



Market Observations - as of November 10, 2023

By Carl Jorgensen - For Objective Traders - For educational purposes only. Not Financial Advice.

Last week we saw a change in Trend with a gap up Monday and the S&P crossing above its descending Resistance Trend Line mid day on Monday. The Nasdaq Composite crossed above its Resistance Trend Line in the last 2 hours on Tuesday. Every day last week we saw higher highs and higher lows. Last week ended with the largest weekly gain seen this year.

Positive Breadth was seen each day last week, with small gains seen Monday, Tuesday and Wednesday followed by very strong positive Breadth seen on Thursday and Friday. We saw this same acceleration in the Russell 2000 on Thursday and Friday of last week.

This week we saw the rally continue with higher closes each day this week except on Thursday. Breadth was negative each day this week except on Friday when it turned positive. This suggests 'narrow' breadth was lifting the markets Monday, Tuesday and Wednesday this week.

Thursday saw slightly higher highs and a pause the first half of the day, then a sharp turn negative mid day as there was a negative reaction to the failed 30 year Bond Auction that drove sharp selling the 2nd half of the day to the close.

Friday saw a small gap up, a brief pause the first hour before a rally kicked into gear for the rest of the day. Friday saw strong breadth and wider participation in the rally for the first time this week. Friday's rally was led by the Semiconductor sector as the strongest sector all day.

Most indexes ended this week with a gain with the exception of the Russell 2000 and the Dow Transports.

Oil prices saw a strong drop on Tuesday and Wednesday this week. The US Dollar saw a slow strengthening this week while Gold prices saw a decline.

The US 10 year Yields saw a mild decline Tuesday and Wednesday then increased Thursday and Friday. We saw a sharp increase mid-day on Thursday as an echo of the failed 30 year Bond Auction. Remember that markets are often emotional and can over-react to news events.

As we look at the charts below, look for evidence this week of the change in 'Breadth' from negative the first 4 days of this week to positive on Friday. What stocks may have been lifting the Nasdaq Composite, Nasdaq-100 or S&P-500 the first 3 days of this week when Breadth was mostly negative? What stocks may have reacted Thursday to the failed Bond Auction? What stocks led Friday's rally?

Let's look at the charts to see what they are telling us this week.



S&P 500 weekly chart as of Nov 10, 2023 - I apologize for this cluttered chart, but I no longer have access to my alternate Think-or-Swim account since the transition to Schwab last weekend where I had clean versions of charts to share. This week we saw the rally continue with a smaller gain than last week, crossing above its 20 week SMA and above the Descending Resistance Trend Line (Pink line).



S&P 500 daily chart as of Nov 10, 2023 - We saw higher closes every day this week except on Thursday. Tuesday crossed and closed above the Resistance Trend Line (Pink line). Thursday saw resistance near its Oct 17h prior highs before dropping down the last half of the day. Friday saw a strong recovery,

higher high and higher low to close the day within 1 point of the Fibonacci Retracement level at 61.8%. The S&P ended the week up +1.31% and remains above all 3 of its key daily SMAs. Note the light blue Fibonacci study drawn between the July 27th High and the Oct. 27th Low. Also note that the 3 month decline saw a 61.8% Retracement in just 2 weeks. Could we see a 100% Retracement? That is one possibility whose odds got a little better this week.



S&P 500 15 min. chart as of Nov 10, 2023 - Here we can see the Oct. 17th prior High (Orange line) acted like Resistance Wednesday and Thursday this week, then price broke above this level mid day on Friday. Also note that the high of the day on Friday was just about 2.3 point below the upper weekly Expected Move. And we already pointed out the close on Friday was within 1 point of the 61.8% Fibonacci Retracement level. The S&P closed 'Inside' its Expected Move this week.



DJIA weekly chart as of Nov 10, 2023 - The Dow Industrials saw a 2nd week of gains that were much smaller than the prior week. The Industrials crossed and closed above its 20 week SMA this week.



