

**NEW**

# CREATE A REGULAR INCOME TRADING STOCK OPTIONS



**ZenectWealth.com**

# Create A Regular Income Trading Stock Options

How you can generate regular cash flow by making a few simple trades every day!

By [ZenectWealth.com](http://ZenectWealth.com)

# Generate Income On Command!

Need Cash?

Want to trade your way to regular deposits of cash into your bank account?

Then you're in the right place.

This document could help you live a more enjoyable, and exciting life simply by teaching you how to generate INCOME ON DEMAND!

Think about it.

When you have the skills to generate income on demand, you leave the worry of growing bills and expenses behind.

Imagine how your life would be different, if you could generate cash by clicking a few buttons...

- Paying for your groceries
- Paying for your car
- Paying for your vacation to Europe
- Cash to give to the kids
- Cash for anything!

Before you think this is a pipedream, keep reading. I'm going to show you exactly how to do it.

## Generate Income In Seconds... Using Stock Options

The key to this strategy is selling options.

Now, I don't have time to get into the details of what a call option is, or a put option, or options premium. I assume you already know the basics of options trading.

If you don't understand the basics of options, check out our website [ZenectWealth.com](http://ZenectWealth.com) for more information.

Alright, the strategy I'm going to teach you about is simple. It's called a Covered Call.

It's a great way to outperform the market week after, week... month after month... all while generating extra cash for you to spend!

Here's how it works.

Let's say there's a stock in your portfolio you really like (or a stock you want to buy and hold for the long-term).

For example, say you own (or buy) 100 shares of Wells Fargo (WFC).

WFC is a solid long-term addition to any portfolio. It's one of the largest banks in the US... and that's saying a lot considering how big the US financial system is.

The banking giant pulls in nearly \$70 billion a year in revenue, and generates \$20 billion in profits.

The company makes money hand over fist.

Okay, so once you have WFC in your portfolio, here's how you can generate income from it.

First, pick an out-of-the-money call. If WFC is trading near \$45, we'll use a call option about 6 months out with a \$50 strike.

In this example, we'll say the 50 call is trading for a premium of \$2.50.

Now, when selling long-term covered calls, you'll want to sell options about six months out. I personally like to go out between four and nine months.

Here's how the numbers look...

You own WFC at \$45. The stock typically doesn't move that much - it's what we call a low volatility stock.

It's not all that likely WFC will climb far above \$50 in six to nine months. As such, we'll sell the 50 call for \$2.50.

Remember WFC hasn't been over \$55 since 2018.

If WFC stays below \$50 before the option expires, you earn \$2.50 on your covered call, or \$250 (for every 100 shares you own)... all for doing absolutely nothing.

Basically, if the stock drops, you've given yourself an extra \$2.50 cushion on the downside.

But, if WFC stays around the current level, you'll make money on your call without losing a dime on your stock position.

If WFC goes up but stays below \$50, you'll make money on the stock increase up to \$50 and from the premium you collected on the covered call.

### **That's the best of both worlds!**

Finally, if WFC blows through \$50, your option will get exercised. Since you're already long 100 shares, all that means is that your broker will remove the shares from your account.

In other words, you'll be cashed out of your position for profit.

If that happens you've just made \$5 on your stock appreciation and another \$250 from selling the option.

Plus, you can always buy more shares and do the same thing over and over again.

NOTE: If Wells Fargo does not reach \$50, your options expire, you keep the premium, and then you can do it all over again!

Look, it's basically a no-lose strategy. You're somewhat protected on the downside, and every other scenario is profitable for you.

Remember, you planned on holding these shares long-term anyway, even if the price falls over the next year.

Full Disclosure, I own WFC stock and I write covered calls!

Remember you can do this on almost any stock that trades liquid options...

So tell me again, why wouldn't you sell covered calls every chance you get?

Like I said at the beginning, options can help you generate income on demand. Isn't that a wonderful thing?

Good Trading...

David Goldstein  
Editor  
Zenect Wealth

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