



December 10, 2021

Eurex

Defining Return vs Risk Targets with Options and Micro Futures

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GFM
ASSET MANAGEMENT

Exchange
Partner

EX EUREX

Defining Return vs Risk Targets

Strategies using options and “micro” futures

by Tariq Dennison, +852 9476 2868

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Image credit: https://en.wikipedia.org/wiki/File:2015_Army_Trials_150323-A-EV399-046.jpg

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About Tariq Dennison TEP CFP^{CM}

- Independent Advisor Managing Accounts on the IBKR platform
 - US Advisor: GFM Asset Management LLC
 - HK Advisor: GFM Group Limited
- In the market since 1998
 - Commerzbank (NY, London, Frankfurt)
 - Bear Stearns (NY)
 - J.P. Morgan (NY)
 - Canadian Imperial Bank of Commerce
 - Societe Generale (HK)
- Masters in Financial Engineering
 - University of California at Berkeley
- Lecturer at ESSEC Singapore
 - Fixed Income
 - Alternative Assets
- Focus on US-Asia corridor
- Author “Invest Outside the Box”



One Macro Outlook

- The biggest stock markets, 1987-present
- Two big benchmarks:
 - S&P 500
 - EURO STOXX 50
- Components
- Metrics
- Modeling expected ranges of returns

Trading Strategies

- “Micro” futures and how they work
- Futures vs ETFs
- MES vs ESTX50 Futures
- Sample trades
- Additional things you can do with options

The World (Stock Weights) in 2021 → 2022

advisors.vanguard.com/investments/products/vt/vanguard-total-world-stock-etf#portfolio

VT Total World Stock ETF

[Prospectus](#) [Fact sheet](#)

Overview Performance Price & distributions **Portfolio** Risk Management Literature

Weighted exposures

Export regions data

as of 10/31/2021

Sectors **Regions** Markets

AS OF: 10/31/2021

REGION	VT	BENCHMARK	+/- WEIGHT	VT BENCHMARK
North America	62.35%	62.37%	-0.02%	
Europe	16.41%	16.43%	-0.02%	
Pacific	10.79%	10.91%	-0.12%	
Emerging Markets	10.09%	10.11%	-0.02%	
Other	0.18%	0.00%	0.18%	
Middle East	0.18%	0.18%	0.00%	

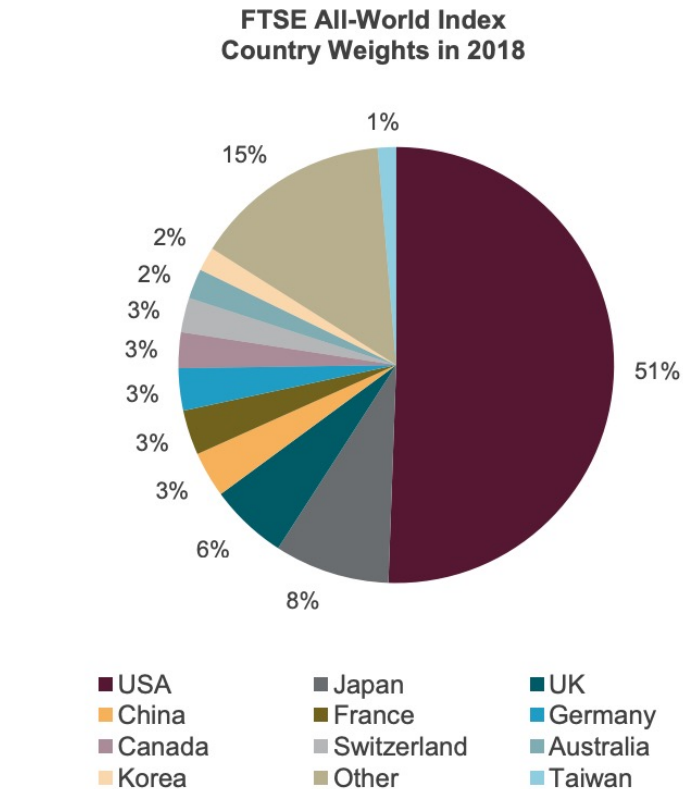
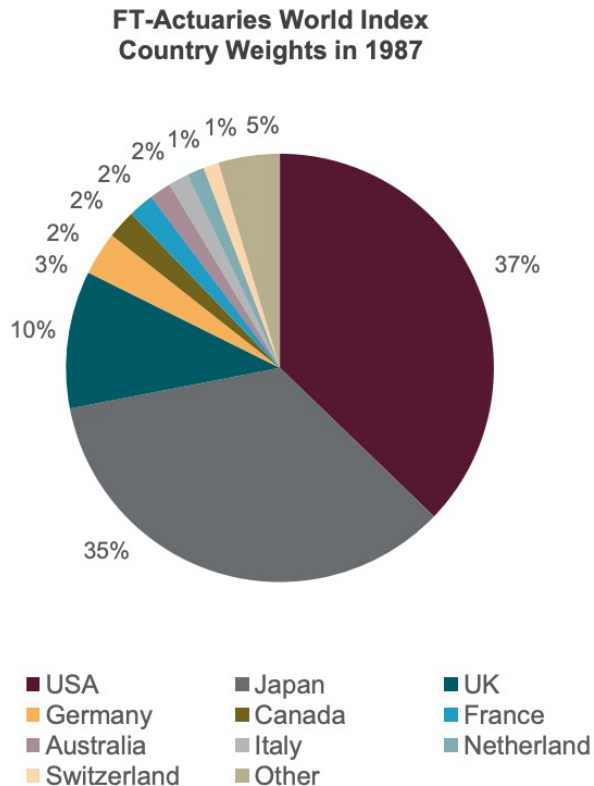
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Source: Vanguard

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How things have changed in 35 short years...



