

Getting Started with Recognia® Options Ideas™

A Guide for End-Users

Introduction

With so many variables involved in finding and researching options trades, it can be intimidating for equity investors to add options to their portfolio. Recognia Options Ideas helps equity traders bridge the gap between learning options strategies and applying them in the real world. With real-time options trade opportunities and transparent scoring and calculations, traders can be more confident than ever to using options to enhance their portfolios.

While using this guide, it is important to note that your broker's implementation of Recognia may vary slightly from the screen images reproduced here, but the underlying principles remain the same.

What this guide covers

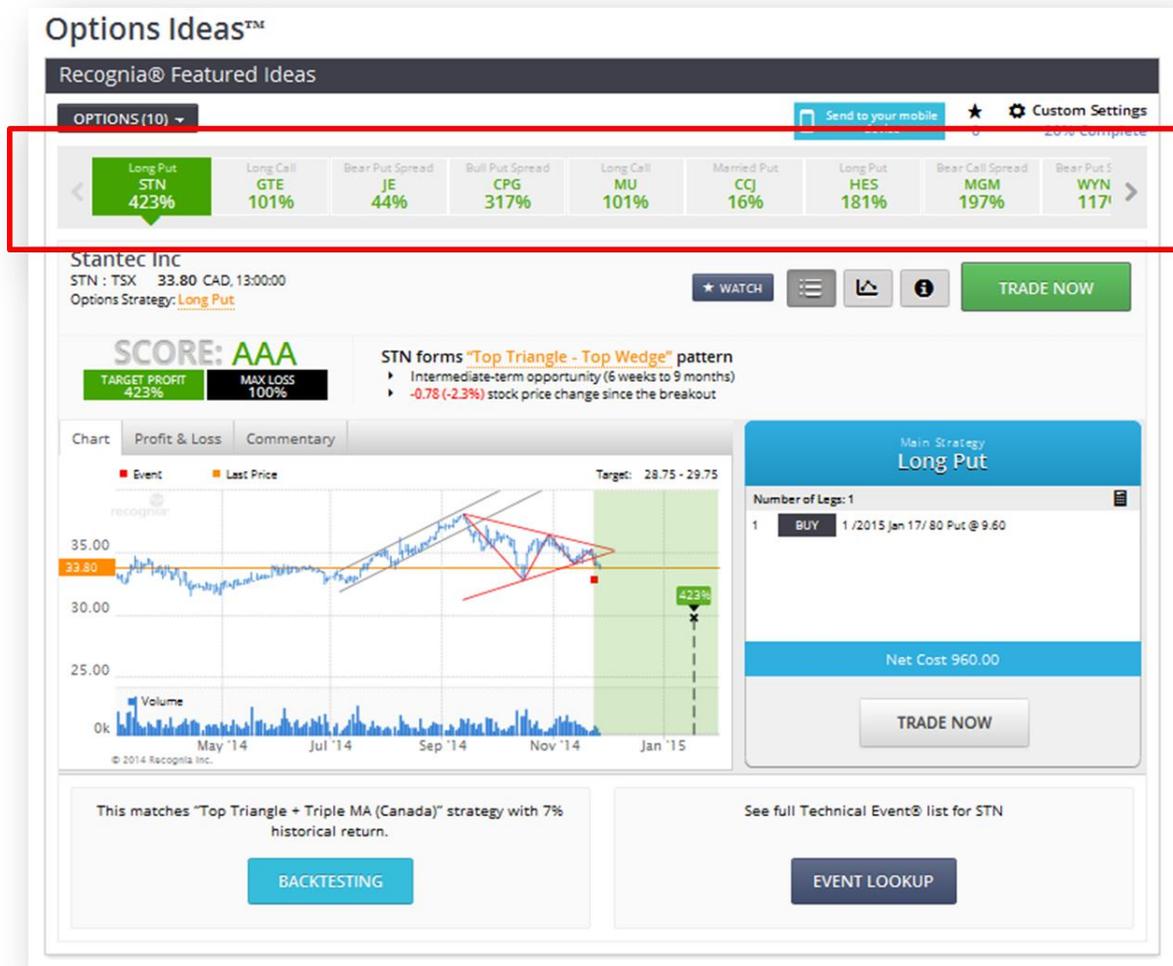
This guide will teach you the basics to get started with Options Ideas.

