

Qtrade Options Lab User Guide

Powered by Trading Central

QTRADE 

Welcome to the Qtrade Options Lab, powered by Trading Central

This guide is designed to help you feel right at home using the Qtrade Options Lab. Whether you're new to options trading or looking to refine your skills, our tools and resources are here to empower you with confidence, enabling you to make informed trading decisions with ease.

What is the Qtrade Options Lab?

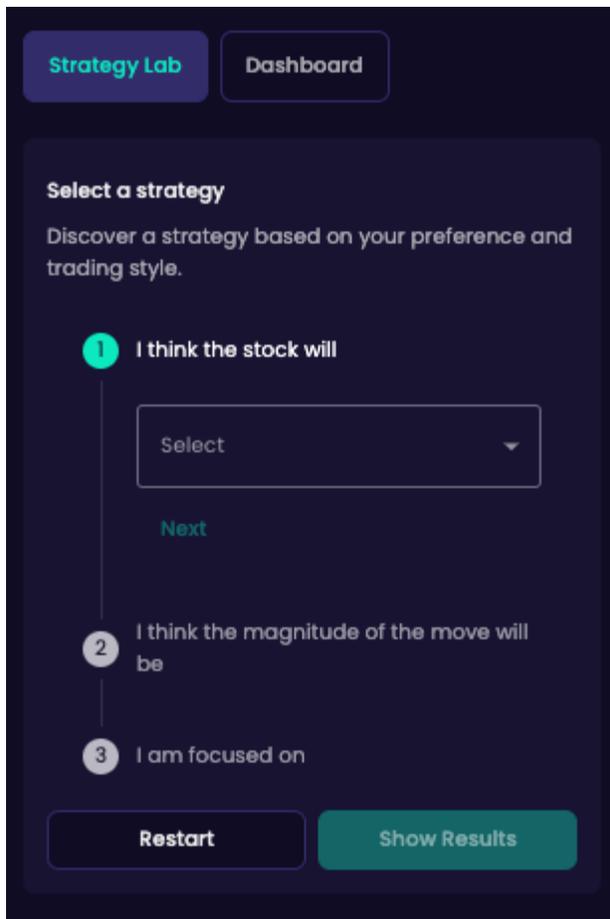
The Qtrade Options Lab is your go-to platform for simplified options trading. We've designed intuitive tools that help break down complexities, making it easier for you to analyze market scenarios, craft strategies, and execute trades smoothly. Whether you're just exploring options trading or already have experience, Qtrade has you covered.

Here's what makes Options Lab unique - it allows you to confidently approach even the most advanced scenarios, providing easy-to-use features that support you every step of the way.

To get started, begin by searching for the stock AAPL in the Options Lab.

Meet Strategy Lab

Welcome to the Strategy Lab—your roadmap to finding the perfect options strategies tailored just for you. By answering three straightforward questions, you'll uncover strategies that align seamlessly with your investment goals, trading style, and preferred risk level.



The Volatility Cone & Price Chart

Visualizing price movements can make all the difference when it comes to informed decision-making. That's where our price chart with a volatility cone comes in. Positioned right beside the strategy questions, it gives you a clear snapshot of historical and expected price changes for the stock.

Here's how it works:

- The price chart starts with today's stock price as the baseline
- The volatility cone widens as you look further into the future, reflecting greater uncertainty over time. It's a great way to gauge the likely range of a stock's price based on its volatility

For example, if AAPL's current price is \$234.45, the cone shows the expected range one month from now is between \$247.13 and \$221.37. Two months out, that range could shift to \$253.45 and \$215.05. This helps you understand potential price swings and assess risks for your chosen strategies.

Need more insights? Use these visuals to explore price trends and make data-driven trading decisions.



