



BigPictureTrading
macro . technicals . options

S&P500 and the Gamma Flip

December 5th, 2019



S&P500 Daily Chart

December 5th, 2019



Is it a:

1. market consolidation?
2. market correction?
3. start of a market crash?

Analog of Market Consolidations

December 5th, 2019

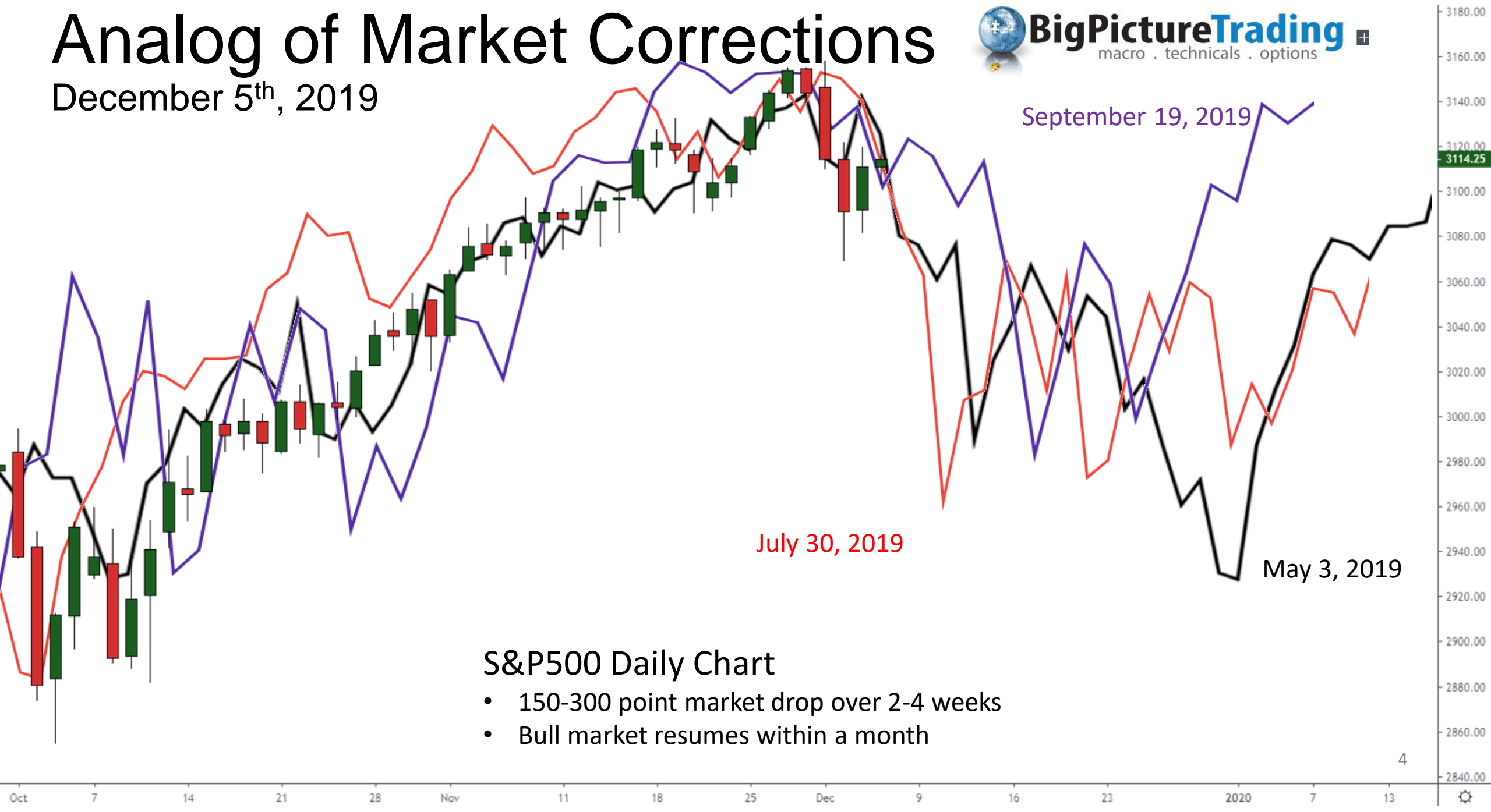
S&P500 4-hour Chart

- 50-100 point market drop over a few days
- Bull market resumes within a week



Analog of Market Corrections

December 5th, 2019



