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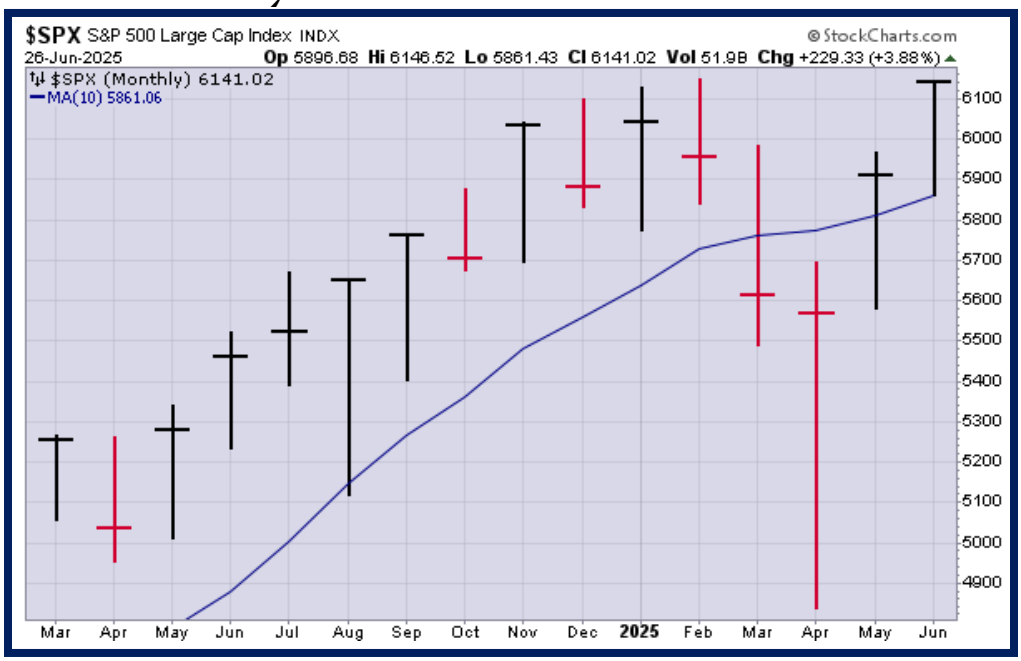
WEEKLY NEWSLETTER

June 26th, 2025 Edition

SPX Monthly Chart



On the S&P's chart, May 2025's close above the 10-month simple moving average line started its latest 'Buy Signal'. In this week's edition, we'll review a stock purchase, an option purchase, and two debit spread positions.

KGC

The first profit opportunity we will review is a stock purchase in KGC or Kinross Gold Corporation. Owning mines in the United States, Brazil, and China, Kinross grew through mergers of other mines and other acquisitions.

KGC Monthly Chart

The bearish signal on the monthly chart for February flipped the following month with March 2025's close. This bullish trend above the 10-Month Moving Average lifted KGC from 6 to over 15 in its trading this week.

KGC Daily Chart

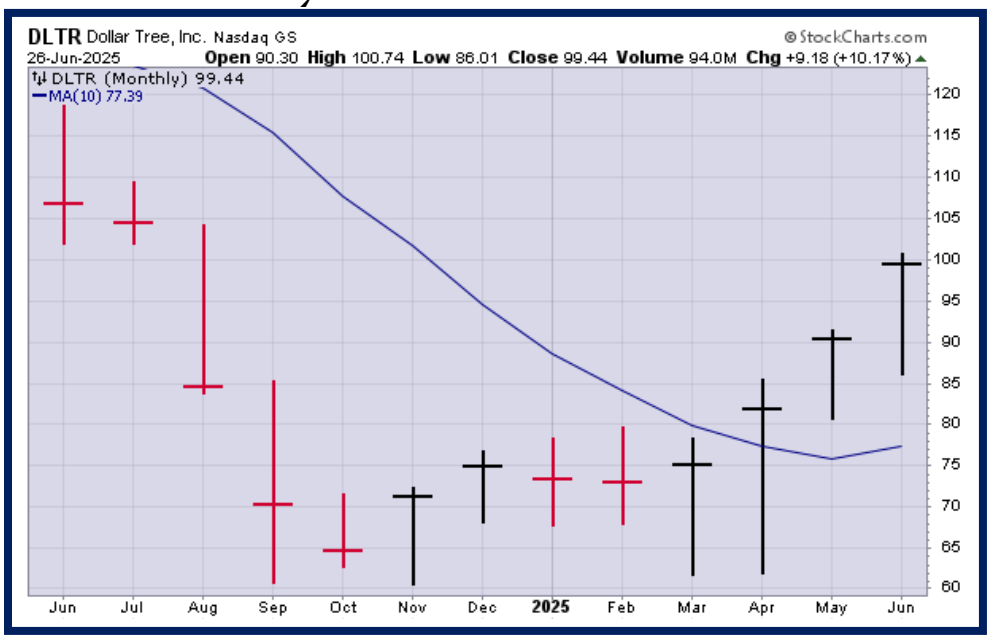
The recent series of higher highs and higher lows on KGC's daily chart moved the stock closer to midway between the Upper and Middle Keltner Channel.

