November 10, 2022 (-$83.01) - The Bulls Are Back In This Bitch

By natemadden1994 · November 10, 2022

TL;DR

On November 10, 2022, the market experienced a significant uptick following a drop in inflation, with the SPY breaking above the crucial 390 level. Despite two trades resulting in a loss of $83.01, the overall sentiment remains bullish as traders anticipate a potential 50bps rate hike in December. The blog emphasizes the importance of waiting for trend confirmations before entering trades.

November 10, 2022 (2 Trades) (-$83.01)

Grade: C

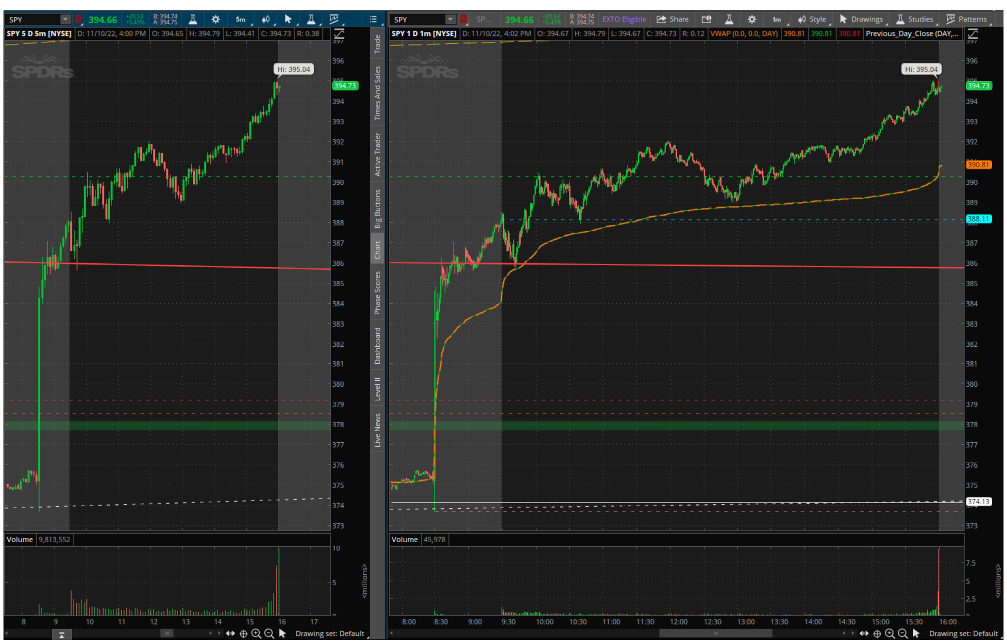
Total Winnings (Fees Included)	0.00	Total | Closed | Open*	2 | 2 | 0	Avg Position Amount	51.00
Total Losses (Fees Included)	-86.33	Total Winners	0 (0.00%)	Avg Position Cost	13,957.67
Net Profit (Fees Included)	-86.33	Total Losers	2 (100.00%)	Avg Win	0.00 (0.00%)
Profit Margin	0.00%	Total Scratches (Net P/L = 0)	0 (0.00%)	Avg Loss	-43.16 (-2.94%)
Commissions	2.60	Max Consecutive Winning	0	Avg Trade Duration	3 Mins 37 Secs
Reg Fees	0.72	Max Consecutive Losing	2	Avg Win Duration	-
Total Fees	3.32	Largest Winning Trade	0.00 (0.00%)	Avg Loss Duration	3 Mins 37 Secs
Gross Profit (Fees NOT Included)	-83.01	Largest Losing Trade	-50.66 (-5.76%)	Avg Scatch Duration	-
Avg Daily P&L	-86.33				

Day Summary: The bulls are back in this Bitch! At least for now. Today we had a huge jump in PM due to CPI showing a drop in inflation. This news came in to save the day as the market has already had a tough week due to elections and the whole FTX Binance situation. A lot of people went into this report bearish, as usual, which probably added to the grinding greend ay we had today. Either that or the fact that big money was waiting to buy into the market until after CPI and will now cotinue to drive the market up for the next days/weeks. I personally want to see inflation continuing its downtrend for another month or two before I really think the Fed will is likely to be comfortable with the amount they have raised rates. However, this is a step in the right direction and probably increases the likelyhood of a 50bps hike in December instead of 75.

1YR:1D - SPY

(Big breakout today driving us above 390 - this 390 level, recent high from last week, is quite significant and is the dashed green line on the chart below)

1D:5M - 1D:1M - SPY



Trades

<u>Trade #1</u> - Long 2 Call Contracts of SPY during consolidation after initial Opening Drive

