February 19, 2025, Course Review

BRIXTON & CO.

Wednesday, February 19 Morning Meeting Agenda

BRIXTON & CO. COURSE PREVIEW

- HOW WILL TRUMP'S TARIFFS, INTEREST RATE CUTS, AND THE GLOBAL ECONOMY IMPACT OUR INVESTMENT DECISIONS?
- SPOT TRADING STRATEGIES: HOW TO MAXIMIZE RETURNS?
- HOW TO MAKE PRECISE ENTRIES IN TIMES OF UNCERTAINTY?
- SPOT TRADING VS. OPTIONS TRADING: WHO'S THE REAL WINNER?

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Harvey Specter’s Content

Ladies and gentlemen, good morning!

I am Harvey Specter. Get ready for an adrenaline-pumping experience!

Today, we’re not just discussing dry numbers and charts; we’re unveiling the hidden secrets of the market and teaching you how to turn these insights into tangible tools to enhance your financial well-being and achieve your wealth goals.

Mr. Bruce's Ai Cordelia system and its core philosophy—"Simplify investing, improve the quality of life for countless families"—are the inspiration for my talk today. It's this vision that drives us to gather daily like a disciplined army, steadfastly marching toward the city on the hill of our dreams.

We will dive deep into the current market dynamics, analyzing the key risks and potential opportunities in spot trading strategies, and teaching you how to find the best entry points amidst volatility. Whether you're a beginner just stepping into trading or a seasoned trader looking to refine your strategies, I will provide you with a clear path and practical tools to confidently progress from novice to professional.

Today's sharing isn't just about delivering information; it's an action guide to help you achieve financial freedom, enabling you to seize fleeting market opportunities. Are you ready?

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Friends, let's focus on today's sharing with forward-thinking wisdom!

First, let's discuss how the global financial markets are intently focused on the Trump administration's latest tariff announcements and the upward pressure this might place on the market. Though this policy appears aggressive, most seasoned analysts believe Trump will ultimately avoid triggering a full-scale global trade war. It's worth noting that the recently announced tariff measures won't take full effect for several weeks, providing a window for negotiations and adjustments in Washington and other nations. This means the market still has room to breathe and respond.

At the same time, both the Federal Reserve and the Bank of Japan continue to set their inflation targets at the ideal 2% range. Under the guidance of policymakers, we can foresee that future economic control measures will revolve around this goal, offering more certainty for the market and guidance for our decisions.

Every day, we're bombarded with economic data, financial news, policy changes, geopolitical tensions, inflation pressures, interest rate adjustments, natural disasters, tariff policies, international trade frictions, and even sudden black swan events. But the essence of the market is to adapt, adjust, and move forward!

Let's always maintain the strategic composure of Mr. Bruce, using a broad perspective to handle short-term market uncertainties, and find the most valuable investment directions amidst the storm!

As history, including recent history, has taught us, even in the face of new challenges, the economy has the capacity to sustain prosperity, and investment markets can still see upward trends. Even against new headwinds, the market's resilience remains strong.

In the financial world, there's a crucial Latin phrase—"ceteris paribus" (all other things being equal). This concept implies that when analyzing the impact of a single variable in the market, we assume all other factors remain constant. However, the reality is—the market never stands still, everything is dynamic!

For example, all else being equal, rising oil prices typically mean higher energy costs, squeezing corporate profitability. But if oil prices rise due to unexpectedly strong economic activity and surging demand, then corporate revenue growth might far outpace the increase in energy costs, thereby driving the overall economy to continue improving.

Market movements are never a simple cause-and-effect relationship but the result of multiple variables interacting. That's why true investors must have a broader perspective, understanding the dynamic connections between different market factors, rather than being swayed by short-term fluctuations.

Thinking from a big-picture perspective allows you to control the market's rhythm, not be controlled by market sentiment!

This is what I've been discussing—the constantly shifting Federal Reserve rate cut expectations over the past year or so, under the ceteris paribus assumption, might be seen as a tough stance towards investment markets. But the expectation of rate cuts arises when economic data exceeds expectations, which drives profit growth and pushes prices higher.

It’s important to note that, all else being equal, aside from positive factors, there could also be negative factors we haven’t considered. Because the world is complex.

