

The 10% Credit Spreads Trading Guide & Handbook

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The Goal:

Consistently make a 10% return on capital every single month using proven credit spread strategies even if you work-full time or have very little free time.

If I can't do this, you will get a refund or the next month free (based on your preference)

Our Philosophy:

The 10% credit spreads philosophy is all about using credit spreads to trade small and often so that every single week our trades are expiring and making us money. By trading small, our infrequent but larger losses don't massively affect our overall portfolio size or our mental state. We achieve this by placing one to three high probability credit spread trades every single week that we set and forget until expiration.

The Investment Thesis:

"The trend is your friend until it bends" - Technical Traders

"If you diversify, control your risk, and go with the trend, it just has to work" - Larry Hite

Trend following is the idea of following the big waves in the market. Trend Following is not predicting future moves or price levels but instead responding to what the market is currently doing. [Mathematical studies](#) have shown that Trend Following achieves superior returns to buy and hold investing especially during market uncertainty.

Credit spreads are a directional strategy that by default have a 70-80% win rate when you follow best practices and industry standard rules. However, when you combine credit spreads with a Trend Following strategy, you can statistically bump your win rate up to 85-90%. When you add simple entry and exit rules, you can bump your win rate up to 90-95%. This is exactly what I have done and proven through backtests and real trading over the last five years.

Our Six Proven Strategies (Step By Step):

There are strategies created for every type of market phase: bullish, bullish but weak, sideways, bearish, bearish but weak, and overextension.

The Squirrel Strategy Trading Guide:

This strategy is used in neutral and sideways markets when no clear direction is present or detectable. This strategy has one of the lowest historical win rates because of how volatile and unpredictable the market is during this phase.

Entry Rules:

- Wait for the stock to be inside the Trending Band (+1 and -1 standard deviation of the

200 day moving average)

- Determine your short strike price for the put credit spread (stock close price x 96%)
- Determine your expiration date (current date + 14 days then round up to the next Friday)
- Setup the trade in your broker (sell to open the short strike price, buy to open the strike price below the short price, and use the expiration determine above)
- Ensure you are collecting at least .15 in credit for placing the put spread
- If you can collect .15, officially place the trade

[Watch a video of the strategy explained here](#)

Get alerts sent straight to your phone and email [when this trade setups here](#)

The Squirrel Strategy Backtest:

\$SPY ▾ \$1 Width ▾ **Historical Performance**

HISTORICAL WIN RATE 93%	ANNUALIZED RETURN 10.84%	TOTAL RETURN SINCE 2007 388.00%
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SQUIRREL STRATEGY TRUE TURTLE STRATEGY SHORT PLAY STRATEGY WINNING WHALE STRATEGY ELASTIC BOUNCE STRATEGY ELASTIC REJECTION STRATEGY

TRADE DATE	TRADE DETAILS	RETURN	STRATEGY
Apr 26, 2023	Expiration : May 12, 2023, Put Spread: \$388 / \$387	\$13	Squirrel Strategy
Mar 27, 2023	Expiration : Apr 14, 2023, Put Spread: \$381 / \$380	\$16	Squirrel Strategy
Mar 20, 2023	Expiration : Apr 07, 2023, Put Spread: \$378 / \$377	\$15	Squirrel Strategy
Mar 6, 2023	Expiration : Mar 24, 2023, Put Spread: \$388 / \$387	\$14	Squirrel Strategy
Mar 13, 2023	Expiration : Mar 31, 2023, Put Spread: \$370 / \$369	\$15	Squirrel Strategy

Show more previous trades ▾

The True Turtle Strategy Trading Guide:

This strategy is used in bullish and uptrending markets. This strategy has the most occurrences because the market is statistically trending up for a vast majority of the year.