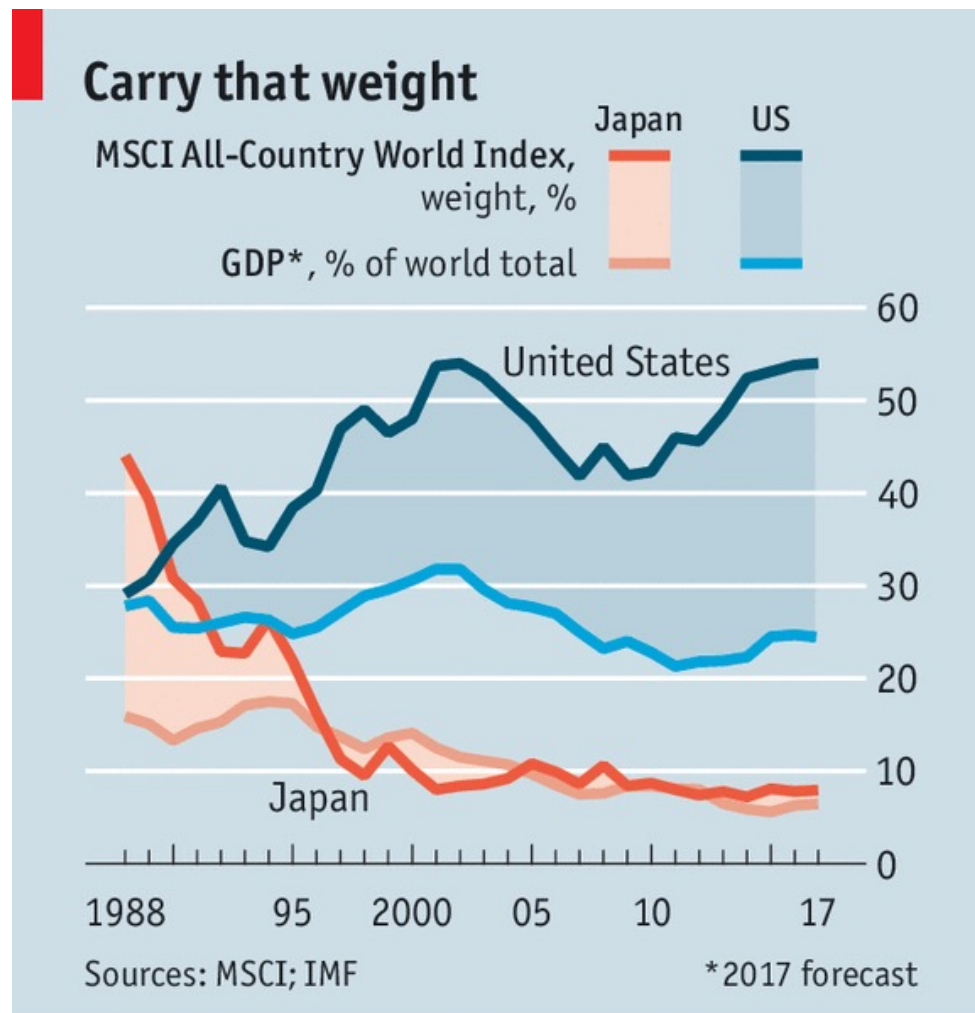
Source: FTSE Russell, FT-Actuaries World Index Country Weights, September 30, 1987.

Source: FTSE Russell, FTSE All-World Index Country Weights, March 30, 2018.

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Source: <https://gfmasset.com/2020/08/how-the-world-has-changed-since-1987/>

... Mkt Cap/GDP converged in Japan, diverged in US



Economist.com

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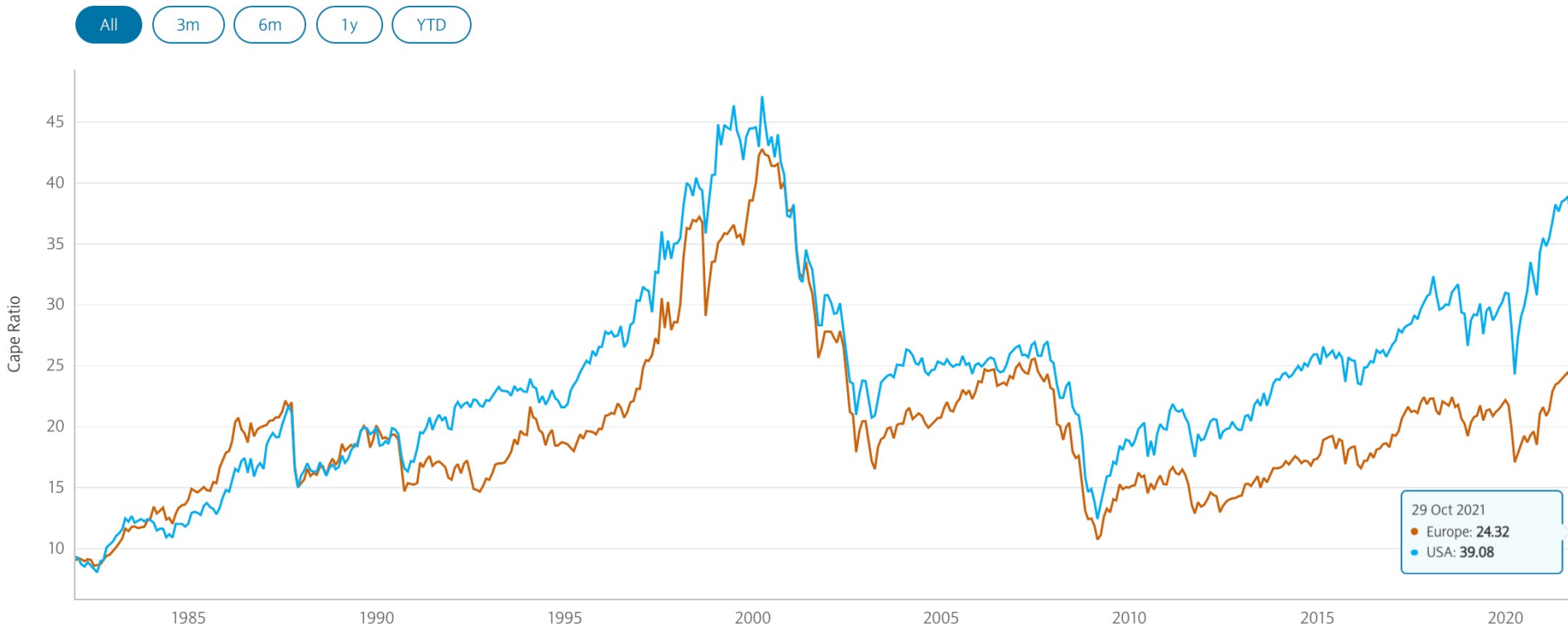
Source: <https://www.economist.com/finance-and-economics/2017/04/08/americas-disproportionate-weight-in-global-stockmarket-indices>

Much of that was due to US multiple expansion...

