

# Defining the Stocks Strategy-Level 2

## Momentum Trader Vs Reversal Trader

1.1 I consider myself as a **momentum trader** because I like a market that trends without many retests or reversals, (creating a series of Higher Highs & Higher Lows/Lower Lows & Lower Highs) as it allows our zone to zone with the box system to catch those continuation moves and bank from them.

## Scalps vs Swings vs Long Term Investor

I see myself as a **swing trader** because I can be there for 1-2 hours a day. Also because I have a small account that will focus mostly on 1 or two contracts at the beginning.

## Asset Class - Stocks vs Options vs Futures vs CFDs

I will be swinging Stock **CFD's** because I have been using one broker before I joined here and I am familiar in trading this type of contracts.

## Risk Tolerance - **Risk Seeking** vs Risk Tolerant vs Risk Averse

My risk tolerance will be **risk seeking** since I can handle the volatility if the possible return is high.

## **Defining the strategy**

**Entry Parameters** : As a momentum trader who takes swings on the daily charts, I use moving averages & zone to zone to identify what price is doing. If price is above 50MA, I will assume the momentum is on the upside. Then I will look for some entry on hourly charts for example a possible breakout candle from 9MA or 50MA box.

### **Preparation checklist for Entry:**

Mark important levels where price can bounce or reject on both Daily charts and hourly charts  
Identify the momentum on Daily and hourly charts  
Wait for consolidation on the hourly charts (AKA a box) preferably 50MA box.  
Then wait for a strong move up from the second higher low and enter.

### **Exit Parameters** :

My exit parameters would be a strong candle closed below the newly created zone or a one closed below the 50MA.

**Financial Expenses:** Water, Gym Membership, Gym supplements, Gas. I am 20 years old and live with my parents rent free so I don't have many expenses I also work so there's a stable income to invest.

