Composite Ekes Out Its Ninth Straight Winner
Boomer's Makes It 10 In a Row; Disney Earnings Disappoint

The market rebounded this week after stumbling over the latest jobs report the previous week. There was no apparent reason for the strength other than, well, what? Apple (AAPL) boss Tim Cook giving the president a gold plaque and promised U.S. investments to presumably avoid tariffs? Liberation Day tariffs going into effect (hopefully, you loaded up on Swiss chocolate and watches)? A presumed meeting between Trump and Putin to end the Ukraine war and let Russia keep all occupied territory? For the record, the S&P 500 is up 45% since the war began, so I'm not sure of its negative impact. Anything else? More importantly, does there have to be a reason?

Our ETF underlyings – the Invesco QQQ Trust ETF (QQQ) and iShares Russell 2000 ETF (IWM) – followed the script, gaining 3.7% and 2.5%, respectively. Walt Disney (DIS) fell 3.6% despite a generally positive earnings report. DIS has been cratering lately, falling in 12 of the past 13 trading days for an overall loss of 8.5%. Microsoft (MSFT) started off hot with a 2.2% gain on Monday, only to give it all back – and a little more – by Friday. MSFT's net 0.4% drop allowed us to make it through the week with no *Wiley Wolf* trades.

If you read the Daily Notes, you'll note my overall frustration with the week's trading and use of the word "mud" more than once. I'll admit I probably got a little too jazzed about DIS's earnings before Wednesday's open (the P/L chart Tuesday night was stunning). And to be fair, *Rising Tide* had a solid day on Wednesday. Solid, but not spectacular. But here's the thing … that was *Tide's* only winning day of the week. In fact, the same was true for the Composite. Very good day on Wednesday (though it faded significantly in the final hour) and death by a thousand cuts every other day. Hence, my frustration.

The only positive was that Wednesday had just enough to overcome the other four days to extend the Composite's winning streak to nine weeks. The Comp is up 20% during that period to hit the +10% mark for the year.

But it was a struggle to get there, and to hold on as the week ended. As I predicted last week, trading volume was off the charts – 80 trades, the most in nearly two years. All but eight were in *Boomer's Revenge* and *Rising Tide,* which is no surprise since they needed short rollouts and had by far the most spreads. Plus, we added 12 DIS spreads before earnings, then closed 11 and added four after earnings. And we had nine vertical IWM trades to boost theta and adjust delta before starting to roll out short positions (a new tactic I'm trying out).

The other trades belonged to *Honey Badger,* which needed to raise delta throughout the week. These involved a reversal in which we added a low-strike put spread on Monday and then closed a similar spread on Friday. But *Badger* escaped with a tiny gain.

My main frustration this week was getting DISsed in *Rising Tide*. Quite simply, we should have done better. DIS's post-earnings move on Wednesday was substantial – down 5% at one point – but manageable (it closed 2.7% lower). Long implied volatility (IV) was crushed, which I believe really hurt us. I expect short IV to implode, and it did to our benefit. But long IV plunged by 29%, which sucked huge premium from our positions. By contrast, MSFT's long IV fell less than 8% after earnings the previous week.

One stark example is the long 120 put and call. DIS fell 3.6%, so we'd expect the put to increase in value and the call to decline. That indeed happened but to different degrees. The put gained $1.38, a 21% increase. The call, however, fell $2.96, a 75% plunge. Had long IV not dropped off a cliff, the put undoubtedly would have gained more and the call dropped less.

My hunt for a substitute underlying in *Tide* has intensified. The leader for now is the VanEck Semiconductor ETF (SMH), which I have had good luck with in my personal account. I've talked before about using the gold ETF (GLD), but it simply isn't delivering for me. In fact, I just sold all my GLD positions this week as I'm fed up with losing. My hunt for other candidates continues.

The other frustration this week, although it's more of a quibble, is MSFT. We had another one of those "ideal" weeks where the underlying either didn't do much or we correctly stayed on the sidelines during a big move - like the +2.2% on Monday. No trades usually means a winning week. In fact, we've had five such weeks this year and <u>every one</u> has been a winner, averaging more than 3%. But not this week. Perhaps it's due to the 14% drop in MSFT's IV Index, the largest drop during a non-earnings week this year. For the record, the IVs for IWM and QQQ also fell 14%, while the CBOE Market Volatility Index (VIX) dropped 26%. Moreover, the average historical volatility (HV) popped 17%, which drove the average IV/HV ratio from 170% last week to 113% this week. That may be something to more than quibble about.

The numbers for the week again show 80 trades, the most since September 2023. The spread count ballooned by 13 to 59, the most since June of last year. All portfolios except (obviously) *Wiley Wolf* added spreads. Despite the baker's dozen of new positions, cash inched only slightly lower thanks to the premium brought in from IWM and DIS short rollouts. Cash accounts for a little more than a third of the total Composite value, which is a comfortable level when IVs are so low (the average IV rank is just 10%). Actually, I'm not against adding more spreads given the IV environment.

Looking ahead, we have a QQQ short rollout this week. Given that *Honey Badger* has just eight spreads, trading volume will no doubt plunge compared to this week. QQQ's theta looks a little low, so we may be moving short strikes closer to the money before we start rolling out. The only delta of mild concern is QQQ (it's a bit heavy on the bearish side). The other three are modestly positive, so no worries there. Total Composite theta is at its lowest level in five weeks, so that will be a focus early on.

