# CAPTAINS 3% CLUB

**WEEKLY PREMIUM COLLECTION NEWSLETTER**

Issue #2 • Week of July 13, 2026 • Data as of July 10 close (delayed quotes)

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## 1 | MARKET OVERVIEW

| Index / Gauge | Close (Jul 10) | Week Chg | Read |
|---|---|---|---|
| S&P 500 (SPX) | 7,575 | +1.2% | Another record week; Dow also at all-time highs |
| Nasdaq 100 (NDX) | 29,825 | +1.7% | Chips roar back - last week's rout fully reversed |
| Russell 2000 (RUT) | 2,978 | -0.6% | Small caps sit out the party, still under 3,000 |
| VIX | 15.03 | -6.9% | Fear drains away - premium leaner than last week |

What a difference a week makes, Captains. The chip rout we wrote about in Issue #1 reversed almost to the tick: SK Hynix raised $26.5 billion in the largest-ever US listing by a foreign company and popped 14% on debut, Applied Materials talked up equipment demand, and the whole semiconductor complex came roaring back. Our NVDA funds (NVDX, NVDL) gained 17%, METU rocketed +30%, and SOXL bounced +6%. Dip buyers - and put sellers - got paid. The rotation also reversed: last week's winners lagged (FAS flat, NUGT -7.5%) while small caps slipped (TNA -1.9%). The sore thumb is housing: NAIL fell another -14% as futures priced a 61% chance of a September rate HIKE under Chairman Warsh. In the background, the US and Iran exchanged their heaviest strikes since the ceasefire - and oil eased anyway.

For premium collectors the picture is leaner than last week: the bounce lifted 9 of our 16 off their setup zones (7 setups this week vs 11), VIX fell under 15.1, and option premium cooled with it - the deep 15-20Δ weekly routes now only clear the 1.5-2% bar on the highest-VolRk names (SOXL, NAIL, NUGT). Calendar discipline matters this week: big banks open earnings season Tuesday Jul 14 (watch DPST/FAS), then GOOGL Jul 22, MSFT and META Jul 29, AMZN Jul 30, NVDA late August. The earnings rule is active on every single-name 2x fund - keep short options inside the safe window.

## 2 | LAST WEEK'S RESULTS - SCOREBOARD

| Case study (Jul 2 entry) | Entry | Fri mark | Where it stands | Ruling |
|---|---|---|---|---|
| **CSP YINN** Aug 7 $20.50P | sold $1.78 | $0.52 | 71% of premium captured in week 1 of 5 | **TAKE PROFIT** - 50%-in-half-time rule hit; buy back, redeploy |
| **CSP TQQQ** Aug 7 $69P | sold $4.90 | $2.82 | 42% captured; TQQQ +5% to $77.03 | HOLD - on track, watching the 50% trigger |
| **OTM CC NUGT** Jul 24 $125C (shares @126.01) | call sold $11.15 | stk $116.56 / call $4.30 | call 61% decayed; stock sits ABOVE net basis $114.86; mark –2.1% | HOLD - let Jul 24 play; rewrite after expiry, never under basis |
| **ITM CC SOXL** Aug 7 $175C (shares @181.47) | call sold $44.95 | stk $192.26 / call $45.58 | +$10.2 of $38.48 max Tv (26%); call deep ITM | ON TRACK - happy to be called at 175 for the full 21.2% |
| **PMCC SOXL** Jan28 $36C / Jul 31 $235C | net $134.77 | net $145.37 | +7.9% on capital in week 1; short only 14% decayed | HOLD - no roll trigger yet |
| **PMCC NVDX** Jan28 $4.43C / Jul 24 $17C | net $10.95 | net $12.30 | +12.3% on capital - but the $17 short is ITM (0.76Δ, NVDX $18.77) | **ROLL** the short up-and-out before Jul 24 (e.g. Jul 31 $20C); LEAP is doing its job |
| ★ **Top pick CSP NUGT** Jul 17 $120P (35Δ) | sold $5.30 | $7.50 | ITM - NUGT $116.56 vs $120 strike; still ABOVE breakeven $114.70 | **ASSIGNMENT WATCH** - embrace the wheel at $120 (see Captain's Corner) |
| **Top pick deep route** Jul 17 $110P (18Δ) | sold ~$2.20 | $2.68 | still OTM by 6% after a –7.5% week | HOLD - the delta lesson, vindicated in one week |

