1 Minute Time Frame

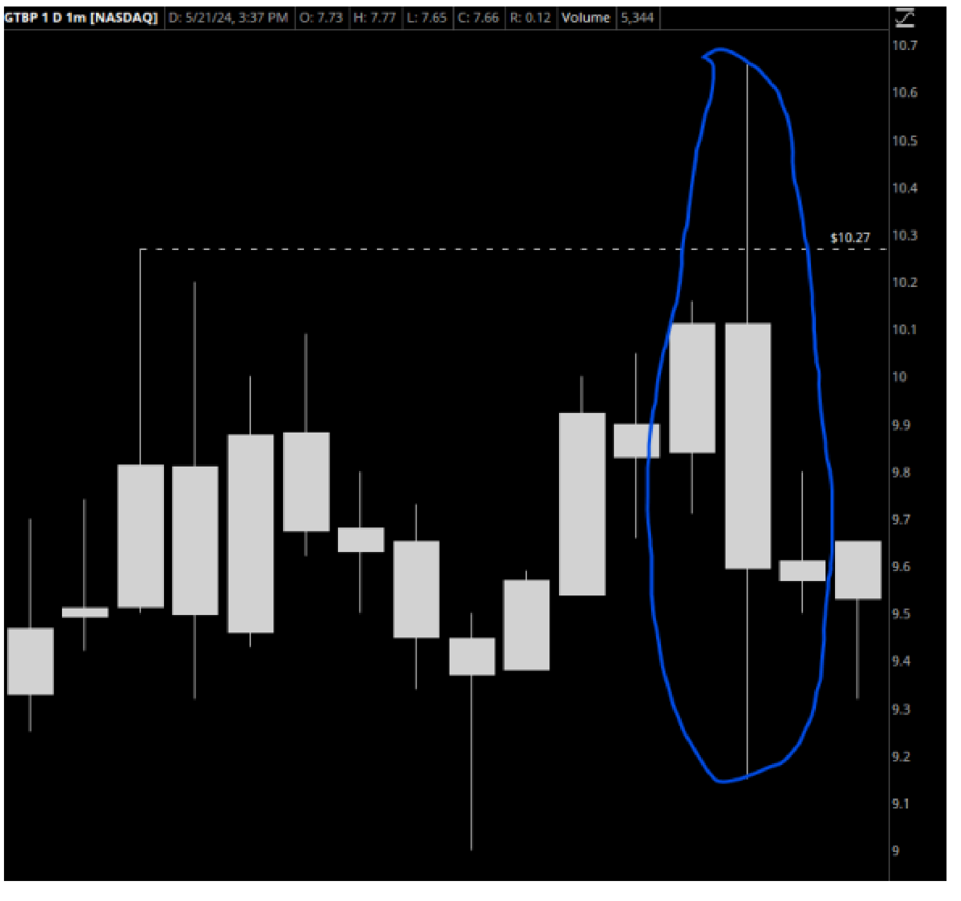
We only trade off of the 1 Minute Time Frame with Small Caps, this is mainly because we will typically be scalping. We will be in trades typically from 1 minute - 15 minutes, with the exception of a longer hold if the indicators are showing you its not done yet. Scalping should be your main strategy with Small Caps, we should not be aiming for home runs every trade because it's just not going to happen. If you can master scalping then you are able to trade Small Caps successfully even when the big home run moves are not happening & when there are slower days. 5c/share, 10c/share, 15c/share scalps for example all add up quickly.. You can also make more $/share scalping than you can with just 1 single hold.. for example if a stock moves from $1 to $2.. one single hold that is $1/share, but if you scalped it from $1 to $1.50, then it pulls back to $1.30, you renter at $1.30 then sell at $2, then you have made a total of $1.20/share scalping compared to the $1/share from the single hold.

Big Sell off candles

Big Sell off candles very rarely occur randomly. They nearly occur for one of these reasons:

- The stock is going sideways for too long without breaking above Resistance
- Multiple rejections at Resistance
- Failed breakout of Resistance
- Double tops, Triple tops, Quad tops etc..

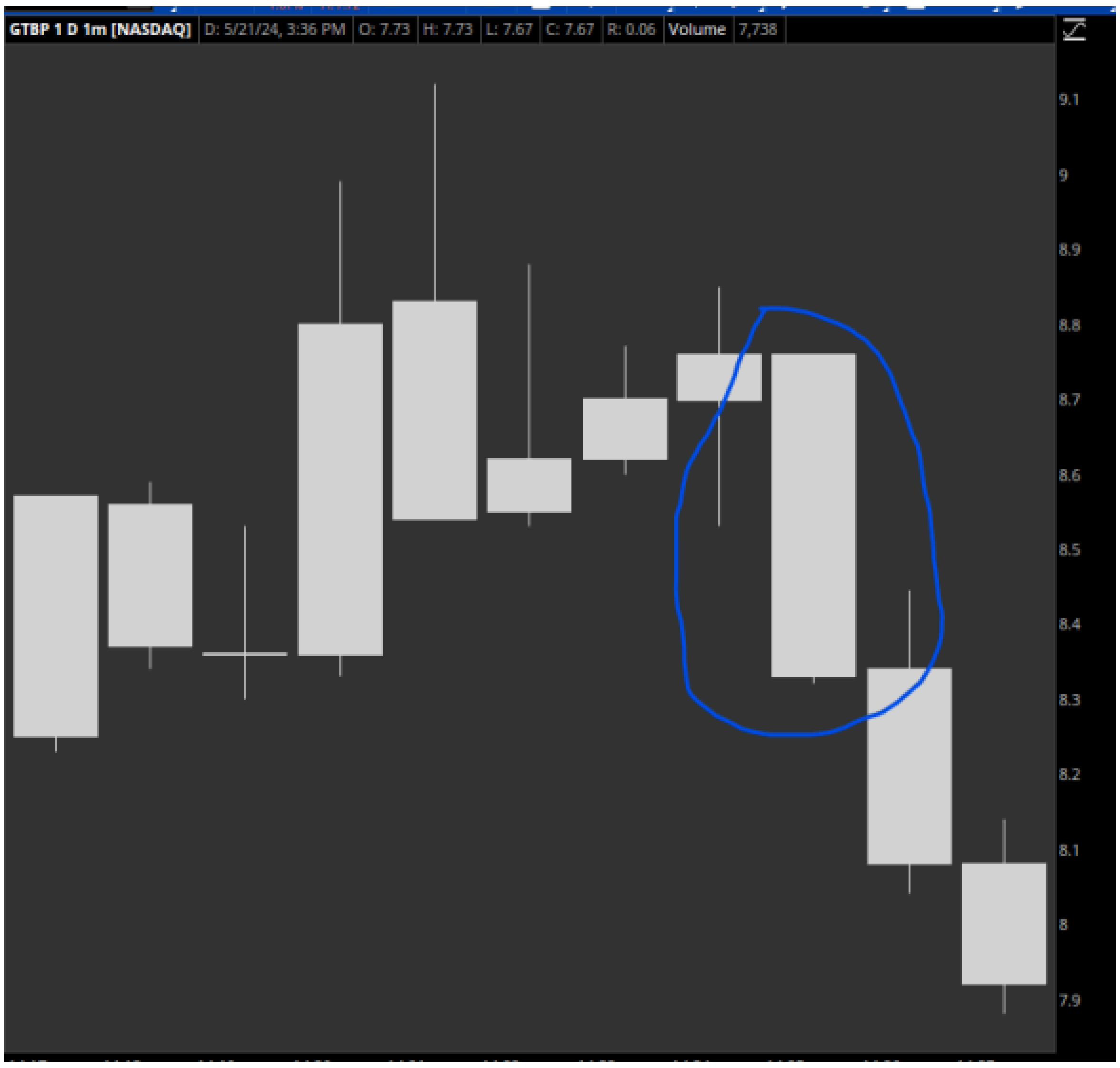
Below are some examples showing you the big sell off pullback candles occurring due to one of the reasons above



Failed Breakout of Resistance

Sideways for too long without breaking Resistance

Sideways for too long without breaking Resistance


GTBP 1 D 1m [NASDAQ]
D: 5/21/24, 3:36 PM
O: 7.73
H: 7.73
L: 7.67
C: 7.67
R: 0.06
Volume
7,738
9.1
9
8.9
8.8
8.7
8.6
8.5
8.4
8.3
8.2
8.1
8
7.9

