**Support and Resistances**

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| Drawing Lines | * Always draw support and resistance lines where it touches the most points, or tests by the price action * Always stick to horizontal support and resistance lines, trending lines are too subjective * Always draw minimal lines as possible |
| Reverse | * Resistance lines often becomes support after a breakout |
| Avoid Drawing Lots of Lines | * Always draw lines when you have zoomed out on the time frame * Always draw on the most obvious levels that you can see |
| Old Levels | * Support and resistance levels which occurred a long time ago may be major levels than the market can retest |
| Humbled Trader Method of Drawing | * Mark the prices where there are large daily volumes as levels of support and resistance, this is where the whales are trading the market * Mark levels on stocks where there are visual gap up or downs, this usually happens when there are changes in the fundamentals of the stock such as earnings * Adjust the lines drawn above such that they touch more points in the past * Move from daily chart to weekly charts to check if they still make sense |
| Support Breakdown and Resistance Breakout | * For a support, if the price tests the support multiple times, and before each time, it rallies up to a lower high, the price action is seen to be slowly breaking down as the price converges closer and closer to the support * For a resistance, if the price pushes the resistance multiple times, and before each time, it pulls back to a higher low, the price action is seen to be showing strength and converging towards the resistance |

**Steven Dux**

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| Dux Interview | * Steven Dux uses NO INDICATORS whatsoever. He believes they are worse than useless. That they only seek to trick the mind into believing something is happening, when actually the indicator is only interpreting an irrelevant past. * Never place a stop loss on public display. He believes that if you rest a stop loss order, the market is going to naturally attract to fill that order. Instead, use mental stops and exit when your exit point has been touched. * Every single trade needs to have three components: the entry, the stop loss, the profit target. You never deviate away from the original plan. And when I say never, I really mean never. * Don't be afraid to trade into extremes. When the market is unsustainable and parabolically moves higher — don't be afraid to short. When the market crashes, don't be afraid to be a buyer. * Avoid paper trading. All of the stock paper trading platforms are slanted and biased to filling orders easily. The paper trading platforms are meant to trick you into believing that trading is easy. He likens them to "free" slot machines at a casino that creates the impression that the real machines will pay like the "free" machines. Don't waste your time. * Start with a real trading account and trade live immediately. The wins and losses will build the emotional foundation that you must rely upon later. * Avoid the financial media. It’s useless and totally pointless. There is no edge that will be revealed by watching a financial TV show or reading news articles. * Let the PDT rule be your friend. It’s there to protect you. It prevents over trading and refines your focus on only taking the juiciest setups. * Avoid predatory chatrooms that "pump and dump" to their subscribers. We all know who they are. |
| MIT Conference | * Strategy 1 is to wait for the first spike to fail, then short the second spike * Strategy 2 is to wait for a big multi-day parabolic move, and short into the pull back when there is a very low volume compared to the day with the biggest gain, you can short multiple times during the multi-day fade * Strategy 3 is to wait for a big spike, then wait for a pullback and then another spike very close to the first one such that the price didn’t have enough time to dump to the pre-spiking level, then use the first spikes resistance to short |

**Steven Dux Trading 101**

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| Vid #1  Things I Wish I Knew | * Choose the right broker * Choose a good platform * Learn all the basics online, segment the information online into things you need and don’t need * Read good books – Psychology of Trading * Observe the market during 9-11 which are the most volatile times, and paper trade |
| Vid #2  Grow a Small Account | * Choose the right broker * Find a pattern that doesn’t necessarily happen often, but has a high winning percentage * Risk management, never risk more than 1% of your whole account in any trade, aim to use 10-15% of your account to trade every time * Start with a single pattern with a very good winning percentage * When you have found a pattern and tracked its behavior for over 100 samples, you want to segment the samples into different market caps and floats, to try and maximize the winning percentage so that you know exactly what market cap and float range you should trade. Then you should find the best entry and exits while minimizing risk |
| Vid #3  How Much Capital Do You Need To Trade Penny Stocks | * 6-12 month to be consistently profitable * Start with 20k * Trade 10mil to 200mil market caps |
| Vid #4  How To Find Stocks | * Top % gainers which are up over 20% and under 200% * Pre-market volume above 100k * Float above 2 million * Market cap between 0 to 200 million * Avoid excessively high volumes |
| Vid #5  Paying Yourself | * Don’t keep too much money in the brokerage account * After a big gain, take half of your gains out of your trading account, this will make sure you don’t have too much money to invest, which will make you more emotional and led to more mistakes |
| Vid #6  How to be Consistently Profitable | * Always track your trades and track your mistakes. The most common mistakes comes when you trade a stock which does not perfectly fit the pattern, but may be only fits half of the criteria you set. Another one is when you trade a ticker multiple times, and the ticker is not reacting the way you expect, so you keep trading it and make a bunch of small losses which adds up to a big loss * If you keep making mistakes from trading a certain pattern, then just stop trading that pattern * Start with one pattern. Don’t trade many patterns. Test 1000 samples to find the true winning rates * Always test the pattern so you know what you should be making if you use the pattern in the long run * The most volatile times are when the stock opens in the first 2 hours, you should find which times are the most profitable to be the more efficient and consistent * You should always have multiple backup funds and not use all your money to trade as you are very likely to blow up your account even with a profitable strategy. Having multiple backup funds will ensure that your strategy has time to work. If you are already profitable, you should increase the size of each of your backup funds, and not just use all the profits to trade |