But in recent months and years, under the same assumption, even though we’re witnessing challenges, there are many things we haven’t discussed that might still progress smoothly.

This point has been mentioned multiple times in my past sharing sessions. In short, we shouldn’t isolate the impact of certain developments. It needs to be considered within the context of all factors affecting returns. Because for us, what ultimately matters is whether income will continue to rise.

The New Global Trade Landscape: Market Dynamics Under the Tariff Storm, How Will It Evolve?

Discussions about new tariffs on the market are intensifying, with the possibility of broader tariff policies looming large. This is undoubtedly a critical issue, as tariffs are nearly universally seen as negative for all affected economies, potentially weakening global supply chains and directly impacting corporate profits. In the current market environment, balancing the challenges posed by these policies while identifying investment opportunities is the core challenge we must consider deeply.

Reviewing macroeconomic trends, we can clearly see the patterns of structural market changes:

Shopping volumes are down from their historical peak, credit card spending data remains stable, inflation rates are rising, inflation expectations remain subdued, and Fed Chairman Powell says the Fed is not "in a hurry." Gasoline prices are up, initial jobless claims are down, mortgage rates have seen a slight decline, and small business optimism has cooled after a sharp surge, even as market volatility intensifies. Yet, recent GDP growth expectations remain positive.

We are at a pivotal stage with a market storm on the horizon, and this is precisely the golden window when savvy capital begins to position quietly. Facing the upcoming wave of market transformation, we must be fully prepared! Every market shakeup is an opportunity to redefine investment strategies, the key is whether you can seize it!

Overall, in the long term, the outlook for the stock market remains positive, driven by years of expected profit growth. Revenue is the most critical driver of stock prices.

Demand for goods and services is strong, and the economy continues to expand. At the same time, economic growth has normalized from the overheated levels of the early cycle. The economy isn’t as "overheated" these days, major positive factors like excess job vacancies have faded.

It’s important to note: the economy remains very healthy, thanks to robust consumer and business balance sheets. Job creation remains positive, and the Fed—having addressed the inflation crisis—is now shifting focus to supporting the labor market.

We're in a strange period because hard economic data and soft sentiment-driven data have decoupled. While tangible consumer and business activities continue to grow and reach record levels, consumer and business confidence has remained relatively weak. From an investor's perspective, what matters is that the hard economic data continues to stay strong.

Faced with current market uncertainties, we need to focus on real data rather than short-term market sentiment swings. In the upcoming market cycle, we remain optimistic about the overall trend. As long as you can stay aligned with market fundamentals and allocate assets scientifically, this bull market still holds the promise of substantial long-term returns!

At the same time, I want to say to my competitor: you've achieved impressive and remarkable returns. But your excellence only strengthens my resolve, because it's through fierce competition that I can push myself to achieve even greater victories!

Through a series of data analyses, we anticipate that U.S. stock markets may outperform the U.S. economy, primarily due to positive operating leverage since the pandemic outbreak. Companies have actively adjusted their cost structures, leading to strategic layoffs and investments in new equipment, including AI-driven hardware. These measures have created positive operating leverage, meaning that even with a cooling economy, moderate sales growth can translate into robust profit growth.

Of course, this doesn't mean we should become complacent. There are always risks to be concerned about—such as U.S. political uncertainties, geopolitical turmoil, energy price fluctuations, cyber attacks, and so on. And there's the harsh reality of the unknown, any of these risks could erupt and trigger short-term market volatility.

Another stark truth is that economic downturns and bear markets are developments all long-term investors focus on and should expect to experience as part of the wealth-creation process in the market. Always buckle up.

Currently, there's no reason to believe the economy and markets won't overcome challenges over time. The long game remains undefeated, long-term investors can expect this momentum to continue.

Friends, the investment market changes in the blink of an eye, and when faced with the age-old dilemma of "playing it safe or taking bold risks," countless investors feel perplexed. Today, my goal is to clear the fog, reveal the truth of the market, and with your votes, bring even more compelling content to my next sharing.

The essence of the market lies in capital flow, and capital flow determines the market's direction. Since last year, a global investment frenzy around major AI companies and cryptocurrencies has swept in. As the price of BTC (Bitcoin) has soared, significant capital has poured into this emerging sector. However, the Fed's hesitation over the past two months has led some eager investors to take profits, sparking intense discussions and cautious sentiment about risks in the market.