Historic CAPE[®] Ratio by country

View the historic CAPE[®] ratios for some of the largest economies in the world

Select a country in the chart below to compare historic CAPE[®] ratios over time.



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Source: <https://indices.barclays/IM/21/en/indices/static/historic-cape.app>

... resulting in this remarkable chart



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Source: <https://indices.barclays/IM/21/en/indices/static/historic-cape.app>

Top components of the S&P 500 vs EURO STOXX 50

Index Top Holdings as of Dec 01 2021

Name	Weight
Apple Inc.	6.76%
Microsoft Corporation	6.48%
Amazon.com Inc.	3.92%
Tesla Inc	2.32%
Alphabet Inc. Class A	2.22%
Alphabet Inc. Class C	2.08%
NVIDIA Corporation	2.05%
Meta Platforms Inc. Class A	1.93%
Berkshire Hathaway Inc. Class B	1.33%
JPMorgan Chase & Co.	1.23%

Index Top Holdings as of Dec 01 2021

Name	Weight
ASML Holding NV	9.74%
LVMH Moet Hennessy Louis Vuitton SE	5.88%
Linde plc	4.73%
SAP SE	4.09%
Siemens AG	3.56%
TotalEnergies SE	3.54%
L'Oreal SA	3.15%
Sanofi	3.15%
Schneider Electric SE	2.96%
Allianz SE	2.63%

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Source: <https://www.ssga.com/us/en/institutional/etfs/fund-finder>

	S&P 500®	EURO STOXX 50®
<i>Number of Holdings</i>	505	50
<i>Est. 3-5 Year EPS Growth</i>	16.55%	20.75%
<i>Forward P/E</i>	21.4	15.8
<i>Dividend Yield</i>	1.40%	2.40%

Consumer Discretionary	12.80%	20.15%
Consumer Staples	5.65%	8.04%
Energy	2.82%	4.53%
Financial	11.18%	13.26%
Healthcare	12.72%	5.77%
Industrials	8.09%	13.91%
Information Technology	28.39%	17.84%
Materials	2.58%	9.74%
Real Estate	2.61%	0.88%
Communication Services	10.77%	2.32%
Utilities	2.38%	3.55%



Remember these
for later!

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Top components of the S&P 500 vs EURO STOXX 50

Index Top Holdings as of Dec 01 2021

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Amazon.com Inc.	3.92%
Tesla Inc	2.32%
Alphabet Inc. Class A	2.22%
Alphabet Inc. Class C	2.08%
NVIDIA Corporation	2.05%
Meta Platforms Inc. Class A	1.93%
Berkshire Hathaway Inc. Class B	1.33%
JPMorgan Chase & Co.	1.23%

Index Top Holdings as of Dec 01 2021

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ASML Holding NV	9.74%
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Linde plc	4.73%
SAP SE	4.09%
Siemens AG	3.56%
TotalEnergies SE	3.54%
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Source: <https://www.ssga.com/us/en/institutional/etfs/fund-finder>

Top 11 names in each benchmark's top sector

Top Information Technology
in S&P 500

Name	Ticker	Weight
Apple Inc.	AAPL	6.62
Microsoft Corporation	MSFT	6.37
NVIDIA Corporation	NVDA	2.06
Visa Inc. Class A	V	0.86
Adobe Inc.	ADBE	0.82
Mastercard Incorporated Class A	MA	0.72
salesforce.com inc.	CRM	0.65
Cisco Systems Inc.	CSCO	0.61
Accenture Plc Class A	ACN	0.60
Broadcom Inc.	AVGO	0.58
PayPal Holdings Inc.	PYPL	0.57

Top Consumer Discretionary
In EURO STOXX 50

Name	Ticker	Weight
LVMH Moet Hennessy Louis Vuitton	MC-FR	5.89
Daimler AG	DAI-DE	2.36
Prosus N.V. Class N	PRX-NL	2.10
EssilorLuxottica SA	EL-FR	1.74
Kering SA	KER-FR	1.65
adidas AG	ADS-DE	1.56
Stellantis N.V.	STLA-IT	1.08
Industria de Diseno Textil S.A.	ITX-ES	1.03
Volkswagen AG Pref	VOW3-DE	0.99
Bayerische Motoren Werke AG	BMW-DE	0.92
Flutter Entertainment Plc	FLTR-IE	0.68

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Source: <https://www.ssga.com/us/en/institutional/etfs/fund-finder>

How to model potential future returns

Say you invest \$100 into a share of stock, in a year when it earns \$5/share, and pays out \$2 in dividends

Your starting P/E is 20x, and starting div yield is 2%

Over the next 10 years, EPS¹ grows to \$10/share, dividend grows to \$4/share

So your return over 10 years is about \$20-35 in total dividends, plus any appreciation in the share price, which depends heavily on what P/E you multiply that EPS by.

¹ EPS = Earnings per share

Applying that math...