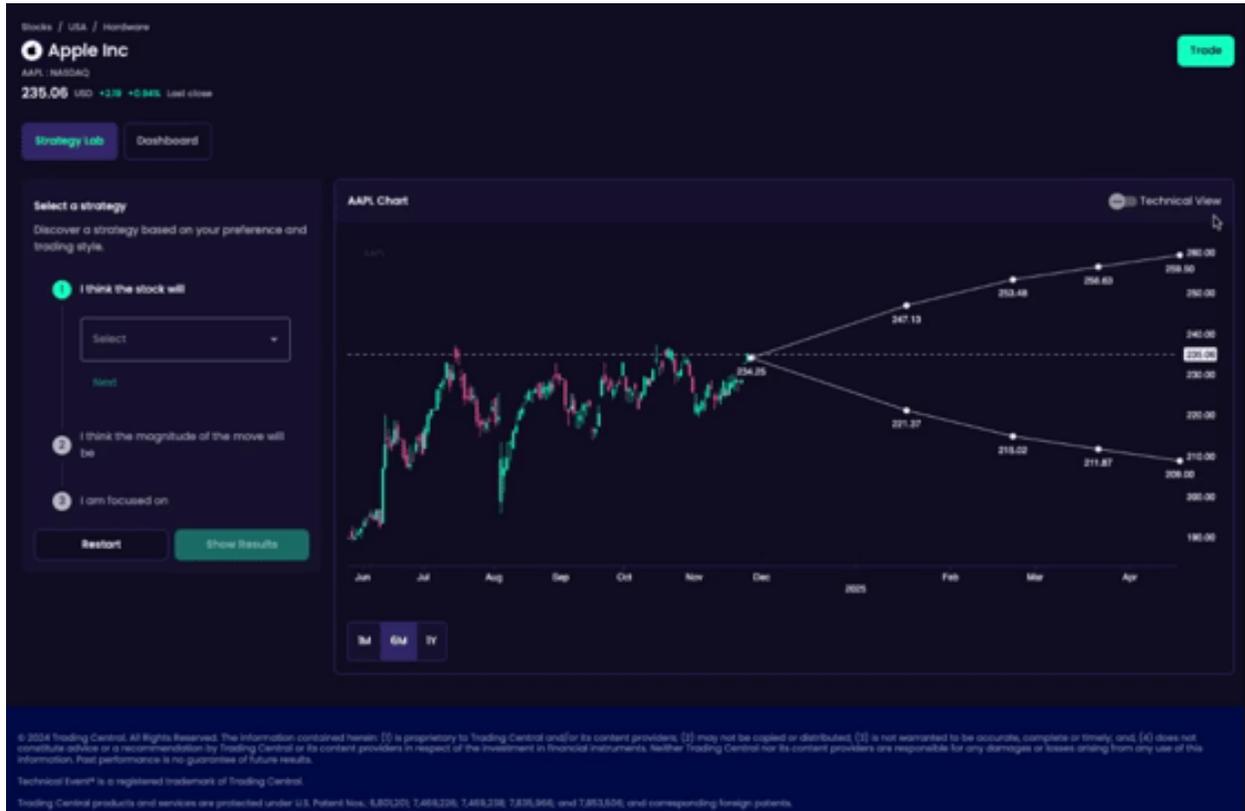
Turning on Technical Views

When it comes to making decisions, a little technical analysis can go a long way. That's why we've included Technical Views in your toolbox. This feature gives you access to the most recent technical outlook, helping you get a clearer picture of where the stock might be headed.

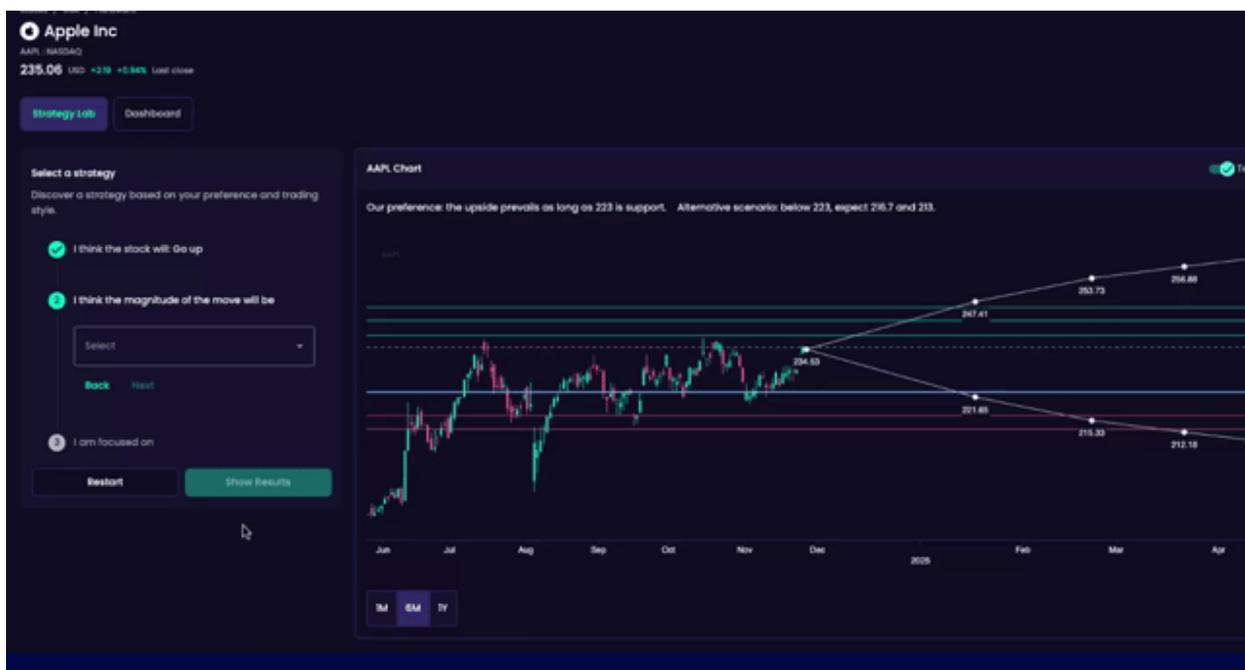
Here's how to use it:

