that's how much Trade Mission Pro will cost, but then come back to us for pattern finder. Your pattern finder will go down to \$11. So the discount you're getting is that your pattern finder subscription goes down to \$11 a month. Are there plans to add candlestick patterns to the possible screening criteria in the future? So you're talking about either intraday or actual candlestick patterns? I don't think so. I've done roughly some back testing on it and I haven't found any edge. So unfortunately there kind of is a king to what goes in and comes out and it is me, it is. And if I don't find something working, I try not to kind of muddy the waters.

[\(02:25:06\):](#)

Have you considered offering a one-on-one coaching how to maximize your trade machine? We actually did have that and nobody took us up on it. Oddly, can you share the link to enroll in pattern finder for trade machine subscribers? So just go to any pattern finder page honestly just go, you'll overpay email support, you'll get a refund and then your monthly cost will be set to \$11. If you don't want to do that, you can email support and they'll send you a coupon code. But if you really just want to get started right now, like I know especially for retail traders, like I work during the week and the weekend is when I trade. Always when I plan, just do it. I promise you we're going to send you a refund and get your \$11 a month or if you're not quite that in a hurry, just email support.

[\(02:25:49\):](#)

So either one. CML is one of the easiest companies to work with in my opinion as a consumer. Basically what you asked for we give you. So thanks very much for your time today. Please excuse if you already covered it, I joined late, but can you work in a few brief examples of how you've leveraged the AI features recently added? Yeah, so it was the AI that allowed me to discover the skew and kurtosis

dynamics, these proprietary dynamics that I found I did need help with writing the code that quickly. And so in one way you can say, well I did a year's worth of coding in a month, but that's not really the case because if I couldn't have done the year's worth of coding in a month, I wouldn't have done the year's worth of coding. I just never would've happened. I couldn't have done that project. It's too big. I'm running a company and I don't have time to code that much. So in my opinion, the AI has therefore allowed me to find this discovery. That's what I mean by it enabling me to do it. So I hope that's a satisfactory answer. How do I read a private answer? Can't click on it.

[\(02:26:58\)](#):

I don't, I dunno. It's very possible that if there's a private answer I was just clicking to say that I've already answered your question, otherwise please feel free to ask q and a again. How does one get the platinum version? Yes, to get the platinum version of trade machine, which is whatever your cost of trade machine is, whatever it is, it's just 12 times that donor to get it, you have to email support and they'll send you a link for 12 times that. Just remember you're signing a contract which says even if you cancel before 12 months, we're not sending you a refund, you are signing up for those 12 months. We are essentially reserving infrastructure for you. Okay? So yeah, just email support then just program the auto trade to buy at midpoint, which we bid and ask. Okay, that's fair. So Ted is referring to something I said, why don't I do auto trading? And I says, because people are going to get burned with the bid offer spread. And he's saying, well yeah, sorry dude, you can actually program it's do bid market. So thank you. And that encourages me to consider that idea. So thank you for that.

[\(02:28:01\)](#):

Where on the site do you explain the definition of bowl squeeze and bull mammoth? Sure. So go to the learn tab technicals and the CML mammoth model. This is how, and then for the squeeze ATM squeeze. Okay, so the learn tab is really the answer to most of your questions. It's my pleasure to answer them, but that's how you do it. Okay, can we see near term of the today tab eg recently triggered earnings trades? I think Jason was talking about that. What we have at the bottom of the today tab. Sorry, just let it load. We actually have this two days ago, three days ago for notable technical breakouts. Notable technical breakouts. So I think we could actually do this. So some of these are kind of feature requests. The most pressing feature request that's going to be done is on the BTI tab.

[\(02:28:52\)](#):

You're going to have six month S skew, one year S skew, six month ketosis, one year ketosis right by the stock price. And all of these on the today tab are also going to have a little lightning bolt if they satisfy a certain ketosis requirement. So that's coming urgently in the next few weeks. And then the other stuff we'll see, but this is one way I think we could satisfy what some people are asking. So it's basically in infrastructure we've already built and we just have to add it to these. So if we've already built it, it's much more likely it's going to happen. I asked what determined the closing price when a trade is closed, what of day? So the timing of day is 15 minutes before the close and the type of close is how you choose it. Market price, buy the offer, sell the bid halfway between bid and market and then the mid-market. And if those three things aren't totally clear to you, that's okay. You click on what is execution fill type, it'll take you to the help tab and so this is the answer. It's at the 15 minutes before the close and what is the fill it's based on? It's how you select it.

