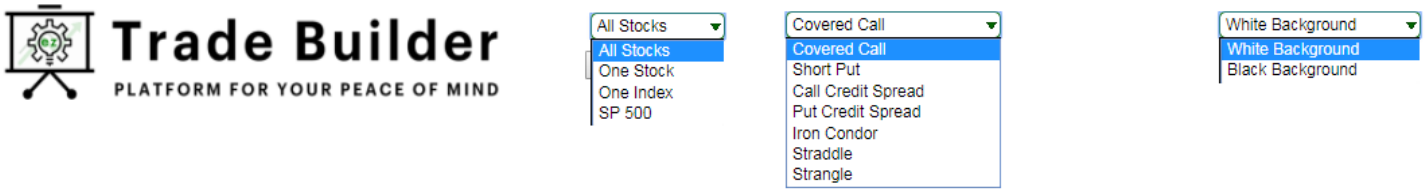
How to use Ez Trade Builder

If you are an experienced options trader or just learning how to trade options, the right tools are critical to becoming profitable and minimizing your risk. This is a very competitive business with huge potential gains. However, the path to these gains is filled with obstacles and traps. You need the tools that will help you, not only to analyze trades, but also to keep you going in the right direction.

Ez Trade Builder is that tool. There are over 4500 optionable stocks. Ez Trade Builder allows you to define various filters and criteria and then it searches its extensive data bases and "builds" your trades in seconds.

When you set your parameters, Ez Trade Builder immediately provides you with the results!

Now let's show you how to master Ez Trade Builder and take advantage of this powerful tool.

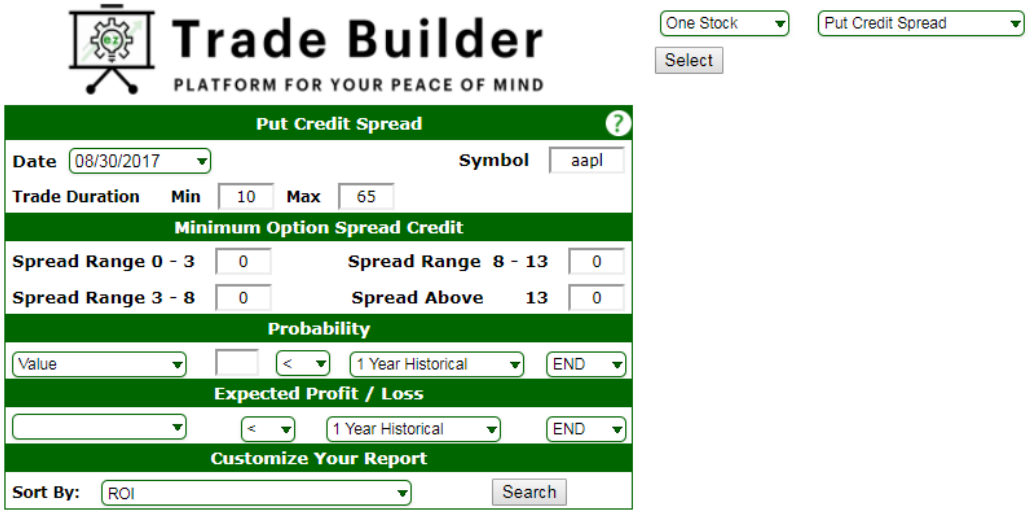


Ez Trade Builder allows you to:

- Search for the best option trade, based on your criteria, in the entire universe of All optionable stocks
- Select an individual stock or index and search for the best option trades based on your criteria
- Select among the most popular option strategies and perform in-depth analysis of this strategy.
- Build and analyze trades with current data and back test trading system using historic daily option pricing and Volatilities going back to 2006.

Individual Stock Analysis.

To find the best trade of a certain strategy on an individual stock (index), start by simply selecting "One Stock" ("One Index"), the strategy in this case "Put Credit Spread." and enter the Symbol.



