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

We mentioned liquidity filter, and that's currently available for platinum members. Right up here. We see this liquidity filter. It functions much the same way that the symbol filter does here. This is filtering on what group it belongs to, either the Dow 30, the NASDAQ 100, or the largest 500 by market cap. So this will filter every time you move up on the scale. It will show fewer results, either the same or fewer results. And this is based off of the spread in the options market. And we look at options that are as close as we can to 30 days in the future. And then we look for options, both the call and the put that are as close as we can to a 25 delta option. So somewhat out of the money. And then we look at the width of that market at the end of the day, and we look at it the width on an absolute terms like is that width 5 cents or less?

([00:53](#)):

We have a rule that says if it's only a nickel wide, we consider that to be a five out of five regardless of what the stock price is. Also, we have an additional filter says how big is that width as a percent of the stock as a whole? If a stock is trading at $10 and the width is 50 cents, we view that as the same amount of liquidity as if a stock is trading at a hundred dollars with the width of $5. And I'll pull open the learn tab and look at that in detail. But each time you click on one of these, it will reduce, either none will be eliminated or it'll slightly reduce. And by the time you get up to four plus and five, you should be seeing things that are highly liquid. I'm going to take a quick look at the learn tab here.

([01:34](#)):

And if you type in liquidity, there's this nice write up here and these are the rules. So if the spread is less than or equal to a nickel, we consider that a five out of five or if it's 0.25% of the stock price. So a very small percent of the stock price. And we consider that to be highly liquid. We adjusted these some initially we had these a little bit too permissive and some things weren't as liquid as we wanted, so we kind of tightened these up and reran everything. And from the analysis that we've done, these have worked out pretty well. So down here, by the time you get to a liquidity score out of three, it means that the width is 1% of the stock price. So on a hundred dollars stock dollar wide would give you a score of three. The score will get better if it's these rules also apply.

([02:19](#)):

If it's a nickel wide or 10 cents wide or 20 cents wide or 50 cents wide, then they will always be at least that good of a score of 5, 4, 3, 2. So it's either one of these things and the better one, you'll get the better score. One little caveat is we said if a stock is trading at $4 and 25 cents, we just kind of made a cutoff at $5 and said we're going to give it a max liquidity of three because now you're just kind of talking about stocks that are a little bit more on the fringes and just are a little bit less predictable in terms of what their market's going to be doing. And so we said if it's under $5, then we give it a max score of three, even if it looks relatively tight. And I think an area in the future where we might between say five and 10 or maybe certain stocks are trading at three 50, but the markets are penny wide, we.