February 10th, 2023 (-$28) DRC

By disciplined_daytrader · February 11, 2023

TL;DR

On February 10th, 2023, the author experienced significant losses in futures trading despite having a solid plan. In contrast, their options trading yielded a profit due to a more disciplined approach. The post highlights the stark differences in performance between the two trading accounts and emphasizes the importance of managing trades effectively.

This is such a shitty day of executions. I had a great plan but trading that plan did not work at all.

1d:2m

- We are coming off of a massive downtrending day where we dropped about 2.5% from the top to the bottom of the day. Overnight we gapped down again and at the open we had a clean setup for a gap fill fail. The PDC is the blue line and we were going to attempt to fill that gap and probably move lower. I missed the first short of the day which was caused mostly by a data drop. Once the data was digested we spiked back up higher and broke above the PDC giving the SPY an attempted green day. At this moment though we were hitting the zero points on the advance decline line which meant that Yes the SPY broke above PDC but the majority of NYSE stocks are just now hitting their PDC as well. I knew this would probably create some serious sellside momentum since not only is the SPY breaking above PDC but so are all the other 2000 NYSE stocks.

1d:2m Futures Trades

- This is the worst trading I have ever done in futures. I had the perfect plan but somehow I ended up losing $90 trading the plan that I was correct on. this is the definition of overmanagement of a trade. I got in 4 times for that first drop and I missed the entire trade and went from +$10 to -$35. Instead of making the 10 points that I shouldve made I ended up losing about 7. Obviously this can be fixed by me only getting in at a place where I can risk the high and its not going to blow up my account. this means I need very good entries and very clean places to risk. Once I have that then I must set my stops and let the trade go. If I mess that up then so be it but Id rather lose 35$ one time and just be plain wrong than lose 35$ over the course of 4 trades and be right about the thesis. I shouldve just gotten in on the spikes higher and risked the high of the previous candle but for some reason I ended up chasing the move lower and getting shaken out 3 times back to back. Once we pulled back up i did much better and actually risked the previous high but again I ended up losing 4 points on the first trade, 3 on the second and 3 on the third to add up to another $55 in losses. the first trade I stopped out nicely but then I immediately entered right back in and had the worst entry and I held for this massive spike higher and stopped out at the top before the red candle wouldve put meback in the green. Then I do it again and chase the red candle lower and stop out at the legitimate (to the penny) top right before we end up dropping 25 points. So I had 8 trades, 7 were losers, and all of them were technically correct in the thesis of "this will make lower highs and lower lows." Now lets compare this to my options trade.

1d:2m Options

-So this options trade was the exact same place and thesis as my futures trades. I thought that we were going to fail the PDC and move lower. The only difference about this trade and the futures trade is the fact that I got in, set my stops, let them ride, sold at my target, and that was it. I didnt overmanage the trade by getting in and out 15 times. I didnt make the thesis too complicated like "stop out at the last candles high" instead I made it, "stop out at the HOD" I just let the trade go and didnt try to maximize anything. In this trade I had zero stress, zero management other than getting in and setting stops, and I made $57. It took my 1 good trade to delete 6ish bad futures trades.

Now imagine if I was able to do this with my futures account as well. I dont really see the reason to take the same trade in 2 instruments at the same time unless you thought we were going to trend the entire session so its probbaly easier to just size up in 1 account and only take the trade there instead of trying to do it 2 times in 2 accounts but nonetheless its hilarious how in my webull account I am just chillin and not caring and making $550 since january in that account and then in my futures acccount that I am extremely critical of and very analytical on is the account where I am down over $250 this year.