1. Overlay the Technical Views on your chart to reveal key price levels and trends.
2. These views provide a directional bias using Trading Central's proven trend-following methodology, developed by a team of seasoned analysts.
3. Use this data to answer the first question in the Strategy Lab—whether you think the stock's price will move up or down.

For example, looking at AAPL, the Technical Views might indicate it's primed for an upward movement. If that fits your outlook, you can input "up" into the Strategy Lab. It's all about giving you the insights you need to decide with confidence.



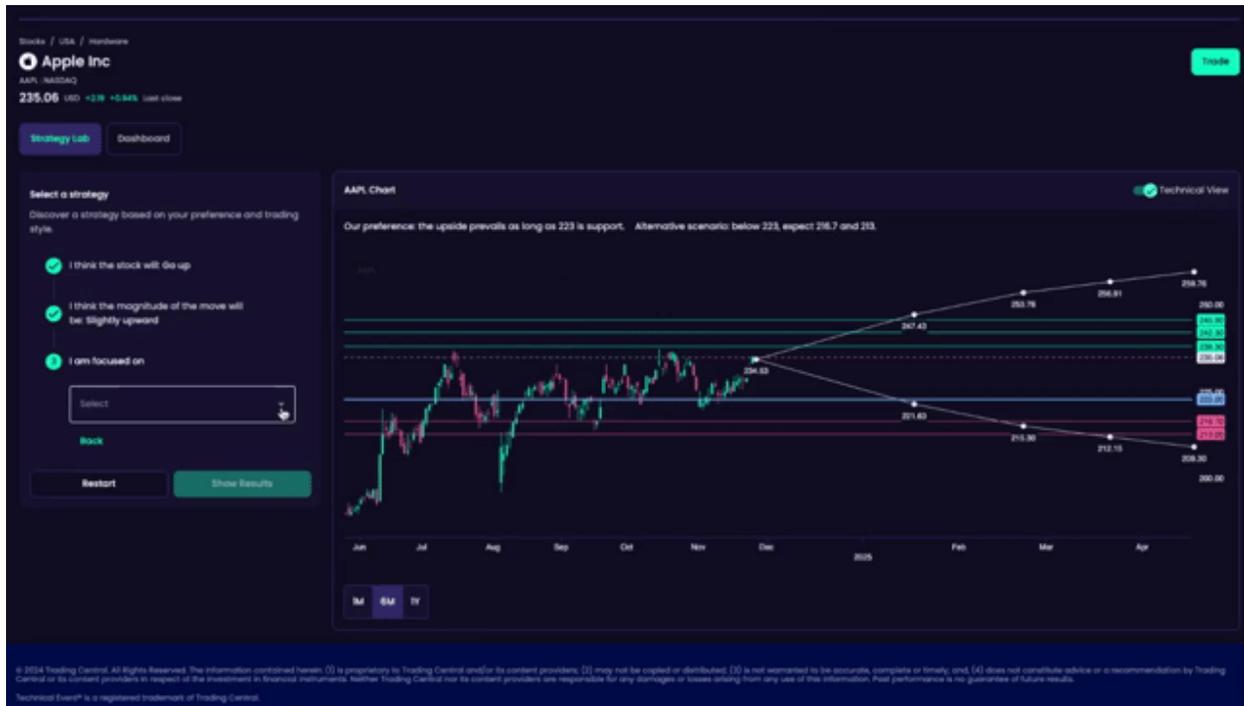
The next question assesses the potential magnitude of the move. Evaluate how much the stock might move. Check the resistance or support levels provided by Technical Views to estimate whether the move could be strong or modest. For example, if a resistance level for AAPL is at **\$242.30**, you might conclude the upside move is likely to be "slightly upward" and select that option in the Strategy Lab.