Next week will see plenty of activity on the earnings front but nothing will grab headlines unless you closely follow Cisco Systems (CSCO) or Applied Materials (AMAT). Inflation will be center stage with the consumer and producer price indices. More concerning, of course, is the potential questioning of the data's veracity by whoever doesn't like them. Just what we need: something else to worry about.

Daily Notes

Note: I use abbreviations in this section since I'm writing thoughts quickly. To avoid confusion, I added a list of abbreviations at the end.

Monday: Today turned messy right at the outset with DIS, MSFT and QQQ essentially making all their gains for the day by 10 a.m. IWM just kept rising all day. Given that we had negative to flat deltas on all but MSFT (modestly positive delta), the loss at the close was about the same as the loss in the first half hour.

But of course, we didn't know that during the day. We held off until 1 p.m., looking for a pullback that never came, before starting with DIS. No magic here. Just added 2 call spreads, which added theta and pulled delta toward neutral. DIS logged the largest move at +2.4%, but these trades were enough to get delta in line at the close. Theta more than doubled today, while gamma remarkably stayed flat. We'll add a few more spreads tomorrow ahead of earnings.

Next was IWM, which was relentless throughout the day. We rolled up a short call and put and rolled down a long call and put to boost delta. IWM continued higher through the close (and after the close), but we didn't make any more trades. That let delta get heavily negative, which we'll deal with quickly tomorrow should IWM have a strong open.

Finally came HB, which held the bulk of the Comp loss throughout most of the day. We opened a call and put spread and rolled down a long put. The loss improved enough by the close the let RT barely overtake HB for the low performer spot. Plus, we added theta and got delta near neutral. It also took care of some call margin.

MSFT took a day off, largely because it entered with the most positive delta and its gamma was the lowest. Its delta finished moderately negative, but WW, along with BR, managed to eke out small wins on the day.

Given that three ULs gained at least 2.2% (QQQ gained 1.9%), and the VIX dropped 14%, a Comp loss of less than a half percent is not a bad result. But tomorrow could be more difficult if the strength continues. All deltas are negative, although IWM is the only one giving me agita. Low gammas are helping us big time, as deltas are less responsive to UL moves.

Tuesday: Mixed open, but IWM higher so we rolled up 4 short strikes to increase delta and theta. Nothing magical here, though the fills were a bit wonky … and not in a helpful way. Very wide (for IWM) swings in entry prices. Not much I can do about that other than wait a little bit to see if the price will come to me (I think that worked once out of 4 trades).

IWM threw us a giant curveball right as we were sending the previous trades. It reversed hard, dropping from 221.26 at 9:54 to 218.24 at 10:49. That's a 1.4% drop in 55 minutes that turned delta from neutral to ultra-positive (gamma increased overnight, as it should during an expiration week). We responded by rolling out the highest strike short calls three weeks to a lower strike and rolling up the lowest strike long puts to a higher strike. We actually gained a little buying power in the process since we got rid of some margin on the put side.

IWM of course rebounded after the trades but not to a great extent so far. Delta at 11 a.m. is good. I guess I should have left well enough alone.

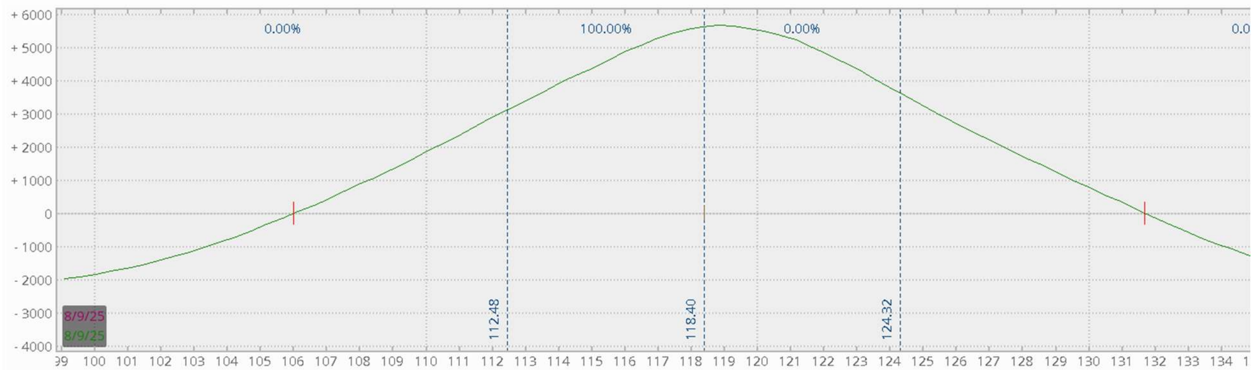
By 1:30, IWM had come within a few pennies of its 10 a.m. high, so we were back in negative delta territory. I got fed up with these swings, though they were partly my fault since I wasn't rolling out and cutting into gamma. Finally got smart and rolled 2 puts out to raise delta and put a dent in gamma. Theta got dinged a bit, but not too badly.

With IWM taken care of, we turned to adding DIS spreads. In 2 batches we added 10 spreads – 4 call, 6 put – which brought the total to 29. Cash is also close to exhausted, so we'll be closing spreads after earnings, unless we can roll out at the same strike.

