

## UUP Trade Update – 08/31/2011

In the long term I like the potential for the U.S. Dollar to stage a rally. The issues stemming from Europe paired with the extreme oversold conditions for the Dollar make a long term entry a great potential opportunity. The trade setup will be similar to the recent SPY Call Ratio Spread. I will be using options based on the UUP ETF in a Call Ratio Trade Construction that looks like this:

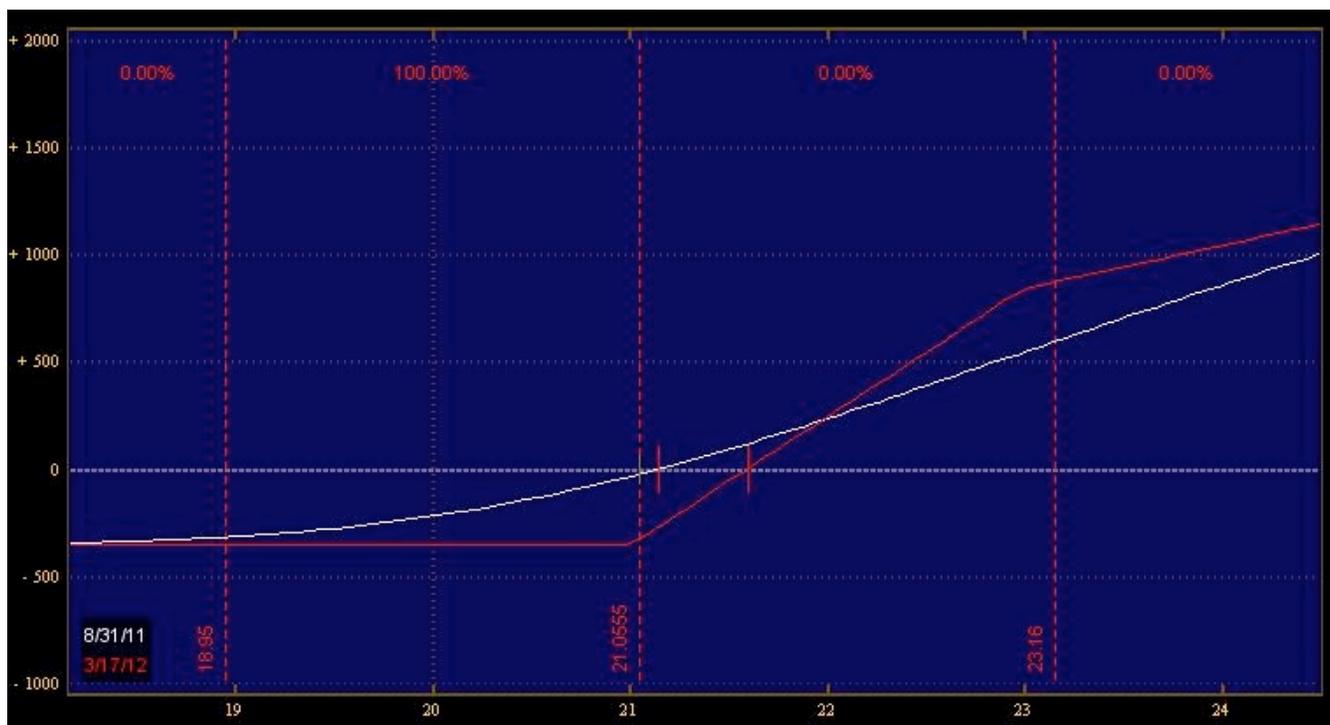
**Buy to Open 6 UUP March Monthly (Exp. 03/17/12) 21 Calls**

**Sell to Open 4 UUP March Monthly (Exp. 03/17/12) 23 Calls**

The trade ticket will look like this:

Spread	Side	Qty	Symbol	Exp	Strike	Type	Link	Price	Order	TIF
CUSTOM	BUY	+6	UUP	MAR 12	21	CALL		1.69	LMT	DAY
	SELL	-4	UUP	MAR 12	23	CALL			DEBIT	

The profitability curve will look like this:



The maximum loss at expiration is around \$360 per spread. The maximum gain is unlimited as the trade has no upside limit. The trade also utilizes gamma to increase profits as prices work higher dramatically. This trade will be a long term holding for the service. I will be discussing it regularly. The risk / reward potential of this trade is outstanding. I will be using limit orders to enter this trade

immediately after sending this out to members. I will be using limit orders to open the position. Let me know if you have questions.