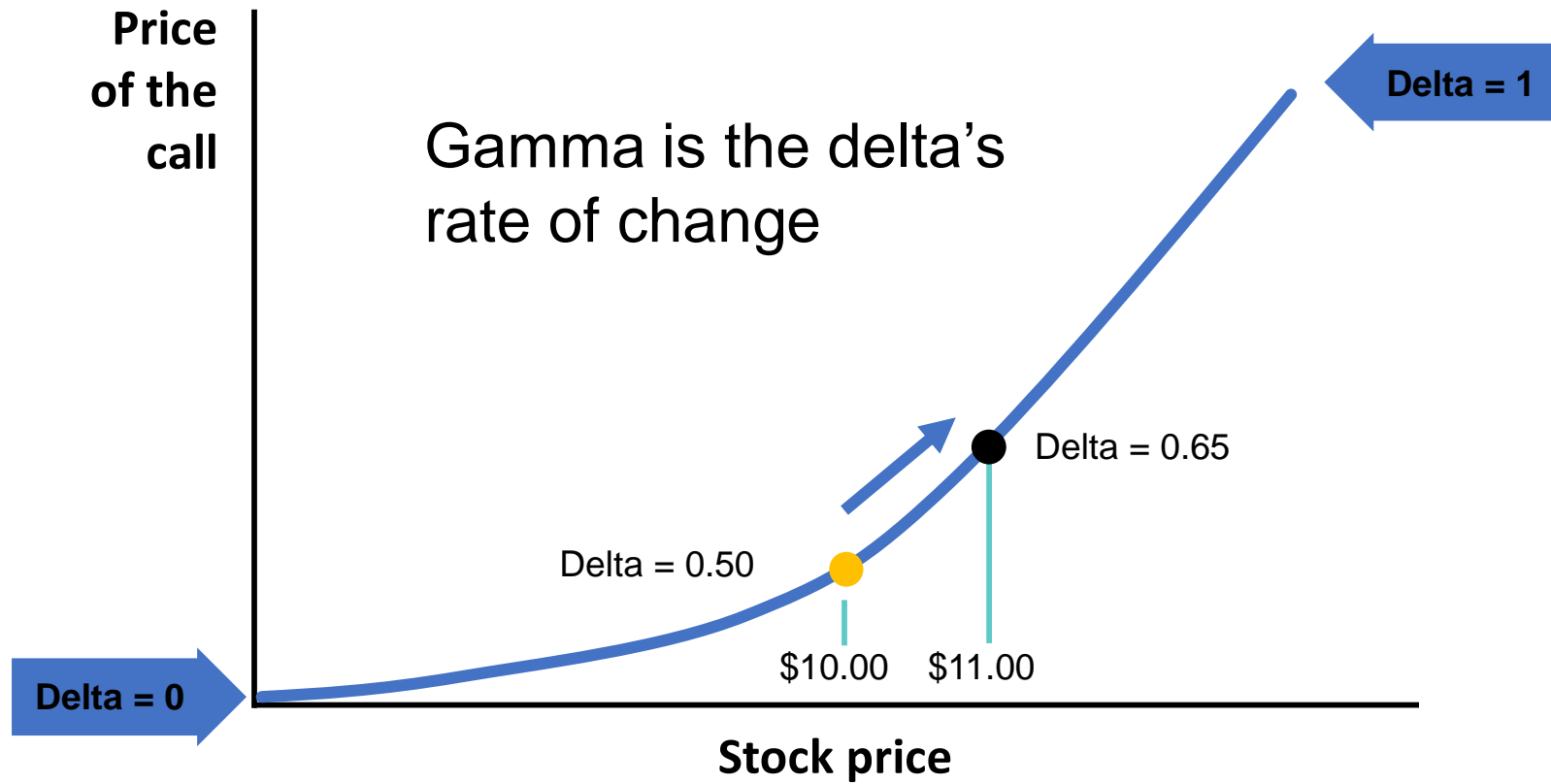
Gamma

Change in delta

The **rate of change** in the **delta**

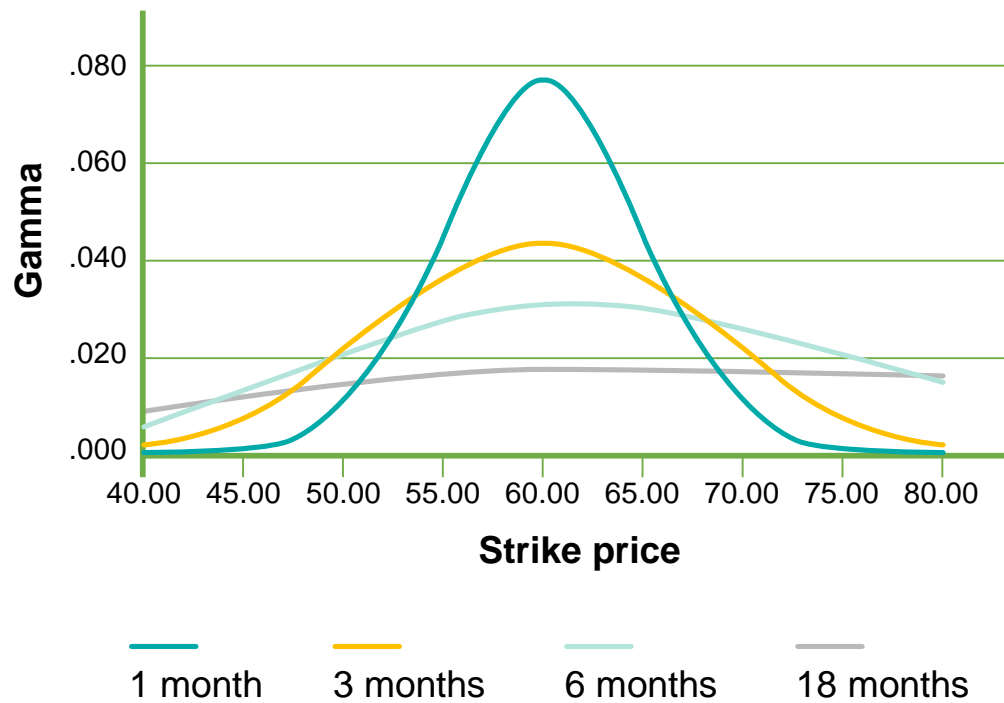
This measure plays an important role for pro traders who are using options to **delta hedge** their portfolios