Entry Rules:

- Wait for the stock to be between the green and yellow line (+1 and +4 standard deviations of the 200 day moving average)
- Determine your short strike price for the put credit spread (stock close price x 97%)
- Determine your expiration date (current date + 12 days then round up to the next Friday)
- Setup the trade in your broker (sell to open the short strike price, buy to open the strike price below the short price, and use the expiration determine above)
- Ensure you are collecting at least .15 in credit for placing the put spread
- If you can collect .15, officially place the trade

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The True Turtle Strategy Backtest:

\$SPY ▾

\$1 Width ▾

Historical Performance

HISTORICAL WIN RATE
95%

ANNUALIZED RETURN
34.60%

TOTAL RETURN SINCE 2007
5,929.50%

SQUIRREL STRATEGY

TRUE TURTLE STRATEGY

SHORT PLAY STRATEGY

WINNING WHALE STRATEGY

ELASTIC BOUNCE STRATEGY

ELASTIC REJECTION STRATEGY

TRADE DATE	TRADE DETAILS	RETURN	STRATEGY
Apr 10, 2023	Expiration : Apr 28, 2023, Put Spread: \$397 / \$396	\$13	True Turtle Strategy
Apr 3, 2023	Expiration : Apr 21, 2023, Put Spread: \$399 / \$398	\$15	True Turtle Strategy
Feb 13, 2023	Expiration : Mar 03, 2023, Put Spread: \$400 / \$399	\$16	True Turtle Strategy
Feb 2, 2023	Expiration : Feb 17, 2023, Put Spread: \$404 / \$403	\$15	True Turtle Strategy
Feb 6, 2023	Expiration : Feb 24, 2023, Put Spread: \$398 / \$397	\$15	True Turtle Strategy

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The Short Play Strategy Trading Guide:

This strategy is used in bearish and downtrending markets. This strategy has one of the least occurrences because the market doesn't downtrend long. It typically crashes fast then slowly recovers.

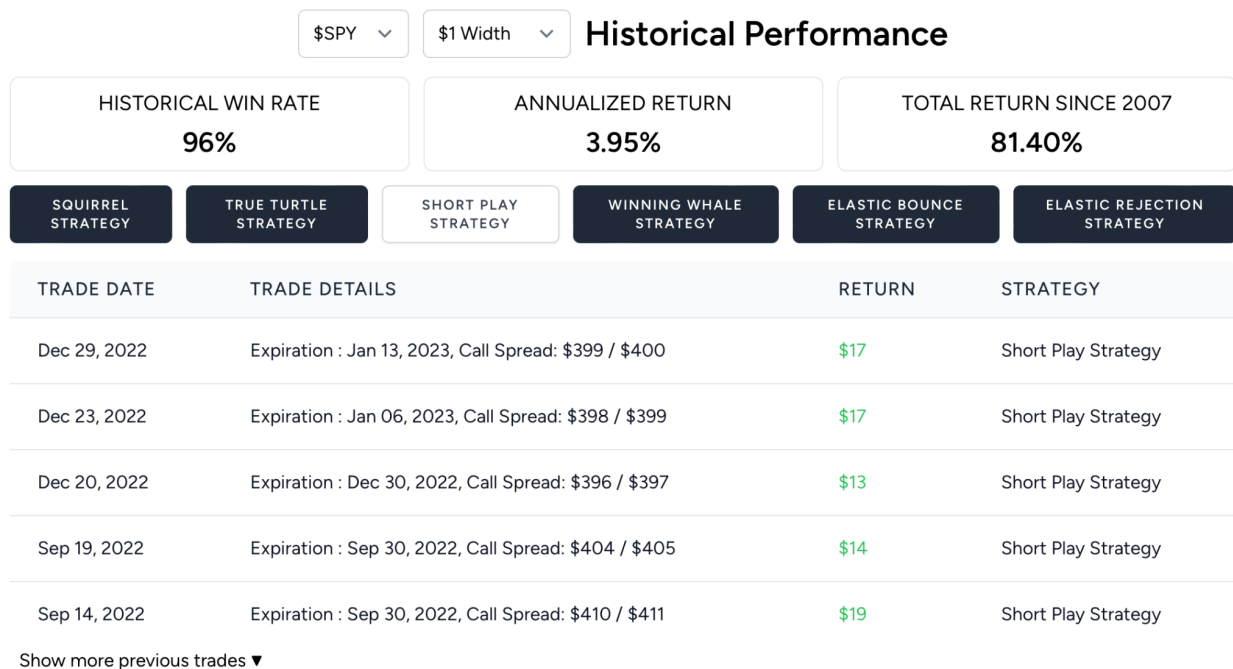
Entry Rules:

