



TRADE ALERT - (USO) - BUY

BUY the United States Oil Fund (USO) *May 29, 2026*
\$116-\$121 in-the-money vertical bull call debit spread at \$4.65 or best

Opening Trade

5-22-2026

expiration date: May 29, 2026

Portfolio weighting: 10% weighting

Number of Contracts = 25 contracts

New markets demand new types of trades. Many of my followers have been clamoring for shorter-dated options trades to deal with current conditions, and I am finally relenting.

We had great luck with our last (USO) weekly put spread, which will almost certainly expire at max profit on Friday. Well, guess what? The (USO) just fell \$14.

The decline occurred because Trump sent out his umpteenth tweet opining that a

peace settlement with Iran is very near. This should lead to a temporary patch at best, with the Straits of Hormuz still closed.

The United States Oil Fund is a pure long play on the crude oil futures market. It tracks 1:1 with crude oil prices.

Keep in mind that this is a very high-risk option spread with only **seven days until the May 29 option expiration**. It takes maximum advantage of the accelerated time decay that takes place in the last five days of the life of an option. In the case of the (USO), this allows us to cash in on a sky high 89% implied volatility for the options, among the highest in the entire market.

If you are new to this game, I would start out with a single contract and watch how it plays out.

If this position turns the wrong way, please stop out quickly. Highly leveraged trades like this one can pile up losses very quickly.

In the world we live in now, it is impossible to make a reliable forecast of where share prices will be one month down the road. Five-day options are much more predictable.

One of my many conclusions from my recent trip to the Persian Gulf is that all sides are lying about the extent of damage done to the oil infrastructure. It is much worse than anyone pretends.

A huge air bubble is about to hit the global energy supply system. I am already seeing gas lines in San Francisco. That portends much higher oil prices for much longer. It's likely that our "four-week" war will last through at least the end of 2026.

Keep in mind that brokers can arbitrarily increase their margin requirements at 1:00 PM EST on the Friday expiration day and hit you with an out-of-the-blue margin call, so keep your positions small.

Therefore, I am buying the **United States Oil Fund (USO) *May 29, 2026* \$116-\$121 in-the-money vertical bull call debit spread at \$4.65 or best.**

Don't pay more than \$4.75 or you'll be chasing.

DO NOT USE MARKET ORDERS UNDER ANY CIRCUMSTANCES.

Simply enter your limit order, wait five minutes, and if you don't get done, cancel your order and increase your bid by one cent with a second order.

If you don't want to sit in front of a screen all day or live in a foreign time zone when the US stock market is closed, such as Australia, or don't want to sit in front of a screen all day, simply enter a spread of **Good-Until-Cancelled** orders overnight, like \$4.65, \$4.70, \$4.71, \$4.72, \$4.73, and \$4.74. You should get done on some or all of these.

This is a bet that (USO) will not fall below \$121 by the May 29 option expiration in 5 trading days.

To learn more about the United States Oil Fund, please visit their website at <https://www.uscfinvestments.com/uso>

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

Buy 25 May 29 (USO) \$116 calls at.....\$31.00
Sell short 25 May 29 (USO) \$121 calls at.....\$26.35
Net cost:.....\$4.65

Potential Profit: \$5.00 - \$4.65 = \$0.35

(25 X 100 X \$0.35) = \$875 or 7.52% in 5 trading days

ForecastEx Most Active

Statistics

Financial Instrument	Opt. Volume	Pt/Cll Vlm	Opt. Vlm Ch...	Hst. Vl. Cls %	IV Last	IV Change	Pt/Cll Intrst	IV Close	Hist. Vol. %
USO	147K	1.63	62.916%	77.506%	68.3%	-0.878	1.61	69.174%	77.506%

Buttons

Add Underlying Preview Order/Check Margin Impact Close Position Close Strategy Positions Reverse Position View Account

Trading

Orders Log Trades Portfolio Strategy Builder

Strategies B/A: 2 1.85 7.75 1 Debit Reverse Add Stock Make Delta Neutral Bull Spread

Action	Ratio	LastTrdDay	Strike	Type	Mltplr	Trdng	Clss	Exch	
Buy	1	1 MAY 29 '26	116	Call	100	USO	SMART		Consolida...
Sell	1	1 MAY 29 '26	121	Call	100	USO	SMART		Consolida...

DAY



LMT

4.65 D

SMART

Transmit

USO United States Oil Fund, LP NYSE + BATS

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Wednesday 20-May-2026 11:31 am

Open: 149.45	Ask: 145.51 x 300	Mkt Cap: 2.04B	P/E: 2.33
High: 150.54	Bid: 145.45 x 300	Fwd Dividend: N/A	EPS: 62.37
Low: 142.00	Last: 145.49 x 119	Fwd Yield: N/A	Last Earnings: 2009-03-02
Prev Close: 152.96	Optionable: yes	SCTR (ETF): 99.6	Next Earnings:

Chg: -4.88%
 Last: 145.49
 Volume: 4,096,658

United States Oil Fund, LP/Vanguard Total Stock Market ETF 66.31%





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

If you are uncertain on how to execute an options spread, please watch my training video on “*How to Execute a Vertical Bull Call Spread*” by clicking [here](#).

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 goes out, prices can be all over the map.

This is not a solicitation to buy or sell securities

The Mad Hedge Fund Trader is not an Investment advisor

For full disclosures click here at <http://www.madhedgefundtrader.com/disclosures>

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Futures trading involves a high degree of risk and may not be suitable for everyone.