

NEWS from **Option Wizard™**

FOR IMMEDIATE RELEASE, January 24, 1997

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You may download this news release at: <http://homepage.interaccess.com/~jas/newsow.shtml>

You may download Option Wizard™ visuals at: http://homepage.interaccess.com/~jas/option_wizard.html

Option Wizard™ ships enhanced version 6.0

Option Wizard™ ships version 6.0 for PC or Macintosh.

A template for Microsoft Excel®, Option Wizard™ prices calls and puts. The new version adds a dividend adjuster, price and strike series tables, and auto-check call-put parity. Its new and streamlined workbook format is composed of four worksheets: instructions-definitions, volatility, call-put price series, and call-put strike series. Each prints on one page.

Unlike other options models that only show today's prices and require recalculation each day, Option Wizard™ displays option premium time decay in a days-from-now table format. Because it is a Microsoft Excel® template, it is not a "black box" with hidden formulas; it is completely customizable.

A companion publication, **Tales from the Option Wizard™** comes with Option Wizard™. It presents seven case studies from 1996-1997 markets:

- Trashing the techs and selling the panic (sell puts), January 96 Sun Microsystems puts
- Repairing an errant short-against-the-box strategy, March 96 IBM puts
- When not to repair short-against-the-box strategy, July, 96 Intel calls
- Capturing premium just before expiration, October, 1996 U.S. Robotics puts
- How to participate in an uptrend (when you've missed the boat) October 1996 Intel puts
- To sell calls or not to sell calls, November 1996 Intuit calls
- Hedging against the Tax Man, January 1997 Dell calls

Celebrating its first full calendar year in the marketplace, Option Wizard™ has won plaudits from options traders from Singapore to Chicago to Sydney: "This has taught me quite a bit about options -- especially in evaluating changes in option value over time with expected price movement." "A big help -- premium decay mirrors the market." "Very convenient to print out and take with."

The Option Fool Hubert Lee reviews the redesigned Option Wizard™ 6.0 at <http://www.optionfool.com/wizard.htm>.

"Option Wizard™ highlights premium time decay," says Option Wizard™ developer John A. Sarkett. "With some 55% to 65% of options expiring at a loss or at zero, according to Options Clearing Corporation economists, this helps the trader remember to have a short options bias or be very nimble."

For a no-risk trial, send check for \$59.95 to "Option Wizard™, Sarkett & Associates, Inc., 485 Sunset Road, Winnetka, IL 60093, 847.446.2222. Program sent in universal MIME format as email attachment. For disk by mail, add \$4.95 shipping-handling (\$64.90 total). Option Wizard™ software carries a 30-day money back guarantee. Previous customers may upgrade for \$20 (email) or \$24.95 (disk by mail). Web site: http://homepage.interaccess.com/~jas/option_wizard.html. Email: jas@interaccess.com.

Visuals and captions: Option Wizard™, Backtest Wizard™

Ed.: Online for you at: http://homepage.interaccess.com/~jas/option_wizard.html
/~jas/backtest_wizard.shtml

Option Wizard™ prices puts. Selling puts can be a cost effective way of acquiring stock for the patient investor.

Option Wizard™							
	E	F	G	H	I	J	K
69	(Note: Table shows price of the 75 puts, to expire in 111 days, with volatility = .42 .						
70	With stock at \$78.50 today, a put seller could acquire stock at \$75 - \$4.84 = \$70.16)						
71	DAYS FROM NOW:						
72	Stock price	0	10	20	30	40	50
73	81.00	3.97	3.71	3.44	3.15	2.84	2.51
74	80.50	4.14	3.89	3.61	3.32	3.01	2.68
75	80.00	4.32	4.06	3.79	3.50	3.18	2.85
76	79.50	4.49	4.23	3.96	3.67	3.36	3.02
77	79.00	4.67	4.41	4.13	3.84	3.53	3.19
78	78.50	4.84	4.58	4.31	4.02	3.70	3.36
79	78.00	5.01	4.76	4.48	4.19	3.87	3.53
80	77.50	5.19	4.93	4.65	4.36	4.04	3.70
81	77.00	5.36	5.10	4.83	4.53	4.22	3.87
82	76.50	5.53	5.28	5.00	4.71	4.39	4.04
83	76.00	5.71	5.45	5.18	4.88	4.56	4.21

Caption: Testing a system generating buys and sells in line with trend, force and stochastics. On day 180, with K leading D down, and 5 DMA leading 20 DMA down, Force Index changed from + to -, initiating a short sale. Profit stood at 1.375 by day 189. There was no drawdown. Over 200 days, trading this system generated 10 trades, total gain 5.75, total drawdown 8.75, however. Would this be a successful system? Probably not over time, possibly, however, for a more volatile stock. More testing is needed. Backtest Wizard™ tests different strategies and securities in a customizable Microsoft Excel format.

Backtest Wizard™								
	K	L	M	N	Y	W	X	Y
1	5 day	20 day	20 day	3 day	BUY-SELL	GAINS	DRAWDOWNS	CLOSING
2	MA	MA	%K	%D	W TREND	MAX 10 DAYS	MAX 10 DAYS	PRICES:
3	TREND		STOCHASTICS		W FORCE	5.75	-8.75	
4					W K/D	NUMBER OF TRADES:		
5						10	10	
180	26.65	26.66	19	40	SHORT	1.375	0.00	26.000
181	26.45	26.63	18	29				25.875
182	26.13	26.55	15	17				25.500
183	25.93	26.49	20	18				25.625
184	25.68	26.45	18	18				25.375
185	25.58	26.43	23	20				25.500
186	25.40	26.35	5	15				25.000
187	25.28	26.30	4	10				24.875
188	25.10	26.24	0	3				24.750
189	24.95	26.13	8	4				24.625
190	24.80	26.03	15	8				24.750

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