	S&P 500®		EURO STOXX 50®	
Number of Holdings	505		50	
Est. 3-5 Year EPS Growth	16.55%		20.75%	
Forward P/E	21.4		15.8	
Dividend Yield	1.40%		2.40%	
* Assuming 1/3 of Estimated EPS Growth Rate				
Year	Dividend per \$100 initial	Earnings per \$100 initial	Dividend per \$100 initial	Earnings per \$100 initial
0	1.40	4.67	2.40	6.33
1	1.48	4.93	2.57	6.77
2	1.56	5.20	2.74	7.23
3	1.64	5.49	2.93	7.74
4	1.74	5.79	3.14	8.27
5	1.83	6.11	3.35	8.84
6	1.93	6.45	3.58	9.45
7	2.04	6.81	3.83	10.11
8	2.15	7.18	4.10	10.81
9	2.27	7.58	4.38	11.55
Sum of dividends	18.04		33.03	
Based on Final P/E	Estimated RoR	Final Price of \$100 invested	Estimated RoR	Final Price of \$100 invested
10	-0.6%	75.77	4.0%	115.55
12	0.9%	90.92	5.6%	138.65
14	2.2%	106.07	6.9%	161.76
16	3.4%	121.23	8.1%	184.87
18	4.4%	136.38	9.2%	207.98
20	5.4%	151.53	10.2%	231.09
22	6.3%	166.69	11.1%	254.20
24	7.2%	181.84	12.0%	277.31
26	8.0%	196.99	12.8%	300.42
28	8.7%	212.15	13.6%	323.53
30	9.4%	227.30	14.3%	346.64

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Source: <https://www.ssga.com/us/en/institutional/etfs/fund-finder>, author's calculations

So how might an investor target 8% return vs measured risk?

A. Have a view on how much of that return will come from earnings growth vs multiple expansion / contraction

B. Stocks with an ROE¹ of 16% that you can buy at 2x book are a good example of a “probability of 8% returns”.

C. The risk is that the ROE or the valuation multiple is lower than we expect

¹ ROE = Return on Equity rate, defined as net income divided by book value

Now, on to
how we can
trade these
two indexes...

ETFs

- Buy and hold
- Borrow to short
- Margin financing
- Currency exposure
- Smaller lot sizes
- Withholding / Estate taxes

Index Futures

- Must roll monthly/quarterly
- As easy to short as long
- Financing built in
- Often “Quanto” USD
- Larger lot sizes
- Minimizes taxable x-border flows

For S&P 500, I type in “MES”,
for “micro e-mini S&P”



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For EURO STOXX 50
the ticker is “ESTX50”,
and we need to select
a multiplier

Dow Jones Euro STOXX50 - DTB

- Futures
- Options
- Warrants
- Structured Products
- Index

Search by company name

[View Popular Products](#)

ESTX50@DTB 1 pt = 1.00 EUR

ESTX50 DEC	Dec17'21	4380.00
ESTX50 MAR	Mar18'22	4353.00
ESTX50 JUN	Jun17'22	c4282.00
ESTX50 ∞ DEC	Continuous (Dec)	4380.00

**More/Multiple
Futures Spreads**

Multiplier **1** ▼

- 10
- 1

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Sample Mini (not Micro) DAX Order

Order Confirmation

▼ DAX 30 Index (Deutsche Aktien Xchange 30)

Financial Instrument	Bid	Ask	Last
DAX ∞ Jun18'21 @DTB	♦ 14597.00	14600.00 ♦	♦ 14598.00

Order Description

SELL 1

Order Type LMT Routing DTB Time in Force DAY
 Limit Price 14800.00 Clearing IB

Messages

Amount	Balances (in USD)				
Amount	Current	Change	Post-trade*		
Amount	74,000 EUR	Equity with Loan	112,410	-1	112,409
Commission (est.)	0.75 EUR	Initial Margin	17,627	8,845	26,472
Total	73,999.25 EUR	Maintenance Margin	15,093	7,076	22,170
		Position	0	-1	-1

*This is a current projection and is subject to change.

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Right Click > Financial Instrument Info > Description

The image shows two side-by-side screenshots of a trading platform's 'Description' window. Both windows have a menu bar with 'DESCRIPTION', 'File', and 'Configure'. The left window displays details for 'Micro E-Mini S&P 500 Stock Price Index' and the right window displays details for 'Dow Jones Euro STOXX50'. Both windows include sections for 'Stock Description', 'Trading Schedule', and 'Margin Information'.

Field	Micro E-Mini S&P 500 Stock Price Index	Dow Jones Euro STOXX50
Security Type	FUT	FUT
Underlying	MES IND	ESTX50 IND
Contract Month	MAR22	MAR22
Expiration Date	MAR 18 '22	MAR 18 '22
Last Trading Date	MAR 18 '22 08:30 CST	MAR 18 '22 12:00 MET
Currency	USD	EUR
Multiplier	5	1
Exchange	GLOBEX	DTB
Trading Class	MES	FSXE
Symbol	MESH2	FSXE MAR 22
Product Type	Equity Index	Equity Index
Settlement Method	Cash	Cash

Trading Schedule: December 3, 2021 [Calendar](#)

Field	Micro E-Mini S&P 500 Stock Price Index	Dow Jones Euro STOXX50
Regular Trading Session	08:30 - 16:00 (22:30 - 06:00 your time)	01:15 - 22:05 (08:15 - 05:05 your time)
Total Available Hours	17:00* - 16:00 (07:00 - 06:00 your time)	01:15 - 22:05 (08:15 - 05:05 your time)
Exchange Time Zone	(UTC-06:00) US/Central	(UTC+01:00) MET

Note: Trader Workstation follows timezone adjustments for daylight savings time

Margin Information

Field	Micro E-Mini S&P 500 Stock Price Index	Dow Jones Euro STOXX50
Initial	2123.00 USD	475.63 EUR
Maintenance	1930.00 USD	380.50 EUR

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Sample MES order...