*Income board check: 9 of the 11 weekly strikes from Issue #1 finished the week comfortably out of the money. The two exceptions are NUGT $120P (above, wheel engaged) and **NAIL - both routes breached** after a second -14% week: the $47P (sold ~$2.02, now $4.60) is below its $44.98 breakeven, and even the deep $44P (sold ~$1.10, now $2.52) sits at the line. If still ITM at Friday's expiry, take the shares and apply the **SIN BIN protocol** - drawdowns are weather, not wreckage; nothing here is realized.*

## 3 | WATCHLIST SCAN - THE 16

| Ticker | Price | Wk % | KC Half | At Pivot | At Fib | Range | ATM IV | VolRk* | Setup? |
|---|---|---|---|---|---|---|---|---|---|
| UPRO | $146.16 | +3.8% | upper | R1/dR1 | - | top | 38% | 88 | N |
| TQQQ | $77.03 | +5.0% | upper | P/dP/dR1 | - | top | 67% | 99 | N |
| TNA | $71.51 | -1.9% | upper | S1/dP/dS1 | - | top | 59% | 43 | N |
| SOXL | $192.26 | +6.0% | lower | P/dP/dS1/dR1 | 38.2 | top | 179% | 98 | Y |
| DPST | $141.13 | -0.8% | upper | P/dR1 | - | top | 73% | 40 | N |
| FAS | $163.97 | +0.1% | upper | dR1 | - | top | 48% | 67 | N |
| LABU | $293.84 | -3.2% | upper | P/S1 | - | top | 95% | 86 | N |
| NAIL | $42.1 | -14.4% | lower | S2/dP/dR1 | 61.8 | bottom | 94% | 93 | Y |
| YINN | $25.36 | +14.9% | upper | dP/dR1 | - | bottom | 73% | 79 | Y |
| NUGT | $116.56 | -7.5% | lower | S1/dP/dS1/dR1 | - | bottom | 84% | 62 | Y |
| NVDX | $18.77 | +17.1% | upper | - | 50 | top | 77% | 93 | N |
| NVDL | $33.03 | +17.0% | upper | - | 50 | top | 73% | 91 | N |
| MSFU | $23.47 | -2.6% | lower | P/dR1 | - | bottom | 83% | 89 | Y |
| AMZU | $35.09 | +2.3% | upper | R1/dP | 50 | bottom | 80% | 75 | Y |
| METU | $28.03 | +30.4% | upper | R2 | 38.2 | top | 116% | 99 | N |
| GGLL | $113.07 | -1.7% | lower | P/dP/dS1 | 50 | top | 74% | 70 | Y |

*Setup = lower half of Keltner Channel, and/or sitting at a daily/weekly pivot, major fib level, or bottom half of the 90-day range. Pivots: P/S1/R1 = weekly, dP/dS1/dR1 = daily. ATM IV = ~30-day at-the-money implied volatility from the chain. *VolRk = 1-year volatility-rank proxy (percentile of current 30d realized vol) - 80+ means premium is rich, go deeper OTM per the delta lesson; under ~40 means premium is lean, expect to need the 30∆. Week 2 of the IV log: ATM IV cooled on 12 of 16 tickers vs Jul 2 - consistent with the VIX slide.*

## MODEL FLEET — $25,000 VOYAGE LOG (simulated)


### ACCOUNT SUMMARY (marks Fri Jul 10 close)

| | |
|---|---|
| **Account value** | $25,213 (+0.85%) |
| **Realized P/L** | +$126 (YINN take-profit) |
| **Unrealized P/L** | +$87 |
| **Premium banked** | $819 |
| **Deployed** | $16,579 - 66.3% (cap 75%) |
| **Dry powder** | $8,421 |