We recommend buying KGC stock at the current price level.

DLTR

First launching as "Only $1.00" in 1953, Dollar Tree grew and rebranded into the Dollar Tree now in over fifteen thousand storefronts in North America. In Canada the stores go by the Dollar Giant brand.

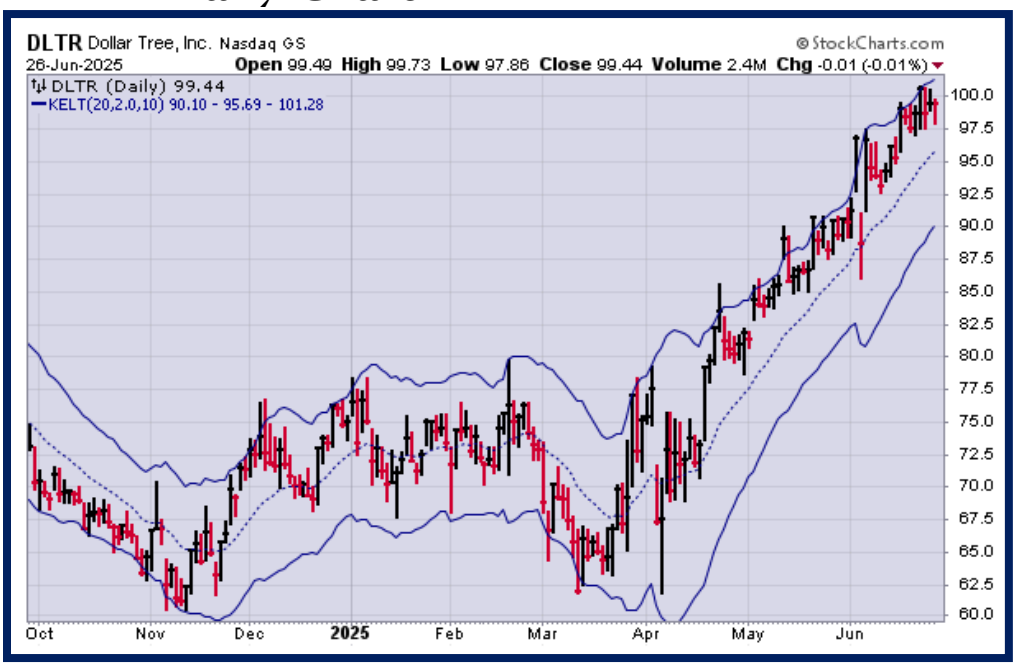
DLTR Monthly Chart



A long bearish period brought DLTR to a low near 60 before eventual bullish movement culminated into the April 2025 'Buy Signal'. DLTR continues to create new YTD highs for the stock.

The daily chart highlights this streak of recent YTD highs as DLTR continues trading high in the 'Keltner Channel Buy Zone'. A recent cool off provides an entry opportunity.