[\(02:30:02\)](#):

Allow me to pitch my product. Okay. Okay. Well if here's request CML have live trading sessions few times a month, I'll think about it. I think it might be interesting if we had live trading with members. So community, just so you guys know, if you go to community, go to community, it's worth it. It turns out



that you have to agree to the code of conduct every time. And I'm really an asshole about this. If you are denigrating people, I'm just going to blow you out. Don't do it.

[\(02:30:39\):](#)

There's enough rudeness in disgustingness in the world that I just don't want it in the company I'm running and it's not a democracy. So the community in general, okay, broadly speaking, why do people cancel products? Not just straight machine or the just why do you cancel your Disney plus you cancel things because you're not finding value in them, whether it's trading or otherwise. Why do you not pay for your Disney Plus? Because I dunno, you don't find Disney plus valuable anymore. So if people are canceling something less because they do a certain action, that means they're getting value out of it. The cancel rate in trade machine and CML Pro is so unbelievably lower for those people who are in community that it's almost like we're running two different companies. We're running a company that doesn't have a community on the side, blah blah blah, blah, blah.

[\(02:31:28\):](#)

And we're running a company that has community. There are probably 10 times more people in community than you see writing because 90% of people in community are kind of ghost, which is perfectly fine. They like to just read, they're reading, they're not posting. But anyone who's in community, your cancel rate is like 90% lower. So why then, does that mean you should use community? It sounds like I'm just pitching my product, I want you to cancel us off. No, I'm telling you people cancel products like trade Machine or Disney Plus because they cancel them because they don't find value. People don't cancel because they do find value. That means people in community are finding literally about 10 times more value in the products than those who are not. Well if you're trading what is value, profit and loss, right? I mean Disney Plus is something else.

[\(02:32:17\):](#)

I enjoy the shows. I don't enjoy the shows. I have time to watch tv. I don't have time to watch TV trading tools. It's simple. It's helping me make money. It's not helping me make money. Well if I'm telling you that people who come into community have a 90% lower cancel rate, that means they're seeing nine to 10 times more value. Well wouldn't you want nine to 10 times more value out of your trading tools? Forget if it's trading machine just in general join community. It's free. It's literally a part of your thing. Okay, why did I bring that up? We are upgrading community. Alex is still working on, it's in development. It's actually an alpha. It's ridiculously faster and easier to use and then it'll be an iOS app and an Android app if you want. You don't have to.

[\(02:33:01\):](#)

So that was all because Sam asked about having live trading sessions. So now I'm getting to that. It would be interesting not if I ran the live trading sessions, but if in community people were doing live trading sessions together, that would be really awesome. So I'm not sure I will be doing live trading sessions, but once community is upgraded, which is very, very soon, Alex is actually just on vacation, that's why it's not out. He gets to have a life too. I think a lot of things are going to be possible. Long answer. Do you really negotiate or does that markets ask Price Move to what? Your entry prices. So when you're doing this in a market, if a market is \$1 by \$2 and I'm putting in a \$1 60 cent bid, that is, that's a negotiation. It's an electronic negotiation option. Speculation seminar was awesome. Thank you Chris. That was a fun one. I really enjoyed that one. Does the back test algo test a position against closing rules? Okay, yeah, sorry that was answered. Options alpha lets you negotiate trades robotically. Okay, over the years I can't count how many times if fear has said write it down. Amen. Can the scan be done in tickers with tight bid? Ask prices. We don't have that.

[\(02:34:22\):](#)

Any thoughts on being able to back test zero DTE options? Well first of all we wouldn't be able to because we're using closing prices only and zero DTE exist only once. Also, zero DTE options in my opinion are just sending money to the market. I don't like sending money to the market, but in particular the answer is no because we are using end of day prices for options, not for stocks. Stock prices of course are real time. If a stock is listed at the start of the day on the today tab, if the price changes throughout the day and no longer meets the entry, how would we know this if we open our trades at 3:45 PM You would have to check the conditions yourself. It's a fair question and that's the answer.

