



# How to Trade Trends

PRESENTED BY:

Aiman

# DISCLAIMER

BearBullTrading.com employees, contractors, shareholders and affiliates, are **NOT an investment advisory service, a registered investment advisor or a broker-dealer** and does not undertake to advise clients on which securities they should buy or sell for themselves.

You understand that **NO content published as part of the Bear Bull Trading Room and its Website constitutes a recommendation** that any particular investment, security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

You further understand that **none of the creators or providers of our Services or their affiliates will advise you personally** concerning the nature, potential, value or suitability of any particular investment, security, portfolio of securities, transaction, investment strategy or other matter.

# Introduction

---

## 1. Introduction

1. What is trend trading?
2. Why trying to get into a trend
3. Downside of trading trends

## 2. Market Stages

## 3. How to find stocks for potential trends

## 4. The turtle strategy

## 5. Rules(A-Entry. B-Stop Loss. C-Adds, D-Target)

## 6. Fake breakouts

## 7. Examples.

## 8. Final Tips.

# Introduction

---

## 1. What is trend trading:

- Trend trading is a style where a trader attempts to catch a move and hold longer to the winner to capture larger gains.
- One can trade trends with a single initial entry point; However, to make the most use of trend trading it'd be the best to add to a winning position and hold till the target level is hit

# Introduction

---

## 2. Why trying to get into a trend:

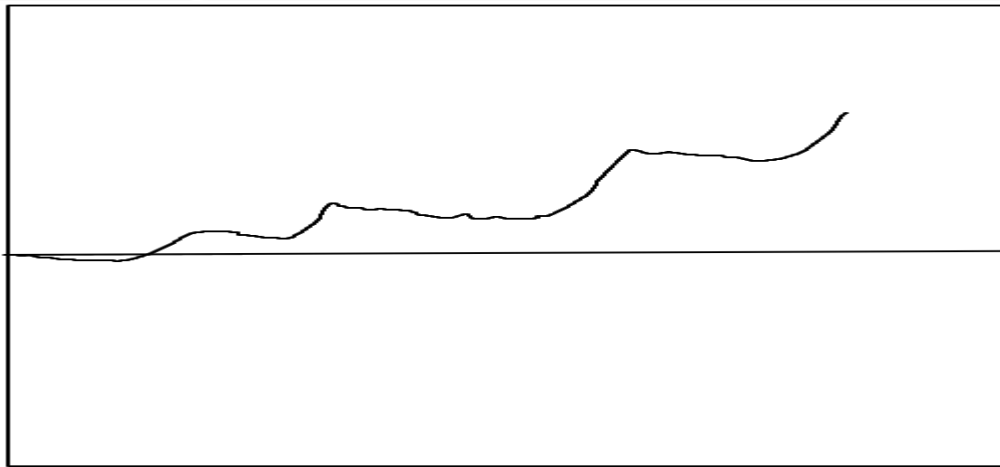
- 1) Trend trades are planned before taking a trade and the bias is built in advance, it doesn't require impulsive fast decisions
- 2) Trend trades are normally slow, so it could be one of the best strategies for traders who want enough time to think before jumping into a trade
- 3) Trend trades are rewarding as the winners offer huge potential R:R

# Introduction

---

## 3. Downside of trading trends:

- 1)The win rate is low, and it could be as low as 10% if multiple trades are taken the same day.
- 2)Requires patience waiting for the profit target to be hit
- 3)Requires huge discipline to add into a winning position
- 4)When implemented correctly, the PnL curve should look like this

