

A Day in the Life of a ODTE Option**A Day in the Life of a ODTE Option**

I was created or “born” this morning! I will expire or “die” at 4:00pm ET today. My lifespan isn’t quite as long as your mayfly (and they’ve been following this schedule for 100 million years), so I can’t complain. As opposed to the mayfly, it’s unlikely that procreation is in my future (but one can dream), and I still have a lot to do in my 8 hours!

I was lucky to be born as the February 27, 401 SPY Call.

It is too early for trading to begin, but S&P futures are higher and SPY is trading around 398.5 in the pre-market, up from Friday’s close of 396.4. Additionally, I am hearing throughout the ward that Mondays are typically good for calls! I’m excited because I should be very popular today!

Maybe that is why one of my siblings (the SPY 390 Put) looks so despondent. But, I think I’d prefer spending the time ahead of the open (when they unleash us on the world) with 390P (I’ll use our code names, since saying the expiration date over and over is redundant, and quite frankly, a bit depressing). Anyways, let’s move on.

BTW, I’m already annoyed by 400C. Literally it is out there strutting around knowing that it will probably be the most popular one of us right out of the gates. It’s almost embarrassing, at least to me, that there is literally an entourage of ODTE hanging around 400C sharing in its spotlight!

The waiting for the open is getting a bit tedious!

Also, I’ve got to admit, I’m getting a little freaked out by some of the noises coming from the next room. We don’t know for sure, but supposedly there are some things called “weekly” options being born over there! I’m more scared than jealous because who wants to live a week in obscurity, which most of them will do, when you can have it all in one glorious day! I’m really getting excited for my potential today!

There are rumblings that something called a TSLA March 3rd 200 Call is a real bully! Pushing and shoving the rest of the weekly’s out of the way along with their little gang of 200 Puts/210 Calls (which apparently hang out in every new generation). The only group over there that even seems willing to stand up to the TSLA gang, at least consistently, is the VIX Call group. I’m not even sure what a VIX Call is or does (it isn’t a stock ticker that I know of), but supposedly it could provide some stiff competition for me – though mostly on down days and today looks like an up day!

Ding, ding, ding!

There is the bell, we are off and running!

Hmmm, a disappointing start for me. Seeing a bunch of puts crop up in the “most active” section to start the day. 390P is actually the second most active contract out there. Wow, good thing I was friendly before the open! It is also very early and I am seeing things like XLE and even HYG high on the list. Whatever you think about the high yield bond market, HYG is NOT likely to stay that active (especially since it contains longer-dated options) and the ODTE family will rule the day!

Take that!

I’m up to the number 10 most traded! Yeehaw, I’m POPULAR!

Yeah, yeah, “Mr. Fancy Pants” 400C is number one, but what can I do about that! You know what seems crazy is that option, which started this morning around 50 cents, is already worth \$1.3! What a return! And open interest is only 13,500 contracts compared to a traded volume of 77,000. On Bloomberg you can find vega, delta, and other “Greeks” for this option, which is cute, but largely irrelevant! Theta, or

A Day in the Life of a ODTE Option

“time decay” is 0, since we expire today! Kind of funny to see N.A. beside such an important option metric, but we are more like betting chits than options!

Ugh, don’t look now, but looks like someone just bought a lot of ODTE puts!

The 390P is now trading at 1 cent, down from 23 cents! But, let’s be honest, who is buying or selling that here? Yet it is now the 2nd most active contract.

Are the put buyers going to drag down the market or is an upside gamma squeeze still in the cards?

It’s 11am ET, right around the time everyone gets excited about how the market will behave when “Europe goes home”.

The top 8 options traded, by volume, are all SPY Puts and Calls. I’m sitting at number 4, and anything could happen. The “leaderboard” is 399P, 400P, 400C (it would be better for markets if this was leading, but I really don’t like this ODTE for some reason – must have been the pre-market arrogance), 401C (yours truly!), 402C, 398P, 403C, and 397P.

Yawn.

Things have stagnated (bouncing back and forth) so let’s do a “family portrait”!