[\(02:35:02\):](#)

Oh someone sorry, he just said nevermind. I thought okay, he said nevermind. Sorry. Can you possibly change to a larger font within TM and or change the background color? Yes. So here's how you do that. Here's the back, here's go to night. Night. You go to, I'm just going to show you how to make the font bigger. So lemme just pull something up on the screen. Okay, lemme just let this load. I'll bet you if I was to look at trade machine, now the traffic is like 10 x by the way. Trade machine is getting a huge upgrade in the backend just so you guys know, it's going to be so much faster, it's going to be insane and we are moments away, okay? So if you're in any web property and you're like, man, I would love it if the font was bigger, you can do it yourself. So go to update, go to Zoom and click like 150% and now you've got bigger so you don't need us to do it. You can do it yourself in and now you've got your bigger font. So I understand that smaller fonts are hard for you, which is fine. Welcome to aging. I'm aging too. I'm 47 and I generally have my browsers on 110%. So you can feel free to do that on any web application. I hope that helps you not just use trade machine. I hope that just helps your life.

[\(02:36:14\):](#)

When I see a trade alert and trade machine, I now go to pattern finder to test for skew and ketosis. Is that good practice? It's actually really, really, really good practice. Yeah, that's a good way. We need to be giving you the skew and ketosis here and we're going to do it very shortly. It's going to be right next to the stock price. But for now, that's a really good hack Anthony and yes, that well done. You are the kind of person I say be the wolf, not the dog. You're the wolf, not the dog. You'll figure things out without a human showing. You may I suggest that you add to the learn tab for those wanting to trade weekly options that they visit the SIBO site to check what companies offer weekly options. Sure, I can do that. I'll write a note right now. Lemme just write that down.

[\(02:37:05\):](#)

Okay, I'll tell Mandy. Okay, so how do you know you are selecting a liquid option? You don't. You go to trade it and see if you can kind of manifest your trade anywhere near mid-market. Obviously if you're looking in a market that's extremely wide, which is probably going to matter most to you because remember I said that two things determine liquidity, neither, which is volume, it's depth of market with the market. This probably doesn't matter that much to you. I dunno how larger trading width of market does. If something's very, very wide, there's a very, very good chance you're not going to be able to get a reasonable fill. It doesn't mean you won't be able to. There's a lot in the cob, the complex order book, so try. But yeah, very wide markets might be a no go and that's why you want to trade around 50 delta. Those are the tightest markets and you probably want to be in larger stocks like the NASDAQ 100 for example. It's not that I'm so in love with a NASDAQ 100, it's just that I get good fills. You know what I mean?

[\(02:38:06\):](#)

Can we have a yesterday tab? Okay answer that. Is kurtosis a rolling figure? Yes, it changes. We measure it every Monday, Wednesday and Friday. Yes, for a rolling six months or rolling one year. Same with sku. How come my questions are not being answered but I see NU questions being answered. I dunno, I think

I just answered one. Thanks so much. Great session. Have to go to other appointments. Awesome. Could you add multiple kurtosis timeframes? So there is six month one year and through our GPT tool there is since 2020, so you have three timeframes.

[\(02:38:42\):](#)

If I load one of my strategies with custom technicals and back test, I can add a preset option trade then such as bull squeeze is the back test using my custom text and the bull squeeze as well? No, it's a good question. Someone is asking if they're choosing a bull squeeze, bear squeeze bull MA method or bare mammoth. These are essentially all dominating buds. They take out everything else, not custom earnings, but anything in this technical thing they just wipe 'em out and you're only using this. It's a good question. Could we get a list of items that have been requested and when it is on the to-do list, we generally keep our development lists private because we have competitors who are trying to copy us. They're doing a shitty job, but I don't want to give them a roadmap to how to not do a shitty job.

