

# Options Trading Institute

## COVERED CALL COURSE

A Proven, **Step-By-Step System** For Making \$1,500 A Month (or more) Using A Covered Call Strategy

### **Picking The Right Stock**

- 1) Fundamentals (Using Finviz.com Screener)
  - Optionable
  - US only
  - Volume > 50k
  - Analyst Recommendation (Buy or better)
  - Current Ratio > 3 or Cash/Price < 3 (for those wanting to include financials in the screen)
  - Operating Margin > 0
- 2) Technicals
  - Price < \$50
  - Beta < 2 (1 to 2 is optimal range)
  - Above 50-day simple moving average (or above 200-day moving average)
- 3) Other Considerations
  - Watch for news/events (including earnings)
  - Pay attention to overall market (don't trade in a plunging market)
  - Be aware of the economic calendar
  - Know your industries
    - Avoid biotech
    - Focus on telecom, consumer products, financials
  - Review the 10-Q or 10-K