

Getting Started Guide



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Welcome to OptionVue 6

Thank you for selecting OptionVue 6 and welcome as an OptionVue Systems client. Since 1982, thousands of professional traders and individual investors have selected OptionVue products to help them make more disciplined and intelligent trading decisions. While successful options trading does involve more than just owning the best software, a program like this is a practical necessity. Pilots rely on instruments; options traders rely on OptionVue 6.

OptionVue 6 provides the information you need to determine which options to trade and when, guiding your decisions based on advanced simulations and calculated probabilities. By quantifying a prospective trade in terms of expected return and risk factors and being able to visualize the trade graphically, you'll know exactly what you're getting into before money is committed. After a position is taken, OptionVue 6 can help you follow the trade, make adjustments as market conditions change, and know when it's time to get out. Real world factors such as commissions, slippage, interest, and collateral requirements are all taken into account. OptionVue 6 handles the complex mathematical calculations, allowing you to make quick and accurate trading decisions.

For those just beginning in options, it's easy to use OptionVue 6. Basic features and intuitive tools help guide you into the world of options. At your own comfortable pace you'll develop skills and confidence. As you become more experienced, you'll appreciate OptionVue 6's versatility. OptionVue 6's advanced features mean there's no limit to how far you can push the software's analytical power, or how much information this options trading platform can manage.

A lot of effort has gone into making OptionVue 6 as easy to use as possible. Nevertheless, any program this sophisticated will not be completely intuitive. For those just beginning to use OptionVue 6, the Getting Started Guide provides an overview of the program that will get you up and running in a short time.

The Users Guide is designed to give you a comprehensive overview of the OptionVue 6 software. It is broken into individual chapters with each covering a specific part of the program. This allows you to learn about the program's capabilities and the models and methodology used throughout the program.

OptionVue Systems International is committed to quality software development. Our primary focus is leading-edge analytical systems for trading options. We recognize that superior software systems are only achievable when they address the specific needs of users at every experience level. To that end, our mission is to provide robust, intelligent and intuitive programming, user-friendly graphical interfaces, and easily accessed, comprehensive user support.

At OptionVue Systems, we wish you success in your options trading, and will do everything we can to be your partner in trading success!

Legal Stuff

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Program License Agreement

Read this license before installing OptionVue 6. Installing OptionVue 6 indicates you have read and agree to the terms and conditions of this License, as described below.

The License:

In consideration of full payment for OptionVue 6 (the Software) and its related documentation (the Documentation), OptionVue Systems International (OptionVue) grants you a non-exclusive license to use the Software in accordance with the terms of this license. You acquire no title or ownership rights to the Software by this transaction and ALL SALES ARE FINAL.

You agree that all and every part of the Software and Documentation are valuable property of OptionVue, protected by copyright law and agree not to take any action that shall violate that protection.

Use of the Product:

You assume responsibility for the selection of this Software, its installation, use and the achievement of your intended results by using the Software.

This license is granted to one user only. The Software may be installed on more than one computer for the convenience of that one user, but it may not be shared with other users or run on more than one computer at a time.

If its intended use is for more than one user you must buy an additional license or licenses for each. You may copy this Software into machine-readable form for backup purposes to protect your investment. You may not copy it for any other purpose.

You may not lease, rent or distribute the Software or Documentation. You may transfer the Software and Documentation together with this License Agreement, with or without consideration, to another party, but only if the other party agrees to fully accept the terms and conditions of this License Agreement. You must notify OptionVue Systems within ten (10) days of the transfer and provide the name, address and phone number of the other party.

You may not modify, alter, adapt, merge, recompile, disassemble or reverse engineer the Software or Documentation.

Limited Warranty and Liability:

OptionVue warrants that the Software will perform substantially in accordance with the Documentation for a period of ninety (90) days from the date of delivery (the Warranty Period). OptionVue does not warrant that the functions contained in the Software and Documentation will meet your requirements or that the operation of the Software will be uninterrupted or error free.

Except as noted above, OptionVue makes no express warranties and disclaims all implied warranties with regard to OptionVue 6 including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

Remedies:

OptionVue's entire liability and your exclusive remedy shall be the replacement of the product within the Warranty Period.

In no event will OptionVue be liable for, and buyer waives all claims against OptionVue for, any consequential, incidental or indirect damages, including without limitation, any claim by any third party, any loss of data, any loss of profits, or any lost savings arising out of the use or inability to use the Software or Documentation. This shall hold even if OptionVue has been advised of the possibility of such damages by any other party.

Getting off to a Good Start

This Getting Started Guide is designed to help you install the software and get you quickly using the OptionVue 6 software. The terminology and concepts used throughout our written documentation are introduced in the next section “The Terms We Use”. These terms will be crucial to understanding OptionVue 6.

All our documentation assumes familiarity with Windows basics. If you are not, please refer to a Windows tutorial. Also, we frequently refer to clicking on things. Unless told otherwise, this means you should click once on the left mouse button.

A working knowledge of options is needed in order to use and understand the OptionVue 6 software, and all our documentation presumes this knowledge. A Glossary is available in the online help system that contains definitions of the terms used in our documentation, and it also contains short descriptions for many terms that are commonly used in the options trading world.

If you need to learn more about options, you can obtain excellent brochures from the exchanges and brokerage firms. Here are also a few recommended books:

High Performance Options Trading, by Len Yates
Simple Steps to Option Trading Success, by Jim Graham and Steve Lentz
Trading Options Visually, by Paul Forchione
McMillan on Options, by Lawrence McMillan
The Complete Option Player, by Ken Trester
New Option Secret, by David Caplan
Option Volatility and Pricing Strategies, by Sheldon Natenberg
Options Markets, by Cox and Rubinstein
Option Pricing, by Jarrow and Rudd (rigorous mathematics)

To our international friends: You will notice references to “dollar amount” throughout the documentation. OptionVue 6 also works in other currencies. When you see the word “dollar”, just substitute the currency you would use.

Terms We Use

There are a few terms we will use that should be explained before we start.

Assets is our term for all stocks, indexes, commodities, currencies, and bonds. Information about an individual asset is stored in an asset file. There is an **asset file** created for every asset that you follow. You will rarely analyze an asset in this program that does not have options, so an asset usually has a set of options that go with it. If the options are futures-based, there will also be a set of futures. You can also include LEAPS and convertible securities with stocks or indexes.

An **Actual** is a real, physical, underlying “thing”. Except when the options are futures-based, there is always at least one actual. Stock indexes, though only numbers, are considered actuals in the program.

An **Item** is any stock, index, future, option, future option, spot currency, or mutual fund. All of these items can be entered in your Quotes Display.

In the program, you define one or more closely related items, and store them in a single asset file. IBM would be an example of an equity asset file, which would contain the definitions for IBM common stock and all its options. Gold would be an example of a commodity asset file, and would contain one or more gold futures contracts, plus an array of options. The asset file for the S&P 100 options (OEX) at the CBOE is even more complex. It contains definitions of the OEX index, the S&P 500 futures contracts (since these futures have considerable influence on the prices of OEX options), plus an array of OEX options.

If you are trading assets on U.S. exchanges, you should seldom have to do much work to define an asset file. Our NetVue servers contain all the information for thousands of U.S. exchange-traded securities. When you open an asset file for the first time, the program defines everything for you automatically. The stock symbol (and its dividends), futures, index information, and the current option chain are looked up and filled in for you. For assets not found in our database (such as overseas assets) you will have to fill in this information manually.

You will notice we often refer to **Models** throughout this guide. A model is a mathematical formula. The ability to do a large number of financial calculations accurately is what makes this software such a valuable tool for traders. In the program are models for computing commissions, slippage, margin requirements, representative market price, incoming price filters, and more. OptionVue 6 is renowned throughout the industry for the accuracy and reliability of its models.

Models are also important for relating the prices of two or more items. Every item you define with an asset must be closely related, because the program has to be able to model the way various items relate to one another. The model will then determine theoretical price relationships between defined items. For example, if you know the price of one futures contract, through a model we can determine the theoretical prices of other futures contracts on the same asset.

Note: The Program cannot model the relationship between two or more items unless they are closely related. For example, Eurodollars and Treasury Bonds are related, but not closely related, and cannot be defined in the same asset file.

Perhaps the most important model in the program is the options fair value model. (Actually, there are three options pricing models to choose from). Here again, you have a mathematical model that helps you tie together closely related items

in terms of their price relationship. To re-cap, you define closely related items, model the way they behave together, and store them in an asset file.

Finally, we would like to introduce a new way of spelling an old term in the industry - Volatility. Sorry, but "volatility" is just too much to say (five syllables!) and too much to write. We invented an abbreviation we use in the software and some places in the documentation. We hope it even catches on in the industry. It is "**Volty**". Volty is such a nice abbreviation. It serves the purpose, and it's only two syllables! It also fits nicely in tight places of the program.

Miscellaneous Input

Throughout the program there are fields that accept user input. Below we discuss acceptable formats and the ways you can enter data into the program.

Field Edit: Press **Ctrl-E** to put the program into "field edit" mode. Then you can move the cursor anywhere within the field and make changes. Typed characters will be inserted at the cursor position. Press the **[Delete]** key on your keyboard to delete characters one at a time. Field Edit mode is ended when you press the **[Enter]** key or otherwise leave the field. You can also enter Field Edit mode by clicking in a field once to select it (the entire becomes highlighted), and then again to pick the spot you want to change (the field turns light again).

Clearing: Press the **[Delete]** key to clear a field.

Numeric Input: The program accepts both fractional (28 1/8) and decimal (28.1) numbers in numeric input fields. In addition, you can type a plus (+) or minus (-) sign followed by a number to have that amount added to or subtracted from the current amount. If you type a percent sign (%) after a number, the program will increase or decrease the current amount by that percentage. Numeric fields sometimes contain a K or M. The K means thousand(s) and the M means million(s). For example, if you see 11.7K, that means 11,700.

Alpha Input: In alpha fields the program accepts both upper and lower case entries but some fields convert lower case entries to upper case automatically.

Date Input: The program accepts a wide variety of date forms, including partial date entries. You may enter the month as a 3-letter month name (i.e. FEB) or a number. You can enter the month, day and year in any order as long as month and day can be distinguished unambiguously. You can separate month, day, and year with spaces, commas, hyphens, or slashes. Examples of acceptable date entries: "MAY 5 2000", "5-MAY", "MAY, 00", "5", and "00". If you do not enter a whole 3-part date unspecified parts of the date remain as they were.

The letter "X" can be used in the date field if you would like OptionVue 6 to look up an expiration day for you. For example, you can type an X after the month

name (e.g. MAYX) if you want the program to look up the expiration date in May. You can also type X by itself and the program looks up the expiration day of the month that is already there. You may type X1 by itself to have the program look up the nearest expiration date, X2 for the next expiration date, and so on. The program looks up the expiration day for that month and inserts it for you. Note: Expiration day is not synonymous with the last day of trading. For example, stock options in the U.S. expire on the first Saturday following the third Friday of the month, but the third Friday is the last trading day.

Finally, the letter "T" will enter today's date. You can also type T+n, where n is a number, and the program will enter today's date plus n days hence.

Professional vs. Standard Edition

There are two versions of OptionVue 6 available, the Standard Edition and the Professional Edition. The Professional Edition is designed to meet the special needs of Market Makers and professional traders. It includes all the abilities of the Regular Edition plus several additional features.

There are some differences in the way the Professional Edition handles certain program functions. Throughout this guide we will point out differences between the Standard and Professional Edition and explain that difference in detail. Here is a brief overview of the additional features that are in the Professional Edition:

- Value Sheets are included automatically. (They are available as a separate module for an additional charge with the Regular Edition.)
- Includes the Manual Skew volatility model
- The Matrix has additional parameters available: Rho, and Rho.Pos (which measures sensitivity to changes in interest rates).
- Includes a specialized Risk Analysis Report for a detailed breakdown of complex positions and inventory.
- Offers a choice between the Regular and the market maker style Detailed Analysis (under the Graphic Analysis).
- The Graphic Analysis starts with today's (T+0) line selected.
- The additional parameters Theoretical Value, Edge (market value minus theoretical value), and Theoretical Price available in the Account Status.

Installing OptionVue 6

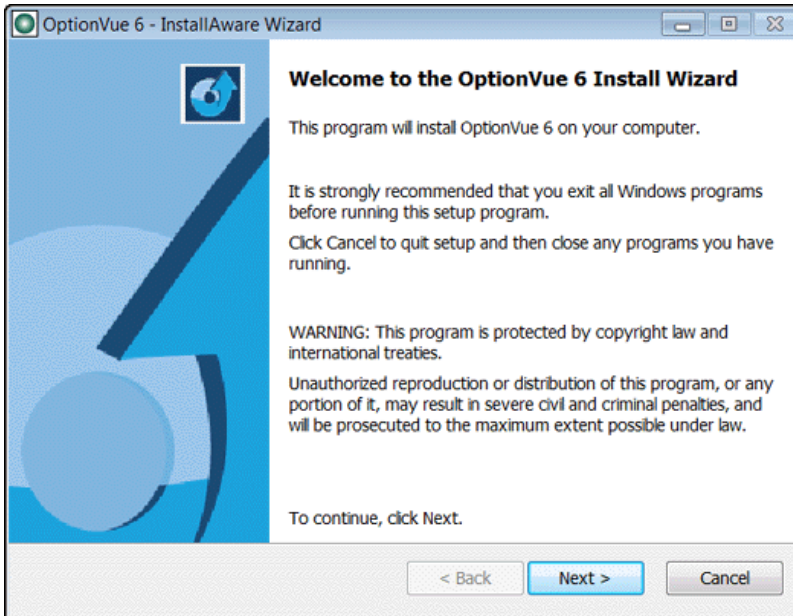
To install and run OptionVue 6, you will need the following computer equipment:

- Windows 98, Windows XP or Windows Vista (32 bit version, or must be installed in the 32 bit folder to run in the Windows Vista 64 bit version.)
- 1 GHz processor (e.g. pentium) or faster recommended
- 1 GB of memory

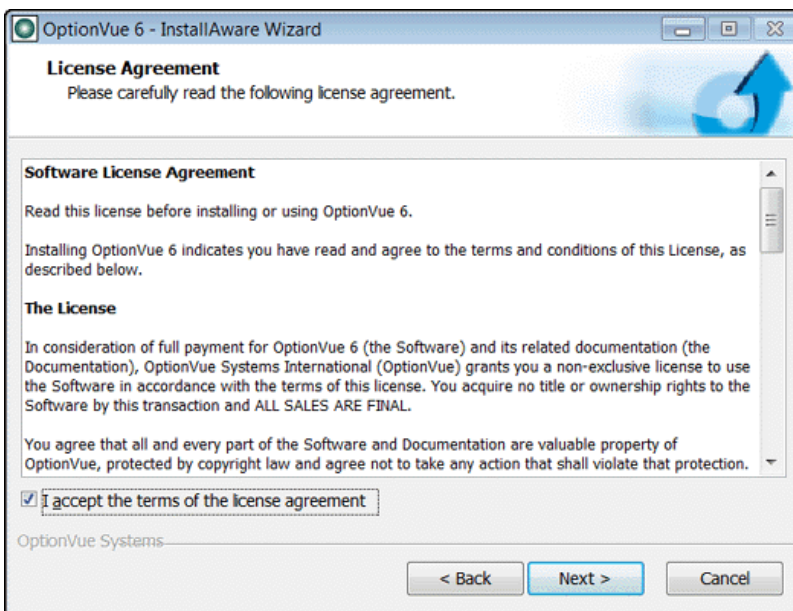
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- Hard disk with at least 500 MB available
- Monitor with display resolution of 1024x768 (800x600 absolute minimum)
- Internet access (the faster the better)

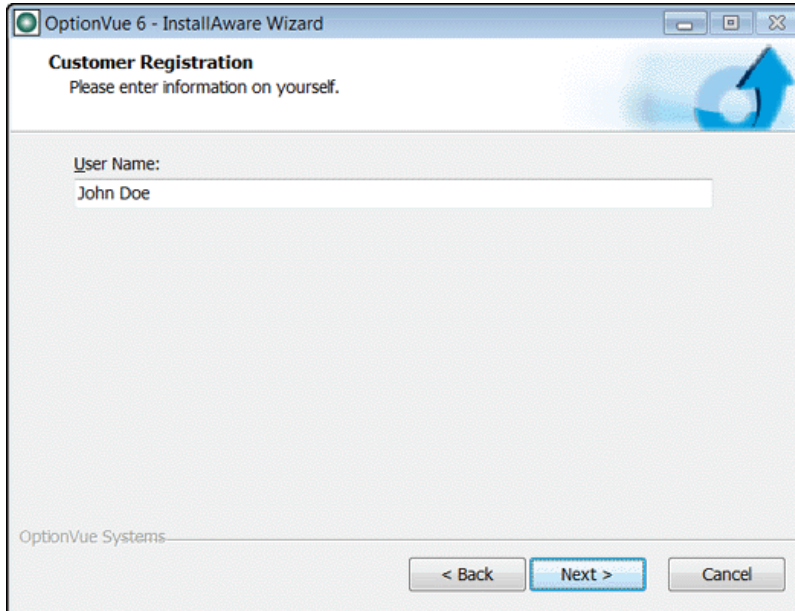
Whether installing the software for the first time or upgrading the procedure is the same. You will need to go to the OptionVue 6 Management Center and choose to download the software. Click Run on the dialog box. If the download dialog box closed automatically, navigate to the path you saved the file to and double-click the Setup.exe and then choose Run. The following dialog box will appear:



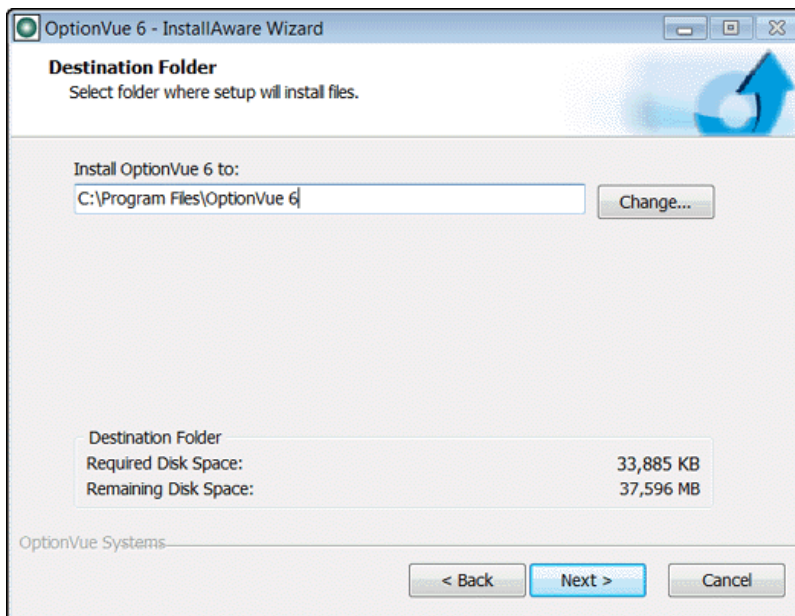
Click Next to bring up the next dialog box.



After reading the license agreement click on the accept checkbox and click next.

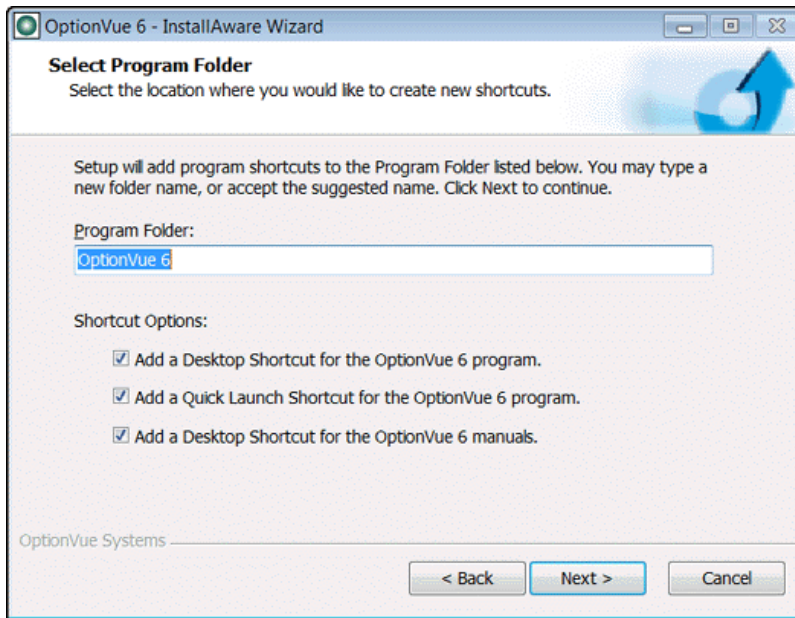


Enter any User Name you like and click Next. If you had OptionVue 5 you will get the chance to have previous settings and files copied to the new installation.



The program will default to installing in an OptionVue 6 folder under Program Files, but you can chose another location if you wish. When finished, click Next.

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The program will be placed in an OptionVue 6 Program Folder in your Start menu. You can change this name to anything you like if you wish to. The default options are to also add a desktop shortcut for the program, a quick launch icon in the taskbar, and to install desktop shortcuts for the pdf versions of the manuals.

Click Next to finish the installation.

You can start the program in one of these two ways:

1. Double-click the icon on your desktop (if you created one), or;
2. Find the application in the Start Programs menu and click on it.

