

Twitter Thread by





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I am not a financial advisor, but... This is the process I go through when I examine a stock for opportunities. It's a mix of technical analysis blended with a touch of fundamental analysis. I do deeper DD if I decide to take a long term swing trade (LEAP) or buy equities.



■■■■ TLDR: Chart long + short term trendlines. Next, chart patterns on multiple time frames. Identify supp/resis / fib levels, momentum, price, flow, and sentiment/catalyst data in conjunction w/ current trends + patterns. Find confluence between all info to help validate trade.

■ TRENDLINES: Identify trends by charting long & short term trendlines. Use weekly/daily charts for long term (swings) and hourly/15m/5m for short term scalps/potential day trades. Chart the trends on each one. Multiple time frames allow you to see the overall bigger picture.

■ PATTERNS: Identify candlestick patterns (hammers, head & shoulders, dojis, etc.) as well as charted patterns such as falling wedges, pennants, bull/bear flags, channels, etc. Find breakout, continuation, & reversal patterns and see where they fall in line with your levels.. ■

■ S/R LEVELS & FIBS: Chart support and resistance levels. Find supply/demand zones. Draw fib retracements and extensions where applicable. This will help to identify the best entries, targets, and exits... especially when they align with information provided by your indicators.

■ INDICATORS: Volume, MACD, RSI, VWAP, TTM Squeeze, 20/50/200 Day Moving Averages, etc. These are just MY preference. I use these with my levels as a secondary confirmation. For example, moving Averages or VWAP will often act as support and resistance levels that match fibs.

■ FLOW/PRICE ACTION: What's the current price action and overall momentum of the stock? Is there heavy flow data showing bullish or bearish sentiment? How about the current social media sentiment?... Yes. Even that can be important these days. There are even tools that track it.

■ CATALYSTS: Things that can move the price quickly. Press Releases, Approvals, Litigation, Earnings, Analyst Upgrades/Downgrades, Partnerships, Earnings Reports, or any other info available to the public. Your TA can show an A+ setup, but an ER can easily ruin your analysis.

Again, this is just my own personal process. I mainly trade options. Day trades/short swings for daily income with occasional long term swings. I buy equities with profits for long term investments. I am learning & growing as a trader and investor every day. Thx for stopping by!