DJIA daily chart as of Nov 10, 2023 - Here we see small gains on Monday and Tuesday and a small decline Wednesday. Thursday saw a stronger decline nearly to its 50 day SMA. Friday saw a strong rally the crossed and closed above its 100 day SMA, ending the week up +0.65%.



Nasdaq weekly chart as of Nov 10, 2023 - The Nasdaq Composite saw its rally continue for a 2nd week, crossing and closing above its 20 week SMA and its prior Highs from mid October (Pink line).



Nasdaq daily chart as of Nov 10, 2023 - We see the Nasdaq Composite continue its rally with a higher close every day this week except on Thursday. Friday saw the strongest day this week as price crossed above its prior Highs from October 12th and ended the week up +2.37%.



Russell 2000 weekly chart as of Nov 10, 2023 - The Russell saw a strong gain last week but gave about half of those gains back this week. Note that Resistance this week and last week was found near the 2022 Close.



Russell 2000 daily chart as of Nov 10, 2023 - The Russell failed to reach its 50 day SMA last week and saw a decline every day this week except on Friday. Thursday crossed below the 20 day SMA and Friday saw a rally back above this SMA. The week ended lower with a decline of -3.15%.

Next we will look at a few key 'Market Internals' to better understand overall market Breadth this week.



McClellan Summation Index weekly chart as of Nov 10, 2023 - Last week we saw this index bounce up and end the week at -627. This week we see the bounce continue higher to end this week at -435.59.



McClellan Summation Index daily chart as of Nov 10, 2023 - Here we can see the bounce last week that continued higher this week at a slightly slower pace as it approaches its 50 day SMA, ending this week at -435.59.



NYSE Advance - Decline 15 min. chart as of Nov 10, 2023 - Here we can see last week's Positive Breadth each day, weaker last Monday, Tuesday and Wednesday near +1000 and much stronger last Thursday and Friday near +2000. In contrast we can see mostly Negative Breadth the first 4 days of this week: near -1200 on Monday, -500 Tuesday and Wednesday, and dropping from zero to -1300 the last half of the day on Thursday. Friday saw Positive Breadth all day, from +200 to +1300.

Keep the above Advance - Decline chart in mind as you look at the daily Russell 2000 chart again above. Note the close correlation with both last week and this week's actions. Also keep this Advance - Decline chart in mind as you look at the various charts below to see if there is any correlation or not.



NYSE Percent above 200 day SMA daily chart as of Nov 10, 2023 - Last week we saw a strong rally up to 44.09% on Thursday and Friday, crossing above its 50 day SMA on Friday last week. This week we see a decline every day except on Friday when we saw a small bounce to end this week at 38.43%. [Do you see any correlation with the Advance - Decline chart last week and this week?]



NYSE Percent above 50 day SMA daily chart as of Nov 10, 2023 - Last week we saw a strong rally that crossed above its 50 day and 200 day SMAs to end the week at 52.33%. This week we see a decline Monday back below its 200 day SMA and a decline every day this week except on Friday when we saw a bounce to end this week at 44.66%.



VIX daily chart as of Nov 10, 2023 - We saw the VIX continue to decline each day this week except on Thursday when we saw a small bounce mid-day. Friday resumed the decline and ended the week at 14.17 and below its October lows.



VIXX daily chart as of Nov 10, 2023 - The Volatility of the VIX paused this week mostly in the 84 to 89 area with a brief pop up mid-day on Thursday then returned lower Friday.

Next we will look at a few key Commodities, Currency and Treasuries.



Oil daily chart as of Nov 10, 2023 - Oil prices saw a quiet 'Inside' day on Monday then saw a strong Drop Tuesday below its 200 day SMA that continued lower Wednesday to the \$75.5 area. Thursday saw a pause followed by a small rally Friday that failed to reach its 200 day SMA.



Gold daily chart as of Nov 10, 2023 - Gold prices declined every day this week with lower lows and lower highs, crossing below its 200 day SMA on Friday and finding some support near its 50 day SMA.



US Dollar Index daily chart as of Nov 10, 2023 - The US Dollar Index saw a sharp decline last Friday. This week we saw a rally that closed above its 50 day SMA on Thursday and pulled back a little on Friday to end the week a tiny fraction below its 50 day SMA.



