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Trader Tips

Dec. 1, 2023 | 20 min read

20 Top Trading Strategies for 2024



Written by [stockstotrade](#)

Are you overwhelmed by the sheer number of trading strategies out there? Don't know whether to day trade, swing trade, or go for a longer-term strategy?

You have to find the strategy that works for you. It could mean the difference between success and failure.

But where to start? How to choose?

To help you find your fit, take in this list of trading strategies. You'll also get some scanning tips and tricks to help you figure out what can work for you.

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What Are Trading Strategies?

Before we dive into the nitty-gritty, let's detail what exactly a trading strategy is...

In short, a trading strategy is a well-thought-out plan for making trading decisions. A good trading strategy includes rules for you to follow when you trade, such as:

- What you need to see before you enter a trade
- Where you'll exit and how much you'll risk
- Where you'll place your stop loss

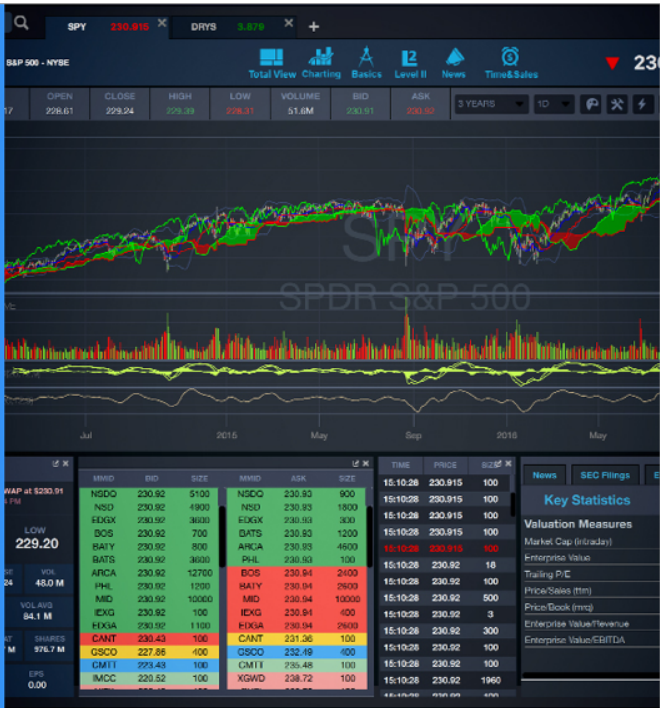
Trading strategies can come in a variety of shapes, sizes, and colors. Some are so insanely simple a six-year-old could follow them.

Other strategies are mired in complexity. These may require cutting-edge computing and a team of PhDs.

Here's a nifty pro tip: Many of the best traders use pretty simple strategies. Try not to overcomplicate things!

**Find the BEST
stocks to trade.
Join the weekly
watchlist.**

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The image shows a stock trading platform interface. On the left, there's a blue box with white text that reads "Find the BEST stocks to trade. Join the weekly watchlist." and "stockstotrade". To the right, there's a screenshot of a trading platform. At the top, it shows "SPY 230.915" and "DRYS 5.876". Below that, there's a candlestick chart for "SPDR S&P 500" with various indicators. At the bottom, there's a table of stocks with columns for "BID", "ASK", and "SIZE". The table lists several stocks including NSDQ, NSD, KKKX, BOS, BATS, BAIT, APCA, PHL, BOS, BAIT, MID, KKKX, CANT, CSOO, CMTI, IMCC, and XGWD.

3 Most Common Trading Strategies for a Beginner Trader

Most Common Trading Strategies for Beginners #1: Find Your Setups

Traders need to be able to focus on setups that make sense to them.

A favorite of mine is the [dip and rip](#). It's easy for me to understand, and it's worked pretty well in this wild market.

You're looking for a stock that's up big in the morning, ideally on news. It should be a former runner. Then you start looking for a good entry.

Often, the stock will open green and then slam back down as overnight traders take profits. This is often around 9:45 a.m. Eastern. If you can get in there, you can potentially catch a reclaim of the premarket high of the day.