The Quotes Display

OptionVue 6 opens up into a Quotes Display. The Quotes Display can be customized to show your all your favorite markets - stocks, futures, indexes, mutual funds, anything – even individual options. You can choose exactly what information you want displayed. Below is an example of a Quotes Display:

Symbol	Name	Last	Change	%Chg	High	Low	Prev	Volume	ODK	TimeX	News	Time
Market Indices												
\$DJI	Dow Jones Industrial	8519.77	-59.34	-0.7%	8601.41	8372.02	8579.11	211M	-81.64	01:37		16:05
YM H9	Mini-Dow (future)	85.24	-0.09	-0.1%	86.19	83.34	85.33	134K	-0.95	01:50		16:17
YK H9		889.50	+17.00	+1.9%	897.00	882.00	872.50	788	-7.50			13:11
DIA	Diamonds Trust Series 1	84.96	-0.40	-0.5%	85.92	83.59	85.36	20.4M	-0.96	01:48	News	16:16
\$OEX	S&P 100 Index	418.48	-5.70	-1.3%	424.15	411.75	424.18		-5.67	01:31		15:59
\$SPX	S&P 500 Index	871.63	-16.25	-1.8%	887.37	857.09	887.88		+14.54	01:31		15:59
SPY	Spyders	87.85	-1.13	-1.3%	88.67	85.49	88.19	242M	+1.57	01:49	News	16:17
\$INDX	Nasdaq 100 Index	1189.15	-20.04	-2.3%	1214.55	1169.23	1217.19		+19.92	01:47		16:15
SP H9	S&P 500 Index (future)	870.50	-10.00	-1.2%	885.00	853.00	881.30	20.8K	-14.50	01:50		16:17
QQQO	Nasdaq 100 Shares	29.21	-0.65	-2.2%	29.92	28.74	29.86	95.2M	+0.47	01:49	News	16:16
SP H9	S&P 500 Index (future)	870.50	-10.00	-1.2%	885.00	853.00	881.30	20.8K	-14.50	01:50		16:17
\$RUT	Russell 2000 Index	475.07	-11.19	-2.3%	486.93	460.84	486.26		-11.86	01:31		15:59
INT	World Fuel Svcs	35.36	-0.50	-1.6%	36.67	33.66	35.94	945K	-1.31	03:59	News	16:00
IWM	iShares Russ 2000 Index	47.76	-0.94	-1.9%	48.94	46.12	48.70	73.7M	-1.18	02:03	News	16:15
IWM	iShares Russ 2000 Index	47.76	-0.94	-1.9%	48.94	46.12	48.70	73.7M	-1.18	02:03	News	16:15
IWO	iShares Russ 2000 Growt	49.15	-1.20	-2.4%	50.43	47.53	50.35	5.02M	-1.28	01:54	News	16:06
\$VIX	Volatility Index (SPX)	44.56	-0.37	-0.8%	46.69	42.75	44.93		+1.81	00:40		15:14
W H9	Wheat (CBT)	569*0	+5*	+1.0%	570*2	557*4	563*2	13.5K	-1*2	02:53		16:10
C H9	Corn (CBT)	381*6	+1*0	+0.3%	386*2	376*2	380*6	66.0K	-4*	05:50		16:10
\$XXC		98.93	-4.19	-4.1%	102.43	98.41	103.12		+0.52	01:13		15:53
EEM	Emerging Markets	24.49	-0.95	-3.7%	25.32	24.18	25.44	70.6M	+0.31	01:32	News	15:59
EFA	iShares MSCI - EAFE	43.85	-0.30	-0.7%	43.70	42.45	43.35	36.9M	+0.61	01:23	News	15:51
IB Account												
SRCL	Stericycle	51.42	-1.45	-2.7%	53.35	50.86	52.87	846K	+0.56	01:28	News	15:55
GDEL	Guidel	12.74	-0.11	-0.9%	13.33	12.32	12.85	153K	+0.42	01:57	News	16:00
GTXI	GTxI Inc	16.94	-0.20	-1.2%	17.66	16.51	17.14	173K	+0.43	03:22	News	15:26
ELN	Elan Corp ADS	5.74	-0.14	-2.4%	6.00	5.60	5.80	2.13M	+0.14	01:27	News	15:55
CBB	Cincinnati Bell	1.80	-0.09	-4.8%	1.94	1.75	1.89	1.20M	+0.05	02:07	News	16:06
TTHI	Transition Therapeut	4.03	+0.20	+5.2%	4.14	3.80	3.83	24.0K	-0.11	03:53	News	15:42
MA	MasterCard	145.20	-7.14	-4.7%	152.98	142.41	152.34	1.95M	+2.79	01:29	News	15:57
AAPL	Apple Inc	85.74	-4.26	-4.7%	90.83	84.69	90.00	30.1M	+1.05	01:49	News	16:17
JNJ	Johnson & Johnson	58.93	+0.09	+0.2%	59.54	58.06	58.84	14.2M	-0.61	01:44	News	16:17

In addition to serving as a Quotes display, this window is central to OptionVue 6. If you wish to open a Matrix, Price Chart, Volty Chart, etc., of a favorite asset, the asset's symbol has to be selected (highlighted) on the Quotes display first. When you open OptionVue 6 for the first time you will see a few stocks, indexes, and futures already filled in. You can easily change these into items you're more interested in. Just click on one and type in a new symbol.

Note: Indexes must be entered with a leading '\$' character.

To look up the symbol for an asset, choose **Edit | Lookup** from the main menu and type an asset's name in the name box. When you see the asset you want to add to the Quotes Display, double-click on the asset or highlight the asset and click the **Insert** button in the dialog box. This will insert the asset into the Quotes display wherever the cursor is currently active. You may also right-click on any asset in the list and choose the group you want to add it to on the Quotes Display from the context-sensitive menu.

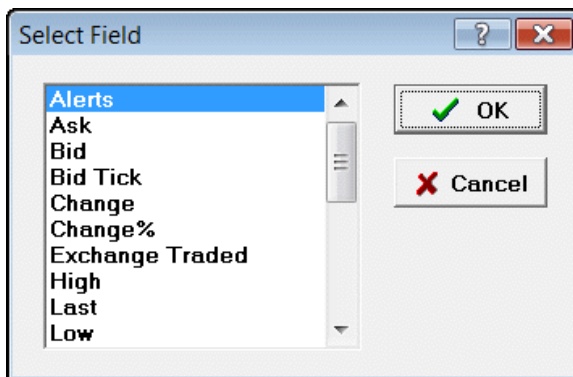
A button in the upper left corner of the Quotes Display allows you to print the entire contents of the Quotes Display, including off-screen items, either to the printer or to a comma delimited text file.

Managing Rows in the Quotes Display

To insert a new blank row, select where in the Quotes Display you want to add a new row and press the **Insert** key on your keyboard. Then you can type a symbol in the new blank row. Press the **Delete** key to delete a selected row. You can also move a row to another location within the Quotes Display by dragging it. There are blank rows available at the bottom of the Quotes Display. Pressing the “down arrow” key when at the bottom of the page will open up more blank rows.

Managing Columns in the Quotes Display

You can move a column by dragging it, and resize a column by dragging its right boundary. To insert a new blank column, click on the column header you want to add a new column in front of and press the **Insert** key on your keyboard. Press the **Delete** key on your keyboard to delete a selected column. To add a column heading, or to change the information a column shows, double-click or right-click on the column heading. The following dialog box will appear.



Simply select the field you wish displayed in that column and click **OK**.

The Group Heading Bars

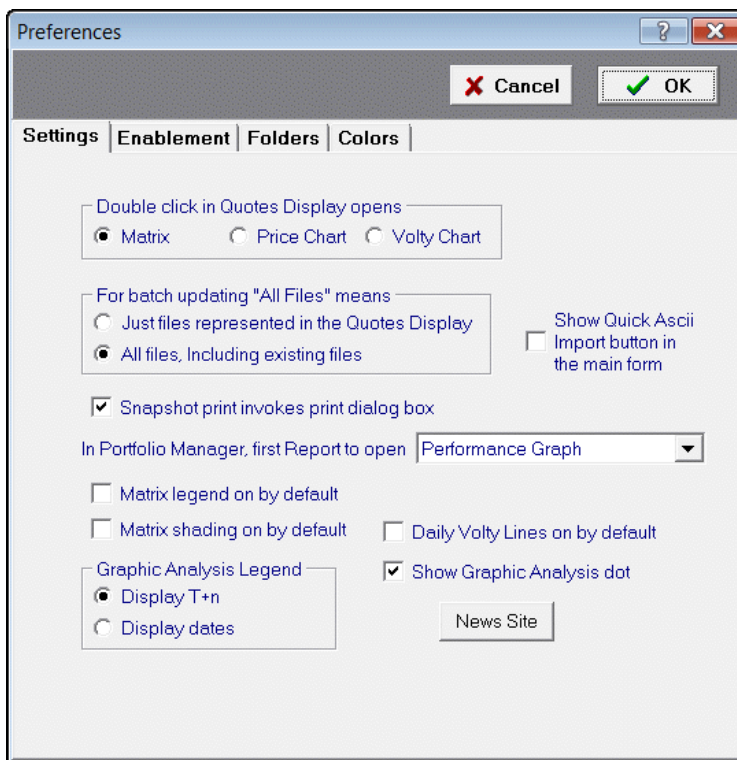
You will see 3 groups when you first start: Indices, Stocks, and Futures. To start a new group click on a row and type the pound sign (#) followed by the text you want. Hit **Enter** when you are finished and a new group heading is created.

You can sort items by any column within a group. Simply right-click directly on the gray group heading bar above the column you want to sort by. You will also notice an “A” at the end of each group heading bar. Clicking this “A” will not only alphabetize that group automatically by symbol, but will also delete any duplicate symbols that exist within that group.

Program Preferences

OptionVue 6 allows considerable customization, enabling you to choose those settings that best meet your personal trading needs. In this Getting Started section we will go through all settings that affect the global operation of the program (that is, they are applied everywhere within the program).

Many of these settings can be overridden for each individual asset, so choose those settings that you think will apply to the majority of the assets you are interested in. We will start with the personal preferences, which are accessed by selecting **File | Preferences** from the main menu. The Preferences window has four tabs along the top, and it opens automatically to the Settings tab.



Under the Settings tab you can set a number of different program preferences to personalize various features in the program. Simply click on the radio buttons or checkbox that best fits your personal preferences.

The first choice references what happens when you Double click on an item in the Quotes Display. The program default is to open a Matrix, but you can change this so that a Price Chart or Volty Chart window opens instead.

When batch updating your asset and price chart files you can have the term "All Files" refer to just those set up on your Quotes Display, or to all the asset files that are contained in the respective folders. The "Show quick ASCII import

button in the main form" checkbox is for those users that are using the ASCII Import feature. With this box checked, the program will display the import button on the main toolbar only if a path has been input in the ASCII import dialog box.

For "Snapshot print invokes print dialog box" the program default is to have this box checked, meaning a print dialog box will appear whenever you print a snapshot from the program. If you uncheck this box, it will deactivate this feature and print snapshots directly to your default printer without asking you.

There are a number of reports available in the Portfolio Manager. You can choose what report is displayed first whenever you click the Reports button in the main toolbar by selecting your preference from the drop-down menu. This setting can also be changed within the Reports section by right-clicking on the tab for a specific report and choosing "Make this the first report that opens".

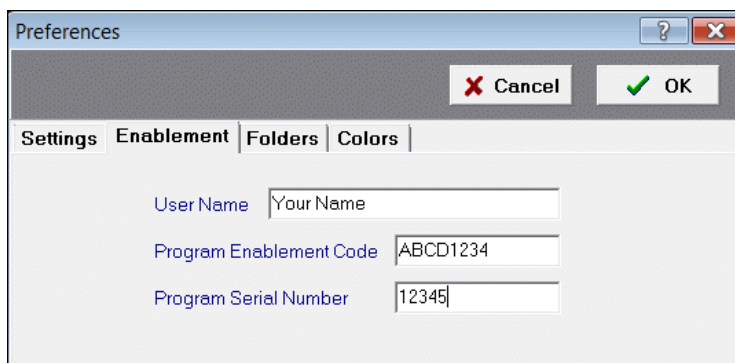
The Matrix Legend, Daily Volty lines in a Price Chart, Matrix Shading, and the Graphic Analysis Dot are set to on or off as a mode. The checkboxes determine whether these features are on or off by default when you first open the window, with a check indicating the feature is on. The Legend, Matrix Shading and Daily Volty lines can also be changed from within the Matrix and Price Chart. The current state of the Legend, Matrix Shading or Daily Volty lines is copied into this checkbox to become the new default.

The default for the Legend in the Graphic Analysis is to indicate the date of each line by the number of days from today (i.e. T+0 for today, t+30 for 30 days from today). You can choose to have the Legend display the actual date if you prefer.

Finally, the News Site button in the bottom left corner allows you to choose what news site is accessed when you click the News link on the Quotes Display. The default is Yahoo Finance.

The Enablement Tab

The second tab under **File | Preferences** is labeled "Enablement". When you click on the Enablement Tab you will see the following dialog box.



The screenshot shows a dialog box titled "Preferences" with a standard Windows-style title bar (minimize, maximize, close buttons). At the top right, there are "Cancel" and "OK" buttons. Below the title bar, there are four tabs: "Settings", "Enablement", "Folders", and "Colors". The "Enablement" tab is currently selected. Underneath the tabs, there are three text input fields:

- User Name: Your Name
- Program Enablement Code: ABCD1234
- Program Serial Number: 12345

Under this tab is your name, program enablement code, and program serial number. These will be filled in automatically. The User Name field can be anything you like - it is for your benefit only and is not used by the program itself.

After first enabling the program, you will be prompted to register it. This will require an open Internet connection. The permanent program requires you to register once every six weeks. This is done automatically whenever you access any NetVue services. You always have the option of telling the program to register itself at any time by choosing **File | Register** from the main menu.

The Installation Folders

The third tab in the Preferences window is the Folders tab. Installation of the program creates a folder named OptionVue 6 in the program Files folder, although you can also choose to install the program in a different target folder. The following subfolders are created on installation:

C:\Program Files\OptionVue 6\Data: Where Asset Files are stored and retrieved from.

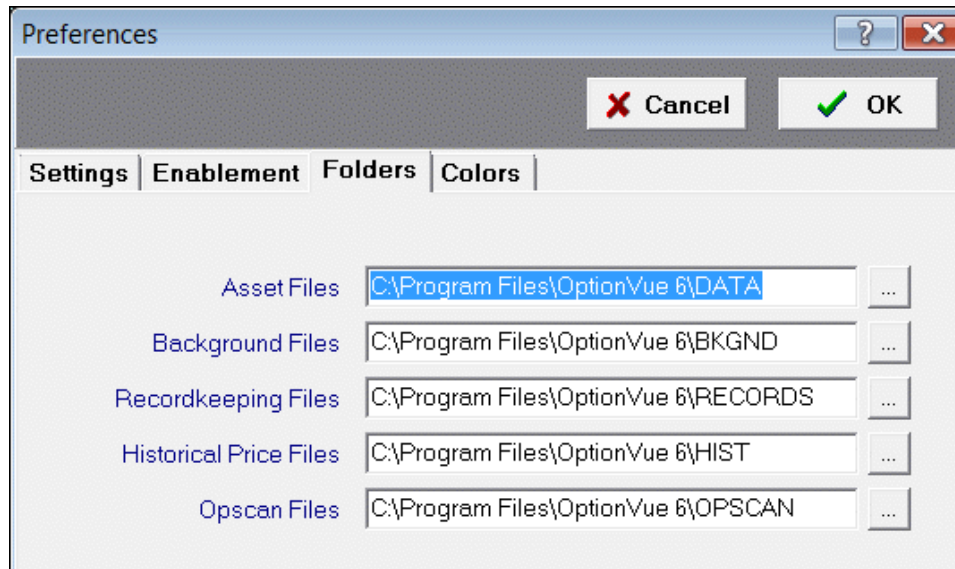
C:\Program Files\OptionVue 6\Bkgnd: Contains Background Data Base files.

C:\Program Files\OptionVue 6\Records: Contains record keeping files for Portfolio Manager including account information, transaction logs, and performance history.

C:\Program Files\OptionVue 6\Hist: Historical price files (for displaying Price Charts).

C:\Program Files\OptionVue 6\Opscan: OpScan formulas and reports are stored here.

To view the location of these folders, choose **File | Preferences** from the main menu and click on the **Folders** Tab to see the following dialog.

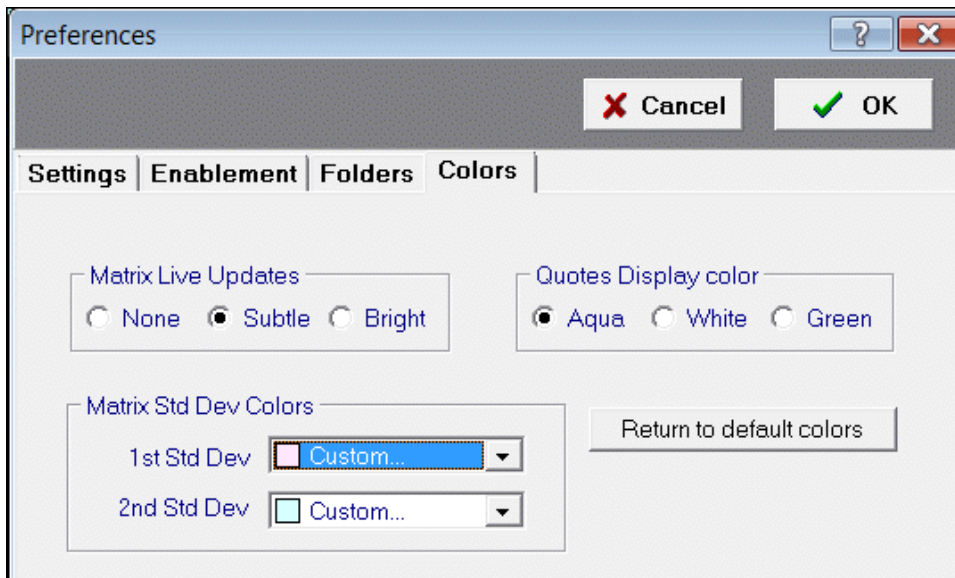


You will see the path names that tell OptionVue 6 where these files are kept. You can change where these folders are stored on your local hard drive, or move them onto a drive within a local area network (LAN), without affecting the operation of the program.

When files are accessed on a LAN, only one user at a time can access and change the Transaction Log of an account. The program creates a temporary file called <account name>.LOK, and any other user that tries to access it will get a message saying it is locked by <User Name>. If you ever find the program is locking you out from a shared file because it is in use by some one else, but in fact that user is not using the file, you will need to go into windows explorer and delete the .LOK file for that account.

The Colors Tab

The fourth and final tab is labeled "Colors".



When using continuous data, you can make price updates in the Matrix happen with a subtle or bright 'wink', or with no effect at all.

The Quotes Display has a pleasing dual-tone (alternate rows) color scheme for which you have the choice between three different base background colors. The default color is aqua, but you may change this to white or green if you prefer.

The last section allows you to control the colors being used for shading in the Matrix. If you later decide you don't like the colors you changed it to, a button to the right allows you to revert back to the default colors. The shading indicates 1 and 2 standard deviations, covered in more detail later in the User's Guide.

The System Models

As we mentioned earlier, a few of the models are “system wide”- that is, they apply throughout the system, independent of the asset you are working with. From the main menu choose **View | System Models** to see the following dialog.

Today's Date. This field holds today's date which is set by the NetVue Servers. You cannot change this to a past or future date. If you want to evaluate trades using past scenarios, consider the optional BackTrader module which allows you to walk through the past using actual historical option prices.

Interest Rates. The software models the “term structure of interest rates” - the fact that different interest rates apply to different time horizons. The numbers here are for 13-week, 1 year, 2 year, and 5 year interest rates. The program interpolates from these numbers when it needs a rate for any other time period. Risk-free interest rates (using U.S. Treasuries) are kept up-to-date for you automatically through your daily file updates, although you can choose to enter these manually. If you do enter rates manually, you can then use the checkbox to the right to prevent file updates from later changing the values you input.

Capital Gains Long Term Holding Period. Here you can enter the length of time it takes for a position to legally be considered long term. This field is used in the Tax report for differentiating between long and short term gains/losses.

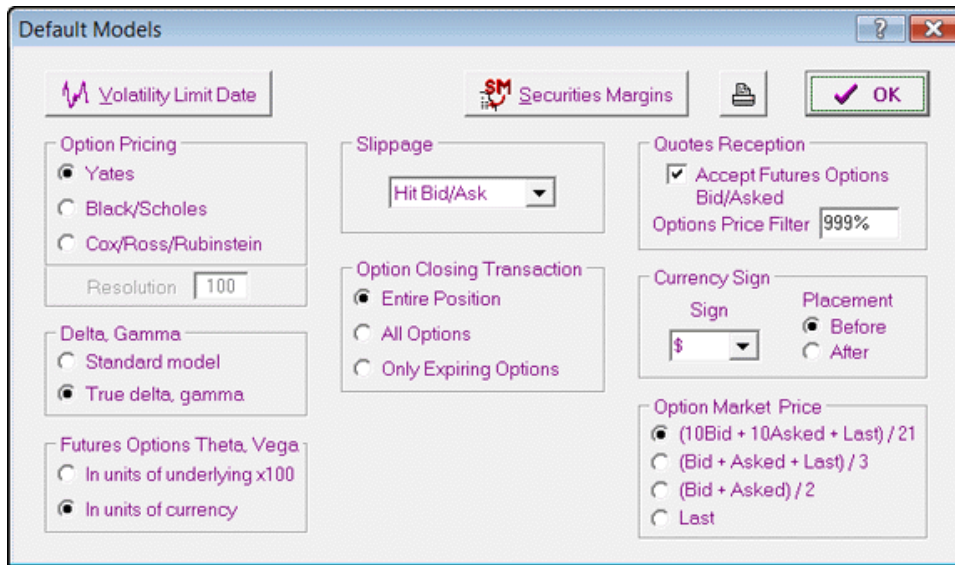
Holidays Button. This is where the program keeps track of official holidays - days when the markets are closed. It is automatically filled in with U.S. holidays. The program uses the calendar for the following reasons:

- Determination of expiration dates.
- Historical price file maintenance.
- Events scheduled for trading days.
- SV calculation day-pairing.

