September 22nd, 2022 (+$33) Need to work on Confidence

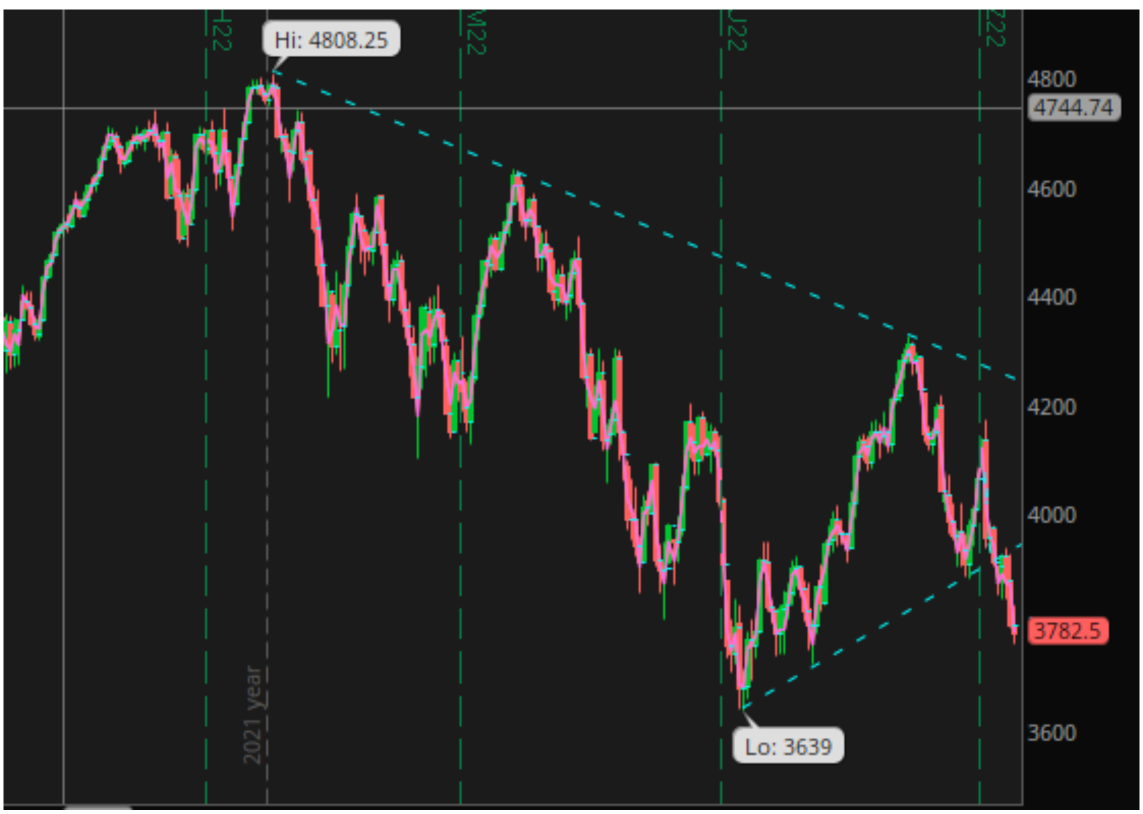
By disciplined_daytrader · September 22, 2022