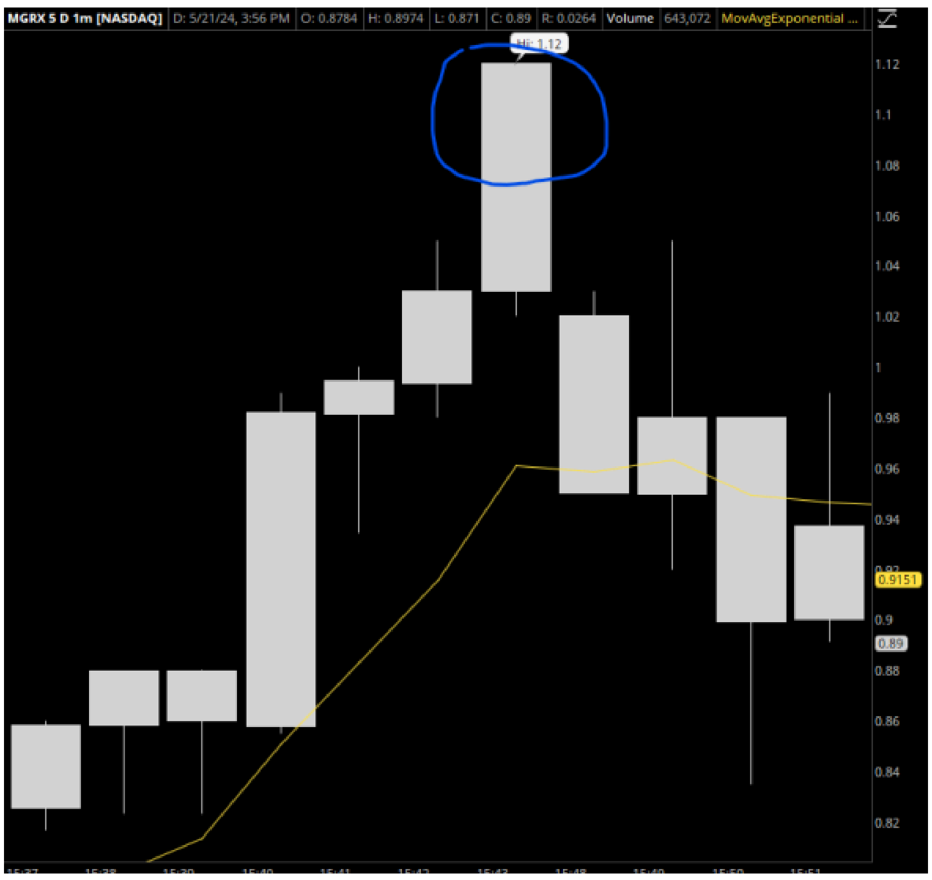
Triple top


WISA 5 D 1m [NASDAQ]
D: 5/21/24, 3:41 PM
O: 3.28
H: 3.29
L: 3.28
C: 3.29
R: 0.01
Volume
731
4.72
4.7
4.68
4.66
4.64
4.62
4.6
4.58
4.56
4.54
4.52
4.5
4.48
4.46
4.44

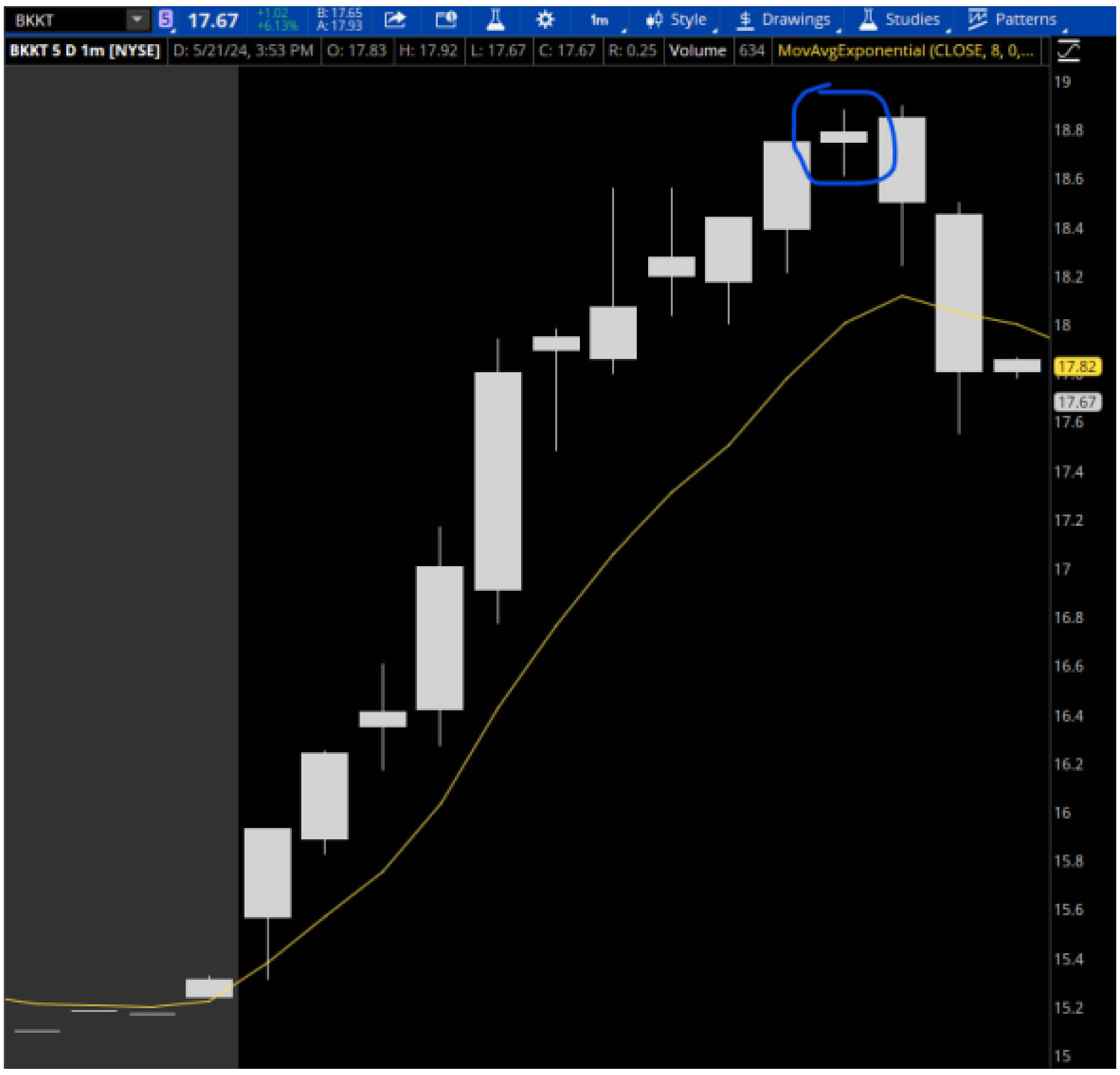
Extension from the 8EMA

The 8EMA (Yellow moving average on your 1 minute chart) is one of the most important indicators to look at in Small Cap trading. We use this indicator for a couple of reasons, one of the reasons is to see when the current candle is extended above the 8EMA. What I mean by extended is when the gap between the candle high and the 8EMA is significant. When the candle high is extended far above the 8EMA, it is natural that the stock will pull back into the 8EMA, therefore you should **NEVER** buy the stock in this situation, that would be a death trap. I use the extension above the 8EMA as a reason to **EXIT** my position, paired with other reasons such as hitting Resistance levels. Some examples of what I mean by Extended from the 8EMA are below.

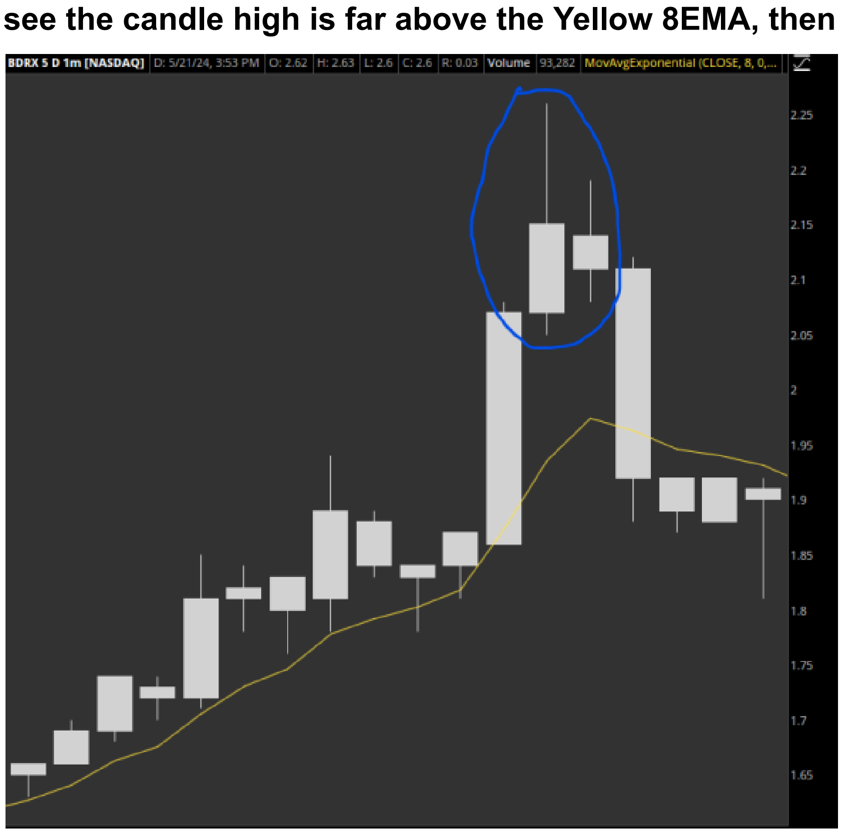
Here you see the candle high is far above the Yellow 8EMA, then it pulls back towards it