| Vid #7  Long Strategies | * OTC multi-day breakout, but the sector has died as OTC are not traded much now * Dip buy large cap stocks, where it dips 50% and it bounces back * Crowded trades, where there’s a high float rotation, it is beneficial for the long side after it breaks out of the consolidation area |
| Vid #8  How To Short | * Risk management is the most important when shorting as there’s unlimited risk * Short may have better odds than going long * Avoid low floats when shorting |
| Vid #9  Why Most Day Traders Fail | * People don’t track statistics and don’t trade the right patterns, and depend on luck * Driven by emotions, such as when people lose money, the first reaction is to make the money back straight away, which will most likely force the person into a low-odd play, which leads to more losses * People don’t aim for the long term, as a string of losses may discourage a trader, but this is ok if you are sticking to a plan. Don’t give up quickly, and be patient * People always compare themselves to other people online, as there will always be people making way more money than you. Always focus on your own profits * Always just focus on one pattern, and don’t size in more and more if you are making more profits |
| Vid #10  Realistic Returns For Small Trading Accounts | * For an account size of 3k, size in around 1k per trade, and aiming for 15-20% return, to get around $200 per trade. If you make 50 trades (one trade per week), then you will get 10k if you ignore all the times you miss the trades or all the times you make a mistake. Note that you have to be very disciplined and control your risk. If you take into the effective of snow-balling your profits to size in more in the future, a rough estimate would be to double your profit, and make around 20k a year from a 3k account * When you take into account losing trades, each trade should be risking 7-10%, so that’s around $70-$100. If your winning percentage is around 70%, then out of 50 trades, you will lose around 15 trades. Then you will roughly losing around 5k in losses, making you gain overall 15k a year with a 3k account * Lastly, when you count the commissions and borrow fees, it will be around 15-20% of your profits. So on 15k profits, you will be making 12k net. So roughly overall, for a 3k account, you will be making 12k. * At the beginning, you have to manage your risk very well to make sure you don’t blow up your account. |
| Vid #11  Small Accounts | * Buying breakouts to profit using a small account * Find low market cap and high float rotation and low float * When a stock is consistently on a down trend throughout history, the first green day with a high volume will always be bullish, so it may be a good buying opportunity * If a stock spikes many times to a resistance level but fails multiple days in a row, such that everyday there is a push up before the close but a gap down the next day, then this is an indicator for you to not get faked out * For multi-day runners, if there is a big move up with lots of volume, and a second day follows with another big move up, but a similar volume, it means the stock may be losing momentum as it did not attract as many buyers on the second day to maintain the high price, this means that it is more likely to gap down on the third day * Try not to hold these low floats micro caps over night |
| 3 Things For Beginners | * 3 things: volume, float, market cap, as these three factors can directly influence how you trade a stock * Volume tells how much demand there is for a stock * Float is how many shares are available to trade * Market cap sections (0-100M, 100-500M, 500M-1B, 1B+) |

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| Vid #1  Mid-Day Patterns and Risk Management | * After there is an initial spike early in the day, you can short the stock with the risk being the high of the day, and the potential profit being anything lower than the current entry price. The scenario might occur where you short after the first spike and the price spikes again, and you are forced to cover your loss, but there may still be an opportunity to short after the second spike with the risk being the new high of the day. This will be known as the shorting during the break-down of the price action re-testing the daily high. * You can buy when there is a strong support when the price is fairly flat and always hitting a support below, then your risk will be the support and the potential to take profit will be any price above the entry * The most volatility occurs in the morning and at noon time; do not go long in the afternoon as most people are likely to sell their positions on the penny stock as they finish their day trade. However, this also means there may be a chance to go short during the afternoon as there are greater odds of the stock dropping * These patterns should always be accompanied by volume, and many of the patterns of the price action occur over and over again in the intra-day for penny stocks |
| Vid #2  OTC Breakouts and Dealing with Emotions | * You tend to get emotional if you gain a lot of money and also lose a lot of money, which can casue more mistakes. * During a string of losses, size back the positions entered to regain confidence. * For OTC breakouts of prior highs many years ago, see the first confirmation of a breakout from the resistance, then wait for the pullback to the resistance level which is now support, and go long and ride the next uptrend with the risk level being the price of the resistance * The volume should also be above a certain amount to provide enough liquidity * This does not work for nasdaqs as they will most likely keep failing after the first pullback to support |
| Vid #3  Judging Pattern Behavior | * For stocks with high momentum, look at the intraday and daily patterns. If the daily pattern is a consistent uptrend, but the intraday shows a morning spike, then fade for the rest of the day, if two days have this pattern, and the third day has another morning spike to a level which corresponding to the trend in daily highs of the previous two day’s morning spikes, then it is a short opportunity * When the momentum shifts, as in when the morning spike is no longer in an uptrend with the morning spikes of the previous days, then wait another two days and see if the same intraday behavior exists, such as a morning spike and fade for the rest of the day, and you can use this to continuing trading this stock. Note that a pre-market spike also counts as a morning spike * If you want a long trade, you can instead wait for the dip in the morning and ride the spike up. * You should be looking to take profit at around key support levels of the previous trading days. * If the first day had a morning spike and the stock faded the rest of the day, and the second day had a morning spike, but the stock dipped and went back up, look to take profit at the key support levels on the previous day. * If the second or third day had a morning spike which hit the previous high of the spike of the previous days, then this may be a dangerous sign of a potential breakout of the resistance. Note that this is when the stock is moving sideways and not if the stock has an upwards momentum for the past couple of days. * The stock market never moves straight up and down. If there is a massive tank straight down, there will always be a pullback straight back up. Look to short at key resistance levels which have been there for many years. |
