9/22/22 (+$1)

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TL;DR

On 9/22/22, the author aimed to improve trading selectivity and increase winning percentages. After analyzing trades around the SPY's key demand zone, the author learned the importance of waiting for confirmation on a 5-minute chart to avoid premature entries and losses. The day concluded with a successful trade that erased previous losses, emphasizing the need for patience and proper risk/reward management.

9/22/22

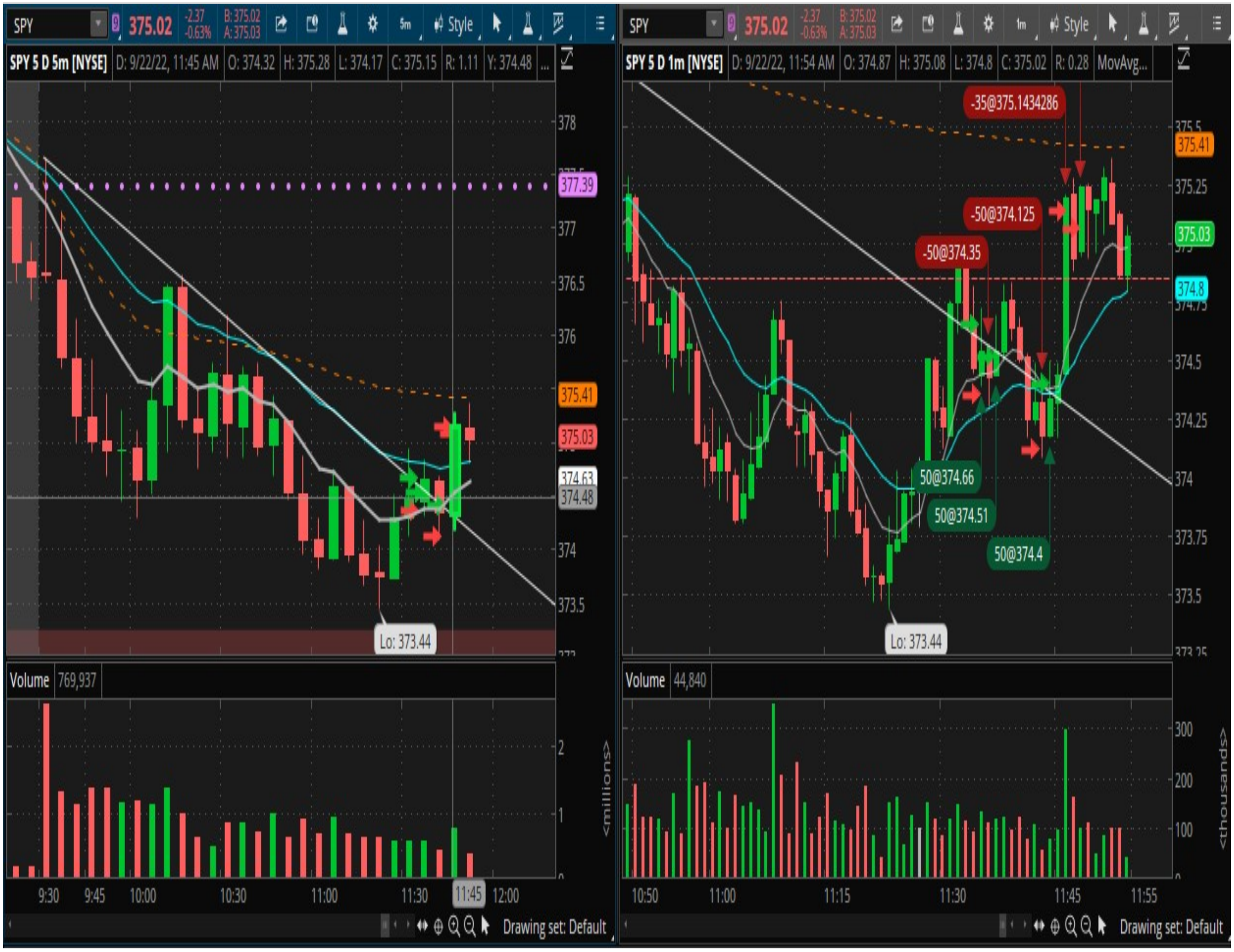
Grade: B-

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: Had my day job this morning so sat down at my computer around 11:20. When I sat down to browse the market I noticed we were approaching the key 373 demand zone on the SPY. I was looking for a bounce off this level and up to break the downtrend.



Trade Analysis:

- Trade 1 and Trade 2 werer nearly identical trades. Both were trades looking for support off the previous downtrend after the trend had been broken. Both of these entries were too early as I used the 1 minute chart to "confirm" the bounce. Furthermore, the 2nd trade I did not respect my R/R and took a larger loss than I was looking for (25/50c R/R).
- Trade 3 was the trade I was looking for. I'm happy that I had conviction in my thesis and tried the trade again, this time on confirmation on the 5 minute chart. As a result of respecting my R/R I was able to erase my 2 red trades with 1 green trade. This was a very clean trade and I don't know if I would change anything about it.
- NOTES: On days where I get to the market late I shouldn't be eager to take trades, if I see a perfect set-up I should take it, but don't jump in too early. If I had avoided

the 2 earlier trades and waited for the 5 minute confirmation I would have had a green day rather than a scratch day.

Lesson moving forward: Wait for 5 minute confirmation of a trend break before jumping in - the 1 minute often time will lead to fake outs and losers.

FAQ

What was the main goal for the trading day on 9/22/22?

The main goal was to be more selective in trades and raise the winning percentage.

What key level did the author observe in the SPY?

The author noticed the SPY approaching the key 373 demand zone, anticipating a bounce off this level.

What mistake did the author make in their first two trades?

The author entered both trades too early, relying on the 1-minute chart for confirmation instead of waiting for a more reliable signal.

How did the author correct their trading strategy?

The author waited for confirmation on the 5-minute chart for their third trade, which led to a successful outcome and helped erase previous losses.

What lesson did the author learn for future trading?

The author learned to wait for 5-minute confirmation of a trend break before entering trades to avoid fake outs and losses.