

# WallStreetWindow

Stock Market Financial and Global Geopolitical News

## **How to Generate Income at Will from the Financial Markets with Practically No Money Down – Mike Swanson**

Some people trade the stock market like they are buying losing lottery tickets over and over again while others make it into a solid money machine. The reality is that you get out of the financial markets what you want to get out of them, but in today's markets most people do not know how to generate regular income from them without taking on big risks. All markets go up and down so the idea that you can get safe income by simply blindly buying stocks paying dividends is no longer the case in today's stock market after years of gains and high valuations, because one day what goes up goes down.

There is always a day of reckoning and there will be another one, because the bull and bear cycles of the financial markets have no more been abolished than the seasons have. And at the same time putting money in the bank and getting interest is like trying to squeeze blood out of a turnip.

You have another choice. It doesn't have to be this way, but this situation has led too many people to feel trapped into taking big risks in the market gambling it up to make up for the zero interest rate policies created by the Federal Reserve that punish savers or in fear that they must make a lot of money fast in order to be able to live and to even retire. Margin debt levels made a new record high in January of 2018 as some people decided that since they no longer can get decent interest on their money the only thing left to do is to try to make as much money as they possibly can as quickly as possible before it's too late.

What they don't know is that there is a way you can make regular monthly income out of the financial markets without making crazed gambles, without having a big account, and without needing the market to go in one single direction for you. And the secret about this too is that you don't have to put much money down to make money in income trades at all.

I doubt your broker or any of the Wall Street talking heads on CNBC will ever tell you how to do this, because their whole purpose is to get control of your money, but I found a way to do this myself and today I'm going to show you how to do it. This is your liberation.

I think of this as making income at will. What I am going to show you in this report is not a bunch of hype. If it was hype I could just make a bunch of fast talking claims in a paragraph or two. Instead what you are going to see is deep detail on how this really works. So you are going to have to take some time to read this.

But as you will soon see last year I started to run into a problem with my own investments. First in case you don't know who I am my name is Michael Swanson. I run the website [WallStreetWindow.com](http://WallStreetWindow.com) and the private group Power Investor. I co-managed a hedge fund for a few years over a decade ago and have made some big swings in the markets by betting big on a couple of trends. And I wrote the Amazon best-seller [Strategic Stock Trading](#) to show people how to do this.

I made a lot of money in the hedge fund world and got out of that business, because I found it to be very stressful to manage other people's money. It made my blood pressure go up. It just wasn't for me and I made so much money that I wanted to simplify my life.

I enjoy writing and teaching and so that is what the internet now enables me to do. I can travel anytime I want to and do all sorts of things with the freedom the financial markets have given me.

But that's enough about me! What about you? You don't need to be some giant hedge fund manager to have the markets working for you. I actually started out in the markets in the 1990's with only \$15,000 and turned that into over \$100,000 in less than two years. And that money grew more and more.

The fastest way to grow a brokerage account is to get in early on a giant new trend change. When you get a big trend change working for you can put a lot of money at work and see it quickly grow in a short amount of time.

The thing is though those type of giant turning points in the financial markets only happen a few times a decade and there are years and months that can go by in which not much is really

happening in the markets in terms of direction. During such times making directional bets that the stock market is going to go up or down can be tough. And when stocks go up for years and reach high valuations continuing to hold grows more and more risky.

And that is where I started to run into a problem in 2017. I went 100% long buying stocks and ETF's like crazy starting the day after Trump won his election and had fun watching my stocks go up into the New Year. However, in 2017 as the months went on I became very uneasy about simply holding all of these positions and so I started to take profits. All bull markets come to an end and this one started way back in 2009. There is also no way to sell out at an exact top so if you sell you'll have to live with the fact that you're probably going to do it early. Stock market valuations reached a manic high by just about every metric you can use and even though CNBC talking heads talked as if there were no risks I knew that one day that would no longer be the case.

And so eventually I starting to sell the positions I had bought and just kept some core long positions in special sectors. That left me with a bunch of cash in my account. I know no one wants to say this and saying this makes it so I will never be able to be on CNBC (and honestly I live so far away from Wall Street and New York that I have no interest in taking the time to go there for TV people if they asked), but today I think the stock market as a whole is simply too risky to buy and hold 100% invested in it as there is no telling where it will go next month much less next year at this point. The good news is that I am in a position now to be on the look-out for the next big move in any market anywhere in the world and so that is one of the things we are doing now in my Power Investor group.

The thing is there is no faster way to shrink an account than to hold everything into a crash or during a bear market and no quicker way to build wealth than to be invested at the start of a big trend. And I spend most of my time focusing on that simple concept and doing emails and videos about it. When I see a great opportunity to invest and hold I want to get in and get you in too.

