

Trade Alert - (JPM) – BUY

BUY the JP Morgan Chase (JPM) *April 2023* \$105-\$115 in-the-money vertical Bull Call debit spread at \$8.50 or best

Opening Trade

3-16-2023

expiration date: April 21, 2023

Number of Contracts = 12 contracts

If equities are your preferred investment, then buy (JPM) stock outright. Its long-term outlook is very bright.

There is an outright panic in financial shares of the first order this morning, with many stocks halted trading, so there is no way of knowing what the true prices are. I just want to get the ideas out there as fast as I can.

I hate to make money at someone else's expense. Buy hey, a buck is a buck. In karate school in Japan, they always teach you to kick a man when he is down because that is when they are least likely to hit you back.

Silicon Valley Bank fails to sell, but the FDIC stepped in to guarantee all deposits. The FDIC took over Signature Bank in New York as well. If they hadn't, there would be lines snaking out the doors of every small bank in America Monday morning. The cost is being borne by steeper deposit insurance premiums for the banking industry, which will no doubt cause some grumbling.

There are 100 banks that would leap to buy Silicon Valley Bank to gain a franchise in the world's fastest-growing technology center. They just need a few hours to get a handle on the bank's loan portfolio, which only the former management really understand.

It is in that mean spirit that I am taking advantage of the Silicon Valley Bank crisis to dive in on JP Morgan (JPM), which has cratered 11% in a week. As far as I can tell, the only connection (JPM) has with Silicon Valley Bank is that they are both in the United States. They don't even have any deposits there at (SVB).

It helps also that the Volatility Index (\$VIX) has just rocketed to \$31 and a *Mad Hedge Market Timing Index* that just plunged to only 17.

I am therefore buying the JP Morgan Chase (JPM) **April 2023 \$105-\$115 in-the-money vertical Bull Call debit spread at \$8.50 or best.**

The volatility is so extreme this morning that I am having to guess on this price. Just do the best you can. Many stocks have halted trading.

Don't pay more than \$9.30 or you'll be chasing on a risk/reward basis.

Only use a limit order. **DO NOT USE MARKET ORDERS UNDER ANY CIRCUMSTANCES. Just enter a limit order and work it.**

To learn more about the company please visit the website at <https://www.jpmorganchase.com>

This is a bet that JP Morgan Chase (JPM) will not fall below \$115 by the April 21 options expiration in 21 days.

Here are the specific trades you need to execute this position:

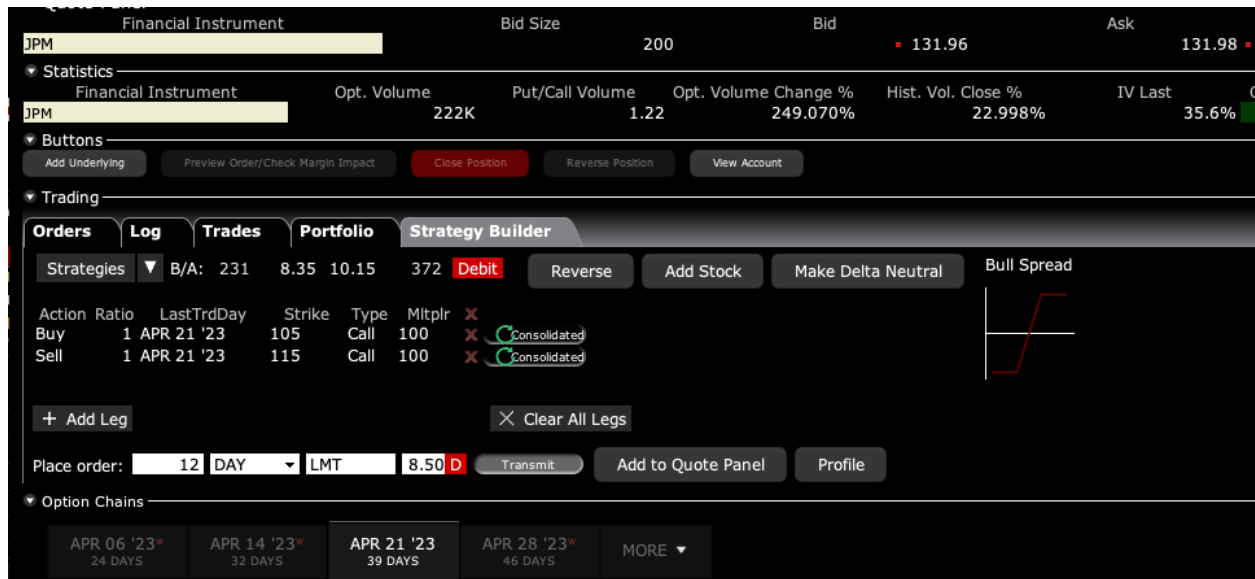
Buy 12 April 2023 (JPM) \$105 calls at.....\$28.00

Sell short 12 April 2023 (JPM) \$115 calls at.....\$19.50

Net Cost:.....\$8.50

Potential Profit: \$10.00 - \$8.50 = \$1.50

(12 X 100 X \$1.50) = \$1,800 or 17.65% in 24 days.



JPM J.P. Morgan Chase & Co. NYSE + BATS

© StockCharts.com

16-Mar-2023 10:50am

Open 128.01 **High** 128.24 **Low** 126.02 **Last** 128.18 **Volume** 4.6M **Chg** -0.08 (-0.06%) ▼

▲ RSI(14) 34.80





To see how to enter this trade in your online platform, please look at the order ticket below, which I pulled from ***Interactive Brokers***.

If you are uncertain about how to execute an options spread, please watch my training video on ***“How to Execute a Vertical Bull Call Debit Spread”*** by clicking here at

<https://www.madhedgefundtrader.com/ltt-ybcs/>

The best execution can be had by placing your bid for the entire spread in the middle market and waiting for the market to come to you. The difference between the bid and the offer on these deep-in-the-money spread trades can be enormous.

Don't execute the legs individually or you will end up losing much of your profit. Spread pricing can be very volatile on expiration months farther out.

Keep in mind that these are ballpark prices at best. After the alerts go out, prices can be all over the map.