[\(02:39:21\):](#)

So that's er you're an awesome educator mentor. I'm certain that you have made your most respected mentor, Jim Kaplan, very proud of your learning and knowledge sharing. Oh, thank you very much. That is very kind and to tell you the truth, all I really do is try to show off for Jim. Honestly, that's what my life is. I try to show off for Jim. That's it. I don't try to make money anymore, I just try to show off for Jim. If I can show off for Jim, I'm happy. Are any of these tools useful for zero DTE? So not trade machine. I do think pattern finder can be if you go to one day charts or even five minute, five day charts and you go to the minute, then all of a sudden you can see if there are patterns going on. We don't draw the patterns in, but you can use them in particular for you're using one day.

[\(02:40:08\):](#)

This is a one day, one minute chart. You can start to see things. So it's really for me to look at a chart and then in retrospect say, see it's really obvious I'm going to do the thing that everyone does that's stupid, but I'm just going to be stupid right now. If you're seeing a double or triple top during the day, it's no different than seeing a double or triple top on an 18 month chart. You've kind of topped out and you can see that's what happened. Similarly, if you're seeing a double or triple bottom here, here and here, it's no different than seeing a double or triple bottom on an 18 month or three year chart, which is like, okay, this is probably the bottom and that's what happened. Now, yes, did I choose a chart and am I using the past to show you that I know what I'm doing in the future? Yeah, I mean, so I wouldn't take what I said so with such vigor, but the patterns on intraday charts in particular double top and triple tops and double tops and triple bottoms are not so different than what you would see in a three-year chart. They're all kind of the same thing to me.

[\(02:41:07\):](#)

I hope that helps you. Hey phe, when one goes from back testing with a certain set of conditions, IE Microsoft long call you went over a few minutes ago closing when the stock is less than 200 day moving average, noting the results and then adding the kurtosis greater than three bullish technical open condition and rerunning the back test to show improver terms in win rates. Isn't that just the same ticker? Yes. How did Microsoft or any other given stock generate any different better results over the same test length evaluation period than before the kurtosis condition? Because you are opening at different times, right? In particular, if you have a back test which says, sorry, it's hard for me to look at dark screens. I know it's hard for some of you guys to look at light screens, so we're going to have to compromise on this one, but I'll just take the Microsoft trade and I think it was longer call one day after earnings and then closing 30 days after earnings and then using a stop and a limit of 40%, something like that.

[\(02:42:07\)](#):

Isn't that kind of it? And then the technical open was think it was something like that. I think this is what I did got along the call and that was a 30 day option I think, right? That looks right, right? Yeah, whatever. Something like that. And then I said, okay, but now only do it. That's 12 trades. So count 12, right? That means there's been 12 earnings sessions for Microsoft in three years. So that means after every single earnings that did this, when you go to the technical open and you say only when the kurtosis is greater than three, you're going to get fewer trades, right? Went down to four and two. So that's how you're getting different results. Makes sense with the buy and hold strategy based off of kurtosis skew being positive, hypothetically one would one consider they were wrong, one kurtosis and skew flip.

[\(02:43:00\)](#):

It's an interesting question. And actually that's not what I did in my back test. I said if those three things that are required at the one year kurtosis greater than three six month kurtosis greater than one, and the one year, sorry, six month skew greater than one and the one year S skew greater than two. I just said at any time if it qualifies, stamp it, get long for a year and close your eyes, then close it a year later. That's why I said in the demonstration I said the trading strategy is kind of a triviality. I didn't try to optimize that at all, like to see if any one of those three filters changed. So you could definitely do that and you would probably improve your returns. I can't tell you that you would because I haven't back tested it, but that's what I meant by saying that stock thing, which has unbelievable improvement. The trading strategy was a triviality. The idea that that's the optimal strategy is laughable. We are starting an ETF and or hedge fund and there's benefits and detractors to both. And in that time I will find the optimized strategy and then I'll do the factor analysis with an axioma and then I'll find the truly best strategy and I can pretty much guarantee you the difference won't be 20% to 10%. It's going to be a hell of a lot more.

