Twitter Thread by Adam Sliver ■



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■ How to play trigger watchlists ■

1. How/When to enter:

This is NOT an exact science, there is no way to avoid fakeouts. These are KEY levels, and for that reason, provide strong moves. However, they can be hard to break due to their significance. You must manage risk.

There are two strategies I follow.
a) Conservative: Wait for a 5 minute candle to close through the trigger level. Ex: if an $AMD put trigger is under 100 and 5 minute candle closes at 10:45AM at 99.85, take the position.

b) Risky: Playing the first sign of follow through. Ex: $AMD closes 5m candle at 10:45AM at 100.15 - No trigger. At 10:47AM, $AMD fails 100 support and closes 10:47 1m candle at 99.80. I would likely take a position off of key support failure.

2. Fakeouts/Stop losses

Taking losses is inevitable in trading. Our job is to minimize them. My rule here is -10% hard stop loss because you can always re-add the position.

Suppose you take a position from Ex a) $AMD immediately reverses and closes 10:50 5m candle at 110.15…

Your position is red, likely down ~10%. Cut the loser and reassess. Your reason for playing was the 100 breakdown, it is now INVALID. As soon as your thesis becomes invalid, cut, take a deep breath, reassess, watch.

Suppose $AMD again breaks the 100 support and closes 11:00 5m candle at 99.90. The 100 support has become weaker. Take a position. The probability of a breakout/breakdown becomes higher the more times the level is broken.

3. Exit

If your position is green, set a breakeven stop. No need for a green position to turn red. Identify the next sup/res on a 5m

chart and use that as a short-term PT. Upon hitting that next level or a desired % gain, scale some. Then move the remaining stop loss higher.

Scaling allows you to secure gains while enabling you to trade STRESS-FREE. Many use 1/3s or 1/2s. I recommend holding runners (very small % of initial position). This prevents FOMO, and allows you to make huge gains from a small, stress-free position.

Ex: After $SQ failed its trigger level for good on Fri. it faded all the way into close. Out of caution, one could secure gains for 95% of position and leave 5%. This 5% has minuscule risk, went for 700% gains. This = more than 30% gain on the whole position from only 5%.

4. Gap up/down

Should the tickers gap up/down past the designated triggers, wait for retest of the trigger. Ex: $AMD gaps down to 99.50 & within the first 15 mins it retests 99.95-100. Could be a good time to take a put position. Old supports often become resistance & vice versa

If the ticker does not retest a predetermined trigger level, I don't play it. Just my preference to make a plan and stick to it. No need to improvise when I have other setups to watch.

5. Build your own game plan

Many people on twitter give useful watchlists. Take them and create you own style and set of rules. For me, key levels and volume are all I need. I watch VWAP and 9ema for confirmation. Do what works for you. There's no golden indicator. Good luck!

Key-level Options Traders you should be following:

@BullishMont
@DBookTrading
@K1Calls
@notmrmanziel
@RockyBTrades
@SpyGuyTrading
@ThetaWarrior
@Tommy2toes10