January 17th, 2022 (+$23) DRC

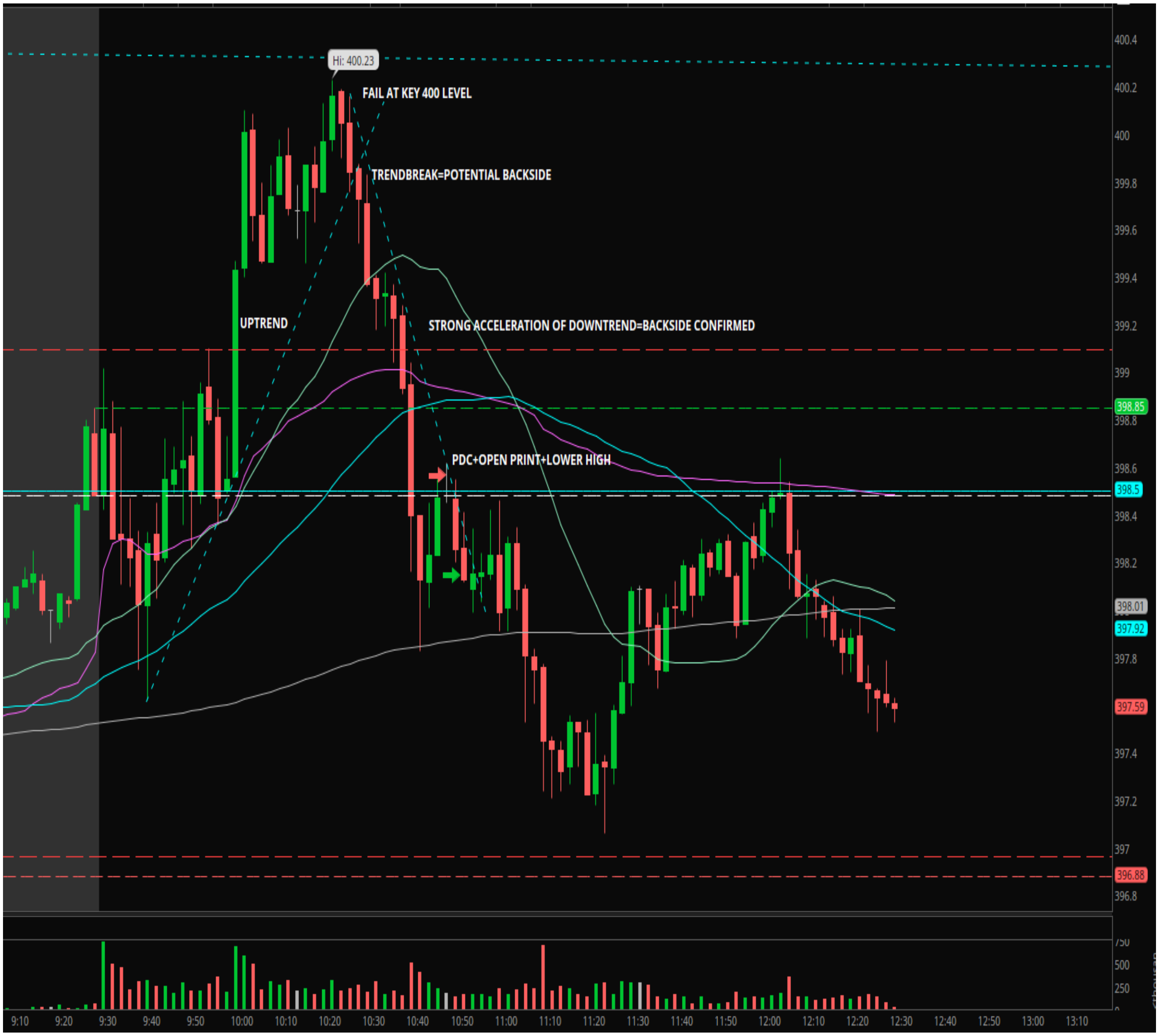
By disciplined_daytrader · January 17, 2023

TL;DR

On January 17, 2022, the author experienced a small green day in trading, noting missed opportunities due to feeling unwell. With significant market events approaching, the author reflected on trading strategies around key resistance levels, particularly at 400, and emphasized the importance of discipline and timing in trading decisions. Overall, the day was seen as a learning experience despite not capitalizing fully on potential trades.