Name	Last	PxChg	Px%Chg	Vol	Volm%Chg	OInt	OI%Chg	IVM	IV%Chg	Ntnl	Mny	Delta
21) SPY 27Feb23 C400	0.180	-0.28	-60.87	315,751	+279.78	13,539	+190.16	28.154	+145.58	12.58B	100.43	0.171
22) SPY 27Feb23 P399	1.100	-2.26	-67.26	290,566	+5161.02	7,413	-4.13	27.788	+102.30	11.57B	100.18	-0.652
23) SPY 27Feb23 P398	0.570	-2.10	-78.65	272,819	+2508.46	4,225	-34.96	28.382	+119.95	10.87B	99.93	-0.434
24) SPY 27Feb23 C399	0.440	-0.26	-37.14	226,397	+186.97	14,408	+283.29	28.207	+145.25	9.02B	100.18	0.350
25) SPY 27Feb23 C401	0.060	-0.24	-80.00	190,805	+531.62	8,463	+111.79	29.534	+158.12	7.60B	100.68	0.076
26) SPY 27Feb23 P397	0.260	-1.84	-87.62	186,384	+448.83	7,402	-3.86	29.017	+124.27	7.42B	99.68	-0.241
27) SPY 27Feb23 P400	1.820	-2.32	-56.04	179,990	+1859.18	6,153	-24.54	27.944	+104.05	7.17B	100.43	-0.828
28) SPY 27Feb23 C402	0.030	-0.15	-83.33	144,877	+313.76	11,106	+52.91	29.433	+159.44	5.77B	100.93	0.039
29) SPY 27Feb23 C398	0.910	-0.13	-12.50	125,701	+81.59	8,919	+123.81	28.777	+147.94	5.01B	99.93	0.566
30) SPY 28Feb23 C400	1.020	+0.08	+8.51	104,961	+318.25	10,167	+97.69	19.525	+43.76	4.18B	100.43	0.352
31) AMC 21Apr23 P4	0.510	-0.70	-57.85	103,479	+1261.03	94,037	+6.53	150.027	-26.99	70.37M	58.82	-0.168
32) SPY 27Feb23 P395	0.040	-1.17	-96.69	101,769	-30.58	26,962	+110.05	30.852	+134.58	4.05B	99.17	-0.035
33) SPY 27Feb23 C403	0.020	-0.08	-80.00	97,336	+573.75	9,449	+56.78	33.452	+199.39	3.88B	101.18	0.017
34) SPY 27Feb23 P396	0.100	-1.50	-93.75	91,109	+18.75	10,515	+34.95	29.413	+125.61	3.63B	99.43	-0.114
35) QQQ 27Feb23 P294	0.460	-2.42	-84.03	88,613	+3477.43	2,125	+20.40	33.941	+116.49	2.61B	99.89	-0.415
36) SPY 28Feb23 P398	1.560	-1.72	-52.44	87,637	+1177.69	3,672	-37.17	19.970	+32.65	3.49B	99.93	-0.465
37) QQQ 27Feb23 C296	0.130	-0.17	-56.67	80,771	+991.65	4,888	+505.70	33.782	+133.07	2.38B	100.57	0.151
38) SPY 28Feb23 P399	2.060	-1.81	-46.77	79,297	+2421.37	3,735	+8.20	19.792	+32.20	3.16B	100.18	-0.557
39) SPY 28Feb23 P400	2.620	-1.91	-42.16	66,909	+1036.94	8,630	-19.51	19.593	+24.39	2.66B	100.43	-0.648
40) TSLA 03Mar23 C210	6.150	+2.55	+70.83	65,965	+155.89	20,328	-1.51	87.295	+15.11	1.36B	101.60	0.452

My nemesis is at the top of the leader board, but I’m 5th and am convinced that I can make a run for it. If anything, I’d watch that sneaky little 401C because something tells me that one is a “gamer” and could make a strong charge at the end. Also, poor little 390P has all but disappeared.

Personally, I’m a little miffed that AMC, QQQ, and a couple of “tomorrow options” are in there! Seriously, “tomorrow” options, are they just showing off? Ooh, look at me, you are gone today, but I’ll still be here tomorrow and might even move overnight! Ugh, such jerks.

A Day in the Life of a ODTE Option

Rumor Has It

Apparently, there are a lot of questions about us and our impact.

- Did it make the spike starting at 9:45am ET bigger than it should have been?
- Did we help drag the market down after that spike (whether or not the spike had anything to do with us)?
- Are we leading the market? Are we following the market? Are we coinciding with it?
- Do we drive stock market volumes?

The answer to any and all of these questions seems to be yes, no, or maybe, depending on who you talk to (except for the volume question which seems to be an unequivocal yes). Maybe if we stuck around for a few days, we'd have a better sense, but that defeats the purpose!

I'll let you in on a little secret. There is a club right next door that plays Sweet Dreams on a perma-loop:

- Some of them want to use you.*
- Some of them want to get used by you.*
- Some of them want to abuse you.*
- Some of them want to be abused.*

Maybe that should be our theme song? Or maybe our "walk on" song! Right as the bell rings and we start our lives, they should play that chorus! If nothing else, it should add some intrigue to our lives!

Fade into the Close?

Just a few minutes ago it looked like the 3pm ET ramp was in play. Now I fade into the close?

Poof I'm Gone

Well, looks like I (and most of my brothers and sisters) expired worthless, as usual.

