

TRADE ALERT - BUY

Buy the United States Oil Fund (USO) *June 5, 2026*
\$145-\$150 in-the-money vertical bear put debit spread at \$4.60 or best

Opening Trade

6-2-2026

expiration date: June 5, 2026

Portfolio weighting: 10% weighting

Number of Contracts = 25 contracts

News that Iran has walked away from the peace talks with the US has sent the USO soaring by \$15. I think that much of the move is now done, and oil will stall here for a few days.

Therefore, I am buying the **United States Oil Fund (USO) *June 5, 2026***
\$145-\$150 in-the-money vertical bear put debit spread at \$4.60 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

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 three days until the **June 5** 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.

I never like to waste a crisis, and news today that Iran fired drones at a UAE tanker attempting to pass through the Straits of Hormuz sent crude prices up a ballistic \$9 to \$107. While I believe that crude will eventually hit \$200 a barrel, it's not going to do it by Friday.

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.

Simply enter your limit order, wait five minutes, and if you don't get done, cancel your order and increase your bid by two cents 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 \$4.60, \$4.62, \$4.64, \$4.66, and \$4.68. You should get done on some or all of these.

This is a bet that (USO) will not rise above \$145 by the June 5 option expiration in 3 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 June 5 2026 (USO) \$150 puts at.....\$16.00

Sell short 25 June 5 2026 (USO) \$145 puts at.....\$11.40

Net cost:.....\$4.60

Potential Profit: $\$5.00 - \$4.60 = \$0.40$

$(25 \times 100 \times \$0.40) = \$1,000$ or 8.70% in 3 trading days

Quote Panel

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	231K	1.19	105.565%	63.695%	58.1%	5.177	1.73	52.951%	63.695%

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: 1 4.55 5.75 3 Debit Reverse Add Stock Make Delta Neutral Bear Spread

Action	Ratio	LastTrdDay	Strike	Type	Mltplr	Trdng Clss	Exch
Buy	1	JUN 05 '26	150	Put	100	USO	SMART
Sell	1	JUN 05 '26	145	Put	100	USO	SMART

25 DAY LMT 4.60 D SMART Transmit



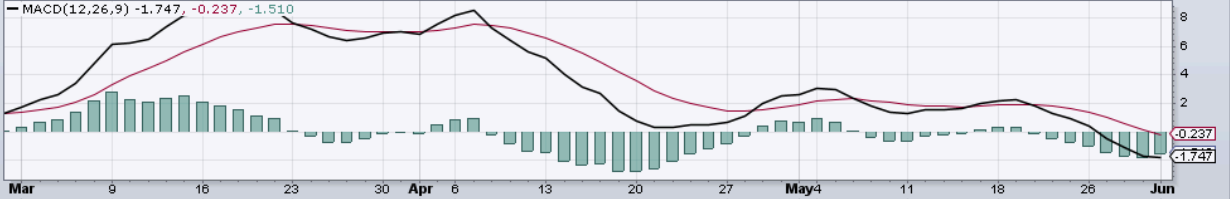
\$WTIC Light Crude Oil - Spot CME

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Monday 1-Jun-2026 3:18 pm

Open: **88.50** Ask: Mkt Cap: P/E:
 High: **94.78** Bid: Fwd Dividend: **N/A** EPS:
 Low: **88.45** Last: Fwd Yield: **N/A** Last Earnings:
 Prev Close: **87.36** Optionable: **no** SCTR: Next Earnings:

▲ **+5.63%**
 Chg: **+4.92**
 Last: **92.28**
 Volume: **0**





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 Bear Put Spread*” by clicking here at

<http://members.madhedgefundtrader.com/ltt-vbpds/>

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

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