[\(02:44:19\)](#):

Will you be able to use skewing ptosis as a filter on ProScan? Okay, so not yet, but soon we will have all 16 of the strategies on the today tab, which are also in the pro scanner will be here, but they will be with kurtosis and SKU filters. So there'll essentially be more scans. Thank you for the tremendous info. Sorry to have to leave. Appreciate your efforts. Thank you very much. Thank you for the entire presentation as well as the personal response to questions. It's my pleasure. Thank you. Will there be a replay of this webinar and for those of us that missed it? Yes, I'm recording it. I missed the first three minutes. Jason saved us. This is all being recorded and will automatically be emailed. Can we get a closing alert when triggered in trading machine? Yes. So set a, set your closing alert. So let's say your closing alert is when the stock dips below the 200 day moving average. Just for example, say your apple technicals stock price goes below the 200 day moving average. There you go. If that's your closing rule, that's the alert you're going to get. You will not get an alert if it's a stop or a limit. Those we don't have alerts done. I'm really confused. Why aren't my questions being responded to?

[\(02:45:38\)](#):

Sure. I forgot how you showed the different delta choices at the top for any given symbol. Sure, yeah. So you go to back test tab, let's just do something stupid with Apple and buy a call. I'm not doing, this is not an idea. So this is going to show, oh, it's going to show a bunch of deltas. Take out the comma. So 90 maturity mission communities is one of my favorite communities. Guys are relentless. When you start finding something that works for you, which I appreciate because when you find something that works for you trading, you should be relentless. So I can tell because this trading machine is not normally this slow. So here's where you would do it. So you say so, okay, just to remember, it's 90, 60, 50, 40, 25, and you say, no, I don't want that. I want 60, 50, 40, 30, 20. So type or 70, 50, 40. So you type it in save and now it's going to be those.

[\(02:46:35\):](#)

And even further, if you want to do multiple tickers and it's only going to choose one delta, it's going to choose the delta in the middle. So now if I do multiple tickers, there's no ticker Microsoft amd, so that's going to be a bug an error. Now they'll all be 40. So that's how you do it. Okay. How do you interpret nets, skew, net, ketosis, if they're almost netting to zero that it's just not that good of an opportunity, you know that they, they're not giving a lot of information. So it's like why does that NAN? Oh, because I put a here. Yeah. So yeah, it's just like, remember what we're looking for in trading is we're looking for outliers in whatever we're looking for that meet certain criteria. If they don't meet that criteria, it's just kind of a pass. So while there are truly a billion trades, you could take a day. I mean there's probably three or three to five that you're actually looking at. And that's because they meet those criteria. It's no different with skewing kurtosis. If it's near zero, they're just not saying very much. That's all.

[\(02:47:36\):](#)

I stepped out for a minute, so if covered, nevermind, I'll see it on the replay. But spend a minute on the create tab. So I'm not doing the create tab because it's kind of an outlier to the rest of trade machine, but there is just an exhaustive webinar on the create hub. Just exhaustive, right? It is exhaustive. No, let's see how long it is. Yeah, it's not that exhaustive. That's seven minutes. Okay, seven minutes. Seven minute a video on it. Go to the learn tab. Type create hub. It's just a very different part of trade machine pattern finder. Baidu shows. Kurtosis. Okay, lemme just do it with you. We'll just look at together as a community. I go to Baidu financial stats, go to skewing ketosis. Okay, so one year kurtosis is negative. One year skew is negative, but the six months kurtosis is positive and six months skew is positive.

[\(02:48:40\):](#)

So the most powerful thing I've found is one year. So this is what I would focus on first and foremost. Then I would look at these two and I would want this one to be over one and I want this one to be over two and they both fail. So as far as I'm concerned, these actually agree they're all failing. The idea that the six month measures are positive and the one month are negative, it probably means BA is having some kind of updates and it looks like over the last six months it has been. So that's how I would interpret it. The one year ketosis matters more to me, significantly more.

[\(02:49:17\):](#)

Here's there a way to change the default RSI period. Yes. Not the default, no, but you can change it. So in the technical open, you want RSI, there we go. Instead of so 14 day, that's a normal RSI. That's when people talk about RI, they're talking about the 14 RSI. You can change it to whatever you want, but there's no way to actually change the default. You have to change it by hand. Can you possibly change to a larger font size within TM and or change? Okay, yeah. So I think we've answered that. Could you explain the efficiency score on the today tab? Yeah, so the efficiency score, you can learn from the learn tab efficiency score, what is the efficiency score and then here we go. Okay, so I'm going to push you guys to the learn tab.

