

Hi everyone! I'll slowly move the writing to a blog I just created. Don't worry is all there. Make sure to visit the blog <https://twitter.com/NeyTrading>

<https://whatworksintrading.substack.com>

What Works in Trading?

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NewTop

Twitter tips for Traders from "A complete trading system in your hands: A guide to trading an hour a day"

My notes on Dr. Mansi video series.

7 MIN AGO • NEY TORRES H

text not actually not



Best trading books, blogs, and videos

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How I set up my charts and scans from A complete trading system in your hands: A guide to trading an hour a day"

My notes on Dr. Mansi video series.

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Weekday & Weekend Routine from "A complete trading system in your hands: A guide to trading an hour a day"

Before market open:

- Scan for Eps & Sps
- Situational Awareness

During market hours:

- Enter stocks
- Exit stocks
- Position Sizing

Here is the book:

COMPLETE TRADING SYSTEM IN YOUR HANDS: A GUIDE TO TRADING AN HOUR A DAY



• SWING TRADING NOTES FROM DR. MANSI BY NEY TORRES

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Introduction:

Welcome to "Complete Trading System in Your Hands: A Guide to Early Entry Strategies," your comprehensive guide to mastering the art of stock market trading. Penned by the experienced trader Dr. Mansi, this book is your manual to understanding and navigating the rapid and ever-evolving world of stock trading.

Dr. Mansi, with her extensive expertise and deep knowledge of the financial markets, introduces you to her distinctive strategies for entering the market during the initial moments of trading. The techniques shared in this book are derived from her vast experience and success in real-world trading situations.

This eBook sheds light on three key scenarios that you may come across at the opening bell—each with a customized strategy that provides guidance on the right moment to enter the market. From understanding 'Gap up' scenarios to handling situations where the market 'Crosses Previous Day's High,' you will gain insights into determining the best times to move. Each strategy comes with a thorough explanation and practical advice to minimize the risks of false breakouts and unpredictable price movements.

But this book isn't just about early entry strategies. It also delves into a multitude of other topics vital to successful trading. Some of the key sections in this book include:

- How to create a Watchlist
- The role of stock catalysts and how to find them
- Tips for setting up your trading like a business
- The practice of situational awareness in trading
- The criteria for becoming a full-time trader and what to realistically expect
- Essential resources for traders, including top trading books, blogs, and videos
- And much more...

"Complete Trading System in Your Hands: A Guide to Early Entry Strategies" is an invaluable resource for traders at all levels. If you're a beginner, this book offers a solid foundation in stock trading. If you're a seasoned trader, it allows you to refine and enhance your existing strategies.

Join Dr. Mansi on this enlightening journey to trading mastery. With this book, you have a complete trading system that equips you to make informed, strategic decisions and increase your trading success.

Here are a couple of links you may want to click to follow the reading:

- 1) Set up your scanners. Link to layout: <https://www.tc2000.com/~XAPDvk>
- 2) [Get tc2000](#)
- 3) finviz.com to look for news on stocks

- Ney Torres at <https://twitter.com/NeyTrading> and <https://whatworksintrading.substack.com>

How I enter stocks

Summary:

Entry Setups: Breakouts and pullback buys are the primary entry setups used.

Breakouts involve finding stocks that have shown momentum and are, consolidating, then entering when they break out on high volume.

Pullback buys involve waiting for a stock to pull back to a moving average before entering.

Three Possible Scenarios: Stock gaps up, fades, or stays below the previous day's high in the morning.

When entering a stock in the morning, there are three scenarios: a stock gaps up, a stock fades for the rest of the day, or a stock stays below the previous day's high.

ATR for Stop Loss: Stop losses should be placed below the day's low and limited to less than 1-1.2 times the stock's ATR.

Use Average True Range (ATR) to determine stop loss levels based on the stock's volatility. Stop losses should be below the low of the day and should not exceed 1-1.2 times the stock's ATR.

Volume Buzz and News: Volume Buzz helps assess a stock's trading volume relative to its average, and news can provide additional context for making trade decisions.

Use Volume Buzz to gauge how much a stock trades compared to its average volume, which helps make informed trading decisions. Combining Volume Buzz with the news can provide valuable insights for managing trades effectively.

2 Entry Strategies

2 entry setups:

Breakouts



Pullback buys



There are 3 scenarios you can face:

3 possible scenarios:

Gap up = enter on 5min orh



Crosses h1 in 5min = 5min orh



Stays below h1 for first 5min = enter on c>h1



*h1 = previous day's high. She uses that nomenclature because of coding in TC2000. It could easily be confused with "first hour" or "hour 1".

1st scenario is "Gap up"

Gap-Up Scenario: In this scenario the stock opens significantly higher than its previous day's closing price, creating a "gap" on the chart. The trader waits for the first five minutes of trading and enters the stock when it breaks above the high of that five-minute opening range. This breakout indicates strong buying interest in the stock, and the trader sets a stop-loss at the low of the day.

Gap up = enter on 5min orh



Ney's comment: It took me a while to understand this; I kept hearing “enter at the Open range high (ORH).” What it means is: “Wait 5 mins for entry. Only enter if the price breaks above the high created in the first 5 mins.” We do this to minimize fake breakouts.

2nd scenario “Crosses Previous day's high in the first 5 min.”

The previous day's high is broken. We still respect the entry at minute 5.

The exception to the 5-minute entry: We only enter in minute 1 in a raging bull market or a big catalyst.

Crosses h1 in 5min = 5min orh



*h1 = previous day's high.

3rd scenario: “Stays below the previous day’s high”

“Stays below the previous day’s high” on the first 5 minutes.

In this scenario, the stock remains below the previous day's high during the first five minutes of trading. The trader observes this behavior and sets an alert or places a limit order at the level of the previous day's high. If the stock eventually breaks out above this level later in the day, the trader gets alerted or filled, allowing them to enter the trade at the desired pivot line. This approach gives the trader more time to plan their entry and assess the stock's performance before entering.

Stays below h1 for first
5min = enter on c>h1



*h1 = previous day high

RVOL Calculation

The formula for RVOL is quite simple:

```
RVOL = current volume / average volume over the look-back period
```

By default, the average volume used in the formula is calculated with a 50-period simple moving average, but the number of periods as well as the type of moving average (SMA or EMA) can be modified to fit the timeframe being analyzed.

The calculation results in a ratio. So, if the RVOL value is 2.5, that means the volume for the current bar is 2.5 times the normal volume for the specified period. A value of 1.0 means the current volume is the same as the average volume.

The lower limit for this ratio is zero (where the current volume is zero). There is theoretically no upper value limit, although in practice anything over 4.0 is considered a volume spike and not a typical RVOL value.

source: https://school.stockcharts.com/doku.php?id=technical_indicators:rvol

By looking at the Rvol value, the trader can get an indication of whether the stock is experiencing higher or lower than usual trading volume.

Sym	% Change	Vol Buzz
GCTK	+40.8	+3.0K%

The importance of using Rvol in this context is to help the trader assess the strength and potential follow-through of breakouts. A stock with higher-than-average trading volume during a breakout is considered to have more conviction behind the price move, making it more likely to sustain its upward momentum.

On the other hand, a stock with lower-than-average volume during a breakout might be less reliable and prone to fading or reversing.

PRGS	+1.4	-35%
------	------	------

By analyzing Rvol and considering its relation to the stock's price, the trader can make more informed decisions when entering stocks, especially during breakout scenarios. It helps them identify stocks with high volume participation, increasing the probability of successful trades.

Note from Ney: Rvol is important in Gaps (EP's) but not necessary in normal breakouts (swing trades), according to my backtests.

Using your list to understand the market mood:

You can create a watchlist and see the average vol as a proxy for market sentiment.

Bear sentiment (go short)

You can see most stocks are going down in volume so it could be a better environment for a short position:

Sym	% Change	Vol Buzz
CUTR	-29.2%	+1.3K
CRUS	-11.9%	+798%
AAL	-8.9%	+435%
KRUS	-4.8%	+117%
TRUP	-1.6%	+114%
AI	-2.6%	+82%
LNN	-3.1%	+65%
LEVI	-1.6%	+57%
ZIM	+2.5%	+55%

Bull sentiment (go long)

This is a good environment. Stocks are breaking up with volume:

Sym	% Change	Vol Buzz
GCTK	+40.8	+3.0K%
SMX	+15.8	+671%
SPNT	+11.7	+534%
INMD	+7.3	+304%
JFBR	+1.6	+230%
ELOX	-4.5%	+178%
ARWR	+11.9	+162%
EWL	+1.0	+155%
TECH	+2.6	+70%

Weak market (stay away).

Sym	% Change ▼	Vol Buzz ▲
HUBS	+2.8	-29%
TECK	+1.0	-13%
CERT	+1.0	-70%
DUOL	+0.7	-25%
RETA	+1.6	-47%
AXON	-0.1%	-21%
RVNC	-0.4%	-57%
SE	-0.6%	-32%

Sym	% Change	Vol Buzz ▲
LITE	-1.2%	-44%
FOXF	-0.9%	-44%
OXM	-0.8%	-42%
TW	-0.4%	-40%
HRMY	-2.4%	-38%
MCB	-1.0%	-37%
PRGS	+1.4	-35%
COHR	+0.6	-33%
TRMD	+0.3	-29%

Ney comment: in summary, Volume serves as confirmation.

RVOL + NEWS

News, just as Volume helps as confirmation.

In the case below, Dr. Mansi was already in the trade. When she saw the news as confirmation, it gave her the confidence to move the stop to break even.

Combine RVol with news:



Briefing.com @Briefingcom 1h
 \$AMPX: Amprus Technologies is preparing to supply commercial level shipments to AeroVironment (AVAV) in support of... [briefing.com/in-depth-analy...](#)

Dr. Mansi @drmansipd · 56m
 Replying to @drmansipd
 \$AMPX SL moved up to BE. Free trade now 🚀

3 STOP Rules

1. Stop at the day's low.

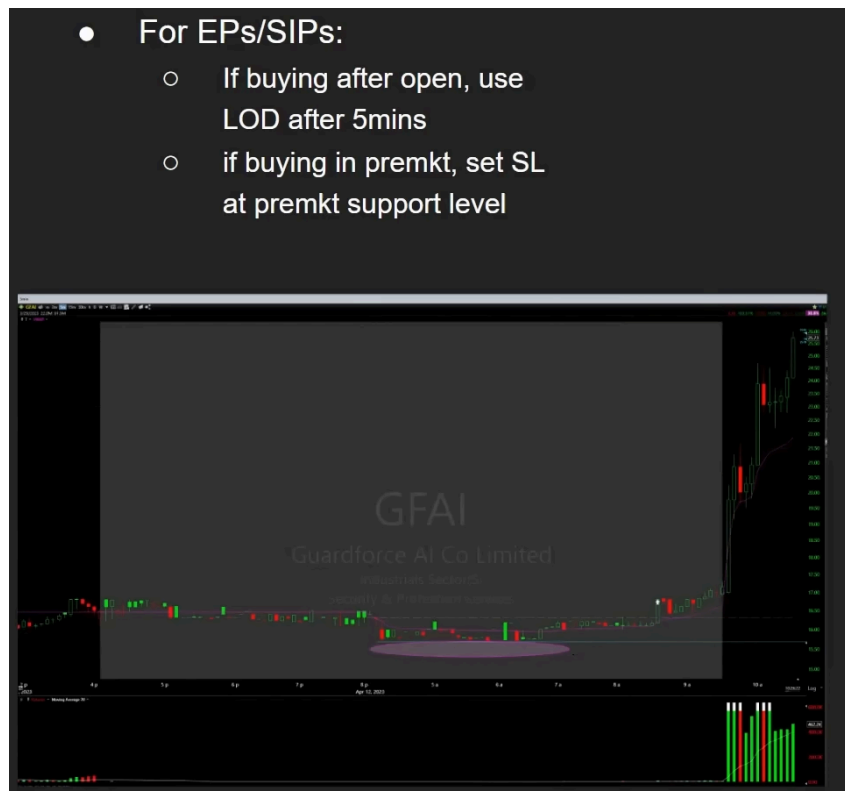
Different stops for different strategies: episodic pivot (EP) vs. Stocks in play (SIP)

EP = episodic pivot strategy (something changes permanently for the company long term, and the price shoots up pre-market most of the time with a gap and volume).