| Vid #4  Protect Yourself from the Market Realizing Momentum | * If the stock retests a resistance with a spike, and fades to a lower price, there is a chance that the next spike will break through the resistance. Always control your risk properly otherwise you can be in huge short squeezes. * When there is a clear support level after many spikes intraday over many days, the stock has a bullish momentum and dip-buying the pullback to support provides for great risk-reward. |
| Vid #5  Understand the Short Term Supply and Demand | * When the stock is at a resistance level, dumps, holds at support for a few days, but a massive short squeeze then occurs, this will trap a lot of the short sellers. If the price squeezes back to the resistance, and a pullback occurs, you know that a lot of short sellers will cover their positions. However, at the same pullback, a lot of dip-buyers will also be looking to buy a dip to the support. Overall, this forms the cup-and-handle which is a very bullish pattern and you should be looking to go long in the stock. * When the stock has a double top pattern, and drops, hits a support level, pulls back, and re-hits the same support level and breaks down the support, look to short. |
| Vid #7  When There’s No Trade, Small Losses Add Up | * When there is no good trade due to a lack of liquidity, very choppy markets, and lots of resistances, there is no good risk-reward, try not to take trades as the odds are not in your favor. * Always wait until there is a set up that fits your criteria. Even if there isn’t one for 1 week or 1 month. It’s better to just not take the trade. |
| Vid #8  Avoid Thin Stocks | * Avoid stocks that are thinly traded (low float) which are only trading a couple of million shares a day. * Do not try to predict the market. Always react to the market. Don’t try to predict breakouts, only buy breakouts when they happen. |
| Vid #9  Tim Sykes Interview | * Rule #1: Cut losses quickly, and do the opposite of what most other trades are doing * Rule #2: Be patient, don’t rush to make money, don’t FOMO * Rule #3: Get comfortable trading a patterns, as you can’t grow a big account if you can’t grow a small account |
| Vid #10  Thoughts on Making 800K in 6 Months | * Most of the time you don’t have to get the very top or bottom of a stock, you just need to get a decent chunk somewhere in the middle of the movement to make money. You don’t have to guess the top, you only have to guess when the trend is changing. * If a stock spikes to a certain price with a certain amount of volume, and a few months later, the stock hits a similar level of resistance with a similar amount of volume, the same movement of price as the previous spike is likely to happen. * Don’t be afraid to miss out on trades, as you can’t catch every trade. There will always be opportunities available. |
| Vid #11  Volume Overwhelms Stock Warrants, Causing Potential Short Squeezes | * When looking at historical resistances when comparing to the current price action, it is difficult to know what the resistance is if the prior peak’s volume is way less than at the current time. If there is a huge amount of volume traded currently in comparison to historically, then it is very difficult to know where the resistance really is. * If there are a lot of stock warrants at a certain price, it does not mean there is any support and resistance as a large volume, which is very large compared to the entire history of the stock, can break these levels causing unpredictable price action moves. For example, if there are 500k warrants but 30 mil traded, then the volume will overwhelm the warrants. |
| Vid #12  High Volume | * When the stock spikes with an excessive amount of volume (100 mil) and drops, wait for the next spike as it will be very hard for the second spike to go above the first one since there is heavy resistance due to the large amount of shares traded. * Trade stocks like your career; don’t trade like you are trying to get rich quick. Don’t overtrade. * There is no such thing as dropping too much or spiking too high, there are only patterns. Always look for key resistance and support. Never chase profits. * Segment the market into different market cap zones and look for different criteria in for each market cap. |
| Vid #13  Dump after Massive Runners | * This video talks about tickers which ran a couple of thousand percent * Short the pre-market high during marking open. Don’t short if there is no prior resistance, as the stock may squeeze even more * Size in more when the price hits the resistance, reverses, and starts a down trend by breaking, lower highs, lower lows * During a massive dump (50%) after a massive runner, the bounce next day will most likely fail as lots of people are still holding the stock, and will sell as soon as possible. This gives rise to another short opportunity * Don’t use resistance levels which are many years ago, keep to data as recent as possible * Don’t trade low float or halts * It’s not about how much money you make, it’s about trading the right opportunities. Don’t worry if you don’t catch all the profits, you are doing well as long as you trade according to your pattern |
| Vid #14  Dux Mistake | * Don’t overtrade, and don’t short on the first green day as there is a high probability of fake outs * First green day is also confusing as it is usually very crowded as people are getting in and buying and shorting * When looking for prior resistance, always find a price level before that traded a similar amount of volume to the current spike you are planning to short, as this will indicate there’s a similar amount of traders making the price more predictable * When there’s an excessive volume that’s never been seen in history, then it is considered a “fresh” chart and you should ignore all prior resistances at prices near the current level |
| Vid #15  Market Manipulation | * If there is a high float rotation for a low float ticker, the prior resistance has a high chance of breaking. This happens when the ticker is being manipulated and one person has most of the shares to pump and dump. * Avoid stocks with float below $2mil * Float rotation is beneficial more to the long side than the short side * Halted stocks is beneficial more to the short side as no one likes to hold halted penny stocks, and there is a high chance it will dump when it un-halts again |