A key characteristic of the current market is that positive news is often overlooked, while any negative news can trigger widespread panic. But let’s not forget an important rule: true bull markets often begin when people are panicking. This is the critical moment when investors need a clear mind and precise strategies.

In such an environment, opportunities and challenges coexist. My aim is to help you accurately understand market trends and avoid missing out due to emotional decisions. Support me, and let’s work together to seize this new era of bull markets, creating real value for your financial future!

Now, let's dive into the spot trading strategy for BTC. Looking at the daily chart of BTC, the current price is gradually approaching the key support level at the upper end of its consolidation range. Through Bollinger Band technical analysis, although there's been some short-term price pullback, the lower Bollinger Band support remains solid, indicating that the market is still in a healthy consolidation phase.

This is crucial! Because in a bull market cycle, every consolidation or pullback is often a golden opportunity for major players to accumulate positions. BTC prices below $95,000 have entered a highly valuable accumulation zone during this bull market. From a long-term investment perspective, this price level is a diamond-grade entry point!

If you haven't positioned in BTC yet, this range is undoubtedly an excellent spot to build your position. If you're already holding, now is a great chance to add to your position incrementally, lowering your overall holding cost and maximizing future returns.

Beyond BTC, your cryptocurrency portfolio shouldn't miss our academy's BXC token. As the incubator for the Ai Cordelia trading system, the BXC token is not only a key driver of blockchain technology development but also one of the most promising assets in this bull market cycle.

Friends, are you ready for victory?

In this session, I've been invited back to the online sharing, and our spot trading strategies have achieved another thrilling breakthrough! The yield on the Academy Token BXC/USDT has surged over 15%, perfectly validating our precise strategies and market judgment. If you followed my advice, congratulations—you're already enjoying substantial returns!

For those still on the sidelines, this is a critical decision moment! BTC is currently at a diamond-grade entry point, a rare low-level positioning opportunity! Meanwhile, although our BXC token has seen a slight adjustment over the past two days, from a technical perspective, the upper wicks indicate short-term selling pressure, but the mid-term trend remains intact, and the market's core logic hasn't changed.

How to optimize your investment strategy?

✅ Before new buying conditions for the BXC token are met, prioritize increasing your BTC position to capitalize on this excellent opportunity to build your stake.

✅ You can continue to adjust the proportion of BTC and BXC tokens dynamically based on risk management principles, ensuring maximum returns while minimizing the impact of short-term volatility.

I've laid out a clear path for you—it's time to take that bold first step! If you've traded based on my strategies or signals, please promptly notify Academy Assistant Ms. Clover or contact me directly. This will help us accurately track the strategies and signals and ensure you capture the best entry and exit points even outside of class time.

Dear friends, look at those still hesitating on the sidelines—they're missing a train to wealth and can only watch as we march toward success! But you, if you choose to follow my strategies, you won't just be a spectator; you'll be the star of this feast!

If you believe in my strategies and appreciate our results, please cast your valuable vote for me to support my candidacy for the next Lead Trading Mentor. Your support is not only trust in me but also an investment in your own future. If we can together catch up to or even surpass Mr. Michael's votes, I promise to share my exclusive trading secrets faster, opening even more doors to wealth for you!

The cryptocurrency market is an epic battlefield, with thrills and challenges far exceeding short-term stock options trading. Stock options are like a limited-character script, while the crypto market is more like "Game of Thrones," filled with power struggles and infinite possibilities. Choose to journey with me, and you'll experience unparalleled trading excitement, ultimately, we will together ascend to our own throne!

At **2:00 PM ET** today, **Mr. Michael** will share his latest strategies and advanced techniques. I look forward to seeing him succeed again with his masterful options strategies, and I believe this epic showdown will be even more intense and captivating.

Friends, the dream lies ahead, and the path to financial freedom is laid out before us. Let's move forward together, turning goals into action! Thank you for your trust, I will reward you with tangible results! That's all for today's sharing—see you tomorrow!

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AFTERNOON SESSION

Brixton & Co.