Name	Last	PxCng	Px%Chg	Vol	Volm%Chg	OInt	OI%Chg	IVM	IV%Chg	Ntnl	Mny	De
SPY 27Feb23 C400	0.010	-0.45	-97.83	425,492	+411.77	13,539	+190.16	59.640	+420.23	16.92B	100.59	0.0
SPY 27Feb23 P398	0.460	-2.21	-82.77	413,342	+3852.02	4,225	-34.96	54.369	+321.34	16.44B	100.09	-0.7
SPY 27Feb23 C399	0.010	-0.69	-98.57	384,656	+387.58	14,408	+283.29	43.038	+274.19	15.30B	100.34	0.0
SPY 27Feb23 P399	1.280	-2.08	-61.90	371,191	+6620.82	7,413	-4.13	--	--	14.76B	100.34	-1.0
SPY 27Feb23 P397	0.060	-2.04	-97.14	282,552	+732.01	7,402	-3.86	62.654	+384.26	11.24B	99.84	-0.1
SPY 27Feb23 C401	0.010	-0.29	-96.67	235,624	+679.98	8,463	+111.79	79.169	+591.92	9.37B	100.84	0.0
SPY 27Feb23 C398	0.090	-0.95	-91.35	224,596	+224.45	8,919	+123.81	52.955	+356.27	8.93B	100.09	0.2
SPY 27Feb23 P400	2.400	-1.74	-42.03	194,522	+2017.36	6,153	-24.54	67.038	+389.50	7.73B	100.59	-0.9
SPY 28Feb23 C400	0.600	-0.34	-36.17	164,871	+556.99	10,167	+97.69	17.919	+31.93	6.56B	100.59	0.2
SPY 27Feb23 C402	0.010	-0.17	-94.44	160,512	+358.41	11,106	+52.91	96.921	+754.31	6.38B	101.10	0.0
SPY 28Feb23 P398	1.700	-1.58	-48.17	146,968	+2042.70	3,672	-37.17	18.398	+22.21	5.84B	100.09	-0.5
SPY 27Feb23 P396	0.010	-1.59	-99.38	134,186	+74.90	10,515	+34.95	55.665	+326.97	5.34B	99.59	-0.0
SPY 27Feb23 P395	0.010	-1.20	-99.17	127,353	-13.12	26,962	+110.05	53.325	+305.46	5.06B	99.34	-0.0
QQQ 27Feb23 P294	0.250	-2.63	-91.32	125,557	+4968.91	2,125	+20.40	62.585	+299.20	3.69B	100.05	-0.6
SPY 17Mar23 P380	1.900	-0.77	-28.84	123,980	+498.36	128,700	+1.51	21.990	-1.25	4.93B	95.56	-0.1
SPY 28Feb23 C399	0.940	-0.34	-26.56	115,450	+623.37	10,516	+168.95	18.133	+31.94	4.59B	100.34	0.3
AMC 21Apr23 P4	0.480	-0.73	-60.33	112,862	+1384.44	94,037	+6.53	170.029	-17.26	85.21M	52.98	-0.1
SPY 27Feb23 C403	0.010	-0.09	-90.00	105,344	+629.18	9,449	+56.78	113.860	+919.05	4.19B	101.35	0.0
SPY 28Feb23 P397	1.230	-1.50	-54.95	104,118	+773.25	5,652	+6.02	18.607	+22.56	4.14B	99.84	-0.4
SPY 28Feb23 P399	2.260	-1.61	-41.60	103,930	+3204.61	3,735	+8.20	18.079	+20.76	4.13B	100.34	-0.6

Have no fear, an entire new clan of ODTE will be created tomorrow, and we can do it all again 😊.

A Day in the Life of a ODTE Option

Disclaimer

This document and its contents are confidential to the person(s) to whom it is delivered and should not be copied or distributed, in whole or in part, or its contents disclosed by such person(s) to any other person. Any party receiving and/or reviewing this material, in consideration therefore, agrees not to circumvent the business proposals explicitly or implicitly contained herein in any manner, directly or indirectly. Further, any recipient hereof agrees to maintain all information received in the strictest confidence and shall not disclose to any third parties any information material to the opportunity contained herein and, upon review hereof, agrees that any unauthorized disclosure by any party will result in irreparable damage for which monetary damages would be difficult or impossible to accurately determine. Recipients recognize, and hereby agree, that the proprietary information disclosed herein represents confidential and valuable proprietary information and, therefore, will not, without express prior written consent, disclose such information to any person, company, entity or other third party, unless so doing would contravene governing law or regulations.

This document is an outline of matters for discussion only. This document does not constitute and should not be interpreted as advice, including legal, tax or accounting advice. This presentation includes statements that represent opinions, estimates and forecasts, which may not be realized. We believe the information provided herein is reliable, as of the date hereof, but do not warrant accuracy or completeness. In preparing these materials, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources.

Nothing in this document contains a commitment from Academy to underwrite, subscribe or agent any securities or transaction; to invest in any way in any transaction or to advise related thereto or as described herein. Nothing herein imposes any obligation on Academy.

Academy is a member of FINRA, SIPC and MSRB. Academy is a Certified Disabled Veteran Business Enterprise and Minority Business Enterprise and is a Service Disabled Veteran Owned Small Business as per the US SBA. Investment Banking transactions may be executed through affiliates or other broker dealers, either under industry standard agreements or by the registration of certain principals.