Twitter Thread by Kerberos007

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People DM me asking what it takes to be that top 5% successful day trader

I always refer to 5 dimension trading techniques, never published anywhere: Now you have it.

1st Dim: Price action 15M with volume - chart analysis, pattern recognition, trend analysis, major S/R levels

2nd Dim - Volume Spread analysis (developed by Wychoff in 1930's), enhanced by Tom Williams. His book is must read for understanding the Market Structure relationship between price, volume and price spread. And how smart money and market operators gaming the retails. Free ebook

3rd Dim - Market profile and volume profile - devised by J. Peter Steidlmayer at CBOT in 1960'sm enhanced by Jim Dalton.

Jim's 2 books on Market profiles - must read for anybody who is serious about day-trading as well as swing trading.

4th Dim - Footprint & Market Delta chart showing the exact bid/ask volume traded at each price with enhanced volume profile capability

Great tools to spot the large institutional trading fingerprint & intentions, combining with volume profile would pinpoint perfect intraday S/R

5th Dim - still a secret, which ties all previous 4 dimensions together to complete the entire day-trading puzzle in order to be that top 5% to survive. Stay tuned. ■

It would take about at least 1 year screen time to paper trade profitably before trading the real account.

I do not endorse any commercial tools here.

So, please do not ask me about which tools are better. Actually, I have no idea.

However, I have followed #ticktool for a while, it seemed to be a good starting point

Absolutely not promoting anything, just answer some DM questions

Regarding that 5th Dimension Secret

Hint: Liquidity Moves Market

Below is an important old post about what moves the market?

We have talked about the Sentiment extremes moves market, evidenced by the extreme Fear to extreme Greed $VIX Mean Reversion strategy (see pinned posts)

It is all about Liquidity

The MMs, large institutions, hedge funds & speculators all trying to make the most liquidity in the market to work in their favor.

Some fading the crowd, liquidity hunting all day, fake break-outs and break-downs etc. dis/acc

https://t.co/LwlRbXzS88

> I need to make one thing clear
>
> 1 Your bias, market blogs, commentaries, forums, market gurus, tweets, divergences etc CANNOT move price in any direction
>
> 2 Liquidity, sentiments & bid/ask volume made by market participants move market
>
> 3 $VIX strategy trades sentiment extremes
>
> — Kerberos007 (@kerberos007) April 13, 2019

Stealthy accumulation and distribution, options market long and short Gamma/Delta/Vega, etc, it is all about the Liquidity.

And what is the easiest way to find the most liquidity in the market?

1 - Major S/R levels - including trend-line, month/week/daily MP and Fib lvls.

But, not all S/R lvls are the same

The 5th dimension is all about finding the imbalances in the Supply and Demand over these S/R levels

The imbalances would ultimate determine which support or resistance levels would hold or break, which is also the holy grail of day trading■

Finding clues from 1st Dim to 4th Dim on liquidity imbalances is the ultimate achievement of a day-trader, which should also tie all the pieces together in determining the S/R break or fail in trading

Finding clues in the Gamma imbalances in the Options markets also important