



How to Manage an Opened Position

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Introduction

1. Introduction
 1. The Importance of Trade Management
 2. ENTRY/STOP/TARGET
 3. Planning a trade
2. Time Frames.
3. The Average True Range(ATR) and How to Use It.
4. Holding for a Trend + Adding
5. Partial
6. Bailing on a Trade
7. Tips
8. Q&A

1.Introduction

1. The Importance of Trade Management

- Maximizing the winners
- Minimizing the losers
- The ability of making money even with a low % win rate

1.Introduction

2. Trade management isn't only about sizing, effective management consists of:

- Target —————> Realistic
- Entry —————> Setup
- Stop —————> Technical

1.Introduction

Planning a trade

- "Every battle is won before it is fought."**Sun Tzu
- "Plan the trade and trade the plan."** Every successful trader

You can't get yourself into a trade without planning and seeing it in advance, you can't get yourself into a battle without a plan

1.Introduction

-What can you plan before taking a trade?

1)Where to put your stop loss

2)Where to take your profits

3)What is the strategy you're waiting to form

4)What do you want to see when the strategy forms

5)Where would you be allowed to get into the trade according to the setup formation

-Remember to ask yourself this question "Is the setup forming right now a setup I'm consistent with?"

2. Time Frames

- 2. You can't manage a trade having a narrow view looking only at the 1- and 5-minute charts.
- Same price action might occur every single day with non consistent R:R ration or non consistent win rate
- Looking at bigger Time frames could add up some consistency
- Preferable time frames to use:
 - 1)Daily>To find the overall trend
 - 2)60/30-minute charts>To find the overall trend
 - 3)15-minute chart>Helps with extreme reversals and identifying a trend later on the day
 - 4)5-Minute chart>To find a setup
 - 5)1/2- minute charts>To get a good entry

3.The Average True Range

1. What is ATR?

-The Average True Range is a volatility indicator showing us the average range over a specified period (Usually 14) which can be used on weekly charts, daily, intraday, etc.

-Expanding ATR shows increase in volatility and is showing us potential bigger moves

