The Webinar will begin at 8pm

Charge Up Your Trading Using The Lightning Bolt Pattern

Presented By:

Peter

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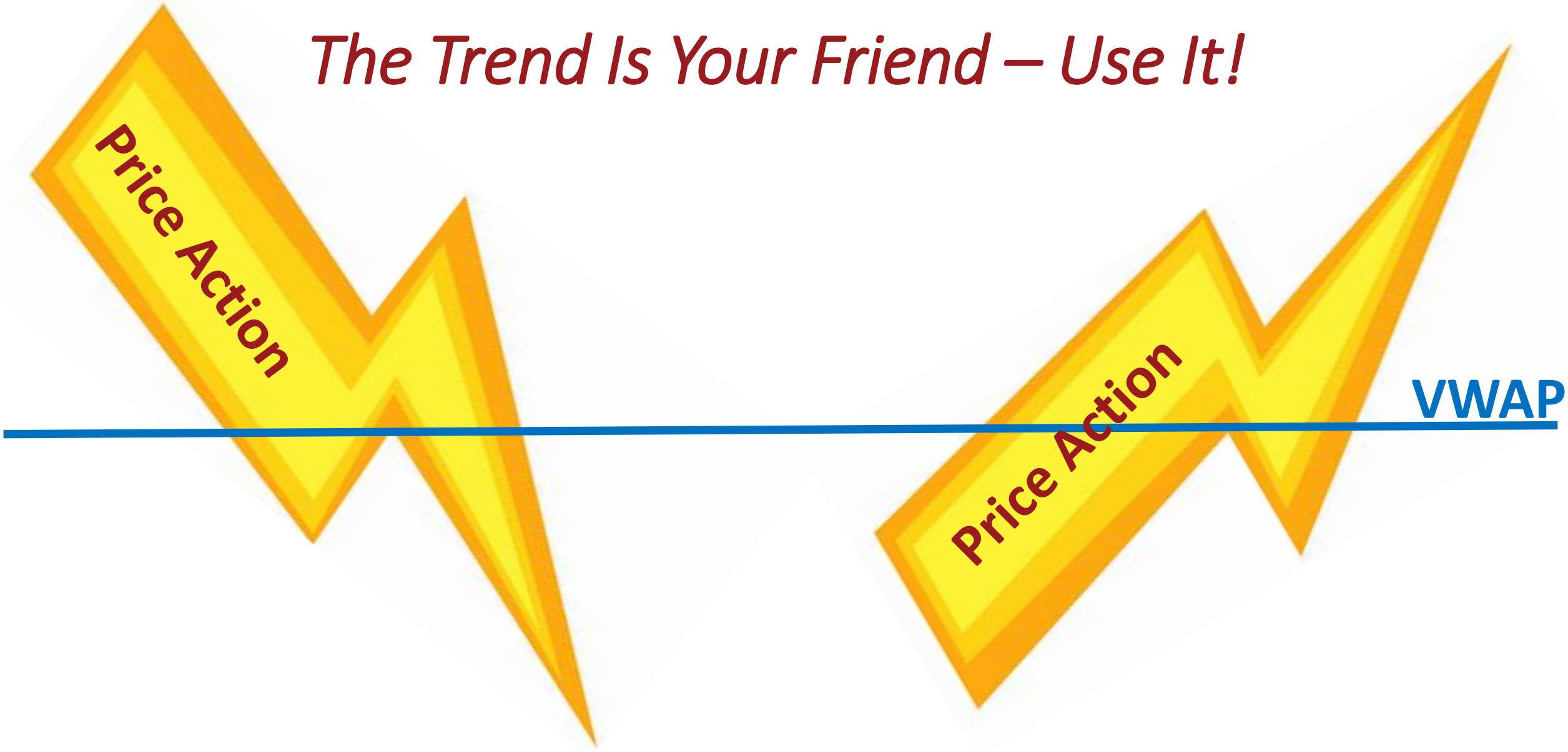
What is the Lightning Bolt Pattern?

The **Lightning Bolt** is a Trend Continuation Pattern that:

1. Is part of an existing trend
2. **Crosses the VWAP**
3. Hesitates and pulls back
4. Then gathers new strength into the trend and continues

The Trend Is Your Friend – Use It!



