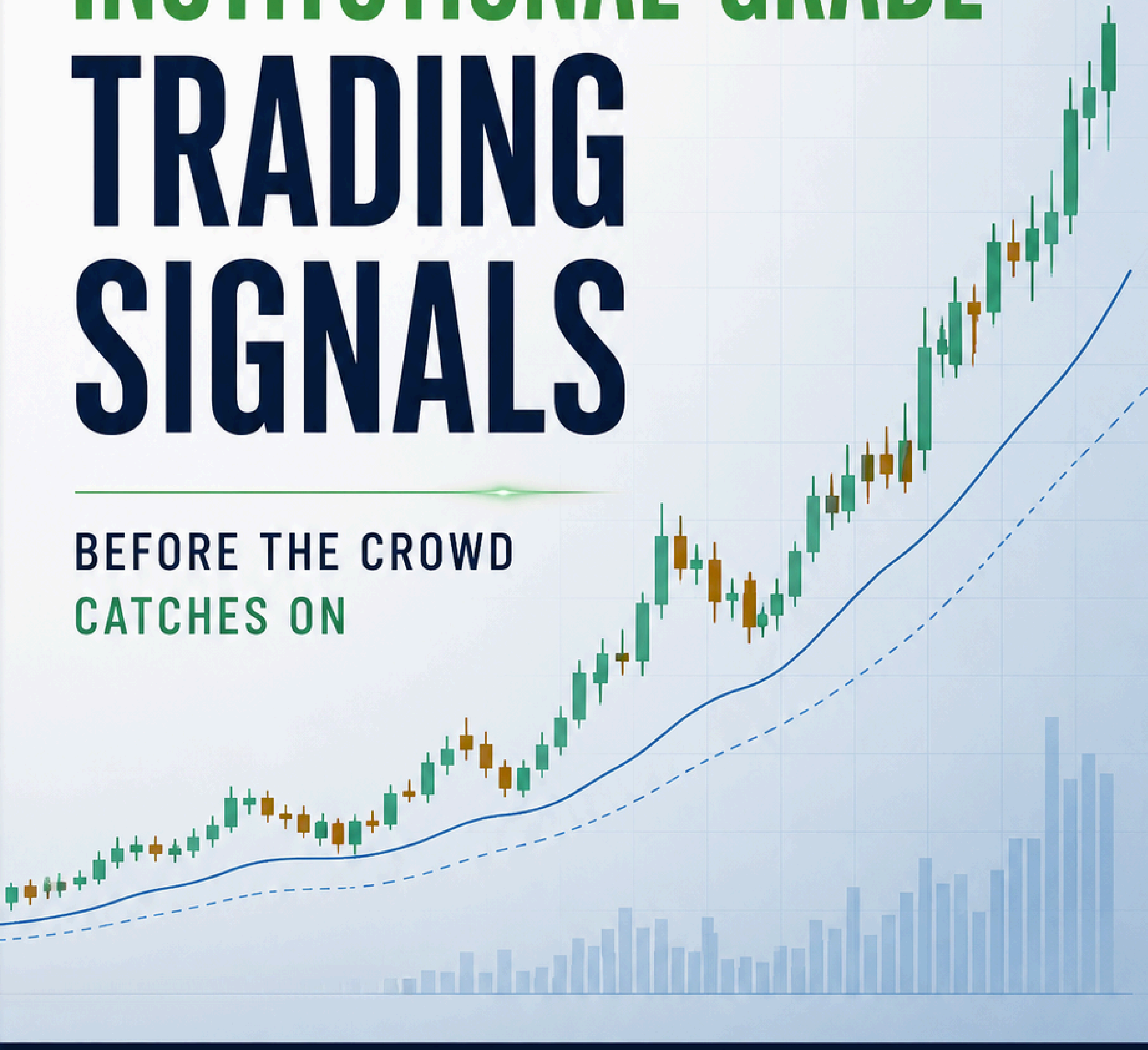
FREE TRADING GUIDE

HOW TO SPOT INSTITUTIONAL-GRADE TRADING SIGNALS

BEFORE THE CROWD
CATCHES ON



Hi Trader,

Every trading day millions of options contracts change hands.

Financial media loves to talk about "unusual options activity" as if every large trade is a hidden clue about where a stock is headed next.

The reality is far different.

Most unusual options activity is worthless…

And the trades lead nowhere.

Some are simple hedges.

Some are part of complex multi-leg strategies.

Some are market makers adjusting risk.

And others are institutions managing positions that have nothing to do with predicting a stock's next move.

This is why traders who blindly follow large options trades often end up frustrated.

They see a huge call purchase.

They assume someone knows something.

They buy.

Then nothing happens.

The stock drifts sideways.

The option expires worthless.

And the trade fails.

The problem isn't that institutional traders don't leave footprints.

The problem is that most traders don't know which footprints matter.

Over time, professional traders learned that the highest-conviction institutional trades tend to share four specific characteristics.

When all four appear together, the probability that you're looking at genuine informed activity increases dramatically.

Let's examine each one.

HURDLE #1

Size: The Trade Must Be Big Enough To Matter

The first clue is obvious.

Money talks.

And large institutions speak with enormous amounts of it.

When hedge funds, pension funds, proprietary trading desks, and other professional firms identify an opportunity they believe offers an unusual edge, they rarely express that conviction with a few thousand dollars.

They commit meaningful capital.

That's because institutions don't think like retail traders.

A retail trader may buy five contracts.

Maybe ten.

A professional fund may buy hundreds, thousands, or even tens of thousands of contracts in a single position.

The key isn't merely that the trade is large.

The key is that the trade is large relative to what normally trades.