Timothy C. Bohen  @tbohen · [Follow](#)

9:45 Rule.... Begin

8:45 AM · Oct 8, 2020 

 **75**  **Reply**  **Copy link**

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Most Common Trading Strategies for Beginners #2: Be Patient

You've got your preferred setup in mind ... Now the key is to not force it.

Trade like a [sniper](#) when you see the right play. If you don't, wait patiently for the next play. There's plenty for you to brush up on when you're not taking trades.

Most Common Trading Strategies for Beginners #3: Start Small

If you want to succeed at trading, first make sure you don't fail.

Small trades are the best way to live test your trading. And small profits and losses can be a good way to help enforce trading habits that will serve you well for your entire career.

3 Essential Stock Trading Strategies

Essential Stock Trading Strategies #1: Look for What's Hot

Stocks often run in packs. They move based on current trends. So smart short-term traders know to look at these trends.

[Sectors](#) have their own movement. You should take a sector's appeal into account in your trades.

Essential Stock Trading Strategies #2: Pay Attention to Other Traders

This is basically what trading is built on. But good traders make a science out of it.

Take [VWAP](#). VWAP is one of the most popular technical indicators. It shows you the price that a stock has moved the most volume on.

It lets you know if a stock is undervalued or overvalued by those who've already traded it. This can be a key indicator for the stock's future.

Essential Stock Trading Strategies #3: Don't Try to Outsmart the Market

I've gotta throw in a note of caution here. Even though some beginner traders will throw it to the wind.

I've gotta tell ya — you're not smarter than everyone else. Go on and search Twitter for "short" and the latest big gainer. Then watch the stock spike again when these shorts [try to cover](#).

Benefits of Selecting the Right Trading Strategy

Selecting the right trading strategy may be one of the most important steps you'll

take.

Try different strategies. Look for the right fit. That's generally a smart move ... you don't know what works until you try it.

Remember that the goal is to eventually master a certain strategy. So when you find something that shows promise and suits you, focus on it. Refine it.

And don't throw it away over a few bad trades. Some things take time.

That said, check out a few of the major benefits of choosing the right strategy:

- **Finding your stride.** Different strategies work better in different environments. Trading breakouts can be advantageous when a lot of stocks are making breakouts ... But when the market's quiet, you may be better off trading for quick scalps and swing trades. Your trading success depends a lot on picking the right strategy for the right market environment.
- **Peace of mind.** As traders, we all have different psychological makeup and risk tolerances. Some of us can't sleep at night if we have an open position, so we might focus on day trading. Others might hate the frenzied pace of [day trading](#). You might feel perfectly calm holding positions for weeks. Trading shouldn't mean dying of stress. You should enjoy your life — pick a strategy that fits your mindset.
- **Lifestyle.** Different lifestyles mean different strategies. Day trading can mean sitting in front of the screen all day ... not great for a 9-to-5er. Longer-term trading often means you won't be in front of the screens as much. It's generally much more accessible if you work a full-time job. When you're picking your strategy, keep your preferred lifestyle in mind.

11 Trading Strategies to Use with a Stock Scan

OK, so we've covered how important it is to pick the right strategy. We'll get into scanning for trades in a sec. First, let's take a deep dive into different strategies.

Here's a taste of what's possible...

Intraday Trading Strategies

#1 Day Trading Strategy

[Day trading](#) is opening a trade before closing it later in the day, looking to make a profit.

Day traders aim to take advantage of intraday price movements, like reactions to news or company announcements.

You can often find more trades than if using longer-term strategies.

There's a downside to day trading: You won't be able to participate in larger, longer-term stock price moves. By definition, day traders open and close their positions on the same day.

You can also rack up commissions if you're not careful. The biggest issue for many is the hectic pace of the trading day.

[Day trading concepts](#) include longing strong stocks, [shorting](#) weak ones, and trading news catalysts.

I can't stress this enough: Preparation is key in day trading.

Proper preparation can help you sort names on your watchlist and dud list. If you

aren't using your stock screener every day, you need to be.

Things like a good alert service can also make a difference. StocksToTrade offers [Oracle Daily Alerts](#) — a curated watchlist plus a daily pick. And [Small Cap Rockets](#) can help traders understand how to spot breakout penny stocks.

#2 Scalping

Scalping makes day trading look like a soapbox derby.