If a Put / Call Credit Spread or Iron Condor trading strategy is selected **Ez Trade Builder** allows setting a **minimum credit for different spread ranges**. One probably does not want to analyze trades that give a $0.40 credit on a $10 spread. That's too much risk with very low reward. That is why **Ez Trade Builder** allows setting **minimum credit for different spread ranges**.

Ez Trade Builder provides the Trade Duration field to allow setting minimum and maximum number of days until expiration.

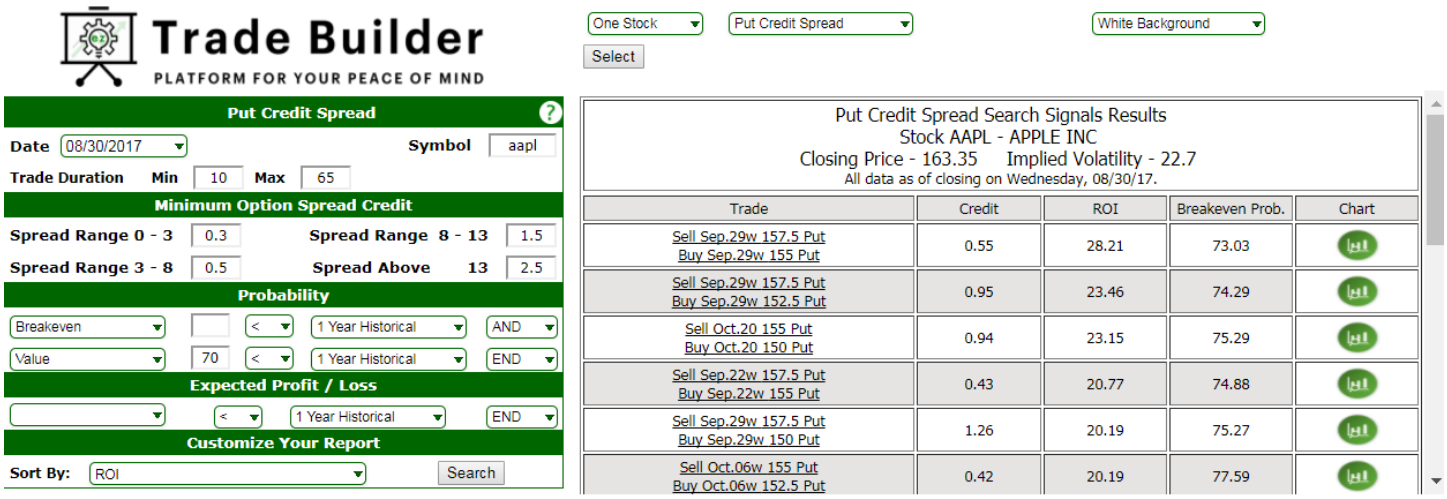
The **Select Search Sequence** drop down window provides choices on how the final results should be sorted. The final result table shows only the 20 best trades, so selecting sorting sequence could be very important if filtering criteria are set very lose and produce more than 20 results.

There are four major filters available in **Ez Trade Builder:**

- Probability
- Estimated Profit / Loss
- Volatility
- Percentile Range

We will skip the description of these filters, as we will devote separate chapters for each of them.