Ney Notes: Few times, you will recognize news that comes before the market opens (premarket) and decide that you don't want to wait and buy in pre-market. Of course, this is more volatile.

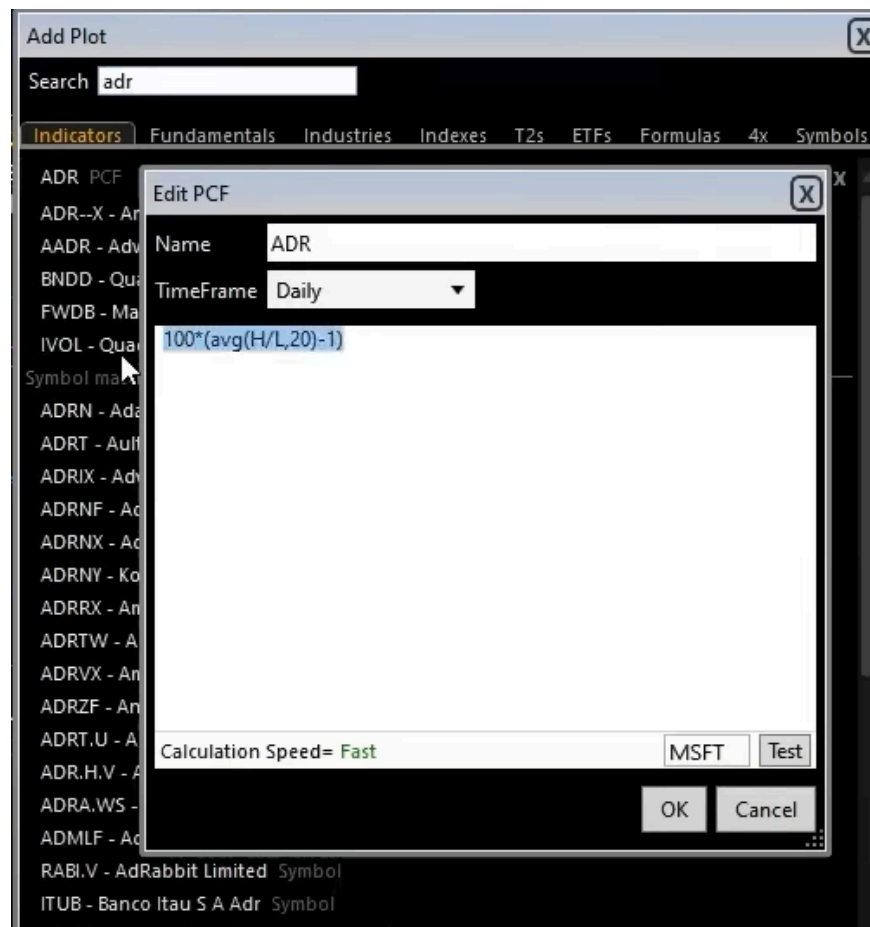
If buying premarket, set the stop loss at the premarket support level.

SIPs = Stocks in play (Stocks that are moving in pre-market, normally based on news).



2. Stop at less than 1 [ADR%](#) to maintain the Risk Reward. ADR states how much a stock moves daily. You can also see it as a proxy of how many days it would take to reach a level.

ADR% formula:



You want to use stops based on ADR/ATR because stocks can be volatile anytime.

3. A max stop loss of 12% doesn't matter what ADR% it has.

Stop loss is always less than 12% because you need 11% to recover. This is already statistically unlikely for this trading style.

Here is an explanation of the mathematics behind recuperating from losses:

For example, if you lose 50% of your account, you must earn 100% just to break even.

Loss	Gain to Break Even
5%	5%
10%	11%
20%	25%
30%	43%
40%	67%
50%	100%
60%	150%
70%	233%
80%	400%
90%	900%

Always set your stops right away (“mechanical”). Don't make them mental stops.

- Always mechanical
- SL hunting is a myth. Your position size is too small for algos to target
- What is the reason for putting it in your mind?
- Say you have a mental stop and then it hits that level. What will you do at that point?
- Sell.
- There is no choice. No decision to be made.
- So best to make it mechanical and make it part of your factory.

Ney's comment: I think she later changed to ATR. It stands for average true Range, ATR. ADR is the amount a stock moves in a day ex: “3%,”. On the other hand, ATR measures de same but takes into account gaps. Normally uses a 14-day that's ATR(14). I think she uses ADR%(20), ATR(20). <https://www.investopedia.com/terms/a/atr.asp>

How I Sell Stocks

Plan your exit before entry!

This depends on your strategy.

- Position trade (like **episodic pivot** EP's) = longer-term holding, like months.
- Swing trades (like SIPs) = 3 to 5 days approximately.

Position Trade:

- The stock has a major **episodic pivot (life-changing news)** or shows significant earnings potential.
- The stock is a recent IPO (Initial Public Offering) breaking out of an IPO base.
- The market is at the start of a new bull market.

Swing Trade:

- The stock is uptrend and making higher lows.
- The market is in a strong upward trend (bull market).
- The stock is highly volatile, such as biotech stocks, and unsuitable for long-term positions.
- If your portfolio is down and you need to build it up again. ("getting traction")
- Upcoming news events are coming soon.

Ney note: It's important to note that these criteria are subject to individual interpretation and might require traders to use their judgment based on market conditions and the specific characteristics of the stocks they are considering for trading.



When is it a Position Trade?

1st case of a Position Trade: Episodic pivot

Ney's note: A stock has an "episodic pivot (life-changing news)" We call them EP's not to be confused with "Earning per share"

Stock has major “EP” - “episodic pivot”



You need analytical skills to determine if the news will positively affect the price for the long term in an **episodic pivot**. For example: Are there enough institutions holding it? What market are they in, etc.?

2nd case of a position trade: IPO

Another position trade could happen if you go over the IPO's BASE.

One criterion is to consider recent IPOs breaking out of an IPO base. An IPO base is a period after a company goes public and its stock starts trading on the stock exchange.

Recent IPO breaking out of an IPO base [ex: \$ONON]



*Daily chart



*weekly chart

3rd case of a position trade: New Bull Market

For position trades, one of the criteria is to consider the start of a new bull market. A bull market is characterized by rising prices and a generally optimistic sentiment among investors.

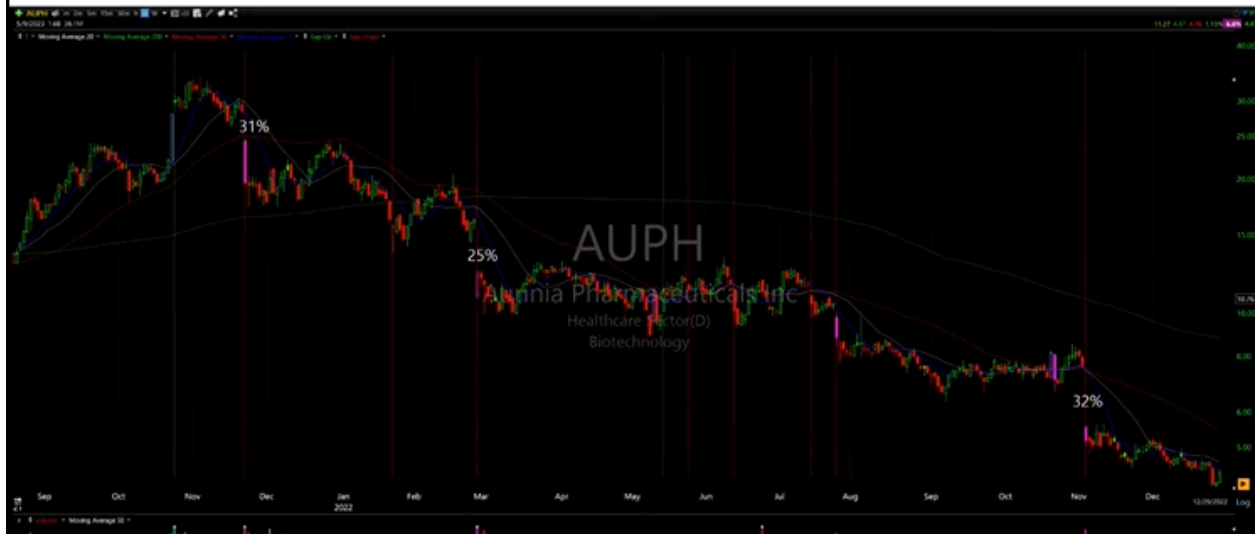


When is it a Swing Trade?

1st case of a Swing Trade: Biotech

Biotechs should always be treated as swing trades due to their volatile nature.

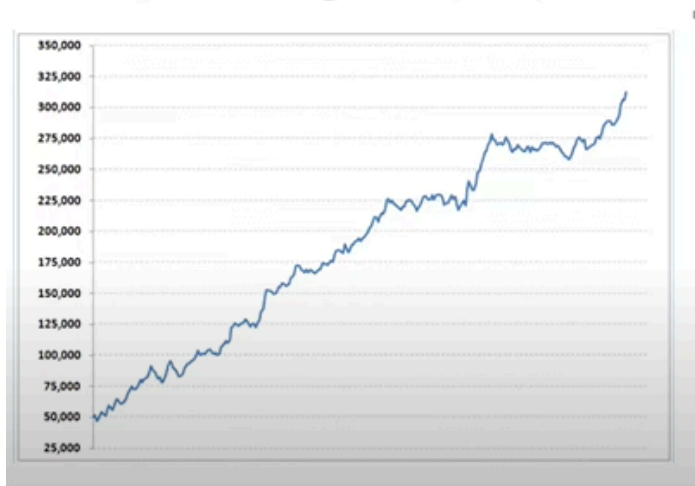
Biotechs



2nd case of a Swing Trade: build your account (“Create traction”).

If you need portfolio traction, be a Swing trader if your portfolio is not doing well. This is likely due to the market since the swing trading strategy doesn’t work well in a bear, choppy, or late-stage bull market.