TL;DR

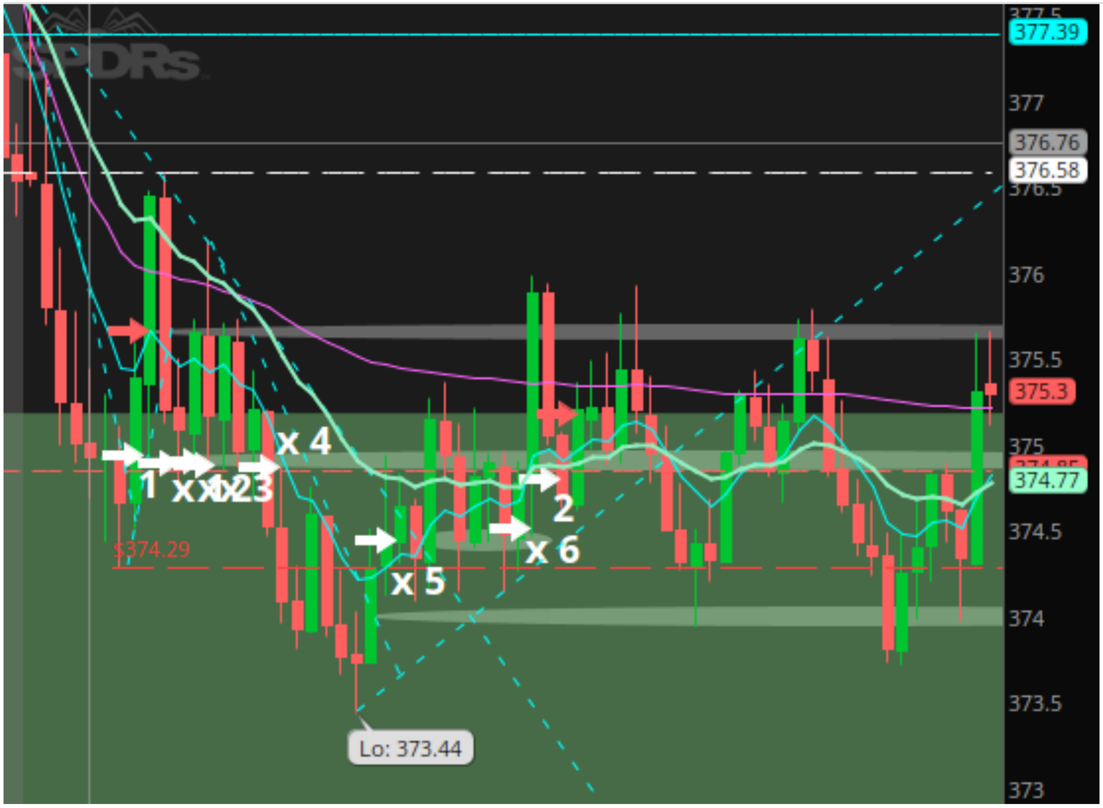
On September 22nd, 2022, the author reflects on their trading performance, focusing on two trades: a trend reversal long and a trend continuation long. Despite a successful green streak, they express concerns about their confidence and hesitation in executing trades, which led to missed opportunities. The post emphasizes the importance of patience and proper entry points in trading.

