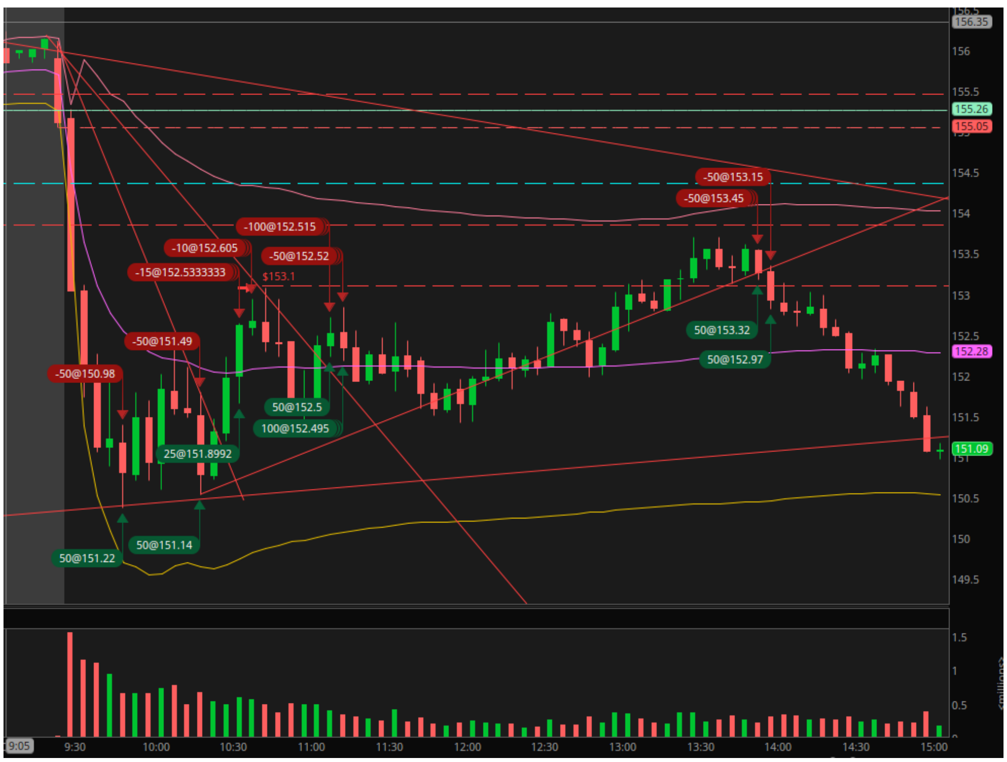
July 11th, 2022

By disciplined_daytrader · July 11, 2022

TL;DR

On July 11th, 2022, the author reflects on their trading performance, highlighting a successful long trade but lamenting missed opportunities due to not following their outlined setups. They emphasize the importance of recognizing and acting on known trading setups, while also discussing mistakes made and strategies for improvement moving forward.



Best Trade of the Day: 5 Minute trend break long with 25 shares

Worst Trade of the Day: Missed my setup that I clearly outline in my framework. I give myself some slack because the market has been rallying and lows have been getting bought but at the same time what is the point of studying what setups are and not taking them when they show up? This is a clear market open supply zone which gives 3 entries. Premarket low, VWAP push, Late day fail. I missed basically all 3 of them. Im fine with missing PM low because that trade sucks but the VWAP short wouldve been my daily goal. I also missed the late day fail that also wouldve given me my daily goal because i already was up almost 1$/share and that move gave about a dollar.

Mistakes:

1. Did not hold for my Target Price

2. Missed my setup multiple times

1. **Market Open Supply Zone**
   a. **Price Action**
      i. Flush right at market open
      ii. Breakdown through the premarket low within first 10 minutes
      iii. Zero buy support
   b. WARNING: NEVER SHORT PATTERN 2 OR 3 AFTER 2 OR MORE DAYS OF SUPPLY ZONES WORKING
   c. **How to Enter** (rank from **worst** r/r to **best** r/r)
      i. **1 Min Pull up(1)**: XXXXXXXXXXXXXXXX
         1. **Entry:** 1 Minute pull up near premarket low.
         2. **Risk**: 1R. Break above Premarket low.
            a. **Notes:** NEVER try it multiple times. It will work only once and you cannot chase more after
      ii. **VWAP(2):** Break of VWAP entry with flush down as exit. Risk breakout of previous candle high.
         1. **Entry:** Break of VWAP topping tail
         2. **Risk**: 1R Break above the previous high from vwap breakout
         3. **Exit:** Breakdown through vwap. No partial.
            a. **Notes:** NEVER try twice. Next time it tests it wont breakdown.
            b. WARNING: NEVER GO FOR THIS AFTER 10:30. Chances of pushing through VWAP increase significantly
      iii. **10:30-12:00 Mid Day Fail to Move Higher(3)**
         1. **Entry: 2 Options**
            a. Previous day close
            b. Premarket Low
         2. **Risk:** Break of Previous 5 minute Candle high
         3. **Exit**: at least 15 minute hold time. Partial at 1.75$/share. Rest trailing stop
            a. **Notes:** Again you only get one shot at this

