




POST-WEBINAR ACTION CHEATSHEET

5 Steps to Sell Options with Expected Move | Take Your First Option Trade Today

Your Mission

You've learned the framework — now it's time to execute. Use this step-by-step checklist to place your first (or next) options trade using the Expected Move as your guide. Work through Steps 1–5 in order, tick every box, and only pull the trigger once ALL conditions are met.

 **Reminder:** All examples are illustrative only. Not investment advice. Options trading involves significant risk of loss.

Quick Concept Refresh (30-Second Read)

Before you trade, lock these three ideas in your head:

Expected Move (EM)

The \pm \$ range a stock is statistically expected to stay within by expiry. Derived from Implied Volatility. Represents a ~68% probability zone (1 Standard Deviation).

The Edge You Have as an Option Seller

By selling options OUTSIDE the EM, you are trading in zones where the market says movement is statistically unlikely. You collect premium and let time decay (Theta) + falling volatility (Vega) work in your favour — no directional prediction needed.

The 3 Strategies That Use This Edge

Put Credit Spread — Sell Put BELOW the lower EM boundary. Bullish/Neutral.

Call Credit Spread — Sell Call ABOVE the upper EM boundary. Bearish/Neutral.

Covered Call — Sell Call above current price using EM as a guide. Income/Neutral.

The 5-Step PRICE Execution Checklist

Open moomoo on your desktop. Work through each step before executing any trade.

STEP 1: Pick Expiration (DTE) + Expected Move Toggle

Ticker → Options → Chains → Set DTE 21–45 days → Enable Expected Move indicator

- Navigate to your chosen ticker on moomoo desktop.
- Open Options → Options Chains.
- Set the expiry date filter to 21–45 DTE (days to expiry). This is the 'sweet spot' for Theta acceleration.
- Toggle ON the Expected Move indicator — note the \pm \$ range displayed.
- Record the Upper EM and Lower EM values (e.g. NVDA \pm \$15.48 → Upper \$213.93 / Lower \$182.97).
- Tip: Use the Strategy Builder as a beginner guide if you are unsure which strike to target.

STEP 2: Review Strike Price — Extrinsic Value (Volatility & Time Value)

Options Chain → Theta & Vega columns | Options → Analysis → Volatility Analysis

- Confirm your intended short strike sits AT or BEYOND the EM boundary (OTM).
- Check IV Rank: Look for IV Rank > 50–70. High IVR = premium is rich = sell.
- Check IV Percentile: Look for IV Pctl > 60%. This means options are more expensive than 60% of the past year.
- Check Theta: Positive Theta for the spread means time is decaying in your favour.
- Avoid selling when IV is low — you collect less premium and take on the same risk.
- For earnings plays: Check IV Crush risk — IV often collapses sharply after earnings, collapsing option value.

STEP 3: Inspect Technical Alignment (Support/Resistance + Indicators)

Chart → Indicators → Add RSI (14) | Draw S/R lines | Validate strike clears nearest S/R

- Open the chart for your ticker. Switch to a daily timeframe.
- Add RSI (14) indicator. Note whether the stock is overbought (>70) or oversold (<30).
- Draw the nearest key Support level (for Put spreads) or Resistance level (for Call spreads).
- Your short strike should sit BEYOND the EM boundary AND also clear the nearest S/R level — this S/R acts as a 'wall' of extra protection.
- Example: If NVDA current price \$198.45, lower EM = \$182.97, and support sits at \$193.78, target a spread below \$182.97 with the support as a buffer zone.
- If S/R and EM conflict (e.g. strong support inside the EM), reconsider the trade or choose a safer strike.

STEP 4: Buy and Sell — Customise Your Spread & Set Orders

Options Contract → Buy/Sell | Use Mid Price | Set GTC exit orders immediately

- ☑ Select your short strike (sell leg) — the strike at or beyond the EM.
- ☑ Select your long strike (buy leg) — typically 5–10 points further OTM to cap max loss.
- ☑ Enter the spread as a LIMIT order at the Mid Price. Avoid market orders on options.
- ☑ Immediately set your exit orders as GTC (Good-Till-Cancelled):
 - ☑ ✓ 50% Profit Target — close when the spread loses 50% of the credit you collected.
 - ☑ ✓ 2× Stop Loss — close if the spread value reaches 2× the credit received.
- ☑ These automated exits remove emotion from trade management.