The setup for earnings is a flat delta, modest gamma and monster theta (keep in mind we were dealing with *negative* theta for DIS a few weeks ago):

Instrument	Qty	Mark	Mrk Chng	% Change	Impl Vol	Extrinsic	Intrinsic	Delta	Gamma	Theta
DIS ITM				-0.86%	36.34%	N/A	N/A	-5.33	-23.04	1419.29

Meanwhile, the P/L chart is a work of art. Note that we are not going to potentially make more than $5k with $6.1k in play. The chart does not account for the IV implosion that will suck significant premium from both longs and shorts.



Price Slices — Use Margin Style Volatility for P/L Calculations

Stk Price		Offset	Delta	Gamma	Theta	Vega	P/L Day
124.32	%	+5%	-533.80	74.95	-146.44	402.55	$3,608.10
118.40	$	$0	78.99	87.57	-150.22	424.35	$5,612.84
112.48	%	-5%	460.45	84.60	-124.90	363.72	$3,120.64

After being up most of the day, the final flat Comp reading is disappointing. The Comp net delta is virtually zero, with HB moderately positive and BR moderately negative, while WW and RT are neutral. 16 trades and not much to show for it is a bummer.

Wednesday: DIS had mixed earnings, beating on EPS but not revenue. Guidance raised. I was encouraged by the premarket action that showed the stock down a little more than 1%. But my hopes were dented by a 5% drop in the opening minutes. That was followed by a modest V rebound for about a half hour. The stock spent the rest of the day between 114 and 116 before closing just above 115, which is where it was at 10:10. Final print -2.7%.

Because delta was high and cash low, we started off by closing 6 high strike spreads – 4 call and 2 put - at 10 a.m. This didn't hurt theta that much because the shorts were far OTM with little extrinsic. It knocked delta down to a reasonable level and gave a little cushion for our cash.

Notably, that was it as far as closing spreads and rolling out. The rest of the day's 7 trades were verticals to move shorts closer to the money to raise theta (and adjust delta up or down as needed) and roll down longs to either add cash or get rid of margin.

It was a volatile day for DIS option prices and I'm sure the MMs knew they were going to make some bank today with wider b/a prices. The fill discrepancies among me and the two brokers were certainly wider than normal. I'm not surprised by the fill executions, tho. It comes with the territory.

We could have started rolling out 3 weeks to the 29Aug series, which would have brought in more premium. But I'm playing it more aggressively by using verticals to increase theta and our profit potential. RT needs more help than any portfolio, so I'm accepting the higher risk (higher gamma) to take our best shot at getting RT close to breakeven by the end of the year.

The only other trades were in HB, as QQQ had a strong day (it was the only positive UL at +1.3%). We opened a high strike call and rolled down a long put.

Final deltas were what you'd expect. The two with short rollouts (and higher gammas) – DIS and IWM – have the most extreme deltas. But they're not reflected in the P/L charts. These two also had the strongest days. QQQ and MSFT have slight positive deltas. WW was the only loser today. HB had a small gain.

I'm frankly a little disappointed in the final Comp gain. On any other day, it would be a great result – around +1.4%. But we were up more during the day and got dinged at the bell for whatever reason (I think it was MSFT again). RT did fine but not great considering it was an earnings day, tho it did better than last quarter. The Comp is up slightly for the week, tho it feels like it should be more. I guess I'm in the glass half empty camp tonight.

One item of note. IVs are back down again. The average IV rank is 13% compared to 23% at the end of last week. DIS accounted for most of that because of the post-earnings IV crush. But the other three ranks dropped from 19% to 13%. The VIX is down 18% this week. Where's the wall of worry?

Thursday: Head-fake start with all ULs higher, which was briefly good for DIS but not IWM. So, we started early, knowing that IWM and DIS were going to be ultrasensitive to any sort of move. We rolled out 3 IWM puts to higher strikes and rolled up 2 short puts that had been previously rolled out to raise delta. Too bad we didn't wait on those because IWM hit its daily high 2 minutes after the open.

DIS was more cooperative on direction, as it hit its high 1 minute after the open. We were positive delta, so we spent most of the day chasing delta lower. The first batch hit at 10:20, when we closed 2 call spreads and rolled out 2 short calls to the same and a lower strike. We waited an hour, watching DIS sink further and delta rise higher before the second wave hit – rolling out three puts to lower strikes. Because the strike difference was so large, we incurred debits on those rollouts. With cash tight, we rolled down 3 high strike long puts to bulk up our money supply.

Before noon, we returned to IWM by rolling out 3 calls and a put to lower strikes. Then right at noon, we rolled three puts out and down. We hit up DIS one more time at 1:30, rolling 3 more puts out to lower strikes and rolling down a long put for cash. Then it was back to IWM, where we added 4 low strike put diagonal spreads to lower delta. Even though we had 5 short puts left to roll, I opted to hold onto those since they were close to the money and had ample extrinsic value. We'll grab those tomorrow.

The final trade count was 23, which makes it 63 for the week so far. That's a lot but not unexpected since we were rolling the portfolios with the highest spread counts. It makes for a busy, if not intense, day, tho. Note that only 5 of the 63 were QQQ trades. MSFT has not traded this week.

Fills were a little rough for DIS. Prices were swinging freely so that prices on the initial alerts were often significantly different than the fill prices. If I was trading on my own, I would have shown more patience and let the prices come to me. But it was clear I was chasing prices to get the trades filled, which is the trigger for the brokers. I don't have the luxury of patience, especially on busy trading days when prices are moving frenetically.

