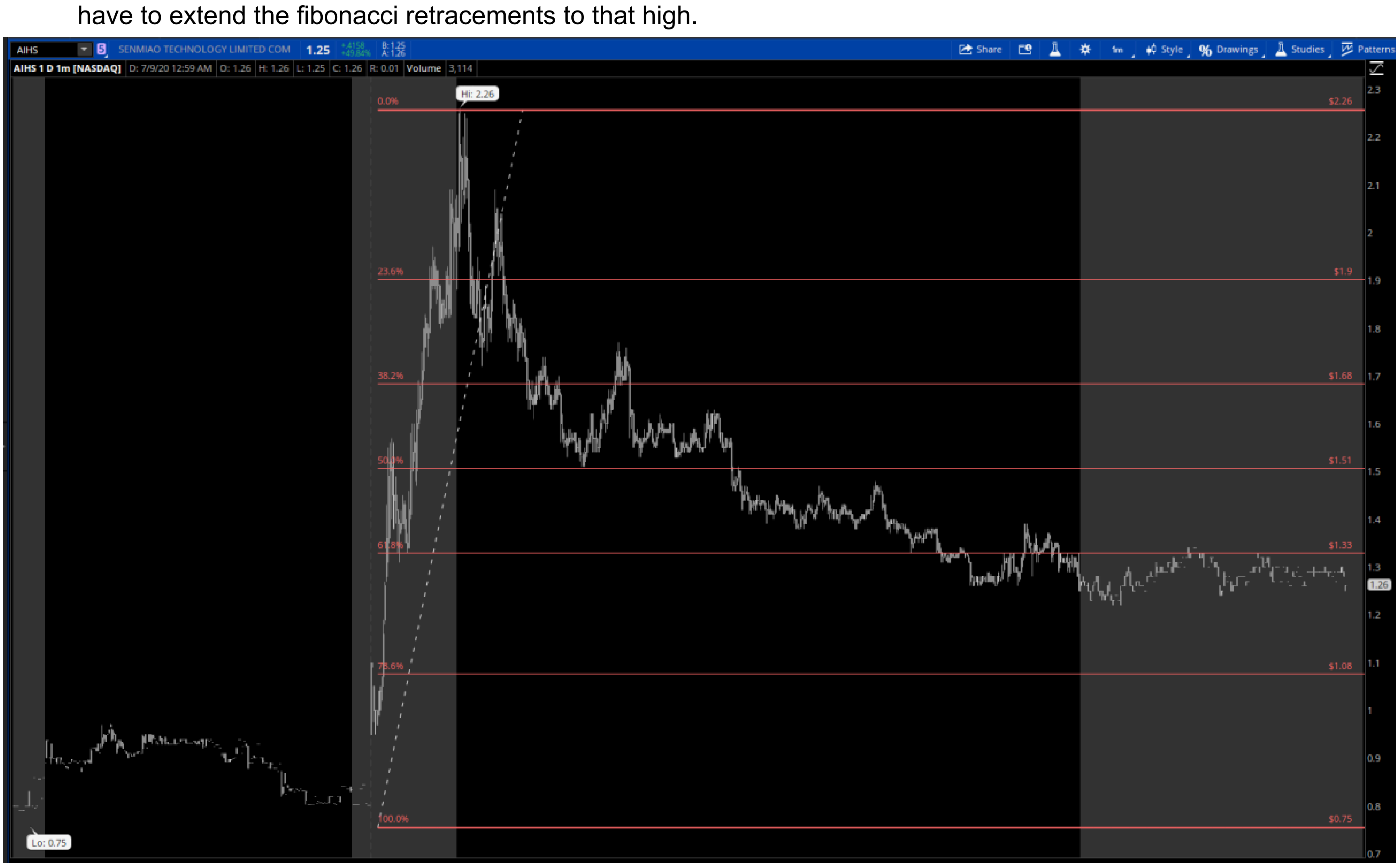
FIBONACCI RETRACEMENTS

Fibonacci retracements help traders identify potential support and resistance levels, which are areas where the price of an asset might reverse or consolidate. Here's how they work:

4. **Selecting Points:** Pick two points on a price chart, usually the low point (representing a potential support level) and the high point (representing a potential resistance level) of a particular price move.
5. **Drawing Lines:** Based on the Fibonacci sequence, horizontal lines are drawn across the price chart at specific levels, such as 23.6%, 38.2%, 50%, 61.8%, and 78.6% of the distance between the chosen points.
6. **Analysis:** These lines act as potential levels where the price might retrace or reverse its direction. The most notable line is the 50% level, often seen as a pivotal point. If the price stays above the 50% level, bullish sentiment is considered; if it falls below, bearish sentiment is suggested.
7. **Significance:** Watch for price action near these levels. A bounce or reversal at a Fibonacci level could indicate a continuation or reversal of a trend, respectively

