August 19th, 2022 (-$7)

By disciplined_daytrader · August 19, 2022

> **TL;DR**
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> On August 19th, 2022, the author reflects on their trading decisions involving call options on the SPY, acknowledging mistakes made by not following market trends. They emphasize the importance of adjusting trade sizes and focusing on realistic profit targets to improve future performance.

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7 Trades. All Call options on the SPY. below is 1m options charts with 1m SPY chart and 5m at bottom.

Mistakes: Well to start it off im not really sure why I am even going long in this current environment. The micro uptrend broke on thursday and friday was the clear move to the downside day and if I just went short on the tops I couldve cleaned up and made way more money than going long. I always say follow the trend or at least identify if we are in a balanced or a trending market. whichever the answer is you should go with it. If we are in a balanced market you take bottoms and tops going AGAINST the trend because you expect reversion to the mean. When we are in a trending market you follow the trend on big pullback that seem to be stuck and not able to move against trend. I shouldve just went short but I also was biased in long direction because I keep watching these youtube videos of people who are way smarter than me who say all of these contrarian things such as "retail is buying puts still and its really hard to short when retail is buying puts" well???? why the fuck is this shooting to the downside on a triple witching day? I really need to find a balance between listening to other traders and really just telling all of them to fuck off because they influence me heavily still. Maybe that is just a personal confidence thing but god damn its sad to be late into the day and be going for something solely because someone said that rather than me just coming up with my own plan. Really annoying actually. Either way I take 2 longs and they both break lows and i re-enter and they break lows and i re-enter and they break lows then on the very last move I enter and I know this isnt reversing on the day but I know we usually get that last break down then at least a push towards vwap. I took that move then added another contract to have about 90 shares of exposure on the SPY. I took profits after being up about 50 cents then took the rest around 75 cents and made back all my losses although I was still red on the day only because of fees.

Solutions: SIZE UP. I need to stop sizing down or staying stagnant with my sizing because I end up going for impossible trades. The SPY is very hard to trade and if I get a 50 cent move that is very good. My new target is 50% posiiton at 50 cents and assess scenario to see where I want to sell the second half of position. 2 total contract every time I want to trade now because I should not be using such a tiny size, makes me way too greedy. I see so many traders who make huge gains on trades that I make every single day and they make those gains taking profit at 1/8 of the move where I would be taking profits.I think if I wouldve just taken my profits multiple times this week rather than going for impossible shit I wouldve had an awesome week. My entries were so good but my exits were so fucking awful all week.

Takeaways of the week: I am getting rid of my old habits of anticipating entries and taking bottoms just because they are bottoms or taking tops just because they are tops. I have completely gotten rid of that reckless trading and I think since I am doing that I can definitely size up a little just because since I have fixed that I have now a new problem of expecting massive moves where I can hold for like a full 1% win on the FUCKING SPY. That is unrealistic and just plain stupid. Take ur tiny piece and fuck off. I dont need a 2 point move. I need a 1 point move avg per day with about 80-100 shares of exposure to avg 100$/day. I can easily do that and it is my plan and goal for next week.

FAQ

What mistakes did the author make in their trading?

The author recognized that they went long in a downtrending market instead of shorting, influenced by external opinions rather than their own analysis.

What is the author's new trading strategy?

The author plans to size up their trades, aiming for 50% position sizes and realistic profit targets of 50 cents per trade.

How does the author plan to improve their trading performance?

They intend to stop anticipating market reversals and instead focus on taking smaller, more consistent profits.

What is the author's goal for daily trading?

The author aims to achieve an average of $100 per day by targeting smaller moves with increased exposure.

What lesson did the author learn from their trading experience?

The author learned the importance of following market trends and avoiding reckless trading based on external influences.