Twitter Thread by Richard Moglen ■■■■

Richard Moglen ■■■■
@RichardMoglen

In the fall of 2018, I signed up for a class called "Introduction to the Stock Market and Technical Analysis" taught by Dr. Eric Wish

This class changed my life.

Here are 10 Lessons Dr. Wish taught me from his over 50 Years of Trading.

(Thread)

Before this class I had absolutely no knowledge about investing, trading, or how to read a stock chart

Today, trading & studying the commonalities between the greatest performing stocks is my passion, and what I've spent the past 1000+ days focused on

Now onto the first lesson

Financial Literacy

The first lesson Dr. Wish taught me was the importance of overall financial literacy.

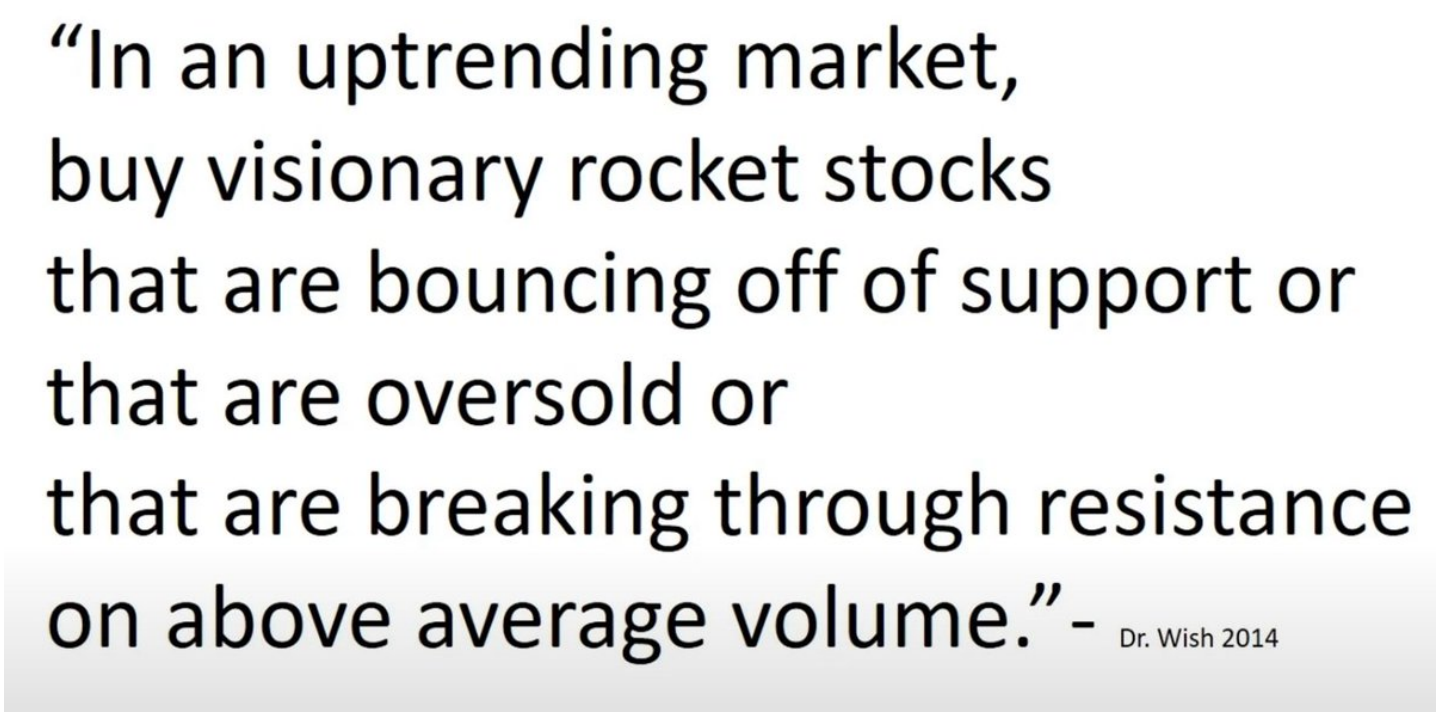
Roth IRAs, interest rates, budgeting, building credit the right way.

You need to master money management before thinking moving on to trading/investing.

Overall Strategy

Throughout the class, Dr. Wish repeated his trading mantra.

As you gain trading knowledge and experience, you'll appreciate the simplicity and depth of this one sentence:



Determine the Market Trend

The vast majority of stocks follow the overall trend of the market. This is why the mantra begins with “In a Rising Market”

"At least 50% of the whole game is the general market."

-William O'Neil

To determine the trend, Dr. Wish taught us how to use moving averages to visually identify Uptrends, Downtrends, & Basing Patterns.

For instance, using GMMA charts & looking for strong Red-White-Blue Patterns

This keeps you in uptrends and protects you during corrections



Dr. Wish also has his GMI Indicator which incorporates several criteria to determine the health and trend of the market.