In simple terms, Fibonacci retracements provide traders with visual cues about possible price movements based on historical patterns. While they aren't foolproof predictions, they offer valuable insights that traders use alongside other indicators to make informed decisions. **EXAMPLE** Make sure you are on a 1 day 1 minute chart, select fib retracement as a drawing tool, draw from the low which was 0.75, to the high of 2.26. You will then have macro support/resistance (bigger picture). The specific fib retracement I care about is the 50% line. Below is bear and NOT in play. Above it remains in play. Very good for bounces off of the 50 fib too. If the high changes, then you will have to extend the fibonacci retracements to that high.



To get it to the exact high and low using the Fibonacci on mobile, draw a Fibonacci retracement anywhere, then hold your finger on it, click properties, then change your 'end point' to the high(2.26 in the example above), then change your 'begin point' to the low (0.75 in the example above)

PATIENCE IN DAY TRADING

Certainly, here are the same points presented without any changes:

7. **Emotion Control:**

Patience helps traders avoid making impulsive and emotional decisions. Emotional trading often leads to losses as traders may buy or sell assets based on fear or greed rather than a well-thought-out strategy.

7. **Risk Management:**

Patient traders tend to have better risk management. They are more likely to set stop-loss orders, which limit potential losses, and stick to their risk management plans, protecting their capital.

7. **Avoiding Overtrading:**

Impatient traders may be tempted to trade frequently, which can lead to higher transaction costs and increased exposure to market volatility. Patience helps traders wait for the right opportunities rather than constantly making trades.

7. **Waiting for Confirmation:**

Patience allows traders to wait for confirmation of their trading signals. They can wait for multiple indicators or factors to align before entering a trade, increasing the likelihood of a successful outcome.

7. **Long-Term Success:**

Trading requires discipline and a long-term perspective. Impatient traders often look for quick profits, while patient traders are more likely to focus on consistent, sustainable returns over time.

7. **Dealing with losses:**

In trading, it's common to experience drawdowns (periods of losses). Patience helps traders stay calm and confident during such times, avoiding panic selling or abandoning their trading strategies.

7. **Learning and Improvement:**

Patient traders are more likely to invest time in learning, analyzing their trades, and adapting their strategies based on experience. This continuous improvement is essential for long-term success in trading.

Waiting for Market Conditions:

Market conditions can change rapidly. Patience allows traders to wait for favorable conditions, like clear trends or low volatility, before making significant trading decisions.

9. **Reducing Stress:**

Impatient trading is stressful, as constant decision-making and monitoring takes a toll on mental and emotional well-being. Patience leads to a more relaxed and balanced approach to trading.

10. **Keeping your Profits:**

Ultimately, trading is about capital preservation and growth. Patient traders are more likely to protect their trading capital and avoid substantial losses that could wipe out their accounts.

Let's explore some scenarios:

- When we mention a stock trading below the key levels shared in #alerts, it's important to exercise patience and wait for it to reach these critical levels. Following this, use the provided custom indicator set to confirm your entry and exit.
- There are instances where a stock might be trading above the key levels but lacks volatility, particularly during off-peak trading hours. In such cases, it's crucial to be patient and abstain from trading. As traders, our profits are driven by volatility.
- If the market doesn't present a favorable setup, it's wise to exercise patience and refrain from entering unnecessary trades. Taking such trades can result in significant losses, so protecting your capital on these days is paramount.

However, patience does NOT apply in the following situation:

- If you find yourself in a trade, and the indicators shift to a bearish stance, resulting in a loss, it's vital not to misinterpret patience as an excuse to hold onto the stock. Remember that patience shouldn't mean disregarding your trading rules. Instead, it should be integrated with your trading strategy, which includes risk management, technical analysis, and fundamental analysis.

Successful traders combine patience with a well-defined trading plan and the ability to adapt to changing market conditions. Remember, there's an opportunity to make money EVERY SINGLE DAY. If you miss a trading opportunity, will always be tomorrow.

YBI STRATEGY Example: Trading by combining the alerts with your TOS custom indicator set

SEE 🗓️ | breakdown-of-plays **for a video example** Just because a stock is mentioned in the alerts, it does NOT mean you should be trading it. The alerts act as POTENTIAL entry and exit levels. There is no such thing as a perfect entry or exit. The only time your entry or exit is "perfect" is when you confirm it with your indicator set in Think or Swim. **Let's look at an example to breakdown how to use the indicators + alerts to find trade opportunities** Remember the S/R in alerts are given hourly. The first alert of the day on SNSS came at 9:35am EST: SNSS in play above 4.98 5.07/5.14/5.25/5.31/5.45/5.50 R You should plot these levels on your chart using the price level tool. **Here is a legend for the screenshot below:**

- The 'in play' number 4.98 is plotted in red.
- The R levels (5.07/5.14/5.25/5.31/5.45/5.50) are plotted in gray.
- I also plotted the Pre-Market (PM) high (5.45) as the light blue dashed line and the retail PM resistance level 5.20 as the green dashed line. These levels are where the PM shorts are, if these levels break after market open, the PM shorts will start to cover their positions (buy to cover).