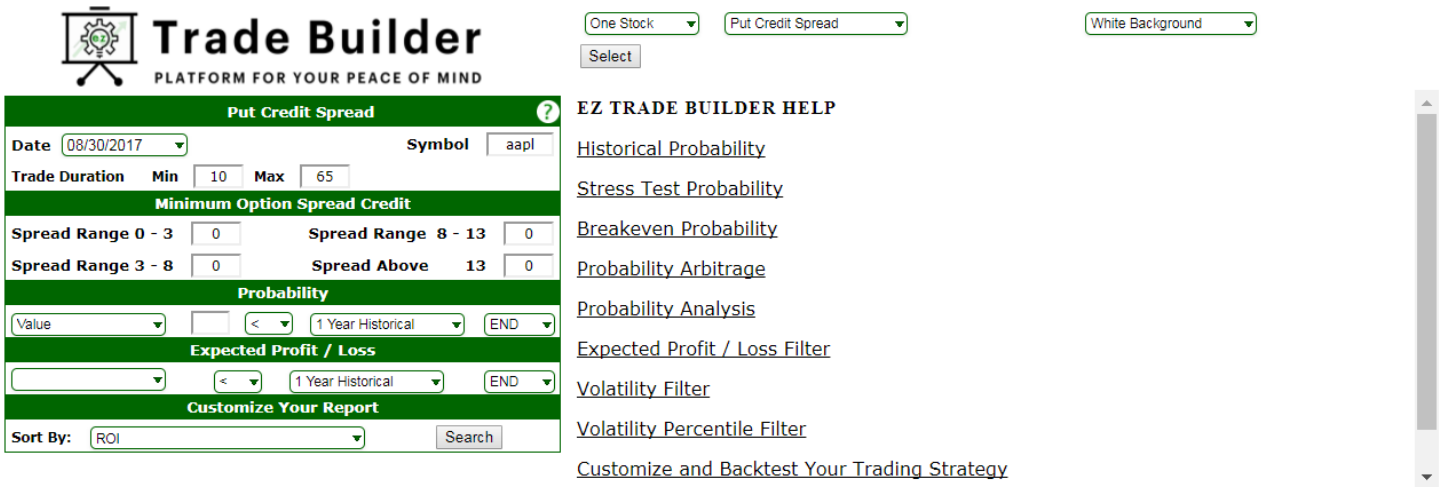
Now one can click the **Trade Search** button or "Enter" on the keyboard and the following results will appear.



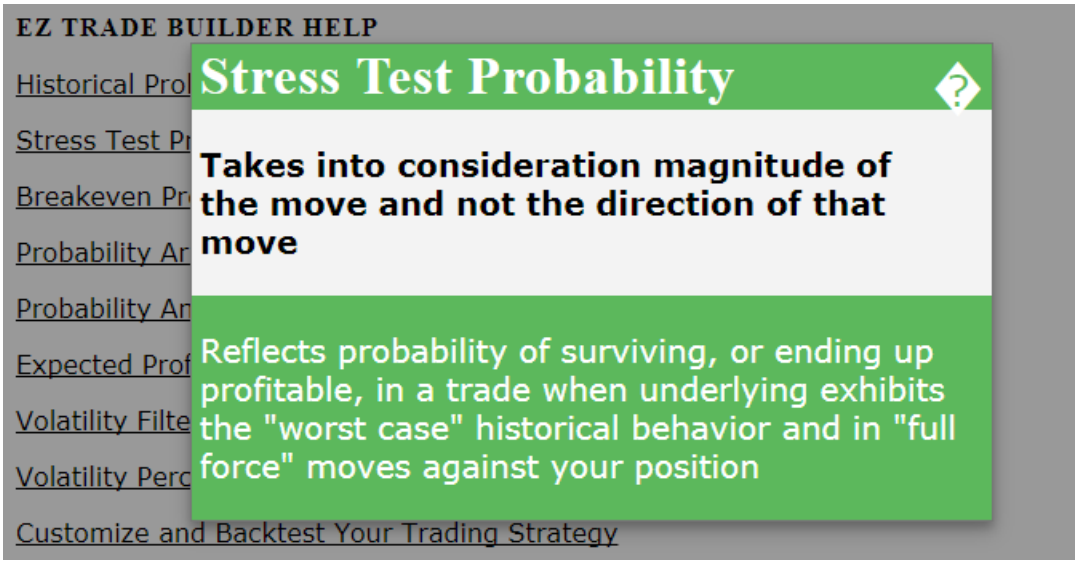
The best put credit spreads in Apple with the selected criteria now appear and are ready for further analysis. Details on this analysis will be explained in later chapters.