Order Confirmation
✕

Micro E-Mini S&P 500 Stock Price Index
🔍

Financial Instrument	Bid	Ask	Last
MES Mar18'22 @GLOBEX	♦ 4579.75	4580.25 ♦	♦ 4579.50

Order Description

SELL 1

Order Type LMT Routing GLOBEX Time in Force DAY

Limit Price 4600.00 Clearing IB

Messages

[Redacted Message]

Amount	Balances (in USD)
Amount 23,000 USD	<u>Current</u> <u>Change</u> <u>Post-trade*</u>
Commission (est.) 0.52 USD	Equity with Loan 270,949 -0.52 270,948
Total 22,999.48 USD	Initial Margin 155,236 2,188 157,424
	Maintenance Margin 126,016 1,989 128,005
	Position 0 -1 -1

*This is a current projection and is subject to change.
[Margin Requirements Per Contract](#)

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Override and Transmit
Cancel

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Sample ESTX50 order...

✕ Order Confirmation
⌵

⌵ Dow Jones Euro STOXX50
🔍 🌐

Financial Instrument	Bid	Ask	Last
ESTX50 ∞ Dec17'21 @DTB	◆ 4378.50	4380.00 ◆	◆ 4380.00

Order Description

SELL 1

Order Type LMT	Routing DTB	Time in Force DAY
Limit Price 4400.00	Clearing IB	

Messages

Amount	
Amount	4,400 EUR
Commission (est.)	0.34 EUR
Total	4,399.66 EUR

Balances (in USD)			
	Current	Change	Post-trade*
Equity with Loan	154,104	-0.39	154,103
Initial Margin	36,261	430	36,691
Maintenance Margin	29,208	344	29,552
Position	0	-1	-1

*This is a current projection and is subject to change.
[Margin Requirements Per Contract](#)

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Cancel

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Samples Spread Trade

- Buy 5x ESTX50 (~€4,100 each, €20,500 total) vs selling 1x MES (~US\$23,000) or v/v
- Main exposure is convergence / divergence of the two index levels, only margin is converted into foreign currency
- “Roll” every 3-6 months

Risks

- Easy and cost efficient, but also too easy to push margin limits
- The short leg can lose over 100% even without leverage
- Need to pay attention to “FX drift”, which may require 4x or 6x ESTX50 contracts to match 1x MES on roll

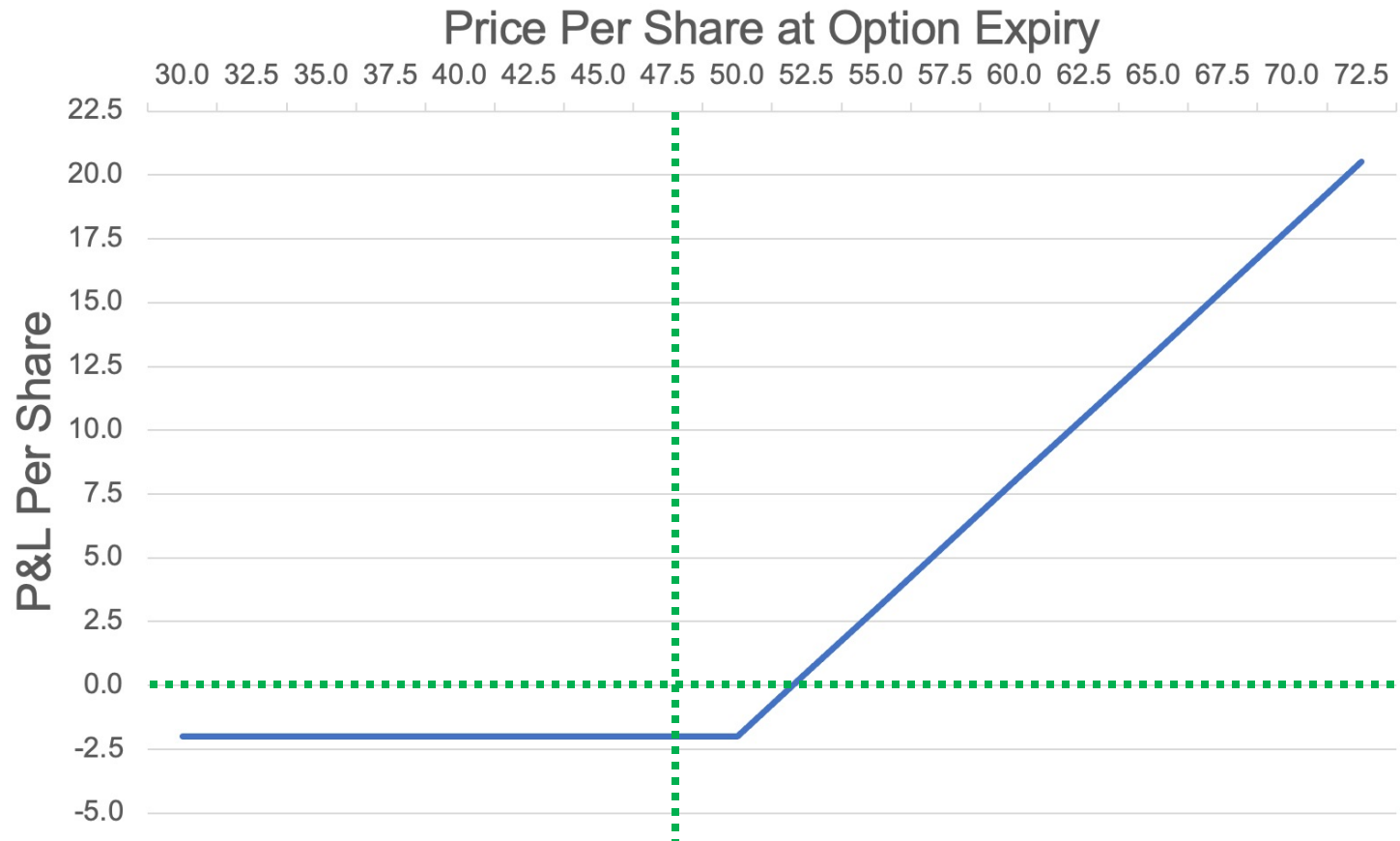
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Hence, why I
like the
precision of
options...