What is the VWAP?

Volume Weighted Average Price $= \dfrac{\sum (\text{Shares Traded} \times \text{Share Price})}{\sum \text{Shares Traded}}$

What is the VWAP?

It is not a Moving Average!

Moving Averages – measure the average price over time

VWAP – measures the average price by volume over time

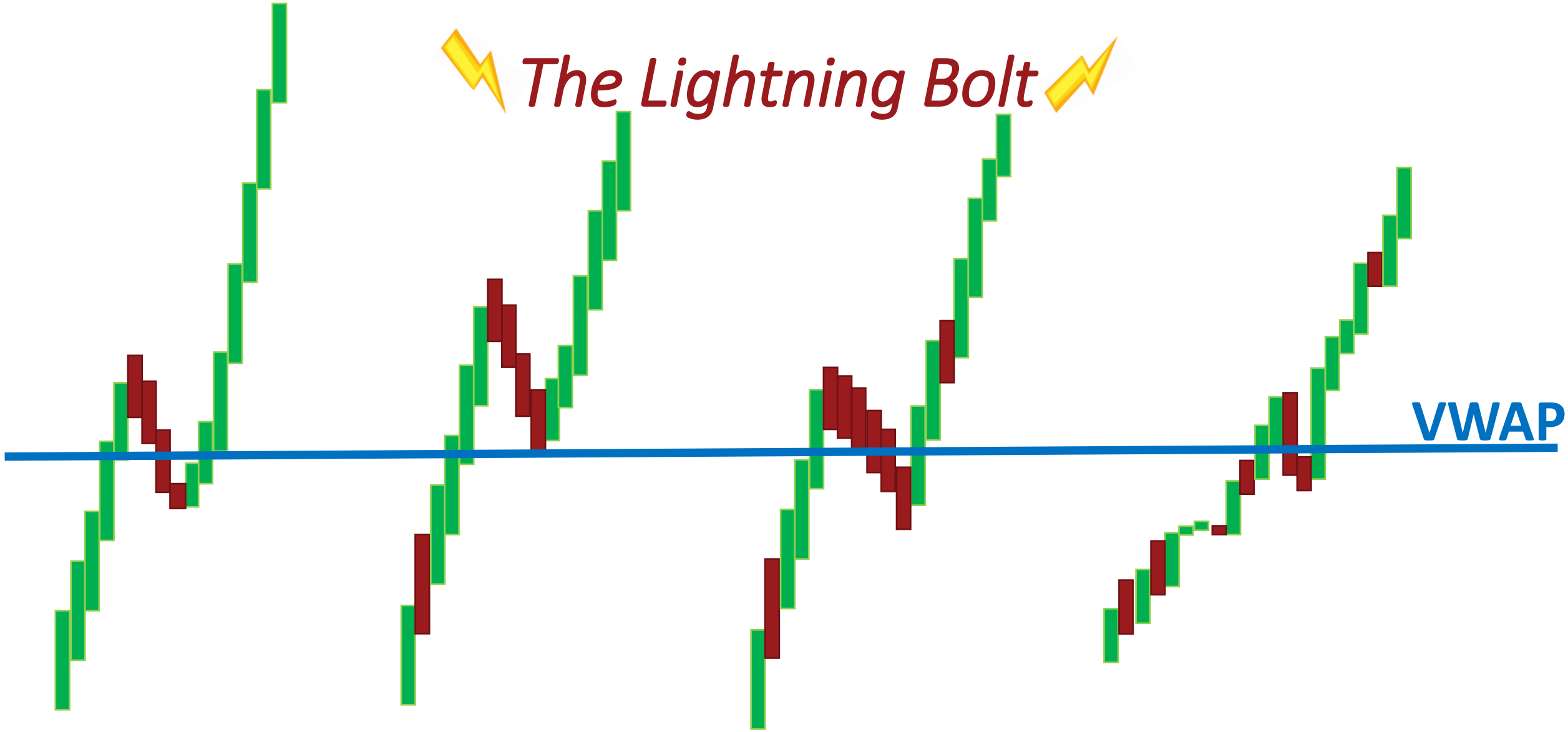
Note that the VWAP is also unique compared to a MA as it is the same in all (intraday!) timeframes

Why Do We Care?