| Vid #16  Short Squeeze | * When the float is rotating many times, there is a high chance of a squeeze * If there is an initial consolidation, then a squeeze, then a pullback, then another consolidation, the two consolidations will trap a lot of shorts. This causes the first group of shorts to squeeze the price of the second consolidation, and the second group of shorts to squeeze the overall price even higher. This is also known as layering of shorts * If the stock goes parabolic, and dumps 50%+ of the gains, then it does not become a dip buy, it becomes a dump, and becomes short biased * If low floats are spiking without a lot of volume, do not short as there is a high chance of another spike after a pullback. Always look for liquidity * The first green day is always dangerous, as after a long period of the price not doing much, there are lots of people who get excited and short the stock, which may cause a short squeeze. |
| Vid #17  Larger Caps (Over 1 Billion) | * 50% of account to swing trading, 50% go to day trading * You need a larger resistance when trading large caps as there are more people trading the ticker * Overextended charts tends to go back down very slowly, so it is more ideal for swing * Since there are a lot more traders for larger caps, the ticker tends to get very overcrowded and unpredictable with no obvious pattern * Larger caps also do not have as good risk-reward compared to small caps |
| Vid #18  Different Market Caps | * During a morning spike, it can be a potential bounce-short, however, if it consolidates for many hours during the day, it will be a new support. During this scenario, the sticker may be long biased, as the support is holding strong, and the target price will be the next resistance up if there was any historical resistance above the current support * The above statement is for a small cap. For larger market caps, when the price spikes, it may take weeks for the price to drop, due to the large volume, making it very difficult to profit through a swing short * For large caps, supports are more likely to hold when there is an opening panic to a support on a prior day * Overall, large caps tends to have better support and resistances, while small market caps don’t hold their support or resistance that well unless there is a very high volume * Overall, large caps go up and down very slowly, therefore, to profit, you have to size in over several days or weeks to build a position to make money |
| Vid #19  Traps in Hyped Markets | * During highly hyped markets, the normal patterns may not form due to the over-crowded market and high number of traders. It is best to just wait for the stocks to form a very solid resistance with a tight risk management to trade. This will ensure you don’t blow up your account. |
| Vid #20  Dangers in First Spike with No History | * Always track statistics when shorting spikes with no prior resistance to find the average spiking percentage. This will also allow you to find the pattern in the psychology to use * Beginners should not short spikes without resistance as there will only be intra-day resistance * Avoid first day spike with an overcrowded volume, making it very hard to predict. Always wait until the next days after the first day spike and panic, since then the stock will some history which can guide you as a reference * Don’t dip buy something with a historical resistance, but you can dip guy when there’s a massive amount of volume and doesn’t have a historical resistance, and it’s a large cap which panics |
| Vid #20  First Green Day | * When there is a massive amount of volume, the charts tends to refresh as the first day is very unpredictable when there is a massive amount of interest. Therefore, first green day is a no-go for short sellers * This scenario also favors long buyers more * When the stock gapped up a lot and looks overextended, but there’s still a massive amount of volume, these two conflicting sources of information favors both short and long, therefore it is best to not touch the stock. If there is less volume, then the stock will be more favorable to shorts * When a micro-float has a first green day, it can remain green on the second day as it doesn’t take much money to keep it green, and the manipulators can take advantage of the short sellers and squeeze the price even higher |
| Vid #21  Fear of Missing Out | * If the spike is not too high such as 20%, as opposed to 50-70% for bounce short, then the risk reward is very bad, and it is not ideal to short * Avoid very low volume traded such as a float below 1 million, as you will be influencing the price and you won’t be able to get a good execution. This may happen during a reverse split. This would be a good signal to stay away from the ticker |
| Vid #22  Short Squeeze | * When a stock experiences a first green day spike with a very high volume, then if the volume on the next day is also at a similar level, the price will more likely consolidate or squeeze more * When there’s a high volume, the stock can become choppy as short sellers cover, then the price dumps then more short sellers chase, then get squeezed again, and the price dumps again, and repeats * Don’t chase the same stock if you already made a mistake in the stock, move on to another stock. Never add to a losing position * For a reverse split stock, if the stock merges from 1 to 2, then the historical resistance will also be doubled, and you have to take into account the reverse split ratio for the volume and float rotation calculations * Avoid high float rotations on the low floats |
| Vid #23  Dux 100k Profit Trade | * Always short near resistance to maintain good risk reward * When the price dumps and then bounces very quickly, there may be a high probability that it will maintain an uptrend * Don’t be bias long or short, always just stick to your plan * Never hold long overnight, in case there’s a panic over night |
| Vid #24  Crowded Trades | * Often describes high volume on low float, leading to high float rotations * When the current volume is trading more than the volume at the prior resistance, the stock will be hard to break down the resistance * When the stock closes overextended on the first day, if it gaps down the second day, there won’t be enough of a dump to present a trade with good risk rewards * Don’t short into crowded trades, and don’t go long as it is difficult to long and difficult to short due to the unpredictable nature of the stock, since there are a lot of emotional traders * When you lose the first couple of trades, stop trading that ticker |
| Vid #25  When There Are No Trades | * If the first spike has 10 million volume, and second spike hits a similar resistance as the first spike but trades 20 million volume, the volume is considered crowded and should be avoided as there are too many traders making the price unpredictable * Don’t short if the next spike is not close to the last resistance, be patient to wait for the price to develop |