In the most basic terms, scalping is ultra-short-term day trading. You're looking to quickly make a penny to 10 cents or so per share.

Scalping moves at a rapid pace — you need to be fully focused and use short-term charts and [Level 2 quotes](#).

With scalping, the goal is to make many small profits over a trading session. The downside? It can be stressful and little fees can add up too.

Short-Term Stock Investment Strategies

#3 Swing Trading

A swing trader can hold positions anywhere from a day to a few weeks.

As a swing trader, you can take advantage of overnight moves. These can potentially be substantial.

But the flip side of that is the overnight risk...

Sometimes stocks gap down when the market's closed. That can often mean having to use a larger stop loss and taking a smaller position size than if you were day trading.

Swing trading is generally a little less intense in terms of your time and can mean less screen time. **If you want to trade and keep your day job, swing trading may be a good option for you.**



#4 Position Trading

A position trader can hold stocks longer — anywhere from weeks to two years or so.

A position trader tries to take advantage of major price moves in a stock. When stocks are making huge moves, holding on longer term can potentially be beneficial.

But if the markets are choppy, longer-term positions can be frustrating.

This could be a good strategy for traders strapped on time. You can select your trades, do your research, set your alerts and stop losses, and check in as you see fit.

Longer-Term and Tactical Strategies

#5 Breakout and Reversal Trading Strategies

These next two aren't as dependent on holding periods. They're more about market conditions.

Trading breakouts involves a stock breaking through a previous key resistance level.

Imagine a stock that's never traded above \$100 suddenly rockets up to \$101 on heavy volume. Breakout traders might grab that stock. Breaking a resistance level can show the market's behind the stock's upward trend.

On the other hand, reversal trades look for a stock's change in trend.

Maybe a stock had a massive run-up but ran out of steam. Now traders are starting to doubt the company's future. That can lead to a trend reversal. The stock price plummets, and reversal traders look to profit by going short or buying the dip.



#6 Momentum Trading (Trend Following)

Momentum trading, in a nutshell, is buying what's going up and selling what's going down.

The momentum trader holds stocks making strong upward moves, then closes out positions as they run out of steam.

When the market is making strong moves without deep pullbacks, this can be a solid strategy. But what happens when the market doesn't make those big moves and instead trades in a range or just heads down?

The momentum trader will often have their stop losses hit over and over again. They also might see their losses adding up.

#7 Long-Term Investments

Investing means holding an asset for anywhere between a year and a lifetime. Here, you're looking for the asset to rise in price, as well as potential dividends.

For these positions, think research: fundamentals, business viability, balance sheets, earnings reports.

Derivatives and Algorithmic Trading Strategies

#8 Options Trading Strategy

Options are complex. They're contracts that give you the right to buy or sell a security at a certain price, until a certain date.

A call options contract could allow you to buy 100 shares of Microsoft for \$150 after it hits that mark. For this privilege, you pay a fee (called a premium) to the option contract seller.

As an options trader, you can be either a buyer or seller of the contracts. depending on what your brokerage account allows.

Many of these strategies aren't well suited to newbies. But there are a few option

trading strategies for beginners.

For example, let's say a trader is bullish on XYZ stock. They can buy the stock outright or purchase a call option. This would allow the trader to purchase the stock around the current price if XYZ rises. All in theory, of course.

#9 Commodity Trading Strategy

Commodities are raw materials like soybeans, copper, gold, and crude oil.

Traders buy or sell futures contracts on a futures exchange. This is similar to trading stocks.

Prices of most commodities vary substantially year to year. Prices can depend on a number of factors: supply and demand, the global economy, and the weather, to name a few.

There's no best commodity trading strategy. In fact, many stock trading strategies can also be used to trade commodities. You can trade breakouts or reversals, hold long term, and even day trade.

#10 Forex Swing Trading Strategy

Currencies are another asset class that you can trade. The currency market is also known as the foreign exchange (forex) market.

Due to the 24-hour nature of forex, swing trading is common for currencies.

Traders may hold currency positions for days, profiting from global macro price waves.

#11 Algorithmic Trading Strategies

Now for our final strategy: algorithmic trading, or automated trading.

Automated trading means you program your strategy into your computer. Hopefully, you're running statistical [backtests](#). Then you let your computer make the trading decisions for you.

