

March 28th, 2023 (+\$63) DRC

By disciplined_daytrader · March 29, 2023

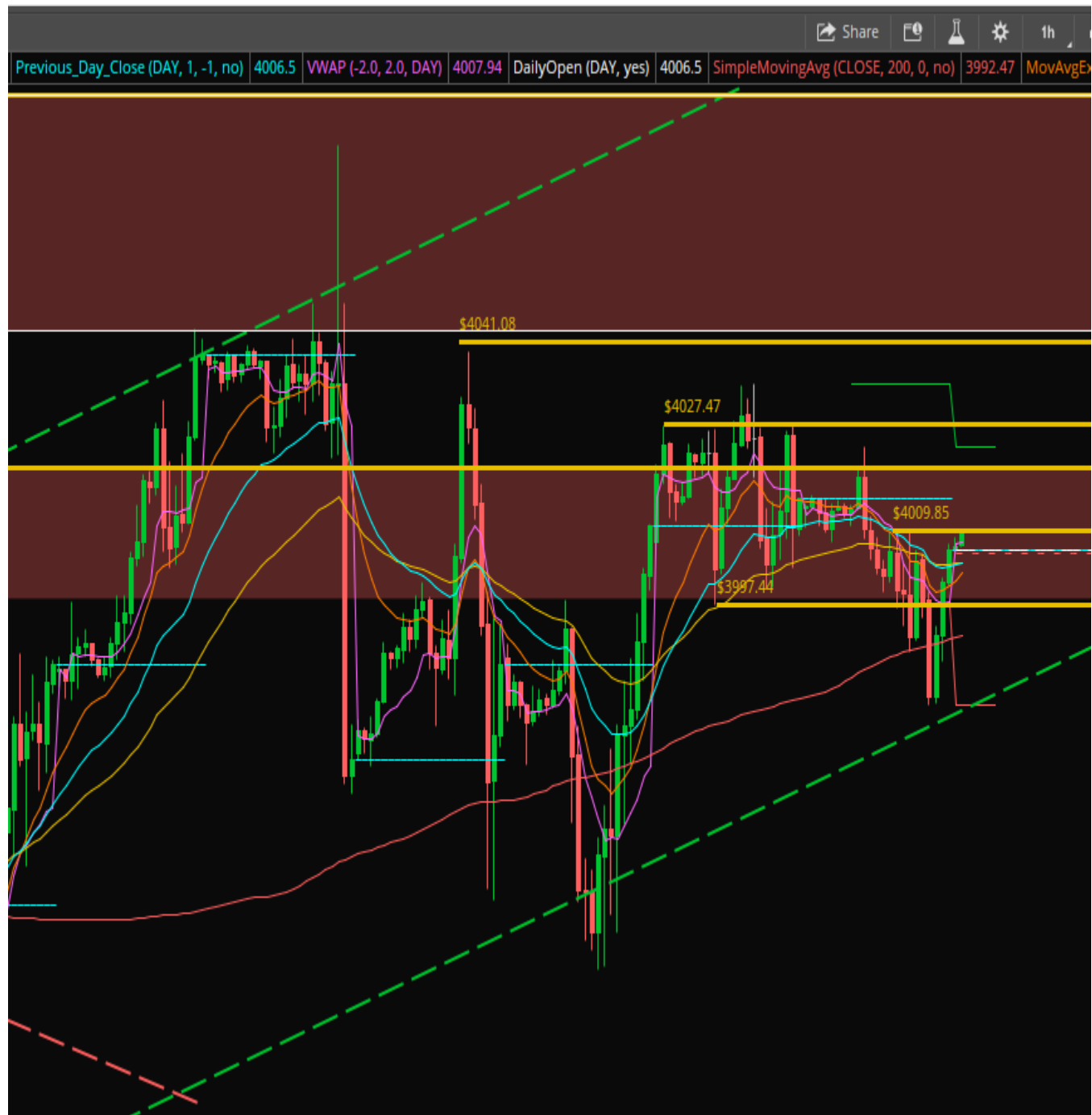
Today was a very nice turnaround from yesterday. I was able to take 77% of the entire days large move to the downside and had a 20 point trade that was probably the best trade I have ever done in terms of precision.

Futures

1d:2m

1st and 2nd: Micro Reversal Intraday Continuation





- The micro is in an uptrend so for me to short I had to be very careful and only take a clean lower high looking for a nice place to cover without introducing the possibility of a huge spike to the upside which we got late in the day. I shorted my first trade and lost about 8 points which was a bummer because I just shouldve stopped out earlier and let it go. I couldve only lost like 3-4 points on that trade then gotten back in near the top where

I did and then added into my winner on pullups. I really like the second trade but in a way it was still a little bit aggressive to get in right after covering.

How could I have traded it better?