Help.

Clicking on sign allows to access online help.

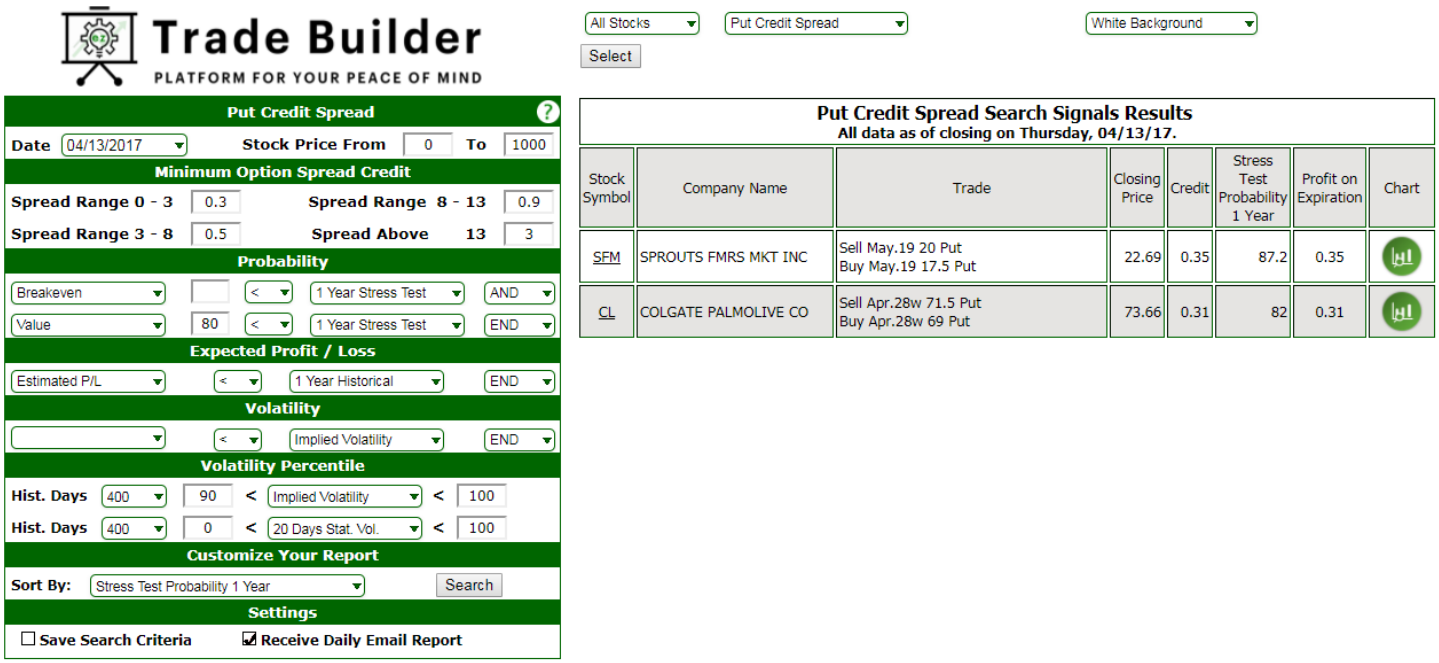


To the right of the screen you can find a list of online help topics. By clicking on Stress Test Probability topic you will get the following



ALL Stock Analysis.

To find the best trade of a certain strategy on **ALL Optionable Stocks**, start by simply selecting “All Stocks”, the strategy in this case “Put Credit Spread.” and enter the range of stock prices.



For strategies like Short Put / Covered Call **Ez Trade Builder** allows setting a Stock price range filter, as it is too risky to use these strategies with the stocks priced over $100.

Setting Filtering Criteria.