[\(02:50:18\):](#)

Hi phe. Amazing session as always. Can we get a closing alert when triggering a trade machine on an existing alert? Yes. If it's technical, yes. You set a separate alert for closing in pattern finder. Can we toggle chart zoom in the most recent bar or further right or tool tip rather than zooming into the center please. I don't think so. Yeah, you can do that and then you can slide it over. So yeah, you can just take two. So I'm scrolling in with my mouse scroll and then I'm pulling it over. So that's how you would do that. So it's not in one move, but it's in two moves so you can do it.

[\(02:50:56\):](#)

What is the title of the video that includes a section on OGs way he trades and uses trade machine. I do know what you're talking about. Oddly, that wasn't a very descriptive thing, but somehow you communicated it really well. You must be a good communicator because damn, that's a good question. By the way, there's full options education in trade machine, four separate sessions that Jason did. Hour long videos each if you guys want options. Education such a, is this it? I don't want to spend too much time on it, but it's one of these, yeah thing. I think it's this.

[\(02:52:08\):](#)

It's one of these pre earnings ones where I just kind of went cuckoo. Yeah, it's one of those, sorry. I do know what you're talking about though. In communities there a possibility to make some threads on specific topics like kurtosis for example, currently quite valid discussion of swamp to ad hoc. Yeah, it's true. We don't have that. It's hard. We're adding in the better version, the new version. Obviously you can actually search for ketosis so you could find those things. That's probably my best answer. You'll be able to search to things and go to things.

[\(02:52:44\):](#)

What RSI is your number for overbought enough to take a short position? So it's a good question. I haven't found a really good answer to that. And the reason I hasn't is I haven't is that really high RSI can actually linger. It reminds me of really, really low vol. Really, really low vol can last for a long time. Remember I showed you in that someone asked a good question about what is this volatility thing in GPT in our ai and I was showing you that. So the answer is I don't really have one because it tends to persist, like low volatility tends to persist, right? High volatility does not persist, right? It comes down when there's high volatility, it tends to come down quickly. It's very similar with RSIA, very low RSI does not persist. Stock tends to come up a very high RSI can actually persist.

[\(02:53:31\):](#)

So I don't have a good number for you Kat, but I would look at like 75 or 80. I'd look at a very high one. What is the minimum time windows you find your scans are useful? Anything short term under one week? Yeah, yeah, for sure. So in general, for example, when we're doing the pre earnings trades because they have stops and limits. So if you go to ProScan, go to 14 day pre earnings, long call technical, just all just PayPal. What's happening? Lemme do it over five years. I don't care if they're good results. I just want to show you what's happening.

[\(02:54:10\):](#)

So hypothetically this is a 14 day trade because the custom earnings is 14 days before earnings, but we have a stop and a limit. So look what's actually happening. It's two trades. So that was useless. But here this went a week. This went a week. So let, lemme just put in more ticker so I can make my point. So hypothetically, these are 14 day trades, but in reality this was a one day trade because it hit the limit in one day. You got 40% in one day. This was an eight day trade. This was an eight day trade. But you saw it, right? So often these are on average, these are like four day trades. So this 14 day pre earnings, I'm holding up air quotes. 14 days pre earnings are usually about four day trades.

[\(02:55:06\):](#)

Please explain the asymmetry back tests are in trade machine. So I think maybe you're saying how to do them and you would do them in the technical open, you would go to the asymmetry. Oh sorry, maybe that's what the question is. Asymmetry is just a word for sku. We should write SKU here. It's skew, that whole thing I was talking about skew. That's what asymmetry is. SKU and then you would write what you want. Hypothetically this should get better results. Curious if it does. Yeah, happens very infrequently. I agree with you candlesticks. Yeah, I think he was talking about how they're not necessarily useful. I would be interested in one-on-one training. Don't think we're doing that anymore

unfortunately. I must sign out for now. And thank you both again for your presentation. Thank you. Looking in video, you get very high kurtosis and skews of course. Pattern finder shows almost all, all downside. No surprise at this point of the market, when you look at Schwab, it shows decent kurtosis and of course the skew is low but positive and that shows a lot of potential upside in the pattern finder. What would be some of your favorite strategies you would look at given that this year the queues have gone straight up?