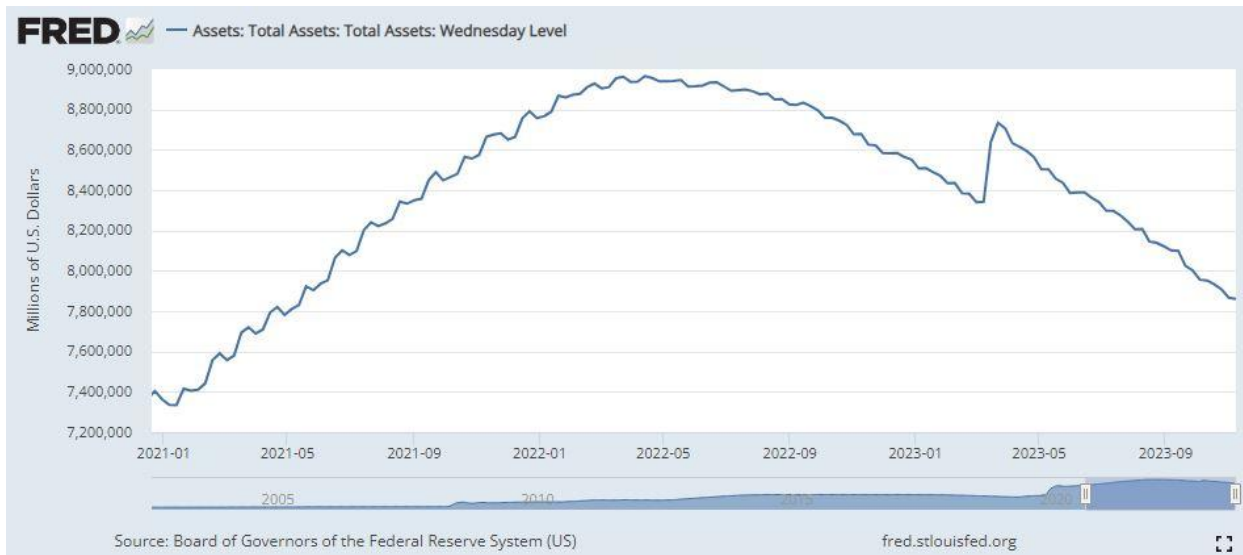
US 10 year Treasury daily chart as of Nov 10, 2023 - The US 10 year Treasury paused Monday and Tuesday then saw a small rally above its 50 day SMA on Wednesday. Thursday saw a sharp decline mid day with the failed 30 year Bond Auction. Friday saw a failed rally at the open that declined most of the day to end the week lower.



US 10 year Yield daily chart as of Nov 10, 2023 - Yields saw a failed bounce Monday and declined Tuesday and Wednesday, crossing below its 50 day SMA on Wednesday. Thursday saw a sharp mid-day spike up as the 30 year Auction failed. Friday saw an 'Inside' day and repeat of the cross above its 50 day SMA.