You will learn how to:

Find Options Ideas	Page 2
Validate Ideas via Scoring, Calculations and Backtesting	Page 3
Customize the Ideas to You	Page 5

FINDING OPTIONS IDEAS

Finding options ideas has never been easier. Right from the main landing page you will see several options ideas displayed along the top of the Featured Ideas panel. Each day, Recognia will present you with up to 10 actionable trade ideas based on the principles of technical analysis and backtested equity strategies. Each options idea has a clear profit target associated with it, which can be seen plotted on the main chart to show you where the stock is expected to move in order to achieve the target profit.



Options Ideas™
 Recognia® Featured Ideas

OPTIONS (10) Send to your mobile Custom Settings

Long Put STN 423%	Long Call GTE 101%	Bear Put Spread JE 44%	Bull Put Spread CPG 317%	Long Call MU 101%	Married Put CCJ 16%	Long Put HES 181%	Bear Call Spread MGM 197%	Bear Put Spread WYN 117%
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Stantec Inc
 STN : TSX 33.80 CAD, 13:00:00
 Options Strategy: Long Put

★ WATCH Chart Info TRADE NOW

SCORE: AAA
 TARGET PROFIT 423% MAX LOSS 100%

STN forms "Top Triangle - Top Wedge" pattern
 ▶ Intermediate-term opportunity (6 weeks to 9 months)
 ▶ -0.78 (-2.3%) stock price change since the breakout

Chart Profit & Loss Commentary
 ■ Event ■ Last Price Target: 28.75 - 29.75

35.00
 30.00
 25.00
 0k

Volume
 May '14 Jul '14 Sep '14 Nov '14 Jan '15

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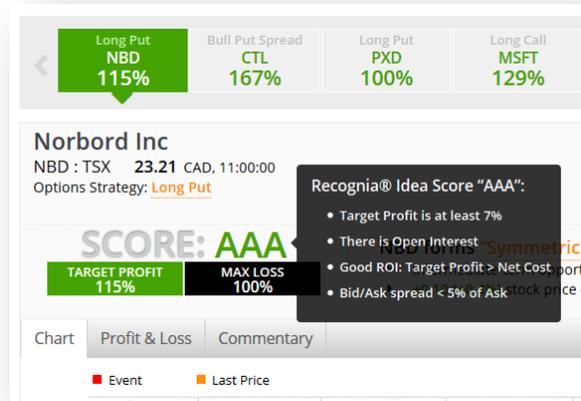
Main Strategy
Long Put
 Number of Legs: 1
 1 BUY 1 /2015 Jan 17/80 Put @ 9.60
 Net Cost 960.00
 TRADE NOW

This matches "Top Triangle + Triple MA (Canada)" strategy with 7% historical return.
 BACKTESTING

See full Technical Event® list for STN
 EVENT LOOKUP

VALIDATE IDEAS WITH SCORING, CALCULATIONS, AND BACKTESTING

You will notice each option idea has a Recognia Idea Score associated with it. The score represents a quantitative ranking and ranges from AAA, being the highest, to C, being the lowest. Factors the Recognia Idea Score is based on include profit, loss, cost and liquidity. If you hover your mouse over the score, you will see a pop-up that tells you the criteria that particular option idea met in order to be assigned its score.



Long Put NBD 115% Bull Put Spread CTL 167% Long Put PXD 100% Long Call MSFT 129%

Norbord Inc
 NBD : TSX 23.21 CAD, 11:00:00
 Options Strategy: Long Put

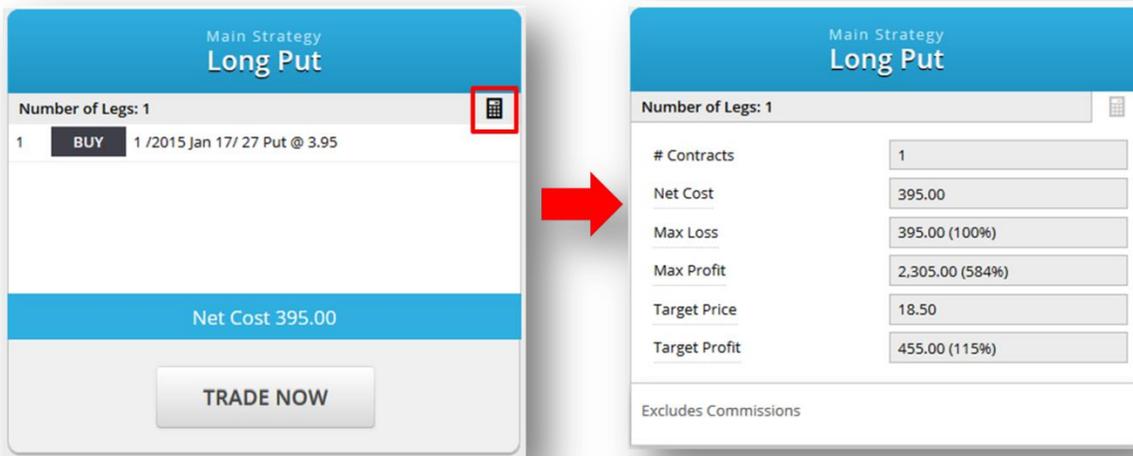
SCORE: AAA

TARGET PROFIT 115% MAX LOSS 100%

Recognia® Idea Score "AAA":