But income is important too and as I raised some cash positions I decided I wanted to find a way to not simply make gains in the financial markets, but to make regular income preferably in a way that would not tie up lots of money, would

require practically no work, and would be done with the least amount of risk as possible.

I simply asked myself what was the single best way to do all of this in the financial markets? I looked at all of the possible strategies that I could find that fit the parameters and narrowed it down to one. And this one strategy requires practically no money down to do. It's virtual income at will.

Now granted there is no such thing as guaranteed income or guaranteed wins as all disclaimers say, but I believe this one single strategy is perfect for me and I think it's perfect for someone twenty years old just starting out in the markets for the first time and for someone ninety years old who wants some simple retirement income without having to worry about stock market gyrations.

The beauty about the financial markets is that they can be anything that you want them to be if you simply make what is possible yours. The financial markets enable you to do the type of trading and investing that you want to do with as much risk or as little risk as you want to do. All you have to do is decide on what you want get out of this and then put a system matched up to work to do it.

I know that sounds simple and it is simple, but few people know what it takes to do it, because they don't really understand what is possible. They just don't know how markets really work and so their experience tends to be one of worry. They throw money into the markets and hope it will go the way they want and then experience chaos.

Some make deliberately crazy gambles for the emotional swings it can give them and then shipwreck themselves instantly while others float aimlessly like a boat riding a stream until they watch their account balance go one day go over the edge into a bear market downturn.

The key is to step outside of the crowd and look at what the markets are and then decide what to do with them and then to act with that plan on hand. Way too many people treat the stock market as if it is a casino and in some ways it is. Some ignore that brutal reality by trying to proclaim that the stock market is riskless when it is not. My new strategy accepts the casino reality and flips it around so that we can act like the house

and let the gamblers give us their money just like the house does. We want to be the house.

And the one place in the financial markets where there are more pure gamblers than anywhere else is inside of the stock market options market. The irony is that there is no other part of the stock market that enables us to more clearly define our risks and our rewards than the options market, but that is not what most people do with it. They do the opposite.

Let me explain. Now I still use the bulk of my money to make big bets on the markets when the time is right, but between those times I can be sitting in cash and rolling in and out of short-term CD's and options income - and it doesn't take much money to make options income. You can put in \$100,000 into a CD and with the low interest rates only make \$1,250 over 12 months, but you can turn a few thousand over and over again every month in the options market with almost no money in the account at all.

You can literally live off of the options market if you understand how the options market is structured and use a safe income strategy with it.

That is not what most people do though! The truth is that you can do just about anything in the options market and that means most people try to get into options and make one massive bet to get rich overnight instead of using it to make regular passive income at will.

### **ALMOST ALL OPTIONS EXPIRE WORTHLESS**

Ok let's get down to the nitty gritty. Let me tell you how options work. An option is simply a contract to buy or sell a stock or an ETF at a certain price before a certain date.

Now I'm not talking about binary options, which are practically a scam. A binary option is a bet that something will go up or down by the end of the day. The problem with them is that most binary options dealers are unsavory operators not located inside the United States that price the options in a way that makes it so they make money almost all of the time while their customers lose money.

They basically make it so that when the binary options player loses his bet he loses all of the money he put into the trade, but when he wins he only makes 90% on his money. It's

like he is betting on sports games in a casino, but at an even worse disadvantage than the typical football spread offers.

This is why most of the online brokers inside the United States do not offer binary options. They are like scams and the Securities and Exchange Commission has warned people against them.

So don't get involved in them! If you have been playing them please stop and focus on what I'm telling you!

I'm talking about real options trades on the major US stock market exchanges available to just about anyone with a brokerage account. All you gotta do to get into this type of options trading is open up an account with a few thousand dollars in it and ask to be approved for options trading.

### **HOW OPTIONS WORK**

To give you an example of how options work imagine that Facebook is trading at \$50.00 per share and you decide to buy an option contract on it that expires in 30 days that will let you buy Facebook shares at \$55.00 per share.

Each options contract is good for 100 shares and gives you the option to buy shares for \$55.00 and the contract itself costs 50 cents per share.

So in this example this one option contract will cost you \$50.00. Now let's say Facebook goes up to \$60.00 per share in three weeks.

Now with Facebook at \$60.00 that options contract would be worth at least an additional \$5.00 per share. So that options contract you bought for \$50.00 would be worth \$500.00.

That would multiply a small \$50 investment on this contract by a factor of ten. Now you can see how options can generate fast gains and why people love to buy them.

If you got into an options situation like this you could exercise the option. That would mean that you would actually buy those Facebook shares for \$55.00 while they were trading above that level and get them placed in your account.

Or you could take the gain by selling the option back to the market without exercising it for the easy fast money. That's what most people would do.

It might take you a few minutes to wrap your head around what I just said if this is totally new to you. You might need to go back and re-read what I just said, BUT the key is that people view options as a huge way to leverage a small amount of money to try to make big fast massive returns.