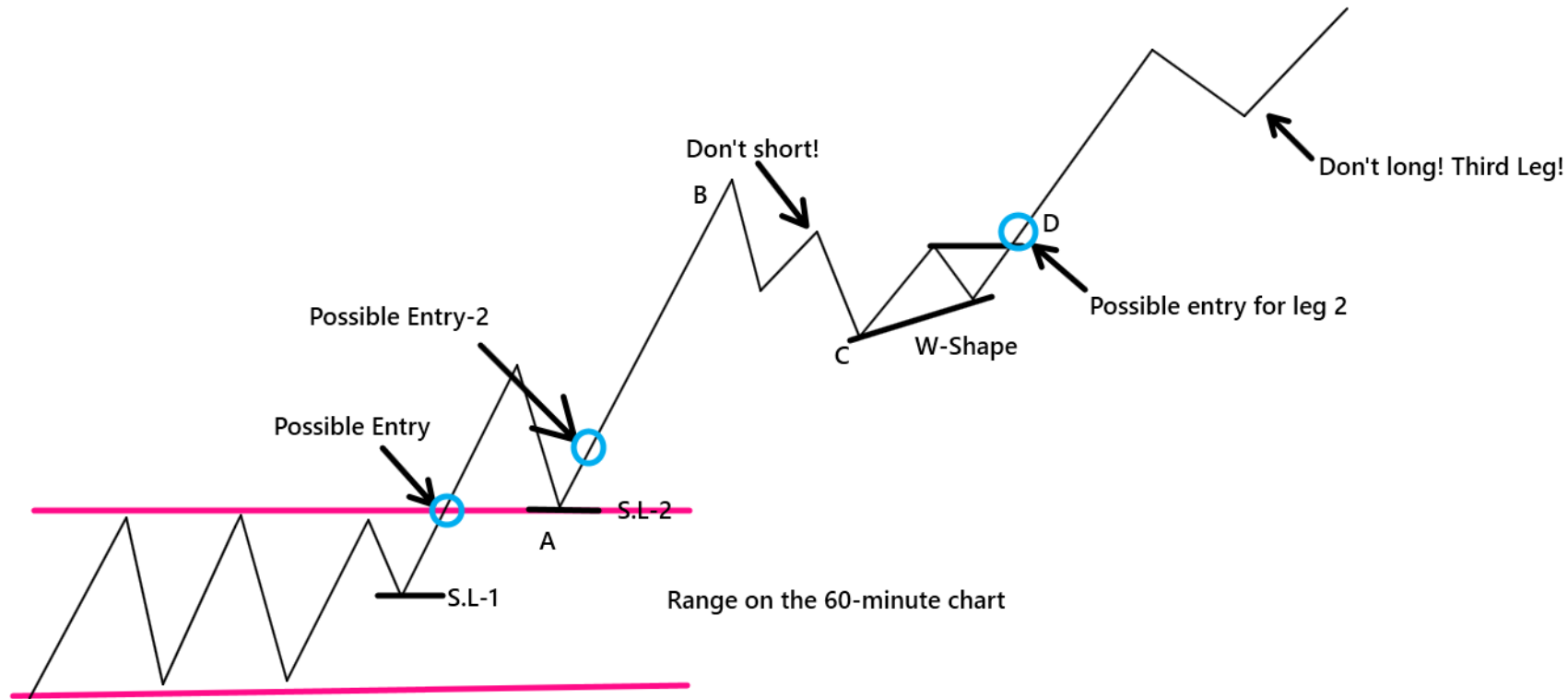


# Market Stages

---

1. Range
2. Breakout + Retest
3. Trend

# Market Stages





# How to Find Stocks for Potential Trends

---

**Use the list of stocks in the room drive, go through every single stock and:**

**-Check the daily chart.**

**-Check the 60-minute chart**

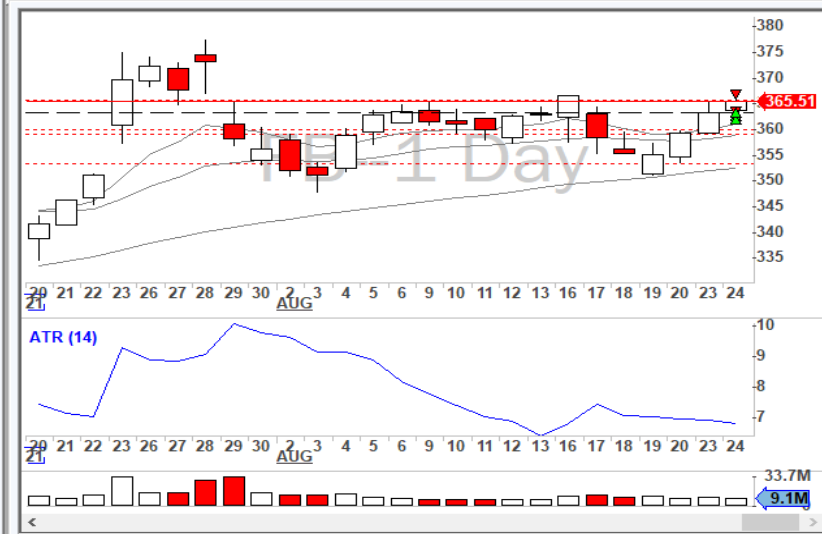
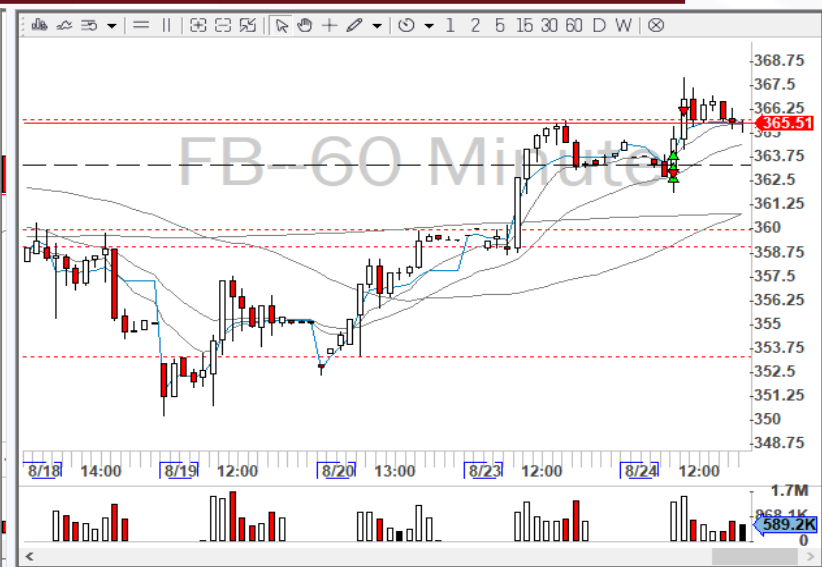
**(It's preferable to pick stocks during the first or second candle after the break of the range. It's also preferable to trade stocks around the breakout area on the 60-minute chart/closer to the support**

**-Pay attention to the ATR and make sure that the stock still has room to run**

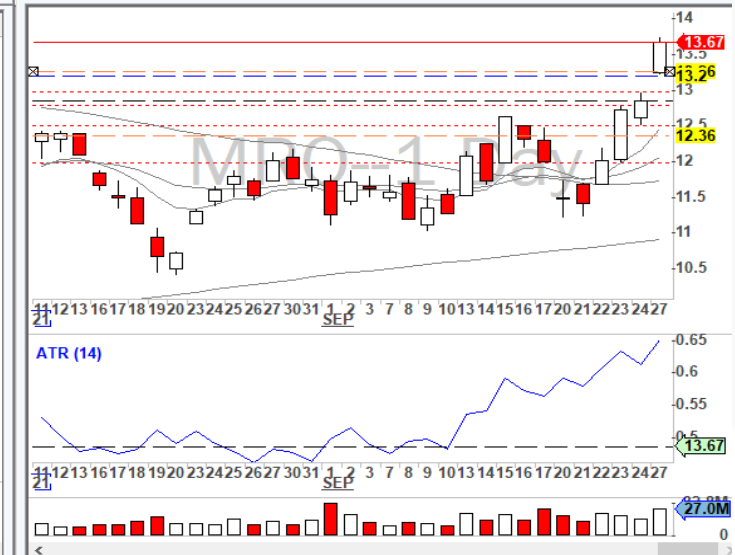
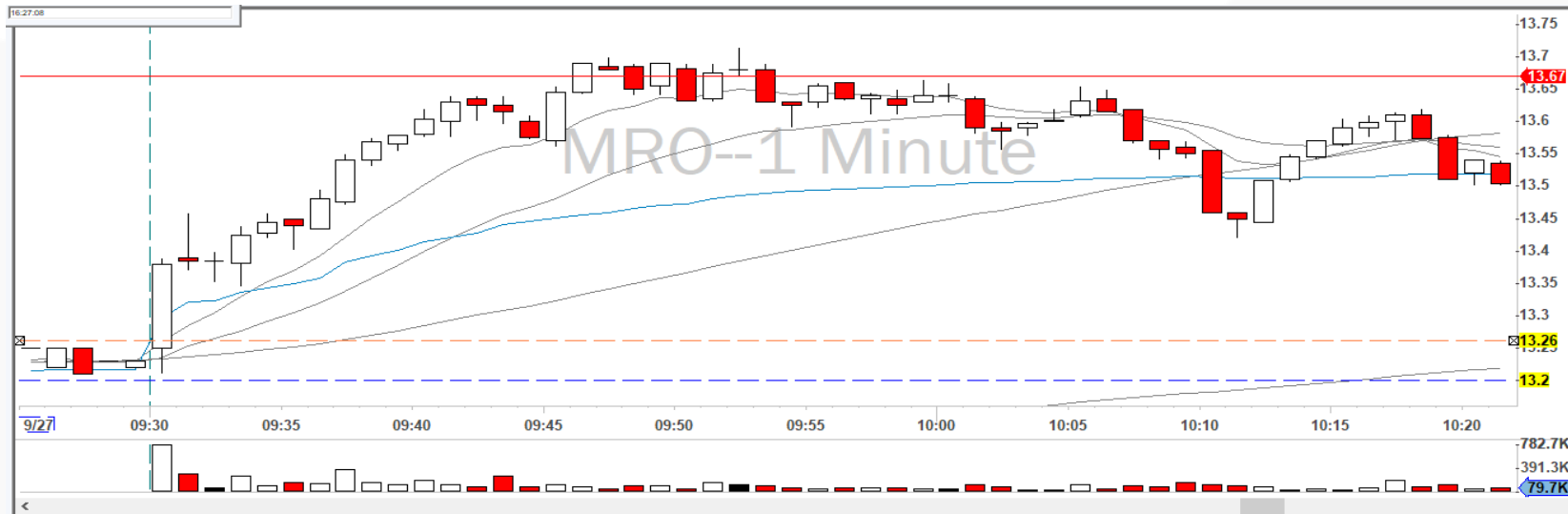
**-Make sure there are no big wicks and not many levels on your way**

