

Cash Cow Newsletter

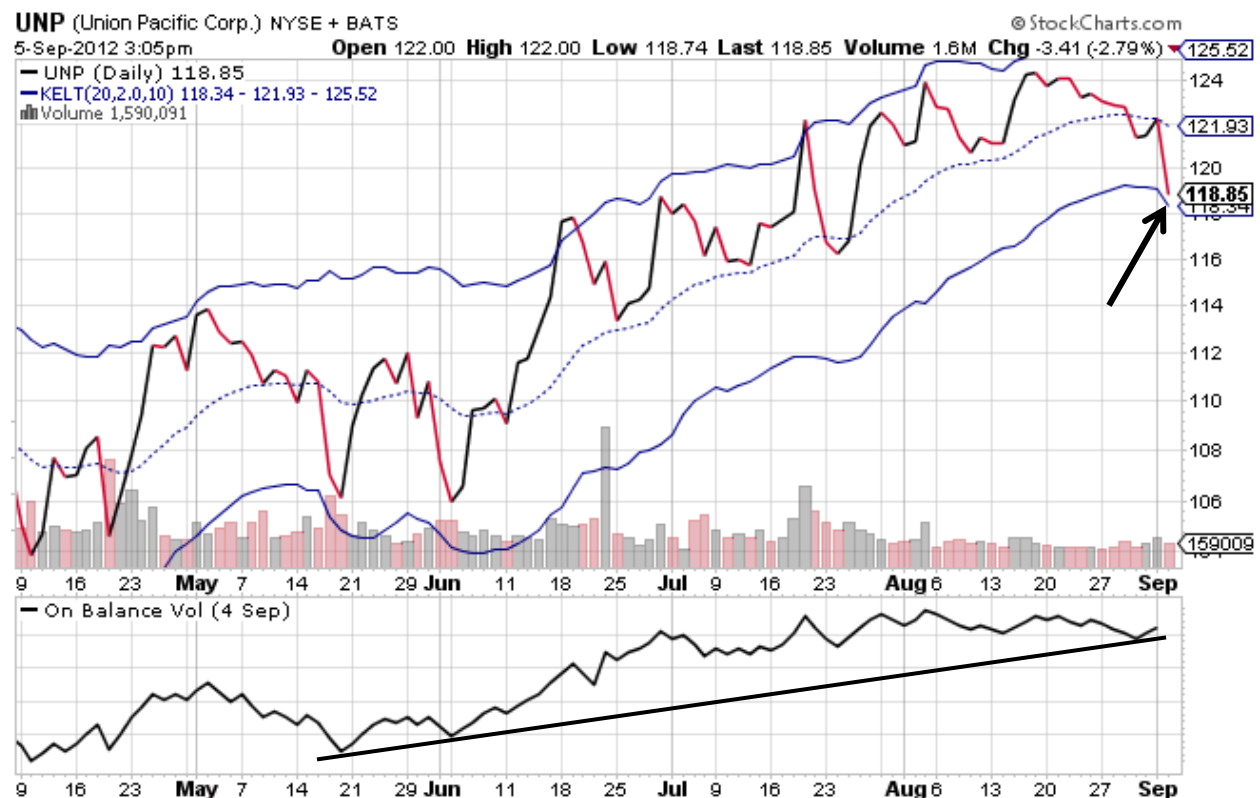
September 5, 2012

As of today, all 5 picks from last week (**WMT, VZ, BMY, S, T**) are up since their close on Thursday. These 5 positions are trading near or at the middle Keltner Channel, giving them room to move up even further in future weeks. Our positive outlook on these positions remains the same, so we should consider 'rolling over' these profitable positions into next week's expiration.

In case you missed last week's newsletter, we discussed 'rollovers'. I use a spread order to rollover the expiring option into the new weekly option if the underlying stock/ETF is still on a Prime Trade Select 'buy' signal for call options. To help reduce commission costs, I use a limit spread order that is mid-way between the bid/ask prices. Normally these limit orders get filled. Rolling over profitable trades like the 5 we recommended last week can *compound your returns* and *reduce risk* by reducing your cost basis.

Now let's look at some additional profit opportunities for the September 14th expiration.

Below is a recent chart of **UNP** (Union Pacific Corp.):



As the arrow indicates, UNP is trading close to its lower Keltner Channel. If we look at the 3 year price history of UNP in the chart below, we can see that the stock appreciated in price shortly after it closed at or below the lower Keltner Channel:



Based off this price history, UNP has a high probability of rallying in upcoming weeks. To take advantage of this possibility, we should consider purchasing a weekly call option on UNP for the September 14th expiration.

Now let's look at a recent chart of **KO** (Coca Cola Co.):



KO is a defensive stock that we have looked at in past newsletters. I believe KO is currently oversold. With the recent High Probability 'Buy' Signal it produced, it could be an excellent entry point for a weekly call option purchase as KO is likely to rally in future weeks. We should consider purchasing a weekly call option on KO for the September 14th expiration.

Cash Cow Newsletter Archive

To access the Cash Cow Newsletter Archive, please click on the link provided below. We recommend that you Bookmark this link so you can easily access it in the future:

Cash Cow Newsletter Archive: <http://weeklyoptiontrade.com/archive.html>