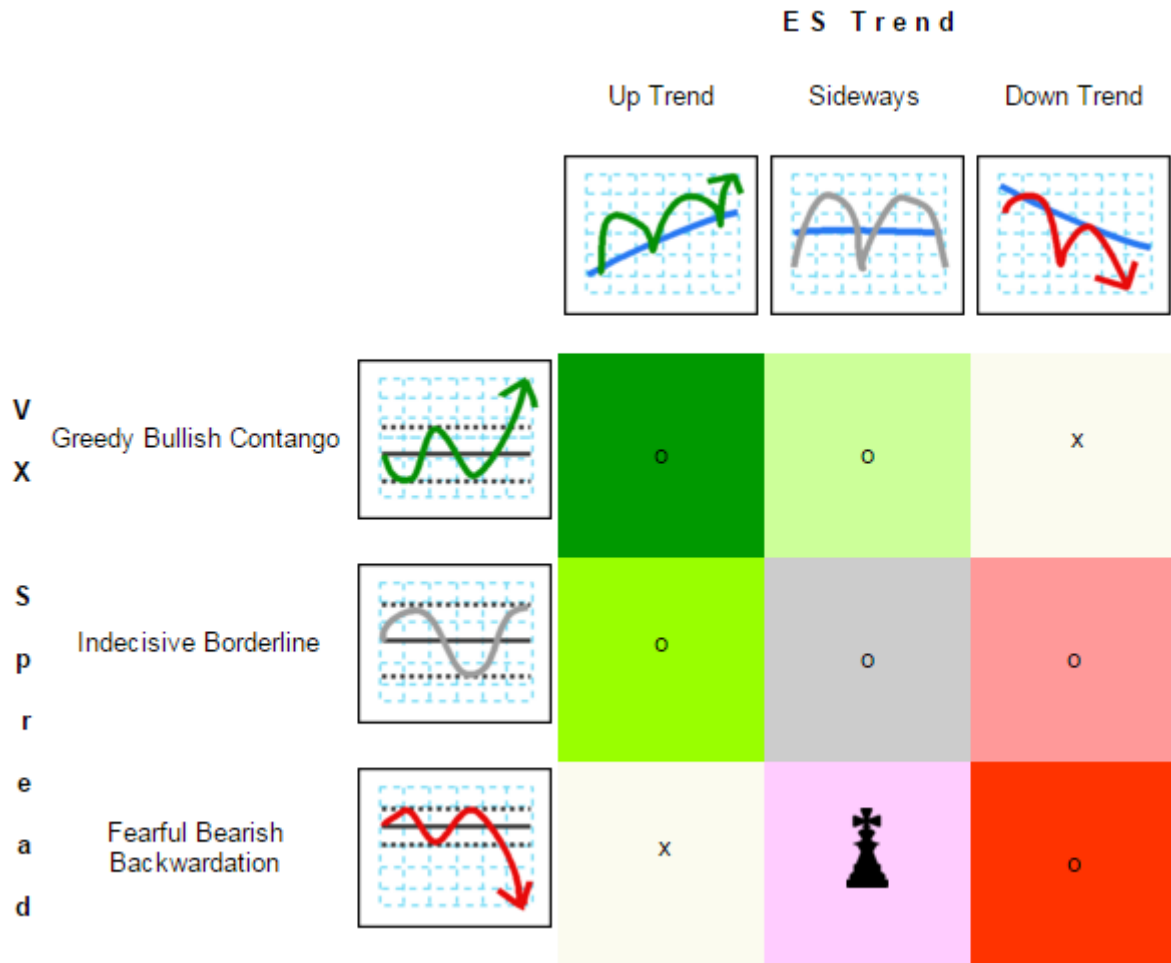


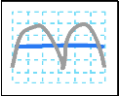


Current Market Model as of 11/13/2015

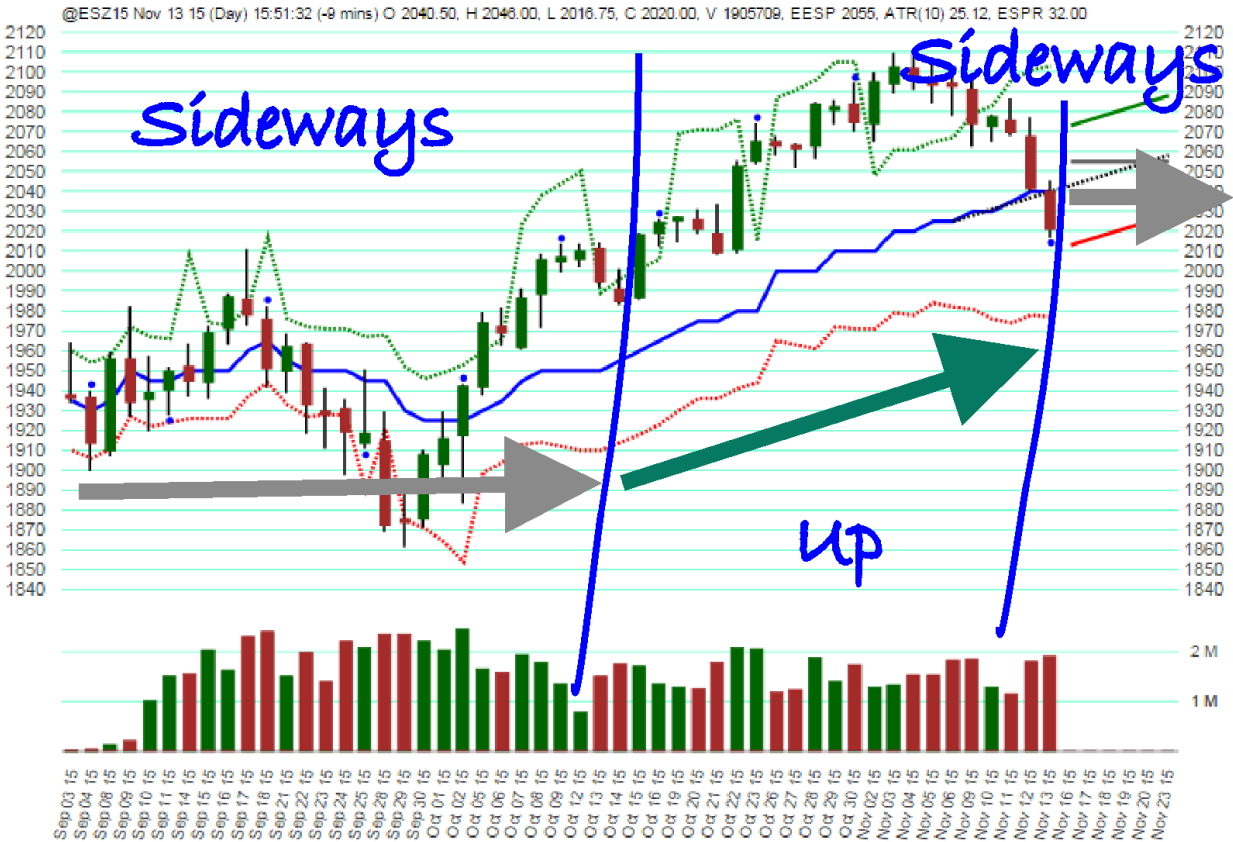


Market Model Summary

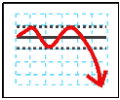
The market represented by ES futures is now in Sideways. The volatility environment represented by VX calendar spread is now in Fearful Bearish Backwardation mode now that the recent uptrend has ended. Either we will stabilize here next week or we could be moving on to down mode.