**-Zoom out the 5-minute chart to see the bigger picture**

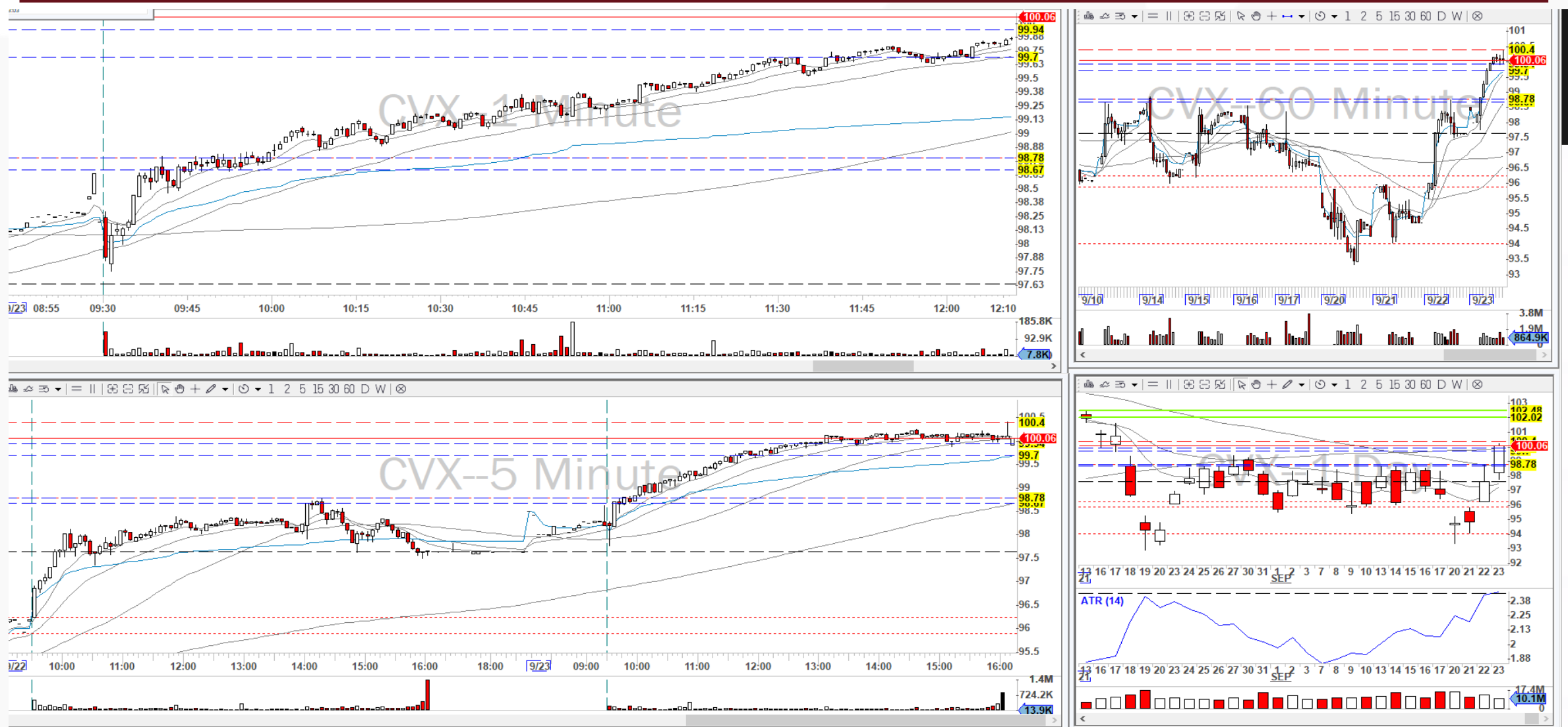
# The Turtle Strategy



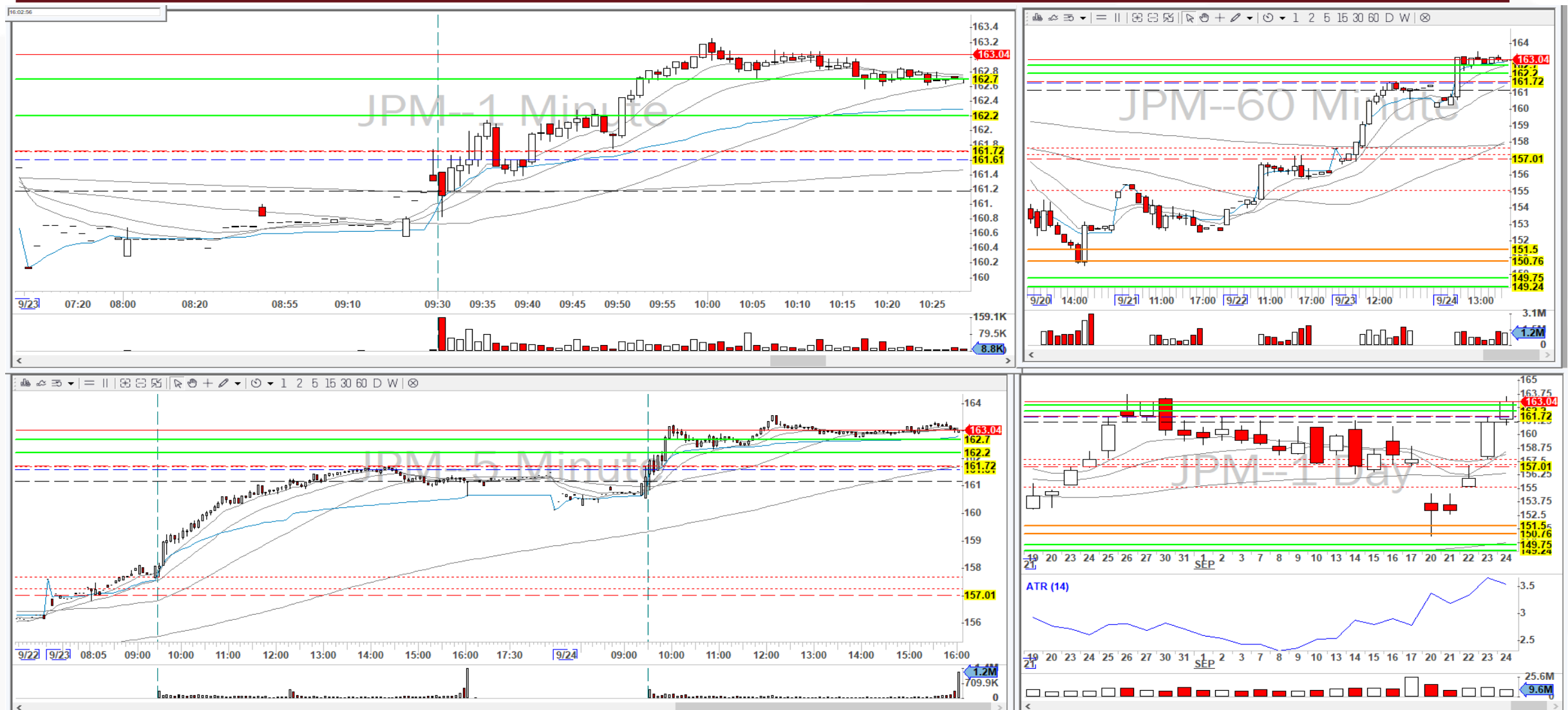
# The Turtle Strategy



# The Turtle Strategy



# The Turtle Strategy



# The Importance of the 60-Minute chart

---

1. The bigger the time frame you're watching, the bigger the potential move