- Target Profit is at least 7%
- There is Open Interest
- Good ROI: Target Profit > Net Cost
- Bid/Ask spread < 5% of Ask stock price

To further investigate the strategy, click on the calculator icon in the box beside the chart. You will then see a breakdown of the key values that make up the strategy and precisely how they were calculated, including: net cost, maximum loss, maximum profit and target profit.



Main Strategy
Long Put

Number of Legs: 1

1 BUY 1 /2015 Jan 17/ 27 Put @ 3.95

Net Cost 395.00

TRADE NOW

Main Strategy
Long Put

Number of Legs: 1

# Contracts	1
Net Cost	395.00
Max Loss	395.00 (100%)
Max Profit	2,305.00 (584%)
Target Price	18.50
Target Profit	455.00 (115%)

Excludes Commissions

You can also click the backtesting button below the chart to better understand the underlying equity strategy and the list of filters and criteria that make it up. The backtesting capability helps a trader evaluate how well an investing strategy would have worked in the past. Using a five year historical period with quarterly re-balancing, the historical return shows the performance of a set of mock portfolios picked using the underlying strategy.

Norbord Inc
 NBD : TSX 23.21 CAD, 11:00:00
 Options Strategy: Long Put

★ WATCH
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TRADE NOW

UNDERLYING STRATEGY

"Symmetrical Triangle (Bearish) + Moving Average (Canada)"
 This strategy looks for stocks matching the following criteria:

- Bearish Classic Patterns:** Symmetrical Continuation Triangle (Bearish)
- Stock Price:** 3.00 or higher
- Market Capitalization:** 30M or higher
- Bearish Indicators and Oscillators:** Price Crosses Moving Average
- Volume 90-Day Average:** 20,000 or higher
- Options Available:** Yes

[How backtesting works](#) ↩ Back

A mock portfolio following this strategy yielded 10% annualized return.

Historical Return



Show results with a 10% trailing stop

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CUSTOMIZE IDEAS TO YOU

With the ability to customize you are able to control the options ideas that are presented to you, ensuring you see only those ideas that are most relevant to you and your trading style. Upon launching the product a pop-up appears with various Options Filters for you to choose from such as options markets and strategy types.

My Options Filters

What would you trade?
We will only show you ideas that match a selection in each of these groups.

Markets:

US Options +

Canada Options +

Option Strategy Characteristics:

Bearish +

Bullish +

Limited Risk +

Unlimited Reward +

Stock Protection +

Stock Income +

Vertical Spread +

Butterfly +

Long Put +

Long Call +

Married Put +

Buy-Write +

Time To Expire:

2-6 Weeks
 Up to 9 Months
 Up to 2 Years

Don't Ask Again Done

Alternatively, you can access the custom settings at the top right of the panel. This will allow you to select from additional criteria such as stock filters and preferences like technicals, fundamentals, and sectors.

Options Ideas™

Recognia® Featured Ideas
Custom Settings
20% Complete

OPTIONS (10) ▾
Send to your mobile device
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Long Put NBD 115%	Bull Put Spread CTL 167%	Long Put PXD 100%	Long Call MSFT 129%	Long Put ETN 111%	Bull Call Spread MU 105%	Bear Put Spread CAR 153%	Bear Call Spread JNPR 146%	Bull Put Spread PFE 96%
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Norbord Inc
NBD : TSX 23.21 CAD, 11:00:00
Options Strategy: Long Put

★ WATCH
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TRADE NOW

Conclusion

With Recognia Options Ideas it is easier than ever to find, research and validate options trade opportunities. With daily actionable options ideas that include detailed commentary and calculations and the ability for you to customize the results, we help take the guess work out of options trading giving you the confidence needed to add options to your portfolio.

Where to find more information

Click the HELP icon near the top right of the page. This will bring up additional information and resources. It will also direct you to our Help Forum at <http://www.recognia.com/help> where you can browse existing topics or start your own conversation.

You may also visit Recognia's Traders Resources at <http://www.recognia.com/resources/traders> for additional information on Options Ideas and trader's reference material.