The final question revolves around your goal for trading options, such as limiting risk or maximizing returns. The insights from Technical Views can also help you align with this objective. For example, if the chart data points towards limited price swings, you may opt for “Limiting My Risk” to craft a strategy with clearly defined risk characteristics.

Then you’re ready to submit for your results.

Technical Views not only make the decision-making process clearer but also ensure your strategies are grounded in detailed, reliable analysis. It’s all about giving you the insights to confidently shape your approach.



Based on your answers, you now have three suitable strategies, a bull call spread, a long call and a bull put spread.

Strategy Outcomes

Preferred strategy: Bull call spread	Long call	Bull put spread
Legs Buy 235C @ \$7.15 / Sell 245C @ \$2.92	Legs Buy 235C @ \$7.15	Legs Sell 230P @ \$3.78 / Buy 225P @ \$2.47
Net debit \$4.23	Net debit \$7.15	Net credit \$1.31
Expiry Jan 17 (51 days)	Expiry Jan 17 (51 days)	Expiry Jan 17 (51 days)
Max profit \$577.00	Max profit Unlimited	Max profit \$131.00
Max risk \$423.00	Max risk \$715.00	Max risk \$369.00
Prob of profit 44%	Prob of profit 37%	Prob of profit 69%
Breakeven \$239.23	Breakeven \$242.15	Breakeven \$228.69
Last updated: Nov 27, 12:43 PM EST	Last updated: Nov 27, 12:43 PM EST	Last updated: Nov 27, 12:43 PM EST
Trade	Trade	Trade

Looking at the chart, the highlighted areas indicate the maximum gain and risk of the selected risk strategy. You can either choose to 'Trade' or restart the smart-filter.

Discover a strategy based on your preference and trading style.

- I think the stock will: Go up
- I think the magnitude of the move will be: Slightly upward
- I am focused on: Limiting my risk

Limiting my risk

Back

Restart **Show Results**

Preferred strategy: Bull call spread	Long call	Bull put spread
Legs Buy 235C @ \$7.28 / Sell 245C @ \$2.96	Legs Buy 235C @ \$7.28	Legs Sell 230P @ \$3.60 / Buy 225P @ \$2.31
Net debit \$4.32	Net debit \$7.28	Net credit \$1.29
Expiry Jan 17 (49 days)	Expiry Jan 17 (49 days)	Expiry Jan 17 (49 days)
Max profit \$568.00	Max profit Unlimited	Max profit \$129.00
Max risk \$432.00	Max risk \$728.00	Max risk \$371.00
Prob of profit 44%	Prob of profit 37%	Prob of profit 70%
Breakeven \$239.32	Breakeven \$242.28	Breakeven \$228.71
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AAPL Chart Technical View

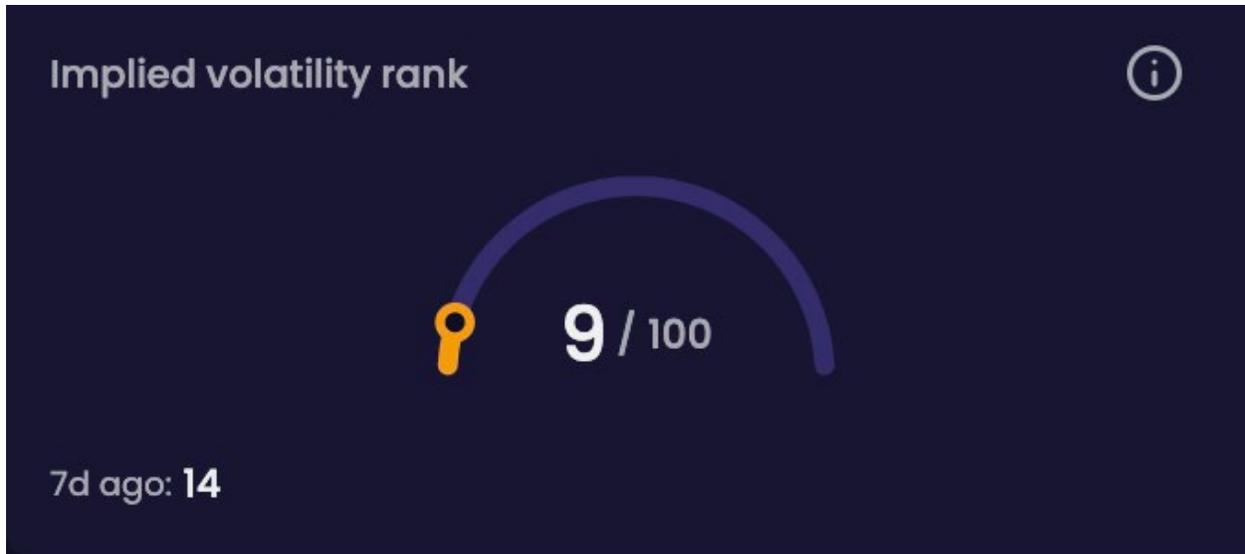
Our preference: the upside prevails as long as 223 is support. Alternative scenario: below 223, expect 216.7 and 213.