How do I find identify a trade opportunity?

The stock needs to be macro bull and micro bull (look at the EMAs). Shortly after the alert was called out, SNSS was above the 'in play' number (9:40am EST), it was above the macro EMAs (21/34/55 EMAs), and it was above the 200SMA. Obviously, macro bull. When a stock is macro bull, that means it's a live target but to take a trade, it also needs to be micro bull

Possible Entries – Numbers 1-6 in the screenshot below show possible entries.

3. 9:40am EST: Hold of 4.98 in play number, above EMAs, close to 8EMA, TTM strong bull, momentum bull
4. 9:44-9:45am EST: Hold of 5.23 R from alerts as S, also holding 5.20 R from pre market, TTM strong bull, momentum bull, close to 8EMA
5. 9:47am EST: Break of PM high and 5.50 R from alerts, TTM strong bull, momentum bull
6. 9:57-9:59am EST: 5.70 double bottom and reclaim of 8EMA, TTM bull, momentum bull
7. 10:14-10:17am EST: VWAP hold and 21EMA hold but TTM and momentum are slightly bear (note this could be a starter position entry because it is riskier)
8. 10:21-10:22am EST: 8/21EMA hold while lower indicators go bull again (TTM strong bull, momentum bull) If you took a starter position at the above entry ^, then you can increase your position here because the indicators signaled that a move up is coming

Exits:

3. Possible Exit for Entry 1-3: Exit could have been the first upper wick circled in blue. TTM weakening at 9:53am EST, a breach below the 8EMA at 9:55am EST, a breach below the 21EMA at 10:37am EST for a longer-term hold.
4. Possible Exit for Entry 4: Exit could have been at 10:01am EST extended from the 8ema after those two failures (10:01-10:02am), 10:05am on weakening TTM
5. Possible Exit for Entry 5-6: Exit could have been 10:25-10:28am EST after multiple failures or 10:30am after a breach below the 8ema and weakening TTM

Creating SMART Trading Goals

Creating trading goals makes you focus on what is important and creates a vision of how your trading should look like and where it should take you.

1. **Direction and Focus in Trading Strategy:** Trading goals provide a clear direction for your investment strategy. Whether you're focused on capital preservation, income generation, or capital growth, having well-defined goals helps you concentrate on specific trading activities that align with your overall objectives.
2. **Motivation for Disciplined Trading:** Trading can be emotionally challenging, especially during market fluctuations. Having clear goals acts as a motivational factor, encouraging you to stick to your trading plan, follow risk management practices, and avoid impulsive decisions.
3. **Measurable Progress in Portfolio Performance:** Trading goals enable you to measure the performance of your investment portfolio. By establishing specific targets for returns, risk management, or portfolio composition, you can assess how well your trading strategy is working and make adjustments as needed.
4. **Accountability for Trading Decisions:** Setting trading goals holds you accountable for your trading decisions. When you have specific targets, you're more likely to evaluate your trades objectively and learn from both successes and failures.
5. **Time Management in Trading Activities:** Trading goals help you prioritize your time effectively. This is crucial in the fast-paced world of financial markets where staying informed and making timely decisions is essential for success.
6. **Clarity of Purpose in Trading:** Defining trading goals forces you to clarify your purpose as a trader. Whether you're aiming for short-term gains, long-term wealth accumulation, or a combination of both, having a clear vision contributes to more focused and purposeful trading.
7. **Personal Growth Through Trading Challenges:** Trading goals often involve stepping outside your comfort zone by taking calculated risks and facing market uncertainties. Overcoming these challenges can lead to personal growth as a trader, improving your skills and resilience.
8. **Decision-Making Aligned with Trading Objectives:** Trading goals make decision-making more straightforward. When faced with various trading options, you can evaluate which choices align with your goals, risk tolerance, and overall trading strategy.
9. **Solution-Focused Approach to Trading Challenges:** Instead of fixating on trading losses or setbacks, having trading goals encourages a solution-focused mindset. Traders are more likely to assess and adapt their strategies to overcome challenges and achieve their objectives.
10. **Increased Satisfaction and Confidence in Trading Success:** Achieving trading goals brings a sense of satisfaction and confidence. This positive reinforcement can enhance your belief in your trading abilities and motivate you to set and achieve more ambitious trading goals.