### OPEN SHIPS (5)

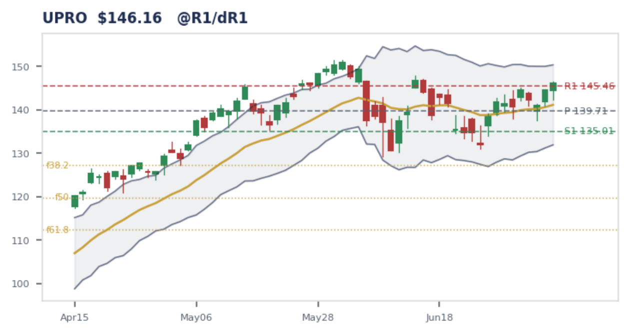
NUGT ★ Jul 17 $110P (deep route) • NVDX PMCC (short $17C - roll pending) • MSFU Jul 17 $22.70P
YINN PMCC (short Aug 7 $27.50C) • GGLL ★ Jul 17 109/105 put spread ×2

### THE WEEK'S LOG

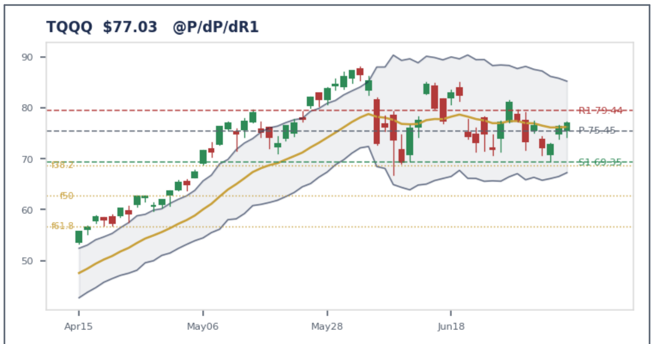
Wk1 (Issue 01): boarded NUGT deep $110P (+$220), YINN $20.50P (+$178), NVDX PMCC (+$75). TQQQ skipped - breaches the 75% cap.
Fri Jul 10: YINN put 71% captured in 4 of 35 days - 50%-in-half-time rule fired. Bought back $0.52, realized +$126.
Wk2 (Issue 02): boarded MSFU $22.70P (+$45), YINN PMCC (+$125), GGLL 109/105 spread ×2 (+$176) - the top pick's defined-risk twin.
Skipped: GGLL & NUGT full CSPs (don't fit the cap), NAIL (falling-knife rule). Policy: case studies only, max 75% deployed.

*Simulated model account - educational illustration of the club rules in action. Not a track record, not advice. Option marks update at Thu/Fri close checks.*

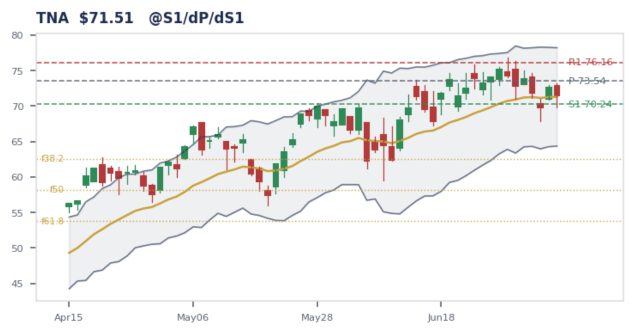
## 4 | FLEET REVIEW - THE 16, CHART BY CHART



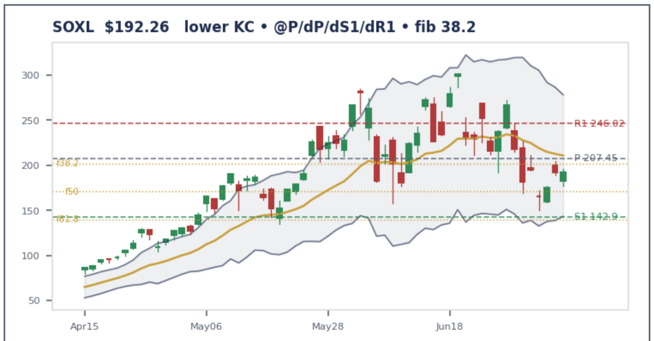

**UPRO** — S&P; 3x. +3.8% to fresh records - upper KC, top of range, tagging weekly R1. No setup. Two record weeks in a row; let it come back to the channel before writing anything.