Explore the Dashboard

The Options Lab Dashboard is your command centre – a comprehensive hub that consolidates vital volatility data and insights for easy access. With this feature, you'll get a high-level view of all the key factors that influence your trades, helping you craft strategies in less time.

Looking at the stock AAPL, let's check out the different insights:

Implied Volatility Rank (IVR): This helps you understand if current implied volatility is high or low compared to past trends. For instance, AAPL's IVR might show as **9/100**, which is low and can make **debit spreads** a more attractive option.

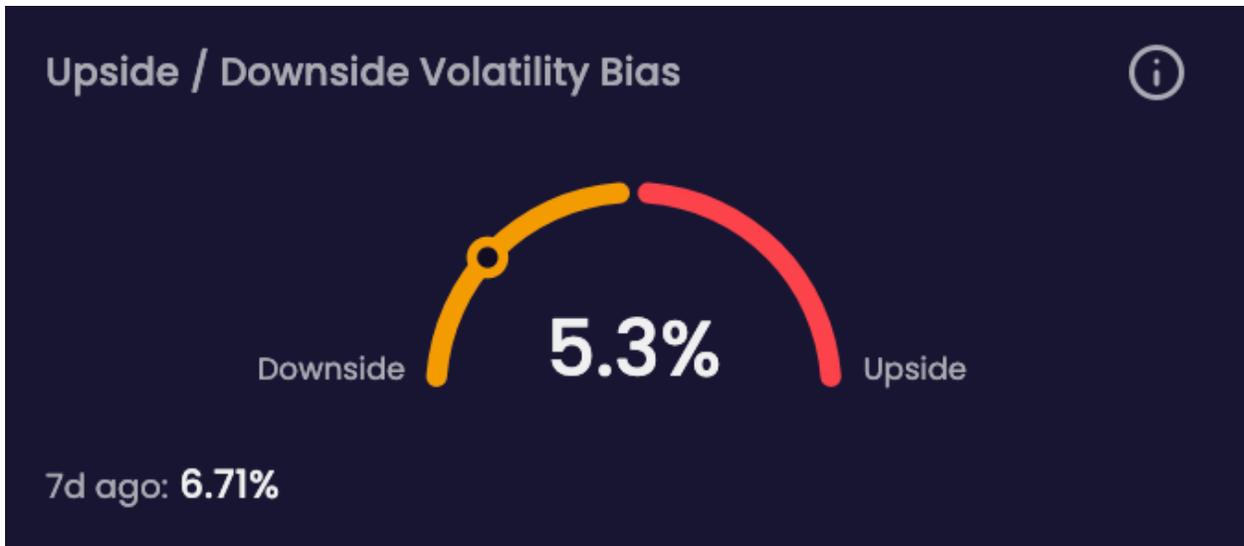


Volatility Levels & Trends: Widgets like the Volatility Levels and Volatility History visually represent how implied and historical volatility have shifted over time. Patterns like a downward trend could inform your strategy.