ES Trend Mode: Sideways

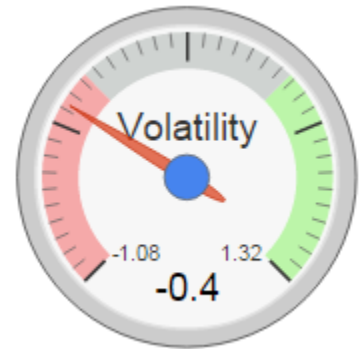
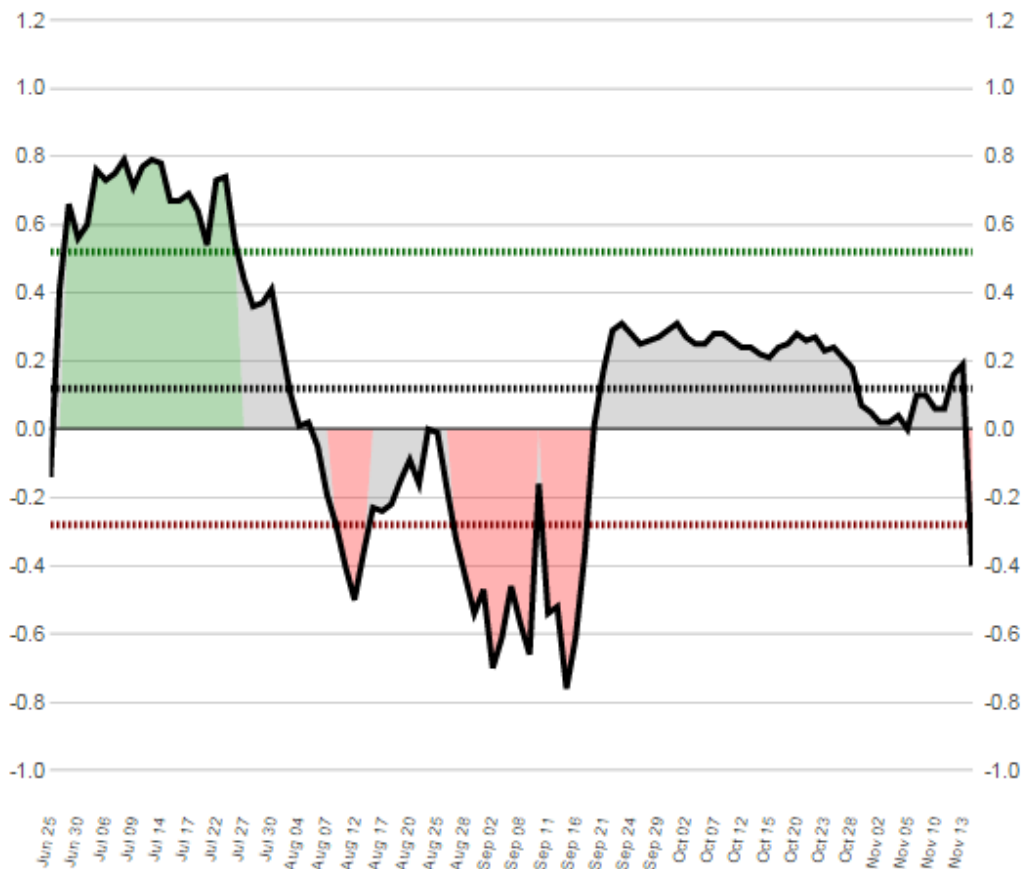


We have a switch in both trend and volatility mode with the trend returning to Sideways and the volatility environment switching to Backwardation. Unless we move straight on to down mode next week we should see a return to a more stable sideways mode with volatility declining to normal levels and a return to indecisive borderline.



