DRC April 4th, 2023 (+$52) Yesterday's price action made me sell early today.

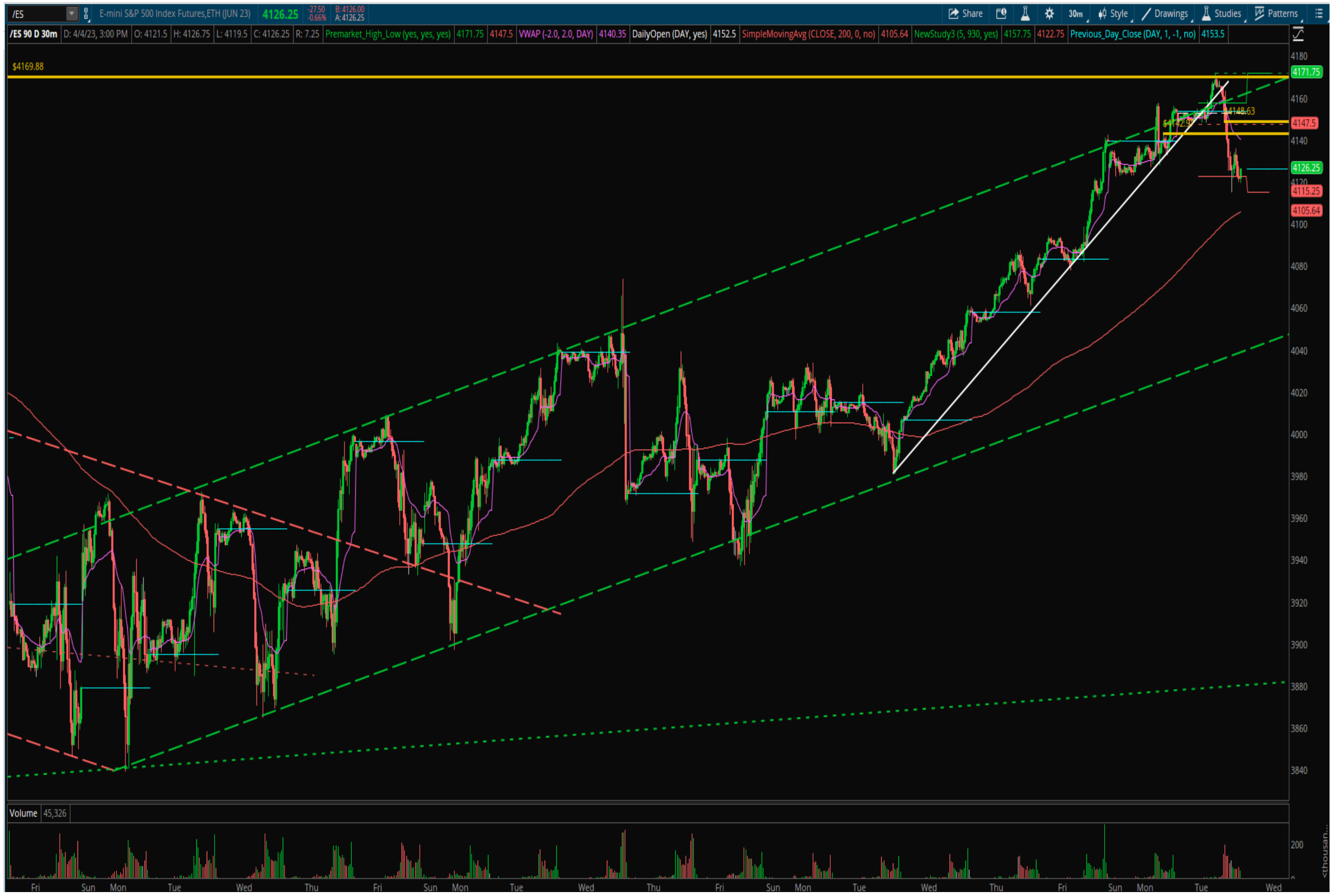
By disciplined_daytrader · April 4, 2023

Results

Total Winnings (Fees Included)	60.75	Total | Closed | Open*	2 | 2 | 0	Avg Position Amount	1.00
Total Losses (Fees Included)	-9.25	Total Winners	1 (50.00%)	Avg Position Cost	4,155.00
Net Profit (Fees Included)	51.50	Total Losers	1 (50.00%)	Avg Win	60.75 (0.30%)
Profit Margin	84.77%	Total Scratches (Net P/L = 0)	0 (0.00%)	Avg Loss	-9.25 (-0.04%)
Commissions	1.00	Max Consecutive Winning	1	Avg Trade Duration	13 Mins 10 Secs
Reg Fees	0.00	Max Consecutive Losing	1	Avg Win Duration	24 Mins 46 Secs
Total Fees	1.00	Largest Winning Trade	60.75 (0.30%)	Avg Loss Duration	1 Mins 34 Secs
Gross Profit (Fees NOT Included)	52.50	Largest Losing Trade	-9.25 (-0.04%)	Avg Scatch Duration	-
Avg Daily P&L	51.50				

