9/8/22 (-$35)

By suarezg@gmail.com · September 8, 2022

TL;DR

On September 8, 2022, the trading day ended in a loss of $35, marked by a failure to adhere to trading rules and an overreliance on a short bias. Key lessons include avoiding bias, not averaging up, and recognizing when to stop trading to mitigate losses.

9/8/22

Grade: F

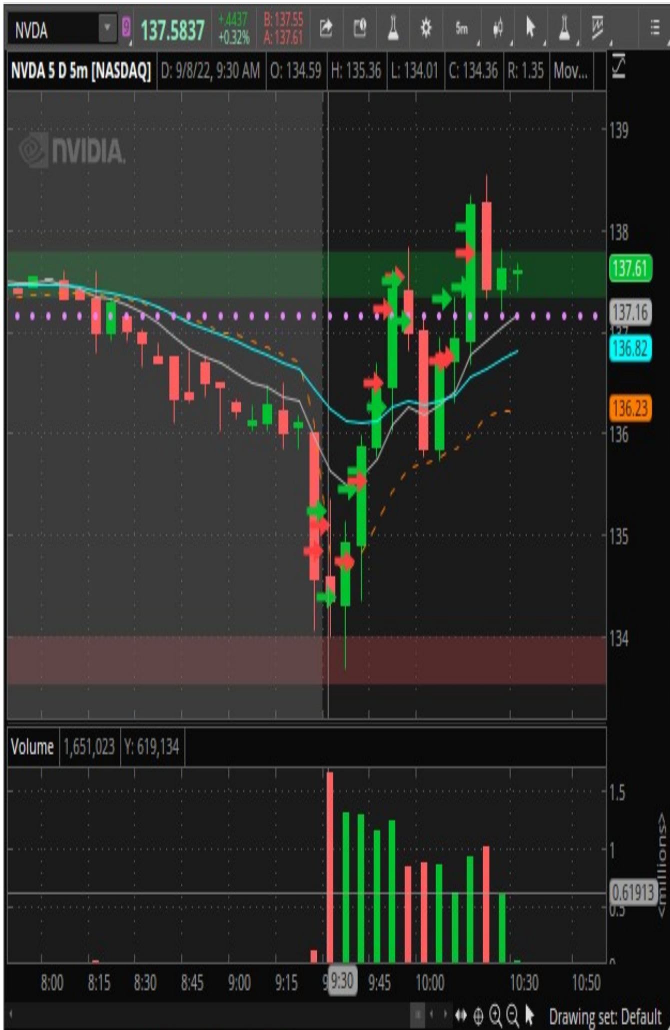
Goals: Be more selective and raise winning %

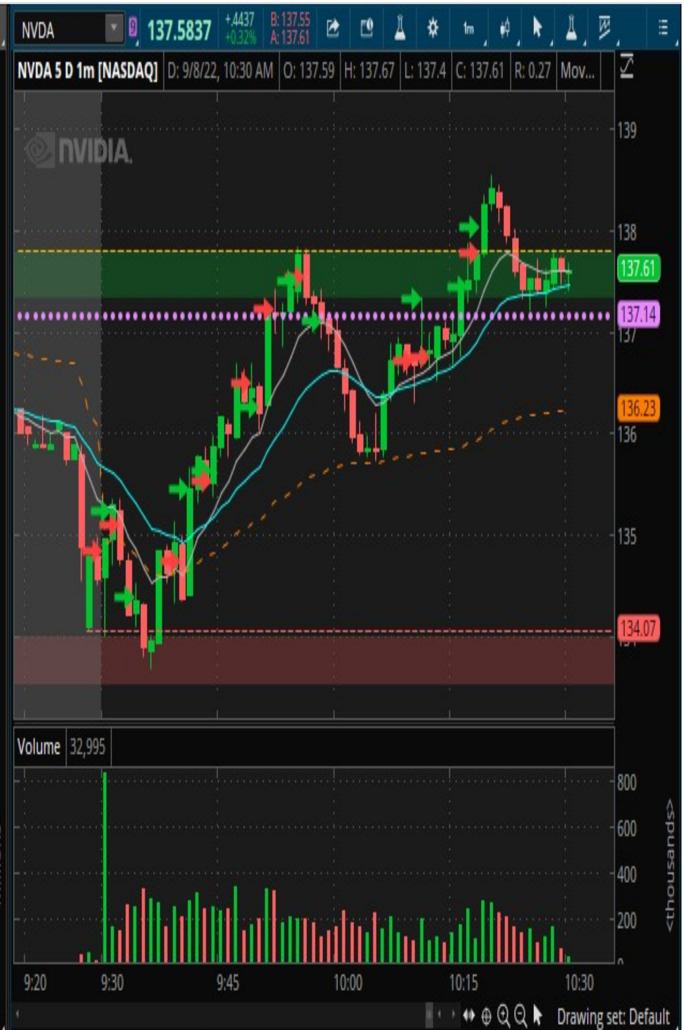
Reminders/Aphorisms:

