



## ***An Investor's Guide to Trading Options***

By: Virginia B. Morris and  
Kenneth M. Morris  
Publisher: Lightbulb Press,  
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**Book review by:**  
**Gail Osten**

Back in August, we reviewed a book called the *Complete Idiot's Guide to Options and Futures* and gave it a very high rating as a primer in the regulated derivatives area.

I mention this because the new *An Investor's Guide to Trading Options*, though not officially from the "Dummies" or the "Idiots" series, does **just as good** a job offering the basics in the options area as does the *Idiot's Guide*, even better on many of the topics. I want again to unequivocally state that many of the simple books are just the ticket, as investors and traders-to-be can have a heck of a time sorting through a very complicated maze of terminology, strategies and requirements. Anyone who uses them clearly is not a dummy.

Virtually every equity option topic is covered somewhere in this book, simplified into bite-size nuggets that are understandable. Sometimes a little bit of knowledge goes further than a long explanation that can leave readers confused and missing key points.

*An Investor's Guide to Trading Options*, though written by the Morrises through Lightbulb Press (also authors of *The Wall Street Journal Guide to Understanding Money & Investing*), is the brainchild of the Options Industry Council (OIC), the non-profit, educational arm of the five U.S. options exchanges. So here we have highly experienced educators who know the options business inside and out and professional writers collaborating on a book(let) that takes you where you want to go in just 64 pages (also appropriately priced for its length).

It's also reassuring that, because the OIC is not out to blatantly sell options to an unsuspecting public, the *Guide* is straightforward and non-sales-y. It's meant to elucidate, not frustrate. Brokers would be well advised to stock up on these books for current and potential clients because chances are good that the brokerage firms won't be able to economically replicate such an excellent effort. And customers need something to which they can refer without going through reams of information.

To that end, simple language, understandable analogies and helpful (I hesitate to use the word "cute," but they are) illustrations generally make way for every two facing pages to cover one topic. So, as I count it, there are 29 topics covered more than adequately in the *Guide* (see sidebar for a listing of these on the previous page).

Like other beginner books we've reviewed, *An Investor's Guide to Trading Options* is merely the footing for the bridge you'll be building as you delve further into these instruments. But that's okay. At least we have something from which to build knowledge while knowing it's not rife with overblown promises. The Options Industry Council was very smart to put this book into circulation, as it will have a long life with investors.

*Gail Osten is executive editor of SFO magazine*

### **Bite-Sized Topics in the Guide**

What Is an Option Anyway?	Put Writing
How Does Option Trading Work?	Index Options
Which Securities Are Options Offered On?	Spread Strategies
Where Are Options Traded?	Understanding Spreads
What Are the Benefits of Trading Options?	Collar Transactions
What Are the Risks for Options Traders?	Exit Strategies
What Do I Need to Get Started?	Rolling Up, Over and Out
Key Terms and Definitions	Tax Considerations
Introduction to Options Strategies	Trading Options
Selecting the Right Security	Options Information Sources
Call Buying	Applying Options Information and Analysis
Call Writing	Reading Options Charts
Put Buying	Options Chains
	Strategy Screener
	Options Symbols and Sources
	Glossary



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