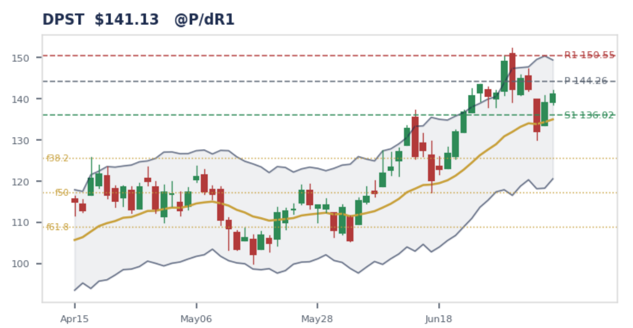

**TQQQ** — Nasdaq 3x. +5.0% bounce to the upper KC half at the weekly pivot. No new setup - and no need: last week's $69P case study is already 42% captured. Let it work.



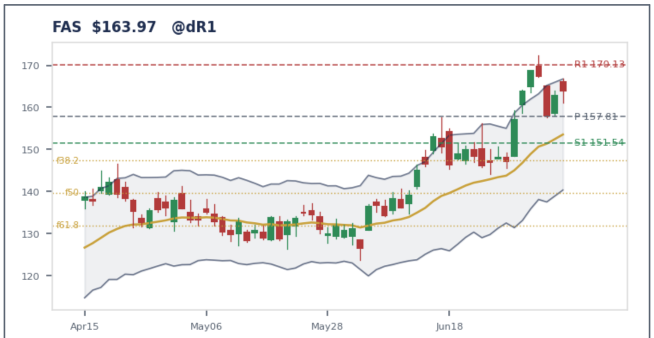

**TNA** — Small caps 3x. -1.9%, the laggard again; sits at weekly S1 but in the upper KC and top of range. No setup. RUT can't hold 3,000 - the cheap 3x LEAP (5.5% Tv) waits for a real dip.




**SOXL** — Semis 3x. +6.0% recovery on the SK Hynix debut, yet still lower KC half at the weekly pivot + 38.2 fib. Setup. VolRk 98: the deep 21Δ weekly pays 3.9%. The knife bounced - but 3x semis whipsaw both ways. Size small.

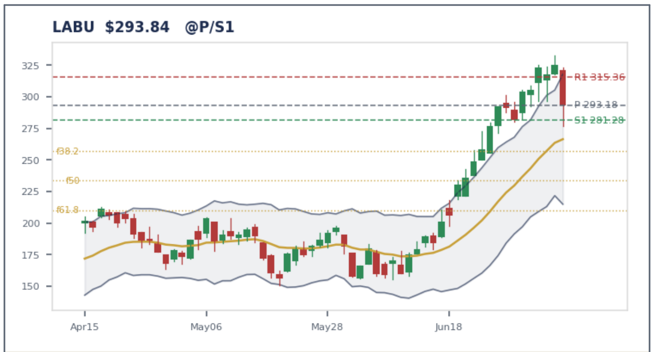



**DPST** — Regional banks 3x. -0.8%, upper KC, top of range. No setup - and big banks report Tuesday Jul 14. Expect movement; scan again next week.

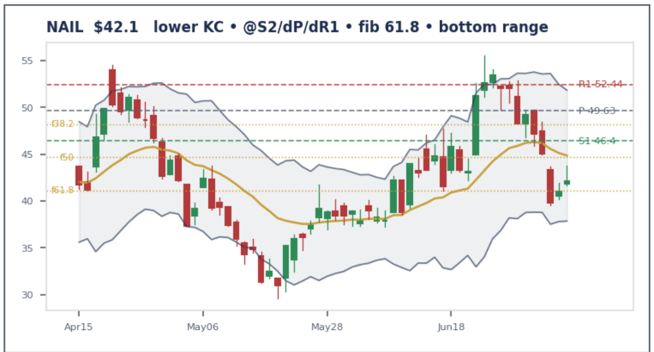



**FAS** — Financials 3x. Flat after last week's +11.5% rip; at daily R1, upper KC. No setup. Bank earnings week - the rotation's next test.