2. 60-Minute chart is used by many swing traders as an entry chart
3. It gives us more clear view of the favorable direction and the overall trend (The trend is your friend)
4. It's easier to anticipate whether the price action on some stock is going to be choppy today or not.

# Rules

---

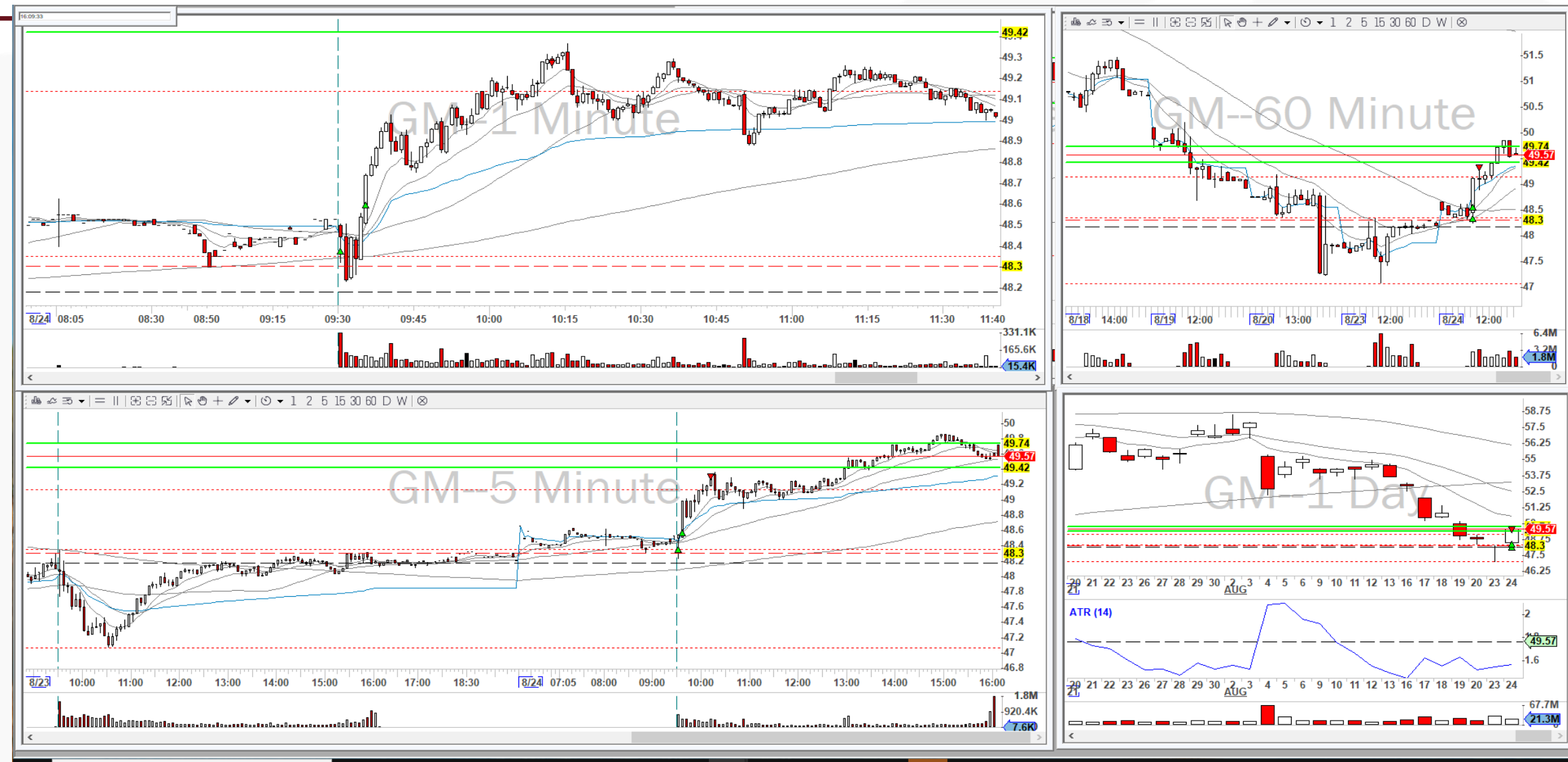
## 1. Entry:

- The average should be low, so initial entry needs to be good.
- Classic breakout pattern: Entry as close as possible to the premarket low
- ABCD pattern: Entry either level C if it's at a retest area, or D if the C isn't clear
- Entry could be at the breakout area if an entry closer to the support didn't get filled

## 2. Stop loss:

- With an entry closer to the premarket low, stop loss is the premarket low
- With an entry on an ABCD pattern stop loss is level C
- With an entry at the breakout area, check stop losses for breakout variations

# Rules

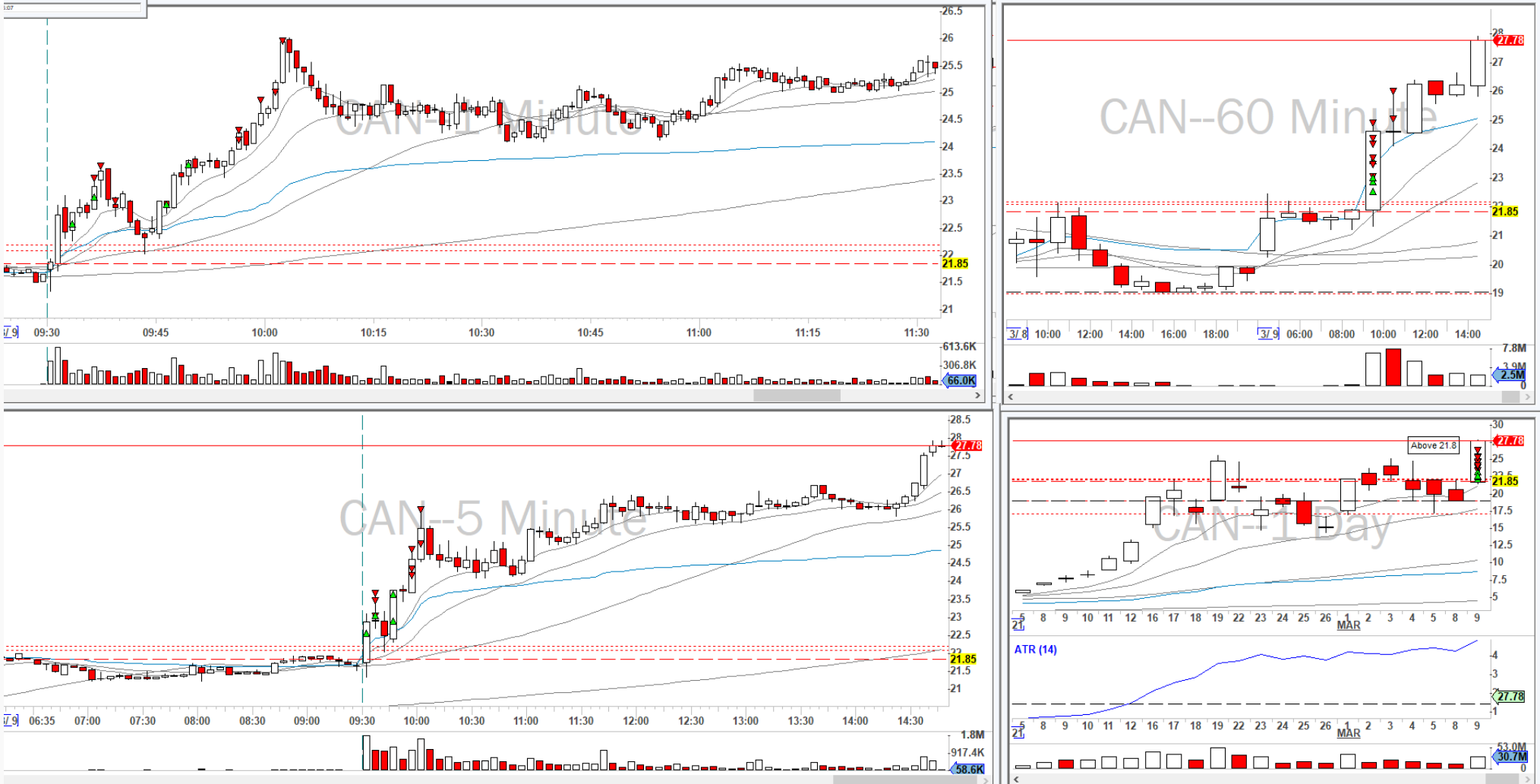




# Rules



# Rules



# Rules

---

## 3. Adds: Using Kyle's equalized risk hotkeys

### 1) Initial entry as close as possible to premarket low:

- Add at the breakout

- Add on an ABCD pattern

- Add on a second ABCD pattern

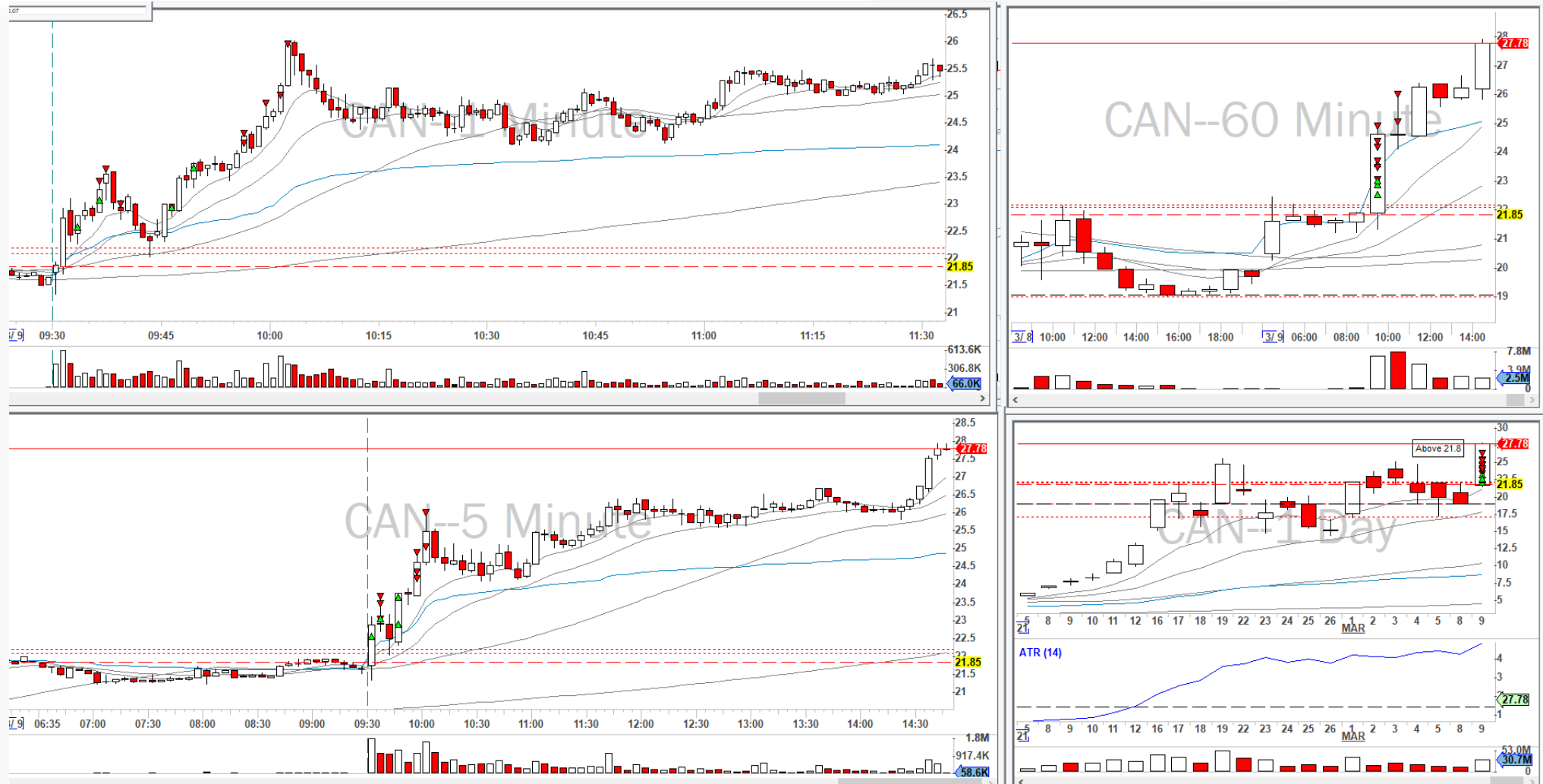
### 2) Initial entry at the breakout area

- Add on the first and second ABCD pattern

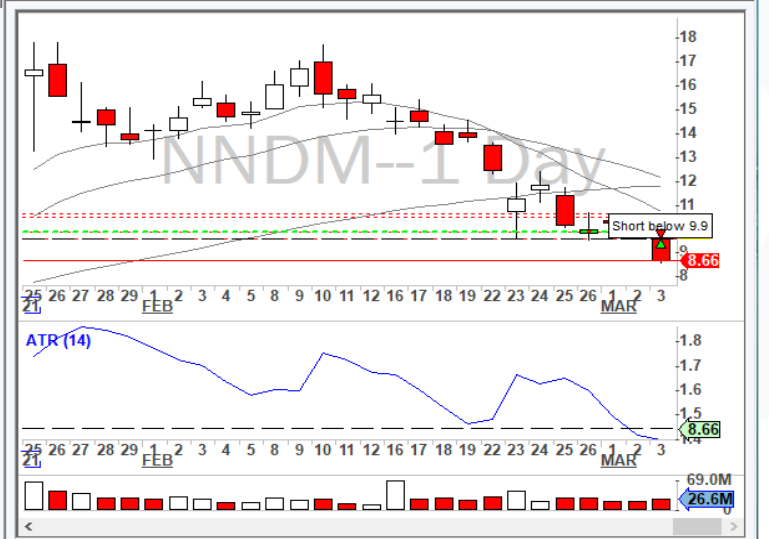
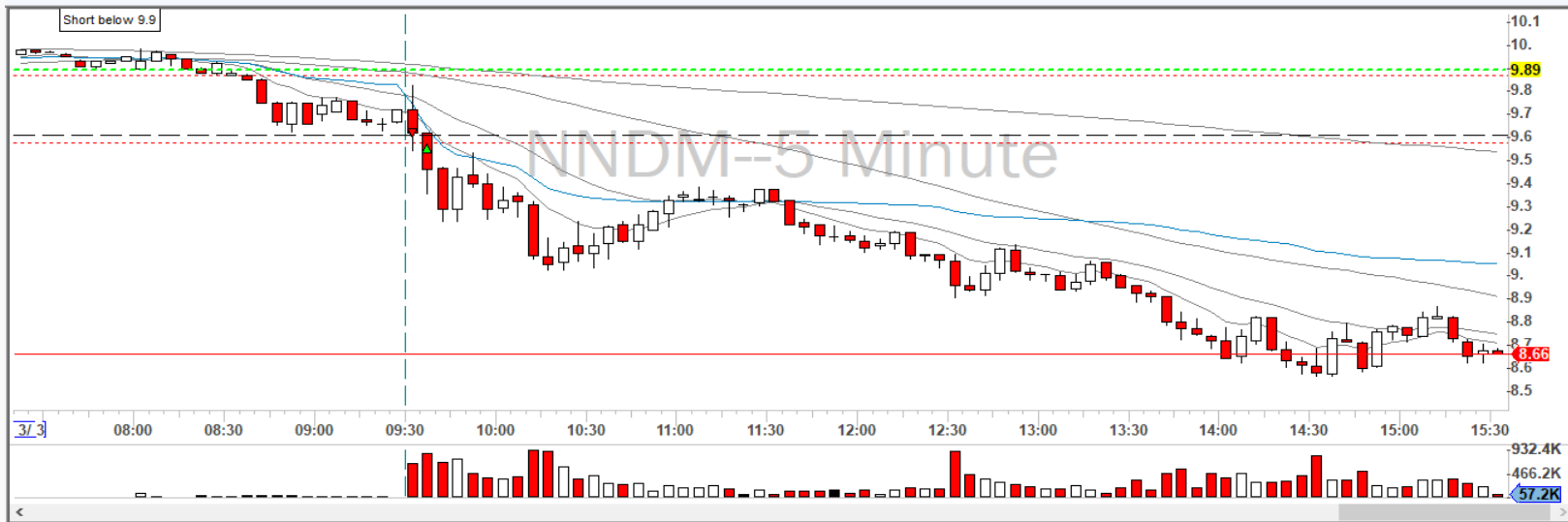
### 3) Initial entry on an ABCD pattern

