



Schaeffer's Investment Research Review Explains Reasons for the Explosive Growth in Options Trading

Schaeffer's Investment Research Review explains why there's explosive growth in options trading.

CINCINNATI, OH, UNITED STATES, September 10, 2021 /EINPresswire.com/ -- Bernie Schaeffer, the founder, and guru of Schaeffer's Investment Research Review narrates how he got hooked on the options market. Before options trading was popular in the early days, the few odd-lot traders were the most common speculators. Bernie says that odd-lot traders sold and bought stocks in lots of less than 100 shares. However, these stock traders were unreliable and wrong because rumors and stale news influenced their trading. They were unsophisticated, according to Bernie.

Schaeffer's Investment Research Review adds that another crop of stock traders emerged to replace the odd-lot traders as listed options trading grew. The options speculators flooded options trading. But, as Bernie notes, they weren't different from the odd-lot traders because they made grave blunders. He adds that he could understand the options trading decisions that influenced the options speculators by examining the data for puts and calls.

Bernie of Schaeffer's Investment Research Review started to develop a systematic way of analyzing options in trading. He developed a method called Expectational Analysis. Armed with this unique and novel approach to options trading, Bernie launched his options newsletter, the Options Advisor, in December 1981.

As Schaeffer's Investment Research Review observes, there has been a rapid growth of equity options over a period of three decades, since the early 80s. But the stock market crash in 1987 stalled progress for a while. As individual investors' appetite for equity options increased during the 1990s, investment in options ballooned, too. Schaeffer's Investment Research Review adds that 2012 saw equity options volume hitting 4 billion, repeating the same feat of the previous year.

What led to the explosive growth in options trading? Schaeffer's Investment Research Review explains that modern investors understand the massive benefits of options trading as an investment vehicle. Bernie adds that one pro of options is that they're a low-cost investment that can give an investor good profit with changes in equity. In addition, an investor can use options

to hedge a portfolio against loss of value or as a source of extra income. Schaeffer's Investment Research Review concludes that these advantages of options are attracting many otherwise hesitant investors to options trading.

Another reason for the exponential growth in options trading is the openness in current trading activities compared to the olden days. According to Bernie, the options industry conducted its activities behind closed doors in the past, and it seemed there was lots of secrecy. The public wasn't sure about the firms' identity that traded options due to a lack of a transparent options exchange market. As a result, options were expensive and beyond the reach of many.

However, investors can now trade options on 12 exchanges the same way they can buy and sell stock on stock exchanges. Schaeffer's Investment Research Review says that options investors have the same protection as traditional stock investors. Also, "options are now fully fungible, which simply means that an option buyer can turn around and sell his or her contract on the options exchange at any time up to and including the date that it expires," says Bernie of Schaeffer's Investment Research Review.

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