- I shouldve stopped out of my first trade in that break to a new high. That wouldve been only a 3 points loss instead of an 8.

- I shouldve added on the next pop and risked the previous lower high from earlier on in the day which wouldve been about 4 points higher. Had I added there and lost 4 points then that is still only about a 40\$ loss when I have a reward of minimum 10 points and more likely to be a lot more so about \$40 risk for possible \$150 reward. I couldve added there and then added again on that last pop because that was also when the financials started to move lower. Then I couldve held for LOD and waited for price discovery. Sell 2 at the break of LOD then sell the last one where I sold my original trade. That wouldve been about 15 points on the first 2 contracts which is \$150 then I got another 15 points on the last contract so an additional \$75. That means I wouldve been risking about \$40 for a possible \$225 trade. That is if I traded it perfectly and added at the right times but still in theory I was risking about 4 points with 2 contracts then added once I was confirmed to be correct from financials moving lower.

Something that is very important that gave me strong confidence to make this trade be 20 points..

-XLK was getting sold off heavily at the open as well as ARKK SMH but UVXY was weak as well. I think volatility is kinda pointless to look at anymore because it just isnt working properly with all the 0dte options. XLV and XLY were also leading the selloff so money was clearly flowing out of tech, healthcare, and consumer discretionary while simultaneously GDX SLV XME XLE were all being bought up. This was saying that risk was supposed to be OFF. The only weird red flags we had that were holding the market up was the fact that financials were green on the day and healthcare was being sold off. Usually defensives should be bought when the risk appetite is low and XLV is a defensive as well as Financials. There was 1 large thing standing out that was holding up the overall market and that was financials. They were being bought up at the open and holding up near HOD. Once they started to fall lower I knew that my move was about to get more aggressive to the downside. That was the ONLY sector holding the market up and when they fell the market caught back up with how far Tech sold off today. That is one little thing that gave me the confidence to hold the whole way through the LOD. KRE was going nuts to the downside as well as JPM BAC DB AAPL TSLA MSFT. I really like seeing small things like that end up helping me a lot. Its super important to know where the money is flowing because if the ETFs are showing that risk is ON then its smart to just get long and hold that fucker. Same thing to short side if risk of OFF.

When risk is on we want to see these specific ETFs heavily green from opening print (not from PDC)

SMH

ARKK

XLY

QQQ

XLK

UVXY

We want to simultaneously see these ETFs largely red from the open (in a risk ON environment)

GDV

SLV

XME

XLE

XLV

If you flip those around and the top are red while the bottom are green the risk is OFF.

Sometimes a lot of them will conflict and only on a true trend day you will see all of these align perfectly. It is not uncommon to see a common defensive name like XLV (healthcare) be red while the tech XLK and cons discretionary XLY are also red. Just because 1 ETF is not aligned properly doesn't mean that the trend is still dead. You can find clues by seeing what is sold off the least or the most. In general when these ETFs are on the top and bottom of those lists it's time to pay attention.

▼ Watchlist		Breadth				
Sym...	...	▲ P...	RVOL	ATR	Ma...	⚙
SPY	📈	-0.04%	0.57	6.46	-.09	
IWO	📈	-0.04%	0.5	5.19	-.38	
XLV	📈	-0.09%	0.43	3.13	-.05	
XLK	📈	-0.3%	0.61	2.86	-.68	
SMH	📈	-0.3%	0.9	6.9	-1.75	
QQQ	📈	-0.34%	0.73	6.05	-.99	
XLV	📈	-0.5%	0.7	1.85	-.72	
XLC	📈	-0.62%	0.58	1.12	-.46	
XBI	📈	-0.75%	0.54	2.19	-.37	
ARKK	📈	-1.12%	0.49	1.61	-.50	
UVXY	📈	-3.91%	0.71	0.67	-.20	
XLV	📈	0.03%	0.87	0.91	+.13	
KRE	📈	0.07%	0.6	2.41	+.02	
XLV	📈	0.1%	0.56	0.76	-.01	
HYG	📈	0.14%	0.71	0.69	-.04	
TLT	📈	0.28%	0.67	1.86	+.12	
IWN	📈	0.42%	0.66	3.45	0	
XLRE	📈	0.46%	0.71	0.84	-.10	
XLB	📈	0.49%	0.64	1.6	+.37	
XLU	📈	0.52%	0.65	1.4	+.18	
XHB	📈	0.61%	0.4	1.51	+.38	
GLD	📈	0.62%	0.68	2.5	+1.49	
XLI	📈	0.71%	0.68	1.76	+.50	
XRT	📈	0.78%	0.87	1.66	+.79	
XME	📈	0.8%	0.65	1.61	+.57	
SLV	📈	1.37%	0.56	0.45	+.22	
GDX	📈	1.92%	0.89	0.97	+.79	
XLE	📈	2.12%	0.65	2.46	+1.23	