| Vid #26  Bio-Techs | * When a stock spikes and dumps 50%, it is very hard to find an entry to short, since the risk is too large, and the potential return is hard to find as there is no much more room for the stock to keep fading * Most super-nova lose 70% of their gains, so if the price is already at the 70% drop, then it is hard to know where the stock will go next * As usual, avoid crowded stocks |
| Vid #27  Boring Stocks | * When the stock gaps up, and panics in the open, but bounces back to a prior resistance level formed after the initial panic, and breaks that resistance, the stock will become choppy and its best to not invest. Then wait for the next support to crack to get a potential short * Don’t trade stocks with highly volatile bouncing up and down as you cannot find an entry * Don’t trade stocks with lots of halts and a very low float, as the spread will be huge |
| Vid #28  Trade After First Green Day | * First green day typically starts with a low price, then a breakout and spikes to a much higher price to squeeze out short sellers, and consolidate for the rest of the day * If you use the first green day as resistance, the second day can just not give a good enough risk-reward, so it’s dangerous to short * For the day after first green day, you should wait for the momentum shift after the stock opens and wait for a bounce to short * Always wait until the volume fades to get in, if the stock already dropped 50% after the run up, then it is difficult to short as the entry is too far away from the resistance, making it have bad risk-reward. This also applies to pre-market, as when a stock drops 50% pre-market, then it will lose its momentum and be more likely to drop more after opening. |
| Vid #29  Find Entry On Low Float | * For stocks with a float of below 1 million, it is considered micro float * Has a high spread, as it is very volatile and thinly traded * Average micro-float tends to spike at least 100% if it trades 10-20 times its float rotation. Spikes of around 100% is considered to be very low for micro-float * Micro floats tends to have a large risk as since the stock is very volatile, resistances may form very far away from each other, such that for a short, the resistance may be very high so that your risk vs reward is not good * You want to find a micro-float which has experienced first green day and then consolidated, so that on the next day you have a tighter range * Stocks with higher market caps can also have low floats as since the individual shares are more expensive, buyers tends to buy less of it, causing the volume to be low * Never go long on micro-float as there is not enough volume to support an upwards trend |
| Vid #30  Stocks Near $1 | * Nasdaq stocks tends to hold a $1 support as market makers and insiders will always try to keep the stock above $1, since stocks below $1 have a chance to be delisted from the exchange * When trading a parabolic short, always cover when the price is getting close to $1, as it will likely hold that level * Always find stocks that have at least $20 million daily volume |
| Vid #31  Chartroom Pumps | * Usually for micro caps and micro floats * They will usually alert a chatroom to buy, and if the stock goes up, they make money, but if the stock doesn’t go up, they sell, and then they alert to sell, so that they are already out before everyone else sells, so the pumpers won’t lose any money * Short sell restrictions (SSR) is when you place an order, your order will not be executed at the bid, you have to wait for people to buy the ask to fill the shares. If the short sellers cannot take the bids, then the bids will become huge. This will also lead to the stock to be more volatile during pumps and dumps |
| Vid #32  Do’s and Dont’s Of Hot Markets | * When the stock spikes a first time with heavy volume, fades and consolidates with very low volume for a while at a price not too far away from the spike, if it spikes again with a much lower volume, it will likely go to the resistance of the prior level. If the consolidation level is not too far from the first spike, then the when the second spike drops, it will likely fade back to the same level as it becomes support. Therefore, the spiking percentage will not be huge, and the potential reward won’t be high. * For a bounce short, make sure that the stock is trading enough volume and spikes a certain percentage such that there are good risk-rewards * Don’t trade a gap up short if there’s no prior resistance, and don’t trade too close to the open and wait until the stock forms its price action * Always short near resistance * Don’t short micro-float with high volume, and it will become a potential long, especially when there’s no clear resistance |
| Vid #33  Different Market Caps | * When a 100 million market gaps up, it will need 100 million to make it spike 100%. It is very dangerous to go long or short in these huge market caps as for it to spike, it will need a huge amount of capital to move it up, and if it goes down around 20-30%, it is very hard for it to keep going done * When there’s a limited amount of shares traded, a breakout usually ends up being a fake out * Dux doesn’t trade above 200 million market cap * Always focus on a specific market cap zone |
| Vid #34  The Most Dangerous  Squeeze Signal | * When the stock gaps up, lots of people are very keen to short the stock. When the stock starts to drop, and there is a huge panic with heavy volume in one candle, but the price action is forming support and slowly grinds backup with very thin volume compared to the panic candle volume, then these are signs that a squeeze is coming * This is an issue especially if the stock is micro-float, and when it starts attracting lots of volume after a short squeeze, it can very well remain bullish * When this happens, panics after a pre-market high breakout always holds as there are a lot of shorts stuck in a low price, this causes a multi-layer of short sellers as multiple supports form * This also means later when the price loses upwards momentum, it will take a very long time to crack and breakdown as there are so many supports and people stuck in shorts |
| Vid #35  Statistics Tracking Example | * Dux breakout pattern example and what statistics to track * Used when the price breaks a consolidation area * When the stock breaks out, one what time of day * How high it breaks out in terms of percentage gain after the breakout * Also track your real entry and exit compared to the perfect entry and exit, due to the spread * To track your trades: perfect entry, true entry, perfect exit, true exit, win or loss for different tickers, |