Date	1 Mo	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
10/10/2023	5.60	5.61	5.61	5.63	5.57	5.37	4.96	4.74	4.62	4.66	4.66	5.03	4.85
10/11/2023	5.58	5.59	5.61	5.63	5.56	5.38	4.99	4.73	4.59	4.61	4.58	4.92	4.73
10/12/2023	5.61	5.59	5.63	5.63	5.58	5.43	5.06	4.82	4.69	4.73	4.70	5.05	4.86
10/13/2023	5.60	5.58	5.62	5.62	5.57	5.41	5.04	4.80	4.65	4.66	4.63	4.97	4.78
10/16/2023	5.57	5.58	5.61	5.63	5.58	5.42	5.09	4.87	4.72	4.74	4.71	5.06	4.87
10/17/2023	5.58	5.58	5.62	5.64	5.60	5.48	5.19	5.01	4.86	4.88	4.83	5.14	4.94
10/18/2023	5.57	5.56	5.61	5.62	5.58	5.47	5.19	5.03	4.92	4.95	4.91	5.20	5.00
10/19/2023	5.58	5.57	5.60	5.62	5.56	5.44	5.14	5.01	4.95	5.00	4.98	5.30	5.11
10/20/2023	5.56	5.56	5.58	5.61	5.54	5.41	5.07	4.93	4.86	4.93	4.93	5.27	5.09
10/23/2023	5.57	5.57	5.58	5.59	5.56	5.42	5.05	4.89	4.81	4.87	4.86	5.19	5.01
10/24/2023	5.57	5.57	5.58	5.60	5.57	5.41	5.02	4.91	4.82	4.86	4.83	5.15	4.96
10/25/2023	5.56	5.57	5.59	5.61	5.57	5.43	5.08	4.98	4.89	4.98	4.95	5.27	5.09
10/26/2023	5.57	5.57	5.59	5.60	5.55	5.39	5.02	4.89	4.79	4.86	4.86	5.19	5.01
10/27/2023	5.57	5.57	5.59	5.60	5.55	5.39	4.99	4.84	4.76	4.83	4.84	5.19	5.03
10/30/2023	5.56	5.57	5.60	5.61	5.53	5.41	5.03	4.87	4.80	4.88	4.88	5.21	5.04
10/31/2023	5.56	5.57	5.59	5.61	5.54	5.44	5.07	4.90	4.82	4.89	4.88	5.21	5.04
11/1/2023	5.56	5.55	5.57	5.54	5.51	5.37	4.95	4.76	4.67	4.75	4.77	5.13	4.96
11/2/2023	5.52	5.56	5.54	5.53	5.50	5.38	4.98	4.78	4.65	4.68	4.67	4.99	4.82
11/3/2023	5.53	5.56	5.53	5.50	5.45	5.29	4.83	4.62	4.49	4.55	4.57	4.93	4.77
11/6/2023	5.53	5.56	5.56	5.49	5.47	5.33	4.93	4.72	4.60	4.66	4.67	5.00	4.84
11/7/2023	5.53	5.56	5.55	5.48	5.47	5.33	4.91	4.64	4.53	4.58	4.58	4.91	4.75
11/8/2023	5.52	5.54	5.54	5.49	5.46	5.34	4.93	4.65	4.51	4.54	4.49	4.82	4.64
11/9/2023	5.53	5.56	5.54	5.50	5.46	5.39	5.03	4.77	4.65	4.68	4.62	4.97	4.77
11/10/2023	5.53	5.55	5.53	5.47	5.46	5.38	5.04	4.80	4.65	4.68	4.61	4.93	4.73

US Yield Rates daily table as of Nov 10, 2023 - The longer terms continued lower this week until the failed Auction mid-day on Thursday when we saw Yields pop higher in sympathy. The shorter terms saw little change this week.



FOMC Balance Sheet weekly chart as of Nov 8, 2023 - The Fed decreased its Balance Sheet by only \$5.973 Billion this week to a new Total Assets of \$7.860691 Trillion.

Next we will look at a few key Sectors.



Dow Transportation Index daily chart as of Nov 10, 2023 - The Transports saw little change Monday, Tuesday and Wednesday then dropped below its 20 day SMA on Thursday. Friday saw a bounce back above its 20 day SMA to end the week down -0.59%.



XLE daily chart as of Nov 10, 2023 - The Energy sector saw a strong decline this week with lower lows and a lower close every day this week except on Friday. Tuesday saw the XLE gap below its 200 day SMA and remain below the rest of this week. Friday saw a tiny bounce to end the week down -3.77% to make this sector the weakest sector on my list for 3 weeks in a row.



XLF daily chart as of Nov 10, 2023 - The Financial sector saw a huge rally last week followed by a small decline Monday this week back below its 200 day SMA. Tuesday and Wednesday saw a pause then a gap up and selling mid-day. Friday saw a gap up, quick gap fill and then a rally most of the day to end the week up +0.38%.



QQQ daily chart as of Nov 10, 2023 - The Nasdaq-100 ETF saw last week's rally continue with higher highs every day this week and a higher close every day except on Thursday. The QQQ briefly exceeded its prior Highs from Oct. 12th on Thursday then sold off the last half of the day. Friday saw a rally most of the day to cross above its Oct. 12th highs in the first 90 min. and continue higher to end the week up +2.90%.