- Wait for the stock to cross below the red line (-1 and -3.5 standard deviations of the 200 day moving average)
- Determine your short strike price for the call credit spread (stock close price x 104%)
- Determine your expiration date (current date + 9 days then round up to the next Friday)
- Setup the trade in your broker (sell to open the short strike price, buy to open the strike price above the short price, and use the expiration determine above)
- Ensure you are collecting at least .15 in credit for placing the put spread
- If you can collect .15, officially place the trade

[Watch a video of the strategy explained here](#)

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The Short Play Strategy Backtest:



The Winning Whale Strategy Trading Guide:

This strategy is used during market recoveries after a large crash. This is a bullish strategy that capitalizes on the market recovery when big institutions and investors typically buy in and push the market prices higher.

Entry Rules:

- Wait for the stock to cross back above the bottom yellow line (-3.8 standard deviations of the 200 day moving average)
- Determine your short strike price for the put credit spread (stock close price x 96%)
- Determine your expiration date (current date + 14 days then round up to the next Friday)
- Setup the trade in your broker (sell to open the short strike price, buy to open the strike price below the short price, and use the expiration determine above)
- Ensure you are collecting at least .15 in credit for placing the put spread
- If you can collect .15, officially place the trade

[Watch a video of the strategy explained here](#)

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The Winning Whale Strategy Backtest:

\$SPY ▾ \$1 Width ▾ **Historical Performance**

HISTORICAL WIN RATE

95%

ANNUALIZED RETURN

7.22%

TOTAL RETURN SINCE 2007

190.33%

SQUIRREL STRATEGY

TRUE TURTLE STRATEGY

SHORT PLAY STRATEGY

WINNING WHALE STRATEGY

ELASTIC BOUNCE STRATEGY

ELASTIC REJECTION STRATEGY

TRADE DATE	TRADE DETAILS	RETURN	STRATEGY
Aug 3, 2022	Expiration : Aug 19, 2022, Put Spread: \$398 / \$397	\$19	Winning Whale Strategy
Aug 1, 2022	Expiration : Aug 19, 2022, Put Spread: \$394 / \$393	\$20	Winning Whale Strategy
Jul 27, 2022	Expiration : Aug 12, 2022, Put Spread: \$385 / \$384	\$19	Winning Whale Strategy
Jul 20, 2022	Expiration : Aug 05, 2022, Put Spread: \$379 / \$378	\$19	Winning Whale Strategy
Jul 15, 2022	Expiration : Aug 05, 2022, Put Spread: \$370 / \$369	\$23	Winning Whale Strategy

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The Elastic Bounce Strategy Trading Guide:

This strategy is used when the market has hit the mathematical low after a crash. Unlike the other strategies, this is a mean reversion strategy and has one of the highest historical win rates.