| Vid #36  Adjusting Risk Levels During A Position | * When you short a morning spike, your initial risk is the resistance level. However, if the price dumps, and bounces up slightly and forms another lower top, you can size in again into your short position. But this time, instead of your overall risk being the historical resistance, your risk will be the new lower top. This way, since your average entry price is roughly somewhere between the two entries, when you lower the risk price, if it hits your new risk, you will still come out of the trade very profitable * Make sure you add at specific levels which are significant significance, like prior spike resistances. If you randomly add, you might drag your entry too low, and make it hard to be green on the trade |
| Vid #37  Risk of Going Long in Micro Floats | * During a gap up, if the price drips and holds support, and volume starts to accumulate, it’s time to cut the short position. * The price is also likely to dump before trading closes as no one wants to hold these micro floats overnight for the risk of an after hour offering. This is a potential short opportunity * Gap up shorts should usually gap up at most 200%, if a stock gaps over this threshold, it will likely become very crowded and unpredictable * If the float rotates many times, there is an excess demand for a limited supply, which will likely cause a squeeze or parabolic move. If the float only rotates once, there is an equal amount of supply for demand, meaning it’s not very bullish, and it tends to drop |
| Vid #38  Long Strategies | * Choose short sale restricted (SSR) stocks * Market caps should be micro caps * Track spiking percentages in these stocks * Trade days with massive volume and very high float rotation (10 times) * Look for a range of consolidation which is getting tighter and tighter in range, such that you have lower highs but similar lows, the stock will repeatedly test the support without breaking it, then a bullish candle forms which breaks the most recent lower high, it will cause a short squeeze as short sellers will be getting very nervous * For dip buying, dip buy the second green day of a high float rotation stock at the support formed by the first green day, if the volume in the second green day is less than the volume of the first green day, as a lower volume will mean that it is unlikely that the support will break. Don’t go long in a multi-day runner as there is a chance that it will dump. Also avoid very low floats (1 million) with a 10 time float rotation, as there is a high likely hood of manipulated dump |
| Vid #39  Patterns that Need To Be Adjusted | * OCT breakouts don’t really happen anymore, as Nasdaq is more popular * First red day now, instead of shorting the first red day, the stock needs to extend at least 3 days, then you will have good odds of shorting first red day. If the stock only extends for 1 day, then the first red day will not have good odds. You also need to have an over extension of over 300%, to have good risk rewards * Note first red day is also different for bigger and smaller market caps, as bigger market caps has less tendency to drop * Over extended gap down, the stock needs to gap up and finish strong on the first day, then gap down on the second day and get squeezed up, and then your chance to short will be the next spike |
| Vid #40  Volume Estimate | * Using pre-market volume to estimate trading volume * Segment the market into two parts, 9-11am and 11-4pm. The prior will have a higher volume, and the latter will have a lower volume * Volume estimate for the trading day is on average pre-market volume times 10 * When the first part volume is driving the momentum, the second part will usually follow the same momentum, increasing the winning percentage * You can also use pre-market resistance as a risk |
| Vid #41  Hot Markets | * Every year will have section hypes depending on the overall market conditions * When the markets are hyped, there will be a lot of spikes. You should look for spikes which have dumped massively, then spiked again to short, as most of the people in the first spike are long, so they will try and sell their positions in the second spike. This is where you can short * You can also go in the front side long before the hype and exit when the volume is being capped as there is a limited amount of cash that can be injected. However, this is harder to trade * Hypes may be the best time to make massive profits as lots of new traders are going into the markets, and more experiences traders will take advantage of the excessive money being pumped in * Make sure when using patterns, always segment market into different times during the day, as this will improve your edge and don’t trade after 9-11 as the stock will react differently * Don’t over trade during market hypes and don’t trade crowded stocks. Wait until the action has finished, and react to the situation after everyone has already traded |
| Vid #42  Coronavirus Market | * When there is an increased market volatility, you should adjust your patterns accordingly to adjust for the changes in the volume traded as well as the volatility of the stock (spiking percentage, pullback percentage) * Always be sure to choose stocks which fits your perfect criteria * Always wait for the first resistance to form if it’s a fresh chart, as many consolidation waves may follow to shake out all the holders in the first spike, which may be your opportunity to short |
| Market Seasons | * NOV-FEB, high volume, high volatility, likely market goes up as everyone is trying to make a profit at the end of year, at jan-feb, companies are trying to raise money * MAR-JUNE, slow months * JULY-AUG, average market, fairly high number of trades, high chance of making a mistake during the transition from slow market to the average market, don’t touch stocks which are increasing with increasing volume to create a supernova, and where lots of people lose money * AUG-OCT, slow months * For transitioning from one market season to another, notice sudden changes in the trend of the volume, this is when you want to stop trading and reflect on the new market conditions and adjust the patterns, this is when you would adjust to the new volume sizes |

**Tim Gritanni**

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| 105k CANF Loss | * Always stick to your risk levels, and immediately cut your loss when you hit your maximum risk regardless of any other indicator such as price action or technical indicators. * It is often difficult to maintain a straight head after a massive loss, as it is easy to walk away and stop thinking about the stock. However, you may then miss chances of the stock reversing and missing potential opportunities. It is therefore always important to stick to your risk levels and always stick to the plan, so that you can take advantage of opportunities when they come and never end up with a massive loss for any trade. |