DLTR Daily Chart



As we said above, we want to buy a call in DLTR. We will first look at selecting a call option strike price for purchasing a DLTR call. DLTR is currently trading at 99.44. Let's look at buying the DLTR July 25th 87-Strike Call. The July 25th options expire in 29 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 0.61 points (boxed in red). The time value of 0.61 is less than 1% of the 99.44 price, so this strike price qualifies under the 1% Rule.

Buy to Open the DLTR Jul 25th 87-Strike Call

Call Option Purchase

Stock Symbol	Current Stock Price	Option Strike	Option Premium
DLTR	99.44	87	13.05

Calculate | New Analysis | Print

Time Value: $0.61

Intrinsic Value: $12.44

% Change	0 %	1 %	2.5 %	5 %	7.5 %	10 %	12.5 %
Stock Price	$99.44	$100.43	$101.93	$104.41	$106.90	$109.38	$111.87
Option Value	$12.44	$13.43	$14.93	$17.41	$19.90	$22.38	$24.87
Profit/Loss	$-0.61	$0.38	$1.88	$4.36	$6.85	$9.33	$11.82
% Profit/Loss	-4.7%	2.9%	14.4%	33.4%	52.5%	71.5%	90.6%

The bottom row lists the percent return profit potential. We can see that if the DLTR stock price moves by 1% at option expiration (boxed in green) a 2.9% or $38 profit will be realized. This confirms the 1% Rule of at least breaking even or profiting with only a 1% movement in the stock price.

There is no limit on the profit potential of a Call Option purchase if the underlying stock/ETF continues to decline in price. If DLTR moves by 10% between now and option expiration, the Call Option Purchase Calculator shows that the DLTR Jul 25th 87-strike call will realize a 71.5% or $933 profit (boxed in green).

Buy to Open the DLTR Jul 25th 87-Strike Call

Call Option Purchase

Stock Symbol	Current Stock Price	Option Strike	Option Premium
DLTR	99.44	87	13.05

Calculate | New Analysis | Print

Time Value: $0.61

Intrinsic Value: $12.44

% Change	0 %	1 %	2.5 %	5 %	7.5 %	10 %	12.5 %
Stock Price	$99.44	$100.43	$101.93	$104.41	$106.90	$109.38	$111.87
Option Value	$12.44	$13.43	$14.93	$17.41	$19.90	$22.38	$24.87
Profit/Loss	$-0.61	$0.38	$1.88	$4.36	$6.85	$9.33	$11.82
% Profit/Loss	-4.7%	2.9%	14.4%	33.4%	52.5%	71.5%	90.6%

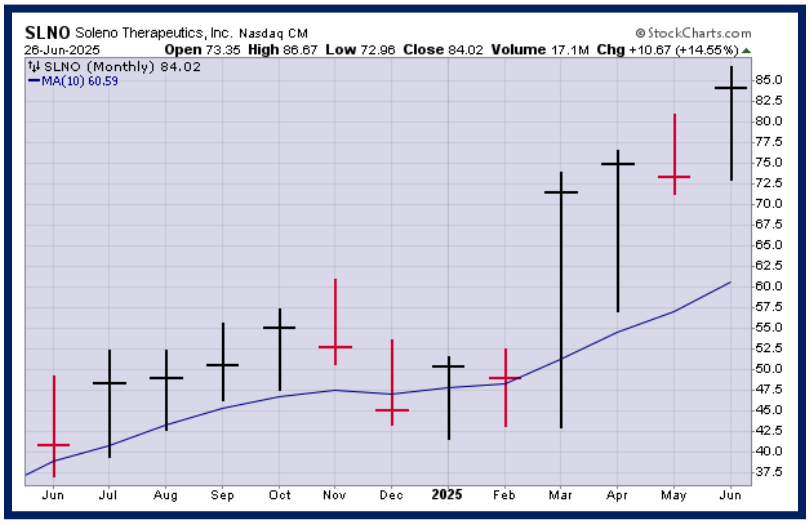
On the other hand, if DLTR remains flat at option expiration, the 87-Strike Call will only lose -4.7% or -$61. Remember, if you purchase an at-the-money or out-of-the-money option and the underlying stock/ETF is flat or down at option expiration, it could result a 100% loss for your option trade! Using 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 DLTR Jul 25th 87-Strike Call at the current price level.