If you need to build portfolio traction (Bear mkt / Choppy mkt / Late stage bull mkt)



3rd case of a Swing Trade: News

Swing trade when news or events are nearby.

News & Events

6:00 am	NFIB optimism index
1:30 pm	Chicago Fed President Goolsbee speaks
6:30 pm	Philadelphia Fed President Harker speaks
7:30 pm	Minneapolis Fed President Kashkari speaks
WEDNESDAY, APRIL 12	
8:30 am	Consumer price index
8:30 am	Core CPI
8:30 am	CPI year over year
8:30 am	Core CPI year over year
9:00 am	Richmond Fed President Barkin speaks
12:00 pm	San Francisco Fed President Daly speaks
2:00 pm	Treasury Budget
2:00 pm	Minutes of FOMC meeting
THURSDAY, APRIL 13	



RxGonGivelt2Ya @RxG... Tuesday, 2:27pm
question if i may - how do you prefer to trade/manage positions around data/fed events? Like this week we have CPI PPI Bank earnings...things that can move the market...I tend to go flat into these events and just re-evaluate after but curious on your thoughts

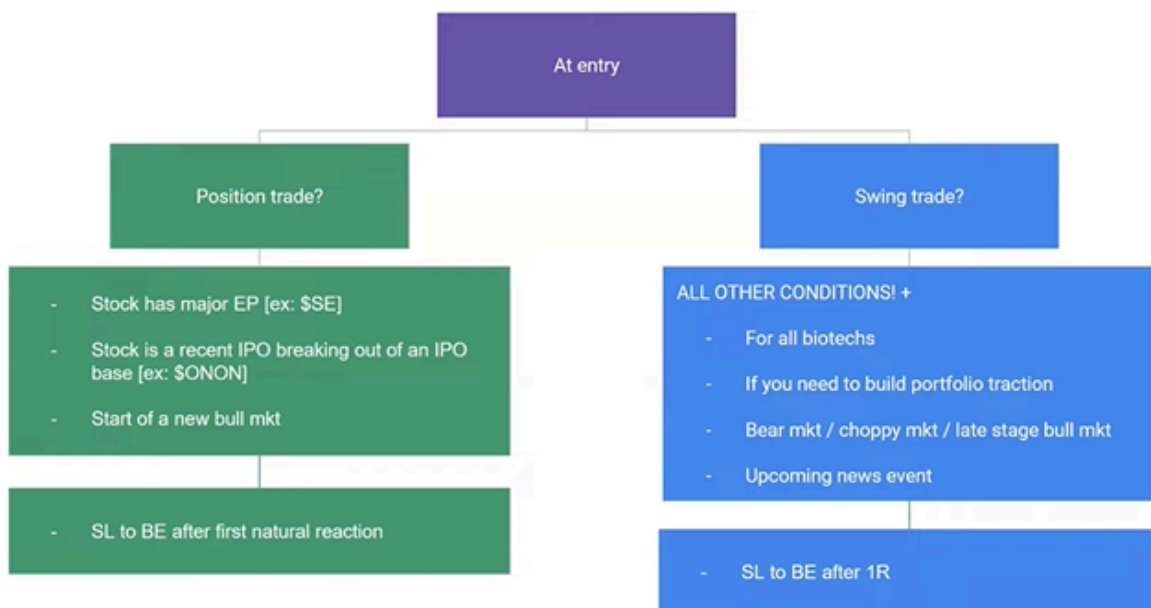


Dr. Mansi @drmansipd Tuesday, 2:35pm
ill play defense. for example, wont have more than 1 or 2 positions that are not already profitable. also taking partial profits to build cushion like i just did in MARA. in short - reduce exposure and build cushion.

FOMC meetings that determine interest rates are the big events you want to watch.

NEY's note: I use <https://www.forexfactory.com/#upnext>.

When to move the stop to breakeven?



Breakeven on a Swing trade:

Move the stop on an **episodic pivot** (Ep's) after "a natural reaction."

Example of natural reaction



**notes added by Ney*

You want to give **episodic pivot** (EP) space.

- Sell half of the position after the **3rd leg**.
- Sell the other half if it becomes parabolic or breaks the trendline.

Ney Notes: (Why? Because the probability of a 4th leg or more diminishes greatly)

How to protect profits?

- Move the stop there regardless if it's a position or swing trade every time there's a new swing low.
- In Position Trades: sell Half at the 3rd leg up or a break of the trendline.
- In a Swing trade: Sell Half at 2R* or after 3 to 5 days.

Ney's note: statistically, most moves are 3 to 5 days long.

**R stands for "R multiple" - a multiple of the initial risk*

When to move SL up to protect profits?



In Position Trades: sell Half at the 3rd leg up or a break of the trendline.
We don't like more than 3 legs up. (Statistically unlikely to continue)

3rd leg up



3rd "leg" example:



Break Trend line.

A trendline conformed by three lows min:

Break of trendline



Parabolic moves simply means that the angle of the trend changes.

We sell after the new trendline is broken because it is not sustainable.

Parabolic i.e. change in angle





Breakeven in a Swing Trade:

- In a swing trade, move the stop loss to breakeven after +1R.
- Sell half at 2R (now you have a free trade).

Example of 1R

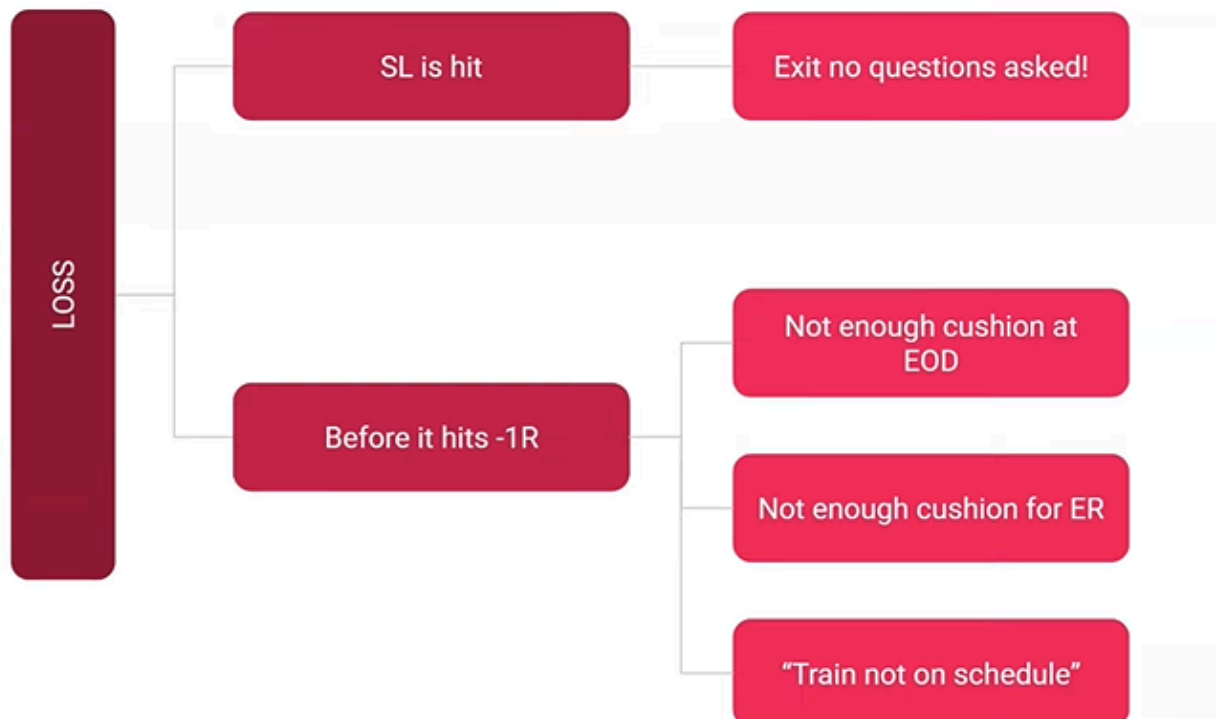


Half @ 2R, Half at 3-5 days



When to take a loss?

- 1) Your original stop gets hits. This is non-negotiable.
- 2) If there are not enough cushions at the end of the day (Cushion > 3 Average Daily Range (ADR) of that stock). Don't risk a gap down the next day.
- 3) the earnings report is coming out, and you are not 2R+ over your original entry.
- 4) The train is not arriving on schedule.



*not enough cushion means is too close to the stop loss. It could gap the next trading day.

*ER means the Earnings report is coming in the next day or two.

*Train not on schedule means the stock just goes sideways.

Position Size

Position sizing holds the utmost significance in determining trading profits and losses, while progressive exposure complements this approach by adjusting position sizes based on trading performance. Sadly, many new traders overlook position sizing, unaware of its crucial role in account growth and risk management. The first trade should begin with a risk of 0.12% of the total equity, and as subsequent trades yield success, the risk percentage can increase. However, it's crucial to exercise caution by limiting risky positions to a maximum of two at any given time to mitigate potential losses. With progressive exposure, traders can maintain smaller drawdowns and steadily foster the growth of their trading accounts.

The two main rules for position sizing and progressive exposure are:

1. Starting with a new account, the first trade should risk 0.12% of the total equity.
 - If two trades are successful, the risk can be increased to 0.25%.
 - If two more trades are successful, the risk can increase to 0.5%.
 - If two more trades are successful, the risk can be set at 1%.
 - If two trades fail, the risk should be decreased step by step (0.5%, 0.25%, 0.12%).
2. Only take a maximum of two risky positions simultaneously to limit potential losses.

Ney's comments: Historically, successful trades come in batches, and successful traders know when you bet heavy or retract; of course, we can't time the market. no one can. So we just keep taking trades constantly, but with progressive exposure, traders gradually increase their position sizes in good times as they gain more successful trades and decrease position sizes in bad times if they face consecutive losses. This approach aims to minimize drawdowns and steadily grow the trading account.

Ney's note: When a stop is at or above breakeven, we say the trade is "Free" or "Safe." You can have as many Free or safe positions as you want.