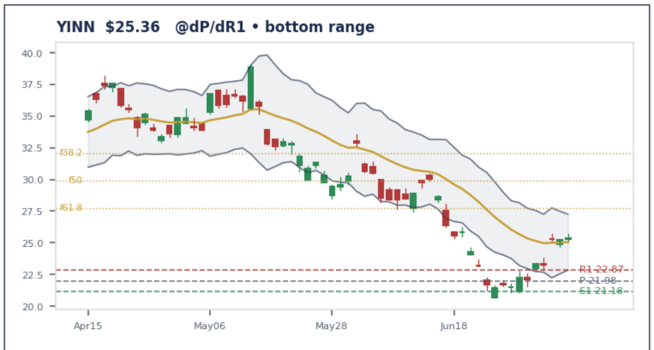
# 4 | FLEET REVIEW (cont.)



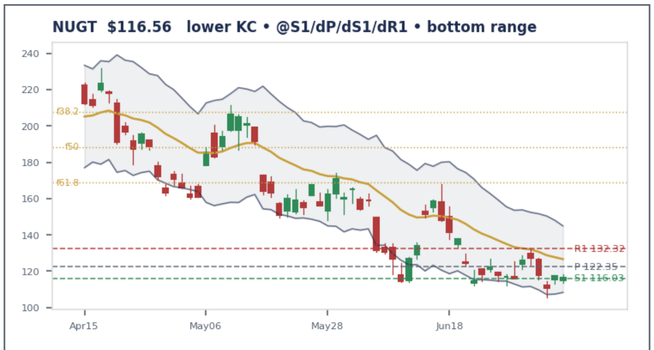

**LABU** — Biotech 3x. -3.2% fade off R1, back toward the channel at the weekly pivot/S1 zone - still upper KC, top of range. No setup yet, but the fade we wanted has started. The 11% Tv CC gets closer.




**NAIL** — Homebuilders 3x. -14.4% AGAIN - bottom of range at weekly S2 + 61.8 fib. Setup on the scan, but this is the week's true falling knife: September hike odds crushed builders. CSP pays 9.1%/34d because it's dangerous. Last week's board strikes breached - sin-bin protocol stands by.




**YINN** — China 3x. +14.9% - and last week's cleanest CSP is 71% captured in one week: take the profit. Still bottom of range at daily pivots, so it scans as a setup, but you'd now be selling into a +15% bounce - trim delta or wait.

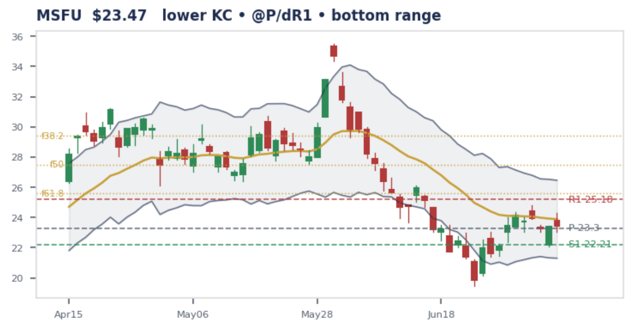



**NUGT** — Gold miners 2x. -7.5% to weekly S1, lower KC, bottom of range - a 3-point setup again. But our $120 wheel is already engaged here (see Corner). New entries only at the deep strikes ($110 and below).

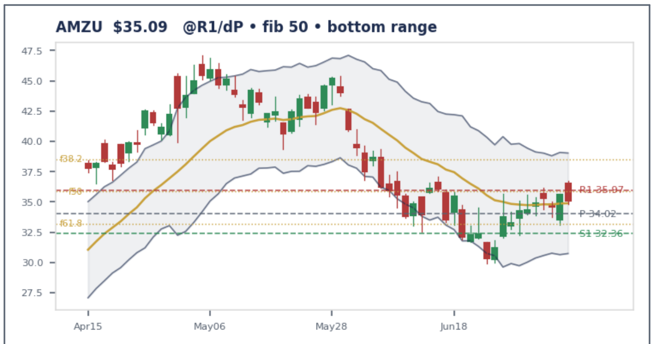

**NVDX** — NVDA 2x (T-Rex). +17.1% - out of the setup zone (upper KC, top of range). The PMCC short went ITM: roll up-and-out per the scoreboard. LEAP Tv still just 0.5% - the best engine on the board when the reset comes.