FEB 19 2025

MICHAEL

OPTIONS TRADING: WHERE TRADITION MEETS INNOVATION

ESTABLISHED IN 2023

Brixton & Co. Institute is more than just an educational platform, it's a launchpad for the next generation of financial leaders. With Bruce Hemsworth's guidance, we integrate expertise, innovation, and purpose to redefine what's possible in finance.

BRIXTON & CO. HIGHLIGHTS

Bruce Hemsworth

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Michael Foy

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Harvey Specter

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Brixton & Co. is where financial innovation meets real-world expertise. Founded by visionary leader Bruce Hemsworth, Brixton & Co. empowers professionals, entrepreneurs, and aspiring traders with the skills and strategies to excel in today's dynamic financial markets.

Michael Foy's Content

Welcome Back to the Masterclass, Option Enthusiasts!

Good afternoon, everyone, and welcome to another session where we dive deep into the art and science of options trading. I am Michael Foy, also known as the Option Magnificent.

This morning, Mr. Harvey illuminated us on the secrets of the market, giving us the keys to unlock those hidden opportunities that lie just beneath the surface of the charts.

Get ready to elevate your trading game as we unravel more of these market secrets together. Today's session promises to be not just educational but transformational. Let's turn those market whispers into profitable roars.

Stay sharp, stay curious, and let's master the options landscape together!

In our previous masterclass sessions, we've explored the realms of price thinking and time thinking in options trading. Today, we're adding a new dimension to your trading mindset—volatility thinking. This is an aspect often missed by those new to the game, but it's crucial for mastering the markets.

Let's kick off by grounding ourselves in the three fundamental concepts of volatility:

Volatility:

Think of volatility as the heartbeat of the market – it's the measure of how wildly or calmly prices dance. It doesn't matter if prices jump up or plummet down; we're only concerned with the size of the moves. Imagine you're not balancing your checkbook; instead, you're counting every step in a dance, where each step, whether forward or back, counts equally. If you bought six apples today but sold none, you're holding six apples - that's your volatility. If you bought and then sold three apples, you end up with zero, but your volatility score still shows three. No offsetting, just the raw, absolute movement.

Historical Volatility:

This is your look back in time, capturing the past dance moves of the market. Each price swing leaves a footprint, which we then plot into charts or tables, much like tracking a runner's lap times. Historical volatility gives us a sense of what's been normal, providing a benchmark for what might come.

Implied Volatility:

Now, let's gaze into the crystal ball. Implied volatility is all about anticipation - what do we expect the market's dance to look like tomorrow, next week, or next month? It's the market's collective guess on future price gyrations, setting the stage for how we price options today based on tomorrow's expected volatility.

Understanding these concepts isn't just academic; it's your toolkit for navigating the unpredictable waves of the market. So, sharpen those pencils, and let's turn volatility into your strategic advantage in options trading.

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Fourth Point: Unraveling Implied Volatility - What Does It Tell Us About Future Stock Moves?

How Implied Volatility is Calculated and Its Implications

Implied volatility (IV) isn't just a number; it's a crystal ball showing us the expected dance of stock prices. For example, a 20% IV indicates that, from where we stand today, the market expects the stock to swing by 20% over the next year, with a reliability of about 70%. This gives us a benchmark to gauge future movements.

But here's the kicker – we're not in the business of forecasting a year from now. Our focus is on the timeline of our options, like 30 or 45 days. What we really want to know is, "How much is this stock expected to jiggle within that sprint to expiration?"

Let's take a concrete example: Imagine you've got a stock trading at $50, with an IV of 20% over a 45-day period. What's the expected price range by the time those options expire?*

Here's the magic formula, but don't sweat memorizing it; knowing how to apply it is what counts:

(Stock Price * IV * √ (Days to Expiry / 365)) = Expected Price Swing

Plugging in our numbers:

($50 * 0.20 * √ (45/365)) = +/- $3.51

This means that our $50 stock is expected to move within a $3.51 range above or below its current price over the next 45 days.

Now, don't worry if math isn't your jam; most trading software does this legwork for you. The real skill lies in interpreting these numbers to strategize your trades. It's about knowing the playing field, not computing it by hand like we're stuck in the '90s.

So, embrace this knowledge, use it to anticipate market moves, and let's make those options work for us, not against us.