ROTE = Risk on Total Equity

2 Rules

- First trade risk 0.12% of my total equity
- If 2 positions do well, increase ROTE to 0.25%, then 0.5% and then 1%
- If 2 stop losses hit, reduce position size from 1% to 0.5% to 0.25% and lastly to 0.12%
- Max of 2 risky positions at a time
 - This caps max intraday loss to <2% of acct
 - If the mkt is supportive, odds are at least 1 of those 2 will work
- I add 1 new position for every position that become free/safe



Spreadsheet to calculate ROTE

Search the menus (Alt+/)

C7 0.5%

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
	Stock	Total Equity	ROTE	\$ Risk	Entry	SL	# of shares	Exit	P/L	New Total Equity				
2	aapl	\$100,000	0.12%	\$120	\$100	\$95	24	\$110	\$240	\$100,240				
3	nvda	\$100,240	0.12%	\$120	\$100	\$95	24	\$110	\$241	\$100,481				
4	cost	\$100,481	0.25%	\$251	\$100	\$95	50	\$95	-\$251	\$100,229				
5	pltr	\$100,229	0.25%	\$251	\$100	\$95	50	\$110	\$501	\$100,731				
6	lnth	\$100,731	0.25%	\$252	\$100	\$95	50	\$110	\$504	\$101,234				
7	mara	\$101,234	0.50%	\$506	\$100	\$95	101	\$110	\$1,012	\$102,247				
8	bito	\$102,247	0.50%	\$511	\$100	\$95	102	\$110	\$1,022	\$103,269				
9		\$103,269	1.00%	\$1,033	\$100	\$95	207	\$110	\$2,065	\$105,334				
10		\$105,334		\$0					\$0	\$105,334				
11		\$105,334		\$0					\$0	\$105,334				
12		\$105,334		\$0					\$0	\$105,334				
13		\$105,334		\$0					\$0	\$105,334				
14		\$105,334		\$0					\$0	\$105,334				
15		\$105,334		\$0					\$0	\$105,334				
16		\$105,334		\$0					\$0	\$105,334				
17		\$105,334		\$0					\$0	\$105,334				
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23		\$105,334		\$0					\$0	\$105,334				
24		\$105,334		\$0					\$0	\$105,334				
25		\$105,334		\$0					\$0	\$105,334				
26		\$105,334		\$0					\$0	\$105,334				

The diagram shows a price movement pattern. A blue line represents the 'FLAG POLE (UPTREND)'. A green line represents the 'FLAG (CHANNEL)'. A horizontal line at \$100 is labeled 'BREAKOUT'. A horizontal line at \$95 is labeled 'FLAG POLE (UPTREND)'.

template: https://docs.google.com/spreadsheets/d/14vYgHcte6kmRp1_Gp5VfwhHt32_hOsAvGZnWJdyQcBQ/edit

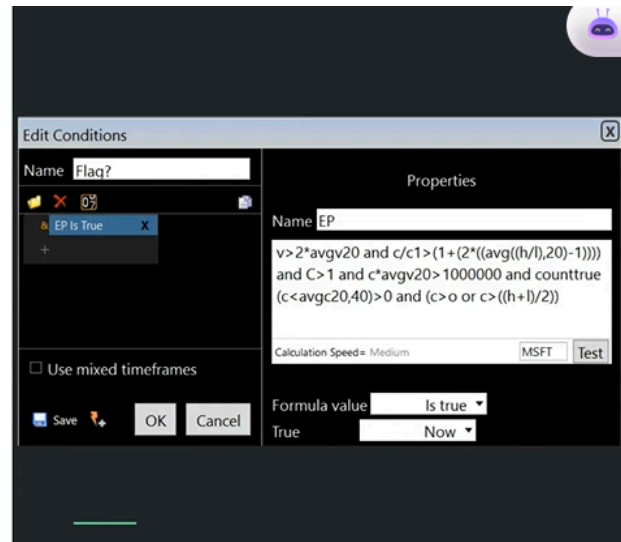
How to create a list of earnings winners (EW)

Scan in TC2000:

- Average volume over 1 Million shares
- 2 x the average volume
- 2 x ADR%

Scan

- $c > 1$
- $c * \text{avgv}20 > 1000000$
- >2vol:
 - $v > 2 * \text{avgv}20.1$
- 2ADR move:
 - $c/c1 > (1 + (2 * ((\text{avg}((h/l), 20) - 1))))$
- $(c > 0 \text{ or } c > ((h+l)/2))$



code:

$v > 2 * \text{avgv}20 \text{ and } c/c1 > (1 + (2 * ((\text{avg}((h/l), 20) - 1)))) \text{ and } C > 1 \text{ and } c * \text{avgv}20 > 1000000 \text{ and } \text{counttrue}(c < \text{avgc}20, 40) > 0 \text{ and } (c > 0 \text{ or } c > ((h+l)/2))$

Checklist of an earnings winner:

- ☐ Breaking out of range?
- ☐ Old trend or new trend?
- ☐ Catalyst?

Let's develop each idea:

- ☐ *Breaking out of range?*

Breaking out of a range?



- ☐ *Old trend or new trend?*

Simple rule: Don't buy a stock after it has made 3 legs up. Because the probability of a 4th leg is dramatically lower.

What is a leg?:



New Trend

We like this because it is starting a new trend:



Old Trend

We DON'T like this:



☐ Catalyst

What is a stock catalyst?

Stock catalysts are events or factors significantly impacting a stock's price and performance.

There are two types of catalysts: stock-specific and group-specific.

Catalyst

Stock specific:

- Most common is ER
- Biotech - its either trial data or FDA approval
- New product
- New CEO
- Entry in new mkt
- New govt policy
- Partnership / JV

Group strength:

- Entire sector runs [ex: \$MARA \$RIOT]
- Or there's a new technology that becomes a buzz word [ex: "AI" \$LUCY]

*ER = Earnings. Biotechs normally don't move on earnings but on research news (trial data or FDA).

Stock-specific catalysts include earnings reports (surprises that move the stock pre-market), new product launches, new CEO appointments, entry into new markets, new government policies, Partnerships, or joint ventures.

For biotech companies, earnings data is often absent due to their focus on experimental drug development rather than active sales. As a result, catalysts for biotechs are typically driven by trial data or FDA approvals, which can create substantial gaps in the stock and have a similar impact on traditional earnings as a strong catalyst.

Group-specific catalysts affect entire industries or sectors, such as regulatory changes or emerging technologies like AI.

How to find a catalyst:

Here is an Earnings winner. We see a stock that is breaking into new highs with volume.

How to find a catalyst?



Traders can use financial news websites like Finviz.com to identify and assess the strength of potential catalysts. Reliable and high-quality news sources are important for determining the legitimacy and impact of catalysts on stock prices.

- 1) Look for breakouts in scans.
- 2) Go to Finviz and look for news (and who published it).

Key Note: what is a strong catalyst? something that indicates future growth of sales. Better earnings are good too, but not so impactful. Also, they tend to be surprised by the market, so we scan for volume and intensity moves. If it weren't a surprise, then the price wouldn't move.

finviz.com/quote.ashx?t=EVCM&ty=c&ta=1&p=d

finviz FINANCIAL VISUALIZATIONS

Search ticker, company or profile

Home News Screener Maps Groups Portfolio Insider Futures Forex Crypto Backtests Elite

Date	Action	Analyst	Rating	Price
Nov-21-22	Downgrade	Piper Sandler	Overweight → Neutral	\$11 → \$9
Oct-19-22	Initiated	Goldman	Sell	\$8
Oct-21-21	Initiated	Barclays	Equal Weight	\$21
Jul-26-21	Initiated	RBC Capital Mkts	Outperform	\$21
Jul-26-21	Initiated	Raymond James	Outperform	\$20
Jul-26-21	Initiated	Piper Sandler	Overweight	\$24
Jul-26-21	Initiated	Oppenheimer	Outperform	\$24
Jul-26-21	Initiated	JP Morgan	Overweight	\$30
Jul-26-21	Initiated	JMP Securities	Mkt Perform	\$22
Jul-26-21	Initiated	Jefferies	Hold	\$19
Jul-26-21	Initiated	Barclays	Equal Weight	\$19

▼ Show Previous Ratings

Apr-21-23 09:49AM Exclusive-Management software company EverCommerce explores sale -sources (Reuters) +12.51%

Apr-18-23 01:08PM EverCommerce Inc. (NASDAQ:EVCM) Screens Well But There Might Be A Catch (Simply Wall St.)

Apr-13-23 04:05PM EverCommerce Announces Date of First Quarter 2023 Earnings Call (GlobeNewswire)

Apr-04-23 04:05PM EverCommerce Announces Chief Accounting Officer Transition (GlobeNewswire)

Mar-28-23 09:00AM Evan Berlin Named Chief Operating Officer at EverCommerce (GlobeNewswire)

10:33PM Loading...

Mar-19-23 10:33PM EverCommerce Inc. (NASDAQ:EVCM) Q4 2022 Earnings Call Transcript (Insider Monkey)

Mar-17-23 08:41AM Why EverCommerce Stock Is Soaring This Week (Motley Fool)

Mar-16-23 02:44PM Why Shares of EverCommerce Stock Soared Today (Motley Fool) +19.98%

07:03AM Q4 2022 EverCommerce Inc Earnings Call (Thomson Reuters StreetEvents)

Examples of a stock that made it to the list:

New trend + range break + strong catalyst = BINGO!



Q: Do you focus on only “Earning winners”?

A: Yes, because she likes to know why stocks are moving. Earnings Winners are her only Universe.

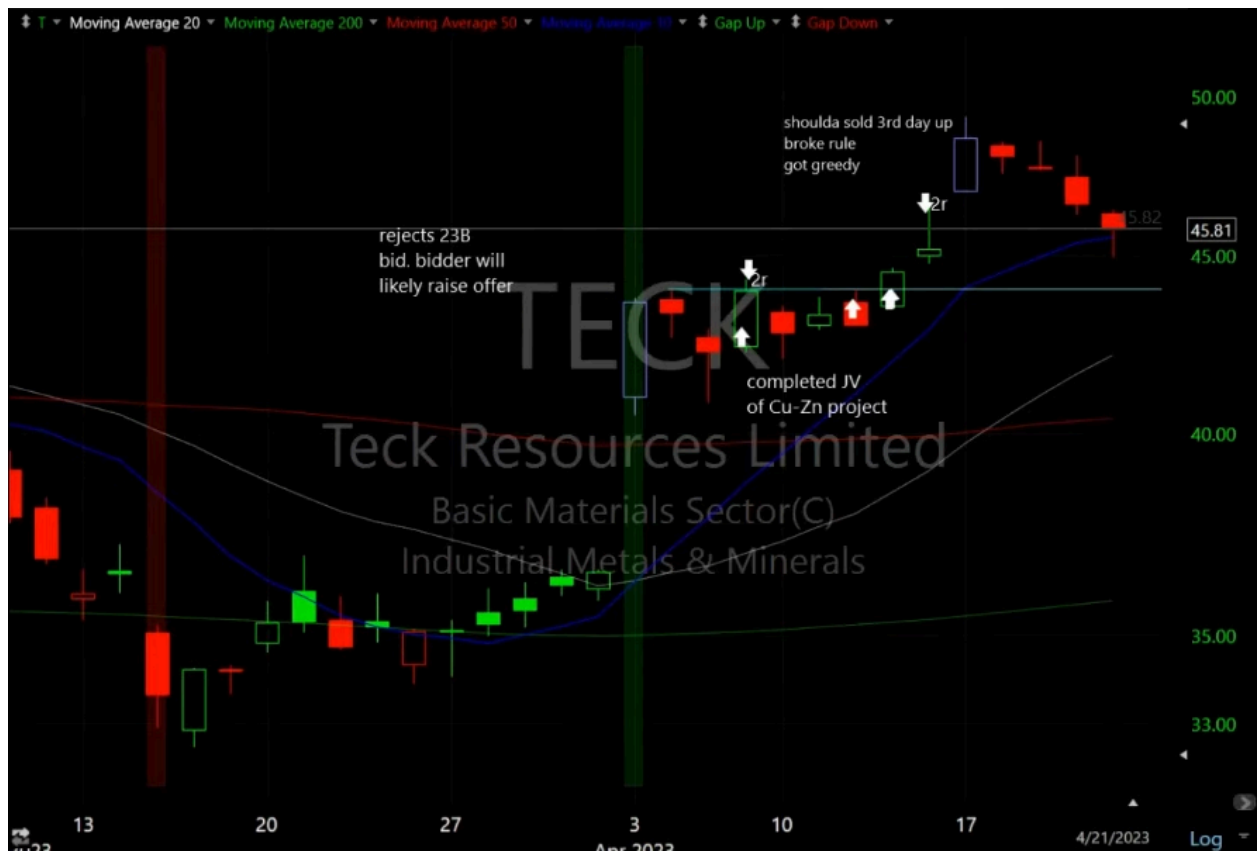
“Focus On one setup. Else, you'll be the jackass of all trades and master of none.”