VX Volatility Mode: Backwardation

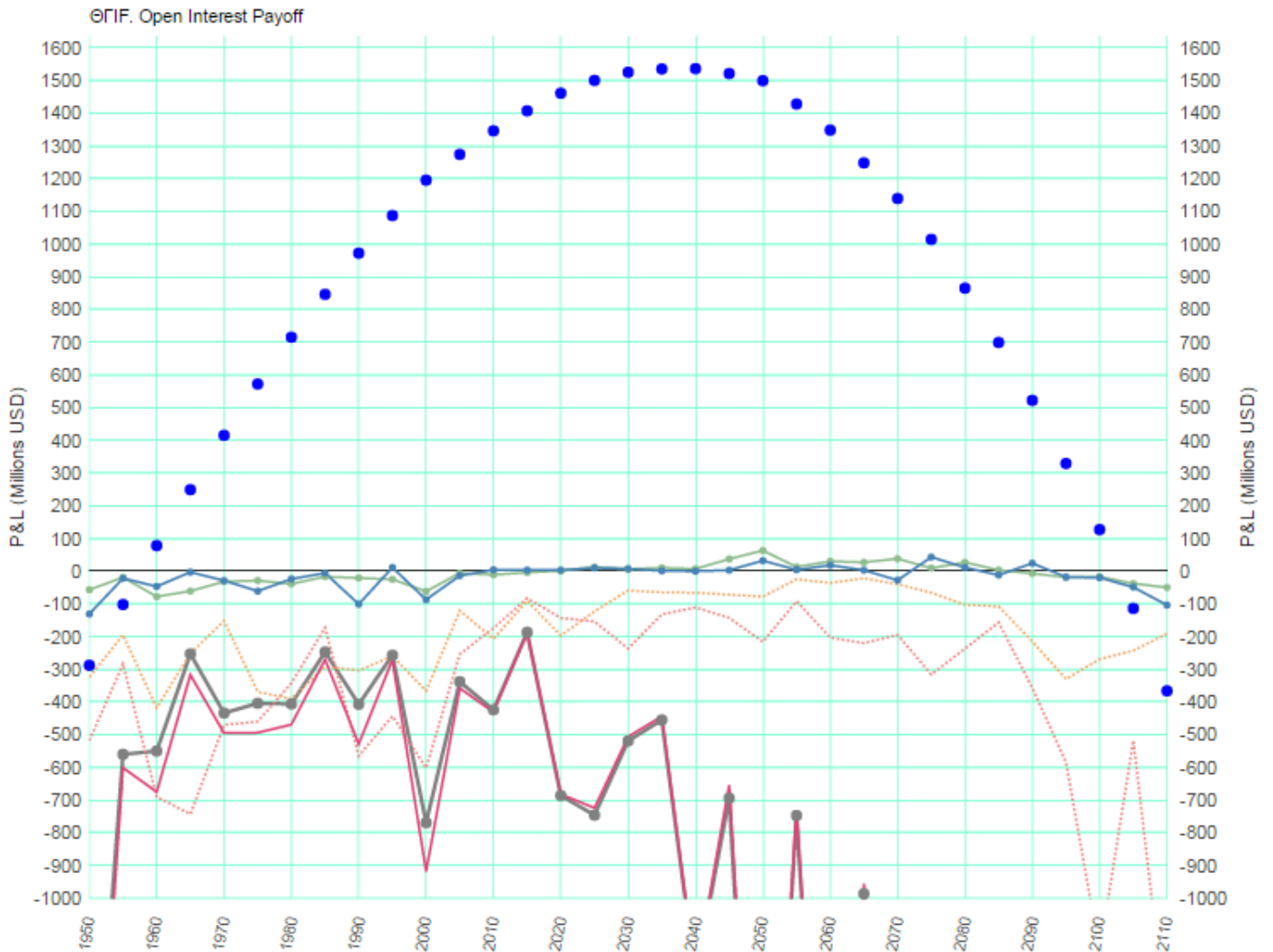
| Nearest Contract | | Next Contract | | VX Calendar Spread | | | | | |
|------------------|-------|---------------|-------|--------------------|---------|-----------|---------------|----------|-----------------|
| Month | Price | Month | Price | Current | Average | Deviation | Backwardation | Contango | Mode |
| November | 20.35 | December | 19.90 | -0.45 | 0.13 | 0.40 | < -0.27 | > 0.53 | Fearful Bearish |



**Fearful
Bearish
Backwardation**

With the current spread price at -0.4 as of 11/14/2015 we are now in Fearful Bearish Backwardation Mode which is currently defined as below -0.27.