SOXX daily chart as of Nov 10, 2023 - The Semiconductor sector saw an 'Inside' day Monday below its 50 day SMA. Tuesday crossed back above its 50 day SMA and delivered higher highs and higher lows every day that followed, ending the week up +4.11%.



XLC daily chart as of Nov 10, 2023 - The Communication Services sector saw a large rally last week and paused this week for 4 days before resuming its rally on Friday to end the week up +1.35%.

<i>INDEXes</i>	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending	Week Ending
<i>SECTORS</i>	9/29/2023	10/6/2023	10/13/2023	10/20/2023	10/27/2023	11/3/2023	11/10/2023
\$SPX	-0.74%	0.48%	0.45%	-2.39%	-2.53%	5.85%	1.31%
\$INDU	-1.34%	-0.30%	0.79%	-1.61%	-2.14%	5.07%	0.65%
\$COMPQ	0.06%	1.60%	-0.18%	-3.16%	-2.62%	6.61%	2.37%
\$RUT	0.48%	-2.22%	-1.48%	-2.26%	-2.61%	7.56%	-3.15%
QQQ	0.10%	1.79%	0.16%	-2.92%	-2.62%	6.49%	2.90%
\$TRAN	-0.13%	-1.08%	-0.73%	-1.69%	-6.19%	7.06%	-0.59%
XLE	1.21%	-5.16%	4.50%	0.75%	-6.24%	2.42%	-3.77%
XLF	-1.46%	-0.39%	0.51%	-3.04%	-2.33%	7.41%	0.38%
XLK	-0.29%	2.62%	0.24%	-2.78%	-1.72%	6.60%	4.52%
SOXX	1.99%	1.38%	-0.73%	-4.07%	-2.83%	6.96%	4.11%
XLV	-1.08%	0.99%	0.14%	-1.64%	-3.84%	3.47%	-0.89%
XLY	0.03%	-0.23%	-1.02%	-4.58%	-1.38%	7.11%	0.74%
XRT	2.13%	-3.35%	-0.32%	1.04%	-2.25%	7.20%	-3.61%
XLI	-0.40%	-0.59%	0.96%	-3.00%	-2.29%	5.35%	0.94%
XLU	-6.89%	-2.85%	3.58%	-2.14%	1.21%	5.33%	-2.49%
XME	1.84%	-3.22%	-0.73%	-3.07%	1.00%	3.69%	-3.55%
XLP	-1.90%	-3.11%	0.19%	0.70%	-1.03%	3.26%	0.31%
XLB	0.23%	-0.71%	-0.45%	-3.01%	-0.46%	5.12%	-1.81%
XLC	-0.08%	2.04%	0.24%	-0.82%	-5.16%	7.09%	1.35%
XHB	0.51%	-2.12%	-1.04%	-4.46%	-1.52%	10.99%	0.09%

Weekly Percent Change US Indexes and Sectors table as of Nov 10, 2023 - The strongest indexes this week were clearly the Nasdaq Composite and the Nasdaq-100. The S&P delivered about half of the gains this week as did the Nasdaq-100 and the Dow Industrials about half of what the S&P delivered. This is a clue as to the 'narrow' leadership we saw this week. The Transports and Russell 2000 were both down this week.

The Strongest Sectors this week included: XLK, SOXX, QQQQ and XLC. This too is a clue as to where the stronger (and narrow) leadership could be found this week. The strongest up day this week was seen on Friday, and the strongest Sector all day on Friday was the SOXX (another hint).

The Weakest Sectors this week included: XLE, XRT, XME and XLU.