Overseas clients will need to change these to agree with their own calendar. To access the calendar, simply click on the **Holidays** button. Use the sliding bar at the top to access up to the next five years of holidays. You will not be able to change any of the currently marked US holidays unless you uncheck the box marked "Generate US Holidays" by clicking on it.

The Default Models

Choose **View | Default Models** from the main menu to see how the default models are set for all your asset files. The following dialog box appears.



If there is a change you feel is appropriate for most of your assets, make that change here. Everything in this dialog box, with the exception of the option market price, can also be overridden in each individual asset file. Once you make a change here, that change will instantly apply to all your asset files (unless the override checkbox in an asset's models is selected).

Here you can choose what options pricing model is used. The Yates model adjusts for dividends and early exercise of puts for stock options, and defaults to the Black/Scholes model for futures options. Delta, Gamma affects only what is displayed in the Matrix parameters, whether the value displayed is calculated using the Standard model or True Delta and Gamma. You can also choose the units the parameters Theta and Vega are displayed in for futures options.

For slippage the program defaults to Hit Bid/Ask. You may adjust this as you get a feel for how accurate it is for your style of trading. Option Closing Transactions asks how to calculate closing transaction costs when analyzing a position.

Quotes reception lets you choose whether or not to accept Bid/Ask prices on futures options into the program from your data feed. An options price filter

allows you to filter out quotes that are a certain percentage away from the theoretical fair value. The default is 999% which means the filter is turned altogether. The currency sign preference is here for our overseas users.

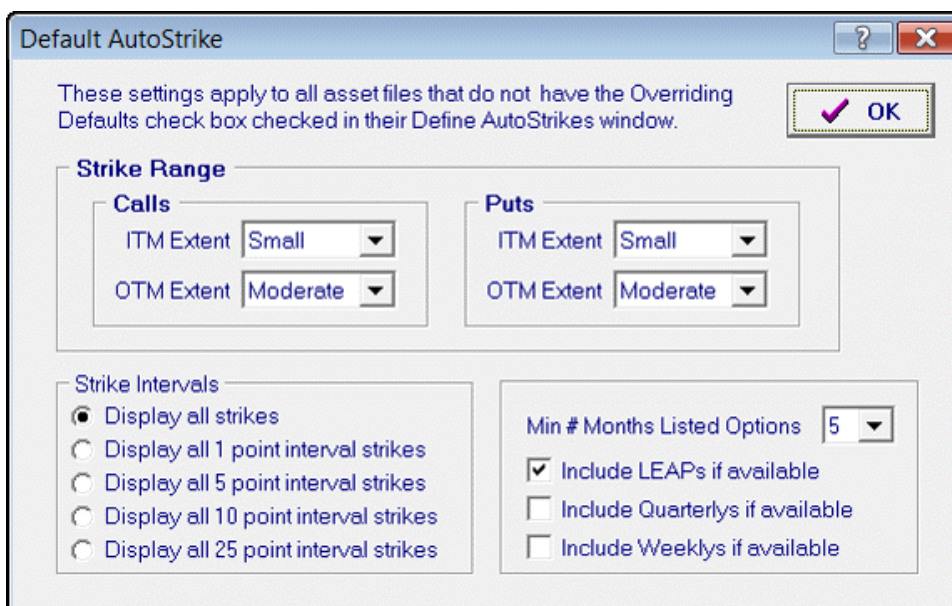
The option market price is the only setting that cannot be overridden within an individual asset file. The Market Price is designed to allow you to display a single representative price for an option. It can be used throughout the program, including the Portfolio Manager, as the current market value. The program default is a weighted average of the Bid, Ask, and Last prices. You can choose the calculation, including just the Last trade price, that fits your style of trading.

At the top of this window are two buttons. Click the **Volatility Limit Date** button to enter a date in this field. The program will ignore volatility readings collected prior to that date across all assets. The variable volatility model stores three days of volatility readings, and there may be times you want to get rid of bad numbers and get the model back on track. This can also be useful if the market makes a big move, causing volatilities to jump significantly, and you want the models to use the new, higher volatility level. Click on the **Securities Margins** button if you need to change margin requirements. The default is the standard Reg U settings.

We have only touched very briefly on each of these settings here. A more in-depth discussion of these settings is available in the Users Guide within the section: Modeling in the Matrix.

Default AutoStrike Settings

Your AutoStrike settings determine what options (strikes and expiration months) you see when you open a Matrix. The global defaults can be viewed and changed by choosing **View | Default AutoStrike** from the main menu.



Default AutoStrike

These settings apply to all asset files that do not have the Overriding Defaults check box checked in their Define AutoStrikes window.

OK

Strike Range

Calls

ITM Extent: Small

OTM Extent: Moderate

Puts

ITM Extent: Small

OTM Extent: Moderate

Strike Intervals

Display all strikes

Display all 1 point interval strikes

Display all 5 point interval strikes

Display all 10 point interval strikes

Display all 25 point interval strikes

Min # Months Listed Options: 5

Include LEAPs if available

Include Quarterlys if available

Include Weeklys if available

AutoStrike allows you to indicate how far call and put prices extend into and out of the money through general terms -- "Small", "Moderate", and "Large" extent. The program uses the volatility of each asset to choose the number of strikes to include. Simply use the drop-down menus to override the strike range settings to your personal preference.

There are tradeoffs involved in choosing what settings to use. For example, choosing "Large" will place a bigger burden on your data feed and the program, slowing down operation. It will also tend to bring in a lot of thinly traded options in the Matrix, both deep in-the-money and far out-of the money, that most people would never trade.

In the Matrix, you can quickly add an additional strike to either end of the existing range no matter what is shown due to your AutoStrike settings. For example, if you want an additional far OTM call strike added, scroll to the upper end of the strike range in the call section and right click on the up-arrow button in the scroll bar. When the message appears offering to "Add an additional strike above price <X>", simply click on that message. A new far OTM call strike appears. Likewise you can add a new ITM call strike beneath the lowest existing one, or add a new ITM or OTM put strike beyond either end of the existing range of put strikes. Any strikes added in this way are kept in the Matrix until the first time you open the Matrix on the following trading day.

In this dialog you also choose how to handle 1, 5, 10, and 25 interval strikes to better control the options you see in the Matrix, and you can also indicate a minimum number of expiration months you want to include. If you want to see LEAPs, Quarterlys or Weekly options for those stocks, ETFs and indexes that have them, just check the appropriate box by clicking on it.

These settings can be overridden within each individual asset file, so only make changes here that are appropriate for most of your assets. In the User's Guide, the chapter on the Matrix has a section titled The AutoStrike Tab that goes into the use of this feature in more detail.

Setting Up Your Brokerage Account

The Portfolio Manager is a robust account tracking system that contains a lot of features designed with option traders in mind. The program comes with one account already set up, named "Sample", that you can use as you follow along with the examples in this guide. The program also makes setting up a brokerage account that matches your exact situation, including commissions, easy to do.

Click the **Info** button on the main toolbar to bring up the Account Information window.

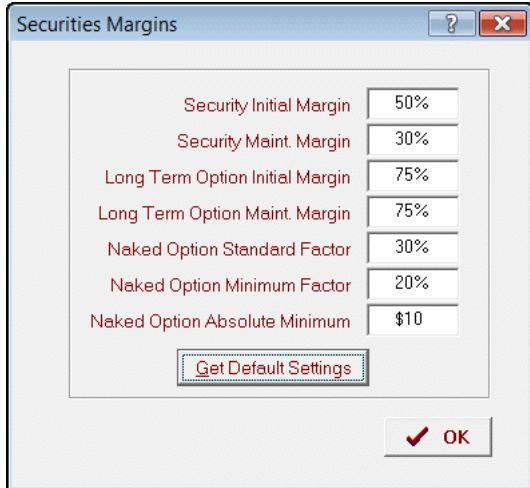
Click the **New Account** button to begin setting up an account. The "Add a new account" dialog will pop up. Enter a name for the account and click **OK**. The program will then ask you to enter a Starting Date and Amount. When starting a new account in OptionVue 6, the starting amount is important because it is used as the initial basis from which to analyze your investment performance.

Once you have filled in these fields click the **OK** button to be returned to the Account Information window. The Account Name field will now display the name of the account you just started. To the right are two buttons, **Password** and **Personal Info**. These are both optional. Be aware that if you do attach a password, OptionVue Systems has no way of finding out what your account password is. Don't forget it, or you'll never get back into that account!

The next required section refers to the rates your broker charges or gives you: the Credit Balance Earnings Rate, Debit Balance Charge Rate, and Short Stock Earnings Rate. If you are uncertain what to put here, you can always enter zero for each. You can always come back and change them later if you need to.

To the right is a checkbox for instant reports and a **Reports Format** button that allow you to customize Portfolio Manager reports. The button labeled **Configure Trade Button** allows you to set what happens when you click on the Trade button on the main toolbar. You can access the website of your brokerage firm or just your favorite Internet site. When you click on the **Securities Margins** button the program defaults to standard Reg T margins. You can always change them if your broker requires more. You can also change the first four fields to 100% if it is a cash account and you cannot (or will not) buy securities on margin.

Getting Started Guide



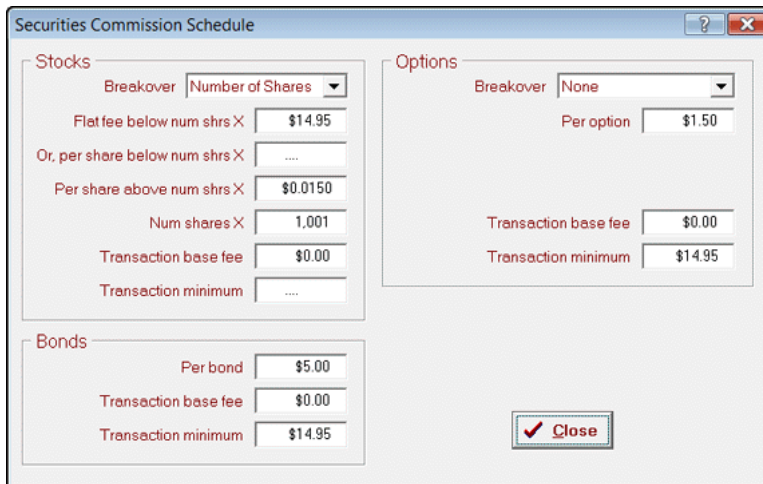
The screenshot shows a dialog box titled "Securities Margins" with a question mark icon and a close button in the top right corner. The dialog contains several input fields for margin settings:

Security Initial Margin	50%
Security Maint. Margin	30%
Long Term Option Initial Margin	75%
Long Term Option Maint. Margin	75%
Naked Option Standard Factor	30%
Naked Option Minimum Factor	20%
Naked Option Absolute Minimum	\$10

Below the input fields is a button labeled "Get Default Settings". At the bottom right of the dialog is an "OK" button with a checkmark icon.

In the open positions section, you can customize the settings for how positions are displayed in your Account Status. These settings can be changed later in the Account Status or here in the Account Information. Below are checkboxes that allow you to include previously realized gains/losses on a related position(s) that has been closed in the gain/loss of currently open positions.

At the bottom are buttons for **Securities Commissions** (for stocks, bonds, and options) and **Futures Commissions** (for futures and futures options). These sections can be customized to handle a wide variety of commission schedules.



The screenshot shows a dialog box titled "Securities Commission Schedule" with a question mark icon and a close button in the top right corner. The dialog is divided into three sections: Stocks, Options, and Bonds.

Stocks Section:

- Breakover: Number of Shares (dropdown)
- Flat fee below num shrs X: \$14.95
- Or, per share below num shrs X:
- Per share above num shrs X: \$0.0150
- Num shares X: 1,001
- Transaction base fee: \$0.00
- Transaction minimum:

Options Section:

- Breakover: None (dropdown)
- Per option: \$1.50
- Transaction base fee: \$0.00
- Transaction minimum: \$14.95

Bonds Section:

- Per bond: \$5.00
- Transaction base fee: \$0.00
- Transaction minimum: \$14.95

At the bottom right of the dialog is a "Close" button with a checkmark icon.

When you have finished filling in the information click the **OK** button in the upper right-hand corner of the window. All the changes will be saved and every time you add a trade to the Matrix, Analyze a trade, or convert a trade into your account, your personal opening and closing commissions will also be included.

We have only touched on each setting briefly here. For more details on setting up brokerage account(s), recording and tracking transactions, and using the reports in OptionVue 6, refer to the chapter on the Portfolio Manager in the User's Guide.

Getting Data into OptionVue 6

NetVue is our name for all the data services available via the Internet from OptionVue Systems. With your NetVue user ID and Password it takes just a few steps to access NetVue services for the first time.

NetVue includes our QuoteVue data service, Historical Price Chart data, OpScan (a service designed to quickly scan the universe of options for trading, and background updates. Each of these services are available to program owners.

The first time you open OptionVue 6 each day the program contacts our NetVue servers. It will check for things such as available program updates and download the latest files so you always have the latest information for accurate analysis.

Throughout the day OptionVue 6 also issues spot requests for data to the NetVue server. For example, the first time each day that you open the Matrix of a particular asset, the program issues a request for basic information and NetVue supplies a list of all the existing options on that particular asset, as well as dividend information, etc. This is used to automatically update your asset file.

When you open a Price Chart, if your local history file is lacking any records the program requests that data and NetVue quickly provides it. This happens automatically just prior to displaying the Price Chart. There are many other examples of when OptionVue 6 requests “on the spot” data. In every sense of the word OptionVue 6 is a full “client/server” system.

Here is a summary of some important information maintained by NetVue servers:

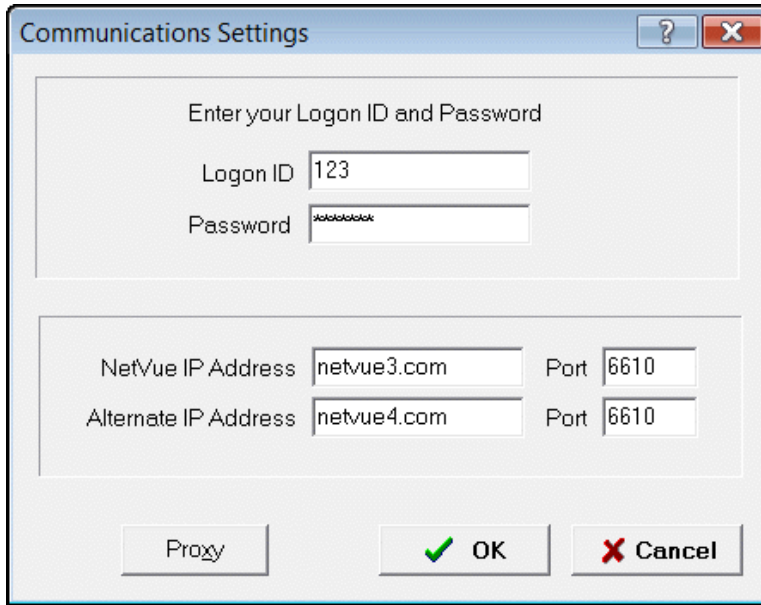
1. Current strike and expiration patterns on all assets
2. Dividend information on all stocks and indexes
3. Current interest rates
4. Margin parameters on all futures and futures options (using SPAN)
5. CEV (Constant Elasticity of Volatility) factors
6. Options liquidity information
7. Beta/Delta Base information for all stocks

Daily and spot NetVue updates are available at no extra charge to all OptionVue 6 program owners.

Comm Settings

To access our NetVue servers you need the correct information in your Comm Settings. From the main menu choose **NetVue | Comm Settings** to see the following dialog box.

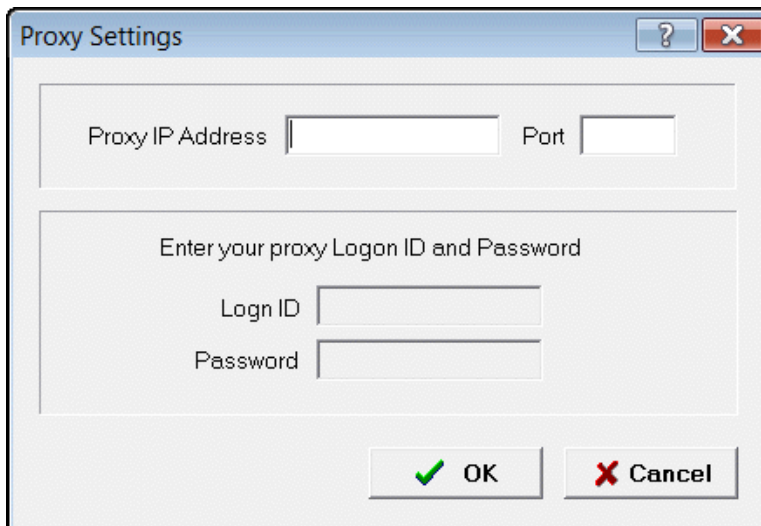
Getting Started Guide



The screenshot shows a dialog box titled "Communications Settings". It contains two main sections. The first section is titled "Enter your Logon ID and Password" and has two input fields: "Logon ID" with the value "123" and "Password" with masked characters. The second section has two rows of input fields: "NetVue IP Address" with "netvue3.com" and "Port" with "6610", and "Alternate IP Address" with "netvue4.com" and "Port" with "6610". At the bottom, there are three buttons: "Proxy", "OK" (with a green checkmark), and "Cancel" (with a red X).

These Comm settings should be already filled in and will be stored and remembered. The program uses Port 6610 for data transfer and this port needs to be open to access any data from the NetVue servers. Please make sure that your firewall software has been told to allow OptionVue 6 access to this port.

If you cannot get access to port 6610 you will need to work through a proxy server. Click the Proxy button to see the following dialog box.



The screenshot shows a dialog box titled "Proxy Settings". It contains two main sections. The first section has two input fields: "Proxy IP Address" and "Port". The second section is titled "Enter your proxy Logon ID and Password" and has two input fields: "Logn ID" and "Password". At the bottom, there are two buttons: "OK" (with a green checkmark) and "Cancel" (with a red X).

If you are not sure what these settings should be you will need to ask your network administrator.

Selecting a Data Service

Current prices are critical for proper operation of the program. Without current prices, there is very little the program can do. The trial package includes the free use of OpScan and OptionVue Systems' own real time service **QuoteVue**.

OptionVue 6 normally connects to, and remains connected to, one of the powerful new NetVue servers through the Internet. These servers collect and disseminate real time quotes through our continuous data service, QuoteVue.

Access to the QuoteVue data service is built right into the program, and includes all the data you will need such as price information for all assets and their options, volume and open interest for virtually all US assets. QuoteVue provides quality real time prices from all U.S. exchanges at an economical rate.

OptionVue 6 is also compatible with the **eSignal** data service in the US and **BullSignal** for Australian data. For those who choose not to use QuoteVue, OptionVue 6 still normally remains connected at all times to NetVue for instant Price Chart updates, Volty Chart updates, and all other "on demand" services.

While we go over the basics of accessing QuoteVue and the other continuous data feeds here, refer to the section Data Services and Capabilities for more detailed instructions on the accessing the various data services.

