

Casey Mullooly:

In episode 252, we're up all night trading options?

Casey Mullooly:

Welcome to the Mullooly Asset Show. I'm your host, Casey Mullooly, filling in for Tom this week. Thanks for tuning in. So a recent headline floating around, CBOE is increasing the trading hours of their flagship S&P 500 and VIX futures, VIX being the volatility index. So as it stands now, this overnight market or futures market is open from 3:00 AM until 9:15 AM. But the increase changed will be from 8:15 PM until 9:15 AM, so about a six or seven hour increase in trading time of these products.

Casey Mullooly:

So this is concerning the overnight market or futures market as I said, which is different from the regular stock market, which is open from 9:30 AM until 4:00 PM. The overnight market is the land of the hedge fund managers, the algos, the really active traders and not an area of concern for the average everyday investor. But it's part of an ever-growing trend in the financial industry, which is basically summed up as power to the people. More access for everyone, that's a good thing.

Casey Mullooly:

Well, I hate to be a wet blanket here, but we saw it at the start of last year with TD and Schwab cutting trading costs to zero. Really good thing for investors, definitely. And then this year we saw the rise of Robin Hood in January, February, and throughout this year, and the rise of the meme stock like GameStop and AMC and the Reddit trading boards. People are realizing that with more access comes more power, which reminds me of Uncle Ben from Spiderman when he said, "With greater power comes greater responsibility." And I think that really rings true for the investing world as well, as corny and as cheesy as it is.

Casey Mullooly:

But it's true. With more access comes more responsibility on your shoulders that you need to do your homework and understand the risks that are involved in accessing these options or these overnight markets. These are really speculative areas of the market and we don't really pay them much attention here. We certainly aren't investing in these areas of the market. So look, if you want to have a play account or a fun account and put a couple hundred dollars or a thousand dollars at risk and speculate on some of these areas of the market like crypto or options or meme stocks, we're not going to stop you. But when it comes to saving for retirement and allocating your life savings, we're not going to go near these areas of the market and neither should you. We've seen some pretty bad stories coming out about people blowing themselves up with leverage and taking excessive amounts of risk in the Robin Hood accounts and not even knowing what they're doing, not even understanding the risks that they're taking, and risking a lot of money when they really shouldn't be.

Casey Mullooly:

Look, more access to the financial markets is great, people being interested in the markets is great, but there comes a learning curve and when it's your life savings at risk, we can't afford to have that steep of a learning curve. So we stick to what we know here and that doesn't involve the overnight future market. This is definitely a trend that is only going one way, and with more access comes more

responsibility and that means doing your homework and learning the ins and outs of these investments and knowing what you own and asking questions and understanding what your investments are and what they're for. So that's the message for 252. Thank you for tuning in, and we will see you for 253.