SLNO

The next profit opportunity is a Call Debit Spread in SLNO or Soleno Therapeutics. Soleno is a clinical stage biopharmaceutical company developing treatments for metabolic and certain neurobehavioral diseases.

SLNO Monthly Chart



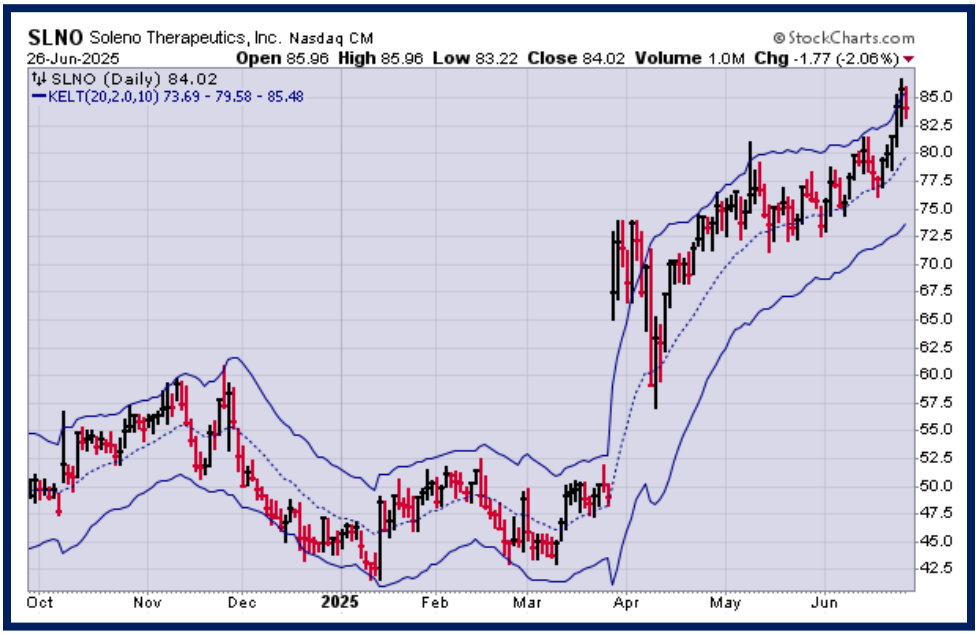
SLNO went through alternating signals that flipped at each month's close. February almost flipped the trend again but closed above the moving average. The bullish trend continued for late March to experience the breakout for the 'Buy Signal'.

SLNO Daily Chart

After the breakout and subsequent retracement back into the Keltner Channels, SLNO started its steady series of gradually climbing higher.

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

Traders who want a more leveraged approach can buy SLNO Calls.



Buy to Open the SLNO Aug 15th 60-Strike Call
Sell to Open the SLNO Aug 15th 70-Strike Call

We can see from this Option Spread Analysis that if the SLNO stock price decreases by -5%, remains flat, or increases in price when the options expire, the spread will make a 25% or $200 profit. If SLNO is down -7.5% at expiration the spread can still profit 25%.

Call Option Spread

Stock Symbol	Current Stock Price	Buy Strike	Buy Price	Sell Strike	Sell Price
SLNO	94.02	60	24.45	70	16.45

Cost: $8.00

Calculate | New Analysis | Print

% Change	7.5 %	5 %	2.5 %	0 %	-2.5 %	-5 %	-7.5 %
Stock Price	$101.07	$98.72	$96.37	$94.02	$91.67	$89.32	$86.97
Call Buy Value	$41.07	$38.72	$36.37	$34.02	$31.67	$29.32	$26.97
Call Sell Value	$-31.07	$-28.72	$-26.37	$-24.02	$-21.67	$-19.32	$-16.97
Spread Value	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00	$10.00
Spread Cost	$8.00	$8.00	$8.00	$8.00	$8.00	$8.00	$8.00
Spread Profit	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00	$2.00
Spread % Return	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