Gamma



Gamma characteristics

Gamma vs. time



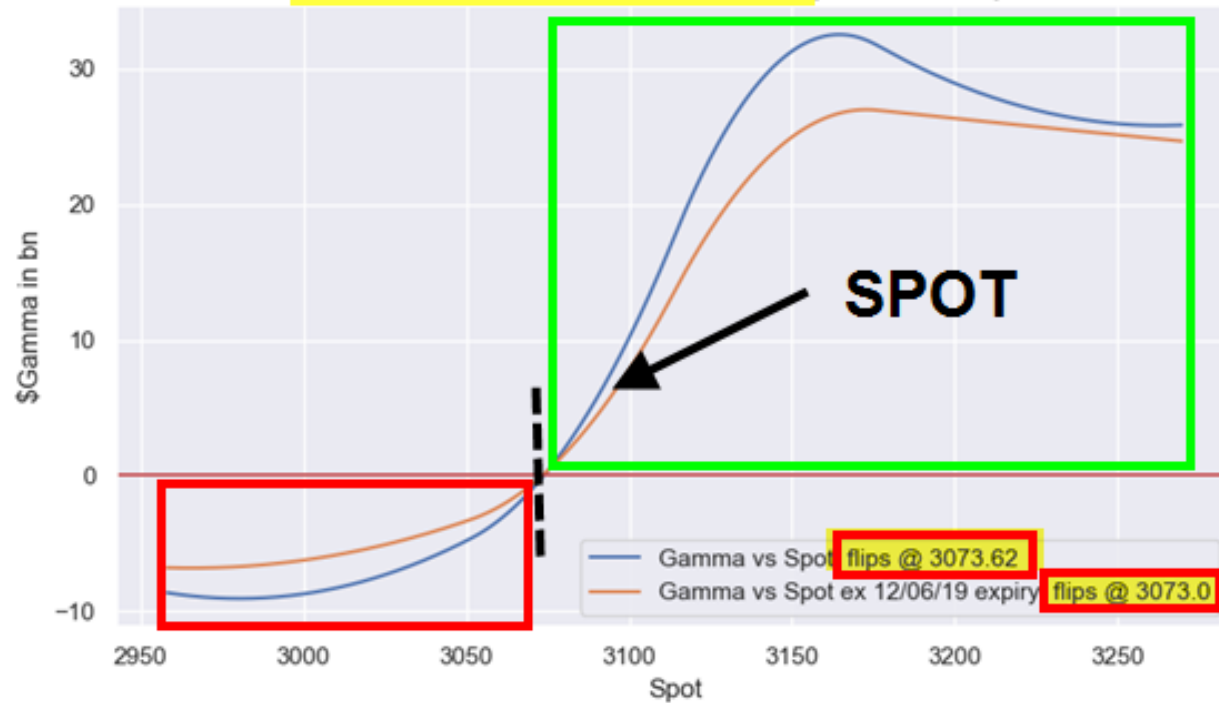
As expiration
nears

**Gamma
increases**
on shorter-term
options

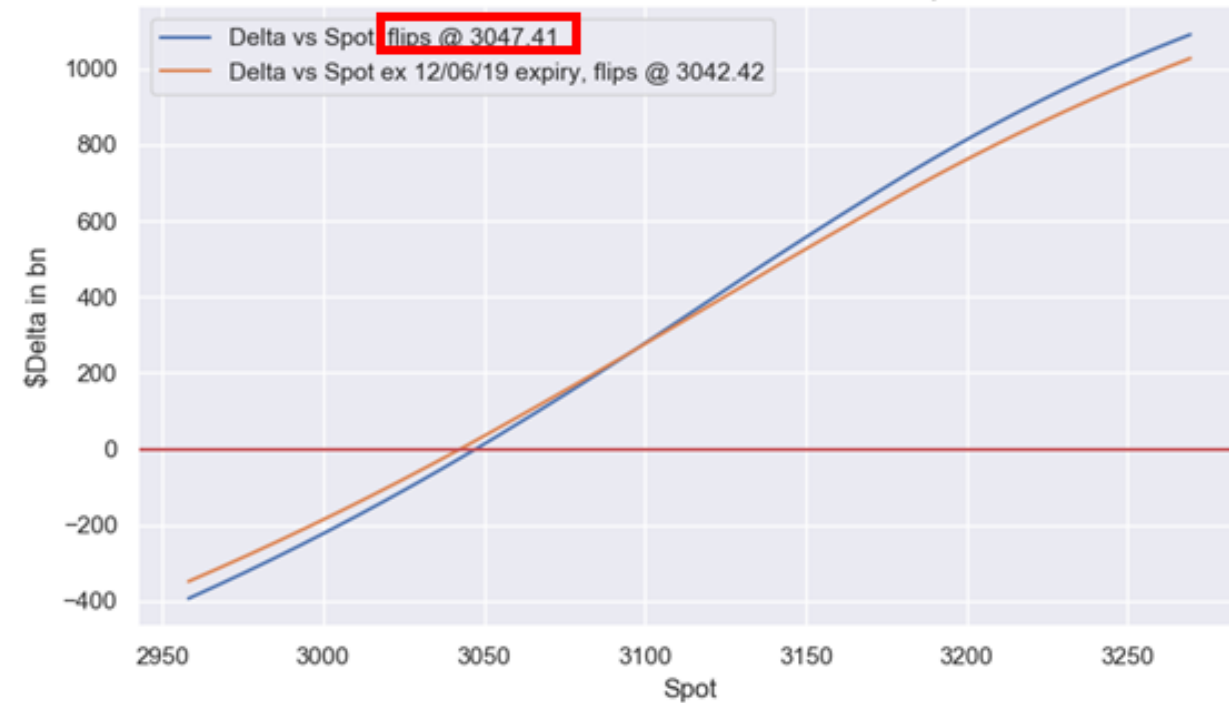
Charlie McElligott's Gamma Flip

December 5th, 2019

SPX and SPY Combined Gamma per 1% vs Spot



SPX and SPY Combined Delta vs Spot



Free Bootcamp: How To Find Asymmetry On Your Favorite Commodity Stocks, Using Options The Right Way

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