[\(02:56:20\)](#):

I'm sticking to small windows of speculative risk. So I don't mean to punt, but basically everything in the trade mission scanner is a short-term trade, pre earnings, post earnings, some of these the technical long strangles, these are all small bursts. So that's what I would prefer even well the market's going up or down in trade machine, sorry, in pattern finder I would still be looking for better. Oh interesting. For these types of setups where the next congestion points just have more room to the upside than the downside this one doesn't. So here you go. 1, 2, 3, 4, 5, 6, 7, 8. This is the ninth time it's hit this level. Is it going to break through? I don't know, but does it feel bullish? Not to me. If it breaks out, does it feel bullish? Yeah then you're probably looking at around 180.

[\(02:57:19\)](#):

So yeah, to answer your question as I just look at short bursts of exposure and it doesn't really matter to me therefore what's happening in the market as much? Any plans for you adding back testing with money management? No, we're not going to do that. I have a trade machine Pro and pattern finder can not be incorporated in one view. No it can't. It's a really good question and we don't have a good way to do that. To just log into one and just be in one place. That would be ideal. CML is a great company to work with, which I would've discovered years ago. Thank you. Ron, how do you recommend we use chat? GPT?

[\(02:57:55\)](#):

Okay, I would use chat GPT for the things that it's particularly good at. So it to get the value out of chat chatt PT have to understand what is exceptionally good at and what it is not exceptionally good at. It's exceptionally good at understanding context. So if there's a large amount of text and you just want context, you're like hey summarize this some bullet points for me. Love it. And if you're writing code then it's very good in certain pieces, certain snippets of code, I would use it for like C sharp Python R I think it's really good.

[\(02:58:26\)](#):

Lemme think if I've used it, I else I feel like I have. No, that's about it. So yeah, it's exceptionally good at code writing and parts of code writing and exceptionally good at context and that's how I use chat GPTs to summarize things for me to in this block of text, what was brought up the most often and then I know what A CEO has said the most often by the way, that's coming to CML Pro anyway. So that's what's awesome, still working on it. Nevermind you. Okay, phe, what are the features of the TM platinum? So TM platinum is exactly trade Mission Pro. The only difference is that you can backtest more tickers at once. So once Jason's done with this pretty awesome upgrade to our infrastructure through the way we're handling data, you'll be able to back test up to 500 tickers at once on the back test app. And that's the difference. Platinum gives you more tickers at once to back test. And the way we determine the price of platinum is we take your personal current monthly rate and we multiply by 12.

[\(02:59:31\)](#):

Once we sign up, do we also get a rundown of most commonly used or most successful strategies that have been back tested? Is there a community of users? There is a community of users just showed you that. And if you go to, if you're in trade machine and you go to the learn tab, you can see some of the

things we talk about. So trade machine strategies, click here and then you can go through what's going on. Like whole bunch of stuff. A bearish technical scan. Just go through here, here's a whole bunch of stuff. Fade the dip, technical, buy the dip, technical printing. This is what we're doing, this is what people are doing right here.

[\(03:00:08\):](#)

How do you read efficiency score on the today tab? What does it mean? So again, I answered this and I'm sure you already know, but just type in, that's not how you spell efficiency, but luckily there's some AI built into that. Got it. Sorry. He said he got it. Sorry. I've been a user for probably four years, almost since day one. Awesome. We mostly all would love auto trading your setups. But please, if you set up auto trading, don't do it with interactive brokers. The worst customer service, please go with TD Ameritrade the best customer service. Fair enough. I can't even remember when I started. It'd been a long time. Awesome. With iOS Android app, please allow the ability to have notifications. Yes, absolutely. That's right. He's talking about community. What time is it? Oh man, I've gone over three hours guys, sorry, I have to leave. I cannot go over three hours. It's not allowed. So writing it down changed my life. Not joking good. Changed my life too.