DIS was the big mover today, down 2%, tho it closed well off its low. The others moved <0.8%, with QQQ being the only gainer. Final deltas skew negative with only DIS being a bit outsized. We have eight shorts to roll, so we can move the delta needle quickly with those diagonals.

The Comp closed flat (so did the market and VIX), which means we did a lot of work with nothing to show for it. That's been the story of this week – a lot of grinding with little benefit. Feels like we're swimming in mud. I suppose it could be worse.

Friday: Expectedly busy morning. IWM and DIS shorts lost their extrinsic values quickly, so we go to work early by rolling out 3 DIS puts at 10:15. QQQ delta was getting too low, so we closed 2 low strike put spreads and opened a high strike call spread. Then we rolled out the last 2 IWM short calls to higher strikes as IWM's delta was in the negative triple digits.

We then completed the DIS rollouts in 2 batches, first rolling out the remaining 2 calls and second by closing the remaining 3 short puts by closing spreads and adding 4 call spreads. We were heavily skewed to puts, so this evened things out a bit, tho puts still lead 14 to 8.

13 trades before noon, with only 2 short OTM IWM puts remaining to be rolled (or closed). DIS fills were like yesterday – prices jumping around and fills a little scratchy. Most orders jumped a few cents against us as soon as I hit the "trade" button. Again, patience may have saved a few bucks here or there but I can't wait on these when so many are stacked up to trade.

At noon, all ULs are positive, although DIS and MSFT are more neutral than higher. IWM and QQQ up modestly. All deltas look good for now. 13 trades before noon and Comp down slightly. Another trading in mud day.

One thing I've learned/realized is that having DIS and IWM shorts expire in the same week is not the best idea. 42 of the 57 Comp spreads belong to BR and RT, so rolling out in the same week is burdensome. Unfortunately, I figured this out too late to make a change this week. But in future weeks, DIS and IWM expirations will be staggered.

Calm afternoon. Nothing needed except taking care of IWM. We rolled the 2 remaining puts and opened 2 lower strike put spreads to lower delta.

80 trades this week, the most since Sept. 202**3**. QQQ hit new intraday and closing highs today. DIS having post-earnings blues. Close was lowest since late May.

Another muddy day. We made 17 trades with no verticals. Thus, every trade rolled out or closed/opened a spread. No excess trades. ULs were calm. But the Comp was down for the fourth day this week. I'm thinking it was falling IVs, which looked obvious on the chart. VIX down 8.6%. Average IV rank 9%.

But the Comp did enough on Wednesday to have another positive week. Frankly, I don't feel great about the week's result, as I think the trading went well. But a gain is a gain.

**Abbreviations: UL – underlying; WW – *Wiley Wolf;* BR - *Boomer's Revenge*; HB - *Honey Badger*; RT - *Rising Tide*; VIX - CBOE Market Volatility Index; MA – moving average; Comp – Composite; IV – implied volatility; HV – historical volatility; ITM – in the money; OTM – out of the money; ATM – at the money; P/L – profit/loss; SR – *Saturday Report*; TOS – thinkorswim; MM – market makers; b/a – bid/ask spreads; PB – PeakBot; BPR – buying power reduction; TT - tastytrade

Credit Spread Review

Two more winners this week …

MRK had crazy bid/ask spreads that probably affected fills at the $0.40 minimum. The spread traded around the minimum throughout the week, so that's the price we're going with. MRK closed the week at +1.8% while the spread value is flat.

GM gained a buck this week, but the spread remains well OTM. The trade is modestly profitable and remains a hold.

TSM had a volatile week including a massive +4.9% on Thursday. After all the excitement, the stock sits near its entry level, while the spread continues to leak value. The spread is modestly profitable and remains a hold.

ACN hit the nickel exit point and is now closed with a solid **gain of 22%**.

HD gained nearly 4% and closed above the 200-day MA for the first time since early March. The spread is still out of the money, but not by much. With a week until expiration, this trade remains a hold, but it will be touch and go next week.

FDX bounced higher this week, allowing the spread to expire worthless for a **profit of 25%**.

On a Short Leash

Zoetis (ZTS), a leading producer of animal health medicines, vaccines, and diagnostics, delivered a solid Q2 report before the open on August 5. Adjusted EPS of $1.76 beat estimates of $1.62, and revenue of $2.50 billion also topped forecasts. Management raised full-year guidance for both sales and earnings, citing strong demand in companion animal products. Yet, the market response was muted – the shares opened more than 5% higher but closed down 3.7%, the fourth straight lower close the session after earnings.

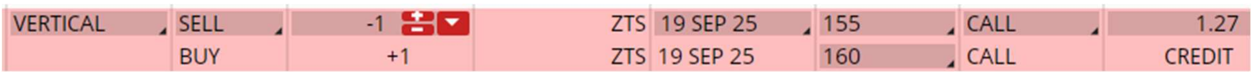
Analyst sentiment remains firmly bullish, with an average “Moderate Buy” rating and a 12-month target price near $193 - about 30% above current levels. While this optimism may align with the earnings numbers, it feels increasingly out of step with performance, as ZTS has been in a steady downtrend for nearly a year. The lack of any recent upgrades, combined with the possibility that analysts may trim targets to better reflect the stock’s trajectory, adds weight to the bearish case.