Saying “I want to make a million dollars from day trading” is not a goal. It’s simply a statement and one that is useless in helping you achieve a million dollars from day trading. Instead, use the framework SMART (Specific, Measurable, Achievable, Realistic, and Timely). In summary, setting clear and SMART trading goals is essential for effective risk management, disciplined decision-making, and long-term success in the financial markets. Trading goals provide a framework for strategic planning and continuous improvement, helping traders navigate the complexities of the market with purpose and focus.

SMART Goal Example:

Specific: "I want to make $400 per month with $1,000 capital in the stock market by trading small cap stocks." **Measurable:** "I will track my progress by regularly reviewing my portfolio performance by writing my P/L in my trading journal and analyzing it weekly" **Achievable:** "Based on using the alerts and paper trading, a $400 return is achievable within the next month given the current trading strategy and my trading knowledge and experience." **Realistic:** "This goal aligns with my overall financial objectives and risk tolerance. It takes into consideration my interest and understanding of the startegy behind trading small cap stocks." **Timely:** "I will achieve this $400 per month return within the next month. I will reassess and adjust my strategy, risk tolerance and capital size at the end of each quarter to ensure I stay on track." By making your trading goals SMART, you provide yourself with a clear roadmap and criteria for success, making it easier to stay focused and measure your progress accurately.

A Guide to Trader Psychology

In day trading, mastering your psychology is key to your success. Once you overcome this hurdle, day trading becomes an infinite money glitch. This is also the most complex portion of trading. Here is a guide prepared by Maryyam Ghaffar on a trader's psychology and tips to master it. **NOTE: This is the property of Young Bull Investors Inc. and is not intended to be shared outside of this discord**

See PDF Attached “A_Guide_on_Trader_Psychology”

HOW TO PLOT S/R LEVELS ON YOUR OWN FOR LARGE CAPS (NO AUDIO):

Please Note: *I've never made videos before. This first video was made using a free trial, so there's a watermark on it. But don't worry, the next educational video won't have that watermark.* In the video, I start by looking at the biggest time frame for each of the stocks where I find support and resistance (S/R). I begin with the Monthly Timeframe, then move to the Weekly Timeframe, and finally the Daily Timeframe. On the Monthly Timeframe, I mark the important high and low points as support and resistance. Then, on the Weekly Timeframe, I check for any other S/R that I might have missed on the Monthly Timeframe. After that, I move to the Daily chart to catch any S/R that I couldn't spot on the Weekly chart. I repeat this process for different stocks. Once that's done, I can also use the S/R levels I've marked on the 1-minute and 10-minute time frames. When I say the stock has room up to a certain number in 🔔│alerts-intraday , it's based on these S/R levels I've shown in the videos. If you have any questions, feel free to ask. I encourage you to try this on your own and share screenshots of what you find regarding S/R using these time frames.

TRADING JOURNAL

What is a trading Journal? If you're taking a trade, it's important to watch yourself take the trade and understand what you were thinking, feeling and doing during that trade. You can wither record yourself and play it back or **journal your trades**. A trading journal is a record of all the trades (profits and losses) you've taken to help you see your progress and understand your trading style. **Criteria to include in your trading journal:** This list is the most IMPORTANT things to include. Be as detailed as possible but don't overcomplicate it. You can add more criteria if you wish

1. Your entry and exit
2. Entry and exit time, include timezone
3. Number of trades taken
4. Screenshot of your chart with indicators and key levels plotted and zoomed in to show the time stamp and candles near your entry and exit
5. Circle your entry and exit on the chart
6. Explain WHY you entered or exited using technical analysis and emotions

Where can you create your journal?

1. Digital: You can use MS excel or word and create a template using the above criteria
2. Notebook: You can print out a booklet of the above criteria

Tip: I prefer to record my trades on excel because I can attach screenshots of the chart. This way, when I refer back to it, my "WHY" makes sense. Think of it like a snapshot of your trade which is going to support your explanation or teach you a lesson. **How often should you record your trades?** Every single time you take a trade, record it right after. Your emotions and what you did during the trade wil be fresh in your mind and it will also help you think clearly in case you plan on overtrading/revenge trading. Keep your journal beside your trading setup at ALL times. **How can this improve your trading?** If you are diligent and actively recording your trades, every week or biweekly (depending on how many trades you take per week and what suits you best), analyze your journal entries and see if there is a pattern in what you're doing. If you are incurring consecutive losses, analyzing your journal is going to help you identify the root cause, wether its emotional trading, not following the strategy, and so on. Your trading journal also plays a huge role in you nailing down your risk management rules and understanding your psychology as well. As a bonus, it's a great way to build discipline.