When do stocks come off the Earnings winners (EW) list?

1. If the next quarter's earnings report (ER) announcement is coming out within the next week.
If I already have a position in that stock, I'll hold it if I have enough cushion (Cushion > 3 Average Daily Range (ADR) of that stock).

For example, \$TECK coming off the list because there's now enough “cushion” before earnings day:

- ER on 4/26 [today is 4/24]
- My entry: \$44
- ADR = 3.5%
- Need stock to be $> 44 * (1 + 3 * 3.5\%) = \48.62 , before 4/25 (tomorrow)



2. If the stock shows bad news,
3. Going down 2 ADR with a lot of volume.



4. Multiple down days on large volumes.

How I make my watchlist

One way of creating a watchlist for trading stocks is as follows:

- Employ a strategy focused on trading "earnings winners" with strong catalysts.

- Start by scanning for such stocks and pick a list of potential candidates.
- To avoid short-term trades, remove stocks with upcoming earnings announcements.
- Prioritize stocks with pullbacks and good setups, particularly those down less than one percent daily.
- The final watchlist is narrowed to the top 10 or 20 ideas for the next trading day, allowing them to concentrate on the most promising opportunities.

All Flagged Symbols ▾ <input type="checkbox"/> Scan ≡			
Sym	% Change ▲	Vol Buzz	Next Earnings
BLPH	-10.5%	-48%	5/10/20
IFRX	-9.8%	+1.8K	5/11/20
MAXN	-4.7%	+114%	5/25/20
CMPR	-4.6%	+54%	4/26/20
KC	-4.4%	+156%	6/14/20
AMAM	-2.5%	-89%	4/25/20
SE	-1.9%	+35%	5/16/20
BLBD	-1.5%	-7%	5/11/20
AUPH	-1.2%	+41%	5/9/202
MBLY	-1.2%	-3%	4/27/20
BLMN	-0.7%	+13%	5/5/202
FOUR	-0.7%	+4%	5/4/202
TGLS	-0.5%	+225%	5/3/202
LNTH	-0.5%	-15%	5/5/202
COCO	-0.2%	+206%	5/10/20
ACVA	-0.1%	+26%	5/10/20
DUOL	+0.1%	+106%	5/11/20
CRUS	+0.1%	+189%	5/2/202
ONON	+0.1%	+195%	5/16/20
SPOK	+0.3%	+75%	4/27/20
BMEA	+0.3%	+429%	5/15/20
EVGO	+0.5%	+58%	5/10/20
AMPX	+0.5%	+54%	6/22/20
CERT	+0.5%	+135%	5/4/202
FTNT	+0.6%	+17%	5/4/202
HUBS	+0.6%	+143%	5/4/202
GATO	+0.6%	+274%	4/4/202
FSLY	+0.6%	+5%	5/3/202
ACCD	+0.8%	+30%	4/27/20
TDUP	+0.9%	-34%	5/8/202

Creates a list of stocks with news or catalyst for the next day.

- 1) Eliminate anything with earnings dates coming soon (within the next 5 days)
- 2) Sort them by "% change."

- a. Remove them if they fall more than 30%
 - b. She likes trading pullbacks, so we want to see the ones going down recently.
- 3) Check different timeframes and draw important levels. Support and resistance.

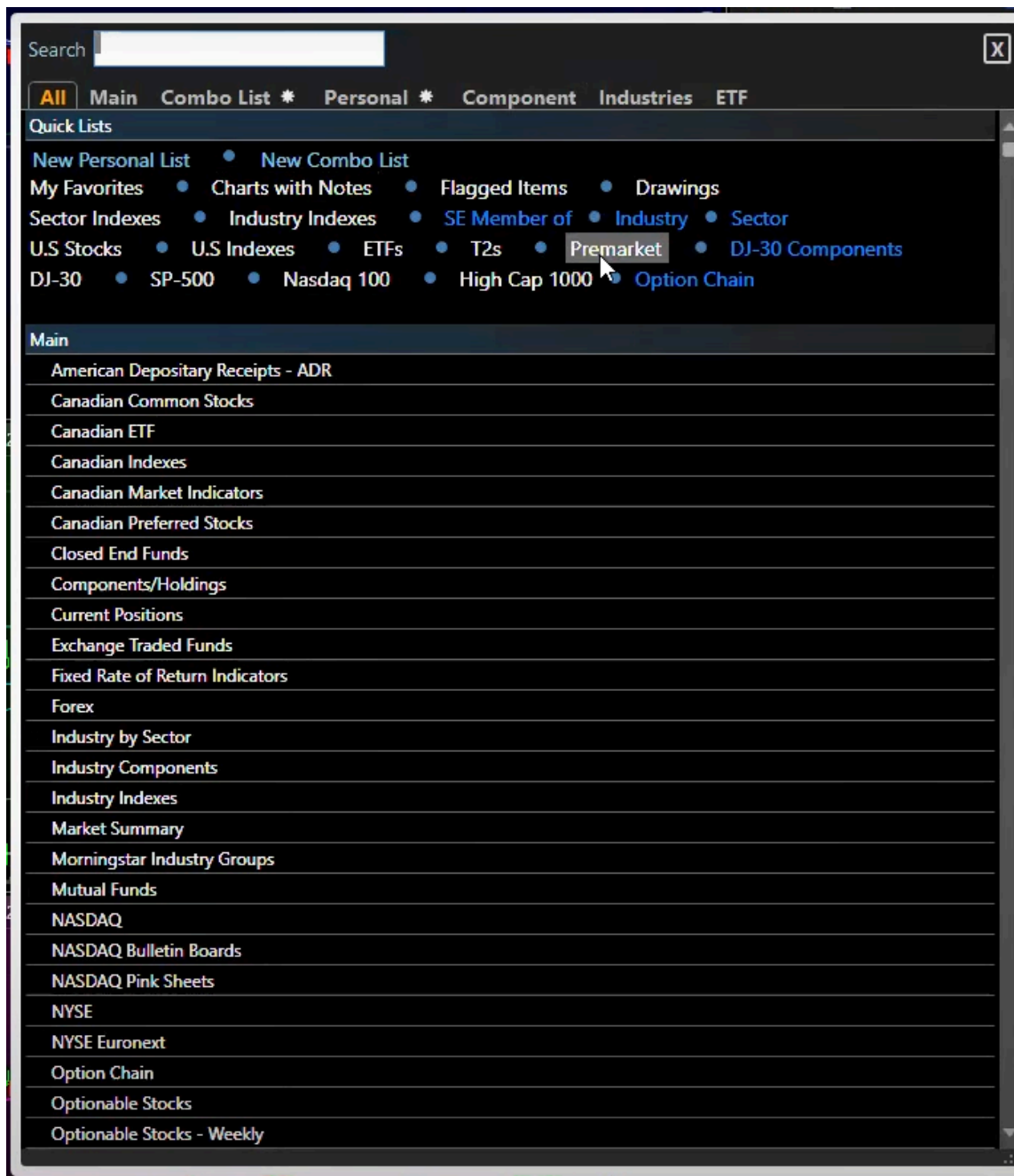


- 4) Set alarms.
- 5) Remove based on Risk reward; risky industries should always be treated like swing trades, etc.

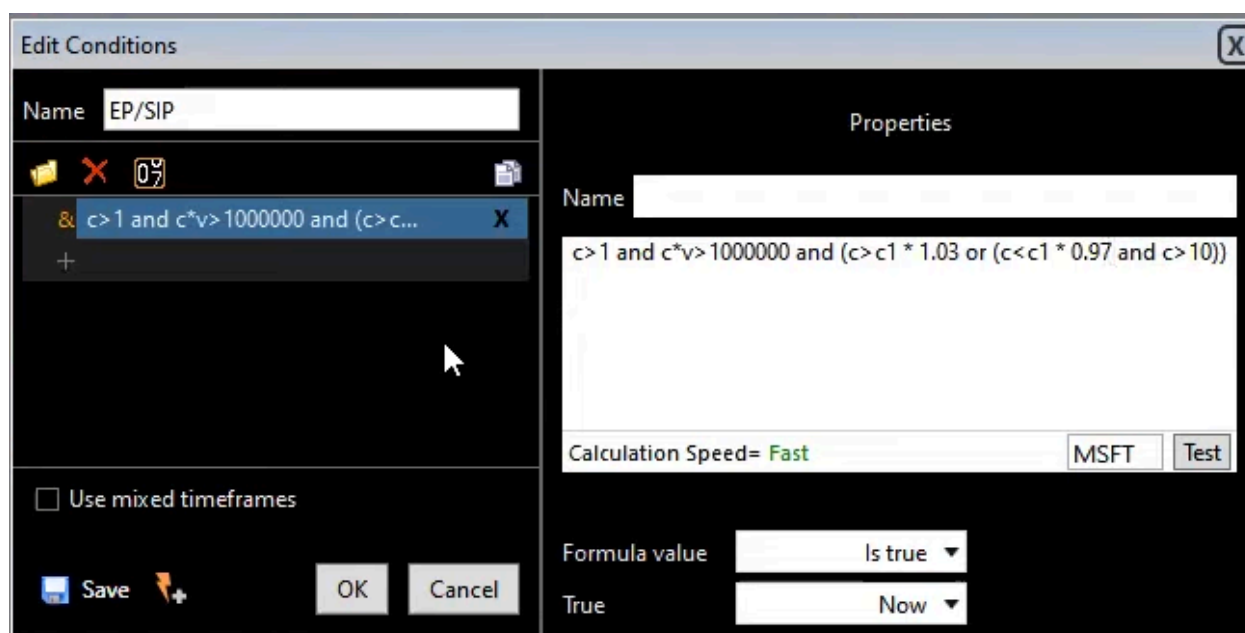
HOW TO SCAN for Episodic Pivots (EP'S) AND Stocks in Play (SIPs)

In Tc2000:

Select "premarket."



Look for companies that have gone up or down 3% or more, with a 1M volume min. on stocks over \$10/share



$c > 1$ = price is greater than 1. $c * v = 1M$ (has traded more than \$1M).

The rest of the formula shows gaps over 3% up or down:

Ney's notes: why 3% most stocks move under this range, we are looking for outliers.

She uses stocks over \$10 to find shorts, too ($c > 10$).

If the chart looks interesting, she uses finviz.com to look for news on that stock.

