8/30/22 (+$12.00)

By suarezg@gmail.com · August 30, 2022

TL;DR

On August 30, 2022, the author achieved a grade of A by focusing on selective trading and maintaining a 2:1 risk/reward ratio. The analysis includes insights on trade execution, particularly around key price levels, and emphasizes the importance of patience and strategy in trading. Lessons learned highlight the need for caution near whole dollar levels to avoid unnecessary losses.

8/30/22

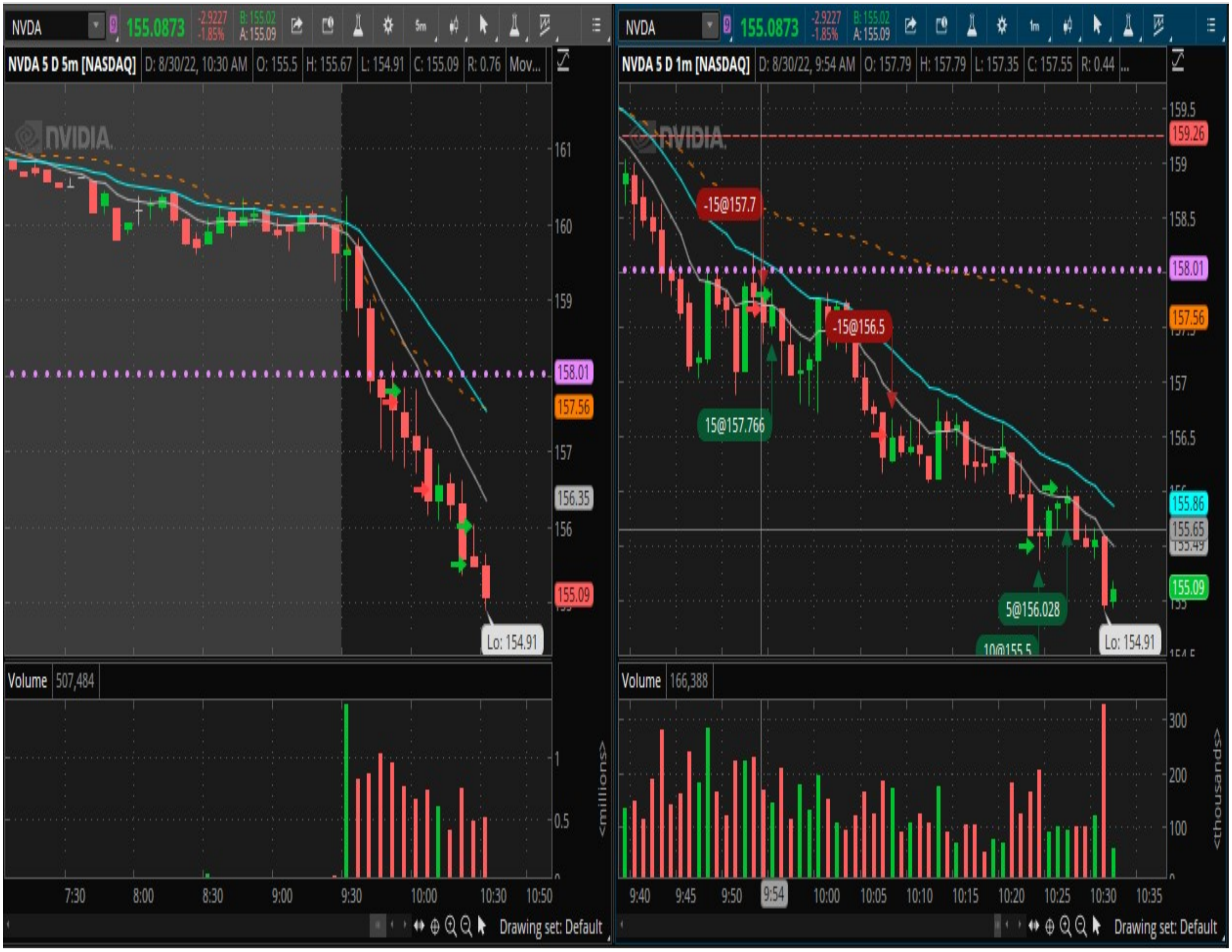
Grade: A

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: At the beginning of the day the SPY/QQQ had gapped up in the morning session but had begun moving down towards previous day close before open. I was expecting a pop early and then drop which is what it did.



Trade Analysis:

- I was not sure if we were going to bounce today so I took reduced size on my trades as it was not A+ setups. Looking bad the 2nd short could have been full size.
- The first trade That I took was a short at the 2nd rejection of previous day close. My risk was previous day close (158) but I got nervous of a fast move up and closed scratched. If I had held it would have continued down for close to a $1 a share. This was a mistake.
- My second trade was a consolidation trade waiting for the bigger move down. The SPY was consolidating right around the key $400 level on low follow, looking like it was going to crash down through $400 hard. This was the 2nd test of $400 in the past 2 days. My risk on the trade was$157 and I was looking for $1 move on my partial and then another 50c on the rest (risk: 2:1). Best trade I took today - held

without fear as I had set my risk and was looking for my target. The only thing I could have improved on is that on my last 5 shares, I got taken out on a stop hunt at $156 (50c loss from my goal). I should have given it a little room as it was on a key whole dollar lever. It proceeded to go down another $1.5 afterwards which I could have profited from.

Lesson moving forward: Be careful of whole dollar levels as stops.

FAQ

What was the main trading strategy used?

The main strategy involved being selective with trades and aiming for a 2:1 risk/reward ratio.

What were the key price levels mentioned?

Key price levels included the previous day close at $158 and the significant $400 level for SPY.

What mistakes were identified in the trading analysis?

The author noted a mistake in closing a trade too early and getting stopped out on a key level.

What lesson was learned from the trading experience?

The lesson emphasized the importance of being cautious around whole dollar levels to avoid stop hunts.

What was the overall grade for the trading day?

The overall grade for the trading day was A.