Micro Timeframe: Uptrend

30d:30m



<u>Intraday Timeframe: Downtrend</u>

1d:5m

<u>Trades</u>

1st and 2nd: Micro Reversal Intraday Continuation

1d:2m


Chart Analysis - MESM23 2 min [CME] Micro E-mini S&P 500 Jun 2023
MESM23 - 2 min CME L=4,126.00 -27.75 -0.67% TS=1 TE=CME B=4,126.00 BS=89 A=4,126.25 AS=69
Limit
-1
Limit
Limit
0
Limit
0
MESM23,2Min
Micro E-mini S&P 500 Jun 2023
4,160.00
4,155.00
4,150.00
4,145.00
4,140.00
4,135.00
4,130.00
4,126.00
4,125.00
4,120.00
10:00
10:30
11:00
11:30
12:00
12:30
13:00
13:30
14:00
14:30
15:00

Zoomed in

- 1st Trade was pretty "ok" because we were making a lower high from premarket and we had JOLTS come out at 10:00am. When JOLTS came out we spiked higher after finding an early bottom. On the jobs data candle we spike then immedaitely fail that move higher and then pullup to the midpoint of that candle and I took my first short. I took this with just a quick idea of a short trade but I dont understand why I did that when I never do that. I am not a scalper at least for now and this was a pure scalp where my risk was wayyy too tight and if my risk is too tight like that I just always lose. I need to give room for the trade and I shouldve risked a new HH on the day instead of just the previous top wick on the 5m.

- 2nd Trade was also "ok." Yes I got 11 points but just because I got 11 points does not mean that this was a "good" trade. A good trade to me is when I get in for an intelligent entry and I have clear risk, then I am fluid about where I sell depending on a few factors. The main factor though should be, "Are we still trending lower?" and we were trending lower when I sold so that just makes no sense. If you are going to short a downtrend and your goal is to get in on a lower high and hold for the downtrend then why am I selling at a new LOD? Yes that is not the worst place to sell and yes this trade was still good given the fact that I took a lower high to a new lower low BUT I couldve capitalized a lot more on this trade. Lets see what I couldve done

How do I get more MONEY from my 2nd Trade?

1. HOLD for the downtrend while we are still downtrending.

- This was specifically hard today becuase if you look at my post from yesterday you will see that I lost an 8 point trade because I did not identify a good place to sell. Today I got an 11 point trade and tried to identify a good place to sell but I failed. I sold way too early and only caught 11 points in a nearly 40 point move from my entry. Yes I still caught about 25% of the days entire move which is actually quite nice but I just need to figure out when to scalp and take it at the next lower low and when to hold.

- Possibly the only way to do this is if I have really big size. If I had at minimum 3 contracts but better if it was 4+ then I couldve taken off my profits at the break to a new lower low and then held the last contract for the remainder of the 25 points I left on the table. Even that though is still pretty damn hard. I dont know if its better to just take it at a set value or to hold for true continuation. If I can scale out then why not hold for continuation but if I only have 1 contract then I have to sell somewhere to lock it in. I know that its somewhat silly to think I can catch more than 50% of the entire days range but if I never try then ill never know if its possible or not. I have caught 77% of the days move before and I can definitely do it again. Had I held this trade I wouldve beaten my previous record.