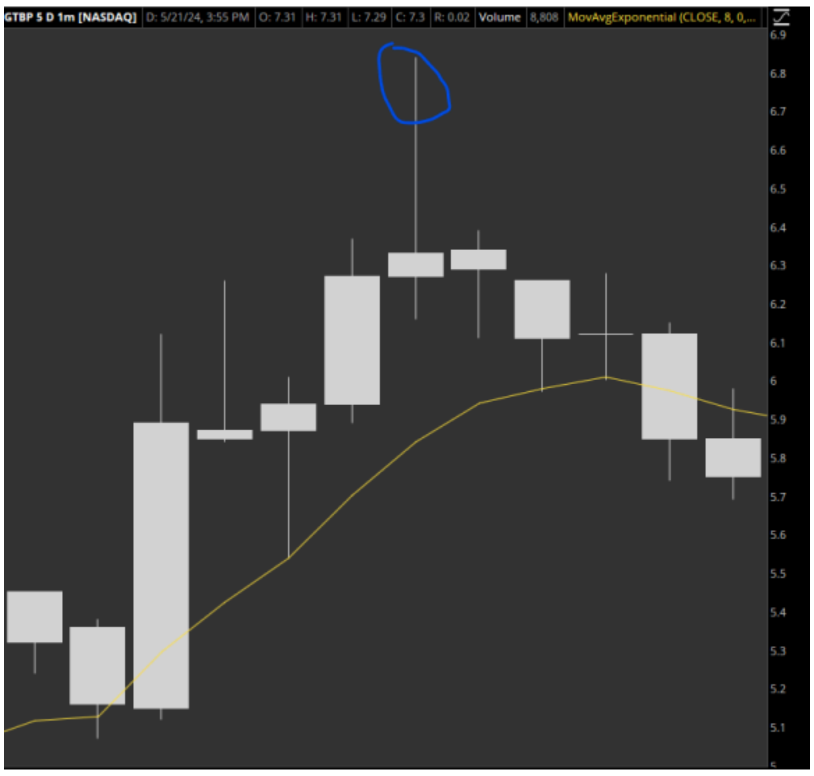
Here you see the candle high is far above the Yellow 8EMA, then it pulls back towards it



Here you see the candle high is far above the Yellow 8EMA, then it pulls back towards it

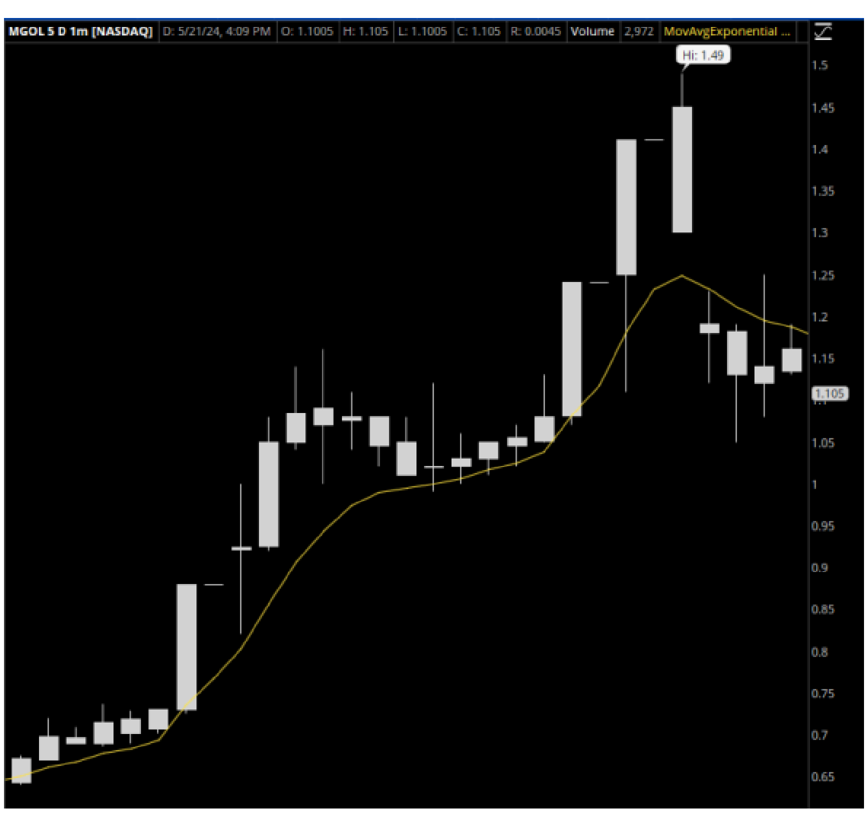


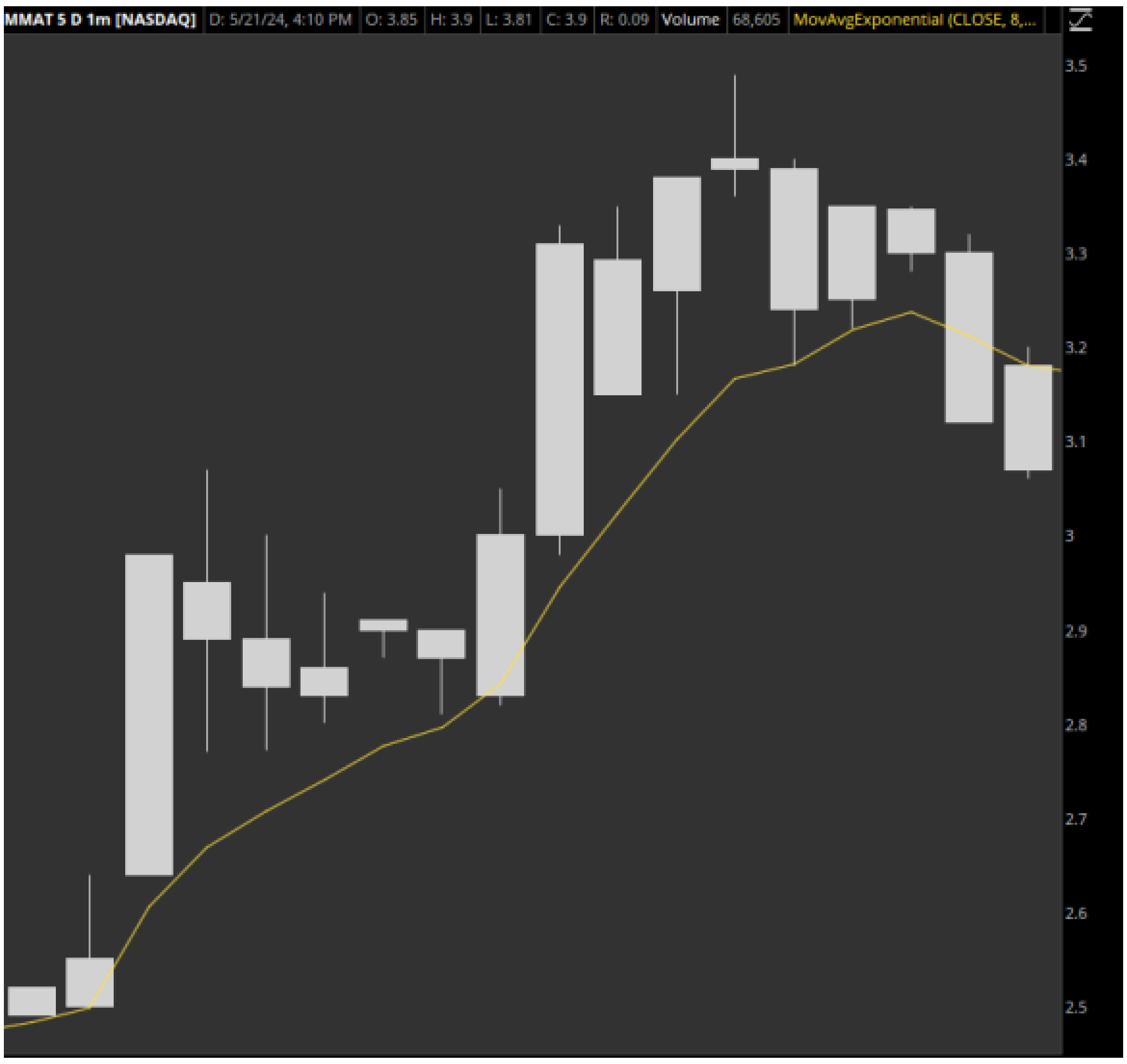
Here you see the candle high is far above the Yellow 8EMA, then it pulls back towards it