**NVDL** — NVDA 2x (GraniteShares). +17.0%, same picture. Its Jan 2028 LEAP finally qualifies on Tv (0.6%) - but there's no setup to enter on. Patience; NVDA reports late August.

## 4 | FLEET REVIEW (cont.)

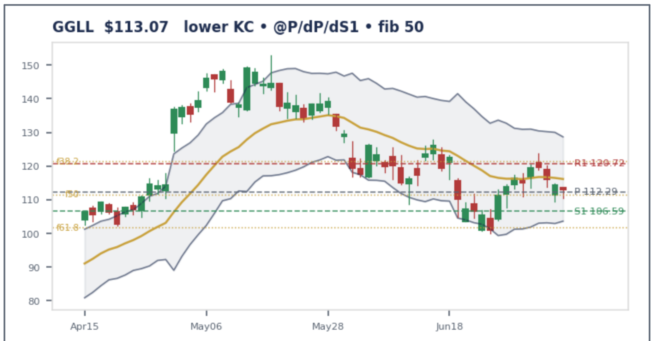



**MSFU** — MSFT 2x. -2.6% against the tape - lower KC at the weekly pivot, bottom of range. Setup. The weekly $22.70P pays 2.0% and dies 12 days before MSFT's Jul 29 print. Thin chain: limit orders at mid, always.




**AMZU** — AMZN 2x. +2.3%, bottom of range but pressing weekly R1 with the 50 fib overhead. Setup on paper; R1 says wait for either a break or a dip. LEAP qualifies (3.3% Tv) but no compliant short exists - AMZN reports Jul 30.


**METU** — META 2x. +30.4%(!) - the week's rocket, straight to weekly R2, upper KC. No setup: we never chase a +30% week, and META reports Jul 29. Let the dust settle.




**GGLL** — GOOGL 2x. ★ This week's TOP PICK. A gentle -1.7% drift onto the weekly pivot + 50% fib in the lower KC half - confluence without drama. GOOGL reports Jul 22; the Jul 17 weekly closes 3 trading days first.

## 5 | ★ TOP PICK OF THE WEEK & WEEKLY INCOME BOARD

### ★ TOP PICK OF THE WEEK - GGLL (GOOGL 2x, $113.07)

**Weekly CSP: Sell Jul 17 (6 DTE) $109 Put, ~33∆, mid $1.88 - CoC 1.7% for six days, done before GOOGL's Jul 22 earnings. Conservative route: $105 Put, ~20∆ (7% below spot), mid $1.00 - 0.9%, just under the bar.**

Why it outranks the board: three-point confluence (lower KC half, on the weekly pivot, at the 50% fib) reached by a gentle -1.7% drift - no falling knife, no bounce into R1. And the earnings risk is fenced: the Jul 17 expiry closes three trading days before GOOGL reports. NUGT scans 3-for-3 but our wheel is already working there and the slide is fresh; SOXL pays double but whipsaws - it's the size-small trade, not the top pick. Note honestly: with IV cooled, GGLL's deep route pays 0.9%, a touch under target - this week the deep money lives on SOXL/NAIL/NUGT where VolRk is 90+.

**CHART OF THE WEEK - GGLL: on the weekly pivot, lower KC half, 50% fib - strikes below the setup**


**WEEKLY INCOME BOARD** - best weekly-cycle CSP on every setup ticker (target: 1.5-2% per 7-14d). Two routes per the delta lesson: standard ~30∆, and the deeper 15-20∆ strike where it still clears the bar.