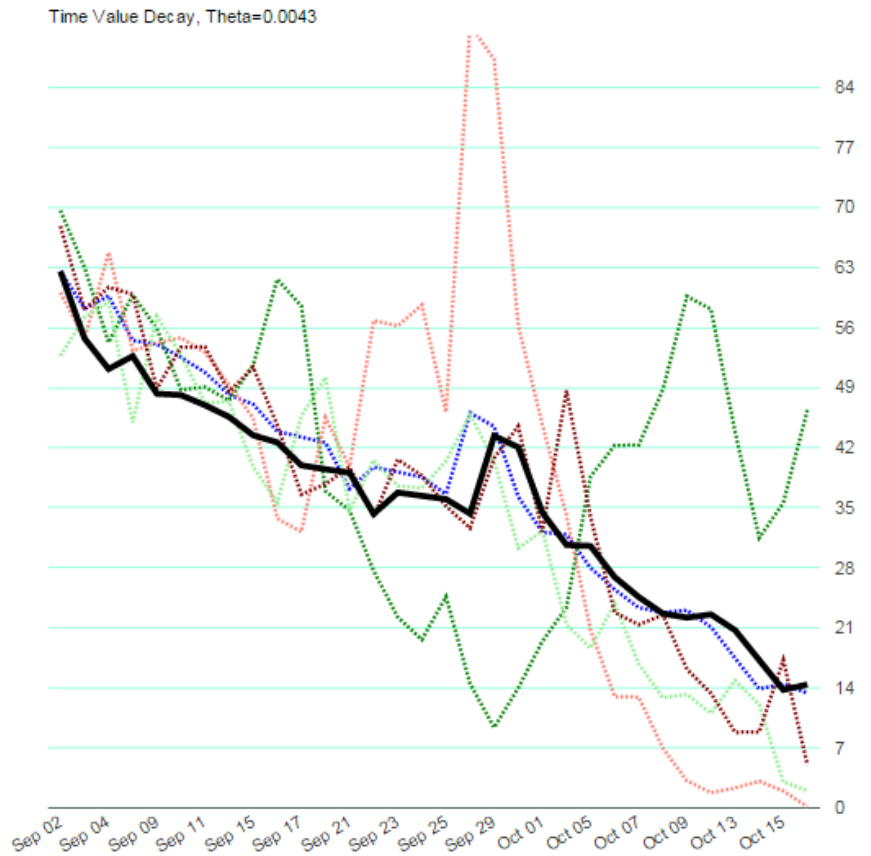
Open Interest Payoff Curve



We still have an underwater payoff curve for nearly all strikes and series for the last week of the November cycle. This is typical while we were in trending mode rather than sideways, but now we have returned to sideways mode we should expect to see the underlying stay within the positive open interest payoff areas for the next cycle (December) and stay within a range around ESP (currently 2040) as normal.