Continuous Data Services

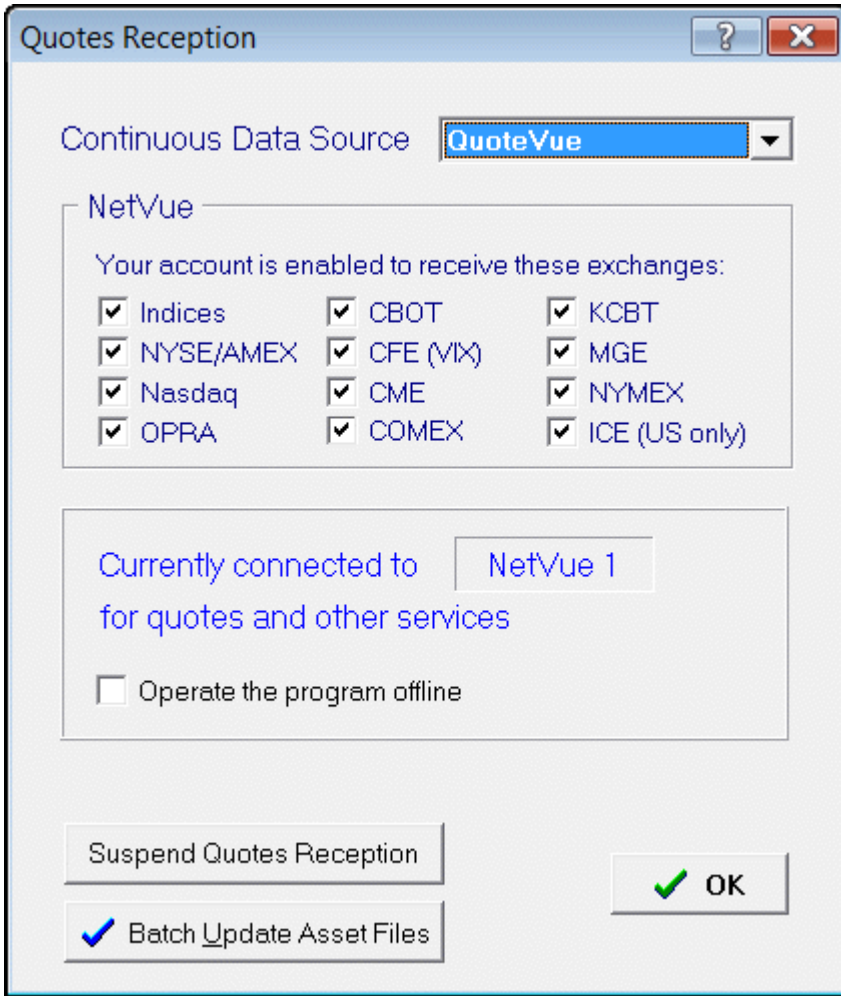
OptionVue 6 supports three continuous quote services:

- QuoteVue (OptionVue Systems)
- eSignal (IDC)
- BullSignal (for Australian quotes)

To access the Quotes Reception dialog, simply click on the Logo in the upper-right corner of the workspace.



The following dialog box will appear.



If you subscribe to a continuous data service, click on the down arrow to view your choices and click on the choice that matches your data service.

If your choice is **QuoteVue**, you will be able to see what exchanges you are enabled for within this window. To add additional exchanges contact your OptionVue Product Representative. To help control network traffic and server loading, QuoteVue has symbol limits, with a default number of symbols of 1,000. In the OptionVue 6 program it is possible to see the number of symbols currently being requested by looking in the upper right hand area of the main form. If the more symbols than allowed are requested the number is displayed in red.

Signal DM (Signal Data Manager) is for the eSignal data feed. If you subscribe to this service, we would recommend a package that includes at least the 1,000 symbol limit for trading options.

This section covered only the basics for starting to get getting data into OptionVue 6. Subscribers to continuous data feeds will want to refer to the

section Using a Continuous Data Service which explain in detail how to set up the Continuous Data Interface to access data from your particular service.

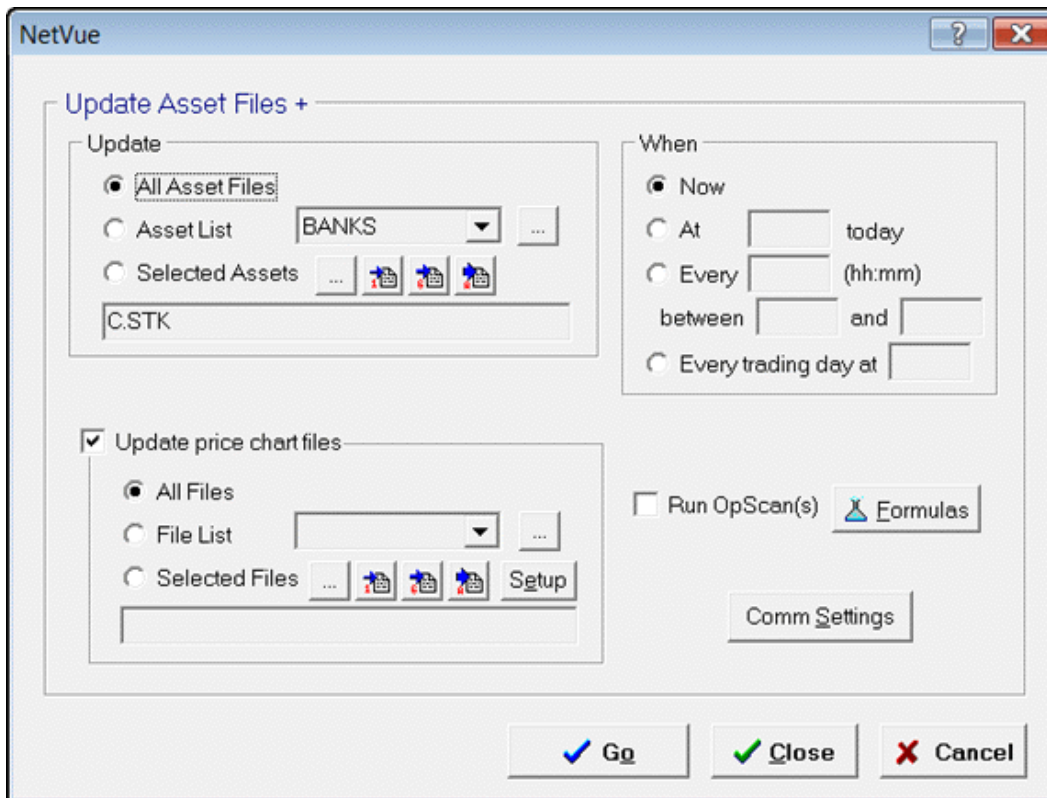
In addition to the section on your specific data feed, the sections on Batch Updating, The Scheduling Agent, and Deleting Files contain important information that allow you to optimize operation to meet your trading needs.

QuoteVue Data Service

The QuoteVue Data Service provided by OptionVue Systems is a real-time continuous quotes service that includes current data such as price information for all assets and their options, volume, and open interest.

In addition to the continuous price updates you receive when you open any Matrix or Price Chart throughout the day, it is important that you download prices for all your asset files at the end of each day, if possible. This is so that every asset file is updated with end of day data, which will allow you to be sure the volatility information for each asset is as accurate as possible.

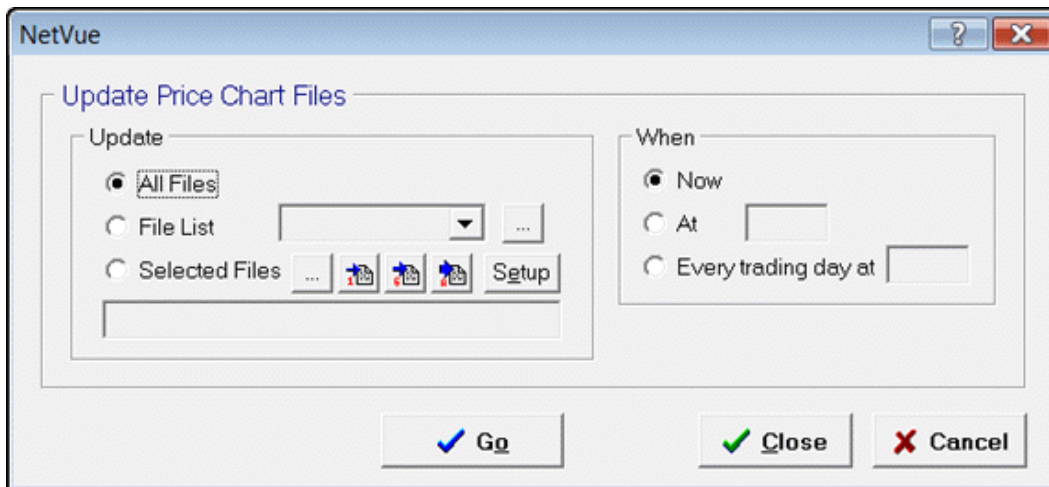
To access the QuoteVue update select **NetVue | Update Asset Files +** from the main menu. You will see the following dialog box:



When you choose the radio button under Update for "All Asset Files", the program will gather quotes on every asset file you have created, or just those

that are set up in your Quotes Display, depending on what choice you have made in your Misc Preferences.

Choose "All Files" to update (and create if necessary) price charts for all your assets, or just those in the Quotes Display, depending the choice you have made in your Misc Preferences. This can also be done separately under NetVue | Update Price Chart Files in the main menu and can be scheduled to run anytime.



There really is no point in updating your price chart files prior to 7:00 PM (Central Time). Our NetVue servers start updating the history files at 6:00 PM, and it can take some time to complete the task. When that task is complete, NetVue is ready to serve users with historical data that includes that day's market action.

When you have set the data you wish to get in either dialog, with your Internet connection open click the **Go** button. A box will appear showing the progress of the update. You will see the program connect, get your data, and close.

Historical price, volatility and put/call data (for price and volty charts) is available for all optionable assets. Historical price and Statistical volty data is also available on most US assets that do not have options. This historical price data is always free to all program owners whether or not you subscribe to QuoteVue.

The Matrix

The Matrix is where you see all the options and underlying(s) of a particular asset. It is also where you can experiment with possible trades, and if you have existing positions in this asset, you will see them here in the Matrix.

OptionVue 6 Matrix - Quidel 12/22/08

Actuals	QDEL Common		Legend		
12.74	-0.11		Last	Chg	Trade
13.33	12.30		High	Low	Ex.Pos

Options	JAN <26>				FEB <61>				MAR <89>			
17.5 calls	Last	Bid	Asked	MIV	Last	Bid	Asked	MIV	Last	Bid	Asked	MIV
15.0 calls	0.20	0.10	0.30	62.6%	0.55	0.50	0.65	63.5%	1.05	0.60	1.00	63.0%
12.5 calls>	1.00	0.85	1.15	65.2%	1.30	1.25	1.60	63.1%	1.50	1.55	1.85	63.3%
10.0 calls	2.90	2.50	3.00		2.80	2.75	3.20		3.10	2.95	3.40	
17.5 puts	4.75	4.60	5.10		4.80	4.80	5.30		.r.	5.00	5.60	
15.0 puts	2.50	2.35	2.85		2.75	2.70	3.10		3.45	2.95	3.50	
12.5 puts>	0.60	0.70	1.00	71.1%	1.15	1.15	1.50	69.9%	1.45	1.45	1.70	68.2%
10.0 puts	.r.	0.10	0.20	79.4%	.r.	0.30	0.45	71.6%	.r.	0.45	0.60	68.4%

Summary of		<input type="checkbox"/> Existing <input type="checkbox"/> Trades <input checked="" type="checkbox"/> Both		Volty model: Variable			
Net Reqmts	Gross Reqmts	Cash Flow	-	Delta	291.6	Avg.IV	64.2%
Init	\$630	\$0	Cur. Value	+	\$1,235	Calls.IV	61.8%
Maint	\$630	\$0	Gain/Loss	+	\$120	Puts.IV	67.3%
Cash/Init	-1.00		Commis	\$	30.00	P/C (Vol)	

The Matrix has up to 4 different sections.

The Actuals Section

An actual is a security (such as a stock), an index, or a physical commodity. With futures and futures options, you would seldom need the physical commodity.

The Futures Section

The futures section is displayed only if futures are involved with this asset. Within this section the nearby futures contract is displayed first, followed by increasing contract months to the right. The numbers shown in angle brackets (<xx>) for each month indicate days remaining until first delivery.

The Options Section

In the options section the nearby month is displayed first, with farther months to the right. The numbers in angle brackets, similar to the futures section, indicate the number of days until expiration. Within the Options Section calls are displayed in the top section and puts in the bottom. There is a movable dividing line between them, which can be dragged upward or downward to reveal more calls than puts, or vice versa. Strike prices are shown vertically on the left. An angle mark (>) is used to indicate the nearest-the-money strike.

The Summary Section

With a position in the Matrix, the summary section displays the margin requirements, cash flow, estimated commissions, and total "Greeks". The current value and gain/loss is also shown for any existing position(s). To the far right is the average implied volatility and put/call ratio for the asset. If you have both an existing position and prospective trade in the Matrix, checkboxes appear that let you choose to look at the summary of the existing position only, the prospective trade only, or both combined. In the bottom-right corner, the volatility model set for this Matrix is shown

The Legend

There are no column headers in the Matrix to tell you what parameters you are looking at. That is because we prefer to display as much information as possible. A Legend of the displayed parameters (such as that shown in the example above) can be turned on or off by clicking on the Legend button. Clicking the Legend button toggles the Legend on and off.

The Matrix Legend is on or off as a mode, meaning that the setting you last used is remembered by the program. A checkbox in the Misc tab under **File | Preferences** in the main menu determines whether the Legend is on or off by default when you first open a Matrix in OptionVue 6. The state of the Legend at the time you close a Matrix is copied into this checkbox to become the new default.

The Legend function is designed so that it does not overwrite any more information than it has to. This was accomplished by making the Legend for each Matrix section appear on the right as far as possible. The only exception is when you select a 1x? cell format for the options, in which case the Legend for the options section repeats across the whole top row. Pressing the 'L' key on your keyboard will also toggle the legend on and off, the same as clicking the Legend button does.

Formatting the Matrix

You can decide how you want information in the matrix displayed. There are several different cell sizes to choose from, and a large number of parameters available for display. To set formats you want to carry through every Matrix, choose **View | Default Matrix Format** from the main menu.

You can override your global formats for a single asset file by clicking on the **Format** button in the Matrix. Here you may save up to three of your favorite Matrix formats. Click on the **1**, **2**, or **3** button under the "Get Default" heading. The program will show your current settings. Change the cell sizes and parameters to the format you want to see, and then click on the corresponding **1**, **2** or **3** button under the "Set Default" heading. Your changes will be saved when you click the **OK** button.

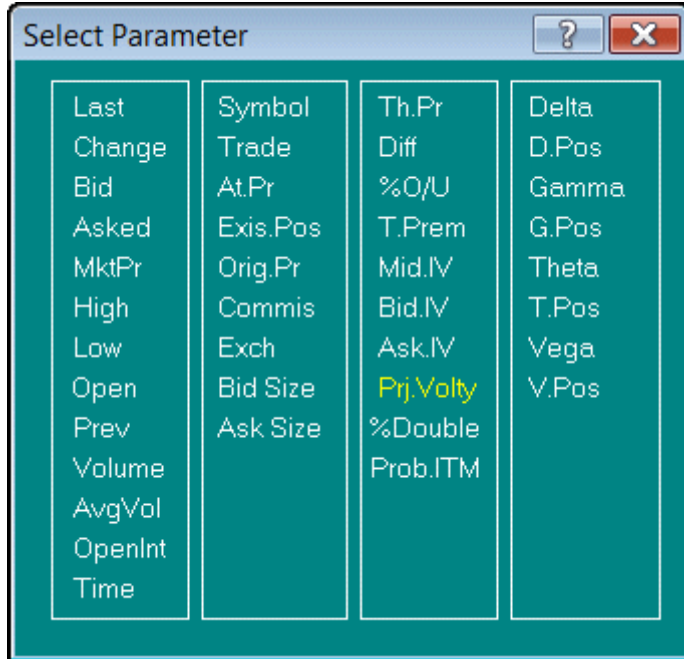
In addition to the cell size and parameters to be displayed, you can also choose whether the strikes should be ascending or descending, as well as what information you want to see in the bottom summary section.

The smaller the cell size you use, the more options strikes you will be able to display at one time. However, you can also scroll to see any options or futures that are off the screen. **Arrow** buttons indicate whether additional options or futures months are available. When you click on the arrow, the program will shift the options and futures in sync to the left or right.

Similarly, you can tell if there are additional strike prices available above or below the currently displayed options by the scroll bars for calls and puts.

Short Cut Format Change

There is a short cut available to change your Matrix parameters. Right-click in the cell position you want to change and the Select Parameter dialog appears with the current parameter highlighted.



Simply click on the parameter you want to display. You can save the resulting format as one of your defaults if you wish by clicking on the small "M" button (between the **Legend** and **Format** buttons on the Matrix toolbar) and then the **1**, **2**, or **3** button (depending which format you want to change).

The Expand Window

You will often want to see everything about an actual, future, or option, and the Expand window allows you to see all the available information for any item. You can open as many Expand windows as you like at the same time. To open an Expand window, select (click on) any parameter for an actual, future, or option and then click on the **Expand** button. Double-clicking on any parameter, or pressing the letter "E" on your keyboard, will also open the Expand window.

Parameter	Value	Parameter	Value	Parameter	Value	Parameter	Value
Last	4.35	Trade	+10	Th.Pr	4.95	Delta	49.7
Chg	-1.20	At.Pr	5.00	Diff.	-0.03	D.Pos	1490
Bid	4.90	Exis.Pos	+20	%O/U	-1%	Gamma	4.92
Asked	5.00	OrigPr	5.40	T.Prem	3.16	G.Pos	148
MktPr	4.92	Commis	\$45	MIV	53.1%	Theta	-3.27
High	4.35	Exch		BidIV	52.8%	T.Pos	-98.2
Low	4.35	Bid Size		AskIV	54.1%	Vega	7.49
Prev	5.55	Ask Size		Prj.Volty	53.4%	V.Pos	225
Volume	1			%Double	15.3%		
Av.Vol	16			Prb.ITM	55%		
O.I.	2300	Prj.Underly	T+n	0		
Time	15:14						

Parameters and Cells. These are two key terms in OptionVue 6. Information about an actual, future or option (such as last, bid, asked, symbol, delta, etc.) are called parameters. The groups of parameters in the Matrix that show the information for a single actual, future or option are called cells.

Many parameters are “output only” by nature. Theoretical value (Th.Pr) and implied volatility (MIV) are output only, for example. When you click on one of these, you will see a gray background. This indicates you cannot change the parameter’s contents. Other parameters, such as Last Price and Trade, will accept user input. When you click on one of these, you will see a white background. Any changes made in the Expand Window are immediately reflected in the Matrix, and vice versa.

Exchange Information. The last three parameters in the second column are Exch (exchange), Bid Size, and Ask Size. This information is available only if you are using a continuous data service that provides it. The exchange field follows the format Last, Bid, and Asked, with a single letter indicating which exchange each of those are being received from.

The Greeks. The last column in the Expand window displays all the derivative parameters (“The Greeks”). This includes Delta, Gamma, Theta, and Vega. The box below each of these shows you the value for that parameter for your entire position in the Matrix. This is calculated by taking the appropriate parameter and multiplying it by your existing position plus any trade positions.

Projected Underlying Field. A field at the bottom of the Expand window allows you to enter a projected price for the underlying. When you do this, the program immediately computes a new theoretical price for that option, along with fresh

"Greeks". This is designed to help you set an appropriate target price for an option based on a projected price of the underlying.

Detailed explanations of every parameter available is contained in the section Parameter Descriptions in the User's Guide. You can also use the floating "?" to get more detail on each.

Graphic Analysis - Analyzing a Position

To get you started trading with OptionVue 6 we will simulate the purchase of a call option. The most important element of options trading is being able to quickly analyze the risk versus the reward of any trade. In OptionVue 6, all you need to do is enter a position in the Matrix and click the **Analyze** button to see how a trade will perform across a range of underlying prices and projected dates.

Let's say we are bullish on the market in general and believe that the S&P 100 (Symbol: \$OEX), currently at a price of 415.46, will be between 450 and 500 by the expiration of the December options (December 19, 2009), which is 359 days from today.

To take advantage of this view we will use a common options strategy, buying a just out-of-the-money call option. In this case we will purchase one of the December 420 call options. Enter a "1" in the Trade parameter of that option to simulate the purchase of one of these call options. If you are unsure which is the Trade parameter you can always use the Legend button to check the format.

The screenshot displays the OptionVue 6 Matrix interface for the S&P 100 Index as of 12/25/08. The interface includes a menu bar with buttons like Define, Model, Legend, Format, Expand, Cognit Tradez, Expires Options, Spread, Analyze, and a toolbar with E, T, S, B, V, and Close buttons. The main area is a data grid with the following sections:

- Actuals:** OEX Index (415.46, +0.95) and SPX Index (864.91, +1.75).
- Futures:** MAR09 <85>, JUN09 <176>, SEP09 <267>, DEC09 <358>.
- Options:** A grid showing prices for calls and puts from JAN <23> to DEC <359>. The 420 calls row for DEC <359> is highlighted with a red box, showing a price of 58.40 and a trade quantity of +1.