September 22nd, 2022

1yr:1d



1d:5m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x 4
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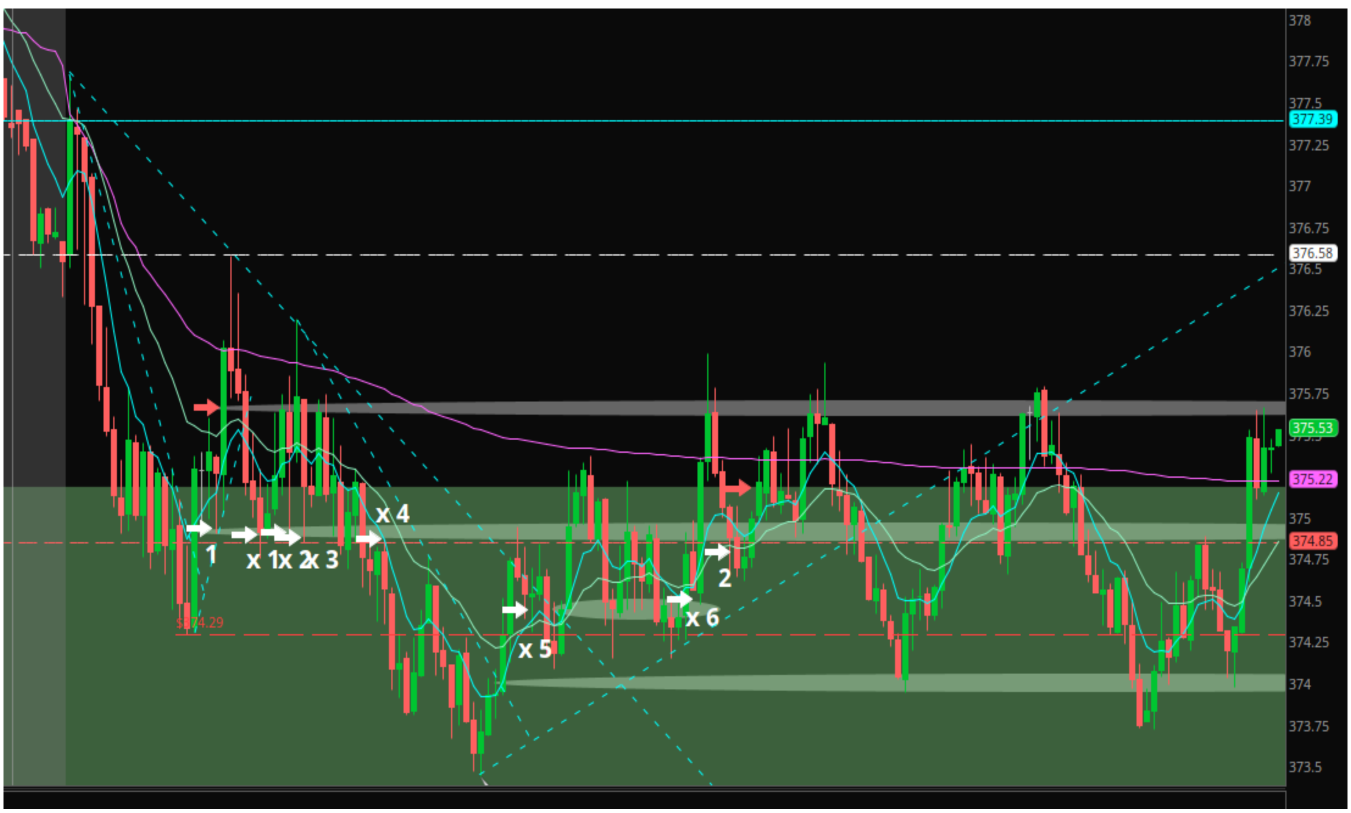
1d:2m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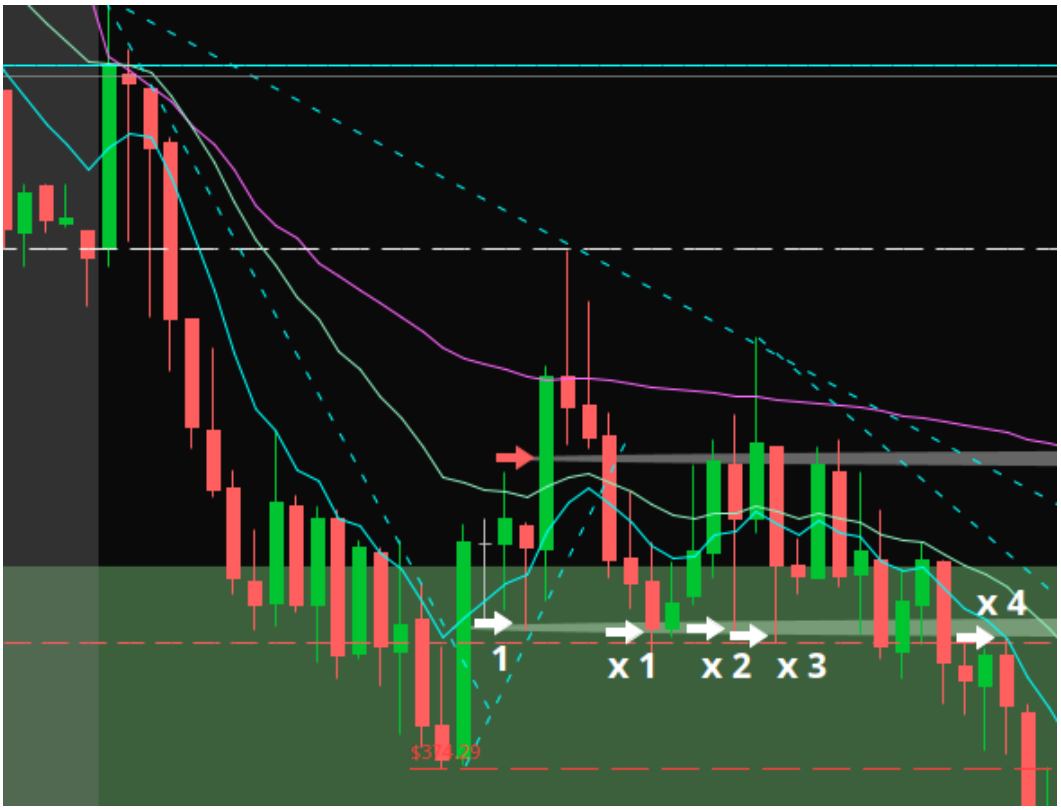
2