Today I had a small green day but there was some good potential for me to make much more money although I did not capitalize correctly. Firstly, I was sick all day yesterday and woke up today feeling better but still pretty nauseous so I wanted to really take today slow and not push my luck so since that is the case, I dont feel too bad about missing out on some "decent" trades. Tomorrow we have PPI and Witching is on friday so there is strong incentive for the market to not continue in any direction so that the IV and theta can be eaten up by the MMs. For this reason I shouldve probably been more ready for the short right at 400 like I had previously planned. The only problem about this short is that you had to short the frontside and really just pray that it was going to drop. I think that in this scenario that wouldve actually been pretty okay to try ONLY if I wouldve either taken the L or the W and left immediately after. If I was just shorting at 400 and had no discipline and it shot up to 401 and I kept trying to short it then that would be a massive red day. I think this is a good lesson that if we are in Macro downtrend, Micro uptrend, and Intraday uptrend, pushing into MASSIVE resistance (has to be massive or this idea will never work), AND we have data coming out the very next day, then I can take a starter size on that huge resistance level and see if it is the beginning of a breakdown. There are 2 key reasons why today it worked and tomorrow it would not work. Firstly, PPI tomorrow so incentive for MMs to chop. Secondly, this 400 level is fucking insane resistance. We have the 200ma, weekly downtrend, 61.8% golden pocket fib retracement, overbought conditions across the board. This is what makes a level that we have at 400. If I was doing this at something like 410 or 390 then it most likely would not work.

1D:2M (Futures Trade) Trend Continuation



Macro Downtrend

Micro Uptrend

Intraday Uptrend, until the breakdown at 400 then we enter consolidation phase

- So we are in a pretty decent uptrend on the daily chart and heading into massive resistance. We broke the premarket high right before the open and that immediately made me realize that uptrend is most likely the intraday phase because higher high=higher lows. I did not take any of the trend continuation trades to the upside because I just did not want to long into the 400 level for the reasons stated in my intro. We had a super nice move off of PDC and Open price for a perfect squeeze right up to 400. We chopped around at 400 a few times and had that last fakeout high then HUGE reversal back to the downside. We crashed directly through the 25ma, VWAP, then 50ma. This is an indication that we have an extremely strong trend to the downside. Once we broke PDC and Open price I thought that it is now a decent time to take a trend continuation trade to the short side. I waited for the attempt at a lower high and then took my short risking about 1 point to make upwards of 5 points. I love these backside continuation trades because if you are patient with the lower highs you can really get a super high R trade even in a scenario where your win % is also very very high. Its a really nice position to be in. I took the short, covered for 4.5 points, and got in the sauna. I didnt want to push my luck today because I am sick but as you can see we did break down another 10 points past my cover order but I am not unhappy with the trade. Yes I couldve gotten in earlier, yes I couldve held longer, but I took the aggressive entry, waited for my R to play out, took the win and left. This is ideal on a day where you are not 100%. Combined with the fact that PPI is tomorrow makes SPY very likely to chop around and that means take profits faster. All in all, i think this is a decent little setup and trade.

FAQ

What was the author's trading performance on January 17, 2022?

The author had a small green day but acknowledged missing out on better trading opportunities due to feeling unwell.

What key resistance level did the author focus on?

The author focused on the 400 level, which was identified as a significant resistance point due to various technical indicators.

What market events were anticipated after January 17, 2022?

The author mentioned upcoming PPI data and Witching on Friday, which could influence market movements.

What trading strategy did the author suggest for high resistance levels?

The author suggested taking a starter size on massive resistance levels and being prepared to exit quickly if the trade does not go as planned.

How did the author feel about their trading decisions despite feeling sick?

The author felt satisfied with their trading decisions, taking a short position and securing a profit, even though they recognized potential for larger gains.