A $700 Billion Opportunity You Need to Trade Now

By TradeWins Publishing

We hope you’ve been enjoying these weekly recommendations.

But we have something even bigger in store. Right now, we’re hard at work on a daily version with even more trade ideas, education and maybe even video commentary.

Today, before we jump into our newest recommendations, we wanted to take wins off the table.

On August 23, 2017, we recommended buying to open the NVDA October 2017 170 calls, which were trading at $6 at the time. Today, they’re up to $19.95 for a win of 233%.

If you bought in, take the win.

We also spoke about True Car (TRUE) and Cirrus Logic (CRUS) in that alert. Each remains on hold at the moment.

On July 26, 2017, we mentioned taking a position in the DIA, QQQ, SPY ETFs, as well as the DIA January 2018 220 calls and September 220 calls. Here’s how they’ve done since then.

- DIA ran from $216 to $223
- QQQ ran from $140 to $145.92
- SPY ran from $242 to just under $250
- The DIA January 220 calls ran from $3.80 to $7.30
- The DIA September 220 calls did well, too but recently expired

In early July 2017, we highlighted opportunity in shares of Himax Technologies (HIMX), too. Since then, the stock has soared from $7.75 to $10.48 after testing $12. We also made mention that traders were buying the HIMX December 2017 9 calls, which ran from 80 cents to $2.20.

We also spoke about the HIMX January 2018 10 calls, which ran from 67 cents to $1.80.
If you were in these trades, consider taking exiting half of each to secure wins.

That’s not to say we don’t have our duds. Some of our gold trades took a beating. But we keep pushing forward and attempt to find more opportunity.

In fact, to find potential wins, we’re simply combining a mix of technical, fundamental, news and billionaire strategy, giving us a full 360-degree view of opportunities.

I’m working on a full strategy report on this as we speak.

In the meantime, we have another interesting opportunity with regards to defense spending.

**A $700 Billion Defense Opportunity**

There’s no denying President Trump’s determination to strengthen the U.S. military.

Just one look at his $668 billion defense budget for 2018 was proof of just that.

That budget alone would increase the Defense Department’s based budget to $574.6 billion, buy six ships, new fighter jets, 15 new KC-46 air tankers, which are used for aerial refueling, and help grow the U.S. military by another 56,000 new service members, as we’ve noted in these reports.

But Congress didn’t think that was enough.

In late June 2017, the House approved a $658 billion spending plans for the Defense Department. It includes $584 billion for the base budget and $74 billion in war funding. Much of that money would go toward the National Defense Restoration Fund, an account made available to “increase and strengthen, improve military readiness, modernize equipment, and invest in future technology, subject to appropriate congressional oversight,” as noted by The Hill.

Then, just the other night, the U.S. Senate announced a $700 billion defense budget deal with a vote of 89-8. That’s about 5% higher than what President Trump requested.

This bill would increase spending on F-35 fighter jets, ships and M1 Abrams tanks, and raise current military pay scales by 2.1%. It’ll also authorize $5 billion for Afghanistan security forces, as well as $8.5 billion to boost U.S. missile defense systems. Better yet, it’ll provide $60 billion in war funding known as Overseas Contingency Operations.
Much like the House version, the Senate bill asks for substantial payments for massive military buildups and considerable funding to dig out of what many analysts consider to be "crisis-level readiness shortfalls," as pointed out by Politico.

From this point, the House and Senate will form a "joint conference" to compromise on a final version of the bill. Once we have final draft, markets – especially the defense sector – could move higher. Already, some of the biggest market movers since May 2017 have included:

- Raytheon (RTN) ran from $155 to $183
- Boeing (BA) ran from $180 to $253
- General Dynamic (GD) ran from 194 to $202
- Northrop Grumman (NOC) ran from $245 to nearly $276

A great way to trade these names is by buying an ETF such as the following:

- iShares U.S. Aerospace & Defense ETF (ITA)
- SPDR S&P Aerospace & Defense ETF (XAR)

Even smaller cap defense stocks like Kratos Defense (KTOS), which is involved with aerial combat drones has seen its stock soar from a May 2017 low of $7.50 to a high of nearly $14. A great way to trade KTOS here is by buying the stock and the KTOS February 2018 12.50 calls.

There is always a way to make money in the markets, despite incessant volatility.

We'll show you a few ways in the strategy guide I'm putting the finishing touches on. Please stay tuned for that. I think it could change the way you trade.