Example #1: Buy 50-Strike Call @\$200

Delta = 0.43

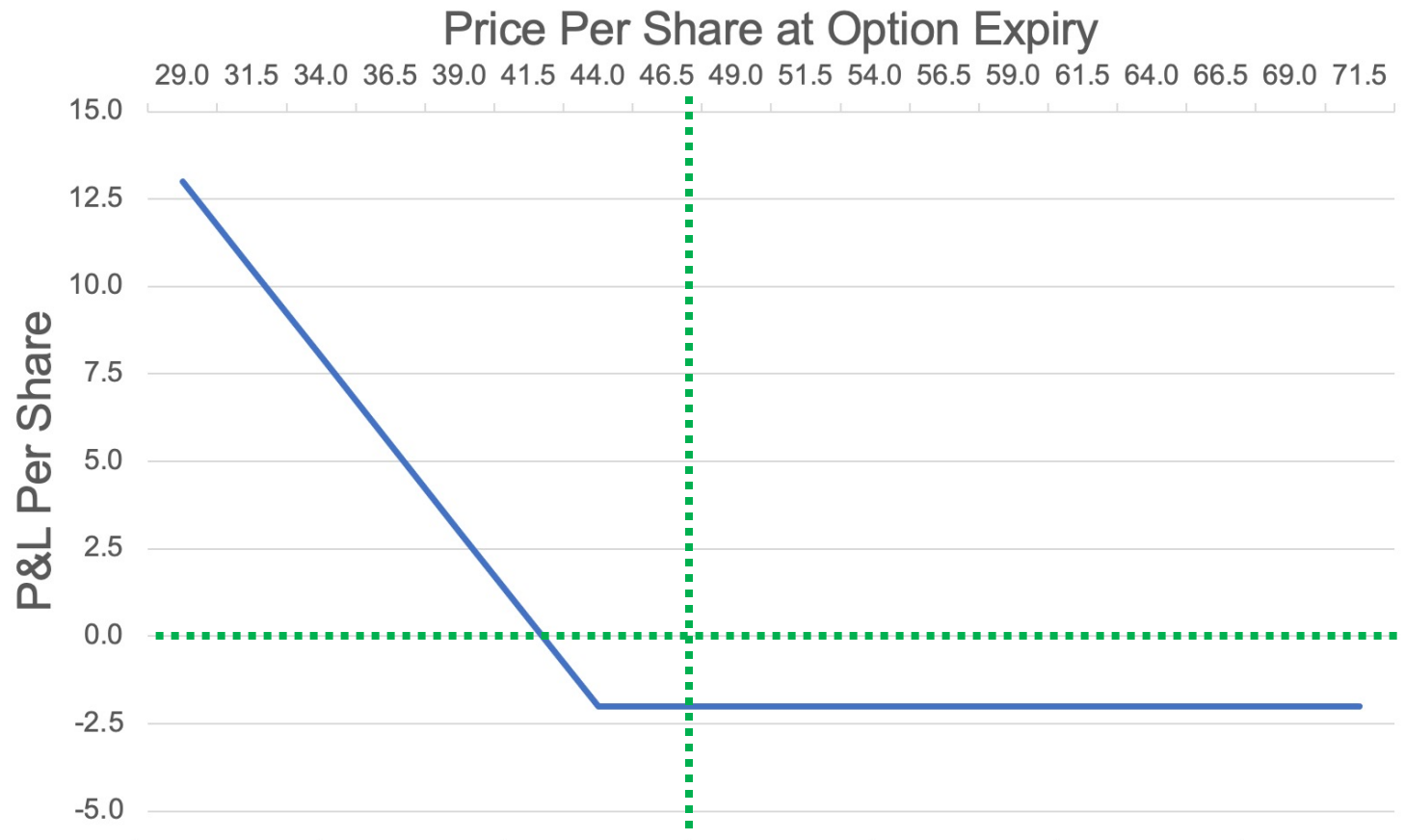
Final Price	P&L*
30.0	-2.0
32.5	-2.0
35.0	-2.0
37.5	-2.0
40.0	-2.0
42.5	-2.0
45.0	-2.0
47.5	-2.0
50.0	-2.0
52.5	0.5
55.0	3.0
57.5	5.5
60.0	8.0
62.5	10.5
65.0	13.0
67.5	15.5
70.0	18.0
72.5	20.5