Probability

Probability filter could have up to 3 logical statements. To connect these statements in the last column “END” should be changed for “AND”. For example in the sample below we have two logical statements connect with “AND”.
In the first statement we are comparing Theoretical Probability of Breakeven (calculated based on formula for Normal Distribution and use of Implied Volatility) with 1 Year Stress Test Probability and setting filtering criteria as Breakeven < 1 Year Stress Test.
In the second statement we set “Value” of 80 to be less than 1 Year Stress Test Probability. If you want to compare probability selected in column 4 with some numbers, you have to select “Value” in the column 1 and then specify the number in column 2. In this case the statement will indicate that you want “1 Year Stress Test Probability” to be greater than 80%.

If you want to continue adding criteria you can change “END” to “AND” in the last column and a new row will appear, so you can add your criterion.

Expected Profit / Loss

Expected Profit / Loss filter could have up to 3 logical statements. To connect these statements in the last column “END” should be changed for “AND”.
In the example below we are using only one logical statement. In this case last column should remain “END” as we do not have any continuation of the logical statements.

In this statement we are comparing “Estimated P/L” (calculated based on assumption of Normal Distribution for the underlying asset) with Estimated P/L calculated based on 1 Year of Historical movements of the underlying.

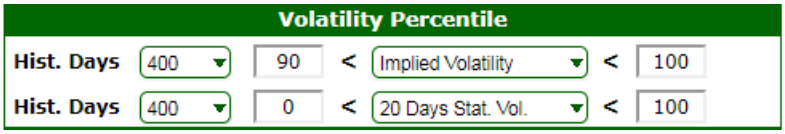
If you want to continue adding criteria you can change “END” to “AND” in the last column and a new row will appear, so you can add your criterion.

Volatility

Volatility filter could have up to 3 logical statements. To connect these statements in the last column “END” should be changed for “AND”.
In the example below we are using only one logical statement. In this case last column should remain “END” as we do not have any continuation of the logical statements.
In the example below we are comparing “Implied Volatility” to be greater than “20 Days Statistical Volatility”

Volatility Percentile

Volatility Percentile has two logical statements. In each of them can be set the following parameters:
1. Number of days that define volatility percentile. In example below it is 400 days.
2. Type of volatility, which is Implied Volatility for the first statement and 5 Days Statistical Volatility for the second one.
3. Percentile range for selected volatilities.
Setting these parameters allow to filtered only for example Expensive / Cheap options depending on the strategy you are analyzing.



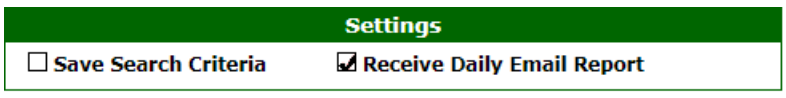
Saving filtering criteria.

This is a very useful feature and is NOT available in demonstration and educational versions.

Ez Trade Builder allows creating and back testing filtering criteria for each strategy. After this very important and time consuming job is completed, one does not want to remember and manually enter these criteria each time a strategy search is performed.

To simplify the quest for the best trades **Paying Subscribers** can save their filtering criteria into a personal profile.

On the right bottom of the **Ez Trade Builder** screen there are two fields:



After the filtering criteria for a certain strategy has been finalized, the first field (Save current filtering criteria…) should be checked. Now when the **Search** button is clicked, that set of filtering criteria will be saved.

The **Next time** you log into **Ez Trade Builder** and select strategy, saved filtering parameters automatically load and you can click on the **Search** button and get instant results.

That is why we call Ez Trade Builder a TWO CLICK TRADING SYSTEM.

Daily Email with Trading Signals Report.

This feature is available ONLY for paid subscribers to **Ez Trade Builder**.

For each strategy customer can set up Daily Email Report with Trading Signals that will be created based on customized filtering criteria that customer saved (see paragraph above) for this strategy.