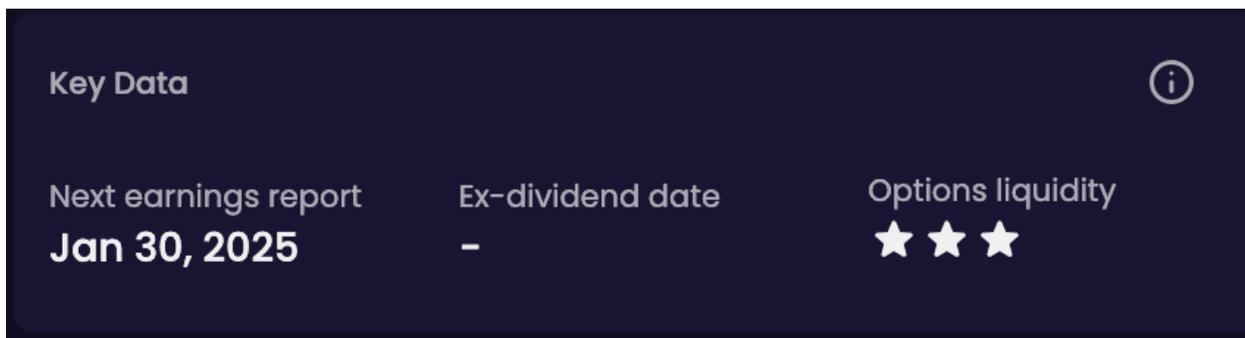
Upside/Downside Volatility Bias: This provides insight into whether traders expect higher volatility in upward or downward price moves. For AAPL, a bearish bias might suggest traders anticipate more downside movement.



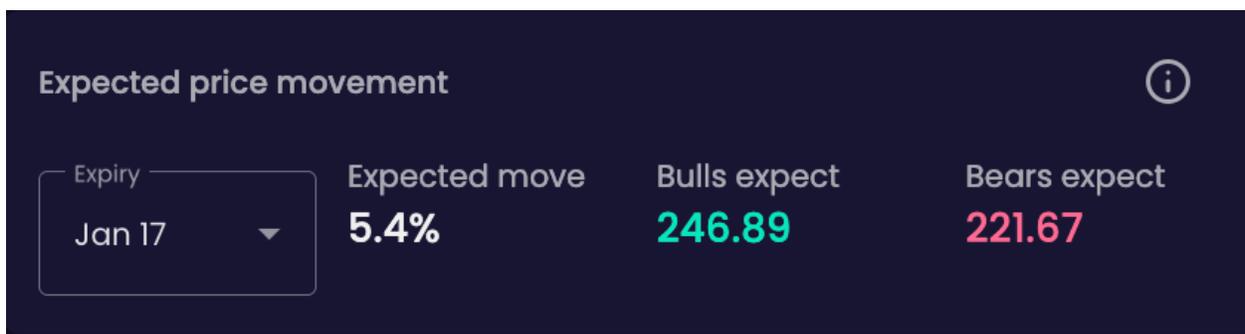
Timeline Volatility Bias: This helps you see whether short-term or longer-term options premiums carry higher costs. For AAPL, premiums may lean towards being slightly more expensive in longer-term options.



Key Data: Stay on top of factors like earnings reports and dividends that can impact price and volatility.



Expected Price Movement: Use this tool to predict price ranges for upcoming expiration periods based on current premiums.



Peer Comparison Table: Evaluate AAPL's volatility data against other stocks within the tech sector. Simply adjust the columns, like sorting by IV rank, to find opportunities that best fit your trading strategy.

	Implied volatility rank ↑	Implied volatility (IV, %)	IV 7d chg (%)	Historical volatility (HV, %)	IV/HV ratio
AAPL NASDAQ Apple Inc	9	17.3	-2.5	16.9	1.02
ZBRA NASDAQ Zebra Technologies Corp	4	21.9	-4.7	28.3	0.78
APH NYSE Amphenol Corp	7	22.9	-6.5	27.0	0.85
GLW NYSE Corning Inc	7	24.3	-2.2	26.8	0.91
CSCO NASDAQ Cisco Systems Inc	9	15.8	-0.7	17.8	0.89
ANET NYSE Arista Networks Inc	11	31.1	-3.4	45.2	0.69

The Dashboard is packed with everything you need to fine-tune your approach and explore new opportunities. It's your partner in making smarter, data-driven decisions.

Congratulations on taking the first step towards mastering options trading with the Qtrade Options Lab! Remember, the tools and insights provided here are designed to support you at every stage—whether you're exploring strategies, analyzing trends, or making decisions with confidence. We're here to empower you to reach your goals and feel in control of your trading journey. Now, it's time to put your knowledge into action and discover the opportunities waiting for you. Happy trading!

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