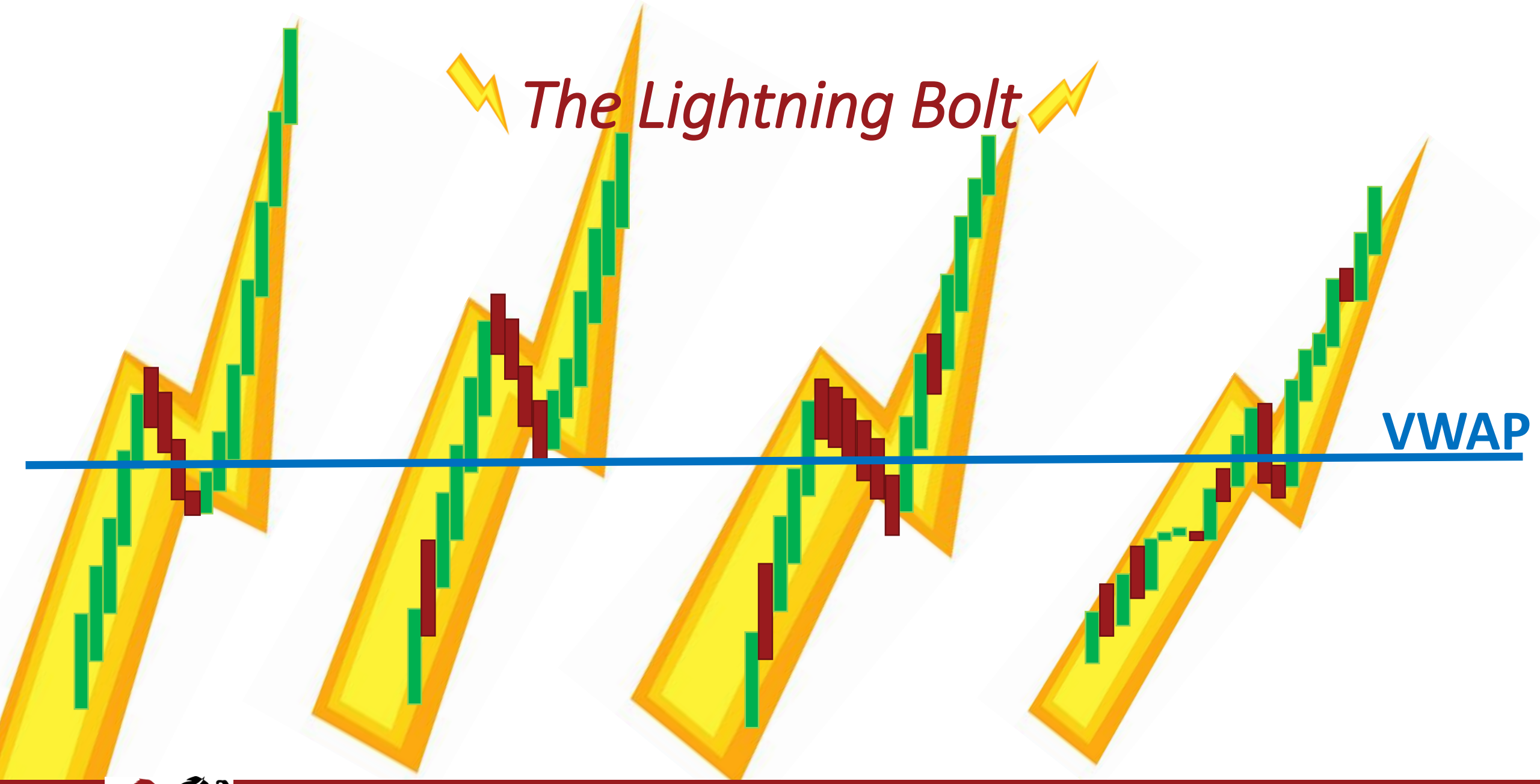
The VWAP is a trading benchmark that is widely used by:

- **Institutional investors and mutual funds who use VWAP as key determination of profitability**
- **Market Makers who use VWAP to manage price stability**
- **Retail traders who use VWAP to determine trends**