On the charts, ZTS has not closed above its 20-day moving average (currently at $150) in two months. Both the 20-day and 50-day averages are falling, and the 50-day is set to drop below $155 in the coming sessions, creating additional overhead resistance right at the short strike of our credit spread.

This bearish credit spread leans on multiple layers of defense: declining trendlines, strong overhead technical resistance at or below the key $155 strike, and a valuation gap between Wall Street expectations and actual market behavior. Add in slower growth in the livestock segment, competitive pressures, and signs of cooling demand in some veterinary markets, and the case for staying under $155 grows stronger.

If you agree that the stock will remain beneath the resistance of its 20-day (blue line) and 50-day (red line) moving averages, consider the following credit spread trade that relies on the stock staying below $155 (green line) through expiration in 6 weeks:

Buy to Open the ZTS 19 Sep 160 call (ZTS250919C160)
Sell to Open the ZTS 19 Sep 155 call (ZTS250919C155) for a credit of $1.10 or more (selling a vertical)



This credit is $0.17 less than the mid-point price of the spread at Friday's $147.35 close. Unless ZTS sags at the open on Monday, you should be able to get close to that price.

The commission on this trade should be no more than $1.30 per spread. Each spread would then yield $108.70. This trade reduces your buying power by $500, making your net investment $391.30 per spread ($500 - $108.70). If ZTS closes below $155 on Sep 19, the options will expire worthless, locking in a 28% profit ($108.70/$391.30).

Underlying Stock Price and IV Changes

For Week Ending August 9, 2025

	Last Week	This Week	% Change
DIA	435.72	441.92	1.4%
MRK	79.29	80.69	1.8%
IWM	214.92	220.32	2.5%
IWM IV	25.40	21.67	-14.7%
MSFT	524.11	522.04	-0.4%
MSFT IV	20.39	17.57	-13.8%
QQQ	553.88	574.55	3.7%
QQQ IV	19.79	16.74	-15.4%
SPY	621.72	637.18	2.5%
DIS	116.59	112.43	-3.6%
DIS IV	34.14	20.99	-38.5%
VIX	20.38	15.15	-25.7%

Summary of Portfolios

August 9, 2025

Portfolio	Start Value	Current Value	% YTD Change	% Weekly Change
Boomer's Revenge	$10,000	$15,633	56.3%	2.1%
IWM Underlying	$220.96	$220.32	-0.3%	2.5%
Rising Tide	$10,000	$6,771	-32.3%	-3.3%
DIS Underlying	$98.75	$112.43	13.9%	-3.6%
Honey Badger	$10,000	$12,118	21.2%	0.4%
QQQ Underlying	$511.23	$574.55	12.4%	3.7%
Wiley Wolf	$10,000	$9,485	-5.2%	-0.3%
MSFT Underlying	$421.50	$522.04	23.9%	-0.4%
Total	$40,000	$44,006	10.0%	0.2%

Relative Strength Index (RSI) as of August 9, 2025:
(Overbought > 70; Neutral 30 to 70; Oversold < 30)

- **S&P 500 (SPY) – 62.6 (Neutral)**
- **Dow Jones (DIA) – 51.1 (Neutral)**
- **Russell 2000 (IWM) – 51.0 (Neutral)**
- **NASDAQ 100 (QQQ) – 65.8 (Neutral)**
- **Microsoft (MSFT) – 59.7 (Neutral)**
- **Disney (DIS) – 32.4 (Neutral)**

Summary of ***Boomer's Revenge*** Portfolio

We started this portfolio at the beginning of 2020 using the *10K Strategy* on the S&P 500 ETF (SPY), switching to PayPal (PYPL), Home Depot (BBY) and Target (TGT) before settling on the iShares Russell 2000 ETF (IWM) in April 2021. *Boomer's* was the top-performing portfolio in 2022, returning 32.8% compared to a 21.6% decline in IWM. The portfolio was slightly lower in 2023 but rebounded to post a Composite-leading 90% gain in 2024. It was reset to $10,000 to start 2025.

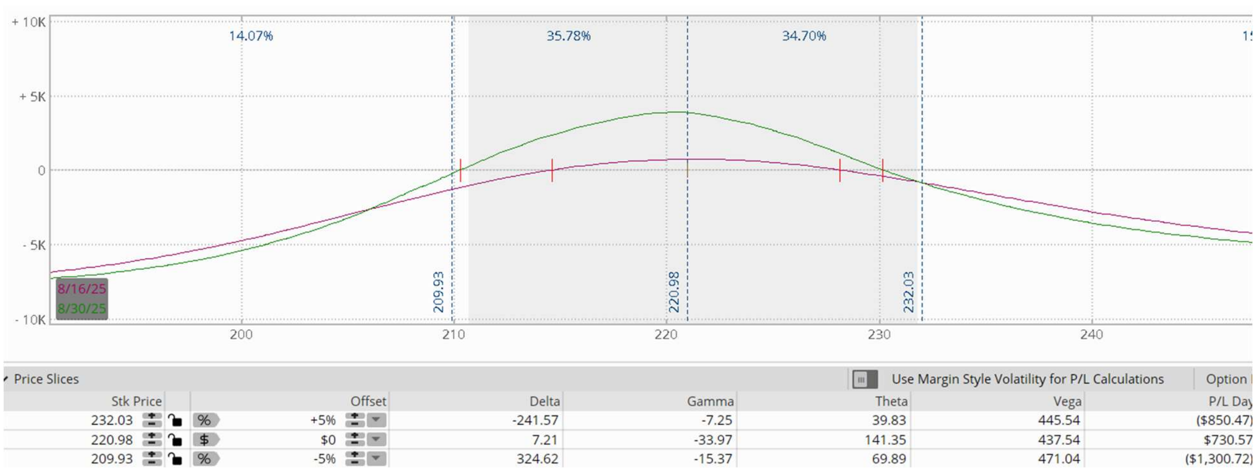
Boomer's Revenge
Portfolio Change since 1/1/25: +56.3%