[\(03:01:11\):](#)

Okay guys, I have to stop now. It's been three hours and 10 minutes. So thank you for your magnificent participation. I cannot believe how many people are still here after three hours and 10 minutes. I like to say this before, I'm going to turn on the camera if you guys don't mind. So lemme just let them actually talk to you like we're people and talking at you. Hold on, see you on this glorious Saturday. Hello everyone. I hope. Well yeah, so I have this thing that I say, but there's no more trading information coming. So if you want to leave Uly, you're not going to miss anything. Okay, well stop. I don't know how to stop recording. So I'm going to keep recording. So I have the story. I tell you guys, I'm mostly living in California and now I have a place in Las Vegas too and whatever.

[\(03:01:59\):](#)

But in LA in particular, there's a lot of people who want to be actors. And I've told this story before, there's a difference between liking the idea of something and wanting it. A lot of people in LA like the idea of being an actor, but they don't want it. And the way I know they don't want it is they don't work at it the way an actor has to work at it. And the reason people don't work at things is because unfortunately in life you can work really, really hard and not get results. We all know that. We've all experienced that you can bust your ass, really give it your best. And it's not a success. I'm not even talking about trading. You don't get what you were hoping to get.

[\(03:02:41\):](#)

But on the other side, we know for sure that if you don't try your hardest, you don't bust your ass, you will not get what you want. So we know the negative to be true. The positive may not be true. You can try very, very hard at something, anything in life to run a mile under five minutes, whatever it is, and you just might not be able to do it. And that sucks in LA a lot of people like the idea of being an actor, but they don't want to bust their ass at it. The people who bust their ass at it, they want to be an actor. It's the same thing with trading. There's a lot of people who like the idea of being a trader, it just sounds glorious. Financial freedom where you make or loses on you.

[\(03:03:27\):](#)

I like that idea a lot. But do you want it? Do you want it? Because if you want it, it's really fucking hard. Everything I just said is now hard money's on you. Can you pay the bills, it's on you. There's no paycheck, you're not doing well. You can't ask for help from a coworker. You can be in the trading group, but it's on you. Everyone who has stayed on this webinar for an unbelievable amount of time, for three hours



and 13 minutes. I'll tell you what guys, I can't guarantee you're all going to be successful trading. But there's one thing I can guarantee you, you want to be fucking traders. You don't like the idea. You want to fucking be traders. And I love that you're the kind of people that I want to hang out with. And it's not if you're traders, if we were all in a session together, learning how to build a house, I don't know, whatever, how to lay concrete, how to lay brick, I don't care. And we were all on it this long and trying this hard. Those are the people I want to go out with. Who do I want to have lunch with? Someone who they don't like the idea of things. They fucking want it. Man, I love that you inspire me. You bring energy and joy to my life. I don't care what you're doing. I don't care if it's cold fusion, which is impossible, but whatever. Laying brick, knitting, sweaters, trading, I don't care man.

[\(03:05:03\)](#):

I'll talk to you about knitting a sweater if you want to be a knitter, I'll talk to you about that. I'm going to talk to you about that. Yeah. So everyone here you have inspired me. Just that you've listened to me this long. So I wish you the best. I hope you have a great weekend. I hope you have a great long arc of your trading career. A trading career is an arc, guys. It's an arc. It just sucks. It just sucks. I blew out three times. Yeah, give or take, maybe twice, maybe three times. I like to say three times because you're supposed to blow out three times before you don't have to blow out again. And I think I've blown out twice and I don't want to blow out again.

[\(03:05:49\)](#):

It's hard. And you can try really hard and not be successful, but I guarantee you, if you don't try hard, you try hard, you won't be successful. So you inspire me. I thank you. I'm giving it my all. I think you know that. I respect you for pushing me to give my all and I respect you for your effort. These are very attractive features to me. So have a fabulous weekend. Stay well. And if you're not doing well, I just want you to know, I might not know you personally, but I am praying for you for tomorrow to be better than today. Maybe good is too big of a leap to go from how you're today to good is hard. Well how about if we go from today to tomorrow? We just go better if you just got better, man, if Sunday is better than Saturday, what if Monday was then better than Sunday? What if you got on that trajectory? And that's what I'm praying for you because you string enough betters together and I'll tell you where you're going to end up. You're going to end up good. And good's a really good word. It's a really good word. Alright guys, I'll see you see in community. Bye.