Weekly Review 13

By disciplined_daytrader · February 25, 2024

When looking at this week I noticed that VOLD ADD were both fakeout machines. This is a topic I bring up too often while not fully discovering how to do it but there is a serious connection between internal price action based on what is the primary driver of information within that 1 week period. For example, if we have a huge earnings catalyst such as NVDA (most important stock in the world right now as well as most important sector) then the market is HEAVILY watching that ticker more than anything else. On tuesday I thought FOMC was going to be the mover but nope it was NVDA which gave us a 100 point overnight move on the ES which is the largest ON move that I have personally ever seen. When NVDA is the real driver of the entire market then it totally makes sense that firstly ADD doesnt even matter and VOLD matters more than ADD but still not even close to how much Mag7 and Indices do. More specifically NVDA is in itself its own version of the mag7. Now this doesnt mean I am going to fully disregard my strategy but I do want to make sure that moving forward when we have big catalysts like NVDA that I am aware that the mag7 will have 10x more weight than it normally does in my strategy. This week will be the test of this thesis because we have GDP and income/ spending numbers coming out and usually they are decent little catalysts but in the same regard they dont usually move the market nearly as much as something as important as CPI or a rate hike. This week if I see trades and they are conflicting within VOLD and ADD (when I say conflicting I only mean, NO NHOD/NLOD over and over, but STILL in sync with overall mag7 and indices, then that is a scenario where I will still hold my position for a bigger gain. Dont get me wrong if VOLD ADD are both above OP and mag7 and indices are not then its still going to be a shit day, its just when VOLD ADD arent making NHOD/NLOD over and over that wont take me out of my trades. We will see how this week goes.