The Lightning Bolt

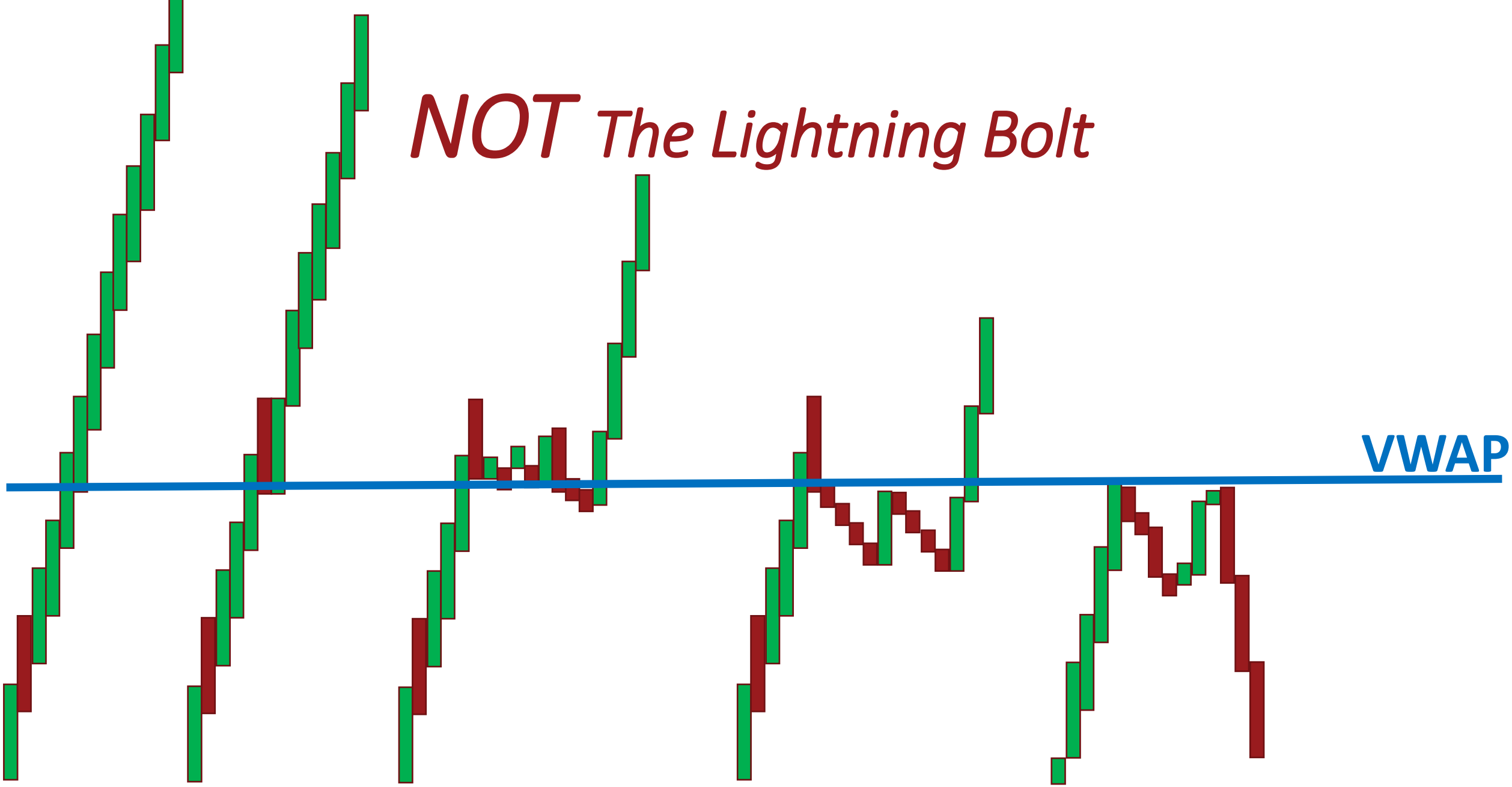


The Lightning Bolt

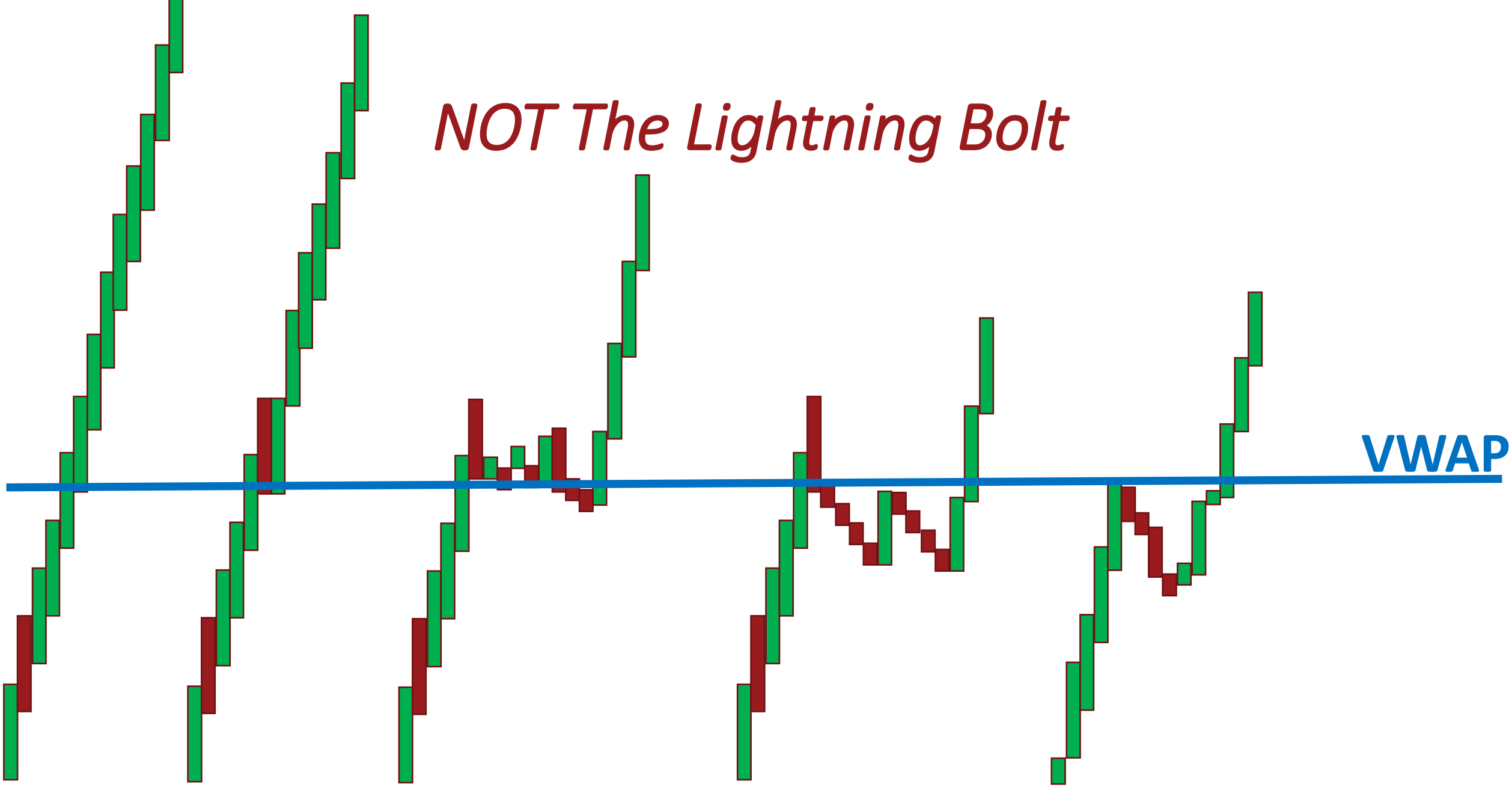


BEAR BULL TRADERS

NOT The Lightning Bolt



NOT The Lightning Bolt



⚡ *Lightning Bolt Conditions* ⚡

- **Generally requires a strong initial move, followed by a stronger reversal move**
- **Stock should be mid- to large float and have an event catalyst on the day**
- **Works best when a stock has higher that average volume (i.e. RVOL is >100%)**
- **Ideally supported by the overall market direction (in the moment)**

Lightning Bolt Conditions

- **Trend volume should be strong (i.e. at or above the average of the day)**
- **Can be played in either direction (long or short)**
- **Can be played on any intraday timeframe**
- **Can be played anytime from 9:40am – 3:00pm, *but the best trades often set-up from 9:40am - 11am***

