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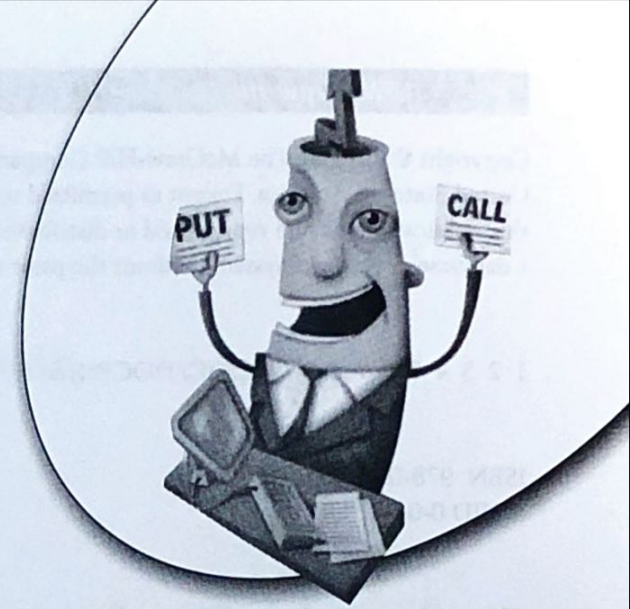
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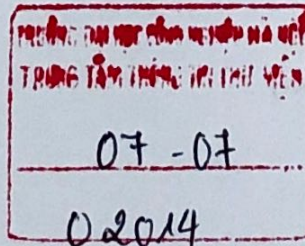
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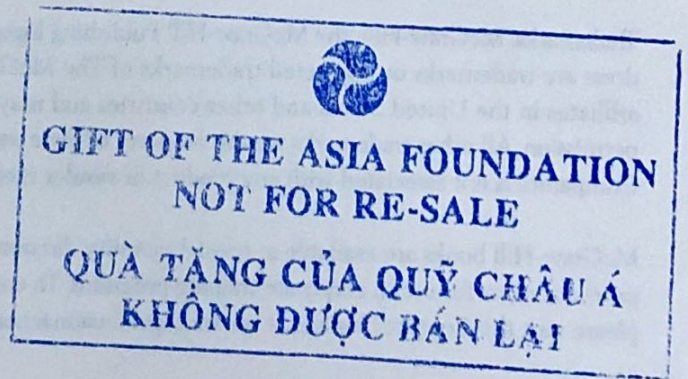
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Second Edition



Thomas McCafferty



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1 2 3 4 5 6 7 8 9 0 DOC/DOC 1 5 4 3 2 1 0

ISBN 978-0-07-175087-5
MHID 0-07-175087-8

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Library of Congress Cataloging-in-Publication Data

McCafferty, Thomas.

Options demystified / by Thomas McCafferty.—2nd ed.

p. cm.

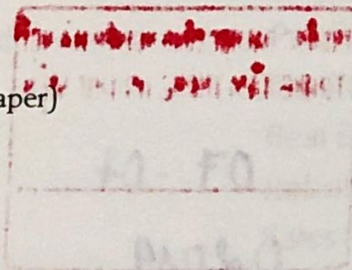
Includes index.

ISBN 978-0-07-175087-5 (alk. paper)

1. Options (Finance) I. Title.

HG6024.A3M393 2011

332.64'53—dc22



2010029970

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To Carol, Cynthia, Monica, and Colleen

About the Author

Thomas McCaffrey has worked for several decades in the securities industry as a research analyst, and as equity broker. He has also served as branch office manager, compliance officer, trading instructor, coach, and chief executive officer. Most important, he has actively traded his own account. These experiences have resulted in the book's trading, risk management, and security law that can result in the creation of a successful personal trading plan.

Other works by Thomas McCaffrey include:

The Investor's Handbook

Overcoming the Fear of Stock Trading

Trading with Managed Futures

All About Commodities

All About Futures

Technical Analysis

About the Author

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Other works by Thomas McCafferty include:

The Market Is Always Right

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Winning with Managed Futures

All About Commodities

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Preface

If you were in the stock market the last few years, you probably have a few more 401(k)s and you may not have the monthly part of the closing price, the Dow Jones Industrial Chart went from a high of about 14,000 to a low of around 7,000. The other indices, Nasdaq, S&P 500, etc., had similar value, market rates.

How did your 401(k) do in trading and how personal? If you are like most of us, your accounts are down 30 percent or more . . . even professionally managed accounts took a hit. Let's get to the key issues considered and noted at or near the bottom, during the recovery. Much of this could have been prevented with the prudent use of options.