#	Series	P/C	Strike	Symbol	Price	Total	Delta	Gamma	Theta
-1	29Aug25	P	208	IWM250829P208	$1.08	($108)			
-1	29Aug25	P	210	IWM250829P210	$1.37	($137)			
-2	29Aug25	P	212	IWM250829P212	$1.73	($345)			
-2	29Aug25	P	214	IWM250829P214	$2.17	($433)			
-2	29Aug25	P	216	IWM250829P216	$2.69	($537)			
-2	29Aug25	P	218	IWM250829P218	$3.31	($662)			
-1	29Aug25	C	219	IWM250829C219	$6.12	($612)			

-2	29Aug25	P	220	IWM250829P220	$4.06	($811)			
-2	29Aug25	C	221	IWM250829C221	$4.92	($983)			
-2	29Aug25	P	222	IWM250829P222	$4.95	($989)			
-2	29Aug25	C	224	IWM250829C224	$3.41	($681)			
-2	29Aug25	C	226	IWM250829C226	$2.59	($518)			
-1	29Aug25	C	228	IWM250829C228	$1.94	($194)			
1	17Oct25	P	210	IWM251017P210	$4.16	$416			
4	17Oct25	C	215	IWM251017C215	$12.50	$5,000			
6	17Oct25	P	215	IWM251017P215	$5.55	$3,330			
3	17Oct25	C	220	IWM251017C220	$9.32	$2,795			
4	17Oct25	P	220	IWM251017P220	$7.37	$2,946			
1	17Oct25	C	225	IWM251017C225	$6.66	$666			
3	17Oct25	P	225	IWM251017P225	$9.73	$2,919			
					Cash	**$4,570**	**18**	**-26**	**108**
	Total Account Value					**$15,633**			
					Annualized ROI at today's net Theta:				**252%**

***Results for the week*: With IWM (at $220.32) up 2.5% for the week, the portfolio gained $318 or +2.1%.** Make it 10 winning weeks in a row and a 56% gain for the year. We made 29 trades, added six net spreads, boosted cash by 40% and gained more than 2%. All this during a week where IWM rallied 2.5% off the support of its 50-day moving average and its IV Index fell nearly 15%. Not a bad week.

Boomer's starts the new week with a mildly positive delta. Cash is plentiful, so we can add spreads to adjust delta if needed. Note that the purple line in the P/L chart shows the profit potential for next week, while the green line shows the potential through the 29 Aug expiration.



Summary of *Rising Tide* Portfolio

Resurrecting *Rising Tide* with Costco (COST) as the underlying in 2024 turned out to be a good move as the portfolio gained 36%. We stuck with COST to start 2024 using the same basic *10K Strategy* with rollouts typically going out by one or a

few months to stay on monthly option series. The portfolio was reset to $10,000 at the start of 2025. We switched to Disney (DIS) in March 2025 due to COST's high price and poor trade fills.

Rising Tide

Portfolio Change since 1/1/25: -32.3%

#	Series	P/C	Strike	Symbol	Price	Total	Delta	Gamma	Theta
-2	29Aug25	P	107	DIS250829P107	$0.60	($119)			
-3	29Aug25	P	109	DIS250829P109	$1.00	($299)			
-3	29Aug25	P	111	DIS250829P111	$1.58	($474)			
-3	29Aug25	P	113	DIS250829P113	$2.46	($737)			
-3	29Aug25	P	115	DIS250829P115	$3.63	($1,088)			
-3	29Aug25	C	117	DIS250829C117	$0.79	($236)			
-3	29Aug25	C	119	DIS250829C119	$0.48	($143)			
-1	29Aug25	C	121	DIS250829C121	$0.30	($30)			
-1	29Aug25	C	123	DIS250829C123	$0.22	($22)			
1	19Sep25	P	105	DIS250919P105	$0.84	$84			
4	19Sep25	P	110	DIS250919P110	$1.97	$788			
6	19Sep25	C	115	DIS250919C115	$2.38	$1,428			
8	19Sep25	P	115	DIS250919P115	$4.35	$3,480			
2	19Sep25	C	120	DIS250919C120	$0.99	$197			
1	19Sep25	P	120	DIS250919P120	$8.08	$808			
					Cash	**$3,131**	**19**	**-17**	**22**
	Total Account Value					**$6,771**			
					Annualized ROI at today's net Theta:				**119%**

***<u>Results for the week</u>*: With DIS (at $112.43) down 3.6% for the week, the portfolio lost $227 or -3.2%.** My disappointment with DIS is discussed above. Despite a robust day after earnings, *Tide* posted losses every other day and fell for the first time in five weeks. We made 43 trades, easily the most of the year for any portfolio. The number of spreads increased by five to 22, also a record high for this year. But cash also increased by a third, as spreads are inexpensive.