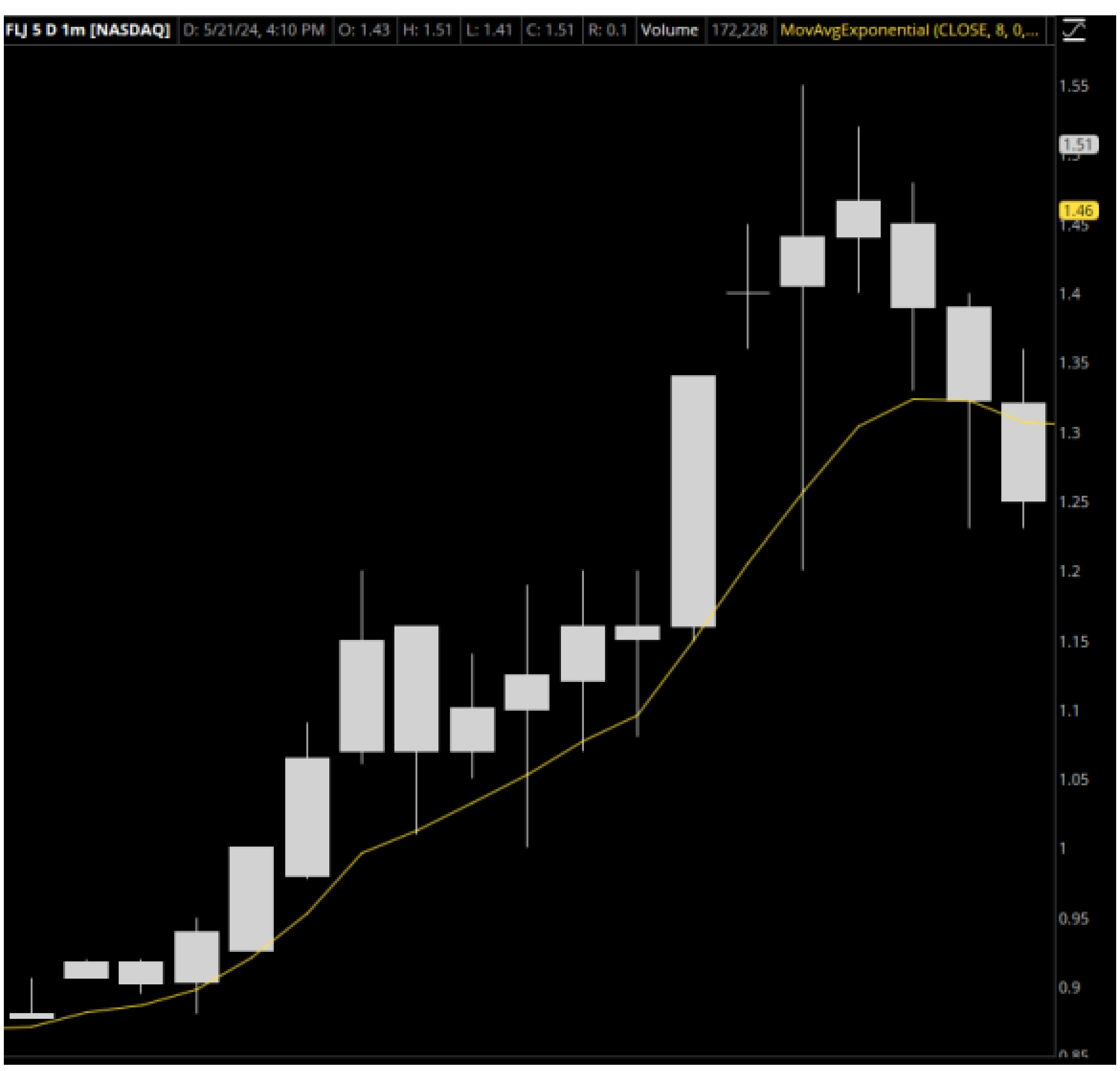


8EMA in a squeeze move/vertical move up

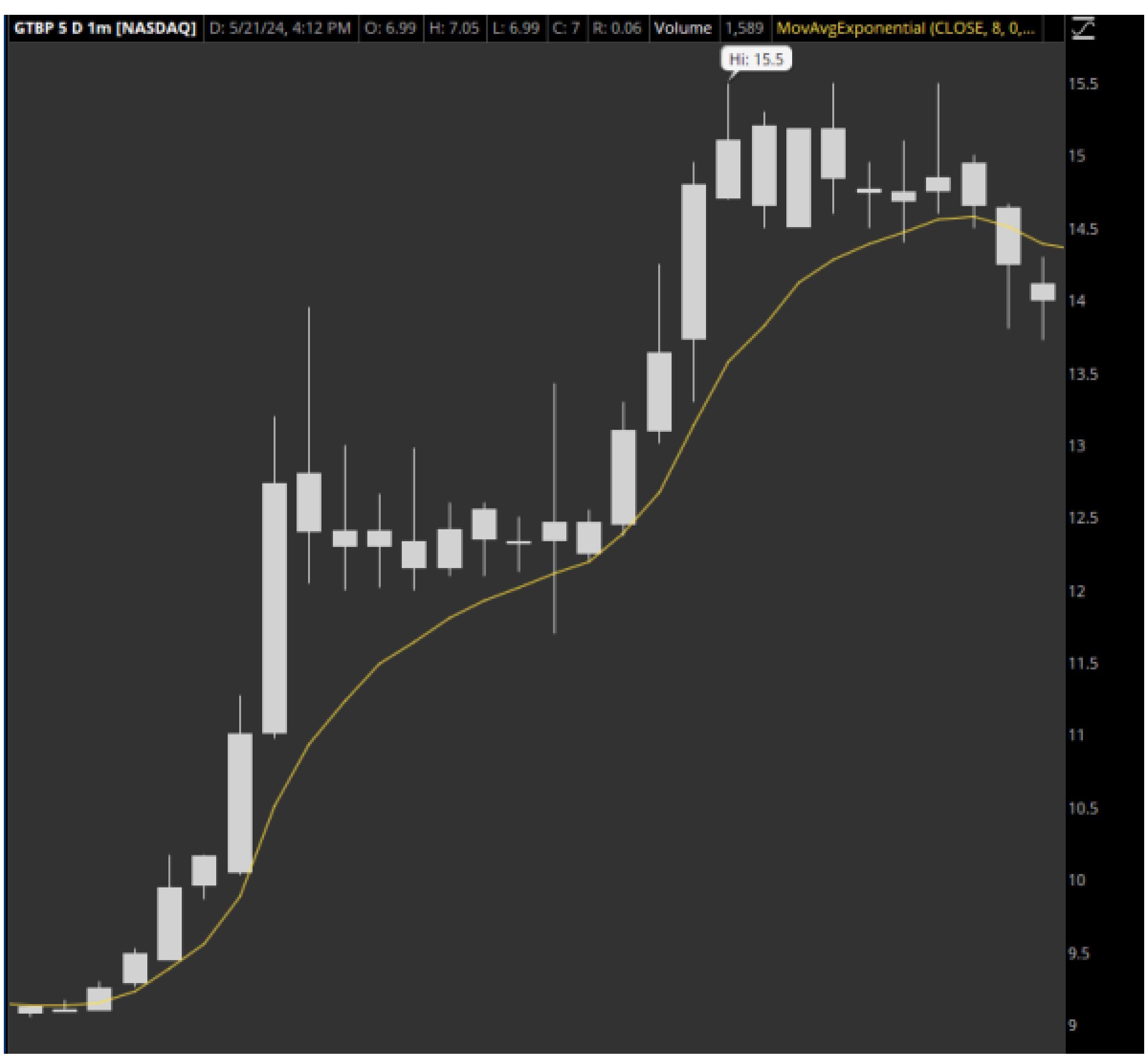
The 8EMA is your best friend when it comes to holding a squeeze move/vertical move up, 90% of the time on these moves the stock will hold above the 8EMA the entire way up, the first candle to close below the 8EMA is the signal to sell. On the move up a candle can dip below the 8EMA but as long as it **CLOSES** above then you are good to continue holding. Some examples of the 8EMA holding on a squeeze are below.




MMAT 5 D 1m [NASDAQ]
D: 5/21/24, 4:10 PM
O: 3.85
H: 3.9
L: 3.81
C: 3.9
R: 0.09
Volume
68,605
MovAvgExponential (CLOSE, 8,...
3.5
3.4
3.3
3.2
3.1
3
2.9
2.8
2.7
2.6
2.5

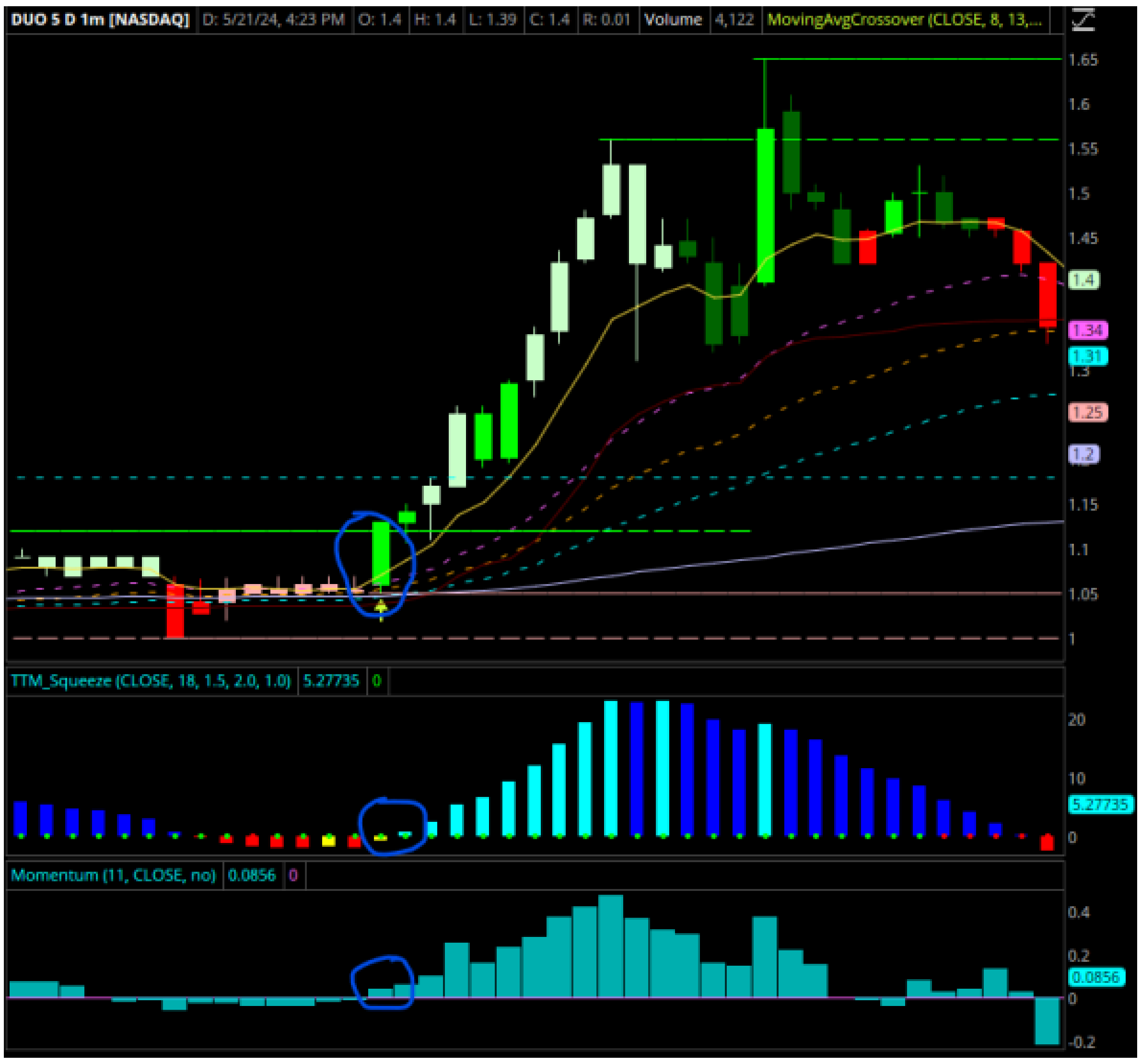

FLJ 5 D 1m [NASDAQ]
D: 5/21/24, 4:10 PM
O: 1.43
H: 1.51
L: 1.41
C: 1.51
R: 0.1
Volume
172,228
MovAvgExponential (CLOSE, 8, 0,...
1.55
1.51
1.46
1.45
1.4
1.35
1.3
1.25
1.2
1.15
1.1
1.05
1
0.95
0.9