This is the way that most people try to trade options. Now if it were so easy as it seems then the question you have to ask yourself is why aren't people getting rich off of options trades like this?

Well over 90% of options expire totally worthless! There is a big reason for this. It has to do with time.

The stock has to make the move before that options expiration date. So Facebook has been a great rising stock since it began to trade, but it rarely has gone up more than 10% in a month, much less more than 20% in three weeks as my example of Facebook rising from \$50 to \$60 a share in a short amount of time shows.

Most people buy options trying to game a big move that just doesn't come quick enough for them. So instead of hitting it big in one massive swing of the bat most options players go into the options game swinging a bat over and over coming up empty to the point that they give up on the game.

You see over 90% of options expire worthless and for every person who buys an option there is a seller on the other side of the trade. And when those options expire worthless that seller gets to pocket all of the money that he made from selling that option!

### **SELL OPTIONS TO MAKE MONEY**

You can sell options and make money. Many people do this in fact on stocks and ETF's that they own in their account with zero risk.

This is called selling a covered call. For instance say you actually own 1,000 shares of Facebook that are trading for \$50.00 per share.

That's \$50,000 worth of stock in Facebook in your account. You like Facebook. You see it go up and you decide that it has gone up so far so fast that it probably is going to slow down for awhile, but you don't want to sell it.

But you want to make a little more so you decide to sell an option for someone to buy the Facebook shares if it goes up to \$60.00 per share. Let's say the options expire in four weeks and are trading at 25 cents per share.

You sell this options contract in this case and receive \$250 in your account. If Facebook goes up above \$60.00 then the options buyer can exercise the contract and make you sell your shares to him or her for \$60.00. But if it doesn't go up enough fast enough and it probably won't, you just keep the \$250.00 when the options expire worthless as free money and the person you sold the contract to ends up with another worthless bet.

And the odds are you are going to win and they are going to lose again, because that is what happens with most options. And after they lose next month you do the same thing with another options player.

There are people selling options like this in the financial markets and making income every single month. If one of their stocks gets "called away" they don't care. They just buy more shares.

Now here is the deal. I do options like this SOMETIMES, but I personally do not sell options like this every month on positions I already own, because obviously you would need to own tens of thousands of dollars-worth of stocks and ETF's at all times to do this.

This takes a big investment and is a tactic that has its uses at times, but it should not be a primary money making tactic. In a bear market it turns into a mess and it isn't really a good way to get started in the markets. I buy stocks and own positions because I think they will go up first and foremost and not to just write options on them! That would be silly.

#### **INCOME AT WILL WITH ALMOST NO MONEY DOWN**

I certainly do not tie up large amounts of money just to sell people options. You just don't need to do that. What you can do is sell options on STOCKS THAT YOU DO NOT OWN at contract strike prices that are so far above what the stock is trading at that the odds of them getting hit are extremely low.

I periodically sell options on stocks that I do not own to long shot gamblers to generate options income. And you can do



this with contracts set to expire in a few weeks in stocks that are going down to sideways. These are stocks I wouldn't want to own and I wouldn't want you to own them either. Nor would I want my grandma to own them. They are junk stocks or stocks in bad spots right now. The options on them are toxic, but some people love to gamble on long shots.

And this creates an options income opportunity for us in the financial markets. That's why I sell options. And when you do this right you possibly can make a couple thousand a month of income at will with very little capital investment. You can just roll over a couple grand a month and laugh. I just put a tiny bit of money down to make money. Like putting down \$95.00 to make \$400.00 on each trade.

Then I do a few trades like that a month and it means putting a little bit of money down to make some decent money.

And it feels like free money. They say you gotta work hard for money, but the funny thing is this takes about 15 minutes of work a month. Then when the options expire the next month comes and I do 15 minutes of work that month and so forth. That means monthly income at will.

It's all about taking advantage of one simple reality. And that is that the legitimate options market is like the binary options market in one way and that is that for most people they try to use it like it's a casino.

Most options expire worthless and that means that most people who are selling these options are making all of the money in the options market. The masses buy options just like a sport gambler bets on a football game. But just like in the casino it is the casino that comes out ahead overtime, because the house sets the odds.

The options market enables us to make income by acting as bookies for the wildest of the wild stock gamblers out there!

Don't get me wrong. There are a lot of prudent investors in the financial markets and people doing a lot of smart things with their money. I know lots of good people like that and talk to them all of the time.

But for every person that is making sensible bets in the options market there is someone else making long-shot gambles

that almost never pay off. Ninety-percent of options expire worthless to start with!

Noe I want to do everything I can to help you learn how to do this for yourself so I've created an entire six module course to show you how to do it. And it's completely free. This no trick. This course is totally free for you. To access it just go here:

<http://www.optionsincomegenerator.com>

- Mike Swanson

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