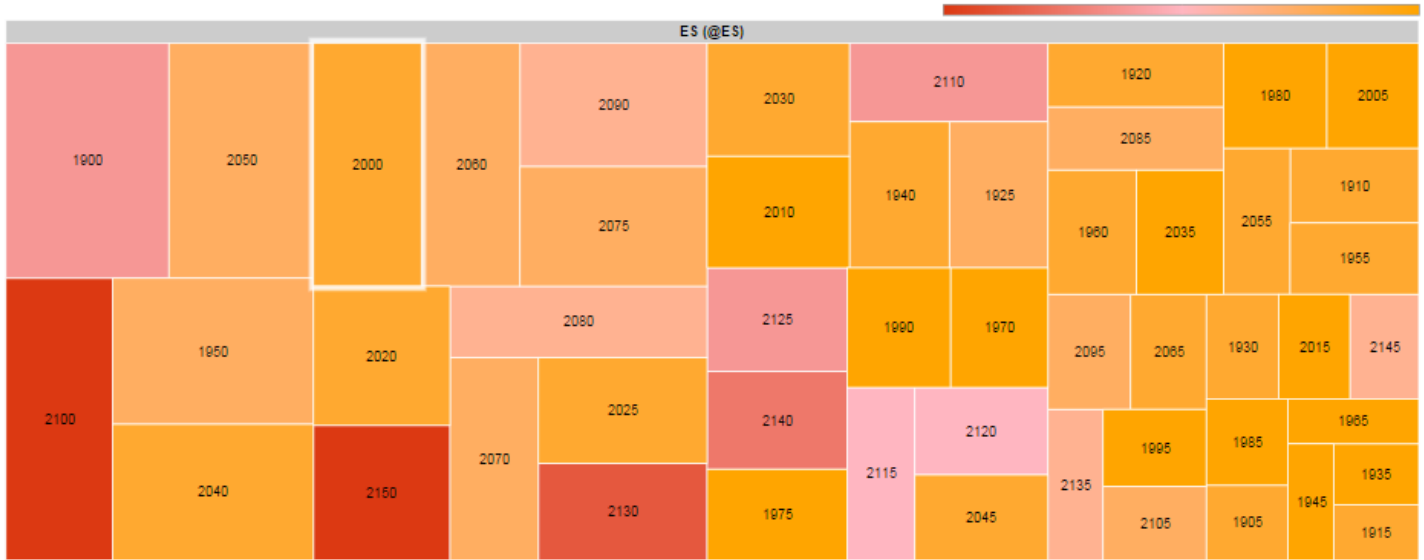
Previous Cycle Theta Decay

| Date | ESP | Put | Call | ES | Put | Call | Average |
|--------|------|-------|-------|------|-------|-------|---------|
| Sep 02 | 1915 | 60.06 | 69.63 | 1945 | 67.81 | 52.69 | 62.55 |
| Sep 03 | 1935 | 54.69 | 63.00 | 1945 | 58.08 | 57.19 | 58.23 |
| Sep 04 | 1930 | 64.75 | 54.25 | 1920 | 60.69 | 59.00 | 59.67 |
| Sep 08 | 1935 | 53.31 | 59.81 | 1985 | 59.88 | 44.94 | 54.48 |
| Sep 09 | 1950 | 54.19 | 55.88 | 1945 | 48.88 | 57.31 | 54.08 |
| Sep 10 | 1945 | 54.81 | 48.75 | 1940 | 53.69 | 52.81 | 52.52 |
| Sep 11 | 1945 | 53.08 | 49.06 | 1950 | 53.75 | 47.19 | 50.77 |
| Sep 14 | 1950 | 49.31 | 47.50 | 1945 | 48.50 | 47.38 | 48.17 |
| Sep 15 | 1950 | 45.44 | 51.63 | 1970 | 51.38 | 39.75 | 47.05 |
| Sep 16 | 1950 | 33.75 | 61.63 | 1990 | 44.63 | 35.63 | 43.91 |
| Sep 17 | 1990 | 32.19 | 58.50 | 1975 | 38.58 | 45.69 | 43.23 |
| Sep 18 | 1965 | 45.50 | 38.94 | 1950 | 37.75 | 50.19 | 42.59 |
| Sep 21 | 1985 | 39.75 | 34.69 | 1985 | 39.75 | 34.69 | 37.22 |
| Sep 22 | 1965 | 56.81 | 27.63 | 1930 | 33.94 | 40.56 | 39.73 |
| Sep 23 | 1980 | 58.19 | 22.25 | 1930 | 40.63 | 37.58 | 39.16 |
| Sep 24 | 1955 | 58.63 | 19.63 | 1920 | 38.75 | 37.31 | 38.58 |
| Sep 25 | 1955 | 48.13 | 24.63 | 1920 | 35.19 | 40.44 | 36.60 |
| Sep 28 | 1955 | 91.25 | 14.50 | 1870 | 32.63 | 45.88 | 46.08 |
| Sep 29 | 1950 | 87.25 | 9.38 | 1875 | 40.81 | 40.44 | 44.47 |
| Sep 30 | 1945 | 58.25 | 14.00 | 1910 | 44.50 | 30.31 | 36.27 |
| Oct 01 | 1940 | 44.69 | 19.44 | 1915 | 32.19 | 32.31 | 32.16 |
| Oct 02 | 1940 | 34.13 | 23.38 | 1945 | 48.63 | 21.38 | 31.88 |
| Oct 05 | 1940 | 20.75 | 38.63 | 1975 | 33.94 | 18.63 | 27.99 |
| Oct 06 | 1940 | 13.00 | 42.25 | 1970 | 22.81 | 23.81 | 25.47 |
| Oct 07 | 1950 | 12.94 | 42.31 | 1985 | 21.38 | 16.81 | 23.36 |
| Oct 08 | 1950 | 7.00 | 48.75 | 2005 | 22.50 | 12.88 | 22.78 |
| Oct 09 | 1950 | 3.18 | 59.63 | 2010 | 18.19 | 13.25 | 23.06 |
| Oct 12 | 1950 | 1.80 | 58.13 | 2010 | 13.38 | 11.06 | 21.09 |
| Oct 13 | 1980 | 2.35 | 43.81 | 1995 | 8.84 | 14.88 | 17.47 |
| Oct 14 | 1980 | 3.14 | 31.50 | 1985 | 8.88 | 12.06 | 13.90 |
| Oct 15 | 1970 | 2.00 | 35.58 | 2020 | 17.25 | 3.05 | 14.48 |
| Oct 16 | 1975 | 0.18 | 46.38 | 2025 | 5.03 | 2.04 | 13.41 |



