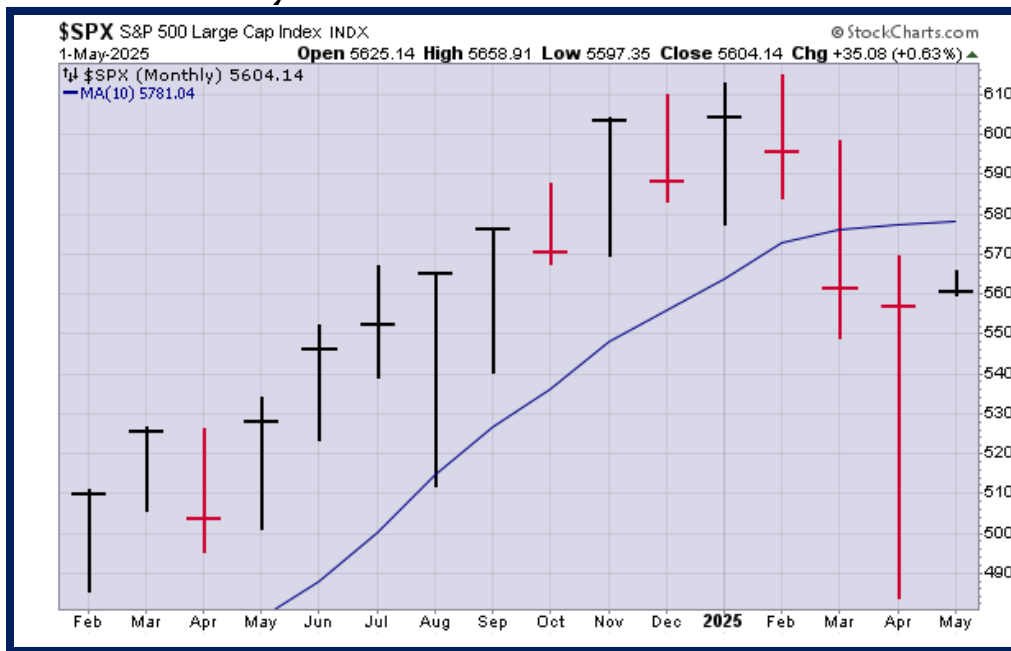




SPX Monthly Chart



On the S&P's chart, April 2025's close continued the bearish signal with another close below the 10-month simple moving average line. With the ongoing 'Sell Signal', we'll look at a stock, a put purchase, and two debit spread positions.

SRAD

The first profit opportunity we will review is a stock purchase in SRAD, or Sportradar Group Ag CIA. SRAD is a provider of sports betting and sports entertainment products and services. SRAD is based in New York.

SRAD Monthly Chart

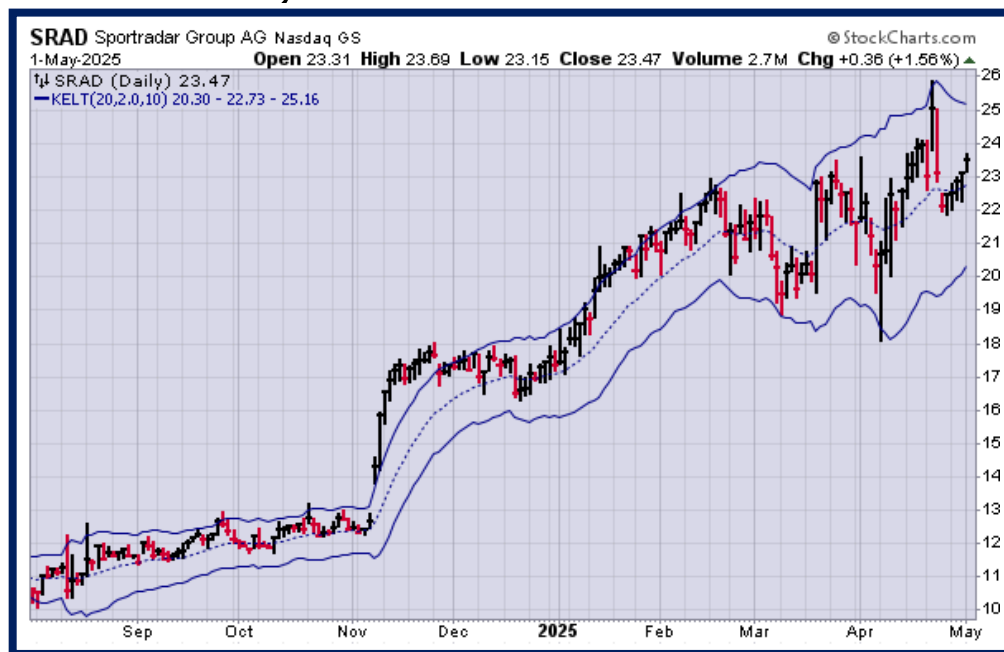


The monthly chart shows that SRAD closed above the 10-period or 10-month simple moving average line in June 2024. At that time, SRAD was trading at 8.16. The current price is 23.47. The next targets are 27.50 and 30.