Understanding the Volatility Edge in Options Trading

We're all aware that options can offer sky-high returns while your investment remains capped. This asymmetry in risk and reward is what makes options trading so thrilling. Here's the deal: if a stock has the temperament of a rollercoaster, swinging wildly by 5% or 10% due to high volatility, the options on that stock become golden tickets to potentially huge gains. Even if your bet doesn't pay off, your loss is limited to what you paid for the option. Naturally, this potential for profit means these options come with a heftier price tag.

On the flip side, if a stock moves about as excitedly as a sloth, with only 1% to 2% fluctuations, trying to squeeze profit from its options is like squeezing blood from a stone. These options won't cost you much, but the payoff? Not so exciting.

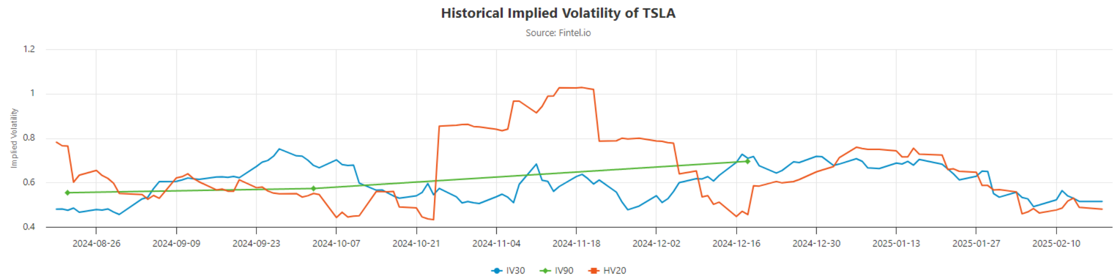
We've just scratched the surface on how different levels of volatility impact option prices. But remember, the volatility of any given stock isn't set in stone; it's more like the weather, always changing. This dynamic nature is what keeps us on our toes, constantly recalibrating our strategies to ride the waves of volatility for maximum gain.

Keep this in mind: the art of options trading isn't just about picking the right stock; it's about timing the volatility, understanding when to jump in, and when to cash out. Let's turn this volatility into our strategic advantage.

Implied Volatility

The 30-day options-implied volatility of TSLA / Tesla, Inc. is 51.48.

51.48%



Date	IV30	IV90	HV20	Date	IV30	IV90	HV20	Date	IV30	IV90	HV20
2025-02-18	0.51		0.48	2025-02-10	0.52		0.48	2025-02-03	0.56		0.56
2025-02-14	0.51		0.49	2025-02-07	0.50		0.46	2025-01-31	0.53		0.57
2025-02-13	0.53		0.53	2025-02-06	0.49		0.48	2025-01-30	0.55		0.57
2025-02-12	0.54		0.52	2025-02-05	0.53		0.47	2025-01-29	0.65		0.59
2025-02-11	0.56		0.48	2025-02-04	0.53		0.46	2025-01-28	0.65		0.59

Mastering the Volatility Waves: Insights from $TSLA's Rollercoaster

Take a look at the chart above showing $TSLA's volatility over the last year. The volatility has been on a wild ride, nearly doubling from its lowest to highest points. This volatility alone, with all other factors held steady, can create dramatic shifts in $TSLA's option prices. Here's where the experts shine, finding opportunities that fly under the radar of the average investor.

A prime example of leveraging volatility is around earnings season. We all know the drill: when a company like Tesla drops its earnings report, the stock can either rocket up or plummet down. As the report date looms, volatility naturally amps up. Savvy traders buy in on the dip and sell on the peak, riding the volatility wave to profit from these price swings.

Dive deeper into the volatility patterns, and you'll spot a consistent trend: post-earnings, volatility takes a nosedive. Why? The uncertainty that was fueling the volatility dissipates once the numbers are out, bringing volatility back to earth. This drop-off presents a unique trading opportunity known as a "volatility crush." There's a strategy where you can sell options to capitalize on this swift decline in volatility, which we'll explore in upcoming sessions.

Stay tuned, sharpen your skills, and let's learn to turn these market volatilities into our strategic advantage.

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Predicting the Dance of Implied Volatility: When and How to Capitalize

Can we predict if implied volatility (IV) will soar or sink?