-Low ATR indicates quiet days. This usually happens in consolidation periods

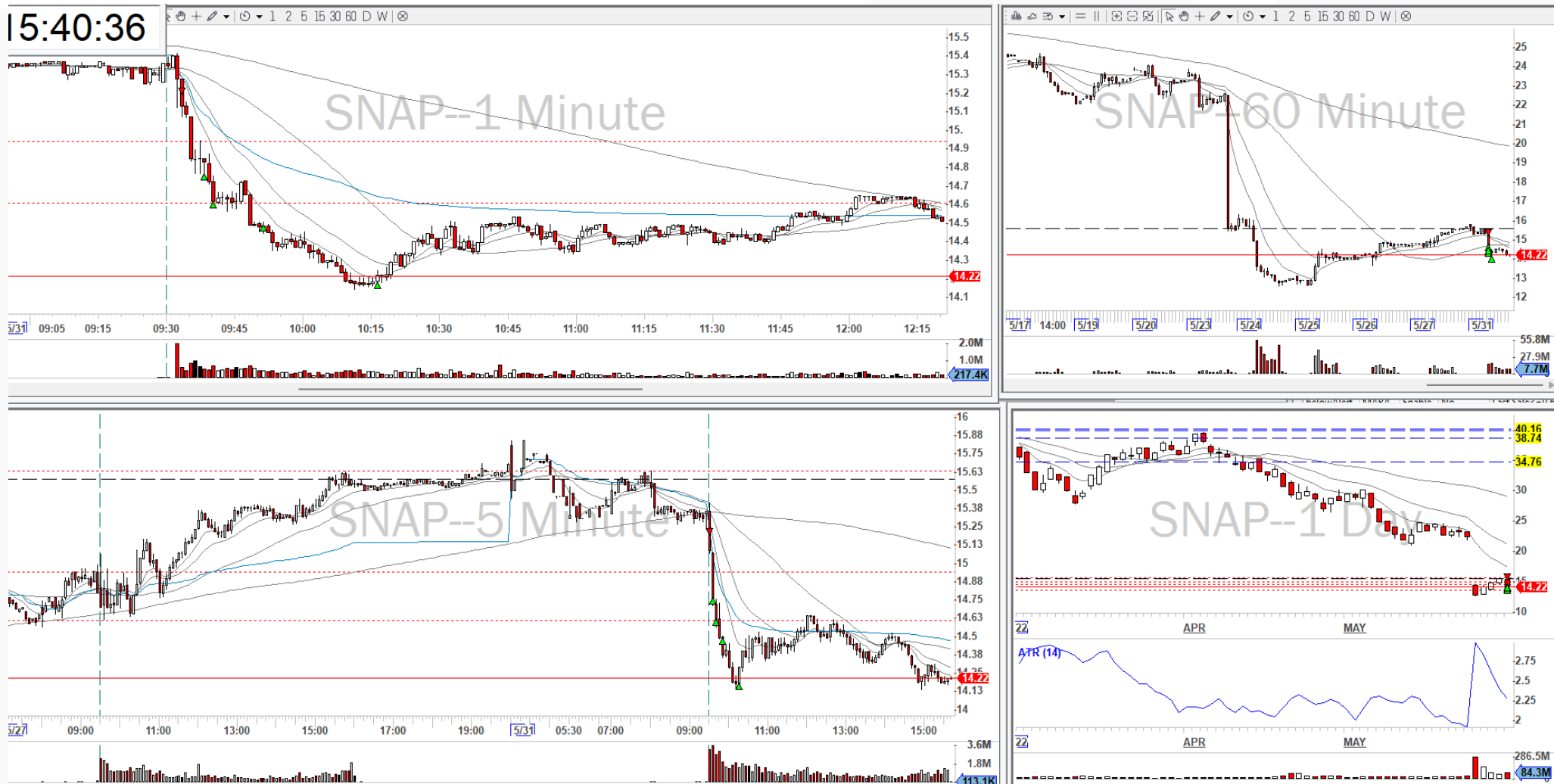
3.How Do I Use the ATR

1. ATR is telling me when to hold for a trend and when to sell all
2. When the stock is going against the overall trend, ATR could be telling me how long I could hold on into a reversal I caught with the direction of the overall trend
3. Don't try to catch full ATR move when going against the overall trend