Also, she likes something that IPO not that long ago (max 10 years?).

Ney's notes: the idea of IPO younger than 10 years is because stocks tend to make it before this time or not make it at all.



*note: the natural gas industry, known as “the widow maker,” is choppy and volatile.

Don't hold biotech overnight.

How I Became a Full-Time Trader.

“... it's like eating glass and staring into the abyss. If you are wired to do it, then only do it, not otherwise.” - Elon Musk

Dr. Mansi shares her trading journey from being a part-time trader to a full-time trader after a decade of experience. She differentiates between hobby and real traders, with the latter taking trading seriously to make money, investing significant time and effort into learning and tracking their results. Dr. Mansi outlines two criteria for transitioning to full-time trading: having a positive expectancy, which indicates a proven business model for consistent profits, and having five years' worth of living expenses saved to trade without desperation. She emphasizes the importance of realistic expectations for returns and highlights a full-time trader's challenging and sometimes lonely lifestyle. Ultimately, she advises aspiring traders to pursue full-time trading only if they have a genuine passion and desire.

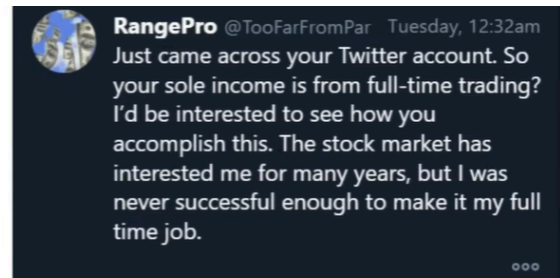
Criteria to be a full-time trader.

Criteria to be a FT trader?

Positive expectancy

- $(\text{avg win}) * (\% \text{ of winning trades}) - (\text{avg loss}) * (\% \text{ of losing trades})$
- This is for my last 100 trades
- Proven business model or “formula to make money”
- Once you have this (specially in a bear market), you can scale

AW	10.30%	AL	-4.4%	PWT	37%	RR	2.4	Exp r	1.1%
----	--------	----	-------	-----	-----	----	-----	-------	------



5 years living expenses

- Not trading from desperation
- No stress
- Not homeless
- Bear markets could last up to 3 years and your account may just flatline
- Alternative: other sources of income / minimize expenses

*AW = average win. AL = Average losses. Expr = Expected return, expectancy. PWT = percentage of winning trades. RR = risk reward ratio (AW/AL)

It took Dr. Mansi 10 years to become a full-time trader. For eight of those years, she was a part-time trader.

What is realistic?

You could be flat or lose in bear markets that can last an average of 3 years.

Returns

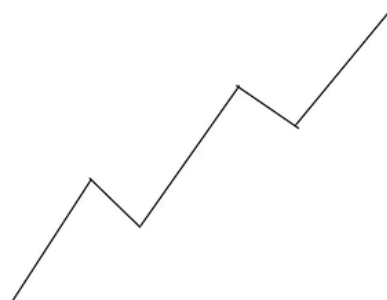
5-10% drawdowns in choppy market and bear markets.

100% return in a new bull market.

20% - 30% return in late-stage bull markets.

Returns:

- 5-10% drawdowns in choppy markets and bear markets
- 100% returns in new bull markets
- 20-30% return in late stage bull markets



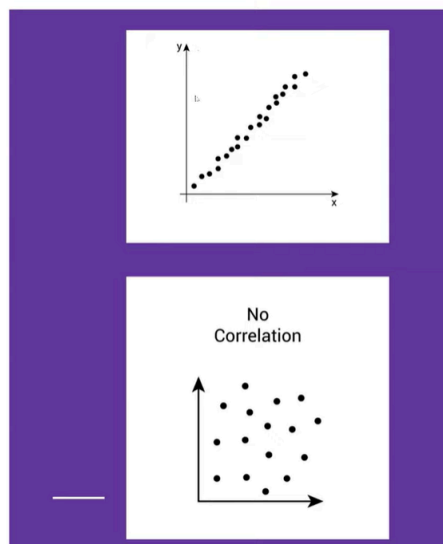
Lifestyle:

- ☐ Hard work
- ☐ Daily scanning, prep, on the desk at 8:30 am
- ☐ No paid vacation days
- ☐ No paid sick leave
- ☐ No health insurance
- ☐ No maternity/paternity leave
- ☐ Working alone. LONELINESS.
- ☐ Working from home
- ☐ Friends and family won't understand
- ☐ No colleagues
- ☐ Unglamorous

Trading v/s a job & hard work

Effort is not proportional to results

- Job:
 - 1 hr of work = \$25
- Trading:
 - 8 hours of work in a day = acct down for the day



So why should I work hard?

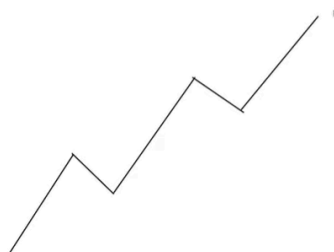
Without hard work:

- Won't be able to capitalize in bull markets
- Big drawdowns in bear mkts
- Overall the acct will go nowhere
- Most traders end up losing all capital



With hard work:

- Will capitalize hugely in bull markets
- Small drawdowns in bear mkts
- Overall the acct will go up steadily




Conclusion:

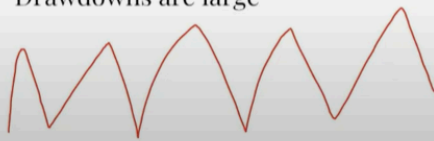
Hard work is a necessary but not sufficient condition for success in trading

Are you a REAL trader?

2 types of traders:

Hobby trader:

- Trading part time
- Trading is a hobby. Doing it for “fun”
- Puts in little effort in learning
- Does not track results
- Results are random 
- Equity curve looks like an ECG
- Drawdowns are large

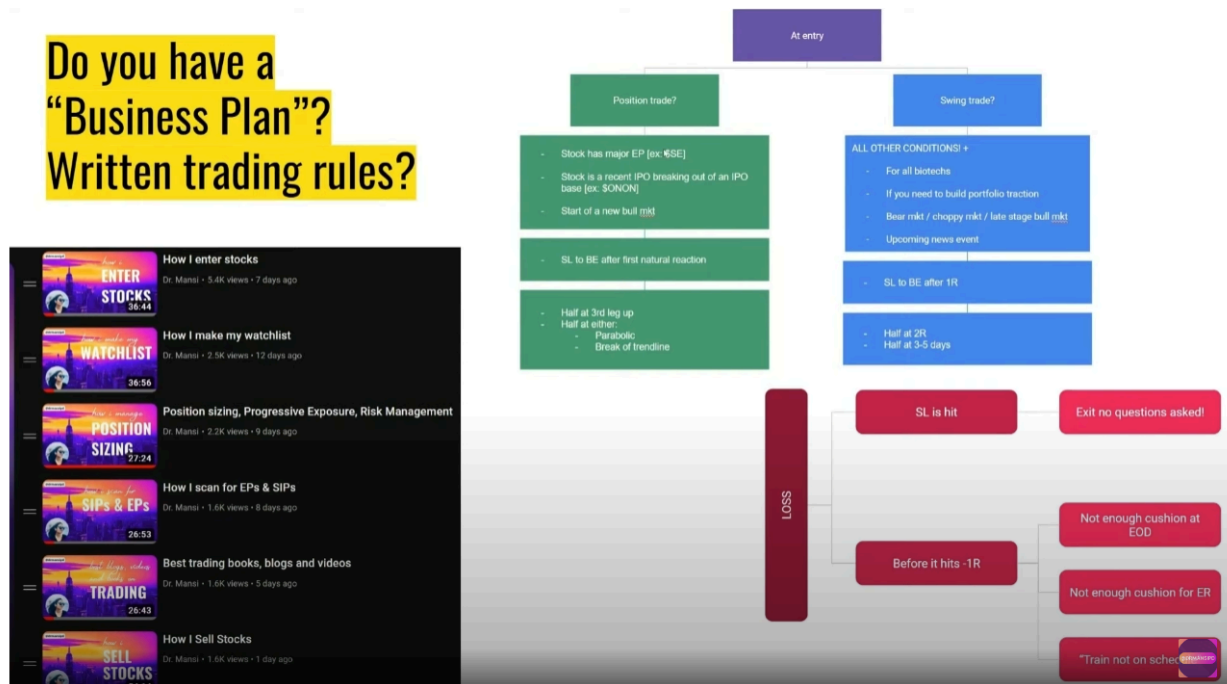


Real trader:

- Trading full time (or if part time, intends to go full time)
- Doing it to make money
- Pay bills with trading profits
- Puts in all time and effort in learning
- Tracks every trade
- Has a smooth upward equity curve
- Drawdowns are 5-7% and always <10%



How I set up my trading like a business



Brokerage account,

Choose a large publicly traded company for your brokerage account to ensure safety and avoid potential issues with smaller brokerages.

Consider splitting your money across two brokerage accounts to hedge against downtime or technical problems with one account, providing a backup for continuous trading.

Utilize Auto Attach bracket orders in your brokerage account to automatically set profit-taking and stop-loss orders. This ensures risk management and prevents the need for manual decision-making during trades. Mechanical stop losses are recommended over mental ones to avoid detrimental decision-making.

Brokerage Accounts

- IBKR and Schwab (process of moving this)
- Highly recommend large, publicly traded companies
- Split your money across 2 brokerage account
- Auto attach bracket orders

Situational Awareness

Situational awareness = What are the odds of my system working right now?

Situational awareness is the process of assessing the odds of breakouts working in the current market conditions. It helps traders determine whether to play offense (be aggressive) or defense (be cautious) in their trading strategies. The main goal is to smooth the equity curve and improve trading performance.

Equity curve:

Why use SA?



There are many ways to see the market condition, it is important to keep the process simple and stay calm with only a few indicators or strategies. Pick 2 or 3:

K.I.S.S. 🙄

- Many ways to get same data
- Watchlist / mkt breadth monitor / indices charts / 20% movers / equity curve / % of stocks above 20ma / 50ma / 200ma / T2108 etc etc etc
- Pick 2-3 that make most sense to your strategy



*k.i.s.s. meaning keep it simple stupid

Customization is a vital aspect of situational awareness in trading as it allows traders to tailor the process to suit their unique trading style and setup.

By understanding their individual preferences and strategies, traders can fine-tune situational awareness to identify potential opportunities and risks in the market effectively.

Once armed with this knowledge, traders can create a well-structured trading plan for the following day, incorporating position sizing and exit rules based on their situational awareness analysis.

Continuous learning plays a crucial role in this process, as understanding the underlying logic behind situational awareness enables traders to enhance their skills and adapt to ever-changing market conditions.

Moreover, the same situational awareness framework is universally applicable to different markets worldwide, with the flexibility to adjust it according to the specific characteristics of each market. By developing a solid grasp of situational awareness, traders can avoid the pitfalls of relying solely on others' advice and make more independent and informed decisions.

Monitoring market trends, sector performance, and stock behavior is essential for refining situational awareness and fine-tuning the approach to maximize trading success. While the primary focus of situational awareness is on assessing breakout strategies, its adaptability allows it to be employed for other trading styles, ensuring a well-rounded and versatile approach to navigating the dynamic world of trading.