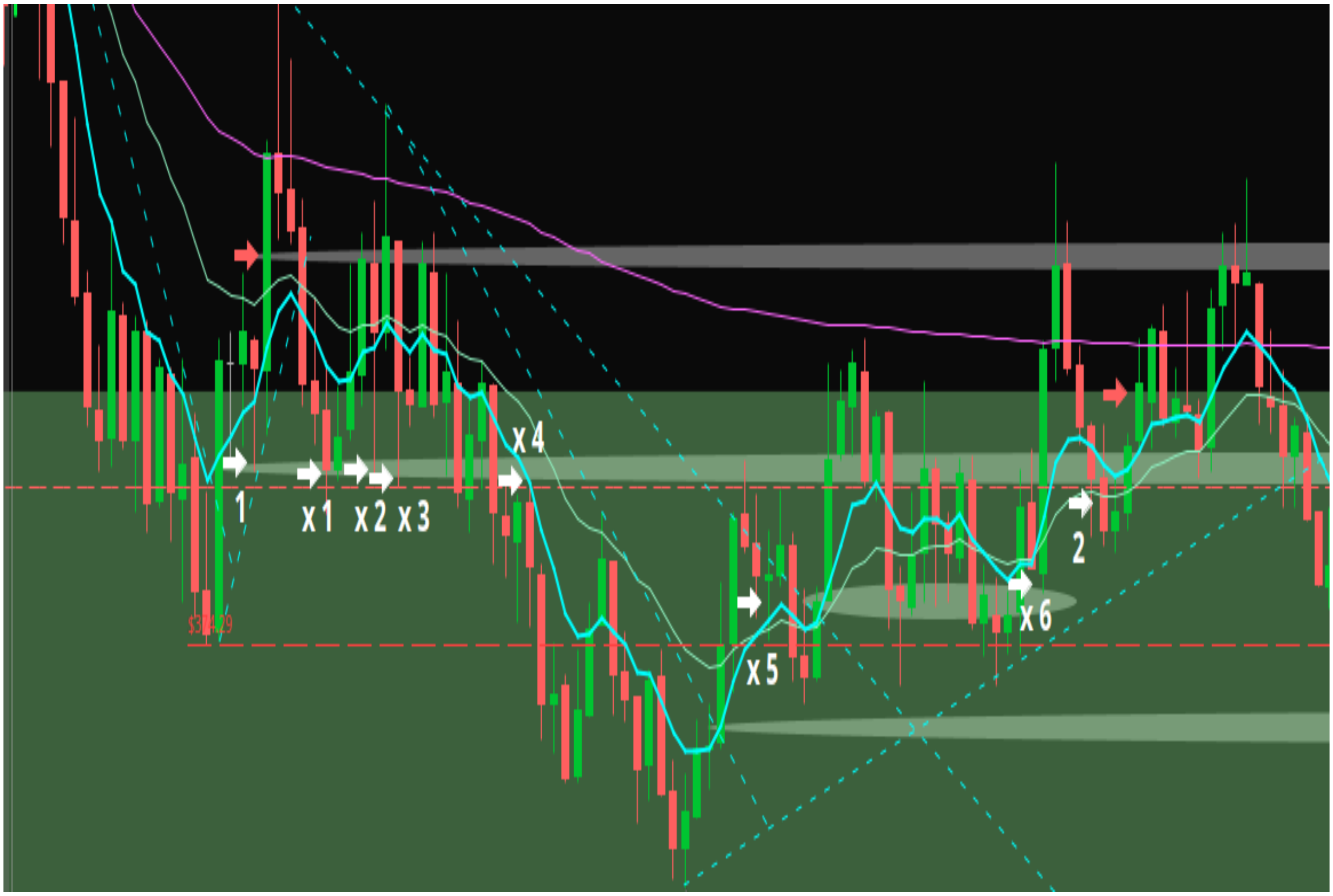
Before I start I just want to say im probably going to start disregarding the 5 minute in these reviews until further notice because I am really only using the 2m chart anymore for both trend and continuation patterns. The 5m can help me get a better sense of the overall direction as well as the 15m but when I need to bring them up I will post them. If I dont need to bring them up ill just stick to 2m for now.