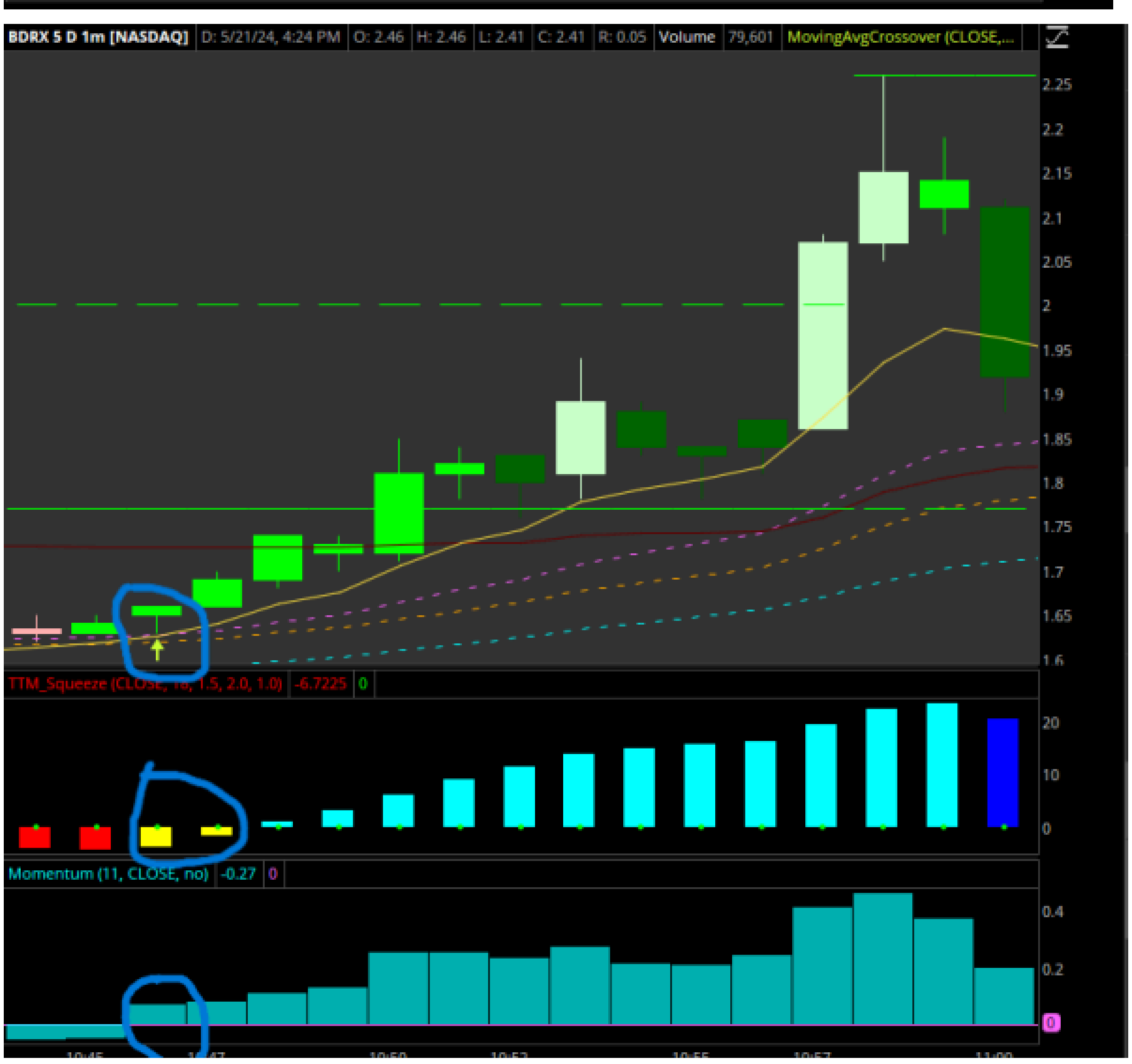

BDRX 5 D 1m [NASDAQ]
D: 5/21/24, 4:09 PM
O: 2.54
H: 2.54
L: 2.42
C: 2.44
R: 0.12
Volume
448,335
MovAvgExponential (CLOSE,...
2.85
2.8
2.75
2.7
2.65
2.59
2.55
2.5
2.45
2.43
2.4
2.35
2.3
2.25
2.2
2.15
2.1

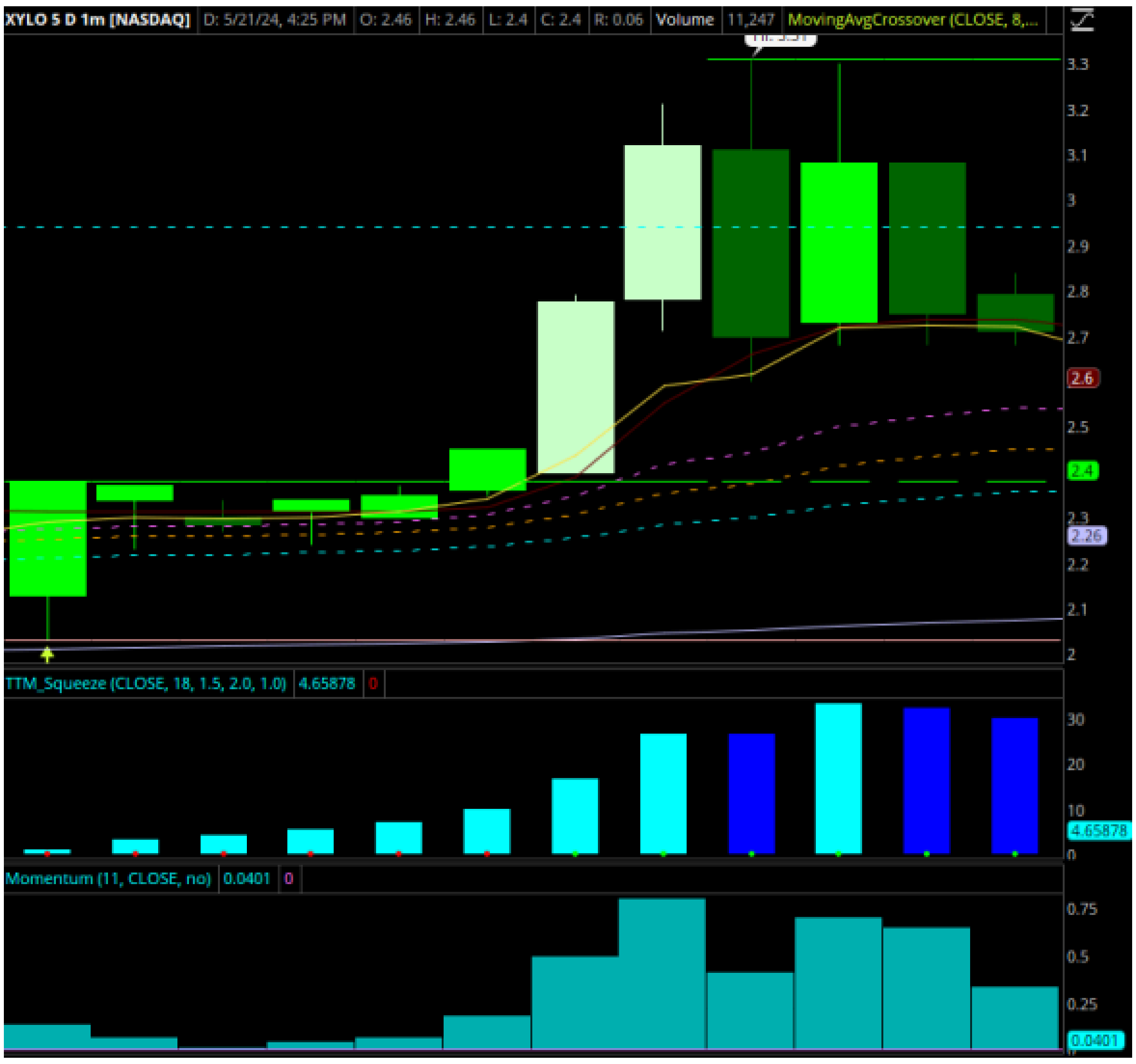

GTBP 5 D 1m [NASDAQ]
D: 5/21/24, 4:12 PM
O: 6.99
H: 7.05
L: 6.99
C: 7
R: 0.06
Volume
1,589
MovAvgExponential (CLOSE, 8, 0,...
Hi: 15.5
15.5
15
14.5
14
13.5
13
12.5
12
11.5
11
10.5
10
9.5
9