Options Account Stats

Total Winnings (Fees Included)	1,236.00	Total | Closed | Open*	88 | 88 | 0	Avg Position Amount	1.05
Total Losses (Fees Included)	-631.00	Total Winners	41 (46.59%)	Avg Position Cost	2.80
Net Profit (Fees Included)	605.00	Total Losers	46 (52.27%)	Avg Win	30.15 (12.55%)
Profit Margin	48.95%	Total Scratches (Net P/L = 0)	1 (1.14%)	Avg Loss	-13.72 (-5.99%)
Commissions	0.00	Max Consecutive Winning	5	Avg Trade Duration	48 Mins 5 Secs
Reg Fees	0.00	Max Consecutive Losing	6	Avg Win Duration	46 Mins 17 Secs
Total Fees	0.00	Largest Winning Trade	125.00 (52.38%)	Avg Loss Duration	50 Mins 37 Secs
Gross Profit (Fees NOT Included)	605.00	Largest Losing Trade	-27.00 (-23.86%)	Avg Scatch Duration	5 Mins 59 Secs
Avg Daily P&L	15.13				

- It is mind blowing to me that I have almost a 3R with almost a 50% win rate in options with my biggest win being about 4.5x my biggest loser. My average trade in this account is 48 minutes long with my position size being only an average of $280. That is a %216 return since I started this account. Absolutely insane.

Futures Account Stats

Total Winnings (Fees Included)	528.25	Total | Closed | Open*	140 | 140 | 0	Avg Position Amount	1.04
Total Losses (Fees Included)	-854.25	Total Winners	48 (34.29%)	Avg Position Cost	4,173.52
Net Profit (Fees Included)	-326.00	Total Losers	92 (65.71%)	Avg Win	11.01 (0.10%)
Profit Margin	-61.71%	Total Scratches (Net P/L = 0)	0 (0.00%)	Avg Loss	-9.29 (-0.06%)
Commissions	74.50	Max Consecutive Winning	5	Avg Trade Duration	2 Mins 56 Secs
Reg Fees	0.00	Max Consecutive Losing	11	Avg Win Duration	3 Mins 16 Secs
Total Fees	74.50	Largest Winning Trade	48.25 (0.41%)	Avg Loss Duration	2 Mins 45 Secs
Gross Profit (Fees NOT Included)	-251.50	Largest Losing Trade	-51.50 (-0.26%)	Avg Scatch Duration	-
Avg Daily P&L	-8.15				

-Now my futures account is a whole different story. I have managed to lose $326 with a less than %35 win rate and about a 1R. My biggest win is smaller than my biggest loser and I only hold trades for an average of 3 minutes. Something is clearly wrong here. I am trading way too scalpy and just not smart.

Options Calendar View

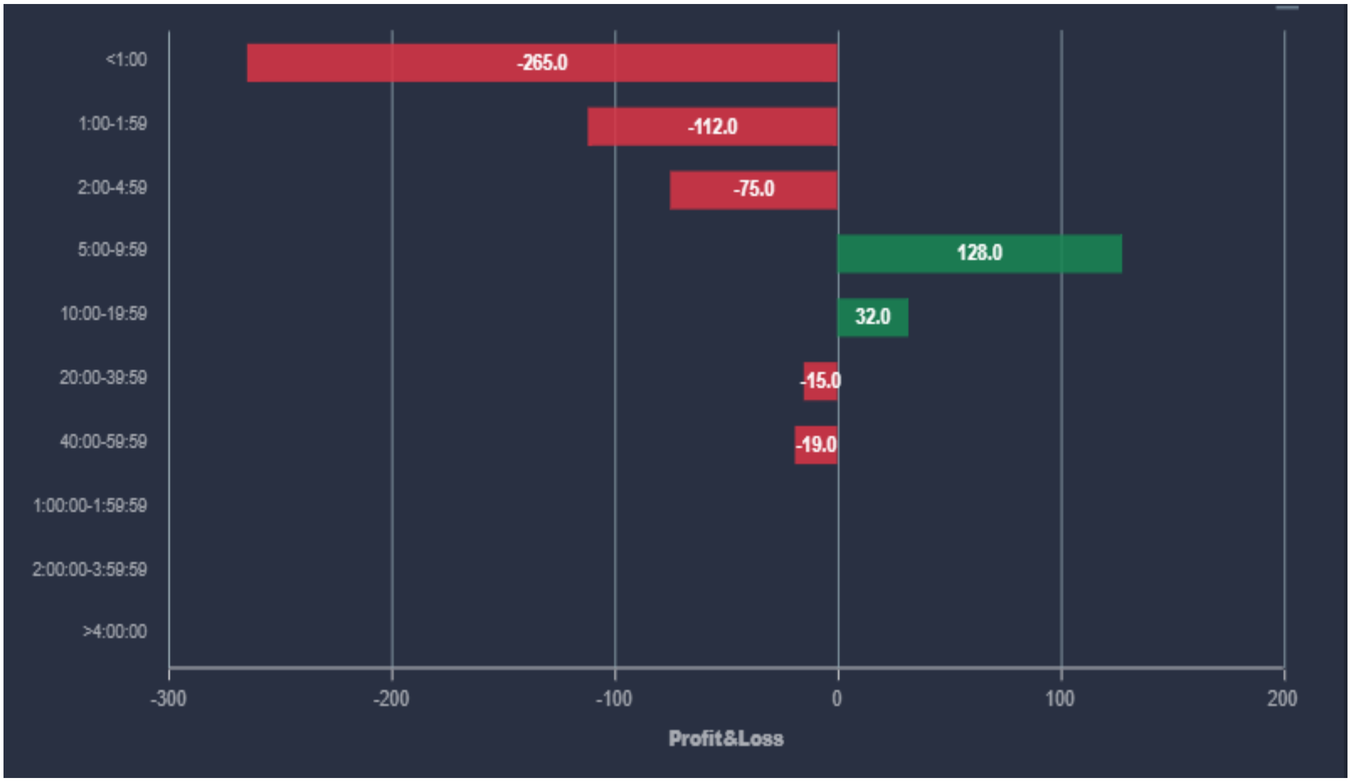
- I am not exactly sure why I only trade this options account very rarely but this is a pretty awesome chart where you can see im really only taking good trades and only giving myself one chance per day to be right or wrong. Not overtrading more than 4 times and losing more than $50.