Tide opens the week with a modestly bullish delta. We have ample cash to add spreads to adjust delta and add to theta, which sits at a six-week low. As discussed above, DIS is on a very short leash. Note that the purple line in the P/L chart shows the profit potential for next week, while the green line shows the potential through the 29 Aug expiration.

Summary of *Honey Badger* Portfolio

This portfolio is based on the *10K Strategy* and has used several underlyings. We began using the Invesco QQQ Trust ETF (QQQ) at the beginning of 2021. *Honey Badger* gained 13.5% in 2021 and dropped 20.6% in 2022 (QQQ was down 33% in 2022). The portfolio roared back in 2023 to post a Composite-leading gain of 92% but fell 21% in 2024. We are staying with QQQ and starting 2025 with $10,000.

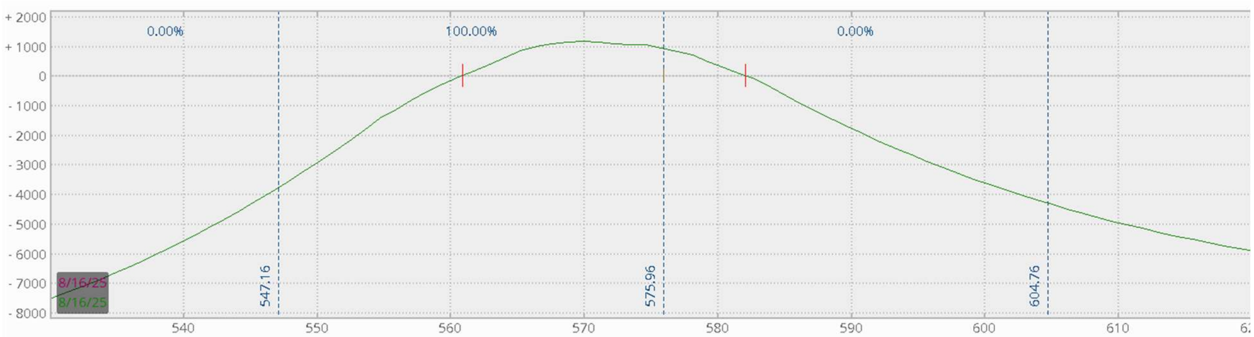
Honey Badger

Portfolio Change since 1/1/25: +21.2%

#	Series	P/C	Strike	Symbol	Price	Total	Delta	Gamma	Theta
-1	15Aug25	P	555	QQQ250815P555	$0.49	($49)			
-1	15Aug25	P	559	QQQ250815P559	$0.72	($72)			
-1	15Aug25	P	565	QQQ250815P565	$1.35	($135)			
-1	15Aug25	C	567	QQQ250815C567	$10.85	($1,085)			
-1	15Aug25	C	570	QQQ250815C570	$8.46	($846)			
-1	15Aug25	C	575	QQQ250815C575	$5.03	($503)			
-1	15Aug25	C	578	QQQ250815C578	$3.39	($339)			
-1	15Aug25	C	583	QQQ250815C583	$1.51	($151)			
1	17Oct25	P	555	QQQ251017P555	$9.23	$923			
1	17Oct25	P	560	QQQ251017P560	$10.37	$1,037			
2	17Oct25	C	565	QQQ251017C565	$26.43	$5,285			
1	17Oct25	P	565	QQQ251017P565	$11.67	$1,167			
1	17Oct25	C	575	QQQ251017C575	$19.65	$1,965			
1	17Oct25	C	578	QQQ251017C578	$17.74	$1,774			
1	17Oct25	C	580	QQQ251017C580	$16.54	$1,654			
					Cash	**$1,492**	**-44**	**-13**	**131**
	Total Account Value					**$12,118**			
					Annualized ROI at today's net Theta:				**395%**

Results for the week: **With QQQ (at $574.55) up 3.7% for the week, the portfolio gained $52, or +0.4%.** As discussed above, *Badger* overcame several headwinds – too many trades, a reversal trade, a 3.7% QQQ gain, a 15% drop in QQQ's IV index – to post a tiny gain to stop a rough two-week stretch. We made eight non-rollout trades and added two spreads. It was an expensive week, though, as cash dropped by 60% to fall to a Composite low 12%.

Badger opens the short rollout week with a solidly negative delta that is clearly seen in its P/L chart. With cash low, we'll likely need to roll out early to adjust delta and bring in some badly needed premium. I'm hoping we can make it through the rollouts without giving up a spread.



Price Slices | Use Margin Style Volatility for P/L Calculations

Stk Price		Offset	Delta	Gamma	Theta	Vega	P/L Day
604.76	%	+5%	-134.98	4.49	-92.72	500.97	($4,310.28)
575.96	$	$0	-104.60	7.10	-113.31	716.29	$928.18
547.16	%	-5%	279.76	7.34	-93.74	655.67	($3,775.63)

Summary of *Wiley Wolf* Portfolio

This portfolio uses the *10K Strategy* with MSFT as the underlying and rolling out the short options by four weeks (except around earnings). Long options are generally 2-3 months out. The portfolio gained 120% in 2019, 309% in 2020, 6.6% in 2021, 27% in 2022, 70% in 2023 and 33% in 2024. It was reset to $10,000 to start 2025.