At the bottom, a **Summary** section provides key metrics:

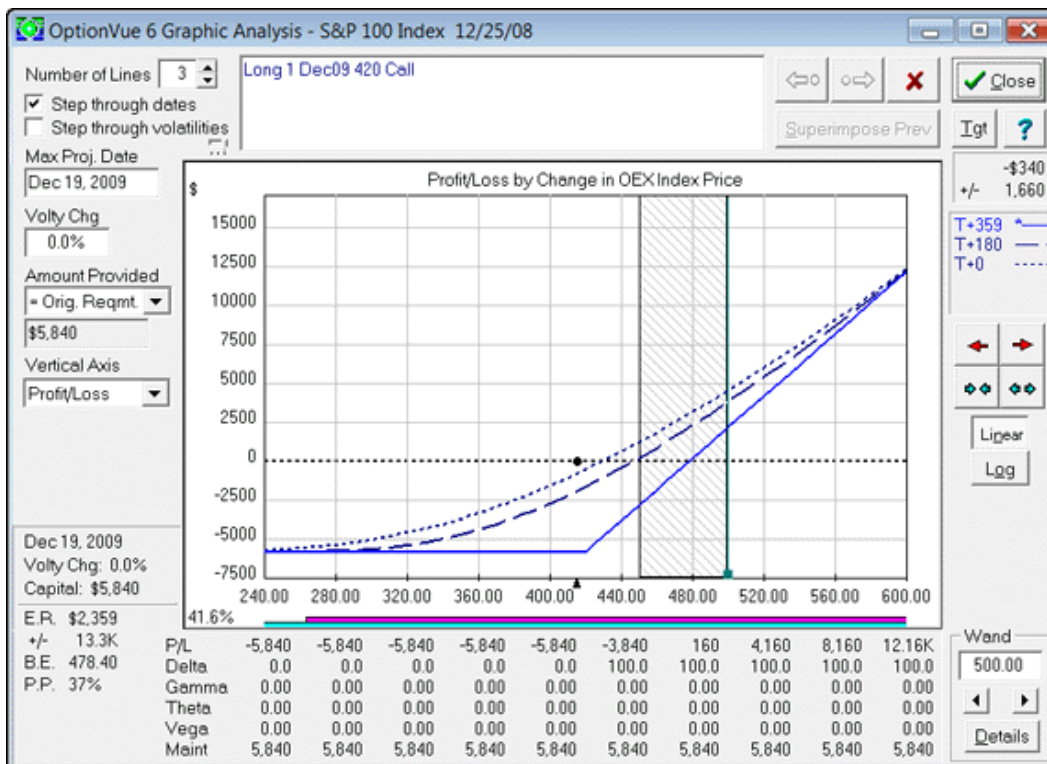
Net Reqmts	Gross Reqmts	Cash Flow	-\$5,840	Delta	20.05	Avg.IV	39.9%
Init	\$5,840	Cur. Value	\$0	Gamma	0.40	Calls.IV	38.4%
Maint	\$5,840	Gain/Loss	\$0	Theta	-8.88	Puts.IV	41.4%
Cash/Init	-1.00	Commis	\$0.00	Vega	159.1	P/C (Vol)	1.02

Volty model: Variable

Notice that the Summary section displays the opening cost of the position as \$5,840, which includes opening commissions and slippage.

Note: When following our examples your figures will be different, since you will have different prices for the underlying assets and options as well as a different commission schedule.

Now click the **Analyze** button at the far right of the Matrix toolbar.



The box at the top gives you a brief description of the trade being analyzed.

The vertical axis represents the profit/loss of your call option, while the horizontal axis shows a range of future underlying prices.

The shaded area in the graph represents our price range target.

Each line in the graph represents the trade at a different date. The solid line represents a projection to the expiration date, the short dotted line on top displays today's performance line (T+0), and the program automatically creates line that are evenly spaced in time between now and expiration.

A line legend to the right shows how many days in the future each line represents. You can display up to five lines at once by changing the field in the upper left corner. The farthest projection date is automatically highlighted when

you first analyze a position. (In the professional Edition, the T+0 line is automatically selected). To select a different line, simply click on it.

Beneath the Vertical Axis field, and stretching out along the bottom of the screen, are numeric readouts for the total position P/L, Delta, Gamma, Theta, and Vega at each interval that correspond to the currently selected (highlighted) line.

In the bottom left corner, the expected return (E.R.), standard deviation of returns (+/-), break-even (B.E.), and probability of profit (P.P.) for the selected line are displayed. All of these except the break-even point(s) are based on a bell curve price projection centered on today's price.

On the left are several inputs you can change for instant re-analysis.

Max Projection Date, Amount Provided, and Vertical Axis are self explanatory. The Volatility Change field is for entering a projected shift in implied volatility. A "2.0%" entry, for example, indicates that you expect the overall implied volatility levels in this market to go up 2 percentage points.

In addition to stepping through dates, you may try stepping through changes in projected volatility (for a single selected date).

There are buttons on the right side of the Graphic Analysis that let you zoom in or out and shifting the graph left and right. You can also have the horizontal axis scaled linearly or logarithmically.

There is a lot of information presented in this screen, so take some time to experiment with the graph. Click on each of the different lines to see the long call viewed at various dates. Notice how the column of figures under each price interval (the Profit/Loss, Delta, Gamma, Theta, and Vega) for the position change as you select a different line.

Detailed Analysis

Now let's think about our prediction of the OEX being between 450 and 500 in 359 days and see if this trade makes sense.

Drag the Wand in the graph to our highest price expectation of 500 (or type "500" in the box labeled "Wand" in the bottom right corner) and click the Details Button.

Detailed Analysis - S&P 100 Index

Projected Date: Dec 19, 2009
 Price: 500.00
 Volty Change: 0.0%

Amount Provided: \$5,840
 Orig. Reqmt: \$5,840

Close Print

Pos	Series	Opening			Closing			G/L	
		At.Pr	Commis	Net	Th.Pr	At.Pr	Commis		Net
+1	Dec09 420 calls	58.40		(5,840)	80.00	80.00		8,000	2,160
									2,160

NET P/L		DAILY TIME EFFECT	
Total Capital G/L	+\$2,160	From Option Positions	-\$8.88
Total P/L	+\$2,160	From Cash Balance	0.00
Yield	37.0%	Total Daily Time Effect	-\$8.88
Annual Yield	37.6%		

This window allows you to look at the calculations that lie behind any single point on the graph. As you can see, if the OEX finishes at our highest expectation of 500 by December 19, 2009 we should make a gain of \$2,160 (including slippage and commissions). The Net P/L section shows that is a yield of 37%, or 37.6% annualized. Not bad at all.

But try a few more prices. Notice that if the OEX ends at the lower part of our target range, 450, we would lose \$2,840. Losing money when we are correct about the future price is certainly not the outcome we had in mind when we considered placing this trade.

It looks like we could use some help, and it is available in OptionVue 6. In the next section we will walk you through an example of how to use the Trade Finder to find the best trades.

On the way, we will introduce the Price Charts and go over how to use them. Then we will finish by demonstrating how to compare two trades by superimposing them within the Graphic Analysis screen.

Before we start, close the Detailed Analysis and Graphic Analysis windows to clear the workspace.

Example 1: Finding the Best Trade

Many traders like to see a history of where an asset has traded in the past in order to get an opinion of where it is likely to trade in the near future. First select (click on) the S&P 100 (\$OEX) in the Quotes Display so that it is highlighted. Then click the **Price Chart** button on the Main Tool Bar. A Price Chart similar to the one below will open.



The first two buttons allow you to superimpose a daily volatility chart and, once a volatility chart is displayed, remove the price chart if you wish. The next three buttons (**D**, **W**, and **M**) convert the price chart to a Daily, Weekly, or Monthly chart respectively. If more history than can be shown is available, a slide bar will be available at the bottom.

The next buttons allow you to make changes to the chart. They are, in order from left to right, for adjusting for stock splits, editing the actual price and volume data, and refreshing the price data from any date you ask. Next are the two Zoom buttons (with magnifying glasses) which allow you to zoom in or out.

The next button is the red **BullsEye** button. When you click on the button, a blue target box will appear to the right of the chart. You can drag this box to the right by clicking within it (and keeping the left mouse button depressed) and then moving to the right. You can also resize the box by clicking on the border and dragging it until it is the height (price range) and width (date range) that matches your expectations for this asset. This target is saved and is automatically transferred to other places in the program where a target is needed for the OEX.

The buttons to the right of the Bullseye are for Profit Zone, Candlesticks, and Technical Analysis tools. Their use and operation are explained in detail in the Users Guide section OptionVue 6's Price Charts.

Some additional explanation is needed regarding the historical price files (for displaying Price Charts within OptionVue 6). Historical price information is provided free to all program owners by OptionVue Systems and is obtained by accessing **NetVue | Update Price Chart Files** from the main menu. This is optional. You may keep historical price files in some other folder, or not use historical price files at all.

The program can use ASCII and you can refer the program to any folder in your computer or network for files of these types. If you do not have historical price files anywhere else that OptionVue 6 can use, leave this set to the default path.

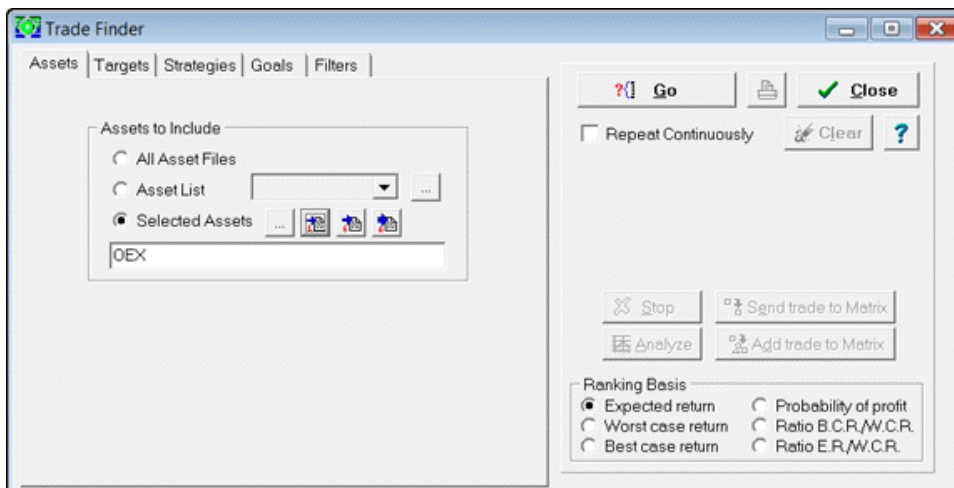
For customers that keep their historical price files in ASCII format, you can tell the program where to find these files by entering the path. Since you can only enter a single path, all your historical data must be kept in one folder.

When OptionVue 6 looks for a futures-based price file, it looks for a file beginning with "&" (example US Bonds: "&US"). If one is not found, it then looks for files named according to base symbol plus the first, and then second, nearby contracts. (example "USM3" and "USU3").

Before we move on to Trade Finder, close this price chart.

The Trade Finder

The Trade Finder is one of the most powerful features in the program. It will performing thousands of calculations on one or more assets in just seconds to find the best trades. Then it generates a list of specific buy/sell recommendations based on your targets, goals, and risk preferences. Click the **Trade Finder** button on the Main Tool Bar to open the Trade Finder Window.



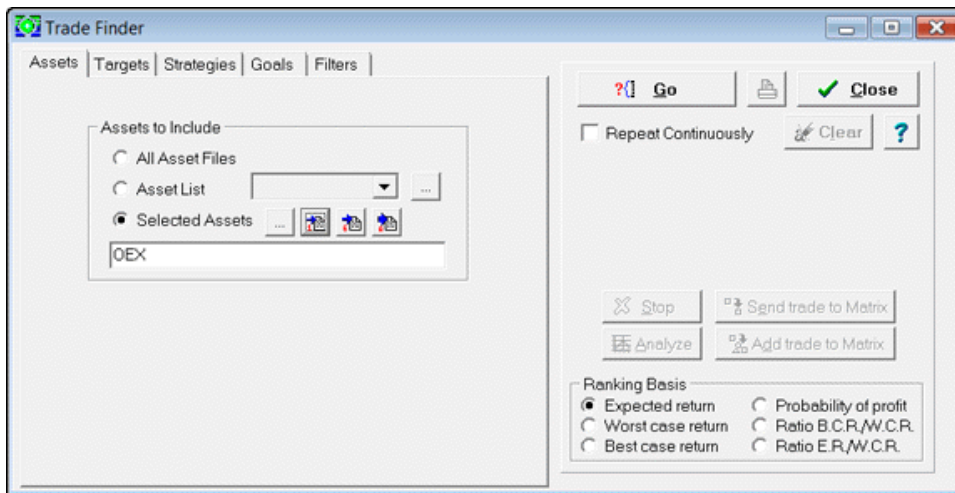
You will see five labeled tabs on the left side of the window: Assets, Targets, Strategies, Goals, and Filters. Using Trade Finder is as easy as walking through each tabbed section, entering your preferences and expectations, and then clicking the **Go** button.

Once you click **Go**, OptionVue 6 will find and rank the top 50 trades that meet the criteria you have input. You can highlight any trade and click the **Analyze** button to see a graphic analysis of the position. You can also select any trade and add it (in addition to previous positions) or send it (to replace positions) to the Matrix. You can also browse the Matrixes (with the trade automatically added), Price Charts, and Volty charts directly off the results.

Now we will go through each at these tabs in detail, incorporating our previous example of a long call position on the OEX, to illustrate how you can use Trade Finder to find the best trades.

Assets Tab

Click the **Assets** tab, and you will see the following screen.



Using the radio buttons you can choose to have Trade Finder look at any number of assets.

All Asset Files. This first choice follows the setting you selected to use for all asset files in the Misc tab under **File | Preferences** in the main menu.

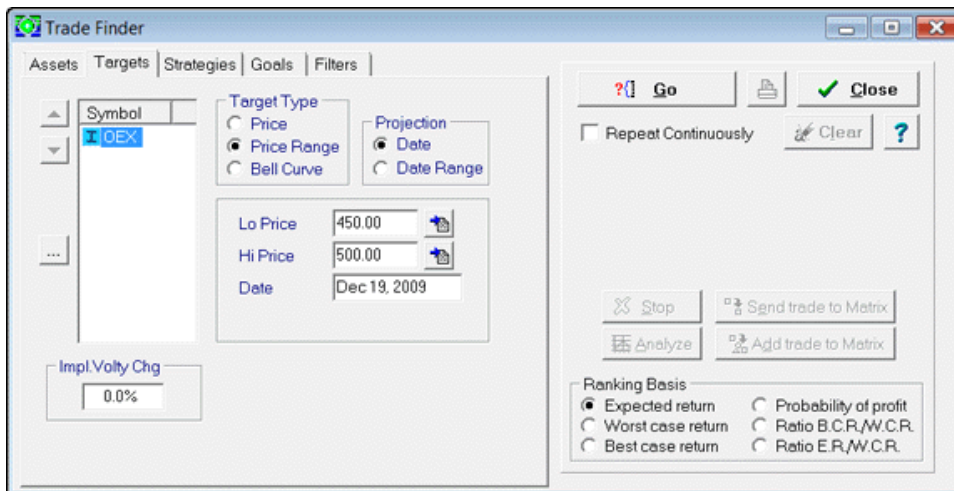
Asset List. You can create custom lists of assets in OptionVue 6. Once you have created them, they will be available to choose from the drop-down menu. You can then analyze the entire group simultaneously for the best trade. To access the Asset List dialog, click the **ellipsis** button so you can create or edit your customized asset lists.

Selected Assets. Paste-in buttons allow you to choose an asset from your data folder, or to copy from the Quotes Display one selected asset, a group, or all assets.

Making sure that you have \$OEX highlighted on your Quotes Display, click on the **Selected Assets** radio button. Now click the button **Copy Selected Asset** (indicated by a small "1" on the button). This tells the program that you want to work with the asset file that you have selected in the Quotes Display window. You could also manually type the symbol "OEX" directly into the box.

Targets Tab

Next, click on the **Targets** tab. This is where you enter your opinion about each asset. You can tell the program that you are bearish or bullish about an asset (Price or Price Range), or even that you have no opinion (Bell Curve).



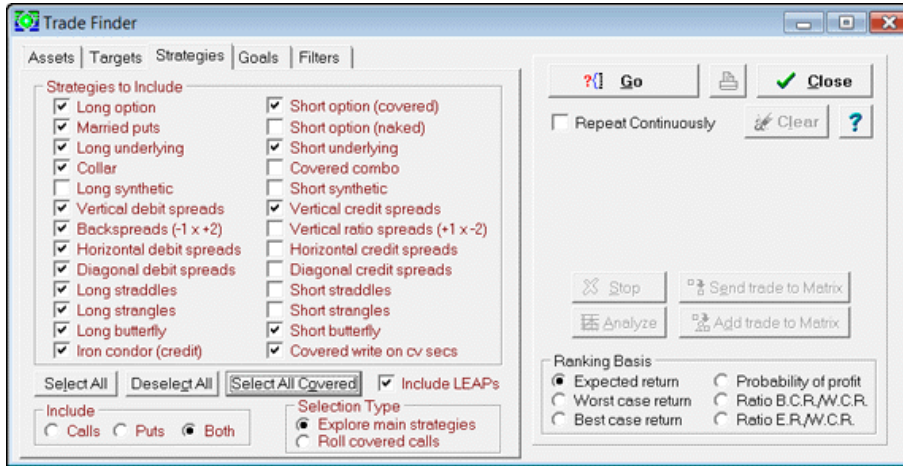
Targets previously set in the Price Charts are automatically transferred here. To quickly set targets for a large group of assets click the ellipsis button to the left (the button with three dots ...). There you can set price targets by projecting a percentage change in the price for a large group of assets.

The input boxes that are available for setting your price and date targets depend on the Target Type (price, price range, or bell curve) and Projection Date (date or date range) that you have selected. For now we will keep our original price range target for the OEX (a low of 475 and a high of 500).

There are many ways to enter dates in OptionVue 6 (which we explained in the Miscellaneous Input section). For now we will enter X4 for the expiration date of the December (fourth month) options. Notice that when you hit [Enter] the program automatically converts X4 to the correct target of December 19, 2009.

Strategies Tab

Next click on the **Strategies** tab. There are 26 options strategies available here.

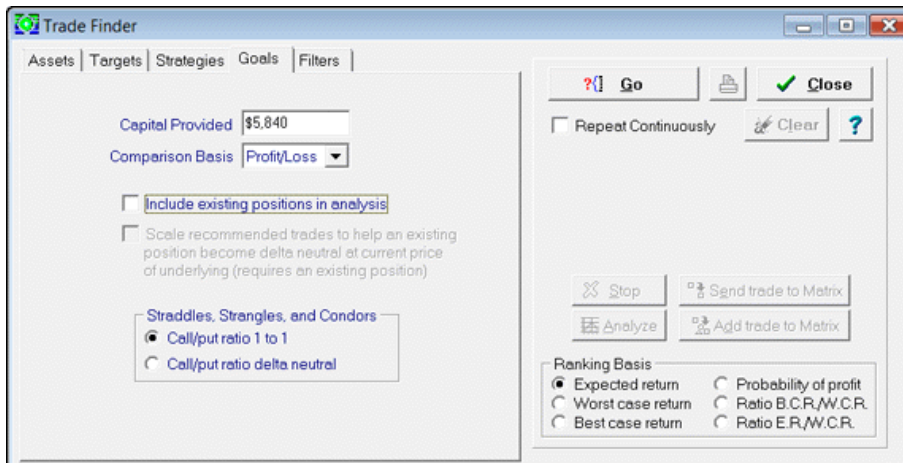


You can choose the strategies you want to consider individually by clicking on the appropriate checkbox, or use the buttons to **Select All** or **Select All Covered** strategies. For now, click on the **Select All Covered** button and which selects all strategies that do not involve selling naked options. We can then see how the trades that come up compare with the previous long call position we looked at.

At the bottom are additional choices. The program will consider calls only, puts only, or both. The “Include LEAPs” box must be checked if you want the program to consider them. Keep “Selection Type” on "Explore main strategies".

Goals Tab

Next, click on the **Goals** tab. Here you can enter the amount of Capital Provided, which is the amount you would consider putting into the trade. You can then choose to use Profit/Loss, Yield, or Annual Yield as your Comparison Basis.



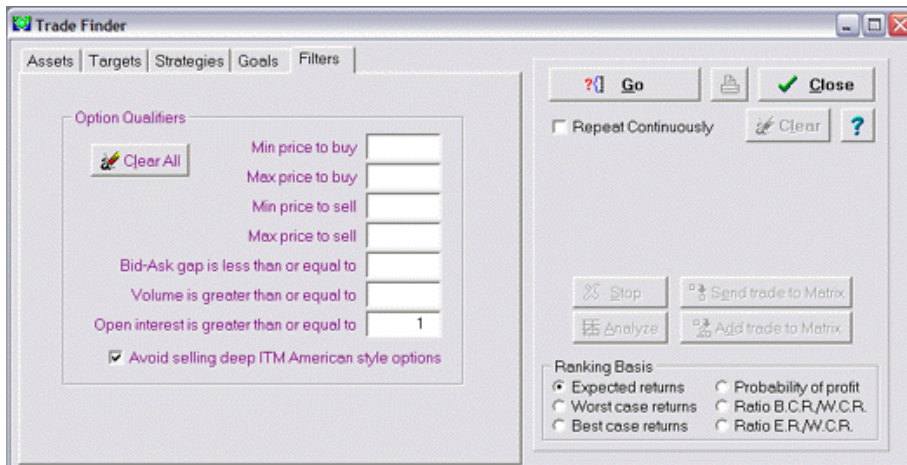
For now enter \$5,840 as the Capital Provided, which was the cost of purchasing one of the December 420 call options we analyzed previously (including commissions). Use Profit/Loss as your Comparison Basis.

In this tab you can also choose include existing positions in your analysis and Trade Finder will look for the best adjustments (keep this unchecked for now). If you do include existing positions, an additional checkbox becomes available that asks if you want the recommendations for adjustments to make your new position delta neutral (at the current price of the underlying).

If you have chosen straddles or strangles as possible strategies to consider, you can also tell Trade Finder whether you want the trade recommendations to be at a 1-to-1 ratio or delta neutral.

Filters Tab

The final tab is **Filters**. Here you can specify various option attributes to exclude trades that you would not consider anyway.



The program default is a 1 in the "Open interest is greater than or equal to" field to make sure that at least one other person has a position in that same option.

The check in the "Avoid selling deep ITM American style options" box is designed to protect you from making the mistake of selling deep in-the-money options and being assigned right away.

Trade Finder Results

Now we have gone through Trade Finder entering our price and date projections for the OEX, chosen our strategies, and told it how much capital we want to use.