- Add on the second ABCD pattern

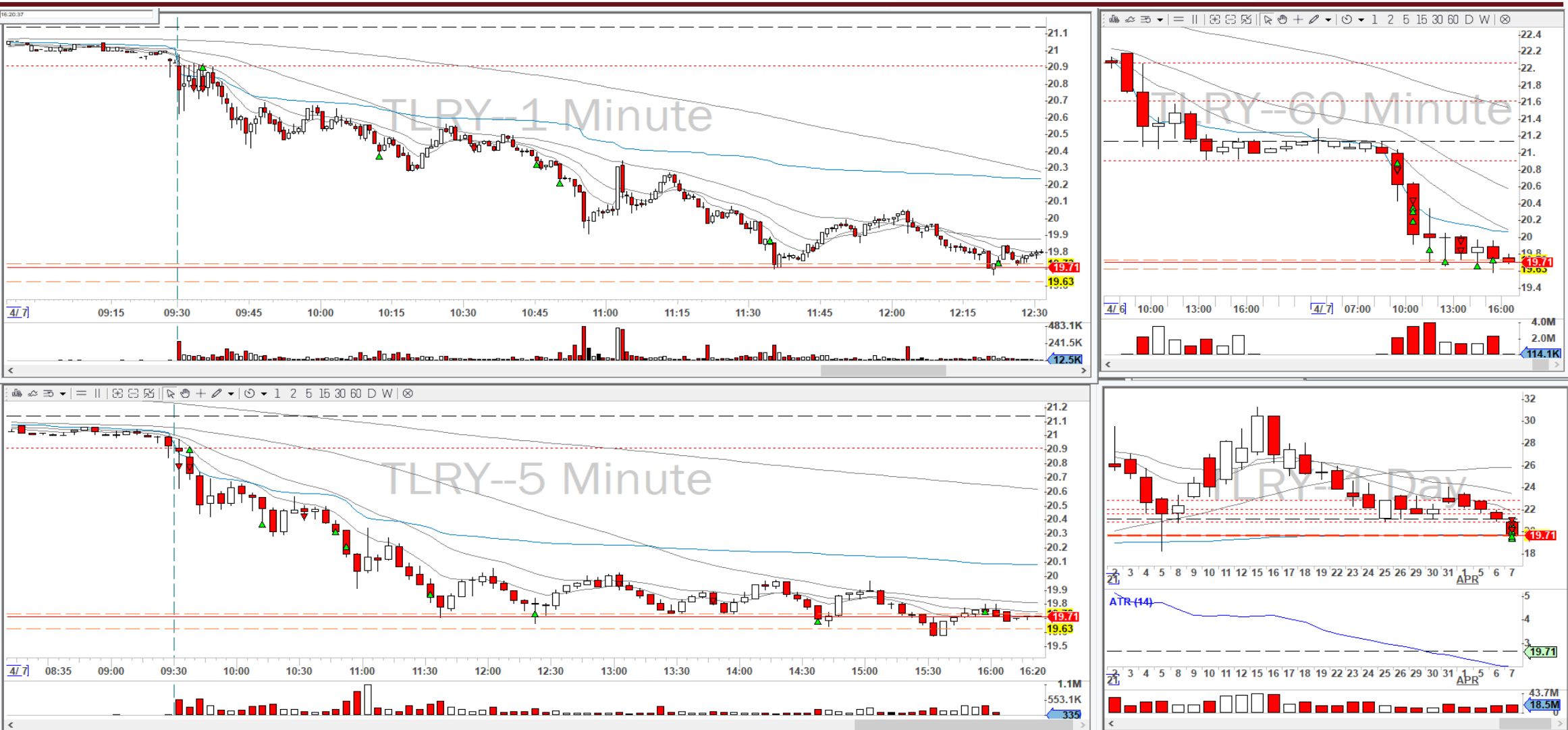
# Rules



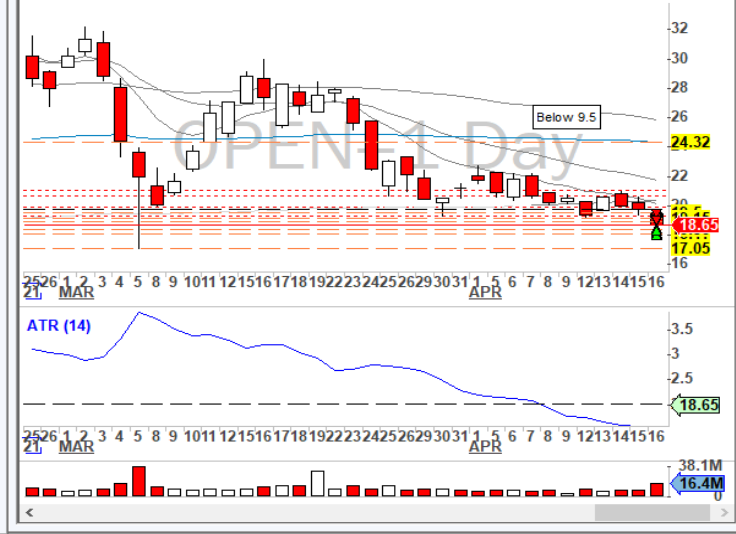
# Rules



# Rules



# Rules



# Adds

---

## 2) Adds moving the whole average to a new level

- Add on an ABCD pattern, but make sure to keep average low(Stop at the low of the second wave)
- Add on an ABCD pattern using 15 minute chart if it gets extended of 9 on 15 later on the day