1st Trade: Trend Reversal Long



This is just a classic trend reversal long trade. We have a really nice downtrend that was forming all morning and I waited for that perfect opportunity to take my entry and get out quickly on the break of the higher candle. I really cant ask for much more on this trade. Perfect entry right at the low where we retested, perfect exit right at the high which may seem conservative so some but that is truly the exit that I can get probably 90% of the time on this style trade. Holding for some massive move is just stupid and this little $25 win could easily be $1000 someday in the future.

2nd Trade: Trend Continuation Long (very right side of chart)



So I took this trade for many reasons. Firstly, we have made some really nice bottom bounces on this chart here. The first reversal was awesome and I nailed it, then after that first reversal we just crashed down and made new lows so since that happened it constituted the idea that we now must wait for a new trendline to break for a reversal to occur. The main downtrending blue dotted line that is placed directly in the middle of the chart is the new trendline that we must break for a reversal to occur. We broke that and I really just wimped out on so many trading opportunities today and this 2nd Continuation trade was really just a product of my own lack of confidence. I took the higher low expecting a retest of a higher high at this level and I made a quick $10 after messing with my target over and over again because I was scared to lose money. This trade was not good and it was really just a fomo trade because I was bummed I missed out on so much money today. Let talk about this confidence problem.

Why am I so scared to lose money?

I have been on a really awesome green streak right now where I have been green 17 out of the last 18 sessions and I want to really start pushing myself more because I have never seen consistency that is that dramatically good. I have had some green streaks before but never one like this. I know that the reason behind this "level up" is only because I have been spending tons of time reviewing and working on many aspects of my trading that needed help. I am now trading only about 4 times per day maximum, I am waiting and being patient for only the perfect entries, I am taking my profits at my desired targets based on price action rather than a concrete number, I am walking away and not being greedy BUT I am trading my P/L. This is my biggest problem right now. I keep watching my P/L because I want to keep this green streak going for as long as possible becuase it feels so damn good to finally have some true concrete examples of my improvement instead of just some lucky bullshit. Today I had 6 trades that I completely missed or hesitated on taking because I was scared and ready for the weekend to start. I wouldve won on 5 out of 6 of those hesitation/missed trades. That wouldve made me $125 ontop of the $33 that I made today. This is the big problem: How many of these trades were truly worth taking and how many were bait trades that I am only annoyed at missing because I hesitated and the EV is really not even that good.

Hesitation Trades:

x1: This was just a perfect example of a trendbreak retest where we get continuation or at the very least a lower high. This wouldve been perfect had I taken it but I hesitated even though I have seen so many times for the past week that this trade works very well.

