10/21/22 (-$150 Black Day)

By suarezg@gmail.com · October 21, 2022

TL;DR

On 10/21/22, the author experienced a significant trading loss of $150 due to poor decision-making and FOMO during a volatile market. They emphasize the importance of being selective, respecting risk/reward ratios, and adhering to trading strategies to avoid future losses.

Grade:

Goals: Be more selective and raise winning %

Reminders/Aphorisms:

- Don't fight the trend;
- Be patient, take good set-ups
- Respect at least 2:1 R/R

Overview: Could not trade yesterday because of work. We had a zone at 365-366 which had formed the day prior and where the price action consolidated at towards the end of the day. In post/pre market we had been moving down until around 8:45 where we got a big 4 point pop on high volume for premarket and then it gave some back and has been consolidating. The 200 EMA on the weekly chart is at 367.34 which could prove as a resistance zone today. Potential scenarios:

1) Because of this weird premarket action, I think we may get a move up through the 365-366 zone to the next level around 367-368. Above that is the 370-371 level but I don't believe we get there. I think we reject at either 355-356 or 367-368 and come down below those zones. The next level down is the premarket low at 362.2, or the 356-357 level, but I'm not sure we get there today it would be too drastic a move.

2) We sell off at open to either premarket low at 362 or the 356-357 level and then bounce back up to the 365-366 level.

Trade Analysis:

- Trade 1 and 2 were exactly the same - trend reversals where there was a suboptimal setup. I saw the rejection of the 367-368 which I was considering taking and didn't and then kind of FOMO'd into these next two trades.
- Trades 3, 4, and 5, were all continuation trades on the 5 minute chart to the long side. none of these fucking worked and I took a huge red day.
- NOTES: Fuck going long.

Lesson moving forward: STOP AT MAX LOSS - DON'T BE AN ASSHOLE AND TAKE A BLACK DAY WHERE I GIVE BACK ALL MONTHLY PROFITS.

FAQ

What caused the trading loss on 10/21/22?

The loss was primarily due to poor trade setups and succumbing to FOMO, leading to unsuccessful trades despite the author's initial analysis.

What trading strategies were discussed in the blog?

The author highlighted the importance of being selective, respecting a 2:1 risk/reward ratio, and not fighting the trend.

What were the potential market scenarios mentioned?

The author outlined two scenarios: a potential move up through the 365-366 zone or a sell-off at open to the premarket low.

What lesson did the author learn from this experience?

The key lesson was to stop trading at maximum loss to avoid giving back monthly profits and to maintain discipline.

What is the significance of the 200 EMA mentioned in the post?

The 200 EMA on the weekly chart serves as a potential resistance zone, influencing the author's trading decisions.