Use the 50/200 SMA's to add



# Getting into a trend late

---

## -Use moving averages

A moving average is an indicator that follows the price, it's calculated by adding a stock's prices over a certain period and dividing the sum by the total number of periods

## -Where to buy on a moving average?

-It's preferable to use the 50 SMA on the 1 minute chart earlier on the day, or 20 EMA. Later on the day, 50SMA on the 5-minute chart. Even later, 20EMA on the 15 minute chart or 200SMA on the 5-minute chart

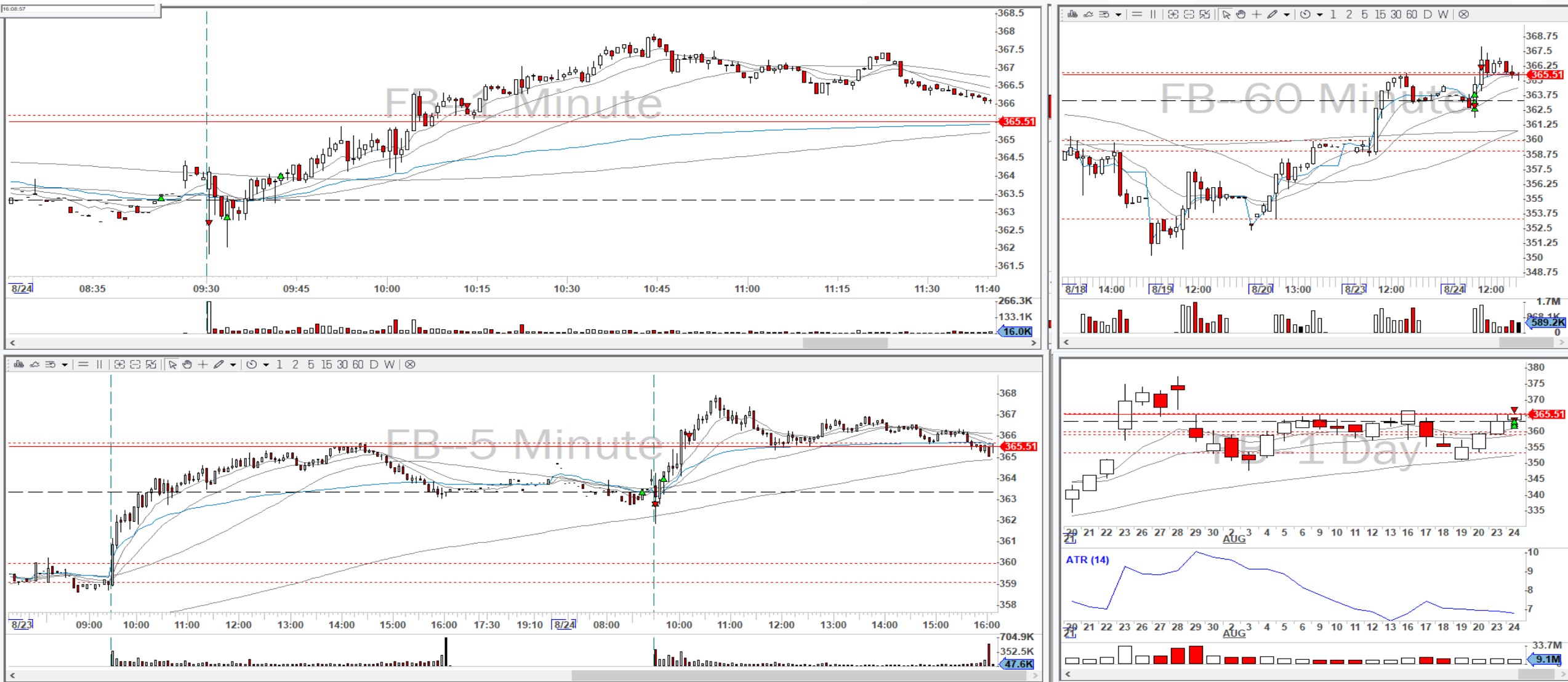
## Stop loss:

-1ATR below the moving average

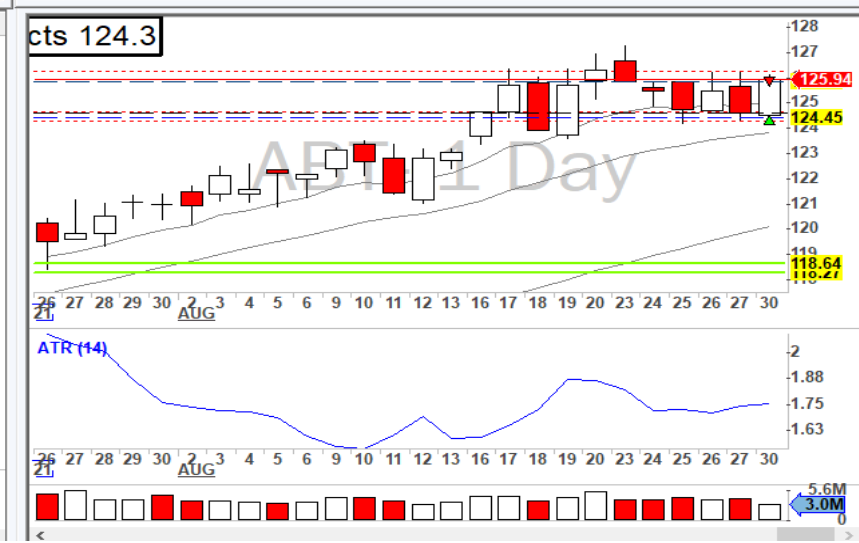
## Target:

-At least 2:1. If there's still room to the full ATR, then hold

# Getting into a trend late



# Getting into a trend late



# Final Exit

---

- -It's best to hold to 80-100% of the ATR before the exit, with all the adds you'd stack the gains and could end up having winners over 7Rs profit.

# Final Tips:

---

- 1) Weekly chart > Daily chart > 60-Minute chart > 5-minute chart > Who cares about the 1-minute?
- 2) Add on pullbacks on the 5-, 15-minute charts to stack the gains
- 3) L2 ASKS/BIDS could help you hold longer
- 4) Final exit 80-100% of the ATR
- 5) Don't give up, stick to one setup no matter what setup it's and work on it till it works.





QUESTIONS

ANSWERS