Flow Replay Backtest

Two Years of Institutional Options Flow, Replayed Contract by Contract

The Oracle · October 15, 2026 · Test window October 15, 2024 to October 15, 2026



Summary

The Oracle scans the options market in real time for large options prints and flags the contracts worth watching. This paper looks back at what happened to every contract it flagged over the past two years.

Each contract was entered at the price shown when it was first flagged, then tracked through expiry using its actual option prices. We tested **27,021** contracts that met our entry-level gates. Of those, **27,008** had a complete price history and make up every figure below.

73% Reached +10%	**67%** Reached +25%	**56%** Reached +50%	**48%** Reached +75%	**41%** Reached +100%
29% Reached +150%	**22%** Reached +200%	**12%** Reached +300%	**+68%** Median Peak Gain	**27%** Never Reached +10%

More than half of all flagged contracts traded at least 50% above the flag price before expiring, and **41%** doubled or better. **29%** reached +150% or more, and **12%** reached +300%. The typical contract's best available gain was **+68%**. On the other side, **27%** never traded more than 10% above the flag price.

How the Test Works

Population. Every contract The Oracle flagged during the two-year window is included. Nothing was hand-picked, no losers were removed, and no filter was applied beyond the entry-level gates and the data requirement below.

Entry. Each contract is entered once, at the option price when it was first flagged. If the same contract was flagged more than once in a day, only the first flag counts.

Expired contracts only. A contract is counted only after it expires, so every result is final. Open positions are never included.

Outcome. We follow each contract's price from entry to expiry and record the highest price it reached, as a percentage above entry. That gives us the eight threshold rates (10%, 25%, 50%, 75%, 100%, 150%, 200%, 300%), the median peak gain, and the share that never reached +10%.

Data. Price histories come from the same institutional feed that generates the flags. Contracts without a usable price history are marked No Data and left out of the percentages.

Results by Contract Type

Type	Contracts	Reached +50%	Median Peak Gain	Never Reached +10%
Calls	18,249	**58%**	**+73%**	26%
Puts	8,759	**53%**	**+59%**	29%

Results by Days to Expiry at Entry

Days to Expiry	Contracts	Reached +50%	Median Peak Gain	Never Reached +10%
0 to 3 days	6,180	**54%**	**+63%**	32%
4 to 7 days	7,971	**57%**	**+71%**	28%
8 to 14 days	10,806	**57%**	**+68%**	24%
15 to 21 days	1,884	**59%**	**+71%**	22%
22 days or more	167	**56%**	**+63%**	22%

Results by Strike Distance at Entry

Strike vs. Stock Price	Contracts	Reached +50%	Median Peak Gain	Never Reached +10%
In the money 3.5% to 5%	392	**50%**	**+50%**	24%
In the money 2% to 3.5%	571	**50%**	**+51%**	25%
In the money 0.5% to 2%	3,060	**56%**	**+64%**	24%
In the money under 0.5%	2,495	**58%**	**+70%**	26%
At or out of the money under 3%	12,862	**57%**	**+70%**	27%
Out of the money 3% to 8%	5,837	**56%**	**+71%**	28%
Out of the money 8% or more	1,791	**53%**	**+58%**	30%

Reading the Tables

Contracts is the number of expired contracts in a group. **Reached +50%** is the share that traded at least 50% above the flag price at any point before expiry. **Median Peak Gain** is the middle value of each contract's best gain. **Never Reached +10%** is the share that never offered even a 10% gain, and it's the clearest measure of flags that didn't work.

These results measure the opportunity the market offered after a flag, not what any trader actually made. Real results depend on your fill, position size, exit discipline, and the bid-ask spread, none of which are modeled here.

Near-the-money contracts expiring in 8 to 21 days were the most consistent performers. Very short-dated and far out-of-the-money contracts had the highest share of flags that never worked.

Notes and Limitations

Peak gain is a best-case number. It records the highest price a contract reached, which no exit rule will capture every time. Entry assumes a fill at the flag price, and thinly traded contracts can show prints that weren't available in size. The two-year window covers a single market regime and shouldn't be read as a forecast for a different one. Nothing was selected after the fact.

The White Paper examines historical option prices after a flag and before expiry, not realized investor returns or a trading win rate. Peak prices are hindsight-based and do not show an exit a trader could reliably achieve. Fills, bid-ask spreads, liquidity, slippage and fees can materially change results. Historical testing does not predict future performance.

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