Analyze 3 things:

Watchlist

- How long is your watchlist?
- What % of your WL is green?
- Is there large RVol?

Portfolio

- Look at your past 10 trades
- Are breakouts following through for 3-5 days?

Market

- Are indices in a range? Uptrend?
Downtrend?
- Is there news upcoming? FOMC, election, ER season
- Which sector is leading/lagging? Biotech, KRE
- Are there bubbles forming in hot groups? "AI"

Based on this, decide if you are in the **Defense** or the **Offense**.

Tactics

Defense

- Chicken
- singles or dot balls
- Small size
- Fewer breakouts [1 instead of 2]
- Waiting 15-30 mins or more to see if breakouts hold
- Swing trading

Offensive

- Pig
- 4s and 6s
- Bigger size
- Take 2 breakouts, keep moving stop up, and taking more
- Entering in first 5 mins or even 1 min of the day
- Position trading

Try figuring out your tactics before the market opens. “Chicken” is a small position; take profit fast. “pig” is a big position looking for home runs.

*“Single or dot balls” = take profits fast.

What does a “defense” day look like?

Example

Defense

- Small watchlist
- Few names green
- Low RVol
- No portfolio traction
- Breakouts failing in 1-2 days or same day
- Indices in downtrend or sideways
- News driven market

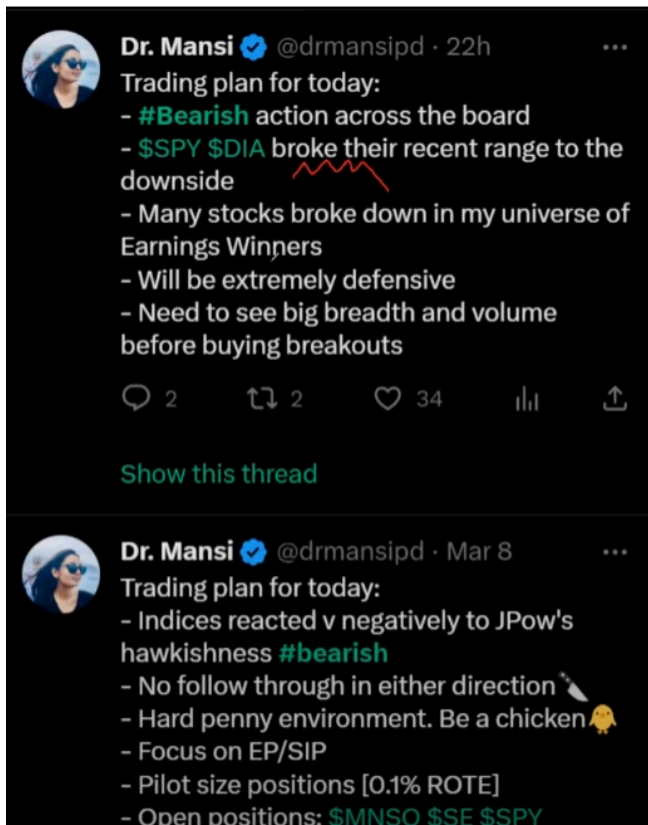
No portfolio traction means the equity curve is not growing lately.

How does an “Offensive” day look like:

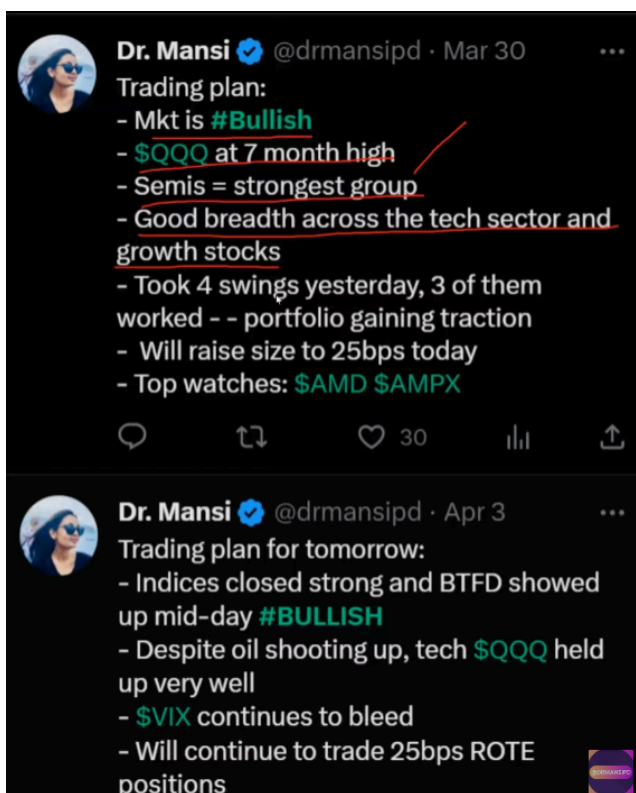
Offensive

- Looooong watchlist
- Most names green
- High RVols
- Portfolio making new highs
- Breakouts rallying 3-5 days +
- Indices in uptrend
- Several sectors strong

How does a trading plan look like:



*“Big breath” means many stocks are moving positively with volume.



Weekday & Weekend Routine



Dr. Mansi @drmansipd · 20m

My Daily Routine:

Before market open:

- Scan for EPs & SIPs
- Situational Awareness

During market hours:

- Enter stocks
- Exit stocks
- Position Sizing

After market close:

- Scan for Earnings Winners
- Make Watchlist

7:30 am to 9 am – look for **episodic pivot** EP's and SIP's. Decide if you are defensive or offensive.



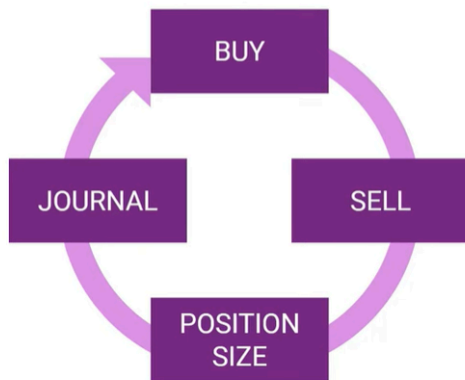
7:30 am and 9 am (look for **episodic pivot** EP's, and SIP's see how they react pre-market)

New data? Gap ups? Gap downs? Economic meetings?

Get a feeling for the market you are in.

Market Hours

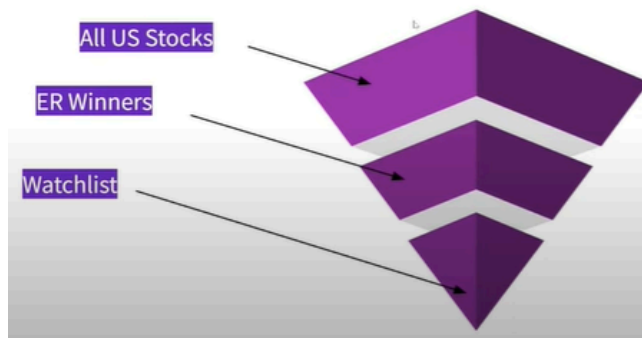
- Enter and exit stocks
- Risk management
- Study



In slow markets study.

After mkt

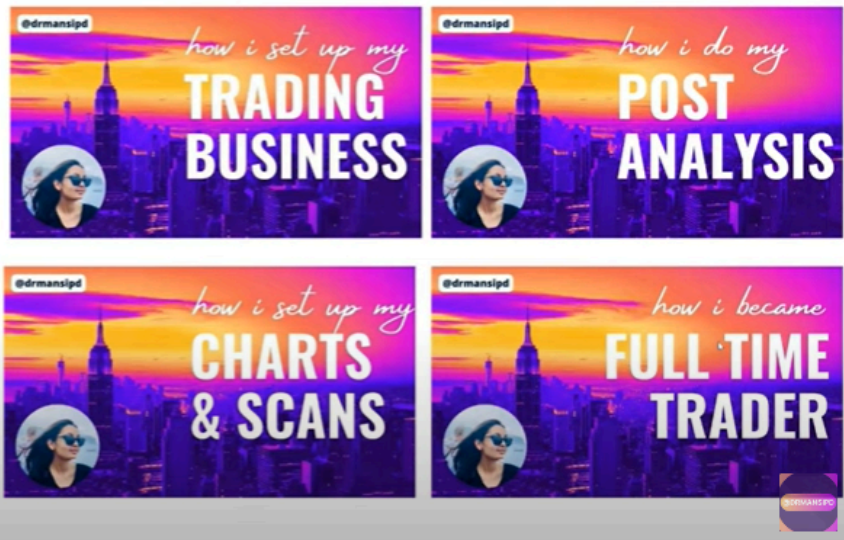
- ER winners
- Watchlist



After hours she uses the filter to see the list of ER Winners, but she only selects a subset she likes subjectively. This is the “watch list”

Weekend Routine

- Set up your trading like a business
- Set up your charts and scans
- Post analysis
- Become a full time trader?



Use the weekend to analyze past trades.

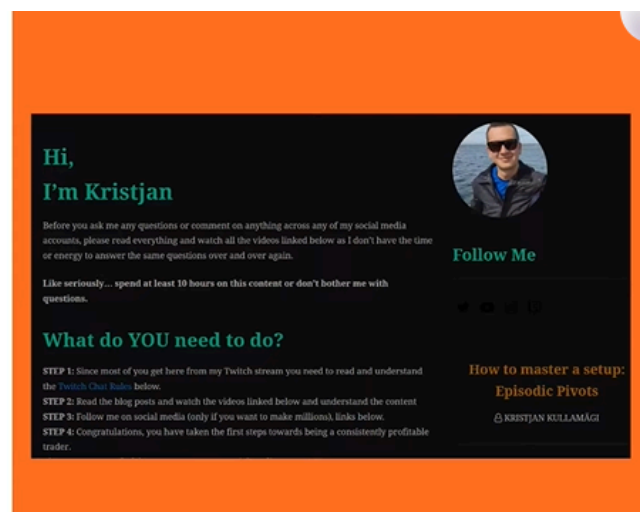
Extras

Best trading books, blogs, and videos

- Be careful of pumps and dumpers.

