



Building a Watchlist

*Lesson 3
presented by Arsh*

What is a Watchlist?

A list of actively traded equities that you have compiled to help you analyze what the market is doing, which should also have the potential to provide trading opportunity

Why Create a Watchlist?

As a large cap trader, it is critical to closely analyze the most important components of the large cap market, such as indexes

Why Create a Watchlist?

Creating a comprehensive watchlist is a great way to analyze the markets for potential trading opportunities

Why Create a Watchlist?

By having a watchlist of stocks, you can be prepared for trades ahead of time

Why Create a Watchlist?

Having a comprehensive watchlist that you analyze frequently will give you the best understanding of what is happening in the market, and that can be very beneficial to helping you become a better trader

What Should You Include in Your Watchlist?

A comprehensive watchlist should include indexes, index futures, ETFs, and stocks

Indexes

A measurement of a specific section of the stock market

INDICES		
SPX •	2901.13	-12.91 (-0.44%)
IXIC •	8088.4	-21.3 (-0.26%)
DJI •	25986.92 ⚡	-137.65 (-0.53%)
DJT •	11309.80 ⚡	-86.14 (-0.76%)
RUT •	1732.354	-2.396 (-0.14%)

Index Futures

Derivative products that track the underlying index and trade nearly 24 hours a day

FUTURES		
ES1!	2897.25	-1.75 (-0.06%)
NQ1!	7640.00	-2.50 (-0.03%)
YM1!	25968 ^D	-42 (-0.16%)
RTY1!	1732.30	-1.10 (-0.06%)

Index ETFs

ETFs, or exchange-traded funds, trade like stocks and are designed to closely follow their benchmark index

ETFS		
■ SPY •	290.30	-1.18 (-0.40%)
■ QQQ •	186.41	-0.33 (-0.18%)
■ DIA •	260.01	-1.32 (-0.51%)
■ IWM •	172.36	-0.14 (-0.08%)
■ EEM •	42.95	-1.15 (-2.61%)

Sector ETFs

ETFs that trade like stocks and are designed to closely follow individual sectors

XLF •	28.36	-0.22 (-0.77%)
XLE •	75.02	-0.21 (-0.28%)
XLU •	53.70	+0.02 (+0.04%)
XLK •	75.54	-0.23 (-0.30%)
XLB •	59.45	-0.71 (-1.18%)
XLP •	53.80	-0.17 (-0.31%)
XLY •	116.49	-0.67 (-0.57%)
XLI •	77.05	-0.54 (-0.70%)
XLV •	92.80	-0.07 (-0.08%)

Actively Traded Stocks

After composing a broader market watchlist, you should create a watchlist of hot stocks that are actively traded

FB •	177.64	+1.74 (+0.99%)
AMZN •	2002.38	+4.28 (+0.21%)
AAPL •	225.03	+2.05 (+0.92%)
NFLX •	370.98	+2.94 (+0.80%)
NVDA •	277.81	-0.68 (-0.24%)
GOOG •	1239.12	-10.18 (-0.81%)

TWTR •	35.64	+0.29 (+0.82%)
JD •	31.00	-0.95 (-2.97%)
BABA •	174.60	-3.90 (-2.18%)
BIDU •	224.25	-1.62 (-0.72%)
IQ •	29.44	-0.95 (-3.13%)
AMD •	24.89	-0.31 (-1.23%)

ROKU •	60.68	+0.76 (+1.27%)
TSLA •	303.15	-1.86 (-0.61%)
CGC •	44.48	-1.92 (-4.14%)
WEED •	57.68 D	-2.09 (-3.50%)
TLRY •	59.07	-3.06 (-4.93%)
CRON •	9.12	-3.62 (-28.41%)

How Should You Analyze Your Watchlist?

You should look for technical patterns, such as those shared in the previous lesson, on your watchlist for potential trading opportunities

How Should You Analyze Your Watchlist?

I prefer to cycle through my watchlist in the following order of importance:

- Index Futures: SP500, NASDAQ, Dow Jones, and Russell 2000
 - Index ETFs: SPY, QQQ, DIA, IWM
 - Sector ETFs: XLF, XLU, XLI, XLP, XLY, XLK, XLV, XLB, XLE
- Actively Traded Stocks: stocks that have the potential to provide trading opportunities

When Can You Analyze Your Watchlist?

You can conveniently analyze your watchlist outside of market hours

When Can You Analyze Your Watchlist?

You can also flip through watchlist stocks during the trading day to locate newly formed trading opportunities

How Do You Trade Your Watchlist?

You should place price alerts on stocks that you find interesting for a trade, to make sure you are ready to act on a stock that meets your criteria

How Do You Trade Your Watchlist?

You can filter potential trading opportunities into a different section of the watchlist, which I like to call “Top Trade Ideas”

Get a Copy of my Watchlist!

<https://www.warriortrading.com/dashboard/>

Chapter 3 Recap

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