11/3/22 (+$33)

By suarezg@gmail.com · November 3, 2022

Grade: B-

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: Yesterday was a no trade day for me because the morning was all consolidation until we got the Fed Speaking at 2:00. This time we had the opposite of what usually happens. Usually, we drop when the number comes out (75 pts) and then recover when he speaks. This time was the opposite with us pushing higher before he spoke and then dropping when he opened his mouth. The SPY ended up down close to $12 on the day. We are opening another $3 down from where we closed. On the daily we had a huge engulfing red candle on high volume, creating a major supply zone at 389-390. We closed the day yesterday at a prior demand zone from 374-375 where we bounced a little but then continued to move down this morning.We are opening near the 371-372 demand zone where we had found support a couple of weeks ago. After that, the next major zone would be around 362-363. PMI numbers do release at 10:00 today. Potential scenarios:

1) Most likely we continue down. We may test the 371-372 zone before continuing down to the 362-363 zone. This would be a big move. We could also go up to the 374-375 before reversing as this is around where previous day close was. An opening drive move may be interesting to attempt.

2) We could see the market recover some of the losses from yesterday based on PMI numbers at 10:00. This would likely mean we bounce around this 371-372 level until that time and then continue to move higher to 374-375. We would need strong volume and quick price action to move through.

Trade Analysis:

- Trade 1 was a small share test of a breakout trad eon the SPY which did not work. This was not part of the normal trading plan.
- Trade 2 was a a downtrend continuation on the 5m off the premarket down trend. We had rejected VWAP and started moving quickly down with volume. At the same time I saw the AAPL fell off a cliff and QQQ decided on a direction (down). This was a little bit of a chase but I never tested by risk, got my 50c on my partial and almost $1 on the runner.
- Trade 3 was a downtrend continuation when the PMI numbers came out, we had a quick spike and then consistent selling off.
- Trade 4 was a downtrend continuation off of VWAP, we had been stalling at VWAP after a big move up, it looked like a lower low on the 5m and we were making the next move down. This was not an optimal set-up so I took it with smaller share size (25 shares). This spiked on me and I lost 50c rather than 25c.

- NOTES: Some of these trades weren't optimal set-ups but worked out for me.

Lesson moving forward: Be patient and use important markers for entries. Act quickly on trades to get better entries, don't hesitate.