- Confirmation is breakdown through PM low.
- Only 3 possible chances to take these trades

-These examples perfectly illustrate how today played out and for some reason I did not even take the trades that I lay out in that document. I need to be able to identify these setups when they show themselves. If I perfectly took both the Open SZ 2 and Open SZ 3 trades I wouldve made 2x my daily goal and would be 150$.

Solutions:

1. Always pay attention to setups that you know well. There is no point in studying if you miss the god damn thing hahah.

   a. **REVIEW** every single morning all of the potential scenarios and go through the setups you know so that if they occur you are prepared

2. **TRUST YOURSELF**: There is no point in trading if you dont trust your abilitiy to identify good setups. The Open SZ 3 was absolutely perfect. I am not used to taking this trade for long periods of time so I am not really angry I missed it but next time I see these setups perfectly being defined I really should be taking them with much better conviction.

Takeaways:

1. I was very unsure if the market was going to crash through lows or not because lows have been getting bought up in the last week but the problem is that since the lows would probably hold like they did last week, my setup was a perfect trade. Market Open Supply Zone 2 and 3 were absolutely perfect and I shouldve taken those trades with high conviction. At first i though that the lows breaking would be more likely than not but since the floor has been holding in the last week im not sure why i thought that. I was also scared of a bigger bounce than what happened because I thought liquidity would be grabbed lower but those big huge bounce days have such a low likelihood of happening when there is a big drop at open like this following a trend change on the 1 hour chart.

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-When looking for trades always be focused on the bigger time frame and understand when there is a big shift in power.

1. The purple line is a massive buying uptrend and once it was broken friday you can clearly see that the stock had a huge trouble trying to break lower AND trying to break higher. It flipped 2 times in 1 day and had massive reversals. This happens because the stock is testing buyers and sellers in the zone to see which ones have the bigger balls. Once you see a breakout like that and it failed to move higher with a big gap down on today followed by a market open supply zone i think it is somewhat safe to say that the sell pressure will be extremely strong and it is much safer than not to take the Market open supply zone (Open SZ) 2 and 3 trades.

Rules

1. **Always Stick to the Plan** -Failed

2. **Never take more than 3 trades going for the same Setup** -Success

3. **90% of Profit taken at 1.5$/share.** -

4. **Hold for the Target Price** -Fail

5. **Size up 10 Shares/Week** -Fail

Notes: My original plan had nothing to do with a Open SZ 2 or 3 trade so im not too pressed about how that went. I didnt hold for the target price one time on any of these trades. I was very scalp mindset driven because of my fear of liquidity being hunted at lower prices. I also was sized up to 50 shares for almost every trade except the 1 long trade where I made my biggest $/Share gain on the day. If I had my normal 50 shares in that trade I could've done better but at the same time I am very unsure recently if that is the right approach because I am still very unlikely to take and trust long trades so should I really be sizing the same on every single trade even though I know that some setups are much better than others? I have no clue but for now I will not be hard on myself for using 25 shares to take a little long scalp trade that worked better than expected. All in all I traded very well considering the idea that I am mostly not really tring to even focus on trading as much as I am focused on trying to follow my rules. I want to make a fool proof way to always be profitable even if its not that much. Tomorrow, instead of only focusing on making sure I follow my rules I need to also focus on making sure I see the setups that I study. If I can combine those 2 things and do that everyday then sizing up will be no problem and I must remember that sizing up is the **#1 GOAL** right now. I know how to trade, its time to trust myself.

FAQ

What was the best trade of the day?

The best trade of the day was a 5-minute trend break long with 25 shares.

What mistakes did the author make?

The author failed to hold for their target price and missed multiple setups they had previously outlined.

How did the author feel about missing their setups?

The author expressed frustration for missing setups that they had studied, acknowledging the need to trust their ability to identify good trades.

What solutions did the author propose for improvement?

The author suggested reviewing potential setups every morning and trusting their instincts when they recognize good trading opportunities.

What is the author's main goal moving forward?

The author's main goal is to combine following their trading rules with recognizing and acting on the setups they have studied.