He posts the GMI daily at https://t.co/WWLplpQiA6

WISHING WEALTH GENERAL MARKET INDEX* (GMI)
As of Close 12/27/2019

GMI: 6

1.	WISHING WEALTH 10 DAY SUCCESSFUL NEW HIGH INDEX GREATER THAN OR EQUAL TO 50%, min. 20: 59%	YES
2.	AT LEAST 100 NEW HIGHS TODAY OUT OF 5,000+ U.S. STOCKS: 185	YES
3.	WISHING WEALTH DAILY QQQ INDEX POSITIVE	YES
4.	WISHING WEALTH DAILY SPY INDEX POSITIVE	YES
5.	WISHING WEALTH WEEKLY QQQ INDEX POSITIVE	YES
6.	IBD MUTUAL FUND INDEX GREATER THAN 50 DAY AVERAGE	YES

Stage Analysis

One of Dr. Wish's major influences is Stan Weinstein, veteran trader and the author of Secrets for Profiting in Bull and Bear Markets

Early on in the class we learned to identify stages and why you should only focus on Stage 2 Uptrends & avoid stocks in Stage 4

The Big Money is made in stage 2 Uptrends and the Big Money is lost in Stage 4.

Price action, along with the weekly 30 MA as a reference point, determines the stage of a stock

Here is an example with $ROKU



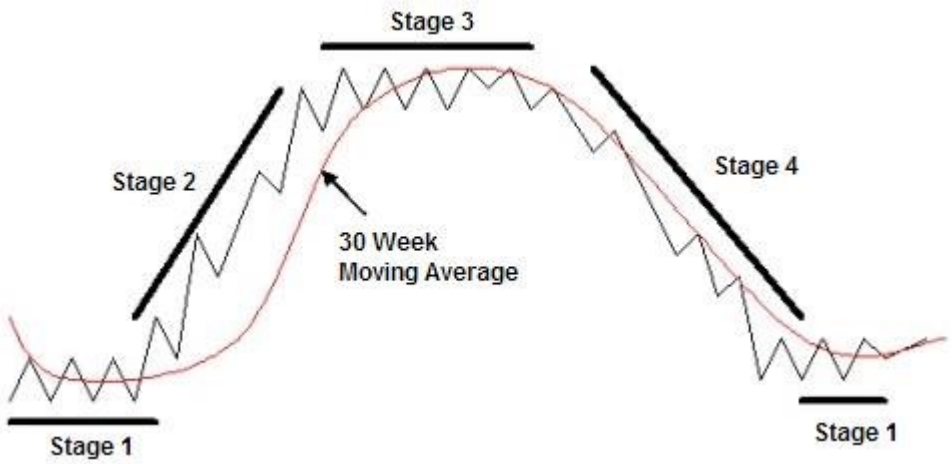
Stage Analysis:

Stage 1: Price chops around after a decline. 30 MA flattening

Stage 2: Price breaks out & trends above a rising 30 MA

Stage 3: Price chops around a flattening 30 MA. Price Action is wide and loose

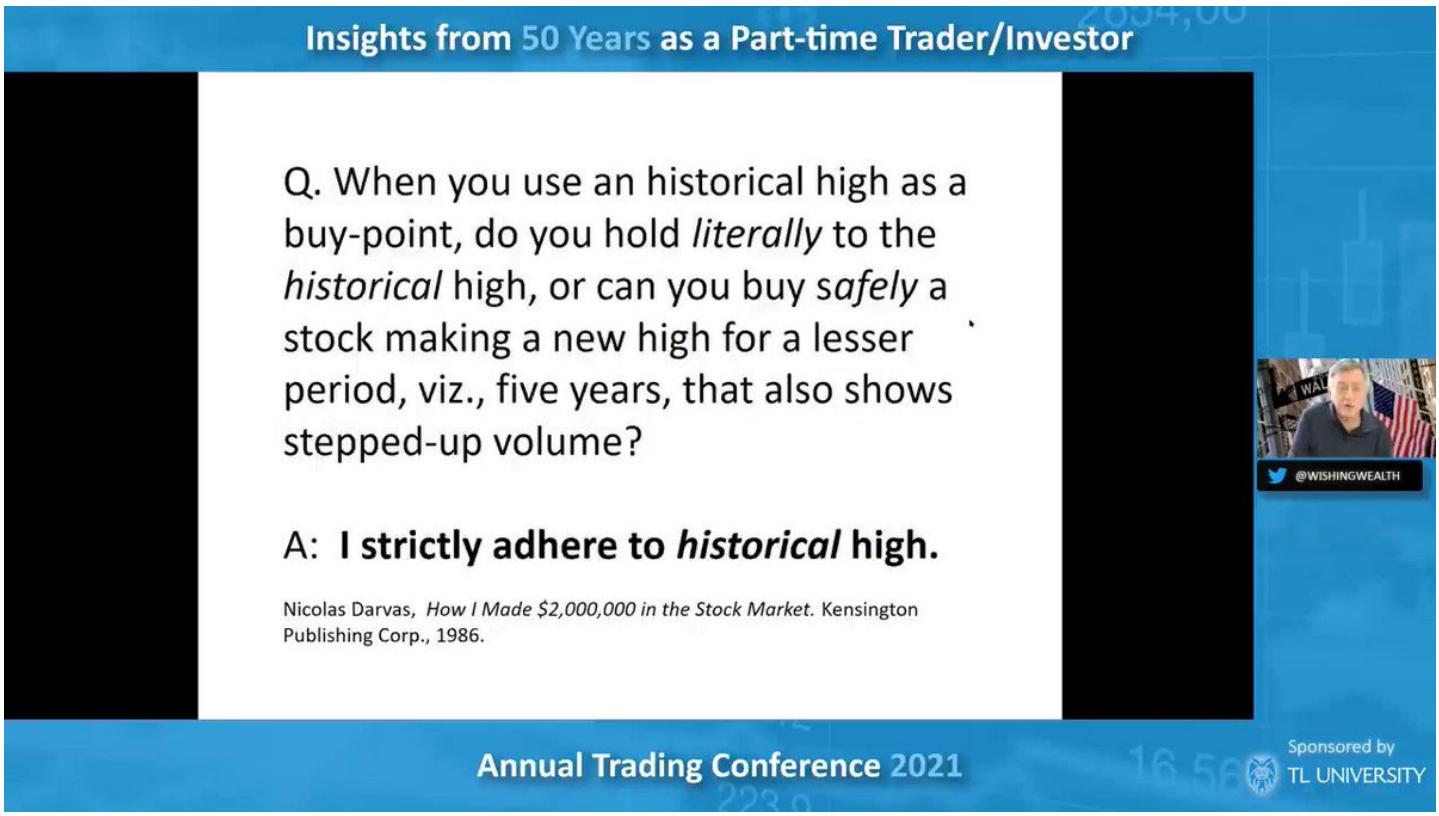
Stage 4: Price breaks down & trends below a declining 30 MA