SRAD Daily Chart

The daily chart shows that SRAD hit a new multiyear high this month. A new record high is a positive sign for the bulls. The next targets are 26 and 30.

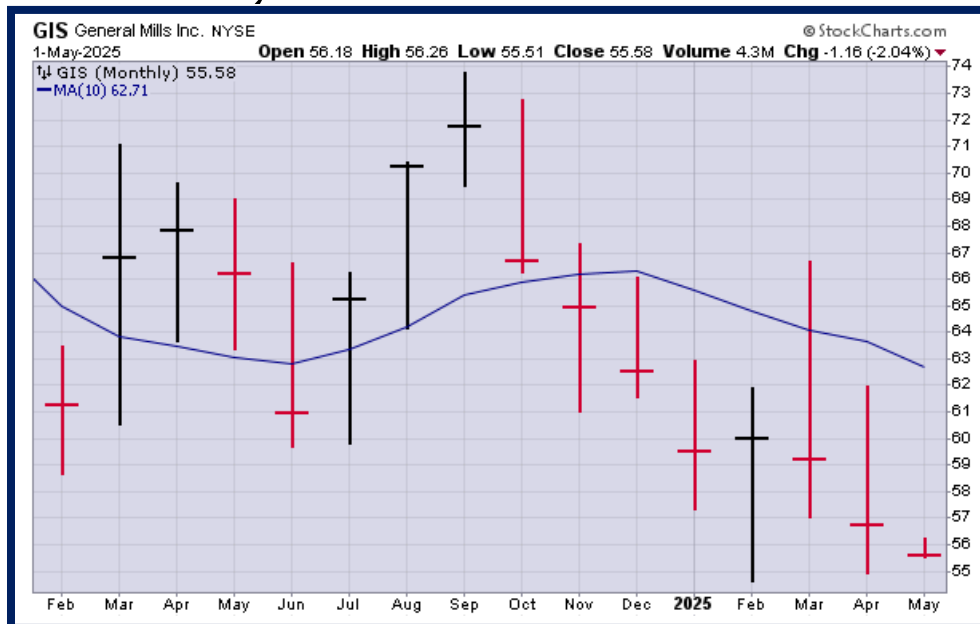
We recommend buying SRAD stock at the current price level.



GIS

The next profit opportunity we will review this week is a Put Option purchase in GIS, or General Mills Inc. GIS is a global manufacturer and marketer of branded consumer foods sold through retail stores.

GIS Monthly Chart

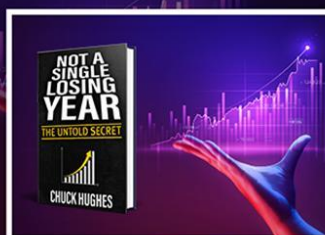


The November 2024 close below the monthly moving average line confirmed the current sell signal. The November closing price was 66.26. The current price is 55.58. The next downside target is 50.

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The daily chart for GIS shows a very sharp decline from the Sep. 2024 high to the Feb 2025 low. The recent period of sideways trading is expected to yield to a further decline.

GIS Daily Chart



As we said above, we want to buy a put in GIS. We will first look at selecting a put option strike price for purchasing a GIS Put. GIS is currently trading at 55.59. Let’s look at buying the GIS June 20 62.5-strike put. The June 20 options expire in 49 days.

The Option Purchase calculator will calculate the profit potential for an option purchase trade based on the price change in the underlying stock/ETF at option expiration in this example from a 12.5% change in stock price to a flat stock price.

We developed what we call the 1% Rule to help us select an option strike price. The 1% rule says to limit the time value portion of the option to less than 1% of the stock/ETF price. **If you limit the time value portion of an option to 1%, the stock price only has to move 1% for the option contract to break even and start profiting.**

The calculator will also calculate the time value portion of an option. With this option purchase, the time value is 0.19 points (boxed in red). The time value of 0.19 is less than 1% of the 55.59 price, so this strike price qualifies under the 1% Rule.