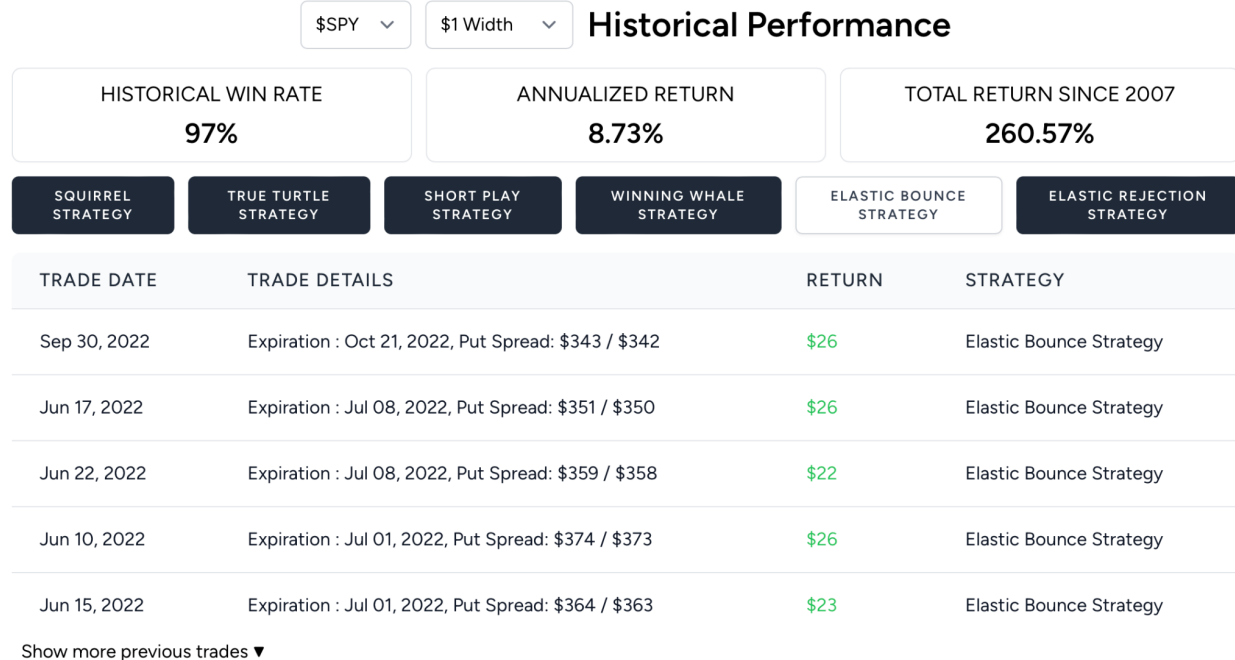
Entry Rules:

- Wait for the stock to cross below the bottom yellow line (-3.8 standard deviations of the 200 day moving average)
- Determine your short strike price for the put credit spread (stock close price x 96%)
- Determine your expiration date (current date + 14 days then round up to the next Friday)
- Setup the trade in your broker (sell to open the short strike price, buy to open the strike price below the short price, and use the expiration determine above)
- Ensure you are collecting at least .15 in credit for placing the put spread
- If you can collect .15, officially place the trade

[Watch a video of the strategy explained here](#)

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The Elastic Bounce Strategy Backtest:



The Elastic Rejection Strategy Trading Guide:

This strategy is used when the market has hit the mathematical high after a strong run up. Unlike the other strategies, this is a mean reversion strategy and has one of the highest historical win rates.

