February 23rd, 2023 (+$12) DRC Set it and Forget it

By disciplined_daytrader · February 23, 2023

Today was a good day not from my PnL but how I handled myself in my strategies. I lost epicly in my first trade being so dumb wrong that it was hilarious. This was quite silly of me to trade before a Fed speech and also not really putting into account the fact that the GDP numbers came out a little less than expected which could easily drive and already scared market down much further. Once I lost the first trade I just relaxed, took a shower, ate some food, and came back when I felt as though all the dust had settled. I then went for a "fuck it" continuation short trade because we had been dropping through lows so consistently in the past 2 days that I just expected it to do the same since in my heart it felt too sold off which usually means it still has more room to go lower. I lost again. These were 2 back to back losses that were pretty easily avoided. Dont short at the lows and Dont trade in the opposite of the data direction and definitely dont trade 10 minutes before a fed speech. Now on my last trade I ended up making 10 points which outweighed my 7 points in losses from the first 2 trades. Yes I still only made about 2 points after fees but this last trade was the way I need to always trade. I got in, set my stop at the previous higher low, put my target right below a key lower high in the previous downtrend and then I did the TJ podcast without even paying attention to what the price action was doing.

1d:2m Futures

1st: Micro Reversal Intraday Continuation

2nd: Micro Continuation Intraday Continuation

3rd: Micro Reversal Intraday Reversal

- First trade was a Long Micro Reversal Intraday Continuation because the Micro trend is down and the Intraday trend was up at this moment

- Second trade was a Short Micro Continuation Intraday Continuation because the Micro is in a downtrend and so was the Intraday becasue we broke yesterdays lows and were red on the day

Third Trade was a Long Micro Reversal Intraday Reversal because again Micro is down and intraday is down as well so I am doing the opposite of both of those.

Why did my 3rd trade work and not the first 2?

In my first trade I really was looking for an opening drive, not a continuation. That is where I messed up. If I had taken that trade for a scalp it wouldve worked early on but instead I was too focused on the MACD on the 2m chart. I realized today that the MACD on the 2m is nothing but noise. I need to pay attention to the 4h 1h 30m and 5m MACD because those are the ones that truly give an idea of direction. The 2m moves so fast and MACD crosses all the time. Not worth it. I also need to pay attention to the 200sma because on the 4h we were right below that level and even though the 4h MACD was bullish at the time, we had a lot of room to go before getting above the 200sma.

In the second trade the 5m MACD was bullish and yes the 30m MACD was beraish but the 4h was bullish so going for a short here is just nothing more than chasing the lows. The $TICK was also not really giving those consistent values below -500 either so it was not really the time to go for continuatioon. We also have spending numbers tomorrow which are hugely important for inflation and the market was most likely going to lock in a range at some point since that information was coming out tomorrow and its arguably much more important than the GDP numbers. I think its also somewhat funny that my 2 losses were both trades htat lasted less than 10 minutes and my 1 win was about a 45 minute trade.

The third trade worked for many many reasons. Firstly, MACD 5m was bullish, 30m was massively extended to the downside on MACD so a pullup on the moving avg within macd was more than reasonable, the 4h was also bullish. Continuing, we swept yesterdays lows and immediately found liquidity there to push back higher, this is a perfect example of a bear trap. We sweep the lows from yesterday, push higher, wait for more shorts to pile in, grind up in anticipation of the spending numbers coming out tomorrow. It also worked because I placed the trade and set my stops without watching what the price action was doing. I go in at a somewhat high price and my target was very close to being hit then we flushed and I went back into the red. If I didnt trade this like a robot I wouldve surely stopped out on this trade too fast. I just waited and it finally hit. I did leave about 20 points of upside on the table but I think for now, let me just get my base hits and not be too focused on massive runners. Someday when my size is so massive that I can leave partials and it wont ruin my avg, ill do it. that is not today. I just checked and I actually left 35 points on the table. That is horrendous to think about ug. a $51 win couldve been $225 win had I held.