Click the **Go** button and Trade Finder runs thousands of simulations. It will find every covered strategy (which is what we chose) that will be profitable if our OEX target is correct and will list the top 50 recommended trades.

Getting Started Guide

You will see a lot of information for each trade recommendation. Listed first is the symbol for the trade's underlying asset. It then lists each leg of the trade with the number of contracts to buy(+) or sell(-), and the price of that option. It will then give you the net price of the trade (including spreads).

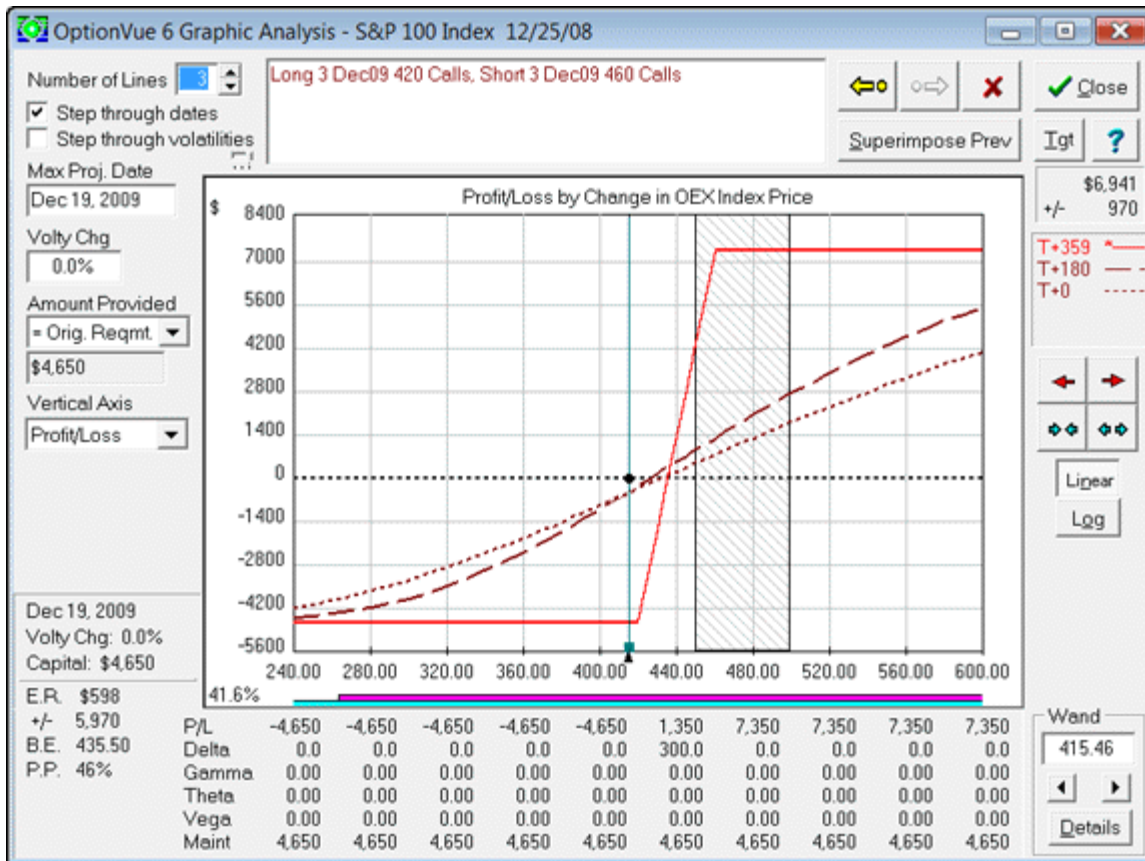
It then lists the W.C.R. (Worst Case Return), the E.R. (Expected Return), the B.C.R. (Best Case Return), and the P.P. (Probability of Profit) for each. In the bottom right-hand corner you choose how you want to sort the results. In this example, Expected Returns was selected as the Ranking Basis.

The screenshot shows the Trade Finder application window. The interface includes tabs for Assets, Targets, Strategies, Goals, and Filters. Search parameters are set to Capital Provided: \$5,840 and Comparison Basis: Profit/Loss. There are checkboxes for 'Include existing positions in analysis' and 'Scale recommended trades to help an existing position become delta neutral at current price of underlying (requires an existing position)'. A section for 'Straddles, Strangles, and Condors' has 'Call/put ratio 1 to 1' selected. The 'Repeat Continuously' checkbox is unchecked. The 'Search complete' button indicates '1 asset analyzed'. The 'Ranking Basis' section has 'Expected return' selected. The table below lists 15 trade recommendations with columns for Asset, Strategy, Leg 1,3, Leg 2,4, NetPr, W.C.R., E.R., B.C.R., and P.P.

	Asset	Strategy	Leg 1,3	Leg 2,4	NetPr	W.C.R.	E.R.	B.C.R.	P.P.
1	OEX	Vrt Db Sprd	+3 Dec09 420c @54.00	-3 Dec09 460c @38.50	15.50	+4,350	+6,941	+7,350	46%
2	OEX	Vrt Db Sprd	+6 Dec09 420c @54.00	-6 Dec09 440c @44.90	9.10	+6,540	+6,540	+6,540	47%
3	OEX	Vrt Db Sprd	+2 Dec09 400c @65.50	-2 Dec09 460c @38.50	27.00	+4,600	+6,327	+6,600	48%
4	OEX	Vrt Cr Sprd	+6 Dec09 420p @62.10	-6 Dec09 440p @72.60	10.50	+6,300	+6,300	+6,300	47%
5	OEX	Vrt Db Sprd	+4 Dec09 410c @59.40	-4 Dec09 440c @44.90	14.50	+6,200	+6,200	+6,200	48%
6	OEX	Vrt Cr Sprd	+4 Dec09 410p @57.20	-4 Dec09 440p @72.60	15.40	+6,160	+6,160	+6,160	48%
7	OEX	Vrt Db Sprd	+2 Dec09 410c @59.40	-2 Dec09 460c @38.50	20.90	+3,820	+5,547	+5,820	47%
8	OEX	Vrt Cr Sprd	+11 Dec09 410p @57.20	-11 Dec09 420p @62.10	4.90	+5,390	+5,390	+5,390	51%
9	OEX	Vrt Db Sprd	+2 Dec09 420c @54.00	-2 Dec09 480c @29.20	24.80	+1,040	+5,131	+7,040	44%
10	OEX	Vrt Db Sprd	+10 Dec09 410c @59.40	-10 Dec09 420c @54.00	5.40	+4,600	+4,600	+4,600	50%
11	OEX	Vrt Cr Sprd	+5 Dec09 400p @53.00	-5 Dec09 420p @62.10	9.10	+4,550	+4,550	+4,550	52%
12	OEX	Vrt Db Sprd	+5 Dec09 400c @65.50	-5 Dec09 420c @54.00	11.50	+4,250	+4,250	+4,250	51%
13	OEX	Vrt Cr Sprd	+10 Dec09 400p @53.00	-10 Dec09 410p @57.20	4.20	+4,200	+4,200	+4,200	53%
14	OEX	Vrt Cr Sprd	+2 Dec09 400p @53.00	-2 Dec09 440p @72.60	19.60	+3,920	+3,920	+3,920	49%
15	OEX	Vrt Db Sprd	+2 Dec09 400c @65.50	-2 Dec09 440c @44.90	20.60	+3,880	+3,880	+3,880	49%

Notice that the top recommended trade is a vertical debit spread that involves buying 3 of the December 420 calls and selling 3 of the December 460 calls. The Worst Case Return (W.C.R.) is \$4,350, the Expected Return (E.R.) is \$6,941, the Best Case Return (B.C.R.) is \$7,350, and the Probability of Profit is 46%. If you are wondering what that means in terms of profit potential, and how this vertical spread compares with the previous long call position we looked at, keep going.

First we want to analyze this new trade. Then we will compare its upside potential and breakeven point to the long call position we analyzed earlier. Click on trade #1 so that it is highlighted and then click the **Send trade to Matrix** button. This will replace the long call position that was in the Matrix with the new trade. Now click the **Analyze** button to see the Graphic Analysis of this spread.

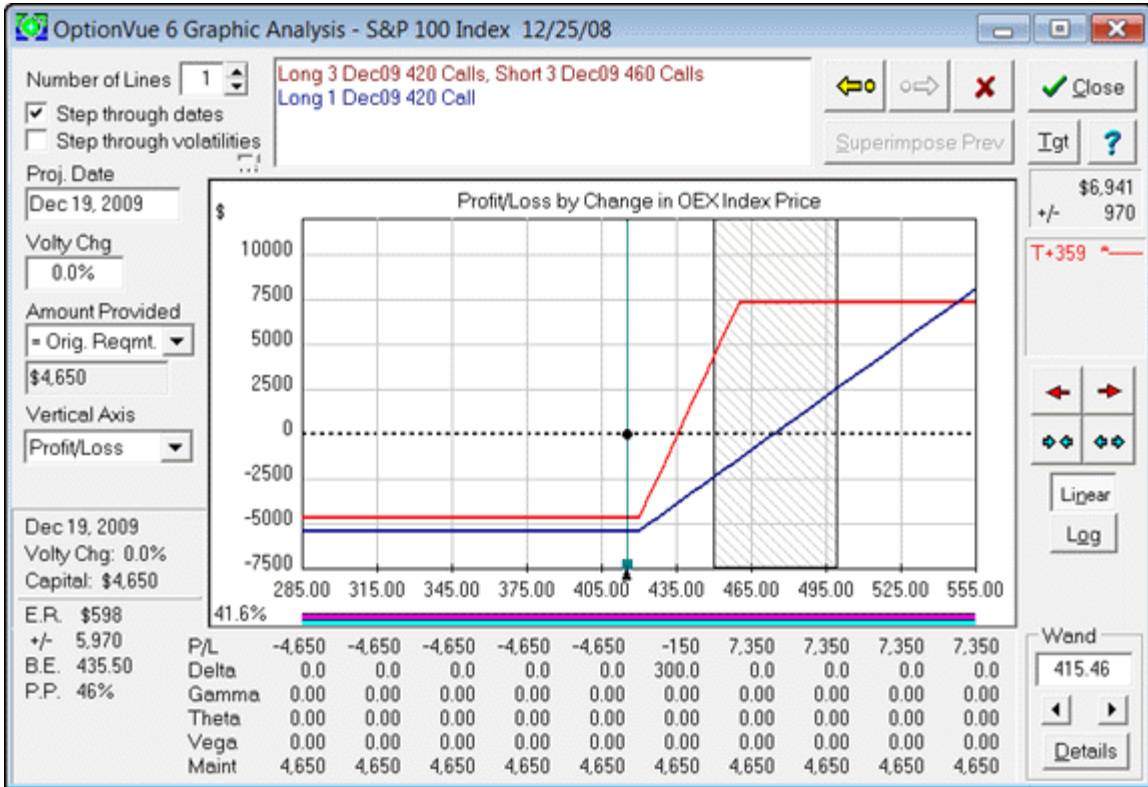


Unlike the previous long call position we looked at earlier, this trade makes a significant profit over the entire target price range. It even requires less capital to enter this trade (only \$4,065 vs. \$5,840 for the long call position). Now we will show how powerful being able to graphically compare different trades can be, and how it can simplify your trading decisions.

Comparing Two Trades

Once you have analyzed another trade, the previous trade you analyzed (the long call position in this example) is still there. You can switch back and forth between two or more positions, or superimpose them over each other to compare. The yellow arrow to the right of the trade description box indicates that there is another position that can be displayed. You can switch back and forth between two or more positions, or superimpose them on each other to compare their breakeven and risk profiles.

We know these two positions have approximately the same downside risk - the possibility of losing your entire investment. That was why we chose \$5,840 as the amount of capital provided in the Goals tab. We wanted to make sure the two trades would be directly comparable. Change the number of lines from 3 to 1 by clicking the down arrow in the upper-left corner to make the two positions easier to compare. Click the **Superimpose Prev** button and there are the two trades!



As you can see, the spread position at expiration becomes profitable at a much lower underlying price than the long calls. (435.50 vs. 478.40, 42.90 points lower!) The spread also has a higher probability of profit (46% vs. 37%). More to the point, the spread makes a better profit over the entire 450-500 price range we expect the OEX to trade in (the shaded area of the graph). In fact, you would not do better with the long call position until the OEX went higher than 550. This is the kind of trade we were really looking for!

At this point we will say that you decide to buy the spread. The current market price of the spread is very important, since your order will depend on current market conditions. From our previous analysis we expect to pay about \$15.50 (the difference between the \$54.00 Asked price of the December 420 calls and the \$38.50 Bid price of the December 460 calls). Once your order is executed, make sure you know the price of each side of the spread so your record keeping will be accurate. In the next section we will go over how to use the Portfolio Manager and learn how to track your trades and accounts in OptionVue 6.

The Portfolio Manager

To track your account and option trades, OptionVue 6 includes a sophisticated yet user-friendly portfolio tracking system, the Portfolio Manager. Designed especially for options traders, it contains many powerful features not found in more general portfolio tracking programs. The Portfolio Manager is accessed by four buttons on the Main Tool Bar: Info, T.Log, Status, and Reports. The name of the account you are currently working in is always displayed just above these four buttons.

Info. You used the **Info** button earlier when you set up your brokerage account. Here you can make changes to the terms of your account, rename your account, and set up additional accounts.

T.Log. The Transaction Log is the central point for all information in the Portfolio Manager, with every transaction posted here. It is similar to a spreadsheet, with every cell able to be edited. If you make a mistake, simply delete and replace the item. The T.Log automatically sorts records chronologically, so it doesn't matter if you enter a transaction out of date sequence.

Status. The Status of Account display shows you a complete summary of the account you have selected. Here you can instantly see the status of all the open positions in the selected account (with prices from when you last downloaded quotes) including any margin requirements. You can even include slippage and commissions to value positions if you wish.

Reports. You can create a variety of Reports to view on your screen or to print. View a complete history of realized and unrealized gains/losses in each account, analyze performance by account or individual asset, graph your account value over time, and see reports on dividends, interest, and taxes.

The chapter on the Portfolio Manager in the User's Guide covers all the features and functions thoroughly, so we go over each of the sections only briefly here.

The Transaction Log

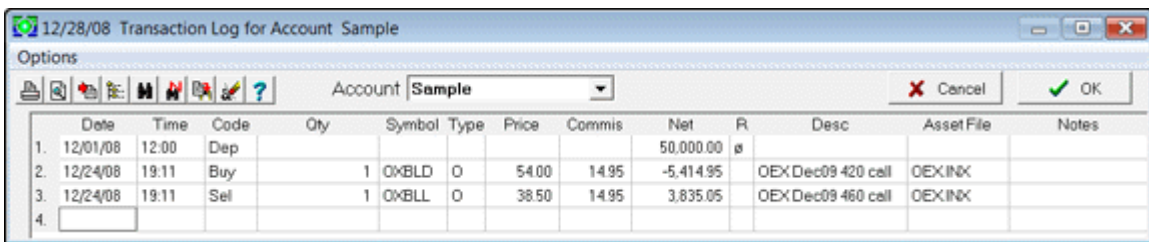
Click on the **T.Log** button and you should see your first transaction already there, the deposit made when you first set up the account (You have to give money to your broker when you open an account). Clicking the **OK** button will close the T.Log and save all changes you made to your transactions.

Using our previous example of placing a spread in the OEX, we will assume that it got filled at the current bid and asked prices that were quoted when we first analyzed the trade, for a net debit of \$15.50. In the Matrix, the spread is still displayed in the Trade fields of each option. To tell OptionVue 6 the prospective

trade has been executed and is now a real position, click on the **Convert Trades** button in the Matrix toolbar.

The Trade will automatically be posted to the Transaction Log of the Portfolio Manager and the spread will disappear from the Trade field and is now displayed in the existing position (Exis.Pos) field. If the Matrix format you are using does not currently have the existing position parameter showing, you will have to change to a different format or reformat the Matrix to see the position.

There is still one more step you may want to take to make sure your records are correct. Click the **T.Log** button on the Main Tool Bar to see the transaction. There you will see the spread posted with today's date and the current time, plus all the other needed information.

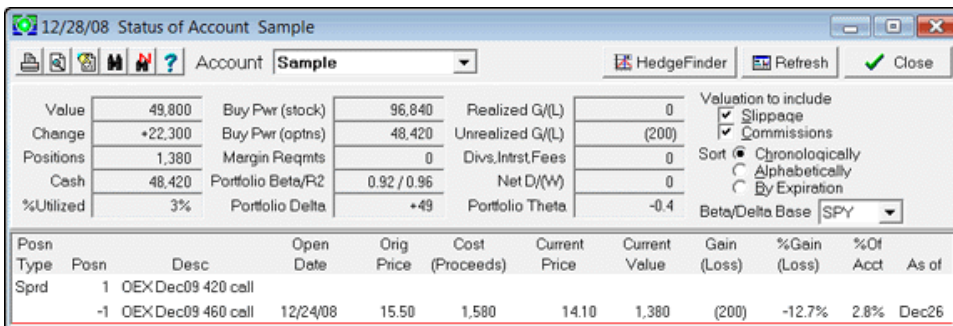


	Date	Time	Code	Qty	Symbol	Type	Price	Commis	Net	R	Desc	Asset File	Notes
1.	12/01/08	12:00	Dep						50,000.00	g			
2.	12/24/08	19:11	Buy	1	OXBLD	O	54.00	14.95	-5,414.95		OEX Dec09 420 call	OEX:INX	
3.	12/24/08	19:11	Sell	1	OXBLL	O	38.50	14.95	3,835.05		OEX Dec09 460 call	OEX:INX	
4.													

It is always easier to use the Convert Trades button to enter positions into the T.Log than to enter them manually. After converting a trade, you can always go in and edit any information including the date and time the trade was placed. You can also type the entire transaction into the T.Log manually. But that is a lot more work, and increases the likelihood of error. All it takes is one typo for the position to be inaccurate and it may even prevent the position from showing up in the Matrix at all! Once you have made any needed changes, click the **OK** button to close (and save) the Transaction Log.

The Account Status

Click on the **Status** button in the main toolbar to see how the trade we entered appears in the Account Status window. Notice that it is already showing a small loss in the example below, because slippage and commissions are being included in its valuation.



Posn Type	Posn Desc	Open Date	Orig Price	Cost (Proceeds)	Current Price	Current Value	Gain (Loss)	%Gain (Loss)	%Of Acct	As of
Sprd	1 OEX Dec09 420 call	12/24/08	15.50	1,580	14.10	1,380	(200)	-12.7%	2.8%	Dec26

The Portfolio Manager needs both the symbol and asset file name in the T.Log to display the current price of a position in Status. If either of them are incorrect you will also see the price show up here as unknown.

We have already gone through a directional trade from start to finish (a directional trade is one designed to make money when the underlying price moves in the expected direction). We have shown you how to take your initial expectation about an asset and look for the best option trade. You should be comfortable with the series of steps you have taken, from the initial analysis of a trade all the way through to the final steps of booking the trade in your account.

At this point you may be saying: That's all well and good if you know what to trade, but what I need is a way to identify trading opportunities! Relax. OptionVue 6 offers some very powerful tools to help you find possible trades.

In the last section of the Getting Started Guide we are going to introduce these tools and show how to use them to identify potentially profitable opportunities.

To enable us to give you a better idea of just how sophisticated OptionVue 6 is our second example will illustrate how to find and analyze a non-directional trade. Specifically, we will look for and analyze a trade designed to profit from an expected change in volatility, allowing us the opportunity to highlight some of the additional features and capabilities that are contained in OptionVue 6.

Example 2: Trading Volatility

Many traders think of options as just a substitute for the underlying stock or futures contract. They appreciate the flexibility and leverage options offer them but tend to retain the same mindset. They think in terms of market direction: Will this stock (or market) move higher or lower?

But markets can move sideways or trend only modestly higher or lower for prolonged periods of time. This causes problems for stock and futures traders, but highlights a unique capability available only to option traders: the ability to profit from flat, sideways, or directionless markets. In this next example we will look at one of the possible ways to do this called volatility trading.

Volatility trading attempts to profit from changes in implied volatility (IV) rather than the underlying price. The essence of volatility trading is buying cheap options and/or selling expensive options, typically holding them until the options return to their “fair value”. It is called volatility trading because of the way option cheapness or dearness is measured - using Implied Volatility.

Each option implies how volatile its underlying asset is. A cheap option implies that its underlying is going to be very quiet, and an expensive option implies that its underlying is going to be very volatile. Usually, all options of an asset move to higher or lower levels of implied volatility at the same time.

There are always trading opportunities available with volatility trading that place the odds in your favor. Many volatility traders have no opinion at all about the direction the underlying asset will move. The starting point for finding potentially profitable trades with OptionVue 6 is to run OpScan or use the Survey function.

OpScan is an optional service under the NetVue umbrella that allows you to create customized formulas and run reports using the OptionVue database. It allows you to create more complex requests using a wider variety of parameters, and enables you to scan current data such as price and volume information.

In this example we will use the Survey as our starting point. The Survey is built into OptionVue 6 and will access our NetVue servers to scan for a variety of volatility and liquidity characteristics based on the settings you have chosen.

Using the Survey Feature

Survey is designed to scan our database for a variety of volatility characteristics, so it makes a great starting point when looking for volatility-based trades. Click the **Survey** button on the Main Tool Bar to launch the Survey window.

