Twitter Thread by Adam “Sliver” ■



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■ TRADE EXECUTION ■

You do NOT have to know what's going to happen next in order to make money. We MUST identify our edge, and act on the edge with proper sizing and risk management.

In this thread I will go through multiple different trade situations and how to process them.

First and foremost, my RULES (tailor to your liking):

- No more than 10% of account in a trade (usually 5-7%)
- No more than 1 full position at a time
- No averaging down
- HARD stop loss @ -10% (you can always re-add the position)
- I do not hold overnight (100% cash)

Scaling in profit situations:
(I like to sell in 1/3's most of the time)

1. 15-20% scale 1/3

2. Scale next 1/3 into momentum on next leg (35-40%) or if it starts to reverse I will sell remaining position +10% or have breakeven stop

3. Next leg scale into momo. or stop out +20%

Stopping out:

KEEP LOSSES SMALL. If your max loss is -10% and average gain is 20%, then you can lose more trades than you win and STILL be profitable.

You must think of each trade as "playing an edge." The trade either works or it doesn't. Accept it.

My goal is to get an entry as close as possible to my trigger. That way if it goes against me, my loss is minimal. I am not looking for any sort of confirmation to take losses.

Suppose I enter just past my call trigger, but the very next minute, it drops back below. I'm OUT.

Entries:

Getting an entry close to the trigger is ESSENTIAL. If the 5m candle blows past a call trigger, I will wait for a retest (pullback) to the trigger to enter calls. If it continues to fall, crossing the level, I immediately take my loss for maybe -5% to -7%.

I cannot stress the importance of entries enough. I often find myself saying "only buy calls on red candles, only buy puts on green candles."

Seems counterintuitive? Think about the people who bought the top. They are panic selling to YOU. Patience pays. Buy the fear.

If a call is triggered (5 min candle close) significantly above the level. Just be patient. The "retest" can be instant, so you have to be quick. I do not look for any candle close on retests. I simply look for a touch of (or coming reasonably close to) the key level.

If I see the level retest, I will already have the calls pulled up, ready to buy.

I want to see a couple ticks back up, then I'm in. No confirmation needed. If the level breaks down after entry, cut it.

If you feel uncomfortable with retest entries, just take smaller size.

Consolidation after entry:

This will burn your premium. The point of levels is to identify pivots where price will greatly change direction. If you find yourself in consolidation at breakeven or -5% to -10%, it could be best to cut and reassess.

I want the move to happen quick. I want to enter on the move. I do NOT want to "call" the move. I do not want to wait for the move with a coin-flip chance of a breakout in my direction.

If I'm stuck in chop, I tend to cut and wait for a breakout of the range.

Ex 1: $MARA (blue line = trigger, yellow line = possible scale)

Entry on the 5m close just below put trigger. 2 candles later there was a perfect retest, could have added there too. Followed scaling plan as it fell to around $52.



Ex 2: $FUBO

Blew right past the trigger. Safe thing is to just let it go. But I will sometimes take small positions on immediate breaks (never full). The green candle back up to 23.40 wasn't much of a pullback. I tend to avoid ones like these.



Ex 3: $RBLX

Closes the first 5m of the day almost $1 above trig. I avoid. We get several brief retests that could have been scalped. But the hammer that wicks and closes back above the trigger could be confirmation to enter!



Ex 4: $NVDA (gap up play)

Beautiful retest of the 320 trigger after gapping up PM. Adds around 319.75-320 were perfect, and could have been cut on a drop down below 319.50 for minimal losses.

320 held, stock ripped, sold into momentum.



Ex 5: $JD (gap up play)

Similar to $NVDA, but much quicker. Very brief call trig. retest and immediate pullback. An entry at 89.25 would have been a very quick 10 min trade with limited downside. Another retest attempt is made, could have added again. Two bounces = very bullish.



Ex 6: $FB (Gap down)

Gap down, no retest, avoiding. Later on, there is a 5m candle close above put trigger (could take calls here for a scalp).

Then, $FB breaks back down below, but the 5m closes much below the trigger. I'll wait for a retest. Cont...



$FB bounces and ~20mins later retest the put trigger. On that rejection, you could have entered puts for a 10 minute $1 move to the downside, and even more if you were patient.

Ex 7: $BA on 11/16

Flushes hard at open, but I don't chase. Ideally we would get a retest. Best we get is a test of 231 on 3 separate candles. I would notice that this 231 level is confirmed by 11/15 price action. Could have taken puts here.



Levels are a framework for traders to build their own game plan. No trade will ever be "textbook." But there are countless things we can do to put the odds in our favor.

1. Get the very best entry possible
2. Keep losses small
3. Allow missed plays to run without getting FOMO

Anyone can wait for a timely entry, enter with proper size, and take profits when they become available. If you get nervous, thinking you'll miss out, don't take the trade. As soon as you feel emotion, evaluate WHY? Eliminate emotions and trade with a concrete plan.

Good luck!