Twitter Thread by TraderLion



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How To Execute when Trading (Thread)

Trading is a matter of preparation, discipline and execution.

Execution is about reacting to what we see on the charts in accordance with what you have already planned out when the market is closed.

The reason we plan our actions beforehand is because our emotions are at a lower state and we are more objective at that point in time.

Many traders often have the same watchlists going into the week but when the opening bell rings and setups emerge, the traders who can execute have the best performance.

Trading execution begins with research and preparation.

Going into the week you should have a focus list of high potential names which are showing edges that you have studied.

On the weekend you should also analyze the market conditions and how your recent performance has been.

This will let you know how much exposure you should have in the market and types of setups /trading you should use

This weekend preparation sets you up for success by giving you high conviction in your plan.

The mental aspect of trading is extremely important and having this confidence will allow you to act without hesitation

Each day before the market opens, you should have your focus list ready, which you prepared the night before. This list should be as short as possible.

5 names are much easier to keep track of than 20.

Going into the session, you should have your plan outlined so that for each stock it is only a matter of if ____ then _____.

You should know how much risk you are willing to take on, position sizing, where your stop loss will be...

The more decisions you can plan out before actually taking a trade, the more disciplined you can be.

It often helps to visualize different outcomes so you can think about how you will react to each one. How will you react to a breakout, a squat, a reversal?

You should also have specific alerts set at important price levels.

These levels should be right before the pivotal point where you want to enter the position.

Setting multiple alerts is often helpful, for a high conviction setup, you want to make sure you have your eyes on the chart to see the price and volume action right at that pivotal point.

When these pre-alerts go off you should have your order ready to be pushed out.

Be calm and objective and remember your plan from the weekend and before the bell.

Whatever the setup is, we want to re-emphasize that you should know the amount of risk you are taking beforehand and where your stop loss will be before taking the trade.

This is your insurance and it is a vital component of profitable trading.

Preparation and self discipline are essential. Treat trading as a business.

Checking twitter for ideas breaking out and buying based on FOMO is not a repeatable or effective process

Every trade you take should be planned out the night before so when the time comes and the stock is approaching the key level, everything is instinctive.

No Audibles as @markminervini likes to say

As the price is pushing through the level or off the support area, focus on the volume and price action.

Ask yourself if there is significant demand and an indication that institutions are supporting the stock and pushing it up.

If the setup meets your criteria you can then go ahead and send in your pre-prepared order.

After this, set either multiple alerts where you will cut the stock or a hard stop loss in with your broker.

From this point on it’s about monitoring the trade, Ask yourself whether the stock is acting normally and as you expected.

The best indication that a trade will work is that it immediately moves up strongly on volume from your buy point.

However, if the stock stalls and reverses, you should be ready to manage your risk either by cutting it or by watching it carefully into the end of the day.

This execution is all about focus, limiting noise from social media and other stocks and watching only the relevant price action.

Prepare ahead, know the market environment, what types of trades have been effective.

This hard work will pay off because it will set you up for success by limiting your emotions, focusing your attention on a few prime setups, and keeping you objective right up to the minute you place the trade

What tips and routines do you have to better execute when trading ■■

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https://t.co/M7Mg0nomkN

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> — TraderLion (@TraderLion_) September 2, 2021

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https://t.co/dSuT5p82cg

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