Buy to Open the GIS Jun 20th 62.5-Strike Put

Put Option Purchase

Stock SymbolGIS

Current Stock Price55.59

Option Strike62.5

Option Premium7.10

Calculate

New Analysis

Print

Time Value:

\$0.19

Intrinsic Value:

\$6.91

% Change	0 %	-1 %	-2.5 %	-5 %	-7.5 %	-10 %	-12.5 %
Stock Price	\$55.59	\$55.03	\$54.20	\$52.81	\$51.42	\$50.03	\$48.64
Option Value	\$6.91	\$7.47	\$8.30	\$9.69	\$11.08	\$12.47	\$13.86
Profit/Loss	\$-0.19	\$0.37	\$1.20	\$2.59	\$3.98	\$5.37	\$6.76
% Profit/Loss	-2.7%	5.2%	16.9%	36.5%	56.0%	75.6%	95.2%

The bottom row lists the percent return profit potential. We can see that if the GIS stock price decreases by 1% at option expiration (boxed in green) a 5.2% or \$37 profit will be realized. This confirms the 1% Rule of at least breaking even or profiting with only a 1% decrease in the stock price.

There is no limit on the profit potential of a Put Option purchase if the underlying stock/ETF continues to decline in price. If GIS decreases by -10% between now and option expiration, the Put Option Purchase Calculator shows that the GIS June 20 62.5-strike put will realize a 75.6% or \$537 profit (boxed in green).

Buy to Open the GIS Jun 20th 62.5-Strike Put

Put Option Purchase

Stock Symbol

GIS

Current Stock Price

55.59

Option Strike

62.5

Option Premium

7.10

Calculate

New Analysis

Print

Time Value:

\$0.19

Intrinsic Value:

\$6.91

% Change	0 %	-1 %	-2.5 %	-5 %	-7.5 %	-10 %	-12.5 %
Stock Price	\$55.59	\$55.03	\$54.20	\$52.81	\$51.42	\$50.03	\$48.64
Option Value	\$6.91	\$7.47	\$8.30	\$9.69	\$11.08	\$12.47	\$13.86
Profit/Loss	\$-0.19	\$0.37	\$1.20	\$2.59	\$3.98	\$5.37	\$6.76
% Profit/Loss	-2.7%	5.2%	16.9%	36.5%	56.0%	75.6%	95.2%

On the other hand, if GIS remains flat at option expiration, the 62.5-Strike Put will only lose -2.7% or -\$19. Remember, if you purchase an at-the-money or out-of-the-money option and the underlying stock/ETF is flat or down at option expiration, it could result a 100% loss for your option trade! Using the 1% Rule to select an option strike price can increase your percentage of winning trades compared to trading at-the-money or out-of-the- money strikes and this higher accuracy can make you a more successful trader.

We recommend buying the GIS Jun 20th 62.5-Strike Put at the current price level.

GH

The next profit opportunity we will review is in GH, or Guardant Health Inc. GH is a precision oncology company. It focuses on conquering cancer through use of proprietary blood tests, vast data sets and advanced analytics.

GH Monthly Chart



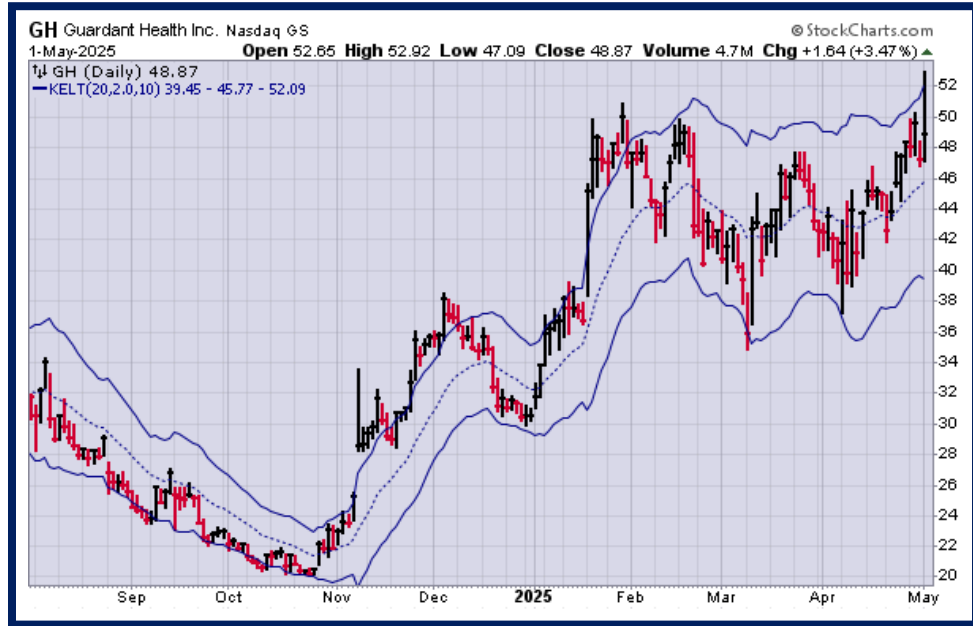
The monthly chart shows that the overall trend in GH has been up since the May 2024 low. After meandering a bit, the November close above the monthly moving average line activated the current buy signal. The next upside targets are 55 and 60.