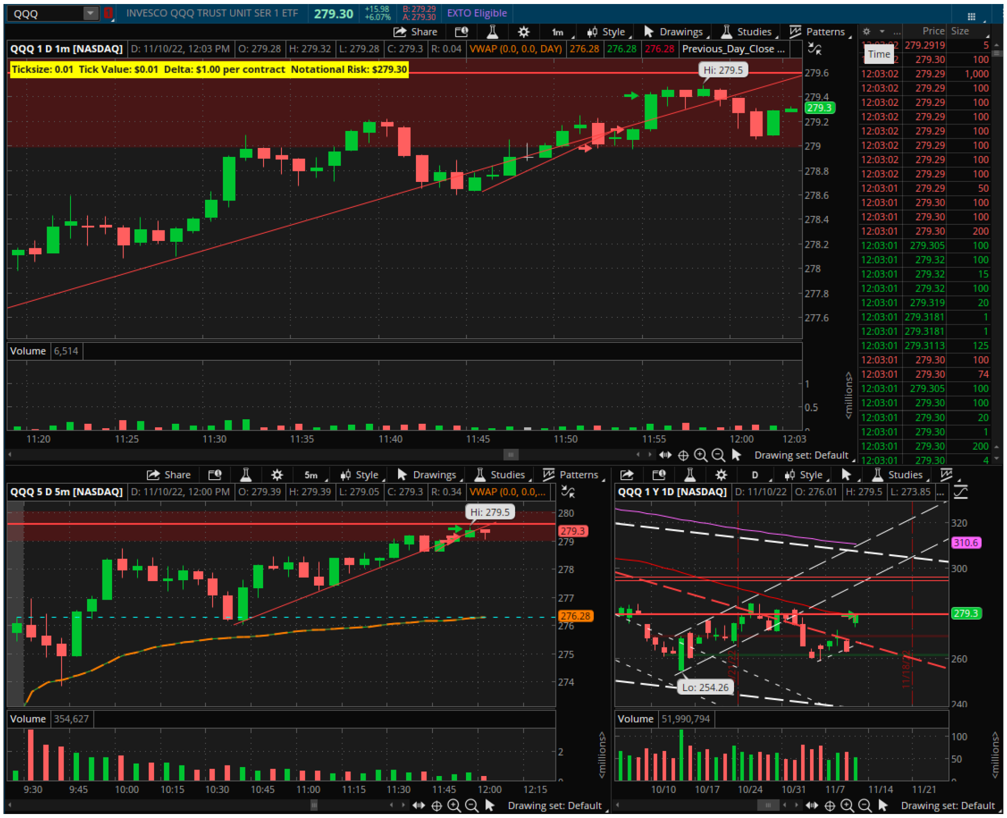
Grade: C-

- Not a good trade as I basically anticipated a bottom
- After such a bullish move (CPI) I figured the sideways consolidation would set up another uptrend and I was right, but minutes early to this trade and stopped out on the actual bottoming move
- I should have had the PM High as the level I was focused on for an entry, but as I saw selling slowing down I got anxious and entered the trade without a previous bottom
- So even though I was close, I was still on the wrong side of the V for this trade. I should always be waiting for a trend break, retest after a bottom to get an entry
- Right idea, wrong timing

FIX: Always wait for signs of a reversal before trying to buy the dip (previous bottom, trend break, retest) because that puts you on the side of big money (Right Side of the V)

<u>Trade #2</u> - Short 100 shares of QQQs (2 entried of 50 shares each) @ previous supply zone and almost at big resistance - the fact that I had to write 'almost' there already signifies that this was a dumbass trade

Grade: D



- First and foremost - **I SHOULD NOT BE SHORTING GRINDING GREEN** - We know this doesn't work. So stupid that Me, Colby and Gonz have done this so many times in 2022 and I still can't get it in my head
- I over risked on this trade and averaged down. I did not follow my plan because I initially planed to use 50 shares, marketed in on trend break (first arrow) then added 50 shares when it pulled back to retest trendline, and delayed cutting my loss
- Supply zones don't mean shit on grinding green days, especially after the most bullish news in months
- Avoid this trade at all costs. This was a waste of $35. Especially when I had already taken a loss on the day, I should have only allowed myself to take a high probability trade.
- The biggest error in this trade was simply lack of discipline. Trade #1 I can justify taking, but Trade #2 was giving money away

FIX: Follow your rules and experience which is to not short grinding green. Better to do the **Easy Money** trade of the day which is to take small share size long, widen stop and hold for multiple hours, moving stop up accordingly

Takeaways: When the bulls are out to play, after the most bullish news we've had in months, don't try to beat them, join them mfs for the ride. Overall I'm happy to see bullish moves in the market as my swing positions/long-term portfolio did great today, and I'm sick of this bear market. Tomorrow and next week will be interesting to see if we can hold 390

Easy Money: Long the dip to PM High or VWAP later in the day and hold for it to grind up 4$+/share

FAQ

What caused the market jump on November 10, 2022?

The market jumped due to the Consumer Price Index (CPI) showing a drop in inflation, which alleviated bearish sentiment.

What were the outcomes of the trades mentioned?

The first trade resulted in a loss due to premature entry, while the second trade was a poor decision to short during a bullish market, leading to further losses.

What is the significance of the 390 level for SPY?

The 390 level is a significant resistance point, and breaking above it indicates potential bullish momentum in the market.

What should traders do during bullish market conditions?

Traders should consider joining the bullish trend rather than trying to short the market, especially after positive news.

What is the recommended strategy for future trades?

The blog suggests waiting for signs of a trend reversal before entering trades and focusing on high-probability setups.