INDEXes SECTORS	Mon	Tue	Wed	Thur	Fri	Mon	Tue	Wed	Thur	Fri
	End of Day 10/30/23	End of Day 10/31/23	End of Day 11/01/23	End of Day 11/02/23	End of Day 11/03/23	End of Day 11/06/23	End of Day 11/07/23	End of Day 11/08/23	End of Day 11/09/23	End of Day 11/10/23
\$SPX	1.20%	0.65%	1.05%	1.89%	0.94%	0.18%	0.28%	0.10%	-0.81%	1.56%
\$INDU	1.58%	0.38%	0.67%	1.70%	0.66%	0.10%	0.17%	-0.12%	-0.65%	1.15%
\$COMPQ	1.16%	0.48%	1.64%	1.78%	1.38%	0.30%	0.90%	0.08%	-0.94%	2.05%
\$RUT	0.63%	0.91%	0.45%	2.66%	2.71%	-1.29%	-0.28%	-1.10%	-1.57%	1.07%
QQQ	1.13%	0.48%	1.74%	1.82%	1.17%	0.41%	0.95%	0.06%	-0.77%	2.25%
\$TRAN	2.00%	0.50%	0.90%	1.89%	1.59%	-0.07%	-0.44%	-0.15%	-1.04%	1.12%

Daily Percent Change US Indexes table as of Nov 10, 2023 - Leadership often changes daily and above the most persistent was the Russell 2000 as the weakest on 4 days this week, exceeded only on Tuesday by the weaker Transports that one day. The Strongest Index was the QQQ on 3 days this week which is another clue as to the 'narrow' leadership seen this week.

Remember that the 'Magnificent 7' stocks represent a weighting of over 41.4% of the entire value of the QQQ.

Next we will look at a few key Stocks from a variety of sectors beginning with the 'Magnificent Seven'.



AAPL daily chart as of Nov 10, 2023 - Apple continued last week's rally this week with higher highs, and higher lows every day this week and higher closes on every day except Thursday. The largest True Range day this week was seen on Friday to end the week up +5.66% well above its prior highs from Oct. 12th on strong volume.



MSFT daily chart as of Nov 10, 2023 - Microsoft continued last week's rally this week with higher highs and higher closes every day except on Thursday. Friday saw the largest True Range day this week as MSFT delivered new all time highs, ending the week up +4.78%.



GOOGL daily chart as of Nov 10, 2023 - Alphabet continued last week's rally this week but at a slower pace, finding Resistance Wednesday at its 20 day SMA, then briefly breaking above its 20 day SMA early Thursday before selling lower the last half of the day. Friday saw a stronger rally day back above its 20 day SMA and nearly reaching its 50 day SMA, ending the week up +2.70%.



AMZN daily chart as of Nov 10, 2023 - Amazon continued last week's rally on Monday and Tuesday this week, then pulled back a little on Wednesday and Thursday before resuming the rally on Friday to end the week up +3.58%.



TSLA daily chart as of Nov 10, 2023 - Tesla paused early this week just above its 200 day SMA and below its descending 20 day SMA through Wednesday. Thursday saw a sharp decline on strong volume. Friday saw a partial bounce to end the week down -2.41%.



NVDA daily chart as of Nov 10, 2023 - Nvidia continued last week's rally this week with higher highs, higher lows and higher closes every day this week, even on Thursday. Friday exceeded its prior highs from Oct. 12th and ended the week up +7.40%. NVDA is not too far from testing its all time highs seen on Aug. 24th.



META daily chart as of Nov 10, 2023 - Meta continued last week's rally this week with higher highs and a higher close every day this week. The largest True Range day this week was seen on Friday to end the week up +4.50%.

Let's compare the above 7 biggest stocks in the table below to help see the relative strength last week as compared to this week.

Stock	% Change Last week	% Change This week
QQQ	6.49%	2.90%
AAPL	5.01%	5.66%
MSFT	6.97%	4.78%
GOOGL	5.67%	2.70%
AMZN	8.50%	3.58%
TSLA	6.11%	-2.41%
NVDA	11.12%	7.40%
META	6.02%	4.50%

In the table above the **green highlighted** values are where the gains were greater than were the QQQ's gains (or lower losses) for that week.

What stocks show a stronger gain this week than last week?

What stocks did better than the QQQ both last week and this week?

Could this comparison be one way to help identify possible leadership this week and last week?