GH Daily Chart

The daily chart shows that GH was very bullish from the October 2024 low until the March 2025 high. The overall trend since then has been sideways. Sideways trading in a bull trend is usually followed by a further advance.

We are going to review a Call Debit Spread trade for GH.

Traders who want a more leveraged approach can buy GH calls.



Buy to Open the GH Jun 20th 35-Strike Call Sell to Open the GH Jun 20th 45-Strike Call

We can see from this Call Option Spread Analysis that if the GH stock price increases by 5%, remains flat, or decreases in price when the options expire, the spread will make a 28.2% or \$220 profit. If GH is up 7.5% at expiration the spread can still profit 28.2%.

Call Option Spread							
Stock Symbol	Current Stock Price	Buy Strike	Buy Price	Sell Strike	Sell Price		
GH	48.87	35	15.00	45	7.20		
Cost:	\$7.80				Calculate	New Analysis	Print
% Change	7.5 %	5 %	2.5 %	0 %	-2.5 %	-5 %	-7.5 %
Stock Price	\$52.54	\$51.31	\$50.09	\$48.87	\$47.65	\$46.43	\$45.20
Call Buy Value	\$17.54	\$16.31	\$15.09	\$13.87	\$12.65	\$11.43	\$10.20
Call Sell Value	\$-7.54	\$-6.31	\$-5.09	\$-3.87	\$-2.65	\$-1.43	\$-0.20
Spread Value	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Spread Cost	\$7.80	\$7.80	\$7.80	\$7.80	\$7.80	\$7.80	\$7.80
Spread Profit	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20	\$2.20
Spread % Return	28.2%	28.2%	28.2%	28.2%	28.2%	28.2%	28.2%

FTAI

The last profit opportunity we will review is in FTAI, or FTAI Aviation Ltd. FTAI owns and maintains commercial jet engines, with a focus on CFM56 engines.

FTAI Monthly Chart



The January 2025 decline cut the stock price in half and triggered the current sell signal. The next targets for the decline are 75 and 60.

The daily chart shows that FTAI hit a new record high in January, just before the stock dropped like a rock and generated the current sell signal.

The overall trend since then has been sideways. Sideways trading in a bear trend is usually followed by a further decline.

We are going to review a Put Debit Spread trade for FTAI.

Traders who want a more leveraged approach can buy FTAI puts.

FTAI Daily Chart



Buy to Open the FTAI Jun 20th 105-Strike Put
Sell to Open the FTAI Jun 20th 100-Strike Put

Put Option Spread

Stock Symbol	Current Stock Price	Buy Strike	Buy Price	Sell Strike	Sell Price		
FTAI	88.80	105	20.35	100	16.35		
<div>CalculateNew AnalysisPrint</div>							
Cost:	\$4.00						
% Change	-7.5 %	-5 %	-2.5 %	0 %	2.5 %	5 %	7.5 %
Stock Price	\$82.14	\$84.36	\$86.58	\$88.80	\$91.02	\$93.24	\$95.46
Put Buy Value	\$22.86	\$20.64	\$18.42	\$16.20	\$13.98	\$11.76	\$9.54
Put Sell Value	\$-17.86	\$-15.64	\$-13.42	\$-11.20	\$-8.98	\$-6.76	\$-4.54
Spread Value	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Spread Cost	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
Spread Profit	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Spread % Return	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

We can see from this Put Option Spread Analysis that if the FTAI stock price increases by 5%, remains flat, or decreases in price when the options expire, the trade will make a 25% or \$100 profit. If FTAI increases by 7.5%, the trade can still make 25% or \$100.

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This week we recommended the following:

Buy SRAD Stock

Buy to Open the GIS Jun 20th 62.5-Strike Put

Buy to Open the GH Jun 20th 35-Strike Call

Sell to Open the GH Jun 20th 45-Strike Call

Buy to Open the FTAI Jun 20th 105-Strike Put

Sell to Open the FTAI Jun 20th 100-Strike Put

Note: Profit performance displayed in this newsletter does not include commission cost. Prices are based on Thursday End of Day unless the market is closed.



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We'll see you next week!