



September 21, 2021

Nasdaq

Options Risk Management Using TWS for the Meme Generation

Eric Cott

Institutional Sales
Interactive Brokers

John Black

Head of Index Options
Nasdaq

Jim Stigger

Managing Partner
Kineo Capital

Luke Rahbari

CEO
Equity Armor Investments

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Nasdaq-100 Index Options

NDX

Nasdaq's flagship index options product

- Trading Symbol: NDX

NQX

1/5 notional value of the Nasdaq-100

- Trading Symbol: NQX

XND

1/100 notional value of the Nasdaq-100

- Trading Symbol: XND

Why Trade Nasdaq-100 Index Options?



Cash Settled

Easy to manage around expirations and does not require closing positions prior to expiration



European Style

Favorable contracts for option sellers because of the removal assignment risk



Potentially Favorable Tax Treatment

60/40 tax treatment provides potentially lower tax liability for short term strategy



Multiple Contract Sizes

NDX: Full value
NQX: Reduced value (1/5 NDX)
XND: Micro value (1/100 NDX)

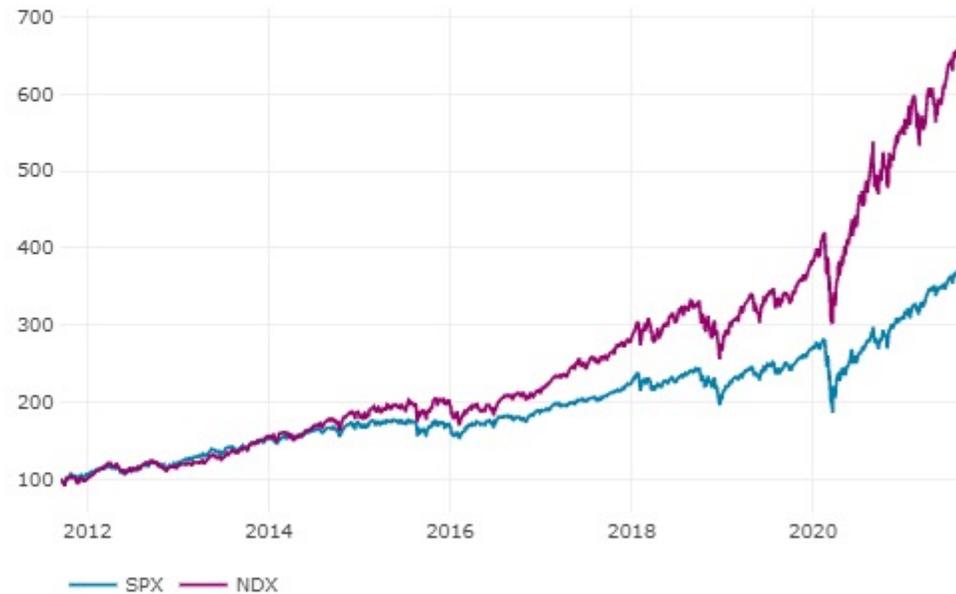
Total Returns of Nasdaq-100 vs. S&P 500

1 YEAR

10 YEARS

15 YEARS

The Nasdaq-100 and S&P 500 are two of the most popular equity indexes in the U.S. The Nasdaq-100 is heavily allocated towards top performing industries such as technology, consumer services, and healthcare, which have helped the index outperform the S&P 500 by a wide margin over the past two decades. Despite the recent market volatility, the Nasdaq-100 index has turned out cumulative total returns of approximately 2.5 times that of the S&P 500 index for at least the past 15 years.



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