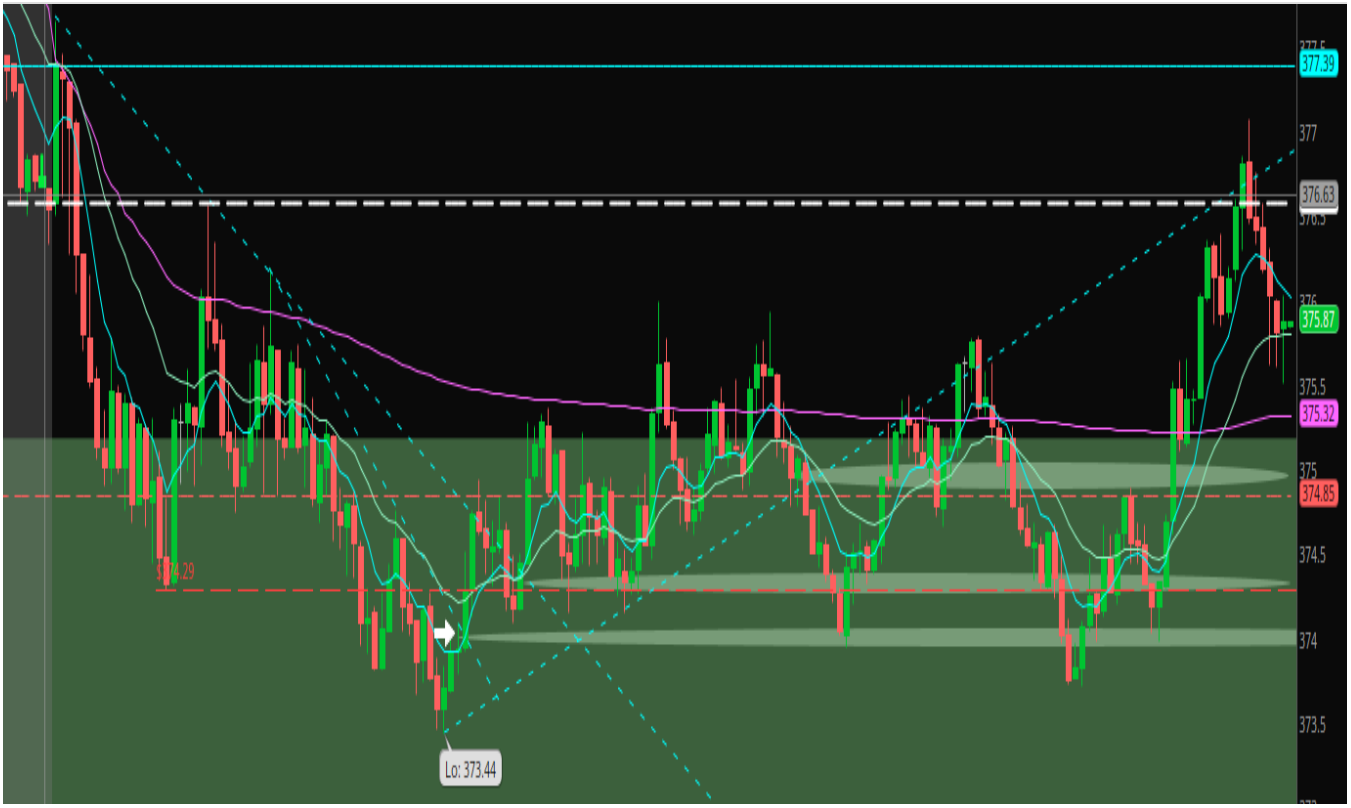
x2;x3: Both of these were basically just examples of that trendbreak zone working 2 more times after the first retest and continuation to the upside. I really shouldnt take these under any circumstance for now but it is really interesting to see how these trendbreak level become very very strong support or resistance.

x4: This is an example of a trend continuation trade to the downside. See the big green engulfing candle to the left of my first trade? That candle was consumed on the candle right before x4. Then we popped back up, hit the 8ema, hit the trendbreak retest zone AND this time we used it as resistance instead of support, then we broke down further for an awesome move. This is definitely a trade I shouldve taken even with tiny size. Really an awesome example of a trendbreak support breakdown continuation style trade.