| Ticker | ~30∆ Weekly (Jul 17) | CoC | Deep 15-20∆ Weekly | CoC | Note |
|---|---|---|---|---|---|
| GGLL ★ | $109 P | 1.7% | $105 P (20∆) | 0.9% | Top pick - closes before GOOGL Jul 22 |
| SOXL | $180 P | 6.5% | $163 P (21∆) | 3.9% | VolRk 98 - the deep route is the trade |
| NAIL | $41 P | 3.6% | $39 P (22∆) | 1.9% | Falling knife - deep route only, size small |
| NUGT | $110 P | 2.4% | $105 P (18∆) | 1.6% | Wheel already engaged at 120 |
| MSFU | $22.70 P | 2.0% | no deep bid - thin chain | - | Dies before MSFT Jul 29; limit orders |
| AMZU | $33.80 P | 1.9% | $32.80 P (22∆) | 1.1% | Pressing R1; AMZN reports Jul 30 |
| YINN | $24 P | 1.8% | $23 P (17∆) | 1.0% | +15% bounce week - deep misses the bar |

*With VIX under 15.1 and IV cooler on 12 of 16 tickers, the deep routes only clear the 1.5% weekly bar where VolRk is 90+. Everywhere else, the ~30∆ is the fair deal this week - exactly what the standing delta guidance predicts.*

## 6 | THIS WEEK'S CASE STUDIES

### CASE STUDY - CSP on GGLL ($113.07)

Sell Jul 17 (6 DTE) $109 Put, ~33Δ, mid $1.88

CoC: 1.7% for 6 days (rule: 1.5-2%/7-10d) - collateral $10,900

Setup: lower KC half, weekly pivot, 50% fib

Expires 3 trading days before GOOGL's Jul 22 earnings

If assigned at $109: write CCs at $109+ until called away

### CASE STUDY - CSP on NUGT ($116.56)

Sell Aug 14 (34 DTE) $110 Put, ~36Δ, mid $9.05

CoC: 8.2% for 34 days (rule: 3%/30d) - collateral $11,000

Setup: lower KC half, weekly S1, bottom of range

$110 was last week's deep route - now it's the standard strike

If assigned: the wheel starts from $110, well under the July highs

### CASE STUDY - ITM CC on NAIL ($42.72)

Buy shares $42.72 - Sell Aug 14 (34 DTE) $42 ITM Call, mid $5.15

Tv = 5.15 - (42.72 - 42) → Tv $4.43 = 10.4% Tv CoC / 34d

Downside cushion to $37.57 breakeven (-12%)

Setup: bottom of range, weekly S2 + 61.8 fib after -14.4% week

*Homebuilders are THE falling knife this week - a September hike repricing is not done until it's done. The double-digit Tv is danger pay. Size small or stand aside.*

### CASE STUDY - PMCC on YINN ($25.41)

LEAP: Jan 2028 (559d, 18.4 mo) $11 Call, 0.90Δ, mid $15.15, Tv 4.9% (3x cap 6%) ✓

Short: Aug 7 (27 DTE) $27.50 Call, 0.38Δ, mid $1.25

Combined delta +0.52 - meets the +45 minimum

Short premium = 8.3% of LEAP cost in 27 days

New this week: the China rally pulled the LEAP inside the Tv cap - it failed the screen in Issue #1

### CASE STUDY - Weekly CSP on MSFU ($23.51)

Sell Jul 17 (6 DTE) $22.70 Put, ~33Δ, mid $0.45

CoC: 2.0% for 6 days - collateral $2,270

Setup: lower KC half, weekly pivot, bottom of range

Expires 12 days before MSFT's Jul 29 earnings ✓

*Thin chain (378 OI at the strike, nothing deeper with a bid). Work limit orders at the mid - never hit a wide bid.*

### CASE STUDY - Put Credit Spread on GGLL (the odd one)

Sell Jul 17 $109 Put ($1.88) / Buy Jul 17 $105 Put ($1.00)

Net credit ~$0.88 - max risk $3.12 (spread $4 minus credit)

Return on risk: 28% in 6 days; both legs die before GOOGL earnings

The defined-risk twin of the top pick for smaller accounts: same setup, same strikes, risk capped at $312 per spread instead of $10,900 collateral

***PMCC LEAP scan - nothing meets criteria this week:*** *NAIL and NUGT (LEAP Tv above the cap), MSFU (no listed expiry ≥365 days). NVDX, NVDL and METU carry qualifying LEAPs (0.1-0.6% Tv) but the tickers are out of the setup zone after +17-30% weeks - no entry without a setup. AMZU's Jan 2028 LEAP qualifies (3.3% Tv) but no compliant 30-40Δ short exists in the 10-30 day window; GGLL's LEAP qualifies (3.6% Tv) but every eligible short expiry spans GOOGL's Jul 22 earnings - stand aside per the earnings rule. The credit spread returns this week (card above) now that IV has cooled - exactly the lean-IV week the rules call for.*

### ENJOYING THE VOYAGE?

If the club's charts and case studies help your trading,
you can buy the Captain a coffee — just scan the code.