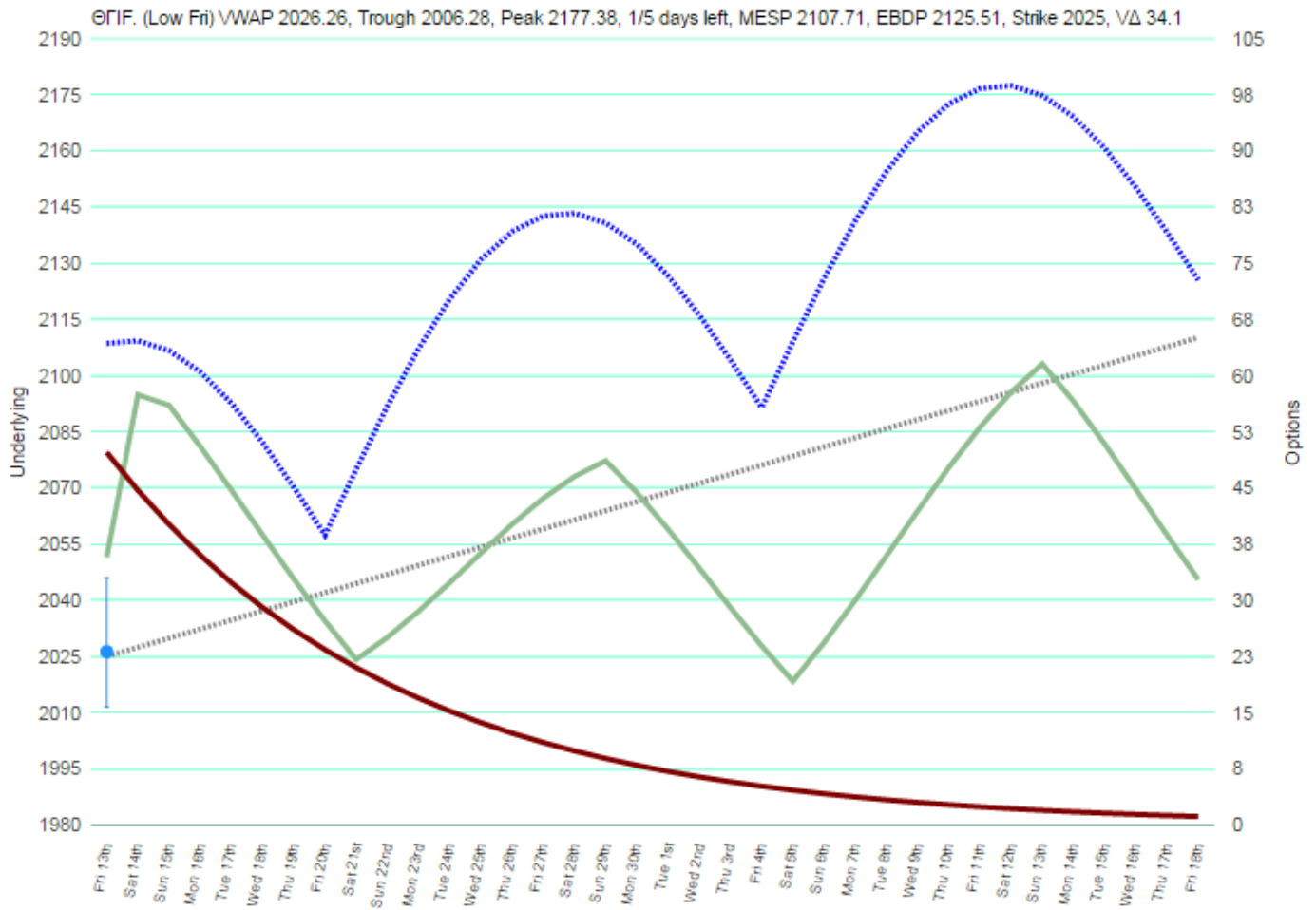
No change in time decay for the previous cycle so our proprietary option pricing model does not need to be re-tuned.