Futures Calendar View

-Again another whole different story. If you look at january its actually prety clean trading (some of the january values are wrong because TJ didnt update them yet but on the 4th of January I lost $100 throughout 10 trades but it only says $20. Once I lost that many times in january I did a good job at the remainder of the month to only trade if I was in a groove and to stop trading once I hit 2 back to back losses. This is to simply cauterize the cut and wait until tomorrow. Now in february its a whole different story yet again. Here I already have 3 days where I technically went above max loss and took way too many trades. Again I need to remember this rule and just because I make money in another account doesnt mean I can lose it in my futures account. 3 back to back losses im done for the day no matter the scenario. Never lose more than $50 in those 3 attempts.

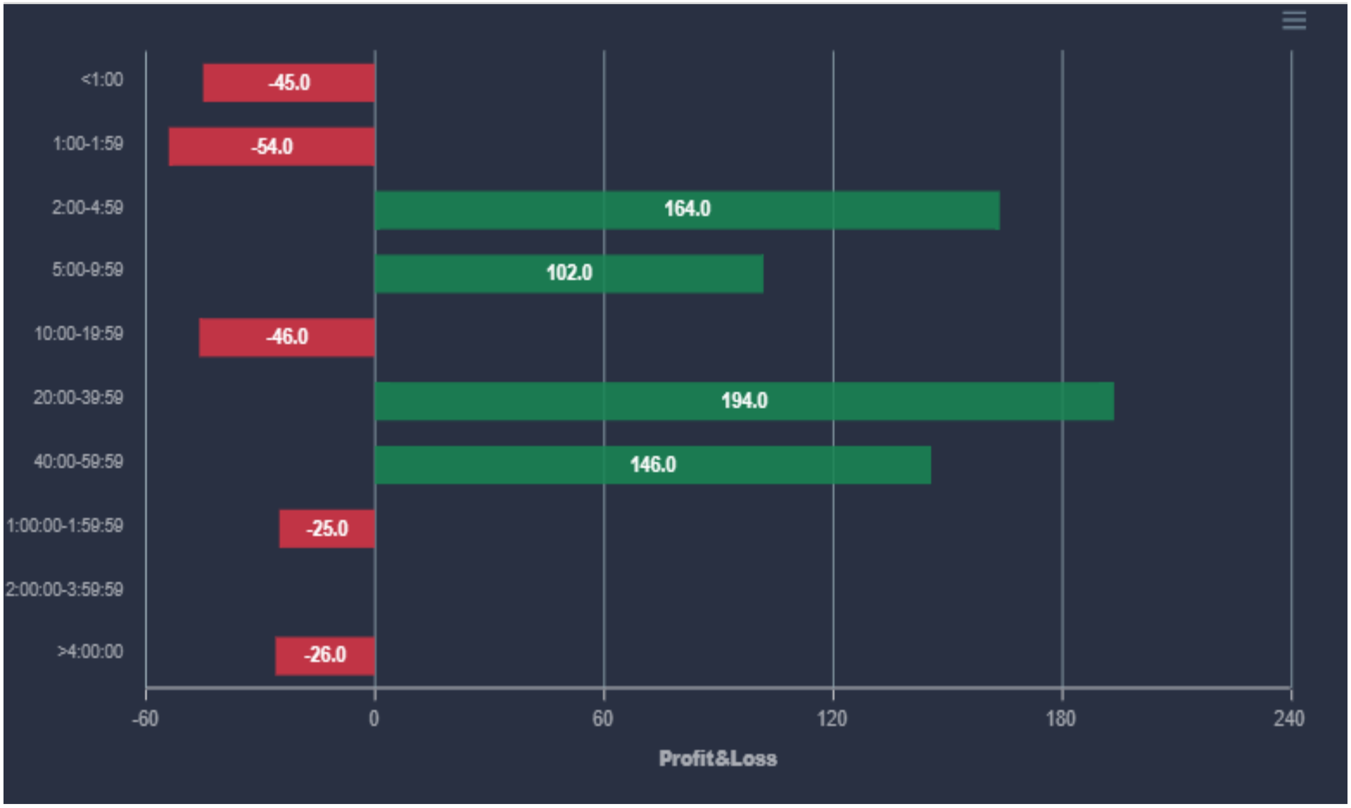
Only take trades that are planned with clear risk and clear reward. Hold for the risk or the reward and let it go.

Futures Trade Duration Stats



- This is very interesting. I am red on any trade that is less than 5 minutes long and I have an average trade length of only around 4 minutes. That makes perfect sense. I need to not be taking these scalpy trades and instead go for those clear holds and structural trading.

Options Trade Duration Stats



- Another interesting point here. I dont have as much data because I dont trade as often in this account but its very interesting that my biggest wins are still at the very least 2 minutes but even better when it gets to around 20 minutes of hold time. I need to really hone in on this skill and let my trades go once I enter.

Takeaways:

I need to start trading in my futures account the same way I trade in my options account. If I can do this then I can eventually make way more money in futures than I do with options since I will have the ability to scale and have much better liquidity. by the end of the year I want to be trading 1 ES contract which would mean that $500 day would be a "good day" and $250 would be average. I think that is surely possible but if I am spending all the money I make in my options account because I am futures trading and giving it all away then there is no way in hell that that can happen.

I need to have certain criteria for a good trade.

I need to have a clear risk area and a clear reward although this can change significantly while in a trade.

I need to set my stops once I enter the trade and let them go for either target or profit and nothing inbetween.

I need to stop trading after I take 3 losses

I need to not take a second trade for at least 30 minutes if the first trade was a loss.

#1 Always need criteria

#2 Risk or Reward ONLY

#3 Set Stops. No Overmanagement

#4 30 Minute Break After 1st Loss

#5 3 Losses back to back = done

#6 Never lose more than $50 and NEVER lose money made in other accounts intraday

FAQ

What happened on February 10th, 2023?

The author faced considerable losses in futures trading while successfully executing an options trade.

Why did the author lose money in futures trading?

The author lost money due to overmanagement of trades and poor entry points, despite having a correct market thesis.

What was the outcome of the options trade?

The options trade was successful, resulting in a profit of $57 due to a disciplined approach and effective stop management.

How does the author's options account compare to the futures account?

The options account shows a nearly 50% win rate and a 3R return, while the futures account has a less than 35% win rate and a 1R return.

What lesson did the author learn from this trading experience?

The author learned the importance of not overmanaging trades and sticking to a clear trading plan to avoid unnecessary losses.