Is this the greatest strategy — programming a computer to do all the work for you?

A lot of beginner traders get sucked into this. But the reality is that you can get stuck with a system that works in only ONE market environment. It won't evolve as the markets change.

One thing's for sure: If you go the automated trading route, you need to be tech-savvy.

3 Strategies for Trading Forex

Forex trading deserves its own column. It's a complicated world run by central banks and other large institutions.

Forex strategies involve speculating on the exchange value of two currencies. Think the British pound is going to get stronger in relation to the U.S. dollar? You can make a trade based on that idea. This can be more appealing than the sheer insanity of the stock market.

The forex market trades 24 hours a day, five and a half days a week. Trading follows the sun around the earth, from Asia to Europe to the U.S.

Forex Day Trade Strategy

This is actually a bit of a misnomer. When people talk about forex day trading, they're usually talking about the spot market.

The spot forex market is the largest and most liquid market in the world. It trades over \$1 trillion PER DAY!

The spot market is made up of deals negotiated "on the spot." The prices involved are based on the current price.

The Forwards Market Strategy

The forex forwards market deals in contracts, not actual currency.

Strategy here involves speculating on the price difference between two currencies. You buy one currency and sell another, hoping to make money off the difference.

If you think the currency you buy is going to do better than the one you sell, you "buy the pair." If you think this base currency will weaken against the "quote currency," you sell.

The Futures Market Strategy

The forex futures market is like the forwards market, but trading is done through a market.

Key Tips for Your Trading Strategies

Now that you've made it through the list, what's next?

No matter what strategy you use, these tips can help.

Liquidity and Volatility

If you're reading this blog, you're probably active in the market (or want to be).

Active traders need two key things: [liquidity](#) and volatility.

That means they need people ready to buy and sell at all times. And they need stocks that move up or down in price, allowing them to make a profit.

Only bother with stocks that have enough trading volume. This allows you to enter and exit the stock without knocking the price around.

Next, look for volatility. Watch for stocks moving up or down due to market excitement about the company.

There's no point sitting in a position for days, weeks, or months while the stock price barely moves. In that time, you could be making trades in the big movers. **Go where the action is!**

Stock Chart Patterns and Technical Indicators

Many traders make their decisions based on technical analysis. They read the psychology of the market using [chart patterns](#) and technical indicators.

Think of chart patterns as the footprints of the market herd. Patterns can show you

stocks ready to move, key levels for price movement, and where to place a stop loss.

Technical indicators are a way to further filter your trades. They'll help you examine things like momentum and volatility in greater detail.

The [StocksToTrade](#) platform has just about every technical indicator you can think of. Come and test out your favorite indicators — and learn some great new ones — with a [14-day, \\$7 trial](#).

(ZYNE:NASDAQ) chart with the Moving VWAP Indicator. (Source: StocksToTrade)

News Catalysts

To help find hot stocks on the move, watch for news [catalysts](#). StocksToTrade has a wide-ranging news scanner built right in.

A news catalyst can be almost anything. News stories, SEC filings, and rumblings on Twitter all fit. It's anything that excites the market and makes traders want to buy or sell the stock, pushing the price up or down.

Make it a habit to read through any potential news catalysts every day before the market opens. It's one more way to help find [stocks for your watchlist](#).

If you're looking for a potential secret weapon, I'll point you to the only chat room I'll ever recommend...

[Breaking News Chat](#) is a StocksToTrade add-on. It cuts out all the noise and only delivers the news catalysts that can spark stock moves! With this add-on, you have two former Wall Street pros on your side to give you crucial market insight. [You can get a 14-day trial of Breaking News Chat combined with StocksToTrade for \\$17.](#)

Use a Stock Screener

This is how you shake out trade candidates from thousands of stocks. In short, you make the computer do the boring work for you. Once you try it, you'll probably refuse to do it the old way ever again.

Before [StocksToTrade](#), our daily scanning meant tedious work. Traders had to click between clunky websites and desktop apps, trying to find the best trades for the day.

With StocksToTrade, you're covered for all your stock trading needs. It's the one-stop shop for serious stock traders. You get...