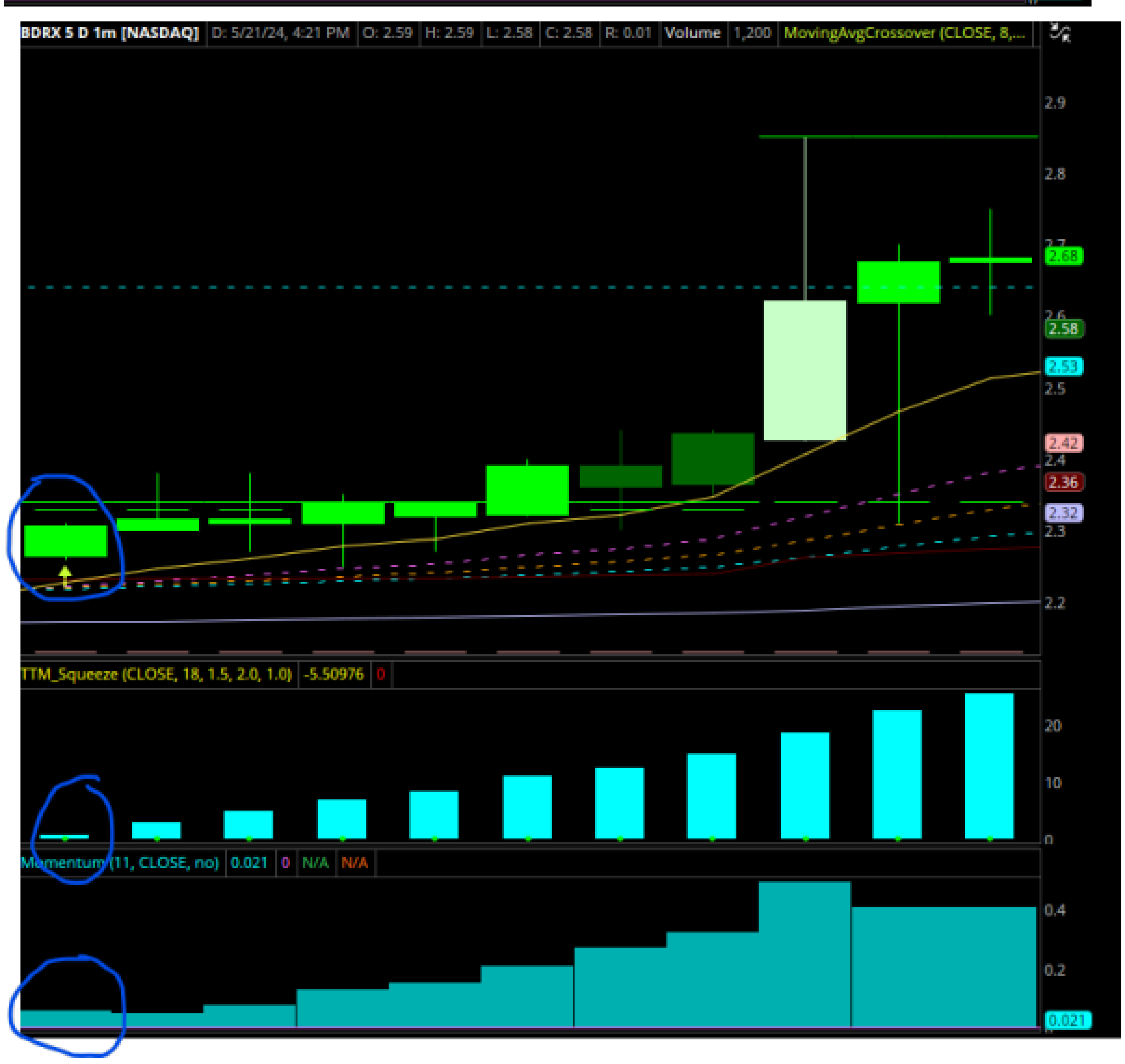
Vertical Signals lining up

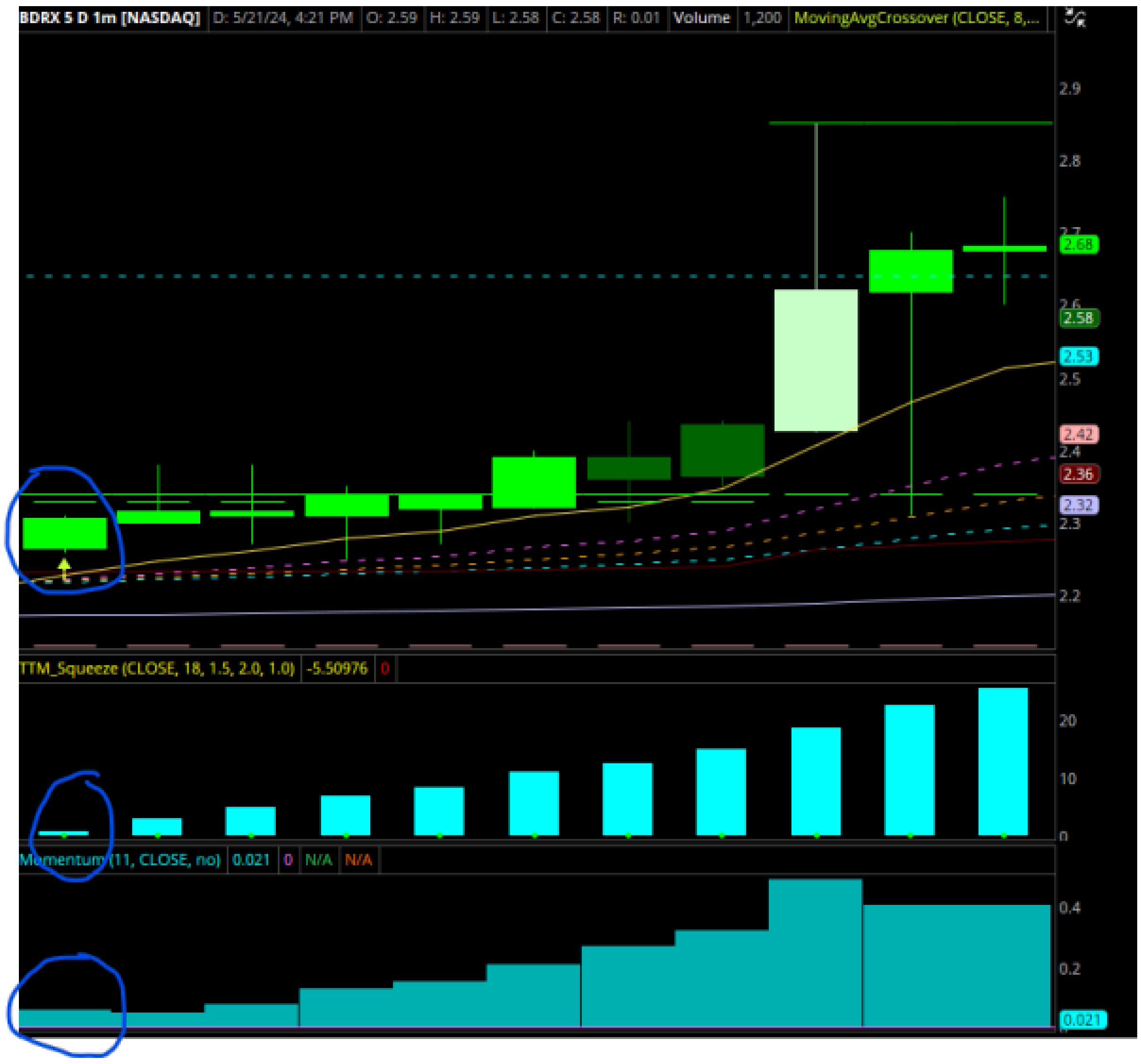
When looking at your indicator set, the best entries will occur when you have multiple Bull signals lining up on both your top half of your chart & the lower indicators. I will show examples of this below. If there is one indicator lagging, most times it will be the TTM squeeze or Momentum, as long as at least one of them is bull, you can still take the trade as long as it goes bull in the next couple of candles, I will show this in some examples below.