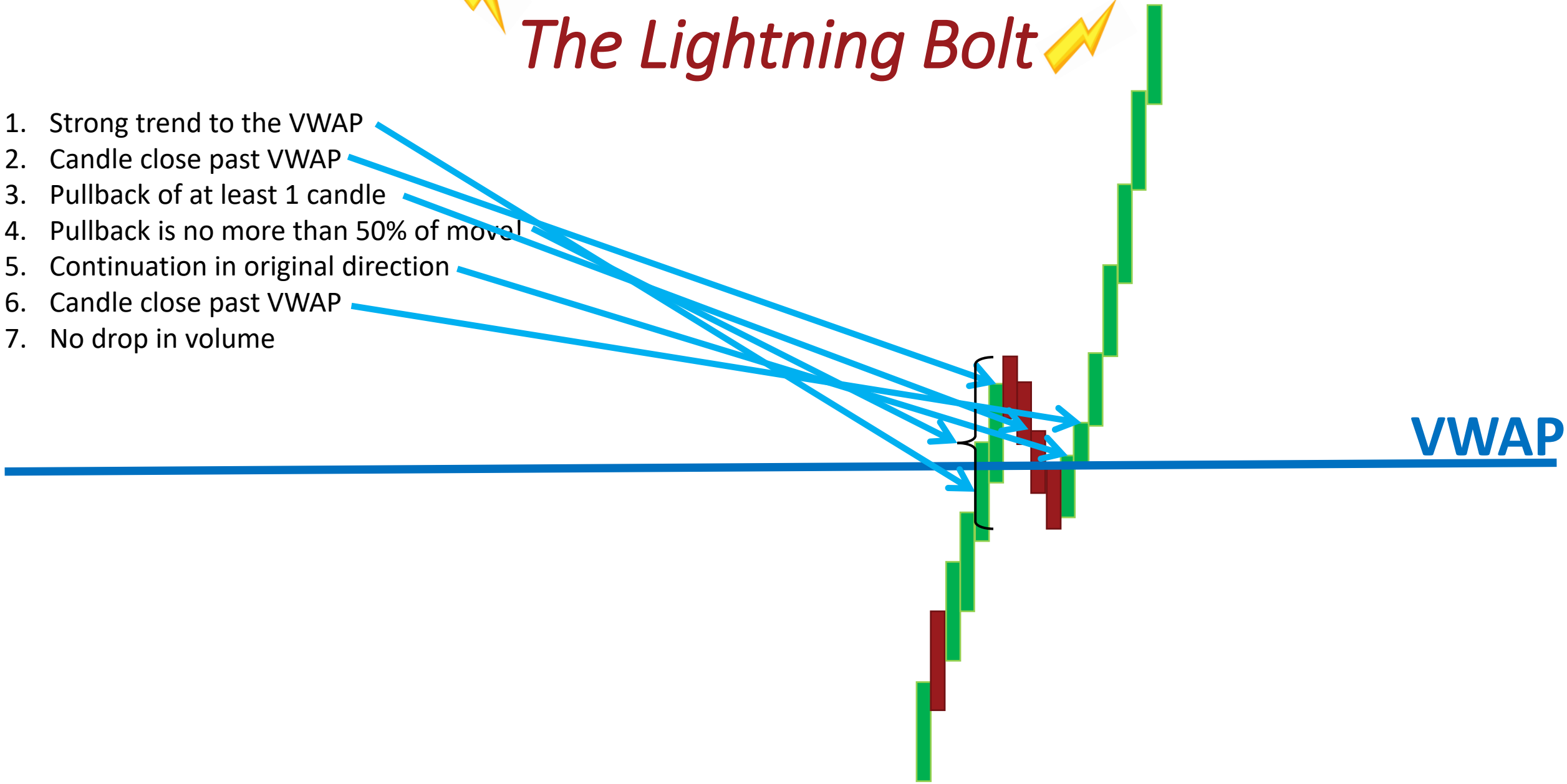
Lightning Bolt Blind Spots

- **No consideration of Moving Averages**
- **No consideration of daily levels**
- **No significant assessment of volume (other than to ensure it doesn't drop significantly on continuation)***

Note that some days this pattern will be more prevalent than others. Trade it as it appears!