Wiley Wolf (MSFT)

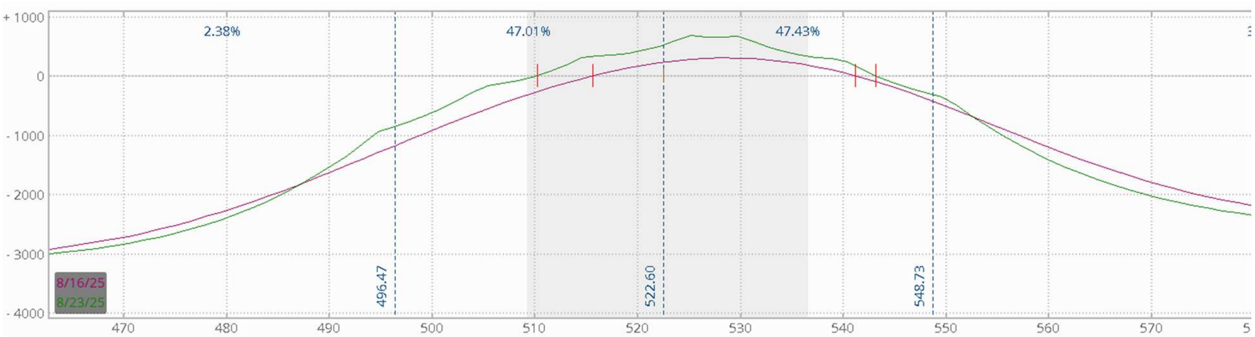
Portfolio Change since 1/1/25: -5.2%

#	Series	P/C	Strike	Symbol	Price	Total	Delta	Gamma	Theta
-1	22Aug25	P	495	MSFT250822P495	$0.99	($99)			
-1	22Aug25	P	505	MSFT250822P505	$2.02	($202)			
-1	22Aug25	P	515	MSFT250822P515	$4.20	($420)			
-1	22Aug25	P	525	MSFT250822P525	$8.38	($838)			
-1	22Aug25	C	530	MSFT250822C530	$3.60	($360)			
-1	22Aug25	C	540	MSFT250822C540	$1.18	($118)			
-1	22Aug25	C	550	MSFT250822C550	$0.33	($33)			
1	19Sep25	P	495	MSFT250919P495	$4.20	$420			
1	19Sep25	P	505	MSFT250919P505	$6.18	$618			
1	19Sep25	P	515	MSFT250919P515	$9.10	$910			
1	19Sep25	P	525	MSFT250919C525	$13.25	$1,325			
1	19Sep25	C	530	MSFT250919C530	$9.78	$978			
1	19Sep25	C	540	MSFT250919C540	$5.90	$590			
1	19Sep25	C	550	MSFT250919C550	$3.35	$335			

	Cash	**$6,378**	**21**	**-3**	**35**
Total Account Value		**$9,485**			
	Annualized ROI at today's net Theta:				**135%**

Results for the week: **With MSFT (at $522.04) down 0.4% for the week, the portfolio lost $32, or -0.3%.** I quibbled above about *Wolf's* first losing no-trade week of the year. Perhaps it's not that bad considering how IV imploded.

Wiley Wolf has a modestly positive delta heading into Monday. With cash comprising two-thirds of the portfolio, we'll likely add spreads to control delta and add theta. With theta too low, we need to add spreads even if delta doesn't need adjusting. Note that the purple line in the P/L chart shows the profit potential for next week, while the green line shows the potential through the 22 Aug expiration.



Stk Price	Offset	Delta	Gamma	Theta	Vega	P/L Day
548.73	+5%	-65.20	-1.57	7.16	235.87	($428.44)
522.60	0%	22.42	-3.38	42.34	274.57	$232.51
496.47	-5%	72.14	.09	21.73	211.11	($1,176.44)

Selection from Subscriber Robert's Email: Depression is merely anger without enthusiasm.

Paraproskokian of the Week (Paraprosdokians are figures of speech in which the latter part of a sentence or phrase is surprising or unexpected and frequently humorous): I didn't say it was your fault, I said I was blaming you.

Oxymoron of the Week: Silent alarm

Selection from Neverisms, by Dr. Mardy Grothe, "Never make a major decision off the top of your head or from the bottom of your heart." ~ Harvey B. Mackey

Selection from Rules of Thumb, by Tom Parker (Workman Publishing, 2008): **Corralling A Boor:** Do not invite a habitual raconteur to a party if the space is less than 600 square feet, not counting the piano. Otherwise, it will be hard for people to escape him or her without leaving the party. (My note: why ever invite such a person in the first place?)

A Thought from Subscriber Robert's Senior Mind: "My 60-year kindergarten reunion is coming up soon and I'm worried about the 175 pounds I've gained since then."

Back When Insults Had Some Class: "Why do you sit there looking like an envelope without any address on it?" - Mark Twain

Terry Allen: Yes, life is indeed good. And like options, it has an expiration date. But you don't know when it's coming, so it's important to savor every minute … and cherish those around you.

If you have a humorous saying you'd like to contribute, I'm happy to take all material. Plus, I'm always open to your thoughts, ideas, suggestions, feedback on the Daily Notes, or whatever is on your mind. Just drop me a line at jon@terrystips.com. Thanks.

Have a great weekend and a profitable trading week.

Happy Trading,
Jon L