Twitter Thread by Adam Sliver



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■Thread: How I Make Watchlists■

There are countless ways to make watchlists. Each trader looks for particular things in a setup that fits their style. There is no science here. My goal is to share a simplistic strategy on how to become SELF-SUFFICIENT with watchlists. ■

There are 3 points I want to speak to:

1. I have extensive stock watchlists based on tickers I have either played in the past or have been watching with the intent of playing in the future. Especially with options, it is hard to jump into a stock not knowing how it acts.

For me, is crucial to study the price action of a stock, as well as how its premium and options spreads move before I am fully comfortable trading it regularly.

Start with sector watchlists. In addition, have one "general" watchlist with assortments of familiar & trending stocks

2. Now that I have a large sample size of stocks I have kept an eye on for some time, I will shuffle through their charts when looking for possible high risk/reward plays.

I look for charts with significant breakout or breakdown potential. If it is easy to identify both

support AND resistance targets without too much choppiness in the chart (small distance between targets), I would consider it high risk/reward. When a chart displays ample movement in the past, they can be great plays either way, which is why I give both call and put targets.

3. After finding a chart that has movement potential on a stock I am comfortable with, I will mark support and resistance levels for entries. These need to be conservative enough to not fake you out, while also being significant enough to command a powerful move.

Plenty of trial and error is necessary here. For example, a weekly watchlist setup trigger can be very conservative because I do not want to get caught burning premium early in the week while the stock trades in a range.

Oppositely, Lotto Friday levels must be much more precise. Generally the previous HOD or LOD can be good levels for 0DTE.

Knowing when to enter and exit trades independently is the key to being self-sufficient. I try to keep it very simple when it comes to entries and exits.

How to trade the levels:

Wait for confirmation over your trigger level - I use 5min candle. If you enter after confirmation and it falls back below resistance, cut and reassess. Wait for the break, do not try to call the break.

I like to scale in 1/3's. First 1/3 will be around 20%. Second 1/3 will be at the next level where the stock struggles to continue the move. The last 1/3 I will hold as a runner with a stop-loss set between the first and second scales.

Sometimes a scalp is all you can get, and that's okay. If the position is up 15% and stagnating, take the profits. Some markets will be better than others.

Most of all, learn from each and every trade. Take the knowledge gained, and focus on the next one. #NextUp