The first box asks how many assets you want in the report (in this example we chose 100). The second box asks how you would like to pick assets (Highest IV shown) and the third box asks how you would like to sort them (Highest IV/SV ratio shown). Simply choose the characteristics you want to pick and sort by from the drop down menu. You can then select what types of assets you want to include in the Survey (in this example we will only look at US stocks)

You can filter your results by the average daily dollar volume of options traded (DVO). In this example we input 500 in the minimum DVO field, which means that only stocks that trade at least \$500,000 in options a day, on average, will be included. The OptionVue DataBase contains up to ten years of history for implied volatility for every asset. In the next two boxes you decide the minimum history allowed (we chose four years) and what time period (in years) to use for calculating the percentile ranking (ten years for this example).

Once you are done, click on the **Go** button and the Survey report appears.

The screenshot shows the 'Data Base Survey' application window. The search criteria are: 'How many assets to pick' is 100; 'Pick them based on' is 'Highest IV (Implied Volatility)'; 'Sort them based on' is 'Highest IV / SV Ratio'. The survey parameters are: 'Assets of Type' is 'Stocks', 'Include' is 'US', 'Minimum DVO' is 500, 'Minimum history' is 4.0 years, and 'Percentile uses up to' is 10.0 years. The report is based on data as of 12/24/08 and lists the best 100 stocks in terms of high IV (implied volatility), ranked in terms of high IV/SV ratio.

	Symbol	Name	DVO	Statistical Volty		Implied Volty		
				Current	Pctl	Current	Pctl	
1.	ROH	Rohm & Haas	1,547	34.3%	90	83.5%	99	
2.	CYPB	Cypress Bioscience	507	68.6%	88	143.5%	87	
3.	DNDN	Dendreon	5,182	56.0%	39	105.1%	77	
4.	TRMS	Trimeris	5,572	177.7%	97	257.0%	97	
5.	GM	General Motors	8,442	197.8%	98	273.9%	99	
6.	ACAS	American Capital Ltd	1,987	106.4%	95	135.0%	98	
7.	YHOO	Yahoo!	1,929	76.3%	93	93.5%	97	
8.	VRNM	Verenium	1,096	176.7%	99	211.2%	99	
9.	ZION	Zions Bancorp	5,439	112.5%	94	123.3%	98	
10.	SKIL	SkillSoft	620	80.0%	88	86.3%	91	
11.	VCI	Valassis Comm	19,504	122.6%	93	130.5%	99	
12.	SHLD	Sears Holdings	5,273	113.4%	97	120.1%	99	
13.	SNDK	SanDisk	994	109.7%	97	114.2%	96	
14.	ACF	AmeriCredit	1,274	117.5%	88	118.9%	92	
15.	SIRF	SIRF Tech Holdings	609	134.1%	94	135.4%	97	

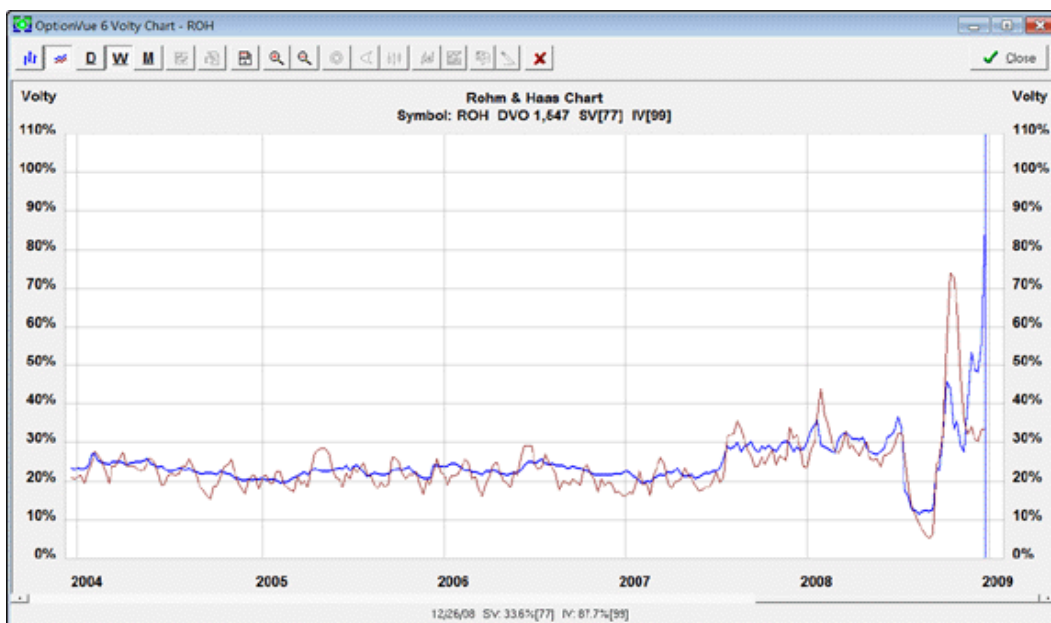
Let's look at the top result Rohm & Haas (Symbol: ROH). It trades \$1,547,000 of options per day, on average. The current implied volatility (IV) is 83.5%, much higher than the statistical volatility of 34.3% (the actual volatility of the stock). The percentile ranking for implied volatility of 99 means the current IV reading is higher than 99% of the implied volatility readings over the past 10 years.

Remember, you may see different results since you are running this at a later date. Just choose one of the best candidate currently available, follow along with these steps, and you will be able to get similar results.

Volatility Charts

Experienced option traders are always aware of the current volatility levels for the assets they are trading. To gain that perspective, they look at historical volatility charts. Now you have access to this valuable information with OptionVue 6.

Select (click on) the first asset in the Survey list, Rohm & Haas, so that the line is highlighted and then click the **Volty** button on the main toolbar to bring up the Volatility Chart for this stock.



Now you are looking at a volatility trader's most important resource: Historical Volatility Charts. These charts contain up to 10 years of Implied Volatility (IV), up to 20 years of Statistical Volatility (SV) figures, a percentile figure for each comparing today's reading to historical readings, and an indication of options liquidity (DVO). Using the Browse Prev or Next buttons on the main tool bar, you can browse through the charts of the other assets in the Survey results as well.

The Title Bar shows you the symbol, DVO (the average dollar volume of options traded, in thousands), plus the SV and IV percentile ranking for this asset using up to 10 years of historic volatility data. The first button superimposes the price chart on a Volatility Chart. Once this is done, additional features related to the Price Chart become available. The Zoom buttons (magnifying glass) let you focus in or out on the volatility data.

Within the Volty Chart itself, statistical volatility (SV) is shown as a solid red line, implied volatility (IV) by a blue line. Click anywhere within the chart and a vertical “wand” will appear, along with a box at the bottom that displays a complete data readout for that day. Press [Esc] to clear the wand.

Selling Volatility

Good option traders can adapt their trading to the current volatility situation. They buy options when they are cheap, and find ways to sell options when they are expensive. This can give a trader an enormous advantage. When browsing the historical volatility charts to find high volatility situations, there are certain criteria to look for. Perhaps most important is how high the implied volatility (IV) line is compared to its prior history — the higher, the better. The best situation is when the statistical volatility line is also lower than IV, or at the least not much higher.

An SV line below the IV line indicates that the options are exhibiting more premium than would seem to be warranted based on the current volatility of the underlying. Of course, there can be any number of reasons for this. Perhaps some big news is expected soon. But volatility traders favor selling into IV that appears truly overblown, and Rohm & Haas would seem to fit the bill.

Select Rohm & Haas (so that line is highlighted), right-click on it and choose to add the symbol (ROH) to one of the available Quotes Display groups. Now go to the Quotes Display and double-click on the symbol to open the ROH Matrix.

The screenshot shows the OptionVue 6 Matrix interface for Rohm & Haas (ROH) on 12/28/08. The main table displays options data for various strikes and months. The summary section at the bottom provides key financial and volatility metrics.

Actuals		ROH Common		Legend		
	63.56		-0.32	Last	Chg	Trade
	64.67		62.68	High	Low	Ex.Pos

Options	JAN <20>			FEB <55>			APR <111>			JUL <202>		
	MktPr	MIV	Trade	MktPr	MIV	Trade	MktPr	MIV	Trade	MktPr	MIV	Trade
80 calls												
75 calls	1.55	84.9%		1.90	57.1%		2.20	42.7%		2.20	32.3%	
70 calls	4.40	115%		5.10	78.6%		5.64	59.3%		5.75	45.4%	
65 calls>	7.65	140%		8.31	93.3%		9.04	70.9%		8.50	50.8%	
60 calls	11.19	162%		11.92	109%		12.39	80.0%		12.80	62.9%	
55 calls	14.93			15.24			15.93	88.7%		16.60	71.5%	
50 calls	18.30			19.65			19.40			19.60		
45 calls	22.15			23.40			23.27			23.40		
75 puts	13.31			14.04			13.91			14.45	32.9%	
70 puts	11.07			11.78	76.9%		12.41	58.8%		12.15	41.2%	
65 puts>	9.15	141%		9.97	91.3%		10.43	67.7%		11.24	53.8%	
60 puts	7.85	166%		8.51	106%		8.73	76.2%		9.27	58.8%	
55 puts	6.45	185%		7.10	118%		7.60	87.3%		7.74	65.0%	
50 puts	5.30	206%		5.76	129%		6.17	94.5%		6.71	73.4%	

Summary				Volty model: Variable			
Net Reqmts	Gross Reqmts	Cash Flow	\$0	Delta	0.00	Avg.IV	130%
Init	\$0	Cur. Value	\$0	Gamma	0.00	Calls.IV	91.7%
Maint	\$0	Gain/Loss	\$0	Theta	0.00	Puts.IV	151%
Cash/Init		Commis	\$0.00	Vega	0.00	P/C (Vol)	1.61

We already know there is sufficient liquidity in this stock, since it trades over \$1,547,000 of options per day, on average (DVO on Volty chart of 1.547). The next step is to check the recent news (there is a news link available on the Quotes Display) looking for anything that would account for the unusually high IV. You should also look at the Price Chart to see how the price has behaved in the past. This seems like it is a reasonable stock to consider for volatility trading. So what do you do now that you have found a good candidate with high IV?

There are several different option strategies that you could employ which take advantage of expected changes in IV. However, rather than try to figure out the best trade on our own, we're going to let the Trade Finder do the work for us.

Using TradeFinder to Sell Volatility

We went over how to use the Trade Finder earlier and went through an example that showed you how to set your Targets. When you have to make a decision about the projected price of the asset, you can either:

1. Open the Price Chart and use the Bullseye button to set a target.
2. Go directly to Trade Finder and type in a target.

The first step we will take is to open the Trade Finder and put ROH in the Assets tab. In this example, we are going to set the target directly in the Targets tab, because we want to choose Bell Curve as our target type. The Bell Curve Target Type in Trade Finder is a "no-opinion" view of the direction of the stock when it is centered at the current price. If you are bullish or bearish, you would choose a higher or lower center price for the bell curve.

ROH is currently trading at \$63.56 per share. It has traded as high as \$76.50 and been as low as \$58.32 over the past six months. So the current price of \$63.56 would seem as reasonable a "guesstimate" as any to use as the center price of the bell-curve. Click on the paste-in button to the right of the Center Price field and the program will automatically input the current price in here.

When using a bell curve target, the program also asks you to input Future Volty. This box should be a Statistical Volatility (SV) figure, and the current figure of 33.6% seems reasonable. Click on the paste-in button to the right of the Future Volty field to have the program enter the current SV in this field.

The next question is what Date to use? We will plan on holding the trade for 60 days. When trading volatility, it is important to give the trade enough time so that IV has enough time to drop back to more normal levels. So we typed "T+60" into the date field and hit [Enter]. The program automatically entered the date 60 days from today (February 29, 2009 in this example).

Finally, in the bottom left corner is a box labeled Impl.Volty Chg (Implied Volatility Change). This is where we can indicate that we expect implied volatility to drop from its current level. In our previous example we left this at zero, assuming that implied volatility would not move significantly. As was noted earlier, ROH's IV is currently higher than it has averaged in the past. The volatility trading principle is that IV should eventually return to "normal", so we will input a negative (-) 20% in this field (it is better to err on the conservative side because if IV drops even farther, say 30%, the trade will perform even better). The Target tab of the Trade Finder now looks like this.

Projecting that IV will go down 200 percentage points from its current level tells the program to lower by twenty percentage points the implied volatility it will use to calculate the future fair value of the options, the "greeks", and the probable profit/loss of all prospective trades it considers.

To finish setting up Tradefinder, in the Strategies tab we clicked the "Select All" button so that the program looks at all possible strategies. In the Goals tab, enter the amount of money you want to invest in this trade (\$10,000 was entered for this example, with a Comparison Basis of Profit/Loss). Finally, choose Expected returns as the Ranking Basis in the lower right corner and click **Go**.

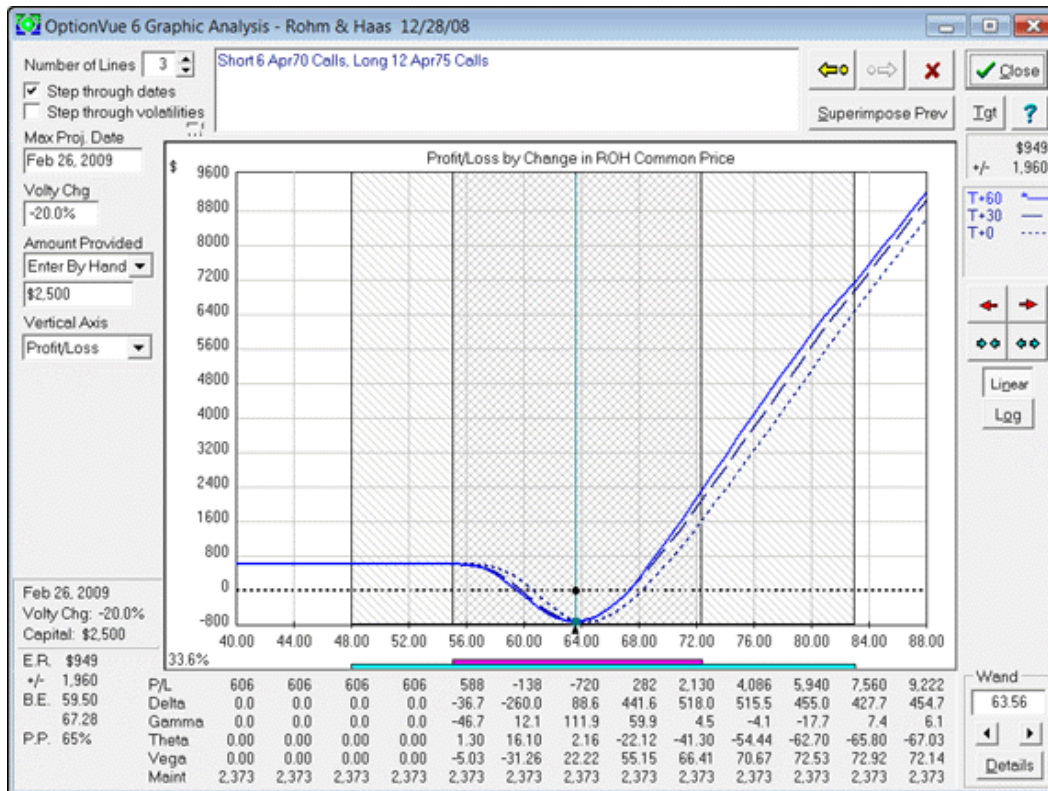
The screenshot shows the Trade Finder application window with the 'Targets' tab selected. The 'Symbol' field contains 'ROH'. Under 'Target Type', 'Bell Curve' is selected. The 'Center Price' is 63.56, 'Future Volty' is 33.6%, and the 'Date' is Feb 26, 2009. The 'Impl.Volty Chg' field is set to -20.0%. On the right, the 'Go' button is highlighted, and a 'Search complete' message indicates '1 asset analyzed'. The 'Ranking Basis' section has 'Expected return' selected. Below the configuration is a table of 12 trade results.

	Asset	Strategy	Leg 1,3	Leg 2,4	NetPr	W.C.R.	E.R.	B.C.R.	P.P.
1	ROH	Vrt Cr Sprd	+14 Apr75c @2.25	-14 Apr70c @5.60	3.35	-1,806	+1,201	+4,613	54%
2	ROH	Becksprd	-6 Apr70c @5.60	+12 Apr75c @2.25	3.35	-642	+945	+7,278	65%
3	ROH	Vrt Cr Sprd	+7 Apr75c @2.25	-7 Apr65c @8.80	6.55	-1,285	+862	+4,533	48%
4	ROH	Becksprd	-4 Apr65c @8.80	+8 Apr75c @2.25	6.55	-624	+779	+4,636	64%
5	ROH	Long	+11 Apr75c @2.25		2.25	-2,491	+774	+14,674	38%
6	ROH	Dia Cr Sprd	+7 Jul75c @2.30	-7 Apr65c @8.80	6.50	-1,978	+554	+4,498	45%
7	ROH	Dia Cr Sprd	+14 Jul75c @2.30	-14 Apr70c @5.60	3.30	-3,262	+498	+4,543	48%
8	ROH	Butterfly	+8 Apr35p @3.00 +8 Apr75p @14.50	-16 Apr55p @7.30	10.20	-1,180	+177	+5,764	32%
9	ROH	Strangle	-1 Apr65c @8.80	-1 Apr55p @7.30	16.10	-1,115	+167	+711	67%
10	ROH	Vrt Rt Sprd	+1 Apr75p @14.50	-2 Apr55p @7.30	7.20	+5	+165	+782	100%
11	ROH	Strangle	-1 Apr65c @8.80	-1 Apr50p @5.80	14.60	-1,198	+148	+714	65%
12	ROH	Strangle	-1 Jul65c @7.50	-1 Jul50p @6.00	13.50	-1,237	+148	+693	65%

Getting Started Guide

Trade Finder will return the top 50 trades ranked according to their expected return on a \$2,500 investment. The recommended strategies that come up include backspreads, long options, butterflies, diagonal credit spreads, vertical ratio spreads, and strangles. The top trade is a vertical credit spread using the April 2009 call options (also called a bear call spread).

Notice that the top recommendation of a vertical credit spread has the highest Expected Return (E.R.) of \$1,201, a Worst Case Return (W.C.R.) of minus \$1,806, and a Best Case Return (B.C.R.) of \$4,613. However, the next trade down has only a slightly smaller expected return. More importantly, the second trade has a much smaller loss in the worst case and a much higher best case return, not to mention a higher Probability of Profit (P.P.). Choosing the best trade is not simply a matter of picking the one with the highest expected return, but looking for the best risk profile given your expectations for the asset and your risk preferences. Highlight the second trade in the list and click the Analyze button to show the risk graph for this trade.



The shaded area of the graph is the bell curve target we gave Trade Finder. As you can see, as long as implied volatility does decrease 20% in the next 60 days as we projected, this trade would be quite profitable over a wide range of underlying prices both to the upside and downside.

Getting the Most out of Your Program

We started by introducing you to OptionVue 6 and some key concepts. We then walked you through the installation of the program and how to customize it to better suit your personal needs. Finally, we briefly went through all the major features and tools that are available within the program using examples that illustrated how to use the program for both price and volatility based trading.

Now we will conclude this Getting Started Guide by going over a few additional features and abilities we have included in OptionVue 6 that will enable you to get the most out of your program.

The Window Menu

There are several useful features that are under Window in the main menu of the program.

At times you may have several open windows within the OptionVue 6 workspace. To see what windows are currently open, choose Window from the main menu and you will see a list of all currently open windows. Clicking on any one of these will bring that window instantly to the top.

Hide Tool Bar. This first choice in the Window menu will temporarily remove the main toolbar if you need a bit more room in your workspace. To bring the toolbar back, return to Window and the top choice will now be Show **Tool Bar**.

The last choice in the Window menu is always the **Quotes Display**. If you close the Quotes Display, or think you have lost it, this is where you would go to reopen it.

Browse Feature

The Browse feature is located on the main toolbar (right after the Trade button).



Browse allows you to quickly flip through all your favorite assets in succession. To use this feature, first open a Matrix, Price Chart, or Volty Chart window, then watch them switch to the next asset as you click the **Next** button, or the previous asset when you click the **Prev** button (you can also use the **[Page Down]** and **[Page Up]** keys on your keyboard).

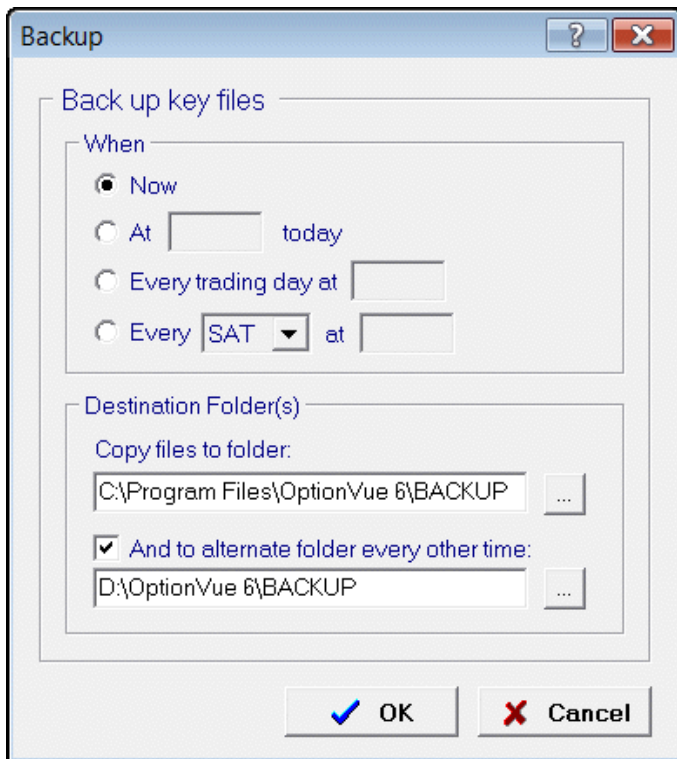
The Browse feature can be used in the Quotes Display, Account Status, the Trade Finder, Survey, OpScan Reports, and the Yates Break Search. When browsing Price Charts or Volty Charts, the program will remember the wand position from chart to chart.

