Daily Journal

By traderjim · March 29, 2022

TL;DR

In this blog post, the author reflects on a trading experience with KOSS, where they exceeded their daily loss limit due to excessive market chop. They emphasize the importance of following trading rules, such as waiting for validation before entering trades and managing risk effectively.

I let myself get over extended on KOSS this morning and lost well over my daily limit. It had too much chop. It was ranging over .50c, I thought it would break up, I bought 40 shares thinking it was gonna go, and it knifed on me. I was over sized. There was tooooo much chop in the play. **I should stay away from too much chop and not oversize.**

Follow Rules:

- **Wait for validation (bullish engulfing candle on key level) before entry (don't just buy because price is at a key level)**
- **Only allow 5$ risk on the table at a time**
- **Scale out of working trade, adjust stops**
- **Don't Trade if average range of bars are over 10-15 cents, or if volume doesn't match the bullish bar.**

FAQ

What happened with KOSS trading?

The author overextended themselves and lost more than their daily limit due to excessive market chop.

What is meant by 'too much chop'?

'Too much chop' refers to a market that is fluctuating erratically, making it difficult to predict price movements.

What are the key rules for trading mentioned?

Key rules include waiting for validation before entering trades, limiting risk to $5, scaling out of successful trades, and avoiding trades in high volatility.

How many shares did the author buy?

The author bought 40 shares of KOSS, anticipating a price increase.

What should be avoided according to the author?

The author advises against oversizing positions and trading in markets with excessive chop.