11/11/22 (+$3)

By suarezg@gmail.com · November 11, 2022

TL;DR

In this blog post, the author reflects on trading performance on 11/11/22, emphasizing the need for selectivity and improved winning percentages. The post discusses market trends, key resistance levels, and personal trading experiences, highlighting lessons learned about patience and optimal trade setups.

Grade: C

Goals: Be more selective and raise winning %

Reminders/Aphorisms:

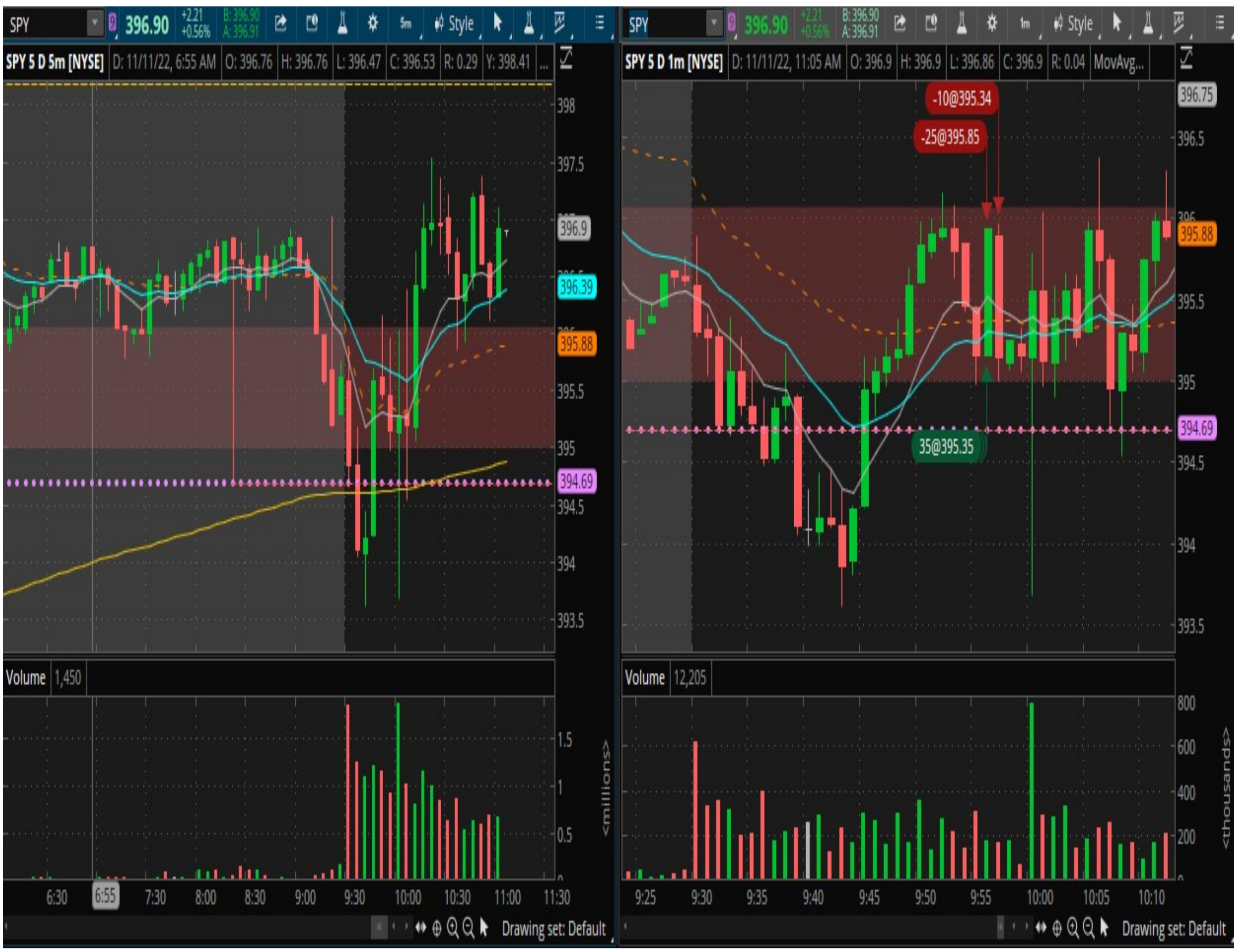
- Don't fight the trend;
- Be patient, take good set-ups
- Respect at least 2:1 R/R