Example #2: Buy 44-Strike Put @\$200

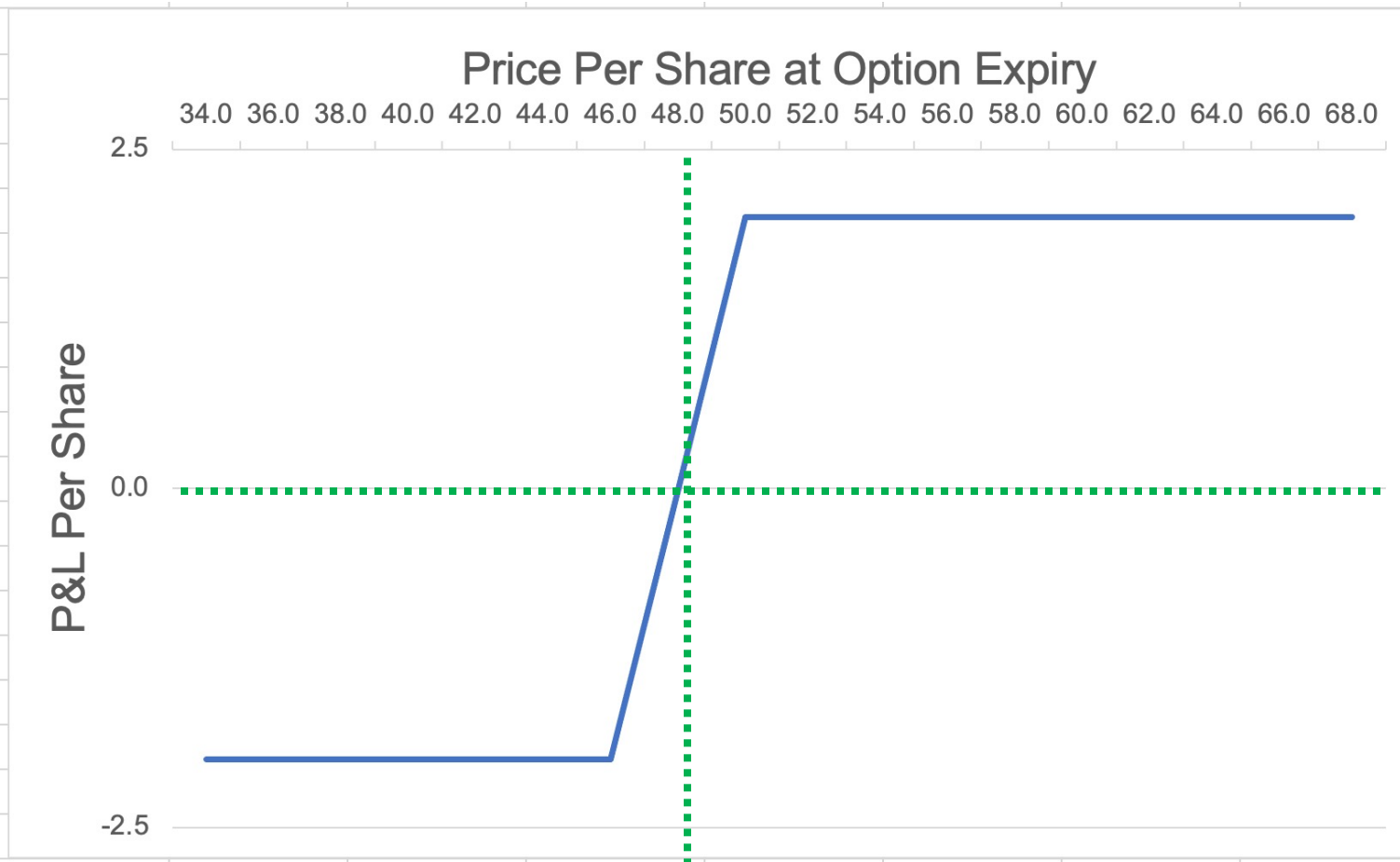
Delta = 0.34

Final Price	P&L*
29.0	13.0
31.5	10.5
34.0	8.0
36.5	5.5
39.0	3.0
41.5	0.5
44.0	-2.0
46.5	-2.0
49.0	-2.0
51.5	-2.0
54.0	-2.0
56.5	-2.0
59.0	-2.0
61.5	-2.0
64.0	-2.0
66.5	-2.0
69.0	-2.0
71.5	-2.0



Sample Spread: Buy 46-50 Call Spread @\$200

Final Price	P&L*
34.0	-2.0
36.0	-2.0
38.0	-2.0
40.0	-2.0
42.0	-2.0
44.0	-2.0
46.0	-2.0
48.0	0.0
50.0	2.0
52.0	2.0
54.0	2.0
56.0	2.0
58.0	2.0
60.0	2.0
62.0	2.0
64.0	2.0
66.0	2.0
68.0	2.0



The “Option Chain” linked to your MES line on Mosaic

MES Mar18'22 @GLOBEX PUT/CALLS (Side by Side) 4577.75 +8.00 (+0.18%) ?

DEC / DEC 14 DAYS MAR'22 / MAR'22 105 DAYS MORE

TABBED VIEW PUT/CALL All STRIKES GLOBEX MES 5

CALLS STRIKE PUTS IV: 20.7%

OPTN	VOLUME	BID	ASK	DELTA	ASK SZ	STRIKE	OPTN	VOLUME	BID	ASK	DELTA	ASK SZ	
	36	270.00	271.00	0.596	36	4480		63	172.75	173.75	-0.405	63	
	36	263.00	264.00	0.589	36	4490		63	175.75	176.75	-0.411	63	
1	36	256.00	257.00	0.581	36	4500	11	54	178.75	179.75	-0.419	54	
	45	249.00	250.25	0.574	45	4510		54	181.75	182.75	-0.426	54	
	45	242.00	243.25	0.567	45	4520		54	184.75	186.00	-0.433	54	
	45	235.25	236.50	0.560	45	4530	3	54	188.00	189.25	-0.440	54	
	45	228.50	229.75	0.552	45	4540		54	191.25	192.25	-0.448	54	
9	45	221.75	223.00	0.545	45	4550	9	54	194.50	195.75	-0.455	54	
2	45	215.25	216.50	0.537	45	4560	17	54	198.00	199.00	-0.463	54	
4	54	208.75	210.00	0.529	54	4570	2	2	54	201.25	202.50	-0.471	54
4	54	202.25	203.50	0.521	54	4580	78	54	204.75	206.00	-0.479	54	
3	54	195.75	197.00	0.513	54	4590	5	54	208.50	209.50	-0.487	54	
38	54	189.50	190.75	0.505	54	4600	46	54	212.00	213.25	-0.495	54	
4	54	183.25	184.50	0.497	54	4610	5	54	215.75	217.00	-0.503	54	
6	5	177.00	178.25	0.489	54	4620	6	54	219.50	220.75	-0.512	54	
	5	171.00	172.25	0.480	54	4630		54	223.50	224.75	-0.520	54	
	54	165.00	166.25	0.471	54	4640		54	227.50	228.75	-0.529	54	
	54	159.00	160.25	0.462	54	4650		1	45	231.50	232.75	-0.538	45
	54	153.25	154.50	0.453	54	4660		45	235.75	237.00	-0.547	45	
	54	147.50	148.75	0.444	54	4670		45	240.00	241.25	-0.556	45	
	54	142.00	143.00	0.435	54	4680		45	244.25	245.50	-0.565	45	
	54	136.50	137.50	0.426	54	4690	10	45	248.75	250.00	-0.574	45	
2	54	131.00	132.25	0.417	54	4700		36	253.50	254.50	-0.583	36	

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Note ESTX50 options are on the INDEX, not futures

ESTX50 INDEX PUT/CALLs (Side by Side) 4123.91 +15.89 (+0.39%) ?

