10/3/22 - NO TRADES

By suarezg@gmail.com · October 3, 2022

TL;DR

On October 3, 2022, no trades were executed due to a deposition commitment. The focus was on being selective and raising the winning percentage, with key market levels identified for potential movement. Important reminders included respecting risk/reward ratios and not rushing into trades.

10/3/22

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: New month! Ended last month on a bad note but this is a fresh month. I may not trade today because I have a deposition at 10:00 however if an opportunity presents itself I will do so.SPY ended up down red big last week. We hit a new low in the premarket hours of 355.08. However since then the SPY has been grinding up consistently close to $5. Key levels to look for today include the 362-363 supply zone (old demand zone where it had ranged between), as well as 360.93 (the old intraday low that was taken out, 358.72 (the old premarket low), and 357.17, the previous day close. If at open we see a rejection of the 362-363 zone we may get a strong move down to those key levels, with a site at the new premarket low of 355.08. If we go through the zone, the next zone towards the upside would be the 365-366 zone where we topped out on Friday. The QQQ looks very similar in that it had a big down day Friday. We made a new low of 264.29 premarket and are testing the 269-270 supply zone (prior demand zone we were ranging between). The next level up would be the 275 supply zone.

Trade Analysis:

Large Caps

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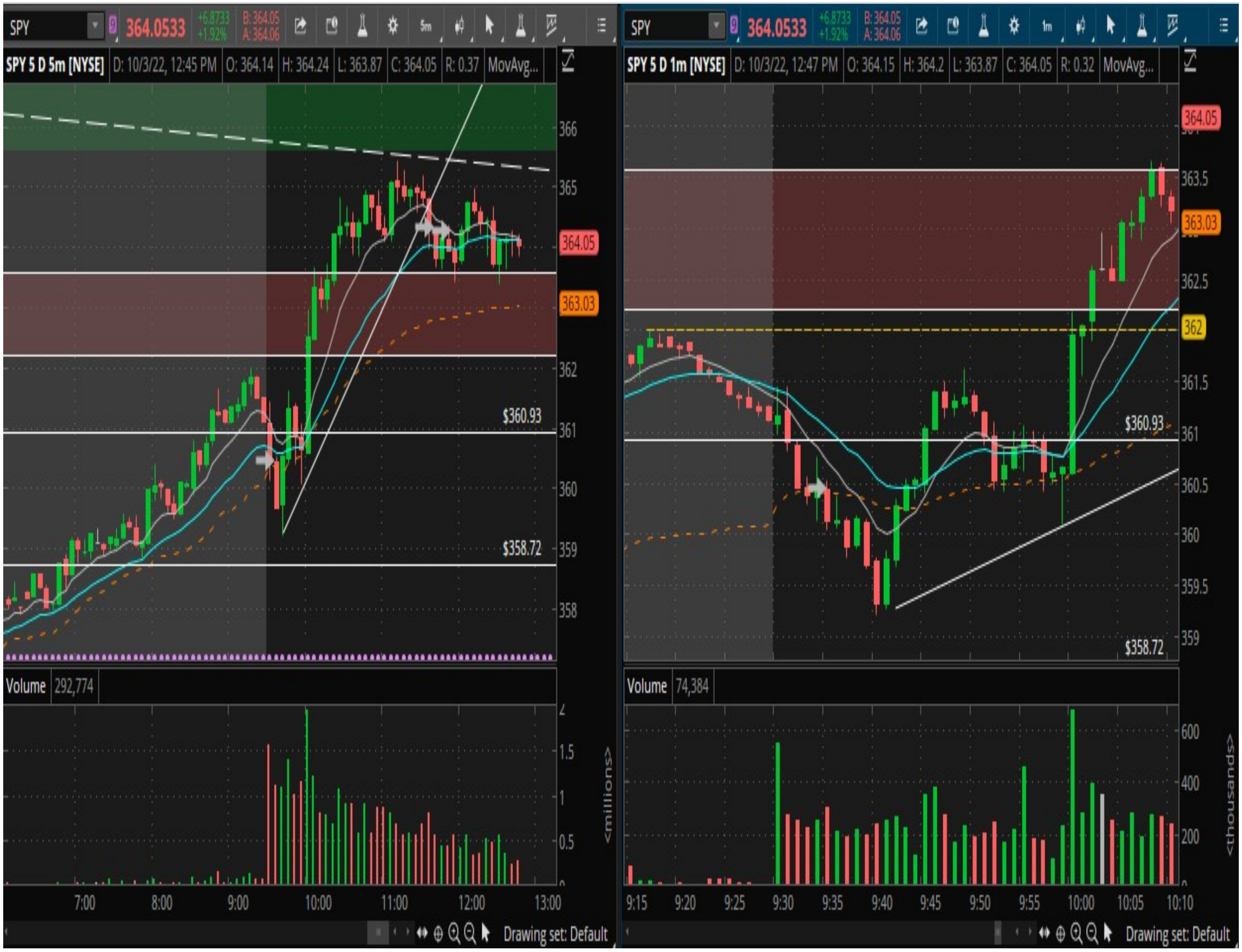

- No trades today as I had a deposition at 10:00 a.m. and didn't want to rush into anything.
- NOTES: Gray Arrow 1 was a continuation short trade I was looking at. The markets in general were moving down strongly and the SPY had just tested VWAP and rejected back down on a green candle. It tested VWAP again and I did not get in because I did not want to rush a trade because of my 10:00 a.m. commitment. Gray arrow 2 and 3 are a much later trade for a break of the 5 minute uptrend. Specifically, the first of these 2 gray arrows was the fir pull-up off the move down and test of the 9 ema on the 1 minute. While I would typically like the 5 minute to test the initial trend and reject there, this was a strong move on high volume and only presented this entry. This would have been a solid play. The second arrow is the 3rd leg on the move and a rejection of the 20 EMA. This would have worked out as well, but because the 362-363 zone was looming it made it a little riskier.

Lesson moving forward: Don't rush trades.

FAQ

Why were there no trades on October 3, 2022?

No trades were executed because the author had a deposition at 10:00 a.m. and preferred not to rush into any trades.

What were the key levels to watch for SPY on this date?

Key levels included the 362-363 supply zone, the old intraday low at 360.93, and the previous day close at 357.17.

What was the market trend leading up to October 3, 2022?

The SPY ended the previous week down significantly, hitting a new low of 355.08 in premarket hours before grinding up.

What is the main lesson learned from this trading day?

The main lesson was to avoid rushing trades, emphasizing the importance of patience and waiting for good setups.

What trading strategies were considered for the day?

The author considered a continuation short trade and a break of the 5-minute uptrend, but ultimately decided against entering any trades.