**J.W. Jones**

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## **UUP Trade Alert – 09/09/2011**

I am pleased with the price action in the U.S. Dollar and with price sitting right at the 200 period moving average which has offered as resistance in the recent past I want to take profits. I am showing a gain currently north of 60% based on my maximum risk. With that said, I am going to take 1/2 of my position off to lock in profits. I am going to initiate a stop slightly above my entry price to insure this trade goes down as profitable.

Remember that this trade was taken as an UUP Call Ratio Spread in a 6:4 ratio per spread. Thus to close 1/2 of the position I will need to close 3 UUP March 2012 21 Calls and close 2 UUP March 2012 23 Calls per spread to cut my position size in half. The trade construction looks like this:

**Sell to Close 3 UUP March 2012 21 Calls**

**Buy to Close 2 UUP March 2012 23 Calls**

Spread	Side	Qty	Symbol	Exp	Strike	Type	Link	Price	Order	TIF
CUSTOM	SELL	-3	UUP	MAR 12	21	CALL		2.84	LMT	DAY
	BUY	+2	UUP	MAR 12	23	CALL			CREDIT	

I will be using limit orders to close this position. I will be placing this order immediately after getting this out to members. I will follow up with my execution on the SPY Call Calendar Spread as well as the execution on this trade. Let me know if you have questions.

**J.W. Jones**

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## **Trade Executions & UUP Stop – 09/09/2011**

Obviously today was a busy day placing trades! They happen sometimes, but I'm happy that one of the trades was profit taking. I will take as many of those as I can get!! Below is the execution I received on each position:

**I was filled on the SPY 121 Call Calendar at a credit of 1.86.**

**I was filled on the UUP 21/23 Call Ratio Spread Profit Taking (1/2 of my Position) at a credit of 2.83.**

**I was filled on the SPY 118 Put Roll at a credit of 1.84.**

**Finally I was filled on the CHK 33 Call Calendar spread for a credit of .98.**

### **UUP Stop**

As far as the UUP stop, I have the sneaky suspicion the Dollar rally is not over yet. My hard stop will be based on UUP trading at the 21.40 / share area. If UUP touches 21.40 intraday, I will be closing the remainder of my position to lock in gains for the trade and protect capital. I have an alert set presently for 21.40!

We are starting to get a bounce here in the S&P 500 at the end of the day as the shorts cover their positions. Monday has the potential to be quite interesting!

**J.W. Jones**

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## UUP Trade Alert – 09/22/11

The gains in my remaining UUP Call Ratio Spread have nearly produced a 100% return based on risk at this point. While I realize higher prices could take place, I am not going to be greedy. 100%+ returns do not happen very often and I want to lock in this gain. The trade construction is as follows:

**Buy to Close 4 UUP March Monthly (Exp. 03/17) 23 Calls**

**Sell to Close 6 UUP March Monthly (Exp. 03/17) 21 Calls**

The trade ticket is shown below:

Spread	Side	Qty	Symbol	Exp	Strike	Type	Link	Price	Order	TIF
CUSTOM	BUY	+16	UUP	MAR 12	23	CALL		3.56	LMT	DAY
	SELL	-24	UUP	MAR 12	21	CALL			CREDIT	

I will be using limit orders to close the position. I will point out to members that to put this trade on I had to use two orders so it might require two separate orders to close it. Either way, I am closing the entire position for huge gains! I will place this order immediately after posting it to members! Let me know if you have questions!

**J.W. Jones**

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