FEB 28 '22 OMSX 10 87 DAYS | MAR 18 '22 OESX 10 105 DAYS | APR 14 '22 OESX 10 132 DAYS | MORE

TABBED VIEW PUT/CALL All STRIKES DTB TRADING CLASS 10 IV: 22.0%

CALLS							PUTS							
OPTN ...	VOLUME	BID	S...	BID x ASK	DELTA	ASK SZ	STRIKE	OPTN ...	VOLUME	BID	S...	BID x ASK	DELTA	ASK SZ
23.3K		250		332.90 x 336.90	0.672	250	3900	130K	345	636		129.50 x 131.30	-0.328	250
11		402		314.80 x 318.80	0.656	250	3925	2.57K		631		135.80 x 137.60	-0.344	250
24.2K		250		296.10 x 299.40	0.640	250	3950	47.2K	1.59K	400		142.60 x 144.30	-0.360	250
606		250		278.20 x 281.30	0.623	250	3975	7.57K	1	400		149.20 x 150.80	-0.377	250
83.7K	1	415		260.40 x 263.50	0.605	250	4000	112K	1.32K	250		156.90 x 159.00	-0.395	250
500		250		243.50 x 246.00	0.587	250	4025	19.1K		650		164.70 x 166.70	-0.413	250
54.6K		628		226.80 x 229.50	0.568	250	4050	50.6K		400		173.00 x 175.20	-0.432	250
1.21K		224		210.50 x 212.70	0.548	250	4075	3.52K		650		181.60 x 184.00	-0.452	250
54.4K		650		194.60 x 197.00	0.527	250	4100	76.9K	527	650		190.80 x 193.00	-0.473	250
2.45K		650		179.30 x 181.60	0.506	250	4125	2.47K		639		200.40 x 202.80	-0.494	250
88.4K	40	250		165.10 x 167.30	0.484	250	4150	57.8K	1.17K	648		210.60 x 213.10	-0.516	250
3.71K		400		150.90 x 153.00	0.461	400	4175	16.8K		632		221.40 x 224.10	-0.539	250
91.3K	310	400		136.80 x 139.10	0.438	250	4200	103K	1	250		232.80 x 235.40	-0.562	250
1.27K		650		123.90 x 126.10	0.414	250	4225	3.55K		230		244.90 x 247.60	-0.586	250
38.8K		400		111.70 x 113.60	0.390	250	4250	37.4K		609		257.50 x 260.60	-0.610	250
960	57	628		100.00 x 101.90	0.366	250	4275	1.13K		183		271.00 x 273.90	-0.634	250
56.0K	1.72K	400		89.30 x 90.90	0.341	250	4300	56.9K		250		284.50 x 288.30	-0.659	250
71.0K	111	643		79.10 x 80.90	0.316	650	4325	9.53K	111	250		298.70 x 303.20	-0.684	396
43.4K	114	400		69.90 x 71.40	0.292	250	4350	32.7K		250		314.90 x 319.20	-0.708	250
1.12K		653		61.30 x 62.80	0.268	650	4375	172		250		331.20 x 335.80	-0.732	250
106K	1.80K	653		53.50 x 54.90	0.245	650	4400	6.52K		250		348.30 x 353.10	-0.755	250
2.18K		253		46.40 x 47.80	0.222	250	4425	120		250		365.40 x 370.80	-0.778	379

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Right Click > Financial Instrument Info > Description

DESCRIPTION File Configure

Stock Description

Micro E-Mini S&P 500 Stock Price Index

Product	MES
Security Type	FOP
Underlying	MESH2 MAR 18 '22 FUT
Contract Month	MAR22
Expiration Date	MAR 18 '22
Last Trading Date	MAR 18 '22 08:30 CST
Strike	4600
Right	Call
Currency	USD
Multiplier	5
Exchange	GLOBEX
Symbol	MESH2 C4600
Trading Class	MES
Product Type	Equity Index
Settlement Method	Physical Delivery
Exercise Style	American

Trading Schedule: December 3, 2021 [Calendar](#)

Regular Trading Session	08:30 - 16:00 (22:30 - 06:00 your time)
Total Available Hours	17:00* - 16:00 (07:00 - 06:00 your time)
Exchange Time Zone	(UTC-06:00) US/Central

Note: Trader Workstation follows timezone adjustments for daylight savings time

** Times in italics are on the calendar date preceding trade date*

DESCRIPTION File Configure

Stock Description

Dow Jones Euro STOXX50

Security Type	OPT
Underlying	ESTX50 IND
Contract Month	MAR22
Expiration Date	MAR 18 '22
Last Trading Date	MAR 18 '22 12:00 MET
Strike	4200
Right	Call
Currency	EUR
Multiplier	10
Exchange	DTB
Trading Class	OESX
Symbol	C OESX MAR 22 4200
Product Type	Equity Index
Settlement Method	Cash
Exercise Style	European

Trading Schedule: December 3, 2021 [Calendar](#)

Total Available Hours	09:00 - 17:30 (16:00 - 00:30 your time)
Exchange Time Zone	(UTC+01:00) MET

Note: Trader Workstation follows timezone adjustments for daylight savings time

Margin Information

Margin Requirements Per Contract [More](#)

Initial (long)	100.00 %
Maintenance (long)	89.64 %
Initial (short)	3100.31 EUR
Maintenance (short)	2480.25 EUR

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A "Spread vs Spread" Trade

- Buy 1x ESTX50 call spread vs selling 2x MES call spreads (or buying put spreads), or v/v
- Choice of strikes and maturities is important, but risks are limited
- "Roll" as options expire, every 3-6 months for MES, much longer for XSP, SPY, or ESTX50

Risks

- Choose the wrong strikes, and it's easy to be right and still lose money
- Choose the wrong maturity, and being early or late can be as bad as being wrong

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