October 3rd, 2022 (+$50)

By disciplined_daytrader · October 3, 2022

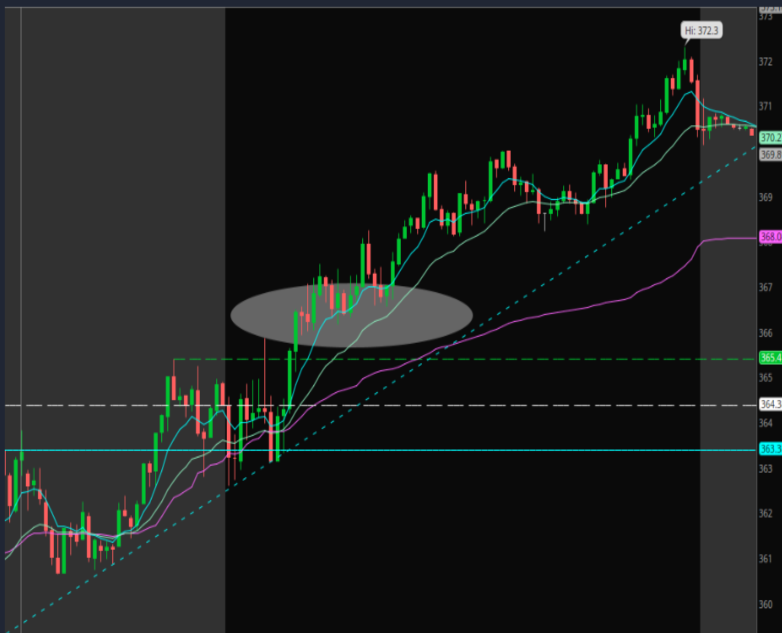
TL;DR

On October 3rd, 2022, the market experienced a 'Grinding Green Day,' characterized by heavy short covering without significant upward movement. This type of trading day often results in losses for traders, as evidenced by a reported $200 loss on a similar day the previous week. The post discusses the challenges and statistics associated with this trading phenomenon.

October 3rd, 2022

-Today was what we call a "Grinding Green Day." This is characterized by heavy short covering by large position holders so the market does not reverse, but it also does not have very good sustained green moves the same way that the red occurs. What does that mean? When we are red we usually are dropping huge volume very intensely and it happens very quick so the returns are very good. When we have a Grind Green Day the green moves are in frontside channels rather than massive green moves that happen on high volume very quickly. This is MY ARCH NEMESIS trading day. I have many stats that back up the fact that on these price action days I lose the most amount of money possible. For example, last week I lost $200 on this exact same day. Ill post last weeks price action and analysis right here below this intro:

How do I avoid days like this in the future?



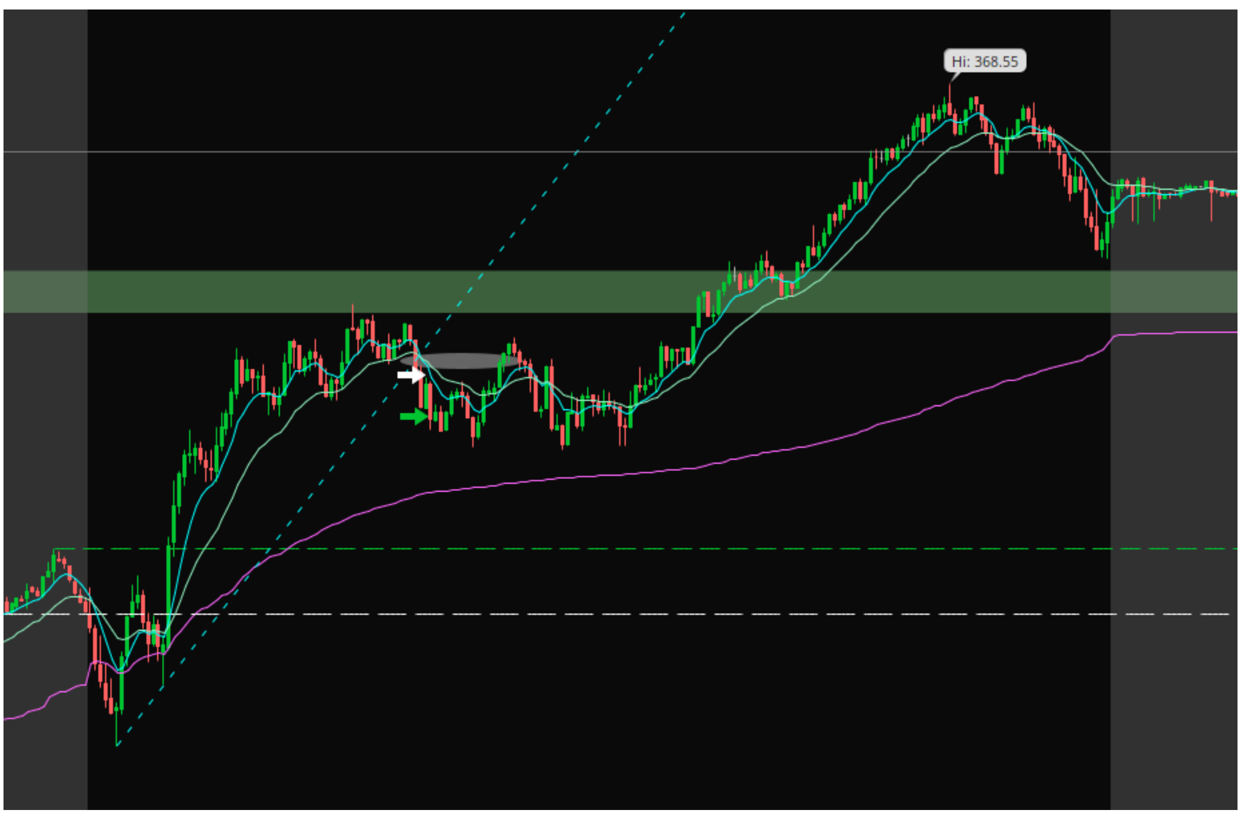
-Once we broke this daily high and started moving higher with good volume I really shouldve just realized that it was going to be a grinding day and I should walk away. We were up 2% on the morning moves and kept going higher and that was the sign that we were not going to break down. The VIX was dropping rapidly as well which was another sign. The HYG was also up massively on the day as long as TLT which again is another sign that we were gonna get some serious green moves. Too bad I didnt just accept the fact that this was going to be a hard day but then again I really dont know how I realize this on a day like this when we just have to many baitey moves like this every single day to the long side then it just fails epicly.