For example:

If an option typically trades 100 contracts per day and suddenly 2,000 contracts trade in a few minutes, that's significant.

If another option normally trades 50,000 contracts per day and trades 55,000 today, that's probably meaningless.

Context matters.

Professional traders pay close attention to volume anomalies because they often reveal when a major participant has entered the market.

Think of it like observing traffic.

If you see one extra car on a busy interstate, you barely notice.

If you see 200 cars suddenly driving down a quiet residential street, something unusual is happening.

The same principle applies in options markets.

Volume alone doesn't guarantee a profitable opportunity.

But without meaningful size, there's little reason to believe institutional money is involved in the first place.

Size gets a trade onto the radar.

The next hurdle determines whether that institution is acting with conviction.

HURDLE #2

Urgency: How The Trade Is Executed Reveals Conviction

Many traders focus exclusively on what was bought.

Professionals focus on how it was bought.

This distinction is critical.

Every options contract has a bid price and an ask price.

The bid is what buyers are willing to pay.

The ask is what sellers are demanding.

Normally, traders try to negotiate favorable pricing.

They place limit orders.

They wait.

They attempt to save money.

But when someone believes a major catalyst is approaching, their priorities change.

Speed becomes more important than price.

Rather than waiting for a better deal, they aggressively hit the ask.

They are willing to pay more because missing the opportunity would cost far more.

Imagine hearing that a stock may soon release a game-changing announcement.

If you genuinely believe the stock could move 20%, 30%, or 40%, paying a few extra cents for an option becomes irrelevant.

The anticipated move dwarfs the entry cost.

This creates a telltale signature.

Large buyers repeatedly lifting the ask.

Large sellers repeatedly hitting the bid.

Aggressive execution.

Little concern for price improvement.

A strong desire to get positioned immediately.

Professional traders know that urgency often reveals more than the trade size itself.

A massive order executed slowly throughout the day may simply be portfolio management.

A massive order executed aggressively within minutes often signals something entirely different.

It suggests someone believes time is running out.

And that's exactly the type of behavior traders want to identify.

HURDLE #3

Trade Type: Eliminate Mixed Signals

This is where most unusual options scanners fail.

They identify size.

They identify volume.

But they don't determine intent.

And intent is everything.

Consider two different trades:
The first trader buys 5,000 call options.

The second trader buys 5,000 calls while simultaneously selling another option.

At first glance, both trades appear bullish.

But they are not.

The first trade is a straightforward directional bet.

The trader profits if the stock rises.

Simple.

The second trade may be a hedge.

It may be an income strategy.

It may be part of a larger position.

It may even have a completely different objective.

This is why professionals prefer clean directional activity.

A pure call purchase sends a clear message.

The trader expects upside.

A pure put purchase sends an equally clear message.

The trader expects downside.

No guessing.

No interpretation.

No hidden agenda.

No complicated spread structure.

Think of it like reading body language.

A person pointing directly toward an exit sends a very different signal than someone waving their arms in six different directions.

One message is obvious.

The other requires interpretation.

The best institutional signals tend to be obvious.

They're direct.

They're focused.

And they leave little doubt about what the trader expects to happen next.

HURDLE #4

Strike Selection & Expiration: The Ultimate Test Of Conviction

The final hurdle is where many trades fail.

Because this hurdle measures something incredibly important:
How much risk the trader is willing to accept.

Imagine two investors who both believe a stock may move higher.

The first buys an in-the-money option that already has substantial intrinsic value.

The second buys an out-of-the-money option that expires in a few weeks.

Which trader is expressing greater conviction? Almost always the second. Why?

Because short-dated, out-of-the-money options are unforgiving.
They require a meaningful move.

And they require it quickly.

If the stock drifts sideways, time decay begins eroding value immediately. If the stock moves too slowly, the option may still lose money.

By choosing this type of contract, the trader is effectively saying:
"I don't just believe the stock will move."

"I believe it will move soon."

"And I believe it will move enough to justify this risk."

That's a powerful statement.

Professional traders understand that conviction becomes visible through contract selection.

Anyone can buy a long-dated option and wait.

Anyone can hedge risk with conservative strikes.

But when substantial capital pours into short-dated out-of-the-money contracts, it often signals a much stronger belief that a specific catalyst is approaching.

This is where the highest-conviction trades frequently emerge.

Why All Four Hurdles Matter

Here's the mistake most traders make:

They look for a single clue.

Maybe unusual volume.

Maybe a large buyer.

Maybe an aggressive trade.

But any one signal can be misleading.

That's why professionals stack evidence.

A trade must be:

- Large relative to normal activity
- Executed with urgency
- Structured as a clean directional bet
- Focused on short-dated, out-of-the-money contracts

Each hurdle removes more noise. Each hurdle filters out more false signals.

Each hurdle increases the likelihood that you're seeing genuine institutional conviction rather than ordinary market activity.

And when all four appear at the same time, you're no longer looking at just another options trade.

You're looking at a highly selective setup that has survived one of the toughest screening processes a trader can apply.

Because in trading, the goal isn't finding more opportunities. The goal is finding better opportunities.

And the traders who consistently succeed understand that filtering out bad trades is often more valuable than finding new ones.

The four hurdles give you a systematic way to do exactly that.

Next Step

Once you understand how institutional traders leave clues behind, the challenge becomes finding those clues before the opportunity disappears.

That's where technology, automation, and real-time scanning become essential—because manually monitoring millions of options contracts every day simply isn't practical.

The good news is we've created a scanner specifically designed to identify unusual activity, institutional positioning, and high-conviction opportunities before they become obvious to the rest of the market.

And we'd like you to give it a risk-free try.

Get the details here

To changing the way you trade forever,

Drew Day
Founder, Base Camp Trading