- Elegant, top-of-the-line charting capabilities
- A massive library of technical indicators
- The ability to scan for SEC filings and news stories in real time
- Access to just about every stock traded in the U.S., including the pink sheets and OTC markets

Take StocksToTrade for a two-week spin here — [it's just \\$7](#).

How to Choose 'Your Type' in Stock Trading Strategies

Finding your type isn't easy in trading.

But you'll know it when it feels right. Your trading strategy type doesn't leave you feeling stressed out. Or always chasing highs and avoiding lows. Your trading strategy needs to fit your life and trading style.

Frequently Asked Questions About Trading Strategies

Do Trading Strategies Work?

If you want to trade, you've gotta have a strategy. Otherwise, you're just throwing darts and hoping you get lucky. (Spoiler: You won't.)

What Are the Best Trading Strategies?

The best trading strategies are the ones that work for you. You gotta do the work and to find what fits. There's no cheat code for this.

What Type of Trading Is Most Profitable?

Again, it's different for everyone. But I will tell you that strategic traders can outperform the market average.

Can I Day Trade With \$100?

In this age of basically zero-commission trades, it's possible to start out with any amount of money. But if you're starting with such a small stake you've really gotta limit your [risk](#). Start with paper trading and beefing up your market knowledge as you save up for a trading account.

Conclusion

With so many different trading strategies, which should you choose? That's entirely up to you. No two traders are alike, so everyone has their own go-to strategies.

If you don't have your own set strategy yet, that's OK. Think about your ideal trading situations and what fits your lifestyle. Then test some strategies to find out what best suits you.

Not comfortable using your trading account to fund your strategy tests? No problem. This is a perfect time to [paper trade](#).

Whichever strategy you pick, keep it simple and test it thoroughly. When you're ready to dive in, make sure you're prepared. High-level tools like [StocksToTrade](#) can help make the process more seamless day by day.

Do you have a favorite strategy? What works best for you? Share your comments ... we want to hear from you!

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Mike

Aug. 12, 2020 at 8:35 pm

Another great read. I would like to be an active day trader, but being active duty military makes it hard to day trade. I may get small windows of opportunity to make day trades at work but as I found out today, I won't always be able to sell a stock when on the clock. I will have to look at holding positions overnight for now. About 30 more months before I retire, hopefully, I can figure out the patterns by then and trade as my full-time

job. Thanks again Tim for the helpful information, I look forward to reading more of your blogs, listening to your podcast, and watching your youtube channel.

[Reply](#)



wayne bernaiche

Mar. 24, 2020 at 4:50 pm

hi tim i saw a preview of your site .i cant wait to get started with it financially i will have wait. appreciate the tips i am one of tims challenge students i just started. i was not ready for the shear magnitude of info to filter through. i

[Reply](#)



Frank Ringer

Aug. 19, 2019 at 1:59 am

Thanks for this.

[Reply](#)



Tim Bohen

Aug. 21, 2019 at 7:28 am

Thank you for reading!

[Reply](#)



Steph

Feb. 21, 2019 at 2:58 pm

I've been studying the Tim Trio (Sykes, Grittani, Bohen) for a few weeks now.

I almost always have my earbuds in listening to lessons and watching everything I can. I have 6 weeks off my regular 9-5 toward the beginning of this summer, during which I will be able to dive in and put my knowledge to the test (I'll be paper trading until then). Sooner rather than later, I hope to be able to leave my day job and follow in the steps of so many others. Financial freedom here I come!

[Reply](#)



AI

Jan. 25, 2019 at 7:34 pm

Where you're talking about strategy selection in the section above titled 'Benefits of Selecting the Right Trading Strategy', would it not be best to enable STT to indicate the state of the market as it's these types of broad data analyses that humans typically fail at quite badly, while thinking they're doing it well. You could make it give some slider indications for each trading style based on Oracle data points, volumes, candle sizes, breakouts etc. across a number of stocks filtered by a stock price range. This could drastically speed up target selection and hopefully also increase win probability and percentage.

[Reply](#)



A.I. Gamechanger Says “\$2.50 Stock Set to Breakout Overnight”

AI stock-picking system, XGPT, just flashed “buy” on a new company no one is talking about right now. It trades at just \$2.50, and XGPT says it’s about to breakout overnight with 84% confidence.

[Details here.](#)

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