Set up process is very simple and has only three steps:

1. Save your filtering criteria.
2. Check “Receive Daily Email Report” checkbox
3. Click “Search” button

After all market data will be processed for the day, we will scan our data base to produce your personalized report and email results directly to you.

Customer can view report either on a computer or on a smart phone. No need every night rush to your computer, sign for your service and then learn that there are no signals based on your trading criteria.

You can do most of your analysis via a smart phone device where ever you are; and then make a decision if you need to spend more time on your computer, before finalizing your trading strategy for the next day.

Ez Trade Builder is Easy, Powerful, Convenient.

Here is how this report will look like if you request it for Put Credit Spread:

Put Credit Spread Trading Signals

All data as of closing on Thursday, 04/13/17.

Stock Symbol	Company Name	Trade	Price	Credit
SFM	SPROUTS FMRS MKT INC	Sell May.19 20 Put Buy May.19 17.5 Put	22.69	0.35
CL	COLGATE PALMOLIVE CO	Sell Apr.28w 71.5 Put Buy Apr.28w 69 Put	73.66	0.31

If customer wants more detail information for presented signals, he can click on a symbol and get Detail report:

DETAIL TRADE ANALYSIS REPORT.

SFM - SPROUTS FMRS MKT INC
445110 - Supermarkets and Other Grocery (except Convenience) Stores
All data as of closing on Thursday, 04/13/17

Stock Price	**22.69**	**Estimated Profit/Loss**	**-0.09**
Credit	**0.35**	**Return on Investment**	**16.28**
Breakeven	**19.65**	**13.4 % below current stock price**	

Theoretical Probability of Profit on Expiration	Probability of Profit on Expiration by Statistical Readings									
	1 Year		2 Years		3 Years		4 Years		5 Years	
	Hist	ST	Hist	ST	Hist	ST	Hist	ST	Hist	ST
75.91	95.2	87.2	89.6	78.2	90	79.73	89.19	78.15	89.19	78.15

Theoretical Estimated Profit / Loss	Estimated Profit / Loss by Historical Readings				
	1 Year	2 Years	3 Years	4 Years	5 Years
-0.09	0.31	0.22	0.21	0.19	0.19

Strike Price	Theoretical		Delta or In-The-Money Probability by Statistical Readings									
			1 Year		2 Years		3 Years		4 Years		5 Years	
	Delta	Prob	Hist	ST	Hist	ST	Hist	ST	Hist	ST	Hist	ST
20	-20.9	24.97	-13.2	-22	-17.6	-30.4	-15.5	-28.3	-15.7	-29.1	-15.7	-29.1
17.5	-8.4	10.82	0	-3.2	-0.6	-5	-0.9	-3.9	-1	-4.2	-1	-4.2
POS	12.5		13.2	18.8	17	25.4	14.6	24.4	14.7	24.9	14.7	24.9

Field Description	Current	400 Days			300 Days		
		High	Low	% Read	High	Low	% Read
Implied Volatility	64.82	68.14	27.76	98.75	68.14	27.76	98.67
4 Days Stat. Vol.	21.07	175.94	0.98	26	87.99	0.98	29.67
5 Days Stat. Vol.	18.25	154.02	4.72	13.5	82.03	4.72	16
6 Days Stat. Vol.	21.04	140.14	5.97	16	76.47	5.97	18.67
10 Days Stat. Vol.	22.26	123.56	14.96	7.75	64.26	14.96	10
20 Days Stat. Vol.	36.47	91.9	18.93	49	61.69	18.93	60.33
40 Days Stat. Vol.	42.89	70.54	24.23	64.25	56.87	24.23	80
50 Days Stat. Vol.	43.18	65.46	24.81	65	52.58	24.81	79
90 Days Stat. Vol.	38.9	59.53	26.08	53.75	59.53	26.08	63
100 Days Stat. Vol.	38.02	58.28	25.74	45.75	58.28	25.74	58.33