| Seminar Notes | * Don’t chase trading alerts, only stick to what you analyze and what patterns you know * Avoid emotional problems: struggling with cutting losses, looking for a big win, setting dollar amount expectations, overtrading * Don’t try to do too much early on * Focus on liquid and volatility as it does not require perfect trades to be profitable * Only focus in one single area, with one pattern and strategy * When filtering stocks buy your criteria, always look at the chart patterns to further break-down the categories of patterns that may form * Always look for your own patterns and don’t just listen to gurus. Always make spreadsheets and track statistics. This will build your confidence as you will understand exactly what you are doing, and confidence is the key to taking fear out of your trades. * Don’t focus on the potential rewards, only think about the potential risk. * Never add to a losing position. * Don’t follow unrealized profits or losses. Don’t set price targets, only set stop losses and take profits depending on a back-tested strategy, only at key support or resistance levels. * To form a pattern, first cast a wide net, and then slowly filter out losers to make the strategy more consistent. Also be sure to extensively back test the strategy to find the risk reward and the winning percentage. * Beginner psychological mistakes: following the herd and not thinking for yourself, fear of missing out on trades, not cutting losses, trying to get rich quick and trading too big at the start and getting into a black swan event and wiping off a large proportion of your account, always think that you know way less than you do to be more conservative, don’t compare yourself to others. * Stick to consistency over a long time, don’t try to get the max profit, stick to making consistent profits * After a big loss, take some time off and don’t do anything so that you can reset your emotions. * Don’t trade when there are major changes happening in your life, such as negative events. * Even if the dollar amount loss is very bad to look at, you have to cut your loss if it hits your risk. * Cutting loss is not a mistake, but letting a massive loser run is a mistake. |

**Trading Rush**

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| Top 5 Mistakes | * Rushing to take profits. Many traders are too quick to take small profits and hold losing positions. Each trade should have a pre-determined stop-loss and take-profit target which should be strictly followed to during the trade to avoid these issues. * Averaging in a losing position. Many traders average in a losing position to decrease the average value of the stock bought. This is very dangerous as it could result in bigger losses. Only average in if there is a clear benefit where there is a guarantee reversal of price. * Blindly following rumors. Many traders listen to rumors, news, TV channels, and other traders which could often lead to bad investment decisions. Always do your own research and don’t trade what other people are trading just because they are trading it and making profits. * Over trading. Many traders over trade as it will result in more mistakes. Not trading is also profitable as it means you avoid losing money during mistakes. * Avoid homework and research. Always back test any strategy before using it for trading. Always start trading small to build more confidence and only increase the size of the trades when you are more experienced. |
| 5 Steps to Complete a Trading Strategy | * Only trade when the price is in a trending market, indicated by a 200 ema with a larger up slope or down slope. Do not trade when the market is choppy with the price action crossing the 200 ema multiple times in a short time frame * Always draw support and resistance levels on longer time frames as you are trading to make sure to identify the stronger support and resistance levels and avoid trading towards them in the shorter time frames * Use a high odds indicator (back tested on 100 samples) such as the MACD * Set a 1:1.5 risk reward ratio for trading, make sure the stop loss is not too close to the entry price. The stop loss for long trades should be set at a swing low, or a strong area of support. The reward will then be adjusted to 1.5 times that of the stop loss * Don’t look at the screen after entering the trade, and just let the trade play out |
| EMA Cross Over Strategy | * Buy when EMA 9 crosses above EMA 21. * Sell when EMA 9 crosses below EMA 21. * Only buy when the price is above EMA 200, and only short when the price is below the 200 EMA. * Don’t take trades with the entry signals far from the entry price, for example when there was a huge move when the cross over occurs in a very short time, causing a massive difference in the entry price and the cross over value. * Only risk 1% of the account every trade as it will be easier to handle a string of losing trades. * Set risk rewards to 1:1.5, such that for every 1% risk, there is 1.5% reward. For example, for every $100 you risk, you should aim to get $150 in return. The stop loss would therefore be -$100 and the take profit target would be +$150. * Many trades will almost hit the take profit, but reverse and hit the stop loss. This is a normal occurrence and should be expected. Do not varying the strategy when this happens and stick to back tested statistics. |
| 5 Moving Average Mistakes | * The price which retraces to a moving average will not always hit a resistance. Many traders size in when the price retraces to a moving average thinking it is support, but this is not the case many of the time. * Always use EMA over SMA. * Do not trade when EMA is flat. Only trade in a trending market. * Always look at multiple EMAs of different time frames to properly assess the overall trend. For example, use 20 EMA to show the short time trend, and a 200 EMA to show the overall market trend. * Just because a moving average is in a uptrend, it does not mean the price will go up if it hits a resistance. |
| MACD Cross Over Strategy | * Use MACD 12, 26, 9. MACD is a leading indicator when using crossovers. * Buy when MACD line crosses above the signal line, and always when MACD is below the 0 line * Sell when MACD line crosses below the signal line, and always when MACD is above the 0 line. * Only buy when price is above the EMA 200, and only short when the price is below the EMA 200. * Take 25% off the trade when the price reaches 1x the risk. At this point, the stop loss will be the entry price to break even, and another take profit and 2x the risk from the original price will be set. So if the risk is $100, sell 25% of the position when the trade is up $100, and the new stop loss will be at $0, while the new take profit will be at $200. |
| Donchian Channel | * Only buy when price is above 200 ema, and only sell when price is below 200 ema * Buy when the donchian channel makes a higher high after a lower low * Set stop loss at the lower donchian band * Take profit is 1.5 times the stop loss |
