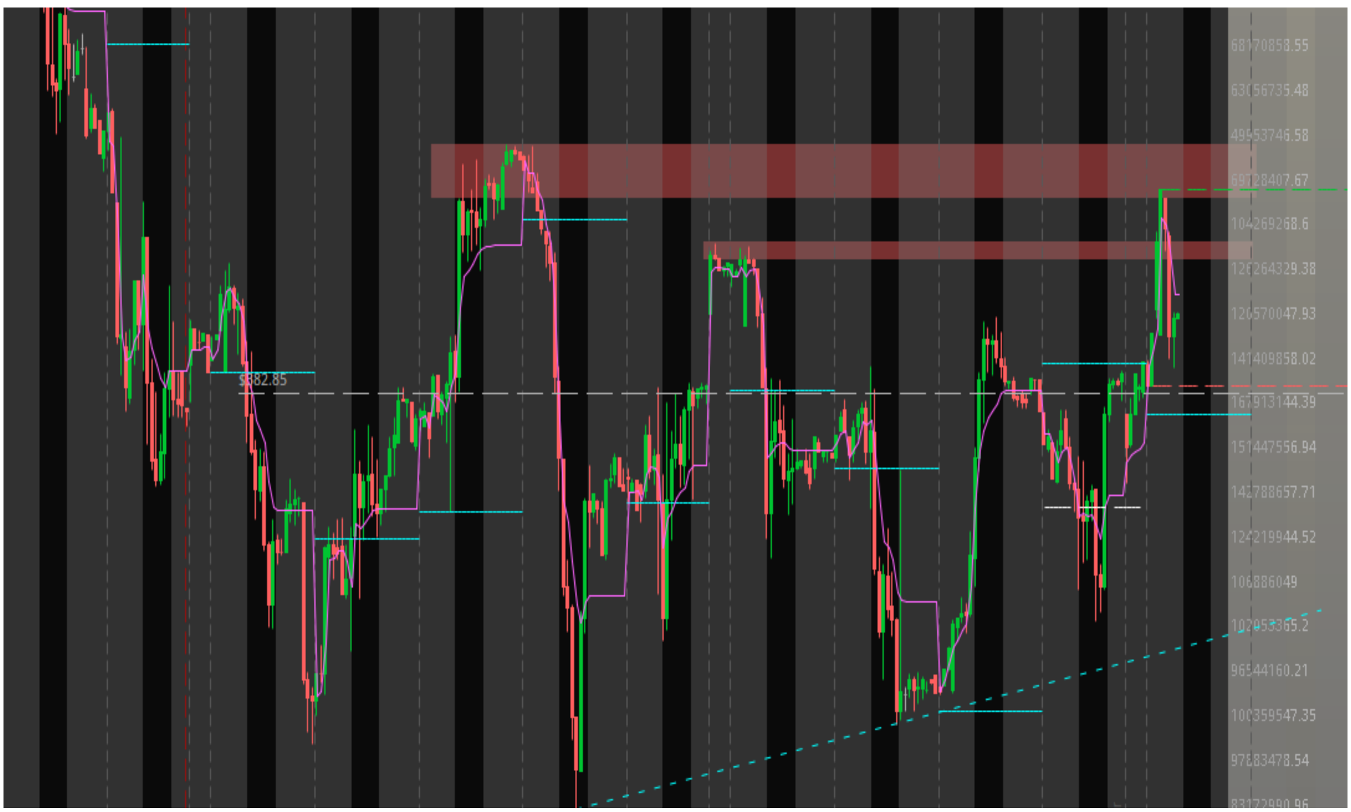
January 3rd, 2022 Premarket Plan

By disciplined_daytrader · January 3, 2023

TL;DR

The January 3rd, 2022 Premarket Plan outlines the current market downtrend and consolidation phase, highlighting key levels for potential bullish and bearish scenarios. Upcoming economic data releases could influence market movements, with specific attention to levels at 387.72 and 374.81 for breakout or breakdown opportunities.



Macro: Downtrend

Micro: Consolidation

Risk: off (unless we break down through bottom of range which will give us Macro and Micro downtrend continuation. aka the "best" setup to exist) We also have tons of data coming out tomorrow and friday. These could help the market make that move to break out of the consolidation area. When we do break out Id love to get in for some serious continuation.

Bull Scenario: Potential break to upside off of mid range. Until broken above 387.72 bulls are still not in control

Bear Scenario: Break down through the mid range and continue lower into the bottom of the range. Until broken below 374.81 consolidation is in control

Range Scenario: Since we are already currently ranging we should expect the range to continue until those 2 prior levels are broken in the bull or bear scenario. For this reason there could be many possibilities of ranging trades.

1. Break below the mid range and spike back up to consolidate in that zone.

2. Test Ranging high and breakout slightly then find sellers and immediately crash back down lower to at least the mid range zone

3. Break down through mid range and accelerate to downside to find buyers at bottom of range.

Economic News this week:

Wednesday: ISM PMI + JOLTS + Fed Minutes

Thursday: Balance of Trade

Friday: Non Farm Payroll + Unemployment + Participation Rate + Avg Hourly Earnings + ISM PMI Non Manufacturing + Factory Orders + Cook, Bostic, Barkin Speech

FAQ

What is the current market trend?

The current market trend is a downtrend, with a consolidation phase observed in the micro perspective.

What levels should traders watch for bullish scenarios?

Traders should watch for a potential breakout above the mid-range level of 387.72 for bullish scenarios.

What indicates a bearish scenario?

A bearish scenario is indicated by a breakdown below the mid-range level of 374.81, which would suggest a continuation of the downtrend.

What economic news is expected this week?

Key economic news includes ISM PMI, JOLTS, Fed Minutes, Balance of Trade, and Non-Farm Payroll data, among others.

What are the possible trading scenarios?

Possible trading scenarios include ranging trades, breakouts above the mid-range, or breakdowns leading to further declines.