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December 18, 2025

Directional Vertical Spread Trades using the Expected Move

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Sheridan Options Mentoring

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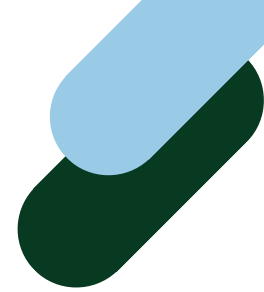
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As with all investments, your capital is at risk



Directional Vertical Spreads using the Expected Move

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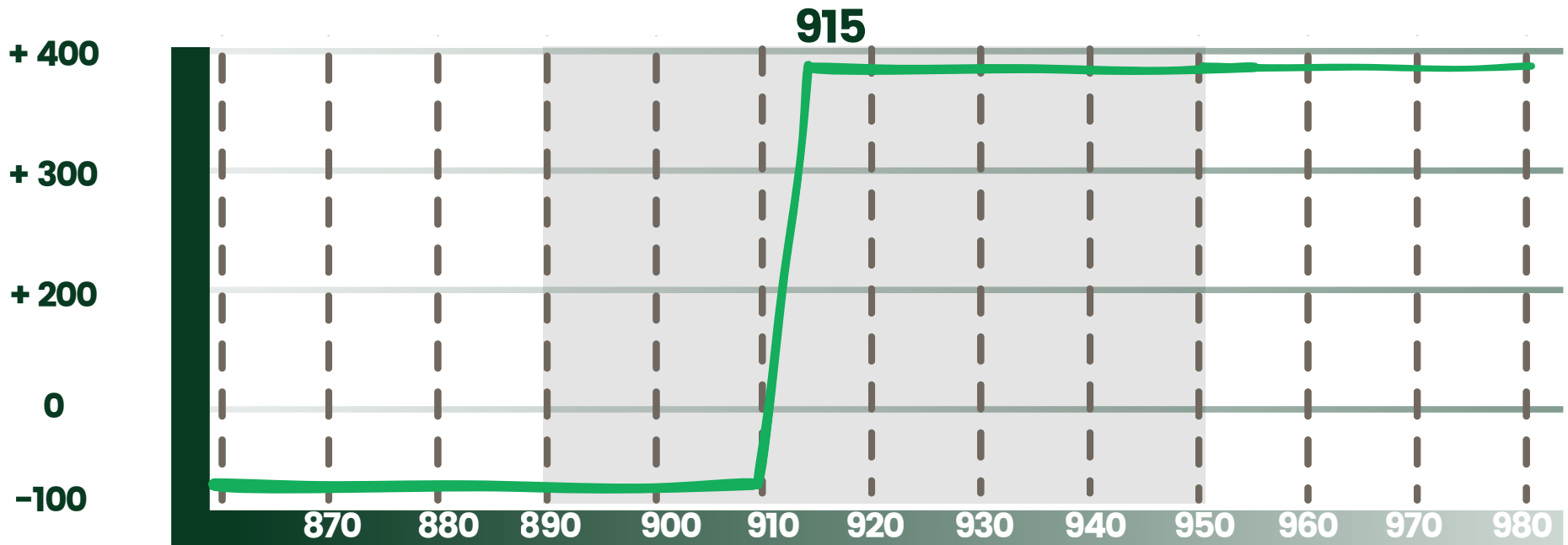
Definitions and Guidelines

- Expected Move?
- Standard Deviation?
- Vertical Spread?
- Credit or Debit Vertical Spread?
- Market Conditions?
- Earnings?

Vertical Debit Spread COST Day Before Earnings

- Expected move+ -30 Points
- Last 3 Months Price range 979-981
- Earnings Tomorrow, Dec 11