STEP 5: Execute if Max Loss Matches Your Risk Profile

P/L Curve → Enable EM overlay → Visualise risk-reward → Go / No-Go

- ☑ Open the P/L Analysis curve on moomoo for your spread.
- ☑ Enable the Expected Move overlay on the curve — confirm your profit zone is within the EM.
- ☑ Review the key numbers: Max Profit (credit received), Max Loss (spread width minus credit), Break-Even point.
- ☑ Risk check: Is your Max Loss an amount you are FULLY comfortable losing on a single trade? If no, narrow the spread width.
- ☑ Only execute once ALL steps 1–4 boxes are ticked AND the max loss is within your risk profile.
- ☑ After entry, write down: Entry credit, 50% profit target level, 2× stop-loss level, and expiry date.

Entry & Exit Rules Reference Card

Print this and keep it next to your screen. Refer to it before every trade.

☑ ENTRY — All Must Be Met

- Strike at or beyond the 1 SD Expected Move (OTM)
- IV Rank > 50–70 AND IV Percentile > 60%
- DTE = 21–45 days (Theta sweet spot)
- Short strike clears nearest Support / Resistance level
- Consider historical earnings move for any stock near earnings

All 5 boxes must be ticked before you execute.

EXIT — Close the Trade If Any Trigger Hits

- ✓ 50% Profit Target reached → Close. Take the win.
- ✗ Spread value = 2× credit received → Close. Cut the loss.
- IV Rank drops below 30% AND IV Pctl < 30 → Premium is cheap, no reason to hold.
- Support / Resistance level is broken → The 'wall' is gone, trade thesis is invalid.
- Opposing technical signal appears (e.g. overbought signal on a bullish spread)

Strategy Quick-Pick Guide

Not sure which strategy to use? Use this table to match your view and account type.

Market View	You Own 100 Shares?	Prefer Defined Risk?	→ Use This Strategy
Bullish / Neutral	No	Yes (capped loss)	Put Credit Spread — sell Put below lower EM
Bearish / Neutral	No	Yes (capped loss)	Call Credit Spread — sell Call above upper EM
Neutral / Income	Yes (100 shares)	N/A	Covered Call — sell Call above current price using EM as guide
Neutral / Income	No	Yes	Cash-Secured Put — sell Put below lower EM, willing to own shares

Common Beginner Mistakes to Avoid

- **✗** Selling when IV is LOW — you collect tiny premium for the same risk. Wait for IV Rank > 50.
- **✗** Choosing strikes INSIDE the EM — this is the 'danger zone.' Your sell leg is likely to go ITM.
- **✗** No exit orders set — emotions take over. Always set your 50% profit and 2× stop GTC orders at entry.
- **✗** Ignoring earnings — IV crushes after earnings. Know your earnings date before placing a trade.
- **✗** Max loss too large for your account — if the loss would hurt you, narrow the spread width first.
- **✗** Chasing trades — if IV is low or EM conditions don't align, wait for the next setup. Patience is a strategy.
- **✗** Widening the spread thinking it reduces risk — a wider spread actually increases your max loss. Narrow = safer.

Your Action Plan — This Week

Follow these 5 actions to go from webinar attendee to active options trader:

Do these in order — one per day if needed:

1. Open moomoo → Screener → Filter for High IV stocks (IV Rank > 50). Pick 2–3 candidates.
2. For each candidate: run through Steps 1–5 of the PRICE checklist above. Do NOT trade yet — just analyse.
3. Paper-trade one Credit Spread on moomoo this week using the Paper Trading account. Use real setups, fake money.
4. Screenshot your setup (options chain, P/L curve, entry/exit levels) and share in the moomoo Options Chat Group or community. Get feedback.
5. Review your paper trade outcome at 50% profit or 2× stop. Record what worked, what didn't. Repeat.

 Follow [@OptionsPlaybook](#) on moomoo Community for live setups, trade reviews, and upcoming webinar updates.

The Key Numbers to Remember

68%	Probability the stock stays within the 1 SD Expected Move
21–45 DTE	Sweet spot for Theta decay — sell options in this window
>50–70 IV Rank	Minimum threshold to sell options (premium is rich)
>60% IV Pctl	Confirms premium is expensive vs. the past year
50% Profit Target	Close the trade when you've captured half the credit
2× Stop Loss	Maximum loss trigger — close if spread reaches 2× the credit
Outside 1 SD EM	Where to place your short strike for statistical edge

Signal Identified · Scenario Reviewed · Risk Defined

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