2. Sectors (Top Offensives Bottom Defensive, Except for AI which is an offensive but in the top row)

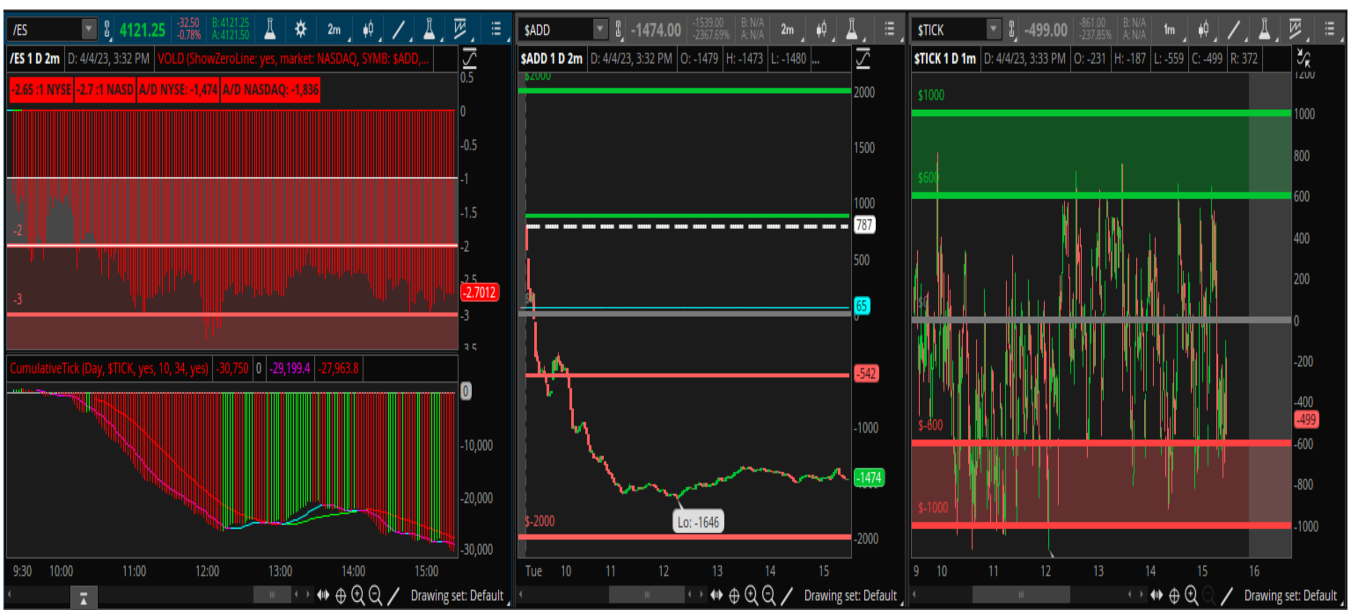
- Today opened not too strong in the SPY. If you look at defensives (top) you swill see how at open they were bid up higher above their PDC and above the Ydays high on XLV, XLP, GDX. This was pretty strong and is a signal that risk is off.

- The offensives (bottom) started the day off with a selloff at the opening print price. Then we were bid up as the JOLTS numbers came out and immediately after being bid up higher we failed at Ydays high on XLY, then failed at PM high on XLK, then stayed mostly flat on XLC, and big red and fail at PDC on SMH. XLF was just pure selling all day with no chance of making it. AI was also just ridiculously weak and had zero bid throughout the entire day.

What does all of that mean?

- Risk is OFF. Selling of offensives while defensives stay relatively flat is the PERFECT scenario for a risk off selloff. When its just a risk off selloff then big money is selling the offensives at a faster pace than they are buying the defensives. When the defensives are being bid up huge and the offensives are being bid down then the market just stays in equilibrium. You need both offensives to be selling while defensives are flat so that the rotation is not occuring and since they stay flat on offensives that allows the market to selloff nicely. This was happening all day and the signs were quite clear. If I had trusted this then maybe I couldve held and added into my second trade.

