

 IBKRCampus**IBKRWebinars**

April 9, 2025

Prosper Trading Academy

Recession or Resilience? Trading Strategies For A Split Market

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Recession or Resilience? How To Trade Through Conflicting Market Signals

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DISCLAIMER

IMPORTANT NOTICE

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Where Are We Now?

Current State of the Market

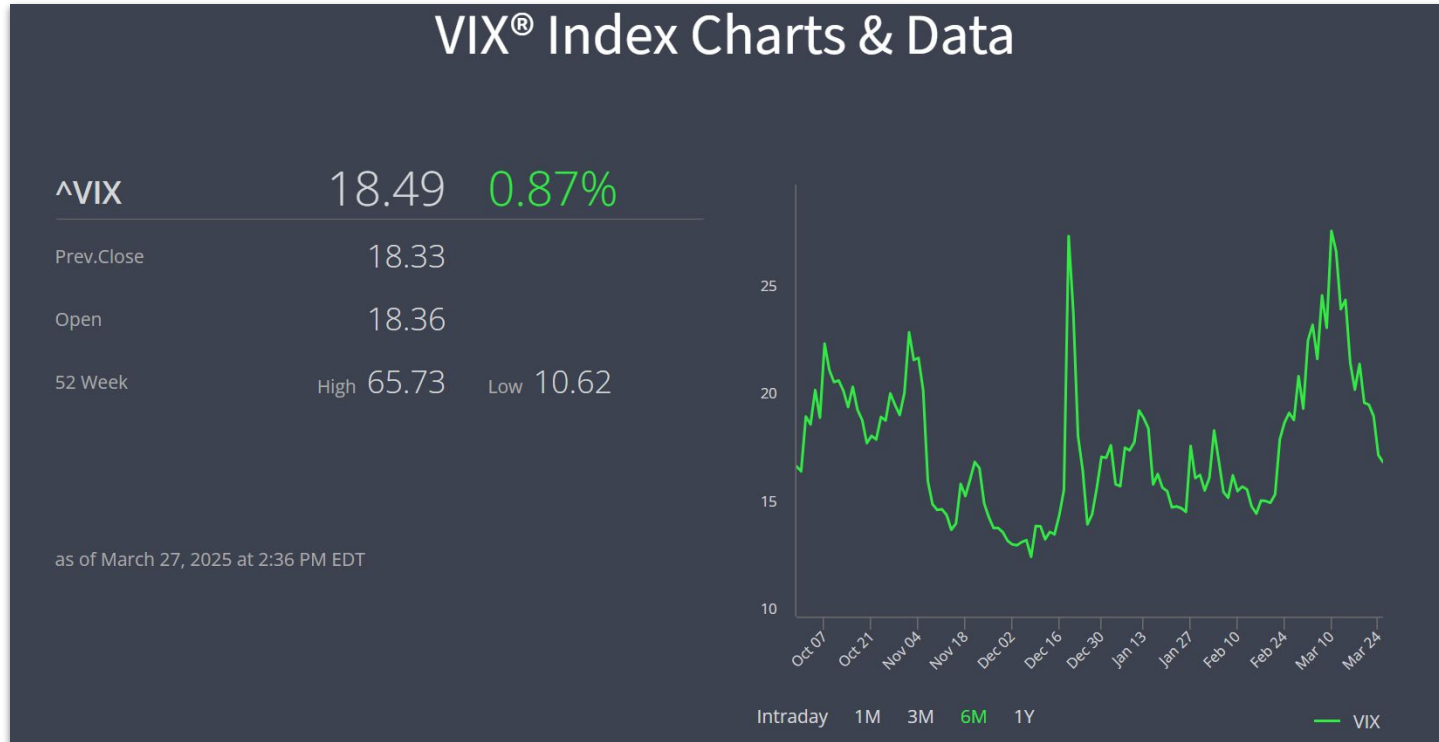
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Why This Matters For Traders

Positioning becomes more about volatility & risk control than direction.

Is The Market Underpricing Risk?

The VIX Is... Volatile?



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CPI & Fed Decisions

Often Met With Delayed or Muted Volatility Reactions

What Can We Learn From This?

Volatility as a Trading Signal in Split Markets

Leverage Volatility Tools!

- *VIX*
- *VVIX*
- *Watch skew*
- *Contango*
- *Backwardation*

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Options Strategies for Mixed Macro Environments...

Option Strategies For A Recession

How do you trade if a recession hits?

Option Strategies For A Recession

- Put Spreads
- Long Straddles / Strangles

Option Strategies For A Resilient Market

How do you trade if the market stays resilient?

Option Strategies For A Resilient Market

- Call Spreads
- Bull Put Spreads

Option Strategies For A Sideways Market

How do you trade if markets go sideways?

Option Strategies For A Sideways Market

- Calendar Spreads
- Iron Condors
- Broken Wing Butterfly

OUR GOAL

Match The Strategy To The Environment!

How Do These Trades Look In Real Life?

Call Spread - SE Entry

- **Buy a \$133 Call** expiring on April 11th
- **Sell a \$138 Call** expiring on April 11th



Entry Date: March 20th

Entry Cost: \$120 (*\$1.20 per spread*)

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Call Spread - SE Results

- **Buy a \$133 Call** expiring on April 11th
- **Sell a \$138 Call** expiring on April 11th



Entry Date: March 20th

Entry Cost: \$120 *(\$1.20 per spread)*

Partial Exit: March 25th \$175 *(\$1.75 per spread)*

Exit: March 27th \$235 *(\$2.35 per spread)*

Avg. Exit Price: \$205 *(\$2.05 per spread)*

ROI: **70.83%**

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Credit Put Spread - META Entry

- **Sell a \$557.5 Put** expiring on April 4th
- **Buy a \$552.5 Put** expiring on April 4th

Entry Date: March 31st

Entry Cost: Credit Of \$235 *(\$2.35 per spread)*



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Credit Put Spread - META Results

- **Sell a \$557.5 Put** expiring on April 4th
- **Buy a \$552.5 Put** expiring on April 4th



Entry Date: March 31st

Entry Cost: Credit Of \$235 *(\$2.35 per spread)*

Exit: March 31st | Debit Of \$150 *(\$1.50 per spread)*

ROI: **32.08%**

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Broken Wing Call Fly – PANW Entry

- **Buy a \$182.5 Call** expiring on March 28th
- **Sell a \$190 Call** expiring on March 28th
- **Buy a \$192.5 Call** expiring on March 28th

Entry Date: March 10th

Entry Cost: \$160 (\$1.60 per spread)



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Broken Wing Call Fly - PANW Results

- **Buy a \$182.5 Call** expiring on March 28th
- **Sell a \$190 Call** expiring on March 28th
- **Buy a \$192.5 Call** expiring on March 28th



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Entry Date: March 10th

Entry Cost: \$160 (\$1.60 per spread)

Partial Exit: March 11th \$225 (\$2.25 per spread)

Exit: March 17th \$250 (\$2.50 per spread)

Avg. Exit Price: \$238 (\$2.38 per spread)

ROI: 48.44%

You NEED To Manage Risk

Scott Bauer's Tips For Managing Risk in Volatile Markets

- Position sizing matters more than direction.
- Use of stop-losses (hard vs. mental).
- Risk-defined spreads preferred.
- Delta/gamma neutral setups help in fast markets.
- Understanding vega helps in high IV regimes.
- Avoid overleveraging, trading into every event, ignoring IV crush risk.

What to Watch Going Forward

Questions?

Questions?

For more information & insights please visit:

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Free Resources + Training Materials



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