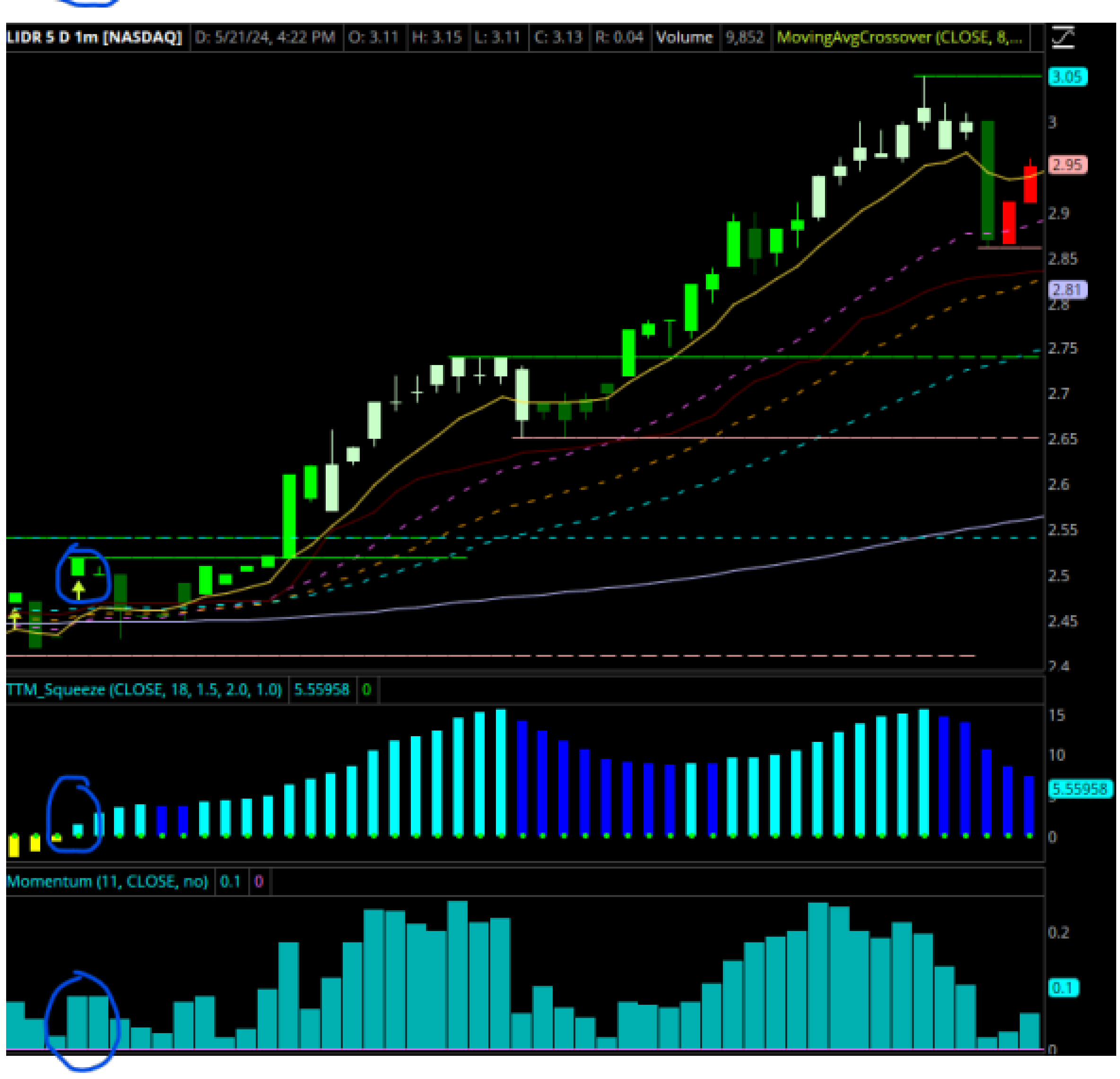





XYLO 5 D 1m [NASDAQ]
D: 5/21/24, 4:25 PM
O: 2.46
H: 2.46
L: 2.4
C: 2.4
R: 0.06
Volume
11,247
MovingAvgCrossover (CLOSE, 8,...
TTM_Squeeze (CLOSE, 18, 1.5, 2.0, 1.0)
4.65878
Momentum (11, CLOSE, no)
0.0401

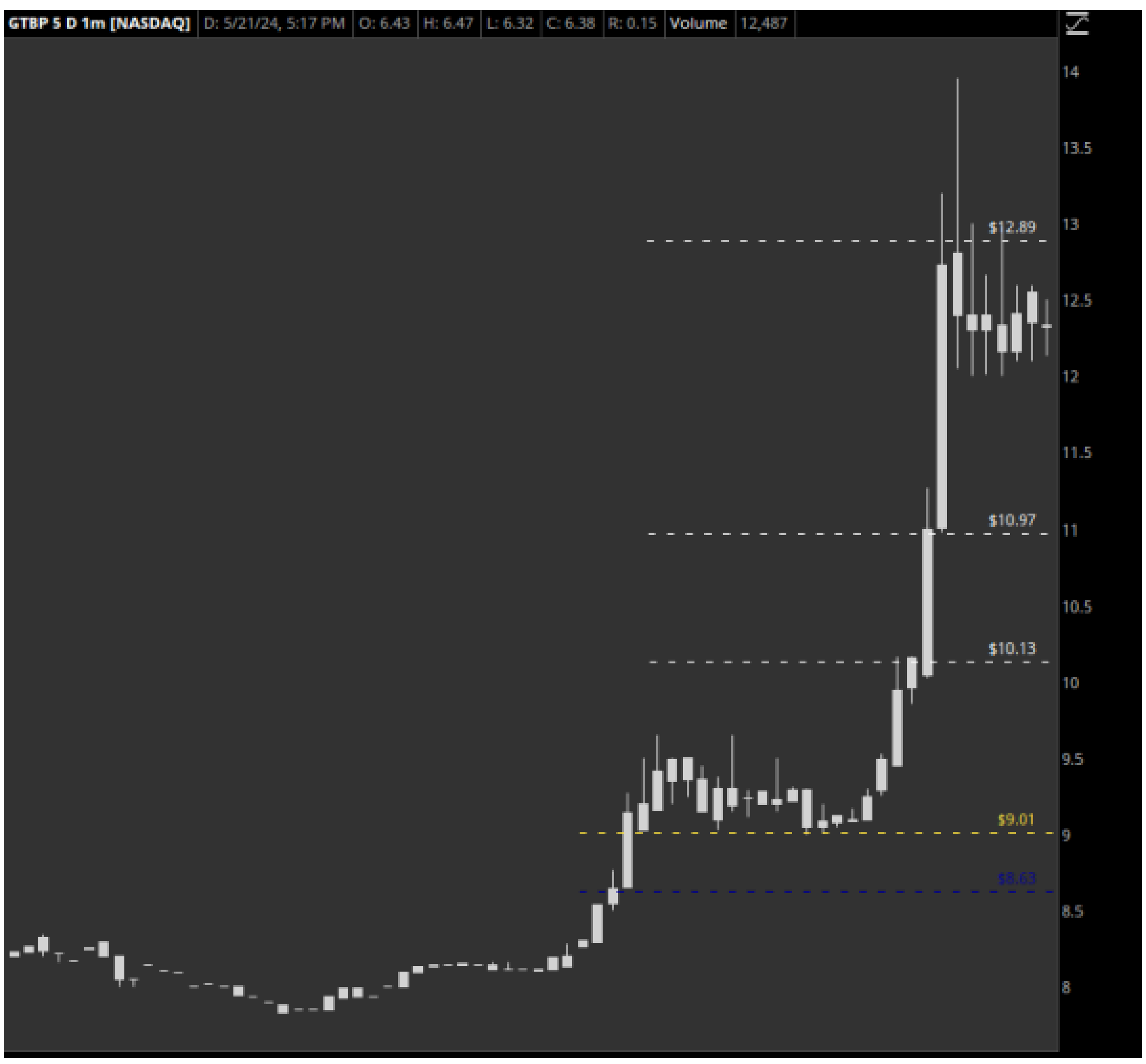

BDRX 5 D 1m [NASDAQ]
D: 5/21/24, 4:21 PM
O: 2.59
H: 2.59
L: 2.58
C: 2.58
R: 0.01
Volume
1,200
MovingAvgCrossover (CLOSE, 8,...
TTM_Squeeze (CLOSE, 18, 1.5, 2.0, 1.0)
-5.50976
Momentum (11, CLOSE, no)
0.021
N/A
N/A


BDRX 5 D 1m [NASDAQ]
D: 5/21/24, 4:21 PM
O: 2.59
H: 2.59
L: 2.58
C: 2.58
R: 0.01
Volume
1,200
MovingAvgCrossover (CLOSE, 8,...
TTM_Squeeze (CLOSE, 18, 1.5, 2.0, 1.0)
-5.50976
0
Momentum (11, CLOSE, no)
0.021
0
N/A
N/A


LIDR 5 D 1m [NASDAQ]
D: 5/21/24, 4:22 PM
O: 3.11
H: 3.15
L: 3.11
C: 3.13
R: 0.04
Volume
9,852
MovingAvgCrossover (CLOSE, 8,...
TTM_Squeeze (CLOSE, 18, 1.5, 2.0, 1.0)
5.55958
0
Momentum (11, CLOSE, no)
0.1
0

Plotting Hold Numbers, In play numbers & Support/Resistance mentioned in alerts

It is essential that you plot all of the above onto your charts so it is clear to see where the specific numbers & Support/Resistance is. To do this, use your 'Price Level' drawing tool and plot the different numbers. It is important to colour code the lines which you plot so you can clearly see which line is the Hold number, which line is the in play number and then all of the Support/Resistance. To colour code, once you have plotted the lines, right click on them and click 'Edit Properties' then you will see 'Color' at the bottom left, once you have selected a colour then you can press 'OK'. Once there are new hold numbers, in play numbers and S/R mentioned in alerts, you must replace the old lines plotted with new ones. The best way to do this is to actually right click each line and edit the properties so you can simply change the Value of the lines, this will save you from having to colour code the new lines again. Below is an example of how you should plot the lines with colour coding: White Lines - Support/Resistance Yellow Line - Hold Number Blue Line - In Play Number