3.How Do I Use the ATR



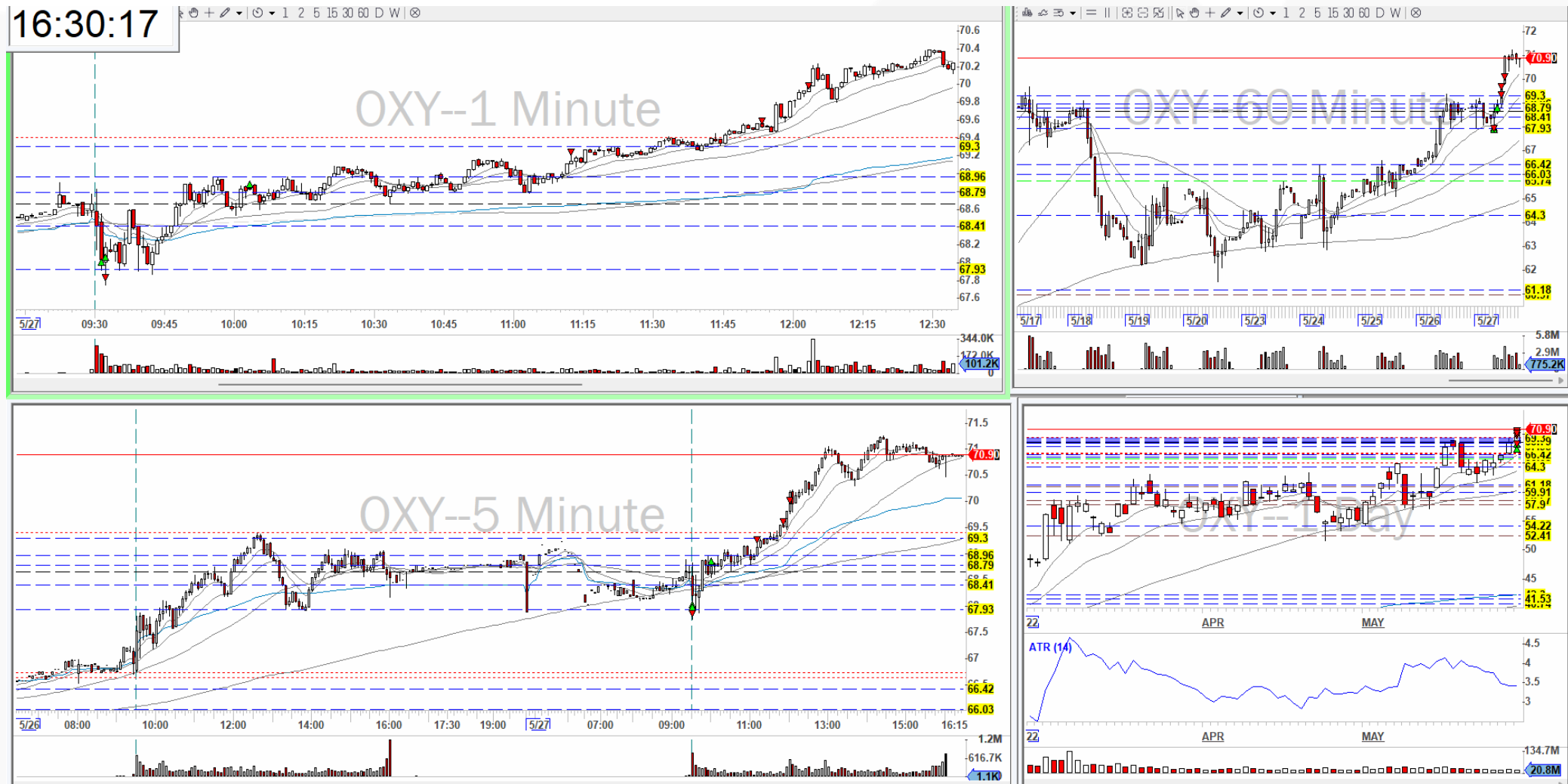
3.How Do I Use the ATR



4. Holding for a trend + Adding

- Hold for a trend only when going with the direction of the 60-minute chart and daily chart, otherwise sell all at 2/3Rs
- Add on Pullbacks on the 5-minute chart(ABCD patterns bouncing of the 9EMA on the 5-minute chart). If the pullback isn't enough, don't add and simply hold to the original position
- Final target is the ATR level.

4. Holding for a trend + Adding



4. Holding for a trend + Adding



5.Partial

- Partial 20% during the first or the beginning of the second 5-minute candle considering that there are no levels ahead if at least 2R is reached
- Partial 30-50% during the third 5-minute candle
- Partial 30% during the second 5-minute candle if there's a level ahead
- Partial 50% at premarket high/low or the HOD/LOD
- Partial 70-90% at the ATR or if there's a setup forming against you
- Personally, most of the time I partial 80% If I hit 4-5Rs

5.Partial



5.Partialials



6.Bailing on a Trade

- Exit the trade if or partial most of your position if:
 - There's a setup forming against you
 - You're Going against climactic volume
 - A trend starts forming against your direction

6. Bailing on a Trade



7.Tips

- If you plan to hold on for bigger moves, make sure to go with the direction of the trend on the bigger time frames
- Check the ATR to get an Idea of how much the stock could move per day
- If the stock is at ATH, expect a move of X2 ATR meaning that you can hold on to your winning position longer, but it's not preferable to establish a position after the ATR was done
- If the stock intraday is going against the direction of the trend on the daily/60-minute chart, you can catch an extreme reversal/parabolic reversal and hold it at least to VWAP with a couple of adds
- Maximum trades



QUESTIONS

ANSWERS