Open Interest Payoff Heatmap



Every strike open interest payoff is negative which is indicative of the recent switch from trending to sideways but we should see this return to "normal" for the December cycle.

Remaining Monthly Cycle Model Prices



December is still officially in up mode and model prices reflect this. Depending on what happens next week as we finish the November cycle this may also change to sideways.

Glossary of Terms Used

It is assumed that the reader is intimately familiar with options and futures terminology. The following glossary is specific to OMG and includes proprietary concepts developed by PMKing Trading LLC.

| | |
|--|---|
| Cycle | The main cycle for the series for the underlying; this is monthly for ES |
| Estimated Settlement Price (ESP) | The current estimated price of the underlying at settlement using our proprietary pricing model |
| Estimated Settlement Price Range (ESPR) | The current most probable range of ESP which is used as a better proxy for volatility than normal methods of volatility estimation (like ATR) that use the underlying price to infer volatility |
| Ending Estimated Settlement Price (EESP) | The current ending ESP based on modifying for slope through the end of the current cycle |
| Market Trend Mode | Up, Down or Sideways |
| Market Volatility Mode | Greedy Bullish Contango, Indecisive Borderline, or Fearful Bearish Backwardation based on VX futures calendar spread |
| Modified Estimated Settlement Price (MESP) | A prediction of what ESP will be from now to the end of the cycle |
| Open Interest Payoff Curve | A theoretical calculation of option seller payoffs varying the strike price of the underlying at expiration |
| Optional Market is the Game (OMG) | A proprietary market and option-pricing model that makes predictions about the likely price of the underlying based on option trading and open interest |
| Phase Shift | How much we are shifted horizontally on the time axis compared to the normal weekly or monthly expiration cycle |
| Theta Gamma Input Framework (ΘΓIF.) | A proprietary option pricing model that uses the minimum number of inputs to model option prices |
| Vertical Delta (VΔ) | How much we are shifted up or down the vertical (price) axis depending on ESPR and Market Trend Mode |

Disclaimer

The information in this document should not be construed as investment advice since it is not personally tailored to your specific circumstances and financial situation, risk tolerance, time horizon, and other relevant objectives, goals and information.

Information presented in this document or on pmkingtrading.com has been written personally by employees of PMKing Trading LLC or obtained from sources that we believe to be reliable. However, PMKing Trading LLC has not and cannot verify the accuracy of such information, and you should be aware that such information is subject to change without notice and may even be completely unsuitable for you, plain wrong, or at least mildly confusing.

This material and any views expressed herein are provided for informational purposes only and should not be construed in any way as an endorsement or inducement to invest with any program, purchase any product, or make any financial transactions in equities, fixed income, options, foreign exchange or any other financial products. We recommend you always seek professional advice from a registered representative before making any financial decisions, preferably one with no built-in conflict of interest who only charges a fee for their time, experience, and advice rather than one who makes a living by selling you stuff you may or may not need whilst being paid commissions you may or may not think are deserved, or being compensated in some other hidden way you may or may not even find out about nevermind consider fair.

Any information, consulting, advice, or other work performed for clients should not be construed as financial advice and any information that could be construed as financial advice to these clients is purely incidental to their business relationship with PMKing Trading LLC.

The information contained in this document may not be reproduced, reorganized or used in any way without prior written permission from PMKing Trading LLC. This document and any other publications from PMKing Trading LLC are for informational purposes only and are provided on an "as is" basis (although "as is" is pretty good considering our high standards). The reader assumes the entire risk of its use. PMKing Trading LLC and its affiliates expressly disclaim all warranties for fitness for any particular purpose.

Without limiting the foregoing, in no event will PMKing Trading LLC (or its affiliates or employees) have any liability in connection with the use by any person of the information, publications, or data presented in this document or on the company website or in any other electronic, verbal, or written communications.

Any performance results, statements of historical performance, historical trade statistics or any other historical information about past trading activities are not necessarily indicative of what may happen in the future and should usually be completely ignored, or at least considered to be only a very rough guide to the suitability of any particular trading system or method for your particular circumstances.

As ever, caveat emptor, don't automatically believe anything anybody tells you in the financial services business is true, always find out where the money is flowing (usually from you to someone else), trade at your own risk not ours, and try not to ever lose your sense of humor.