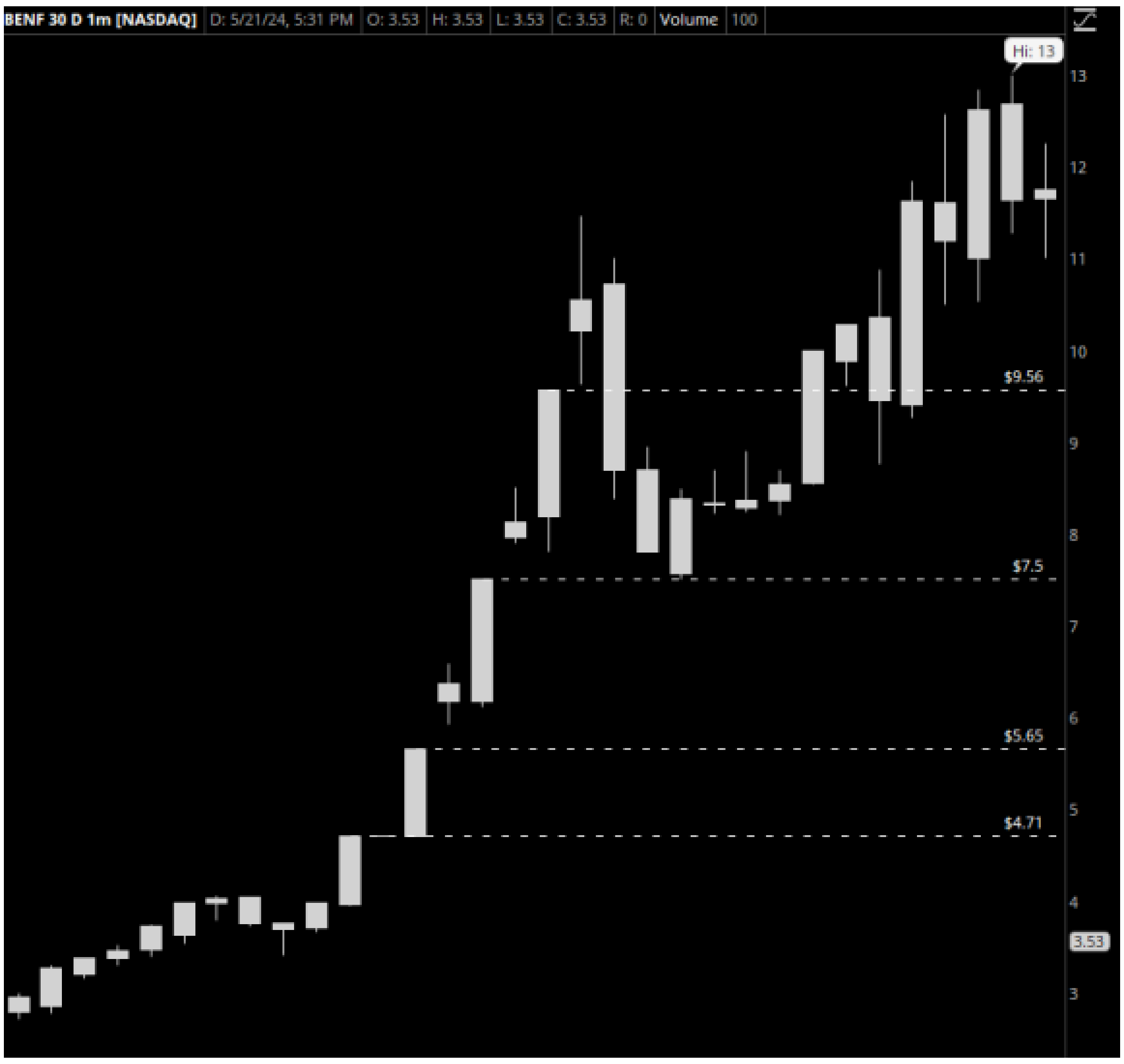


Key Levels to look out for

There are various key levels in Small Cap trading that you must keep an eye on, these include: **PM HIGH**: The Pre Market High is one of the most important Resistance levels in Small Cap trading, this shows the highest point traded in Pre Market, which means that all of the Short Sellers will be losing money above the Pre Market High if it breaks above it Intraday. Most squeeze moves and vertical moves up will occur above Pre Market high, you want to see the stock break above Pre Market high and hold above the Pre Market high Intraday. You must watch this closely when the stock tests this level as a failed breakout will be an Exit signal. Too far below the Pre Market high late in the day and there is almost no chance of a squeeze. **After Hours High**: This is the highest point traded in After Hours after market close on the previous day. This can be a key Resistance level during Pre Market & Also a key level Intraday. You must watch this closely when the stock tests this level as a failed breakout will be an Exit signal. **HOD (High of day)**: This is the highest point traded Intraday, this Resistance level should always be watched closely when the stock tests it, breaks above it will lead to new highs and most times continuation. However failed breakouts of the High of day can lead to disaster, this is why you must watch closely when the stock attempts to break the High of day, failed breakouts of high of day are a key Exit signal. **Previous Day High**: This is the highest point traded on the previous day Intraday. If there are short sellers still in from the previous day, then a break above the Previous Day High is going to squeeze those shorts out and can lead to a continuation move. You must be aware of a potential failed breakout at this level as that will be an Exit signal.

Halts

A trading halt occurs when a stock exchange stops trading on a specific security for a certain time period. This is usually due to volatility levels, this occurs mainly in Small Cap trading. Usually a halt lasts exactly 5 or 10 minutes, so most times you know exactly when it is going to unhalt. Halts can occur to the upside & also to the downside. If you do not have a position in a stock before it halts, then randomly buying when it unhalts is a pure gamble. There is certain criteria for buying out of a halt or holding onto a position when it unhalts. The candle high into the halt MUST hold as Support when the stock unhalts. The criteria for a potential buy out of a unhalt or to hold onto your position if you was in before the halt is shown below:



Exit Signals

There are multiple different reasons why you could exit your position or partially exit your position. Resistance lines should always be your target for exiting the stock, regardless of whether you have bullish indicators or not. This can be Resistance mentioned in alerts, key levels such as Pre Market High, High of day etc. When extended above the 8EMA, this is also a key exit signal which you do not need bearish indicators for. Bearish indicators are also reasons to exit your position, you are looking for multiple indicators to be bear this includes your lower indicators below the centre line (TTM Squeeze & Momentum), 8EMA crossing below the 21EMA, Bearish colour candles (RED) etc. When looking for exit signals in terms of indicators, it is important that you do not always base your decision off of one thing, you want multiple signals, some examples of multiple signals below:

- Extended above the 8EMA whilst failing resistance.
- Failing resistance with Red bearish candles
- TTM squeeze going negative with the 8EMA crossing below the 21EMA
- Momentum and TTM squeeze going negative with Red bearish candles

Starter Entries

A Starter entry is when you take a starter position in a stock when the stock is holding Key support levels but has bearish indicators. This is normally 20-25% of your normal position size. So for example if I normally use 1000 shares then I would use 200/250 shares for a starter position. I would add the remaining % of my position to full size once indicators go bullish, then start to look at resistance levels for my exit targets. Key Support levels that you want to see it holding are levels such as: Hold numbers, In play numbers, Pre market high, Previous high of day etc. The reason I take starter entries is to limit the risk because I know that the indicators are bear which means its less likely to work, however as the stock is holding key levels this means it has potential, so if I am right I can add in once its bull, if I am wrong because I am only using 20/25% position size then its not the end of the world if I take a loss. Your risk must be tight on starter entries, stop loss below the candle low where it held the key level.

Scaling out/Taking partial profits on your positions

Scaling out is when you partially sell your position. I would recommend that you take partial exits on your positions, this will protect your win rate & unlock the potential of nailing the entire move. I normally scale out at least 50% on my position at my first target which is some kind of Resistance level. Once I have done this I usually adjust my stop loss to my entry or keep stop loss below a support level near my entry. This way if the stock comes back to my entry and I get stopped, I have already taken a profit exit, therefore I am protecting my win rate. One of the most annoying situations is when the stock makes a move in your favour but then comes back and you end up taking a loss when you could have previously took some sort of exit, whether it be a partial exit or a full exit. When I scale out 50% of my position, if the stock keeps moving in my favour then I will look to my next Resistance level as my target to either exit the rest or another partial exit of my position. If it doesn't reach the next Resistance level target then you can look for bearish signals on your indicator sets to exit the remainder of your position.

Do NOT look at your Profit/Loss while in a position

It is essential that you do not look at your PnL while you are in a trade, your focus and decisions should be purely on what the chart is telling you, not your live PnL. Seeing your live PnL is going to affect your emotions & your discipline, you will end up taking exits because you see you have some nice profit without looking at what the chart is telling you. If possible you should hide your live PnL on your broker or simply do not look at it when you are in a trade. All of your decisions should be based on what your indicator sets are telling you, using Support/Resistance paired with indicators, nothing else.. there should be no 'gut feelings', wishful thinking, hope or denial, you react purely on what the chart is telling you.

Stop Losses

Stop losses should always be used as they protect you from big losses. It is important that you put stop losses below some sort of recent support level close to your entry, not wide stop losses as your losses will be too big. As the stock moves up in your favour you can adjust your stop loss to your entry to protect yourself or if there is support established above where you entered then you can adjust your stop loss to below that support. When Resistance is broken, this becomes new Support as shown in 📈-support-and-resistance , so when resistance breaks you can adjust your stop loss below that Resistance level as it is now new Support. Stop losses can go below:

- Hold Numbers
- In play Numbers
- Support levels mentioned in alerts
- Support levels on your indicator set
- Key levels such as Pre Market High

They can also go below certain indicators if it makes sense, such as the 21EMA. If you ever need help with putting a stop loss then make sure to privately message me.

Hope & Denial is not a strategy, have a plan

Do NOT hold onto a loser with hope that they are coming back to your entry and above. Hope is NOT a strategy. One thing you certainly do NOT do is hold these stocks overnight, especially at a loss hoping it gets back to your entry and above the next day. Have a clear plan of your entry, where you would like to exit & where you will take a loss.

Greed Kills

Do not cling onto these stocks hoping for more profit, most times if you find yourself in this position then disaster is imminent. Trust your indicator set and what the chart is telling you. React to exit signals before it's too late.