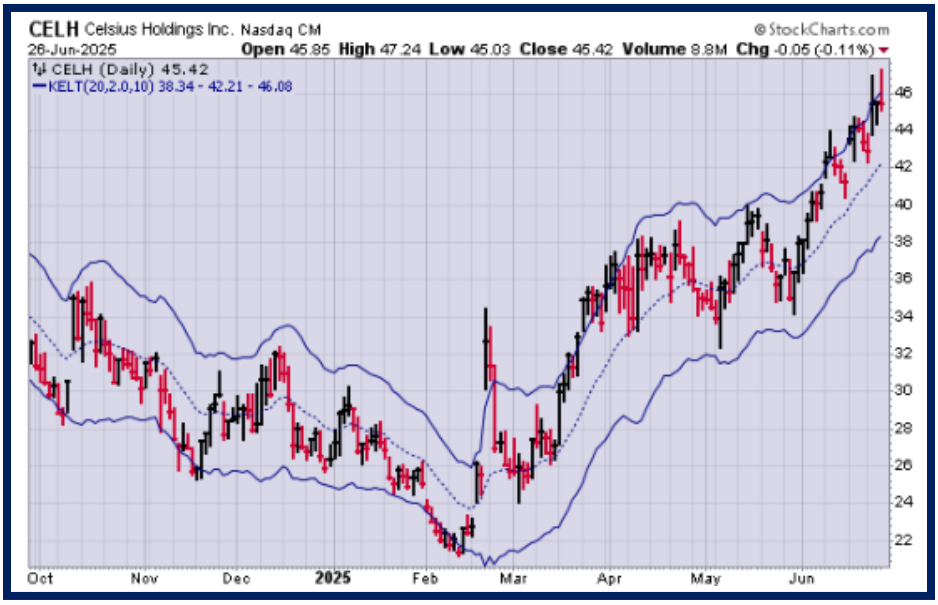
CELH

The last profit opportunity is a Call Debit Spread in CELH or Celsius Holding Inc. This drink company rebranded from Vector Ventures in 2007 and is now partnered with PepsiCo for larger distribution expansion.

CELH Monthly Chart

For CELH, 2024 brought a bearish trend with deep separation between the Moving Average and the monthly movement as they both lowered to indicate the bearish trend's strength. The latest bullish signal started with March 2025's close.

CELH Daily Chart



Multilpe months in 2025 saw CELH trade above the Upper Keltner Channel. June's recent example retraced back for an entry opportunity.

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

Traders who want a more leveraged approach can buy CELH Calls.

Buy to Open the CELH Aug 15th 32.5-Strike Call
Sell to Open the CELH Aug 15th 37.5-Strike Call

Call Option Spread

Stock Symbol	Current Stock Price	Buy Strike	Buy Price	Sell Strike	Sell Price
CELH	45.34	32.5	13.40	37.5	9.45

Cost: $3.95 Calculate New Analysis Print

% Change	7.5 %	5 %	2.5 %	0 %	-2.5 %	-5 %	-7.5 %
Stock Price	$48.74	$47.61	$46.47	$45.34	$44.21	$43.07	$41.94
Call Buy Value	$16.24	$15.11	$13.97	$12.84	$11.71	$10.57	$9.44
Call Sell Value	$-11.24	$-10.11	$-8.97	$-7.84	$-6.71	$-5.57	$-4.44
Spread Value	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00	$5.00
Spread Cost	$3.95	$3.95	$3.95	$3.95	$3.95	$3.95	$3.95
Spread Profit	$1.05	$1.05	$1.05	$1.05	$1.05	$1.05	$1.05
Spread % Return	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%	26.6%

We can see from this Option Spread Analysis that if the CELH stock price decreases by -5%, remains flat, or increases in price when the options expire, the trade will make a 26.6% or $105 profit. If CELH decreases by -7.5%, the trade can still make 26.6% or $105.

Want to Learn More from Chuck Hughes? Click the Banner Below

This week we recommended the following:

Buy KGC Stock

Buy to Open the DLTR Jul 25th 87-Strike Call

Buy to Open the SLNO Aug 15th 60-Strike Call

Sell to Open the SLNO Aug 15th 70-Strike Call

Buy to Open the CELH Aug 15th 32.5-Strike Call

Sell to Open the CELH Aug 15th 37.5-Strike Call

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.

We'll see you next week!