**Questions, feedback, fair winds:** Captains3pctClub@gmail.com

## 7 | CAPTAIN'S CORNER - ASSIGNMENT IS NOT FAILURE

Last week's top pick is this week's classroom. We sold the NUGT Jul 17 $120 put for $5.30, and gold miners promptly slid 7.5%. Friday's close: NUGT $116.56, our put marked at $7.50, in the money by $3.44. If your stomach dropped reading that, this lesson is for you - because **nothing bad has actually happened.**

Start with the number that matters: **breakeven.** We collected $5.30, so our true cost if assigned is 120.00 minus 5.30 = **$114.70** - which is BELOW Friday's close. Mark-to-market says we're down $2.20 per share; the wheel says we're being handed shares at a 1.6% discount to the market.

| Path | What you do | What it costs / pays | Verdict |
|---|---|---|---|
| Panic close | Buy the put back at $7.50 | Realize a $2.20 loss - the only way to actually lose | Never - this converts weather into wreckage |
| Roll | Buy back $7.50, sell Aug 14 $110P at $9.05 | Net credit ~$1.55; strike drops $10 | Legitimate - but you're paying to avoid shares we said we'd hold |
| Take assignment | Own 100 shares at basis $114.70 | Then sell Jul 31 $120C at ~$8.10 mid (0.49Δ) = 6.8%/14d | The club way - the wheel's next spoke |

Do the wheel math. Assigned at $120, basis $114.70. We immediately write the Jul 31 $120 call - **the original strike, never below basis** - for about $8.10. If NUGT recovers and we're called away at $120: we keep $5.30 (put) + $8.10 (call) + $5.30 of stock gain vs basis = roughly **$13.40 per share on $12,000 collateral, 11%+ in about four weeks.** If it doesn't recover, our basis drops to $106.60 and we write again. Assignment didn't break the strategy - assignment IS the strategy.

**Now the honest counter-example: NAIL.** Both board strikes breached after a second -14% week, and the $47 put's breakeven ($44.98) is now ABOVE the market ($42.72). That position, if assigned, goes to the **SIN BIN** - and the bin has one rule: **no covered calls below basis.** Write a $43 call on shares with a $44.98 basis and you have locked in a loss if called. In the bin we sit, collect nothing, and wait for premium at $45+ to come back. That is the difference between the two cases this week: NUGT's assignment lands ABOVE water (basis below market) and the wheel turns immediately; NAIL's lands below water, so the wheel waits. Same mechanism, opposite tempo. Drawdowns are not losses; they only become losses when you panic-close or write below basis. The scoreboard will track both, in the open, every week.

## 8 | RULES QUICK REFERENCE

| Strategy | Entry (all: lower KC half / pivot / fib / bottom of range) | Exit |
|---|---|---|
| CSP | ~30Δ put • 3%/30d or 1.5-2%/7-10d • stock you'd hold | 90% of premium, or 50% profit in half the duration; if assigned → CC at orig. strike |
| OTM CC | ATM or 1-strike OTM call • 3%/30d | Called away, or rewrite |
| ITM CC | Profit = Tv • 3% Tv/30d or 1.5-2%/7-10d | Called away, or rewrite |
| PMCC | LEAP ≥365d (best 15mo+), prefer 90Δ, Tv ≤3%/4%/6% (stock/2x/3x) • short 30-40Δ • combined Δ min +45 best +55 • no earnings | Take profit 50-80% of max; roll short at 50% decay in 2wks or 10% near expiry; close 2d pre-expiry |
| ReWrite | ATM/1 OTM call on held shares • 3%/30d • never below cost basis | Called away, or rewrite |
| SIN BIN | Position gone against us: hold shares, sell nothing below basis | Resume the wheel when premium at basis+ returns |