Green Line Breakout

The Green Line Breakout is one of Dr. Wish's go-to setups.

It takes place as a stock makes a new all time high, bases for 3 or more months, and then breaks out above that prior high.



Risk management

I'm very lucky that my first exposure to the market was from someone who emphasized capital preservation and the importance of cutting losses quickly using stop losses.

I've naturally been pushed to cash protecting myself from every major correction since 2018.

Write Trading Rules

Every student coming out of the class developed their own set of trading rules addressing:

Market Analysis
Stock Selection
Entry and Exit Rules
Position Sizing
Risk Management

This is an exercise that I would recommend every new trader take part in.

Analyze your trading

Post Analysis is another habit I learned from Dr. Wish.

We should constantly be studying our trading results, analyzing weaknesses, and creating rules and systems to improve.

I would recommend doing this often, at the VERY least yearly.

Read the Best Books

As a part of the class we read

1. How I made 2,000,000 Dollars - Darvas
2. How To Make Money In Stocks - O'Neil
3. Trade Like a Stock market Wizard -MM
4. Think and Trade Like a Champion -MM

Full list of recommended books ■

https://t.co/Fzy9YkIm3o

Yellow Band Patterns

Another way Dr. Wish looks for high potential stocks is by looking for stocks in strong yellow band patterns where the stock is trending above increasing 10 week & 30 week moving averages

Then you look for consolidations and pullback buys within the uptrend



Bonus: Entry Setups

Dr. Wish looks for a bounce off of support, a lower 15.2 Bollinger band, or a 10.4.4 stochastic cross in an already strong & trending stock.

Ideally this stock also has the CANSLIM characteristics with strong RS and Earnings/Sales.



Bonus 2X: Don’t Listen to the Noise

One of the specific things that Dr. Wish taught me and his other students was to avoid the noise.

Don’t watch CNBC, don’t listen to pundits, predictions, profit targets.

Focus on the chart, what the current trend is.

Follow your process

If you are interested in learning more about Dr. Wish’s style I would highly recommend subscribing to his free blog https://t.co/OBFRnBK5Jd and watching his full presentation from the 2021 @TraderLion_ conference

https://t.co/o2f21GBXci

Also, I would like to take the time to mention and thank David McCandlish, Dr. Wish’s co-instructor who passed away earlier this year.

David was an essential part of the course and helped hundreds of students learn about trading and financial literacy

https://t.co/Nry5cw6Pxk

I hope your found this thread helpful!

If you did:

1. Follow @richardmoglen & @WishingWealth
2. Share this quoted tweet with your audience ■

https://t.co/ImM1GJ3s4h

> In the fall of 2018, I signed up for a class called "Introduction to the Stock Market and Technical Analysis" taught by Dr. Eric Wish
>
> This class changed my life.
>
> Here are 10 Lessons Dr. Wish taught me from his over 50 Years of Trading.
>
> (Thread)
>
> — Richard Moglen \U0001f4fd\ufe0f\U0001f6a2\U0001f981 (@RichardMoglen) April 7, 2022