| Stochastics RSI Cross Over Strategy | * Use stochastics 3, 3, 14, 14. * Buy when the %k line (unsmoothed line) crosses above the %d line (smoothed line) below the 20 horizontal line. * Sell when the %k line (unsmoothed line) crosses below the %d line (smoothed line) above the 80 horizontal line. * Only buy when price is above the EMA 200, and only short when the price is below the EMA 200. * Set risk rewards to 1:1.5 * (According to trading rush, this strategy is worse than the RSI strategy) |
| Bollinger Band Strategy | * Use Bollinger band 20, 2 * Buy when price is at the lower band and forms a bullish candlestick pattern to break out the lower band. * Sell when the price is at the upper band and forms a bearish candlestick pattern to breakdown the upper band. * Only buy when price is above the EMA 200, and only short when the price is below the EMA 200. * Set risk rewards to 1:1.5 * (According to trading rush, this strategy is worse than the MACD strategy, but better than EMA crossover) |
| Ichimoku Cloud Strategy | * Use Ichimoku 9, 26, 52, 26. This indicator has 4 lines, conversion line (line which closely matches the price action), the base line (line which lags behind the conversion line), and two lines which forms the cloud such that it is green when the price is bullish and red when the price is bearish. * Buy when the price is above the cloud and EMA 200, and the baseline crosses above the conversion line. * Sell when the price is below the cloud and EMA 200, and the baseline crosses below the conversion line. * Don’t buy when the price is below the crossover and above the cloud, and don’t short when the price is above the crossover and below the cloud. * Set risk rewards to 1:1.5 * (According to trading rush, this strategy is around the same as the Bollinger band strategy) |
| Volume Tips | * When price is increasing and the volume is increasing, the trend is bullish * When price is increasing and the volume is decreasing, the trend is still bullish but only the small traders are buying, institutional traders are not buying * When the price is decreasing and the volume is increasing, the trend is bearish * When the price is decreasing and the volume is decreasing, the trend is still bearish but only the small traders are selling, institutional traders are not buying * Entering on a trade when the volume is high means you are trading with other large traders, which may be beneficial as they will drive the price up or down * Key 1: if the price is moving higher and gives a pullback with lower volume, it’s a sign that price can still move upwards, but pullbacks with a higher than normal volume might indicate the start of a new downtrend * Key 2: volume can indicate the smart money and dumb money * Key 3: avoid trading on low volume days, only trade on high volume days * Key 4: new releases causes increased volume * Key 5: volume is usually higher during market opening and closing, and low during mid-day |
| Breakout Tips | * In a trading range, short sellers are setting their stop loss just above the resistance, and long buyers are setting their stop loss just below the support. Therefore, when institutional traders come in, they are likely to push the price down by selling large amounts of shares, causing the price to be pushed below the support, taking out the stop losses of the long buyers. This then causes a further downward push. Then the institutional traders create a buying pressure pushing the stock up back through the support. Short sellers selling at the support to trade an attempted breakdown will also set their stop losses just above the support line. The large buying pressure will also trigger all the stop losses above the support causing the price to surge up towards the resistance. Then when it pushes past the resistance, the people shorting at the resistance will also have their stop losses triggered, causing a breakout. Then the institutional traders will create a selling pressure to push the price back down. * In a strong uptrend, a pullback of the price and then a breakout of the trend the pullback is in will give good odds of making a profit. * When drawing support and resistance, make sure it is also visibly obvious on other time frames |

**Humbled Trader**

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| Growing Small Account | * Ideal risk:reward should be 1:3 * Have good trading habits and discipline * Only focus on one setup * Large caps can be easier to start trading as it is less volatile * Small caps have market cycles much shorter than the overall stock market index, therefore, it is advisable to only buy small caps when the market is hot, and turn your attention to larger caps when the small cap market does not have much action * Do not expect the same small cap patterns to work all year round * Larger caps suits better for candle stick patterns or technical indicators |
| Buy Penny Stock Gap Ups | * Most penny stock pumps will fall back down * Confirmed deal with a legitimate company released in the pre-market news * Stock must have low float (2-3 million or less), check on finviz * Higher than normal short interest to have a higher probability of a short squeeze (>20% is fairly high, 50% is very high), check on finviz * Stocks with low float and high interest have higher probabilities of squeezing * Buy after the initial sell off after the open to buy the bounce, with a risk level of the low of the dip. Entry should be when the initial downtrend ends and there are signs of reversal * Do not buy penny stock breakouts, as it is more likely to fake out |
| Buying the Dip | * Do not buy breakouts but buy the morning panic as there is better risk/reward * This is especially the case for low float stocks * The stock has to have a parabolic daily chart, this is when there is a lot of emotional buying after the company announced better than expected earnings * Enter the dip to a strong daily support when the price hits it intraday * The support/resistance levels should be drawn on the daily charts * When the strong resistance breaks, then it becomes support, and you can buy when the price action dips back to the support area * The stop loss should be under the support level by a little bit * The stock should also have high short interest |
| Buying Overnight | * Buy a stock overnight and catch the gap up or opening spike * When a daily candle closes above the prior resistance (prior top), then that means there are enough buyers in the market to push the price past that point. This also indicates bullishness * The daily charts should always have higher than usually volume (>500k volume for low floats) * The stock should also have some positive news on its earning potential such as a big contract |
| Recap Tips | * Stocks which tests the VWAP resistance and fails has a higher chance of dropping * Size in short positions more when it is testing support with heavy volume * Start a position with a small size, and add in when the trend is confirmed |