-This was the day I lost 200 on Grind Green Day price action. As you can see we have a lower trendline that is quite extended from the true price action.

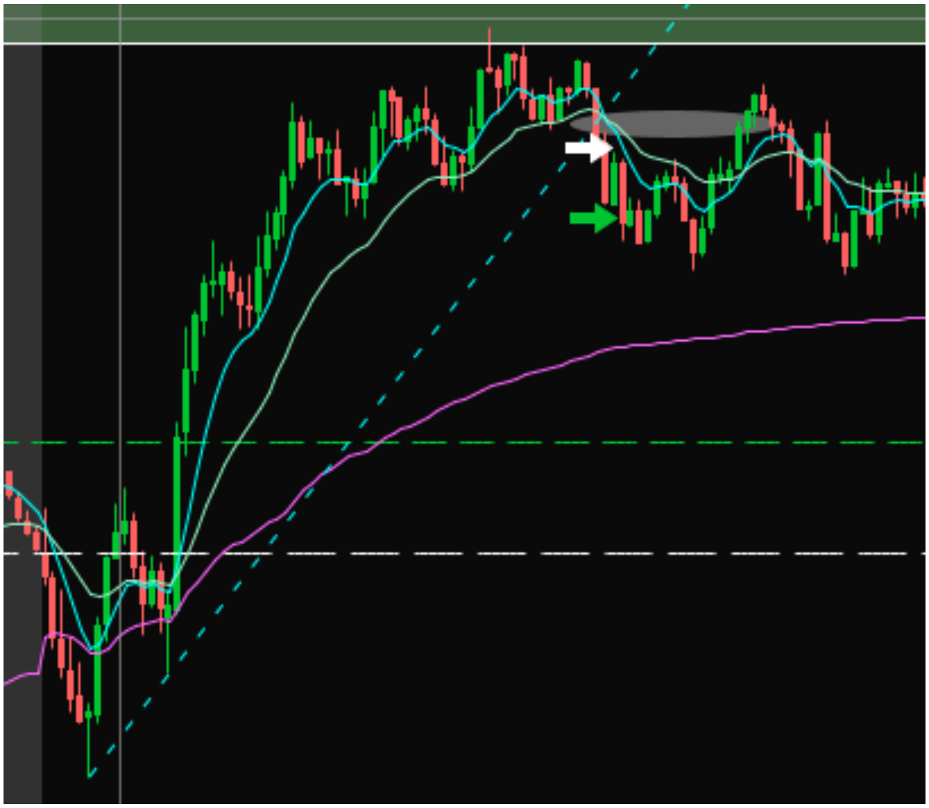
1yr:1d


Hi: 4808.25
4902.76
4800
4600
4400
4200
4000
3800
3694.25
3604.25
Lo: 3571.75
3400
2021 year
10/13
Dec
22
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct

1d:2m


Hi: 368.55

1st Trade: Trend Reversal Short



Easy Money Trades of the Day:

FAQ

What is a Grinding Green Day?

A Grinding Green Day is marked by heavy short covering by large position holders, leading to slow, sustained upward movement in the market rather than rapid gains.

Why do traders struggle on Grinding Green Days?

Traders often struggle on these days because the price action is less volatile, making it harder to capitalize on quick gains, which can lead to losses.

What was the author's experience on October 3rd, 2022?

The author described October 3rd as a challenging day, noting that they lost $200, similar to losses experienced on previous Grinding Green Days.

How does a Grinding Green Day compare to a typical red day?

Unlike red days, which feature rapid declines and high volume, Grinding Green Days have slower, more controlled upward movements without the same intensity.

What strategies does the author use for trading?

The author mentions using trend reversal shorts as a strategy, but notes that these can be particularly challenging on Grinding Green Days.