Honestly, no crystal ball exists, but we can certainly read the signs:

I. Earnings Reports: IV typically spikes before an earnings announcement as uncertainty builds, only to crash down after the news hits, a phenomenon we call 'IV Crush'. This happens regardless of whether the earnings are good or bad; it's the resolution of uncertainty that matters.

II. FDA Approvals for Pharma: If you're trading in pharmaceuticals, watch out for the rollercoaster ride of IV around FDA decisions. It's high before the verdict due to the anticipation, then drops like a stone once the decision is out.

III. Major Uncertain Events: Any event that could shake the market—think mergers, regulatory decisions, or major product launches—tends to inflate IV beforehand due to the unknown outcome.

Leveraging This Insight:

• Strategies Around Earnings: To take advantage of the IV Crush, consider employing spread strategies. These can help you manage risk while potentially profiting from the volatility drop post-earnings.

• As a Buyer: Look for opportunities when IV is at historical lows. Buying options here could mean you're getting in just before volatility picks up, potentially increasing your options' value.

• As a Seller: Conversely, when IV hits historical highs, it's your cue to sell. The expectation here is that IV will decrease, and with it, the price of the options you've sold, allowing you to buy them back cheaper or let them expire worthless for profit.

Mastering these patterns isn't about gambling on the market's mood swings but about strategic positioning. By reading these volatility signals, you can align your trades to both the market's rhythm and your own risk appetite. Let's make volatility our ally, not our adversary.

At this juncture, we've explored the three pivotal thought processes in the realm of expert options trading: Price Thinking, Time Thinking, and Volatility Thinking. These elements - price, time, and volatility - are the cornerstone factors that dictate option prices, collectively known as DTV, the triumvirate of options trading.

By deeply understanding these thought processes, you'll uncover a consistent pattern among expert traders: they're not just chasing the endgame. While novices might be fixated on where the stock price will be at expiration, seasoned traders are all about the journey. They monitor how various factors sway option prices throughout the holding period. This focus on process over outcome is where the Greek letters come into play, providing us with metrics to quantify these influences. Experts leverage these quantitative indicators to assess both the potential benefits and risks during the life of the option, making adjustments on the fly.

This is why many say that trading stocks is like using a hammer, whereas options trading is like having an entire toolkit at your disposal. Yes, it might appear to complicate things, but consider this: the multifaceted nature of options requires a broader, more integrative approach to investment. Regular options trading encourages you to think more holistically about investments. Over time, this practice elevates your decision-making process to a higher dimension, allowing for a more nuanced evaluation of risks and rewards, leading to superior investment strategies.

So, let's embrace this complexity. It's not just about increasing our trading skills; it's about sharpening our entire investment philosophy. Options aren't just tools; they're the keys to unlocking a more profound understanding of the market's dance.

Today’s Core Opportunities Through the Options Lens

First up, we've got a golden chance for some serious token multiplication with our standout picks: Palantir Technologies ($PLTR), Marathon Digital Holdings ($MARA), and Robinhood Markets ($HOOD). Why did I nudge you all to slap these onto your watchlists? Because when the dust settles, you’ll see these names outshining the crowd. These aren't just random picks, they’re showing strength, volatility, and potential that scream opportunity for anyone paying attention to the options game. The upside here could be massive, and I’m betting you’ll thank me later when these plays start printing gains.

Next, there’s the Bitcoin ($BTC) multiplication story, and guess what? It ties right back to $MARA and $PLTR. I laid it out in my initial call: BTC’s market is heating up, pulling in momentum from every corner like a magnet. Now, if my friendly rival, the self-proclaimed "Crypto Vigil," thinks he’s going to outmaneuver me in this raging BTC bull market, I’ve got news for him—I’m ready to take him down on his own turf. Sorry Mr. Harvey, but I’m gunning for that Lead Trading Mentor spot, and I’m bringing the heat to prove it.

Today's Interactive Q&A:

1. What is the rationale behind Mr. Harvey's prediction that BTC will reach $200,000 in this bull market?

2. What are our overall trading strategy returns so far? In options trading, how much are you willing to invest to achieve multiple returns?

3. For those who faced losses with PYPL, will you join me in seizing the next strategized opportunity?

That's the rundown for today, folks. Keep your charts active, your minds sharp, and your strategies tighter than a vault. We're in for a wild ride, and I'll catch you all tomorrow with more insights to keep us ahead of the game.

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