<u>3. VOLD, ADD, TICK</u>

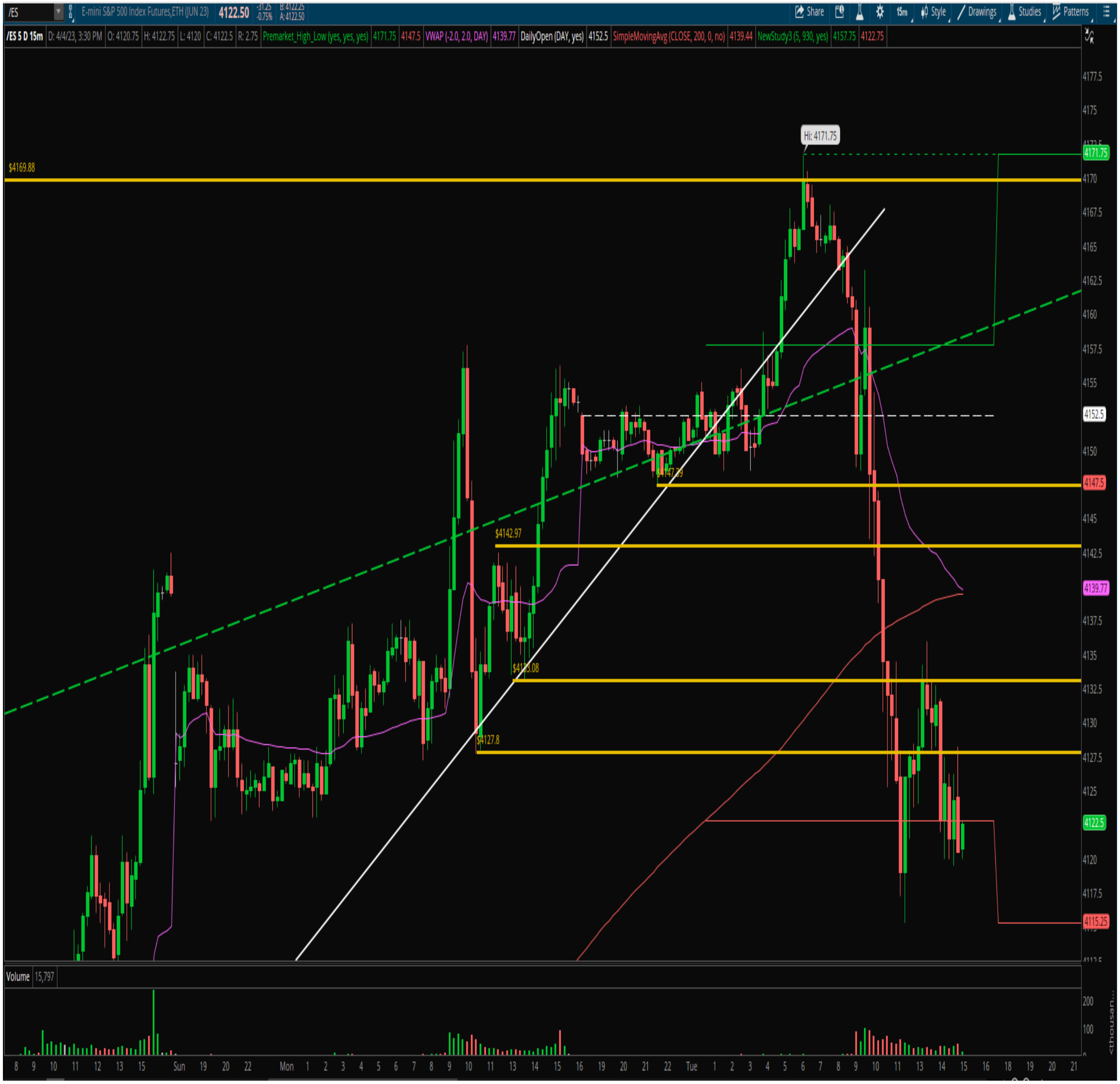


- VOLD was red at open but not significantly which makes sense because bullish sentiment is still rampant amongst retail traders and even the big money. As the VOLD started to consistently decrease throughout the session it was pretty telling that sellers were in control.

- ADD opened up superr weak. The opening on the ADD specifically is extremely important to pay attention to. This can signal that "yes we gapped up on the day but we are selling off immediately once the session begins. Once we broke Ydays low we just continued to accelerate to the LOD adn then we found a decent bottom where we just got stuck and ranged for the rest of the session.

- TICK was below zero nearly all morning once the JOLTS data candle was faded to the downside. We stayed below 0 up until 12:30pm. This was probably the cleanest indication that buyer are simply not present today and I shoudlve never sold my position without giving the TICK some room to fade those values above 0 instead of just panic covering once I thought buyers would step in.

4. Technical Levels where Retail would go Long



- Each gold line is a spot based on premarket, Ydays high (not on chart but should be), Ydays lower high, Ydays lower low, and Ydays LOD. These spots are the perfect spots for retail to try to catch some reversal on this massive downtrend and in a lot of these zones we just rocketed through it which was another slight indication that we are going to continue lower fast.

How could I have maximized the trading opportunities today?

- This was how I shouldve traded today. I got in on the first 2 red arrows anyways on my trading but I stopped out on the first trade then ended up selling the second one too early. If I had not stopped on the first trade and then added on the second trade and then added one more time for that clean breakdown, I wouldve made a shit ton of money. I obviously probably wouldnt have traded this that insanely well but identifying how I shouldve done it will just give me that tiny 1% higher chance of doing it the next time.

Someday I will catch a massive trade like this and then it will become so common itll be stupid. I think biggest mistake of the day was selling my first trade too early then not having the chance to add to it. Had I held the first trade then added this wouldve been a ridiculous day. This specific trade above is about a $400 win had I traded it that perfectly.