When browsing through your Quotes Display you will see that it will only cycle through assets in the currently selected group (under one group heading bar).

To jump over a group heading bar to the next group you must hold down the [Ctrl] key while clicking the **Next** or **Prev** buttons (or pressing the [Page Down] or [Page Up] keys).

Backing Up Your Files

OptionVue 6 allows you to automatically copy, or "back up", all of its key files to another location. This is accessible through **File | Back up key files** from the main menu.



You may run this process immediately or schedule it to happen at regular intervals. You should probably give some thought to where you would like to have your files copied. The default is a subfolder named BACKUP off of the OptionVue 6 main folder. The program will automatically create the backup folder, if necessary, and copy all of OptionVue 6's key files into it, organized into subfolders by the same names as you see in the main OptionVue 6 folder.

You can also specify an alternate destination folder, and the program will copy files into this folder every other time that it performs the backup operation. Specifying an alternate folder is a good idea because sometimes, if a problem develops in one or more of your files, you may not discover it until after the backup process has been run once, and you can be thankful that you have another (previous) copy to draw upon.

This is one of the events that you can schedule to run at intervals you specify, although it is advisable to schedule the backup no more frequently than once/day. Note that if your computer is networked with one or more other computers, it can be good to specify a folder in the other computer as your backup destination. That way, you can recover files in the event of a hard drive failure.

Restoring and Recovering Files

If you need to restore files that you have backed up using the procedure under File | Backup key files, first close the OptionVue 6 program. Use Windows Explorer to navigate to your backup folder. Select the file you wish to restore and choose **File | Copy** from the main menu. Then navigate to the C:\Program Files\OptionVue 6 directory (or the directory you have installed OptionVue 6 in) and choose **File | Paste** from the main menu. If you are asked if you want to overwrite the existing files, click **Yes**. When you reopen the program, it should now reflect the information from the restored files.

Automatic Backups

In addition to the program's comprehensive backup procedure, backups for a few important files are automatically created - the files that hold your Quotes Display settings and your Transaction Logs.

For the Portfolio Manager, your Transaction Log files (*.LOG) are automatically backed up into .BK1 and .BK2 files (where * represents the name you gave each of your accounts).

The same procedure is done for your Quotes Display. The Quotes.col file is backed up to Quotes.bk1 and Quotes.bk2 files, while the Quotes.nts file (which holds the information from the "Notes" field on the Quotes Display) is backed up to Quotes.nk1 and Quotes.nk2 files.

Using the Keyboard and Hot Keys

OptionVue 6 can primarily be operated using a mouse, but there are some keys that need to be used for certain operations. There are also a number of special keys, often referred to as "hot keys" that execute operations and make using your

program easier and more efficient. Some operations can only be done through the use of the keyboard, while others just offer an alternative to the mouse.

The [Insert] and [Delete] Keys

It is necessary to use the [Insert] and [Delete] keys on your keyboard at times, mostly for customizing and formatting your program. The Quotes Display is always there when you start OptionVue 6, and you need the [Insert] and [Delete] keys to manage its rows and columns.

To add a new row, simply click anywhere in the row you want to add a new row above, and press the [Insert] key. To delete a row, select the row you want to get rid of by clicking on it and press the [Delete] key. Pressing the "down arrow" key when you are at the bottom of the page will open up more blank rows.

Adding and deleting columns in the Quotes Display works much the same way. To insert a column, select the heading of the column you want to add a column in front of, and press the [Insert] key on your keyboard. To remove a column, select the column heading and press the [Delete] key.

Use the [Delete] key to clear a field within the program. First, select the field (the field will turn dark) and then press [Delete] to clear the entire contents of the field. In the Transaction Log you may clear any individual field except the date. If you delete the date field in the Transaction Log you will delete the entire line.

Using Keys to Navigate in OptionVue 6

Keys can also be used to move around within the program. In the Matrix and any other "grids", you can use the arrow keys to move from cell to cell. The [Home] key brings your focus to the far left side of the grid. [End] will jump the focus to the far right side. Among individual fields, you can use the [Tab] and Back Tab (which is holding down the [Shift] and [Tab] keys down simultaneously) to move from field to field.

The **arrow keys** can also be used to navigate from cell to cell, or within item lists, throughout many sections of the program. In the Price Charts, Volatility Charts, and Graphic Analysis, once you click within the chart to get a wand, the arrow keys can be used to move the wand left or right one unit per click.

The [Ctrl] and [Shift] Keys

After [Insert] and [Delete], the next most important keys to know are the Control [Ctrl] and [Shift] keys. First, they can be used to select multiple files or items in the program in exactly the same way as they are used in the standard Windows file system. One example would be when you are cleaning up your asset files. After choosing **File | Delete** in the main menu to view your asset files, you could

simply delete the files one at a time, or use one of the choices at the bottom of the window.

But if you want to select multiple asset files, hold down the **[Ctrl]** key while selecting the individual asset files you wish to delete. The files selected will remain highlighted. When you press **[Delete]**, all the selected files will be gone. To delete a range of files, select (click-on) the first one you want to delete. Then, holding down the **[Shift]** key, select the last file in the range you want to delete. The entire group will now be highlighted, and pressing delete will remove the entire highlighted group.

Another useful tip for the asset file windows is that, after selecting any symbol, you can then press any letter on your keyboard to bring you to the first asset file starting with that letter. So if you have 500 asset files, and want to find Wal-Mart, rather than scrolling through all those files, simply pressing "W" on your keyboard will bring you to the first asset file beginning with the letter "W".

The **[Ctrl]** and **[Shift]** keys can also be used to transfer multiple assets into the Quotes Display from the Survey feature, from the **Edit | Look up** dialog, or from any OpScan report. Select the first item you want by clicking in the list. Holding down the **[Ctrl]** key allows you to choose multiple assets one at a time. Hold down **[Shift]** if you want to block out a section (or all) of the report to insert. Then click the Insert button to add the highlighted items to the Quotes Display. You can also right-click and choose what group on the Quotes Display you want these items added to from the pop-up menu.

The **[Ctrl]** and **[Shift]** keys can also be used to select multiple trades to analyze from the Trade finder. Once you have a list of recommendations, you can highlight any of the trades you want to see by left-clicking with your mouse on each recommendation while holding down the **[Ctrl]** key (or using **[Shift]** to highlight a range). Then just click the **Analyze** button.

All trades involving the same underlying asset will go in as separate cases to a single Graphic Analysis window. You can use the yellow arrows to browse through them, superimpose them, and use the red "X" to get rid of trades you are not interested in. When the selected trades involve different assets, multiple Graphic Analysis windows will open, one for each underlying asset.

The **[Ctrl]** and **[Shift]** keys also have many important functions when used in conjunction with other keys. When discussing key combinations, the convention is to show the two keys with a dash (-) between them, and without brackets.

For example, to edit an individual field, pressing **Ctrl-E** will put the program into "field edit" mode. The entire field turns dark when it is selected, and then turns light again once field edit mode is turned on. You can then move the cursor anywhere within the field and make changes. In field edit mode, pressing the

[Delete] key will remove characters one at a time, while typed characters are inserted at the cursor position. Field edit mode is canceled when you press **[Enter]** or leave the field.

Price and Volatility Charts

In the Price and Volty Chart the buttons **D**, **W**, and **M** on the toolbar turn the chart into a Daily, Weekly, and Monthly chart, respectively. The same thing can be accomplished by simply typing the letter on your keyboard. Press **"W"**, for example, and the Chart becomes a weekly chart.

Next on the price chart toolbar is a button to adjust the price chart for stock splits. For this operation, you first need to click in the chart and move the wand to the correct effective date of the stock split. Once the wand is on the correct day, pressing the letter **"S"** on your keyboard will launch the split adjustment dialog. Simply fill in the correct data and click **OK**.

The next button is to edit data within the price chart. Again, you need to place the wand on the date you want to edit. Pressing the letter **"E"** on your keyboard will then launch the Edit Data dialog.

You can set targets right on your price charts for use in the Trade Finder and Graphic Analysis. This feature can be used and adjusted by just using a mouse. When you click the Target button, and you'll see a blue rectangle appear to the right of the final bar in the price chart. You can drag and re-size this rectangle using your mouse until it reflects your opinion about the future price movement of this asset, in terms of a date range and a price range.

But you can also use the arrow keys on the keyboard to move and resize the target rectangle, which is often better for fine-tuning your targets. Holding down the **[Ctrl]** key, in conjunction with the arrow keys, lets you move the rectangle. Holding down the **[Shift]** key, in conjunction with the arrow keys, lets you to re-size it.

The "Stepper" Keys

A unique feature of OptionVue 6 is its stepper keys. In the upper right corner of the Matrix (next to the **Close** button), and in the lower part of the Expand window, you can see the "Stepper buttons".



If you focus on a user-changeable field and click the stepper buttons, this increases or decreases the field contents one step at a time. This can be helpful

when you need to try different trade quantities until you find the quantity you can afford, or find the quantity that makes a position delta neutral. With the bottom slide bar to the left the steps are as small as they can be. For moderate or large steps, slide the bar to the middle or far right.

As an alternative to the stepper buttons, you can press the left or right **”bracket”** keys to step an input field up or down by small, moderate or large intervals. You can step numeric and date fields with this method, using the left and right square bracket keys on your keyboard. Pressing the right bracket key **”]”** steps a value up to the next higher position. Pressing the left bracket key **”[”** steps a value down to the next lower position.

If you hold down the **[Shift]** key at the same time, the step will be a larger one. Pressing the right angle key **”>”** steps a value much higher. Pressing the left angle key **”<”** steps a value much lower.

Stepper keys can be very useful in the Matrix, where you can use them to step a quantity of contracts up or down quickly to see how many you can afford, or to find a delta neutral position. In date fields, the bracket keys affect the day, holding down the **[Shift]** key with a bracket key affects the month, and the angle key affects the year.

Matrix Tips and the Last Field

There are a number of hot keys designed for the Matrix. The OptionVue 6 Matrix is customizable, and there are no column headers that tell you what data is in each column. The Legend feature can be turned on and off by clicking on the Legend button, or you can use the letter **“L”** on your keyboard to turn this feature on and off.

Within the Matrix, the **“Last”** trade price field for the options is special in many ways. If you press the letter **“S”** while the cursor is in an option’s Last field, you’re telling the program this option does not exist. OptionVue 6 then fills in an **“..s..”**. The program will exclude this option from quotes retrieval and all analysis activities.

Why would you need to do this? Very often a strike price will exist in only some expiration months. For example, there are usually farther out-of-the-money strikes available in the far months than are available in the near months. This setting tells you the option is not available, so you know it is not simply a missing price.

The letter **“R”** works in a similar way. Pressing the letter **“R”** on your keyboard while the cursor is in an option’s Last field tells the program the option has not traded today. You should seldom need to do this, since the quotes retrieval activity will put r’s in the Last field if no price has come over. But its other use is

to undo the “**S**” operation. If an option that did not previously exist now begins to trade, pressing “**R**” while in the Last field will bring the option back, available to trade and receive quotes.

If you press the letter “**T**” on your keyboard while the Last field is selected, the program automatically fills in today’s theoretical value for that item. This can be useful in cases when a price is not available, such as when it has not traded all day, or when you believe that the price picked up from your quote service does not accurately reflect the current market in the option.

You can also change multiple Last fields at the same time in the Matrix. Holding down the [**Ctrl**] key and pressing “**T**” while in a Matrix will cause the program to copy theoretical values into the Last fields of every option (except those marked with an “..s.”). If you press **Ctrl-W**, the program copies theoretical values only into those Last fields that do not contain a price or an “..s.”.

If you are connected to a continuous data service, pressing **Ctrl-U** in the Matrix or Quotes Display executes “refresh quotes” request. You will see the words [Updating...] in the title bar while the process occurs.

When analyzing positions in the Matrix, all options positions are included in an analysis. But you can also selectively include/exclude options positions in a Graphic Analysis by clicking the expiration month headings in the Matrix.

For example, if you have positions in both the May and June options of a particular asset, if you click the May heading (turning it a different color) and then click the Analyze button, only the May options will be included in the analysis. If you want to select multiple headings, hold down the [**Ctrl**] key while clicking further headings. In this same way you can choose what contract is used as the independent variable in the Analysis

Another useful feature that can prevent a lot of manual typing on your part is **Ctrl-D**. This copies the contents of the adjacent field into the current field. For example, if you are manually creating an asset file, in the Options tab of the Define section you could copy the multiplier. Simply type it in the first line and then arrow down, hitting **Ctrl-D** in each box to have the program copy the information down automatically.

The ditto function also works in the LEAPS and Convertible Securities Tab, and can be used in the Variable Basis model to copy just one Measured value into one Use value.

The Portfolio Manager

There are also some useful hot keys designed for the Transaction Log. Once you start a Transaction Log, every time you open a Matrix the program automatically

reads it to see what your existing positions are in this asset. This information is used to overwrite the previous contents of all the Existing Position and Original Price fields in the Matrix. If no existing positions in the asset are found, the Existing Position and Original Price fields in the Matrix are blanked out. This procedure also takes place any time you view the Transaction Log and change something.

You can always manually delete one or more existing positions by selecting the Ex.Pos field and pressing **[Delete]** on your keyboard. To re-establish your existing positions in the Matrix, press the letter "P" on your keyboard. You can also automatically clear out the Transaction Log. Pressing **Ctrl-X** while in the T.Log will clear all transactions.

The reconcile field of the Transaction Log is used to group transactions together into a single position. Pressing **Ctrl-N** while the cursor is in the Recon field will automatically assign the next letter in order for that asset. The letters A-Z are available to use for each asset in this field. In other words, you can use 'A' for an IBM position, and 'A' for a CitiGroup transaction. The program will correctly group the positions for each asset, and not group transactions from different assets together. But if you have a lot of transactions, it can be difficult to figure out what letter you should use next.

The Find Dialog

Pressing **Ctrl-F** will launch the Find dialog in certain sections of the program. The Find dialog can be used to locate a particular item in the Transaction Log. Simply click in the column you want to search by (e.g. Asset File) and launch the Find Symbol dialog. The program then asks for the item you want to find, and whether you want to search forward or backward. To find further instances of the same item, you can press **[F3]** on your keyboard. With Find Next, the direction of the search continues in the same direction you indicated in Find.

Find can also be a valuable tool for those with a large number of assets in the Quotes Display. Simply input the symbol you want to locate, and the program will bring you directly to it on your Quotes Display. Not having to scroll through long lists of symbols saves a lot of wear on your eyes and speeds up your work.

Summary of Hot Keys in OptionVue 6

Insert	Insert columns, rows
Delete	Delete columns, rows, and clear fields
Ctrl	Highlight multiple items
Shift	Highlight range of items
Home	Move focus to far left of grid
End	Move focus to far right of grid
Tab	Move forward from field to field
Shift-Tab	Move backwards from field to field
Page Down	Browse Next (with Ctrl, jump to next group)
Page Up	Browse Prev (with Ctrl, jump to previous group)
Arrow Keys	Move in the direction of arrow within program
Ctrl-Arrow	Move target in Price Chart
Shift-Arrow	Resize target in Price Chart
D	Make Price Chart a Daily chart
E	Launches Edit window in Price Chart
L	Turn Legend On/Off in the Matrix
M	Make Price Chart a Monthly chart
P	Populate matrix with existing positions
R	Has not traded today (also for undoing 'S' in Last Field)
S	Option does not exist (use in Last Field)
	Launches Split window in Price Chart
T	Insert theoretical value in Last field of option
	Insert current price of any underlying asset
	Insert Today's Date in any Date Field
W	Make Price Chart a Weekly chart,
	Brings up the wand in a Volty Chart
Ctrl-D	"Ditto" (copies value from previous cell)
Ctrl-E	Field Edit Mode
Ctrl-F	Launches Find window
Ctrl-M	Insert Market Price in Last field of all items in Matrix
Ctrl-N	Assign next reconciliation code in T.Log
Ctrl-S	Insert "..s.." in Last field of options with no data in Matrix
Ctrl-T	Insert theoretical value (all options in Matrix)
Ctrl-U	Update with fresh quotes (continuous data only)
Ctrl-W	Insert theoretical value (all options without Last price)
Ctrl-X	Clear all transactions from the T.Log
[Steps value to next higher position
]	Steps value to next lower position
Shift-[Steps value up by larger amount
Shift-]	Steps value down by larger amount
Shift->	Steps value to a much higher position
Shift-<	Steps value to a much lower position

Printing from OptionVue 6

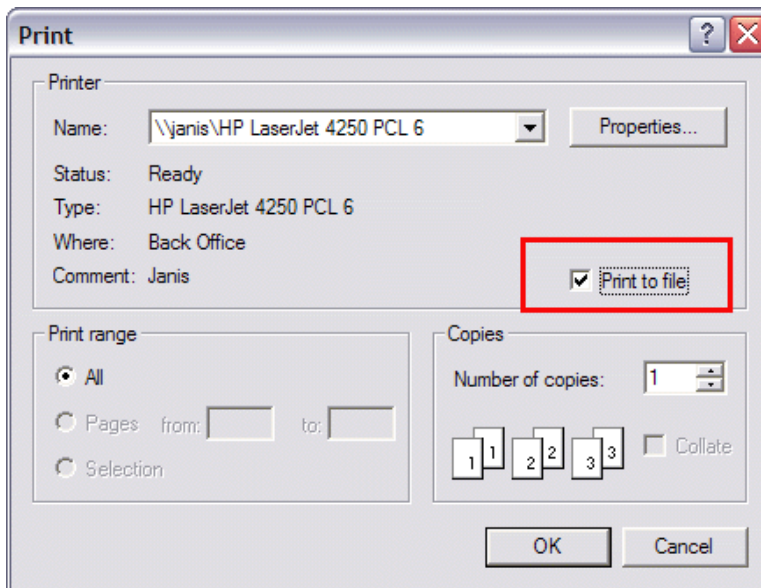
To change your printer settings, choose **File | Print Setup** from the main menu. Printing from the program can be done in three ways:

- If the active window you want to print has its own Print button, click that.
- Click the Print button on the far right of the main tool bar.
- Select **File | Print** from the main menu.

You can also copy a snapshot to the Windows clipboard by simultaneously pressing **[Alt] - [PrintScreen]** on your keyboard. To paste your snapshot into a document, open the document and select **Edit | Paste**. Other commercial programs such as Fullshot or Snagit are also available if you need more control and flexibility when capturing screen shots from within OptionVue 6.

Exporting Comma Delimited Files

When printing you should see a Print dialog box similar to the one below.



Checking the "Print to File" box will allow you to export the contents of any Transaction Log, Account Status, Survey, TradeFinder, and all the Portfolio Manager Reports (except the Performance Graph) to a comma-delimited file (suitable for Excel and many other programs).

If you do not get this dialog box, select File Preferences in the main menu, the Settings tab. Here there is a setting that allows you to choose to invoke a print dialog box when you print a snapshot. This can then be used in conjunction with the feature that allows you to choose "Print to File" in the Print dialog box.

Conclusion

Congratulations! You have reached the end of this Getting Started guide. You have seen OptionVue 6's most important features and should be well on your way to incorporating the most powerful options analysis software available into your trading.

So what should be your next step?

The Users Guide is illustrated throughout with graphics from the program and each chapter covers a specific section of the program. It contains examples to demonstrate how to operate the program, and also goes into considerable detail on the various algorithms and models used in OptionVue 6.

Next, experiment with the software. The more you use OptionVue 6, the more comfortable you will become with it. Eventually it will become second nature to you. Take the time to set up the program in a way that best suits your trading style. Set up your brokerage account, experiment with the various settings, and format the program in the way that lets you trade most efficiently.

We continually release new versions of OptionVue 6, and will continue to improve upon the program in the future. Details on the changes and enhancements in the latest upgrade can always be viewed by choosing **Help | Release Notes** from the main menu.

Let Us Hear From You!

OptionVue Systems has built a world-class team of computer and options experts over 20 years. Understanding options is a life-long pursuit, and you can learn more at DiscoverOptions.com, our free educational website. There you can find articles, webcasts and trading tools focused on options trading. It is also the home of our personal mentoring Program, for those that are interested in taking their options trading to the next level. For help managing your subscriptions and answering your program questions, your Product Representative is always available to help you with the software and answer any questions you may have.

At OptionVue Systems International, we sincerely believe you are a partner in product development. Many of the features in the OptionVue 6 program were inspired by our ongoing dialog with our clients. So if you have any suggestions to help us build a better product, we would love to hear from you and hope you send us suggestions at feedback@optionvue.com. We are very proud of OptionVue 6 and we hope it helps you be successful in all your trading activities.