x5: This is in these examples because I was extremely close to pulling the trigger on it. I hesitated just long enough for it to flush down and I luckily didnt take it cuz I wouldve lost money. The reason I dont like this trade in the first place is beacuse we really didnt even break that big middle blue dotted line trendline. We sort of broke it then just flushed back down. Right after this though you can see that we did strongly break that trendline and pushed higher right back up to vwap. I then drew that trendbreak level as that middle oval and we used it as support multiple time.

x6: This is yet another trade that I hesitated on taking. I knew we would at least break that previous red candles high and I wouldve sold very fast for another win. That middle oval area is the trendbreak level, we bounced off of it hard one time then came back down and made a double bottom then pushed right back up through that level. On that third attempt at a higher high (even tho it was a lower high) we moved lower, caught the bottom, and flew up. I shouldve taken the red pullback into that trendbreak zone and gone for that higher high move. Im pretty sure this is a good EV move to take but then again the later we get into the day the worse and worse they become. Right after my 2nd trade we broke down and had this huge bounce later on in the sessions

A cool thing I noticed today:



This picture doesnt really illustrate this concept well but we have a couple meaningful trendbreak zones that occurred today and when they happened we were much more likely to form a range within these zones. That bottom trendline break zone was fucking awesome. We had 3 awesome bounces off that area late in the day and the last one led to a full 3 point move on the spy. Also, when we started to trend upwards after the first trend reversal trade and then we broke down back to the backside (middle right of picture) then we really had another zone be created then we bounced between those 2 trendbreak zones for the rest of the day. I still dont think taking trades based off of these zones is something that I really want to do just yet mostly because they are technically ranging patterns which is not something I do often, but its still somewhat cool nonetheless.

Thing I will be thinking about over the weekend:

I really need to remember why I am here and what I am doing this for. I dont need to size up or do anything crazy just yet (next month) but I really need to start trusting myself in my analyses of these moves. I had so many moves just fly past me today that I couldve taken and made a lot of money on. I love being in this green streak dont get me wrong but at the same time I really cant let this hinder my performance and put a cap on my total amount of money I am looking for on a daily basis. Its very tricky, There are 2 scenarios moving forward. 1. I need to be more confident and take more setups that I see OR 2. I dont need to be more confident but instead I need to size up and still do exactly what I am doing. It is very hard to know the right answer to this because again that little $25 win was with 1 fucking contract so if I sized up to just 3 contracts then that little trade could be $75 and I can take that trade every damn day of the week without fail. $75/day for 5 days is $375/week. That is really awesome so do I just stick to my normal course and work on sizing up or do I change what I have been doing which is aiming for 2 good trades/day and 5/day if I am red, and going for more trades? Personally I think that its really not important to fix something that is not broken. If I can make money everyday now or at least very consistently then I should not try to fix anything. If I size up and I continue having issues with how much green I can be in a day because I hesitate on trades then that is something I will fix when its apparent. The answer most likely lies in my sizing not my trades. To take 1 trade a day that is the perfect setup is truly a dream I have had for so long and I really shouldnt be wishing more trades onto myself. I should be taking the ones I know with high confidence and sizing into them like I should.

FAQ

What were the two main trades discussed in the blog post?

The two main trades discussed are a trend reversal long trade and a trend continuation long trade.

Why does the author plan to disregard the 5-minute chart?

The author plans to disregard the 5-minute chart because they are primarily using the 2-minute chart for trend and continuation patterns.

What is the author's main concern regarding their trading?

The author's main concern is their lack of confidence, which leads to hesitation and missed trading opportunities.

How many trades did the author miss due to hesitation?

The author mentioned missing 6 trades due to hesitation, which they believe they would have won.

What does the author attribute their recent trading success to?

The author attributes their recent trading success to spending time reviewing and improving various aspects of their trading.