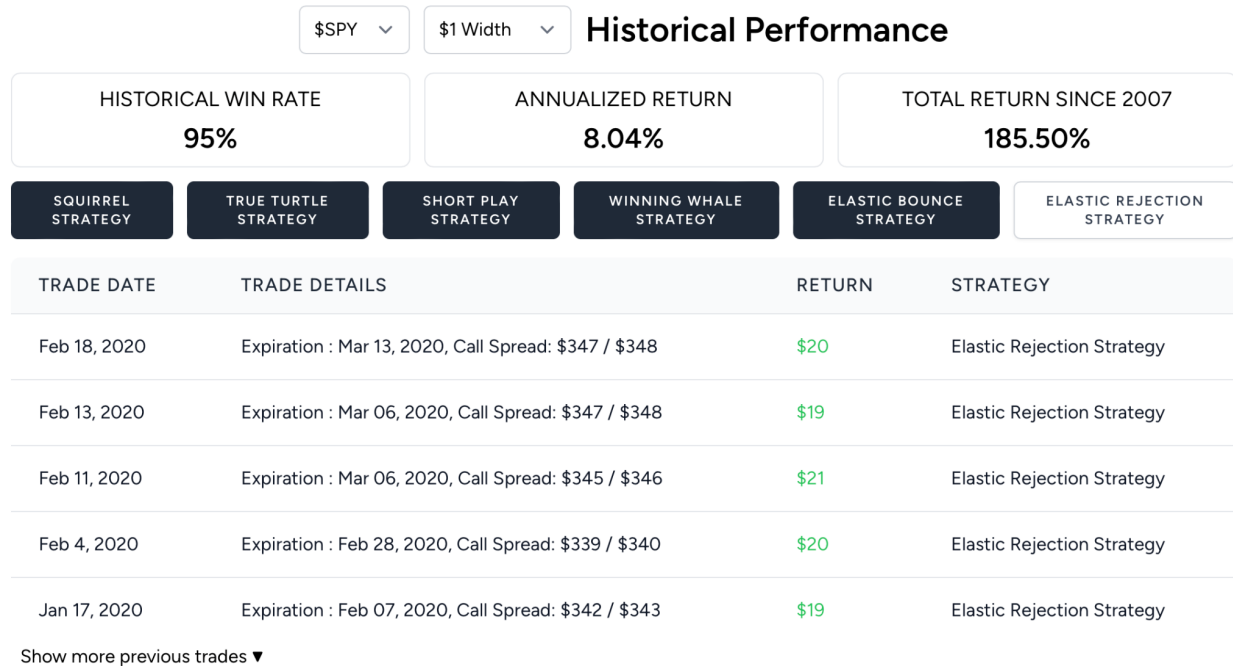
Entry Rules:

- Wait for the stock to cross above the top yellow line (+3 standard deviations of the 200 day moving average)
- Determine your short strike price for the call credit spread (stock close price x 103%)
- Determine your expiration date (current date + 19 days then round up to the next Friday)
- Setup the trade in your broker (sell to open the short strike price, buy to open the strike price above the short price, and use the expiration determine above)
- Ensure you are collecting at least .15 in credit for placing the put spread
- If you can collect .15, officially place the trade

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The Elastic Rejection Strategy Backtest:



The 10% Credit Spreads Trading Rules:

There are few rules that I use to generate a 5 - 10% a month return and limit my losses. These are statistically proven to increase my win rate because they are based on mathematical and capital preservation principles.

Credit Collection:

You want to make sure you are collecting enough credit based on your historical win rate to give you a long term positive expectancy. This means you need to make enough money on your winners to offset your infrequent but larger losses that occur.

The minimum credit you should aim to collect varies based on the win rate. I provide this minimum credit in the 10% credit spreads inner circle program, but a rough rule of thumb to use (with the strategies shared in this document) is .15.

Trade Sizing:

This is an important rule and lesson to remember when trading credit spreads because of how large your max loss tends to be. This is why you should strive to trade small and trade often to increase your number of occurrences and decrease the amount one single loss impacts you.

The general rule is to put no more than 10% of your total account size into any one position. This rule is subjective and can change based on your trading experience and risk tolerance, but if you are brand new, I would encourage you to trade with 5% of your trading capital until you build up the experience and confidence.

Early Exit Rules:

Exiting position can statistically help you increase your win rate, take profits sooner, and allow you to redeploy your money into another trade faster, but there are some rules with exiting the trade early since the strategies mentioned above assume you are holding until expiration.

You can exit positions early if you can buy the credit spread back for .05 or less per spread.

Counter Trend Trading Rules:

If you are trading a counter trend strategy like the elastic rejection or elastic bounce strategy, then there are some rules that you need to follow as you will be betting against the trend.

The first rule is to only enter the trade on a strong green day for the rejection strategy or a strong red day for the bounce strategy and prioritize going further out of the money over collecting more credit. The second rule is to size down and only trade with 50% of your typical position size. This makes any losses less devastating to your account and allows you to emotionally see the trade through to completion easier. The third rule is to immediately close out any open counter trend positions if one of your counter trend trades expires in the money.

HOPE YOU ENJOYED THIS TRADING GUIDE! A LOT OF WORK WENT INTO THIS AND I HELD NO SECRETS BACK SO...

PLEASE SHARE WITH A FRIEND! IT WOULD MEAN THE WORLD :)