- Buy 1 Dec 12, 910 Call
- Sell 1 Dec 12, 915 Call
- \$1 Debit
- 3.6 Deltas Long

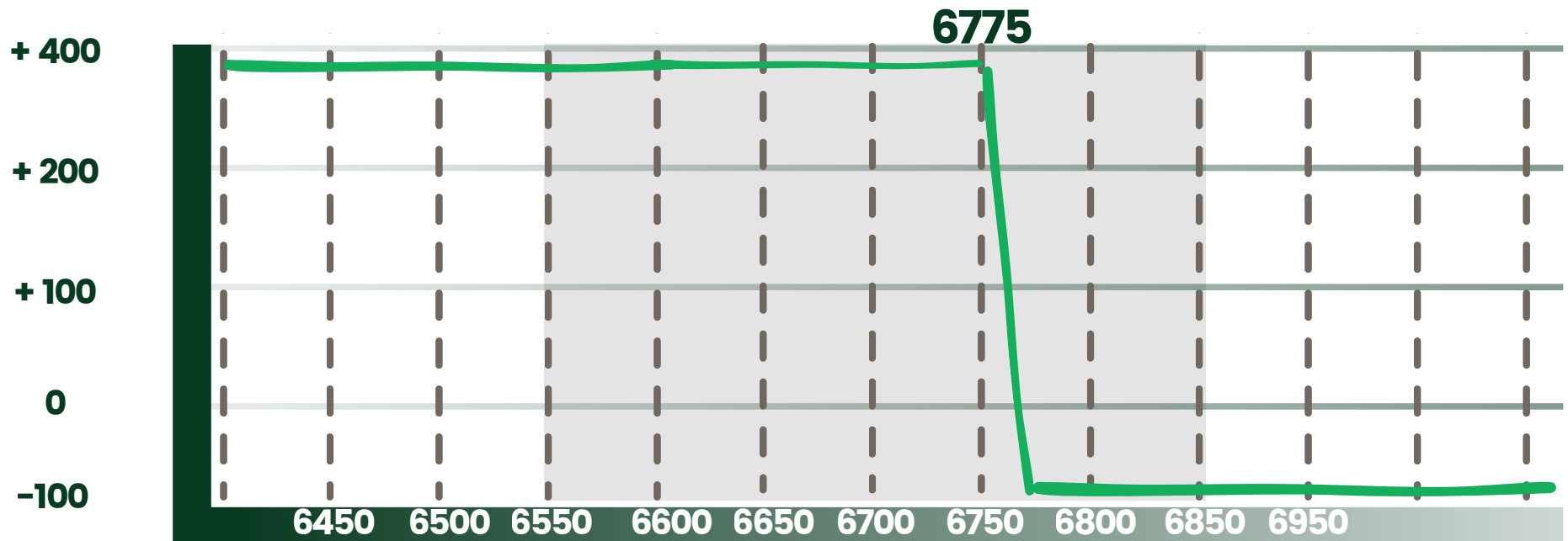


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SPX expected move Debit Spread for potential FOMC move today- Dec 10

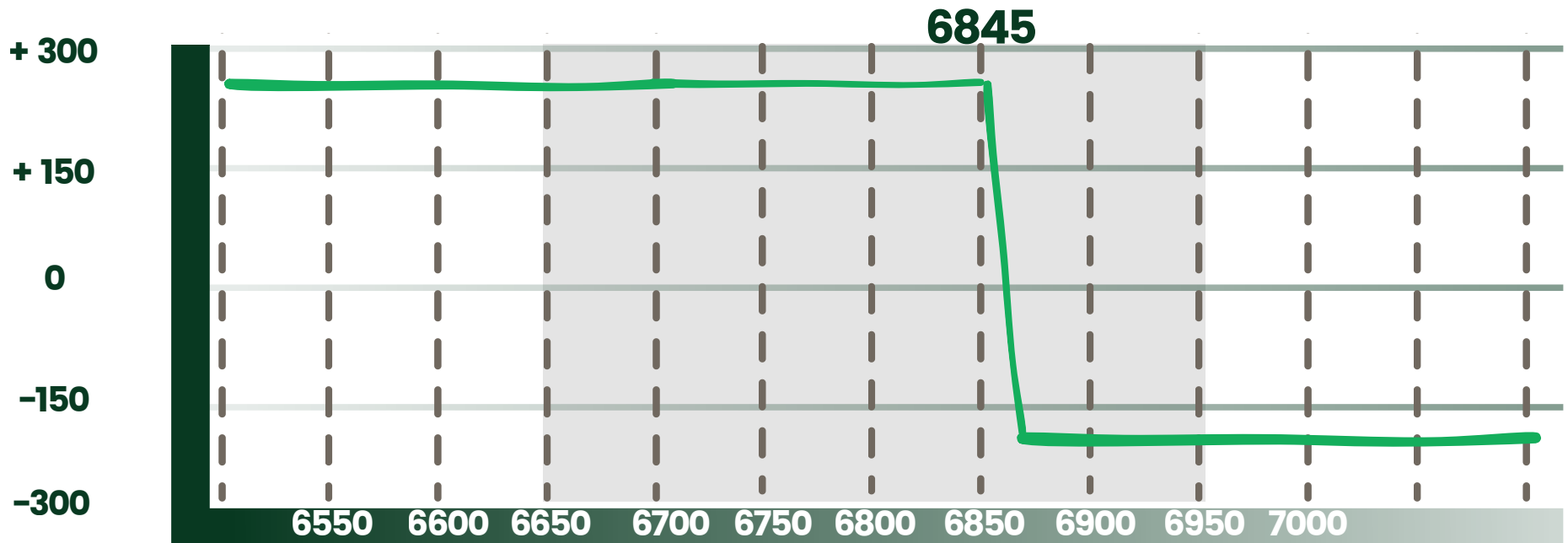
- Expected Move for Friday 81 Points
- Delta of Long Put 26
- FOMC today Dec 10

- Buy 1 Dec 12, 6780 Call
- Sell 1 Dec 12, 6775 Call
- \$1 Debit
- Deltas -1.43



SPX 1 Day Call Credit Spread at-the-money

- Expected Move for Friday 81 Points
- FOMC today Dec 10
- Sell 1 Dec 11, 6845 Call
- Buy 1 Dec 11, 6850 Call
- 2.80 Credit



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The background of the image is a dark teal color with a grid pattern. It features several financial charts: a candlestick chart at the top, a line chart with multiple colored lines (green, yellow, red) in the middle, and a bar chart at the bottom. The text 'sheridan' is centered in a white, lowercase, sans-serif font.

sheridan

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