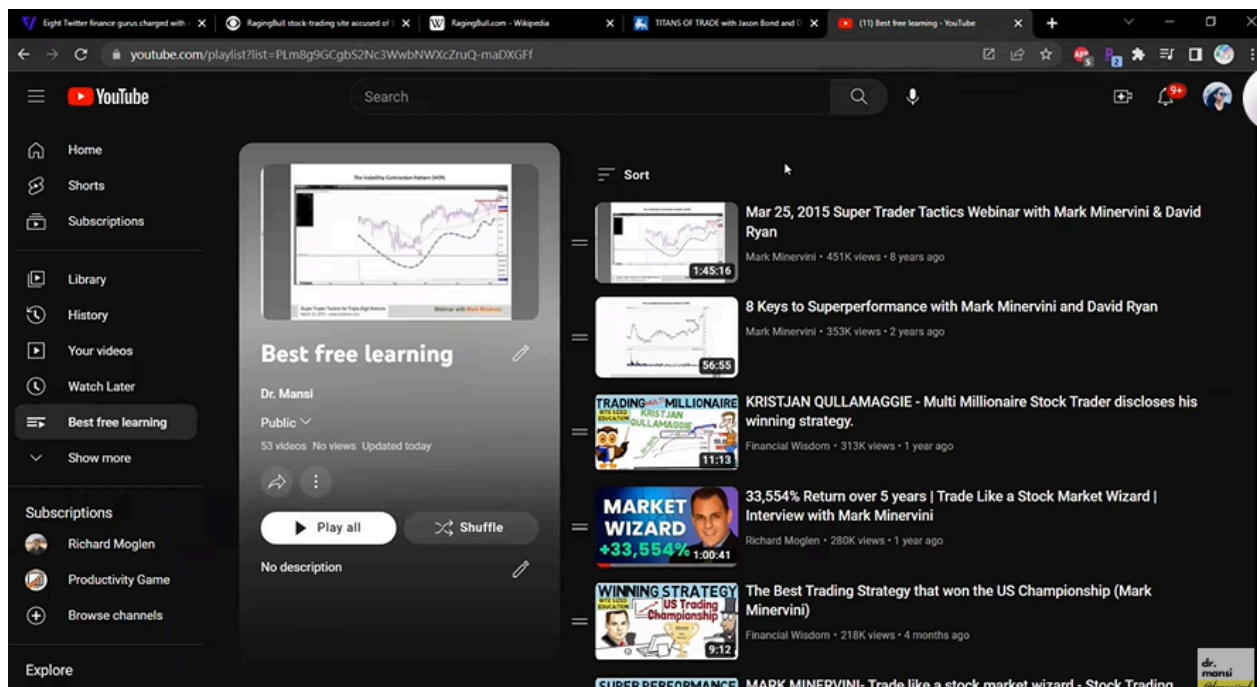
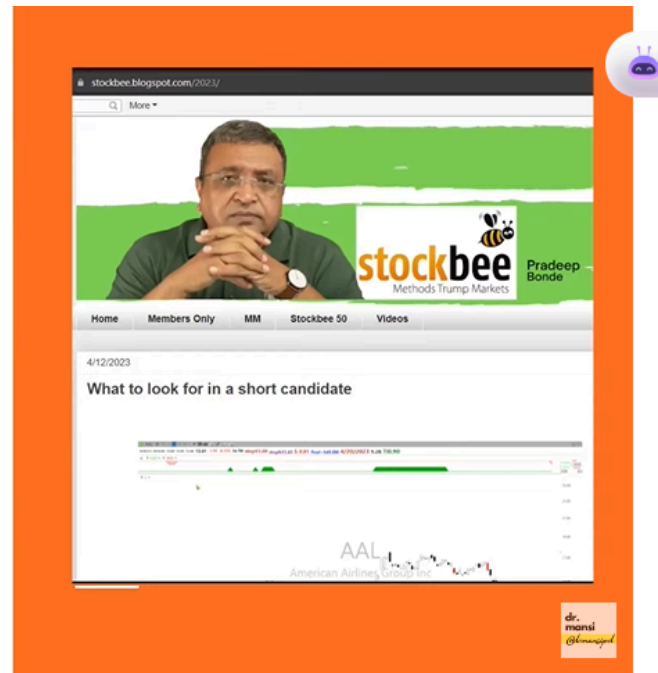
Qullamaggie.com

- Turning point in my trading
- Free! Real trader, real money
- Intention is to teach
- 4 minute mile [Roger Bannister]



Stockbee.blogspot.com and youtube

- Imho, best trading coach
- Extensive knowledge, prolific blog
- Original thinker
- He also has a youtube channel



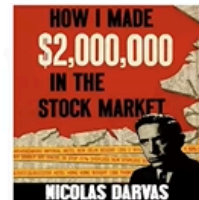
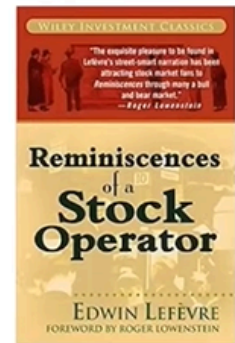
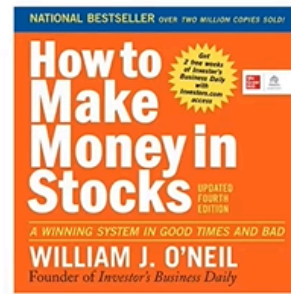
link: <https://www.youtube.com/playlist?list=PLm8g9GCgbS2Nc3WwbNWxcZruQ-maDXGff>

Books

Old books you need to extrapolate to today.

Old books

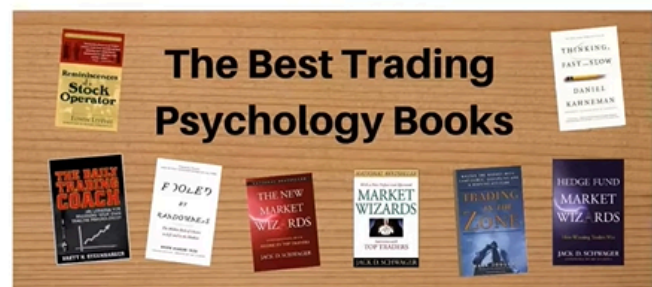
- In what mkt conditions did they make money?
- Has the mkt changed since?
- Fundamentals vs story stocks [SPACs, crypto]
- Options, no commission trading, meme stocks, HFT etc



Psychology books

Trading psychology books

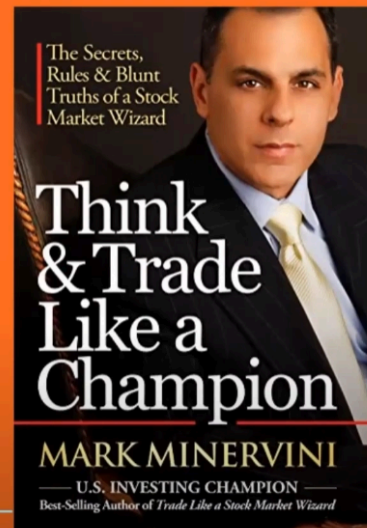
- Are they psychologists or traders?
- Theory vs practice
- Doing vs reading about doing [sports, swimming, riding a bike]



5 books that are worth it.

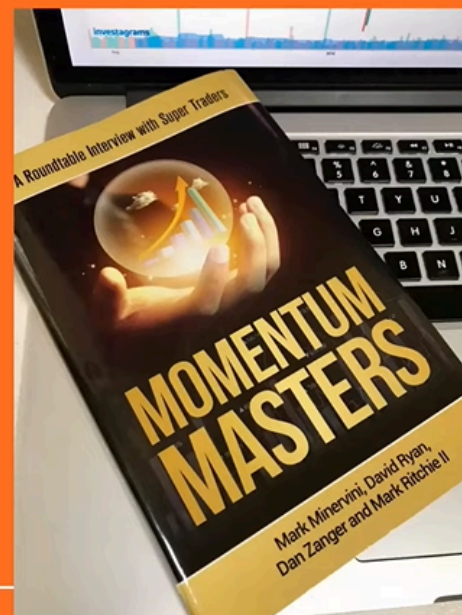
Think and Trade like a Champion

- if there's only 1 book you have the patience to read, this is it
- Risk management, mindset, entry and exit
- Read this 100 times instead of 100 other books



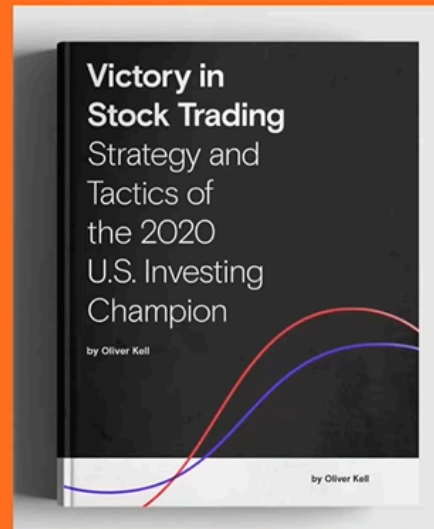
Momentum Masters

- Builds on minervini's work
- Mark Ritchie's only book
- Love the format. One question and 4 different perspectives



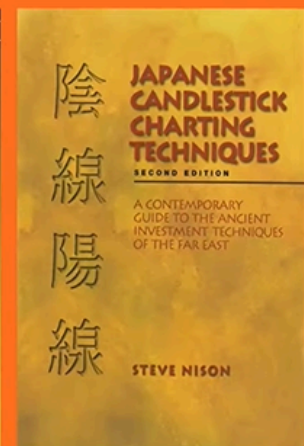
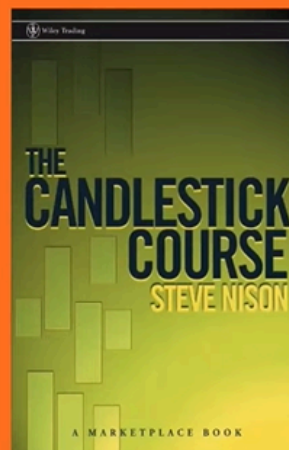
Victory in Stock Trading

- Explanation of the price cycle is the best
- Give you ideas for add-on buy points
- Get out of daytrading mindset and move to swing/position trading
- Walk through of examples in his Masterclass is helpful too



Candlesticks

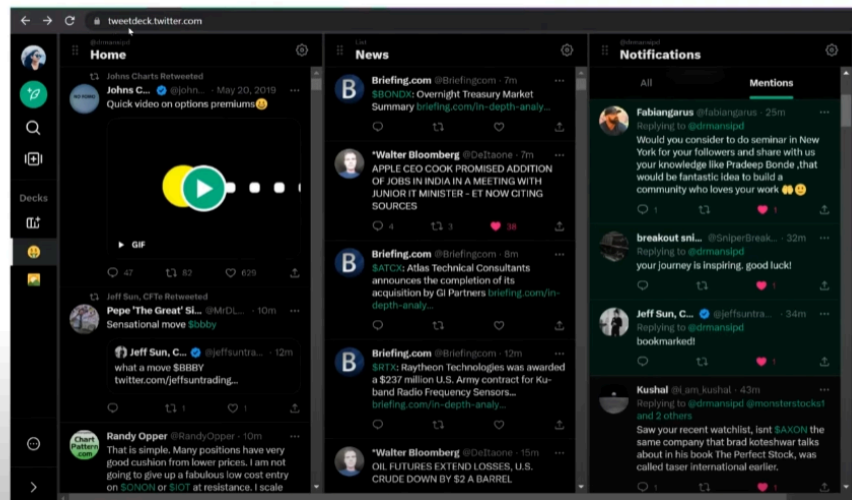
- Language of price
- Like learning ABC before writing a sentence
- Strong foundation
- Most underrated starting point
- Exercises at end of each chapter



Twitter tips for Traders
<https://tweetdeck.twitter.com/>

Tweetdeck

- Best and worst place to meet traders
- Follow a carefully curated list of traders
- Be kind, be respectful
- Block the negativity



Mute negativity or irrelevant topics.