Could trading the strongest stocks in the strongest sectors by one way to improve the odds on Long positions?



JPM daily chart as of Nov 10, 2023 - JP Morgan continued its rally this week with higher highs and higher lows every day this week. JPM crossed above its 50 day SMA Wednesday then back below on Thursday. Friday gapped above its 50 day SMA and delivered the largest gains of the week that day, ending the week up +2.40% and is now above all 3 of its key daily SMAs.



GS daily chart as of Nov 10, 2023 - Goldman Sachs saw a strong rally last week then paused its rally this week with a mostly horizontal range, ending the week down -0.64%.



COST daily chart as of Nov 10, 2023 - Costco continued last week's rally with a huge move up from its 20 day SMA Support on Monday then a pause Tuesday and a small decline Wednesday and Thursday that remained above its 20 day SMA. Friday saw another strong rally day to new 52 week highs, ending the week up +2.89% and above all 3 of its key daily SMAs.



INTC daily chart as of Nov 10, 2023 - Intel saw a strong rally last week and paused on Monday of this week with an 'Inside' day. Tuesday saw a rally to higher highs that was all given back on Wednesday. Thursday saw a slightly lower close. Friday saw a gap up and rally to new highs for the month and the highest close of the week, ending the week up +2.22%.



AMD daily chart as of Nov 10, 2023 - AMD saw a strong rally last week after reporting Earnings. The rally continued this week at a slightly slower pace with a pause on Monday then higher highs and higher lows every day that followed this week. The largest True Range day this week was seen on Friday, on strong volume, to end the week up +5.65% and exceeding the highs from the prior 3 months.



X daily chart as of Nov 10, 2023 - US Steel saw little change this week other than a brief Fat Finger Trade (or data error?) on Wednesday at 2:06pm ET with a brief 1 min. high of \$35.76. If you see something like this, one should ignore it. X ended the week up +0.32%.



SLB daily chart as of Nov 10, 2023 - Schlumberger saw a mild decline on Monday then a sharp decline Tuesday crossing below its 200 day SMA. Wednesday and Thursday closed lower and remained below its 200 day SMA. Friday saw a tiny bounce to close the week nearly on its 200 day SMA, down -6.28% for the week and now below all 3 of its key daily SMAs.



TGT daily chart as of Nov 10, 2023 - Target resumed its decline this week after failing to reach its 50 day SMA last Friday. SLB delivered lower lows and lower highs every day this week with a slightly higher close seen on Friday to end the week down -4.01% and is now below all 3 of its key daily SMAs.



LMT daily chart as of Nov 10, 2023 - Lockheed Martin saw a small rally last week above its 200 day SMA but could not stay above that SMA and ended last week back below this SMA. This week we see the decline continue with lower lows, lower highs and lower closes every day except on Friday, crossing below its 20 day SMA on Wednesday and failing to bounce back up to this SMA on Friday, ending the week down -1.87%.

We saw several clues this week of the ‘Narrow’ leadership on every day this week except on Friday when we saw broader positive Breadth. The strongest day we saw this week was on Friday when the strongest sector that day was the Semiconductor sector. These are useful clues to help identify relative strength. If you miss a trade, have no regrets. Practice observing the clues to get better at your observations so the next opportunity can be recognized before it becomes too late to trade. I like to clearly define what is a: [A] ‘too early’ and wait for it to develop, [B] what is ‘too late’ and I never chase after it, and [C] a just right trade opportunity when the odds are in my favor, I have enough confirmation to justify taking a risk, and precisely define my max Risk. I assume each opportunity is a NO TRADE until my criteria is met to confirm the Odds, Risk and Reward are justified, and then take the trade only with a pre-defined risk, stop and position size. Once in a position, it’s just a matter of STICKING to the plan. Taking a trade too early more often results in lower odds in my favor. Taking a trade too late usually means that the odds may be favorable but the Reward is less likely to be sufficient to overtake the Risks (or losses from other trades, over time).

Trading is all about probabilities and managing Risk. It takes discipline to not trade when the reward and odds do not justify the risk.

Hope this helps.

Trade Smart,

CJ