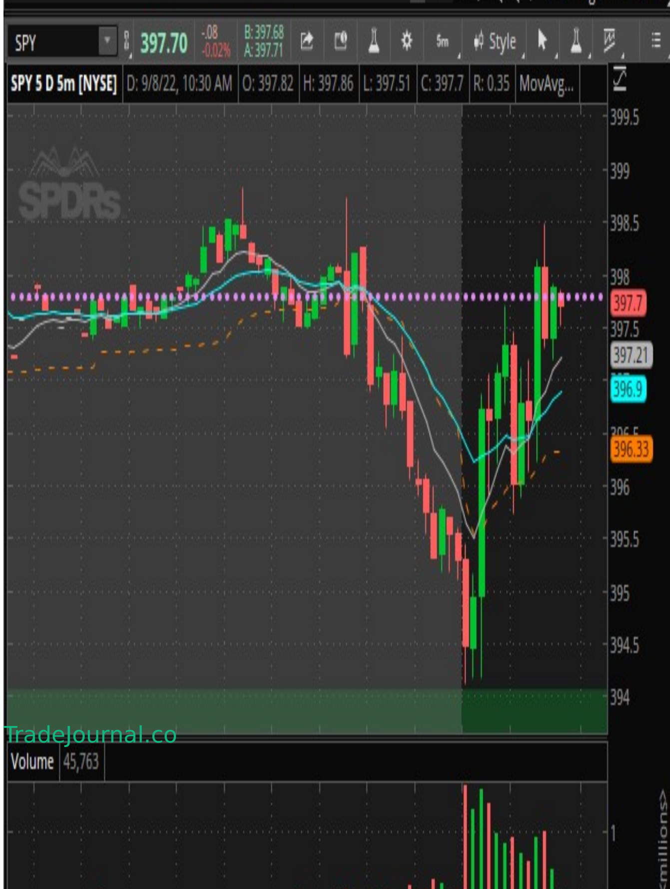
- Don't fight the trend;
- Be patient, take good set-ups
- Respect at least 2:1 R/R

Overview: Work still being done in the house but less intrusive so more comfortable to trade. The SPY/QQQ are still in the macro downtrend but we had a decent green day yesterday but on lower volume than the prior days. I believe we could see a short move up to test 400 and a rejection back down to lows of 388, with a potential support level around 394. In regards to the QQQ it appears to have topped out around 300 a significant level. If we move up we could see 305 before we see a supply zone, or if we keep moving down we could see resistance around 293. NVDA had reached a supply zone around 138 and appears to be moving down where we will need to break through 134 for a major move towards a new low. Also to keep in mind is JPowell is speaking today at 9:10.