Overview: Yesterday was a little uncontrolled for me and I overtraded because I was seeing big moves and felt FOMO I guess. The SPY had one of its biggest green days ever and ended up close to 20 pts higher than where we started before CPI. CPI numbers came back better than expected and the market tends to think the Feds will be loosening up on the rate increases (which I have a feeling they still aren't). As a result, we moved green all day. This also invalidated a lot of zones that we had previously drawn. On the daily chart we had a big gap up and broke the previous high at 390 without any problems. The 200 EMA on the daily is presently sitting at 401.62. I find it hard to believe that we continue to move up today without some sort of release but I can't go into the market thinking like that, as that's what got me red yesterday. Yesterday we blasted through a ton of zones, and played within the 388-390 zone for a while before moving up, although this zone really did not have that much traction and volume around it, potentially invalidating it. Our next zone up is the 395-396 zone I have drawn from 9/13. Above that we meet heavy resistance at 400 and the 200 EMA which are about lining up. Potential scenarios:

1) We move higher and test 400, at which time we reject and come down to the 395-396 level where we consolidate the rest of the day. The next level down wound be 388-390, and I do not see it dropping past that. If we move up past the 395-396 level with ease it may be a nice long up to 400, and then a good short opportunity at 400-401.

2) We could very easily sell off at open and retest 388-390. The next level down would be 384-385 but I'm not sure we drop that far. If anything I think we test 388-390 and consolidate around that area for a while. If we do move down at open, if I'm not able to catch the initial move I will look for an entry around 388-390 depending on price action at the time.

Trade Analysis:



- Trade 1 was a trend continuation long trade on the 1 minute chart. We had a big move up and then a move back down to VWAP, we broke down below VWAP but recovered quickly and were hovering around VWAP. I got 50c on the majority of my shares and then the rest at even because we rejected. This wasn't the best set-up so I took it with smaller size (35 shares). Looking back at it not sure if I should have taken that trade.
- Trade 2 was a trend continuation long trade onthe 5 minute chart. We had an extended sell off for the past 15 minute and we were finding support at VWAP. I got a bad fill on this but the trade was moving in my direction. I tried to set a stop loss at break even but it hit me for a small loss. Looking back I should have given this trade more room to work, risking VWAP. If I had done this then the trade would have worked in my favor.
- Trade 3 was a uptrend reversal short. We had made a higher low on the 5m chart and had a decent move down. We started consolidating and I was expecting the

move to continue further down to VWAP where I would have taken my profit. This bounced on me and moved higher for a loss.

- Trade 4 was the same trade as 3, we had a big spike on low volume and I repositioned into the move and took a loss on it.
- Trade 5 and 6 were downtrend continuation shorts that I was able to capitalize on 50c on. It was the move I was looking for trades 3-4 that finally happened. I got in on the first and 2nd pull-ups.
- NOTES: I think not many opportunities presented themselves today and I kind of forced the issue. My first trade was green so I took some liberties. I should have stopped trading after my first loss.

Lesson moving forward: Find the balance between getting in trades quickly/not hesitating, and being patient and taking only optimal trades.

FAQ

What were the main goals for trading on 11/11/22?

The main goals were to be more selective in trades and to raise the winning percentage.

What market conditions influenced trading decisions?

The SPY experienced a significant green day, driven by better-than-expected CPI numbers, which led to speculation about potential easing of rate increases by the Fed.

What trading strategies were discussed?

The author discussed trend continuation trades and emphasized the importance of respecting risk/reward ratios and waiting for optimal setups.

What were the key resistance levels mentioned?

Key resistance levels included 400 and the 200 EMA at 401.62, with potential consolidation zones around 395-396 and 388-390.

What lesson did the author learn from their trading experience?

The author learned to find a balance between entering trades quickly and being patient enough to wait for optimal trading opportunities.