Trade Analysis:


NVDA
137.5837
NVDA 5 D 5m [NASDAQ] D: 9/8/22, 9:30 AM O: 134.59 H: 135.36 L: 134.01 C: 134.36 R: 1.35
Volume 1,651,023 Y: 619,134
Drawing set: Default


NVDA
137.5837
NVDA 5 D 1m [NASDAQ] D: 9/8/22, 10:30 AM O: 137.59 H: 137.67 L: 137.4 C: 137.61 R: 0.27
Volume 32,995
Drawing set: Default


SPY
397.70
SPY 5 D 5m [NYSE] D: 9/8/22, 10:30 AM O: 397.82 H: 397.86 L: 397.51 C: 397.7 R: 0.35
Volume 45,763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- Today was a disaster. I broke too many rules and I traded way too times. I went into the day with a short biased and it crushed me. I want to have a plan going into the day but I need to not have a bias and adjust to the charts and what is in front of me. I realized that I was trading to prove my thesis right at one point and guessing at a reversal but I did not stop trading and paid the price.
- NVDA went down at open and perfectly bounced off premarket low and a demand zone making a strong trend upwards. I should have taken the long move at that rejection for a trend trade but I was short biased.
- Trade 1 was at open and way too early, The SPY/QQQ looked like they were moving down so I shorted NVDA looking for the same move. I should have waited for it to bounce off of VWAP or the 9 EMA instead of just getting in on the first candle on a whim. However, this trade I respected by R/R and it wasn't a huge loser.
- Trade 2 was the trade I should have taken originally. I re-entered the first trade after a rejection of the 9 EMA and VWAP - I took my profit at around $1, would have risked the 20 EMA which was around 50 c. This was a great trade.
- Trade 3 - this is where things went really bad - I took a trade looking for a short move back down through VWAP and down through the premarket low/demand zone because the previous green candles had less volume. I was wrong and the candle shot up almost instantly causing me not to respect my R/R of 2:1 and taking a $1 loser. At this point I should have stopped trading as I was put on tilt that it moved so quickly and in the opposite direction. I would have had a management red day at that point. From here on out - I was revenge trading trying to prove my thesis that we were going to have a short day right.
- Trade 4 and 5 were quick scalp trades again shorting for no reason - these trades should have never been made.
- Trade 6 I was looking for a rejection of previous day close and the supply zone I had mentioned previously. I was looking for a 50c scalp on this but it never quite reached it and then I took a loser on it.
- Trade 7 I was looking for a trend trade rejection of premarket - overall this wasn't a bad trade however I closed the trade for like 50c at the time because I was scared of the bounce on previous day close. It continued to move another $1 without me. This was not a bad trade but I closed it too early.
- Trade 8 was a bad trade which was a little FOMO. I just got back from stepping out and saw that my prior trade would have ran. I was looking for continuation of the trend down. Looking back on it, the bounce on VWAP on the 5 minute had more

volume than the prior bars which should have indicated a stronger move up. Again I should not have taken this trade
- Trade 9 was an abject failure. I even averaged up on this trade which I should NEVER do. Again predicting a move down.

Lesson moving forward: 1) Do not have a bias going into the day. If my original plan is wrong then go with what the charts are offering; 2) DO NOT AVERAGE UP ASSHOLE; 3) When I realize I'm revenge trading stop trading and take the red day medicine.

FAQ

What was the main issue with the trades on 9/8/22?

The main issue was breaking too many trading rules and having a short bias that led to poor decision-making.

What are the key lessons learned from this trading day?

Key lessons include not having a bias going into the day, avoiding averaging up, and recognizing when to stop trading to prevent revenge trading.

What was the performance of NVDA during the trading day?

NVDA initially dropped but then bounced off a demand zone, indicating a missed opportunity for a long trade.

What is the importance of respecting risk/reward ratios?

Respecting risk/reward ratios helps manage losses and ensures that trades are based on sound strategy rather than emotion.

How did external factors, like JPowell's speech, impact trading decisions?

JPowell's speech was a significant event that traders needed to consider, as it could influence market movements and sentiment.