The Lightning Bolt

1. Strong trend to the VWAP
2. Candle close past VWAP
3. Pullback of at least 1 candle
4. Pullback is no more than 50% of move
5. Continuation in original direction
6. Candle close past VWAP
7. No drop in volume

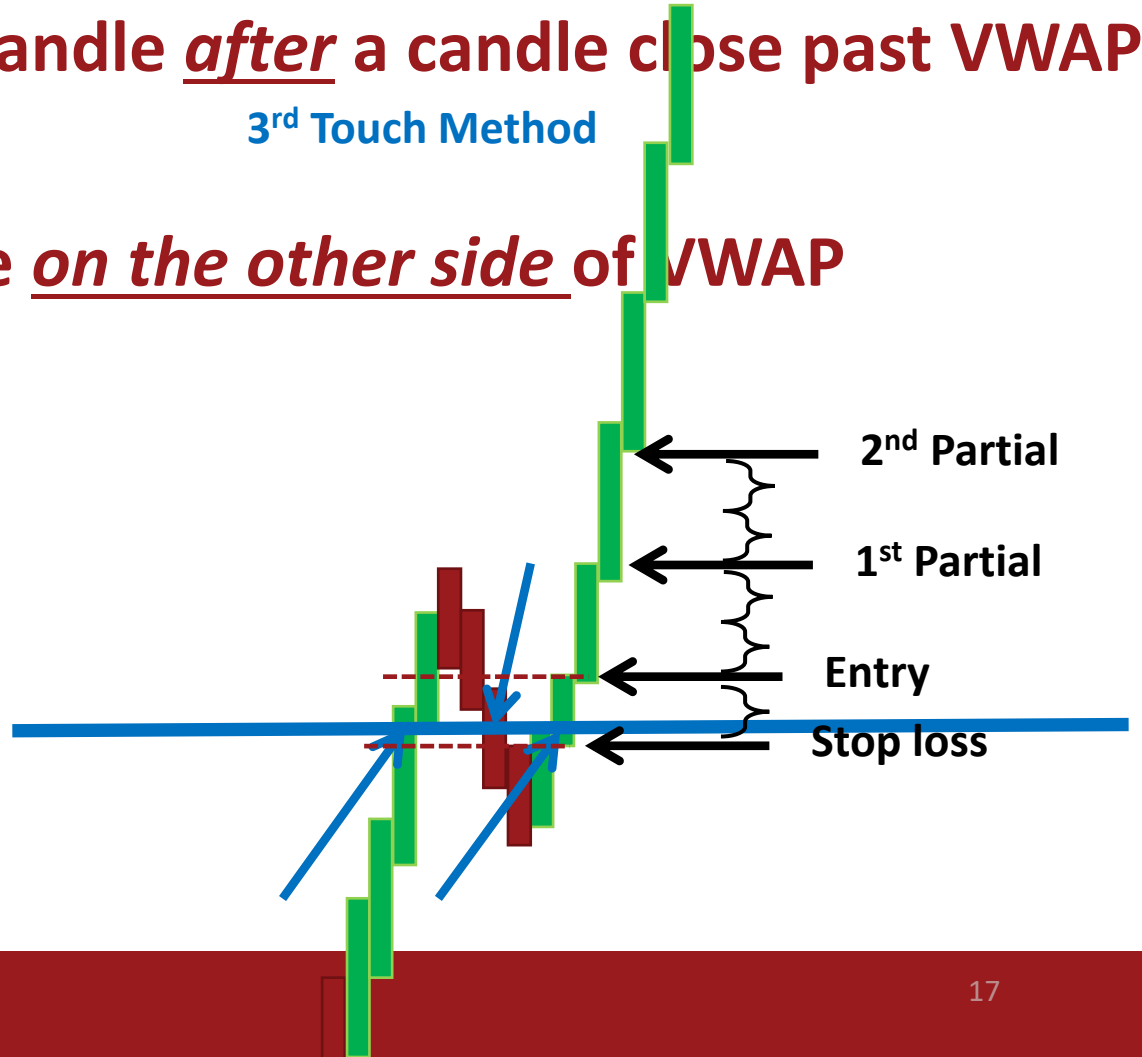


Trade Rules

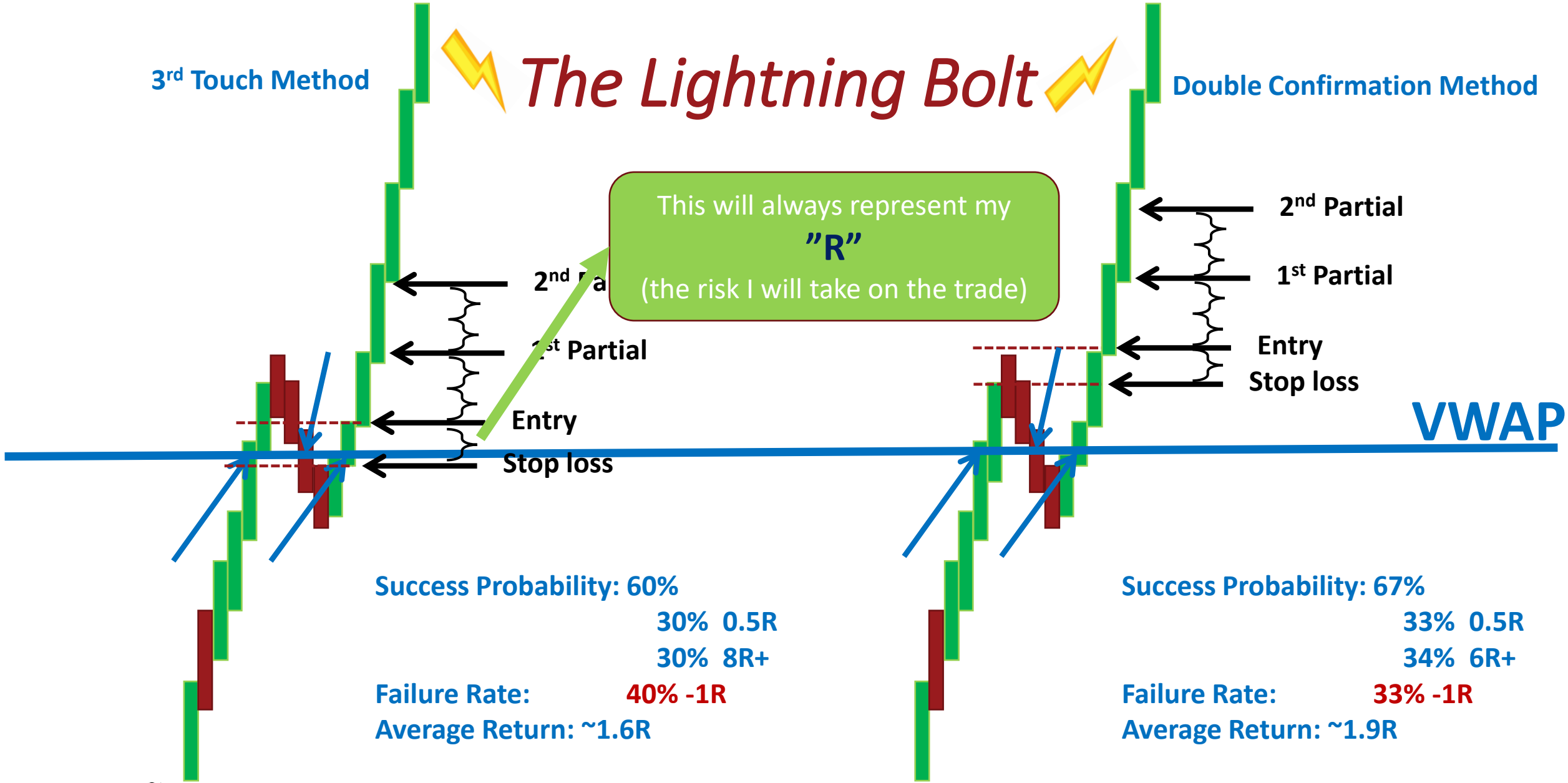
Entry: Best possible place on the 1st candle *after* a candle close past VWAP

Stop Loss: The OPEN of the last candle *on the other side* of VWAP

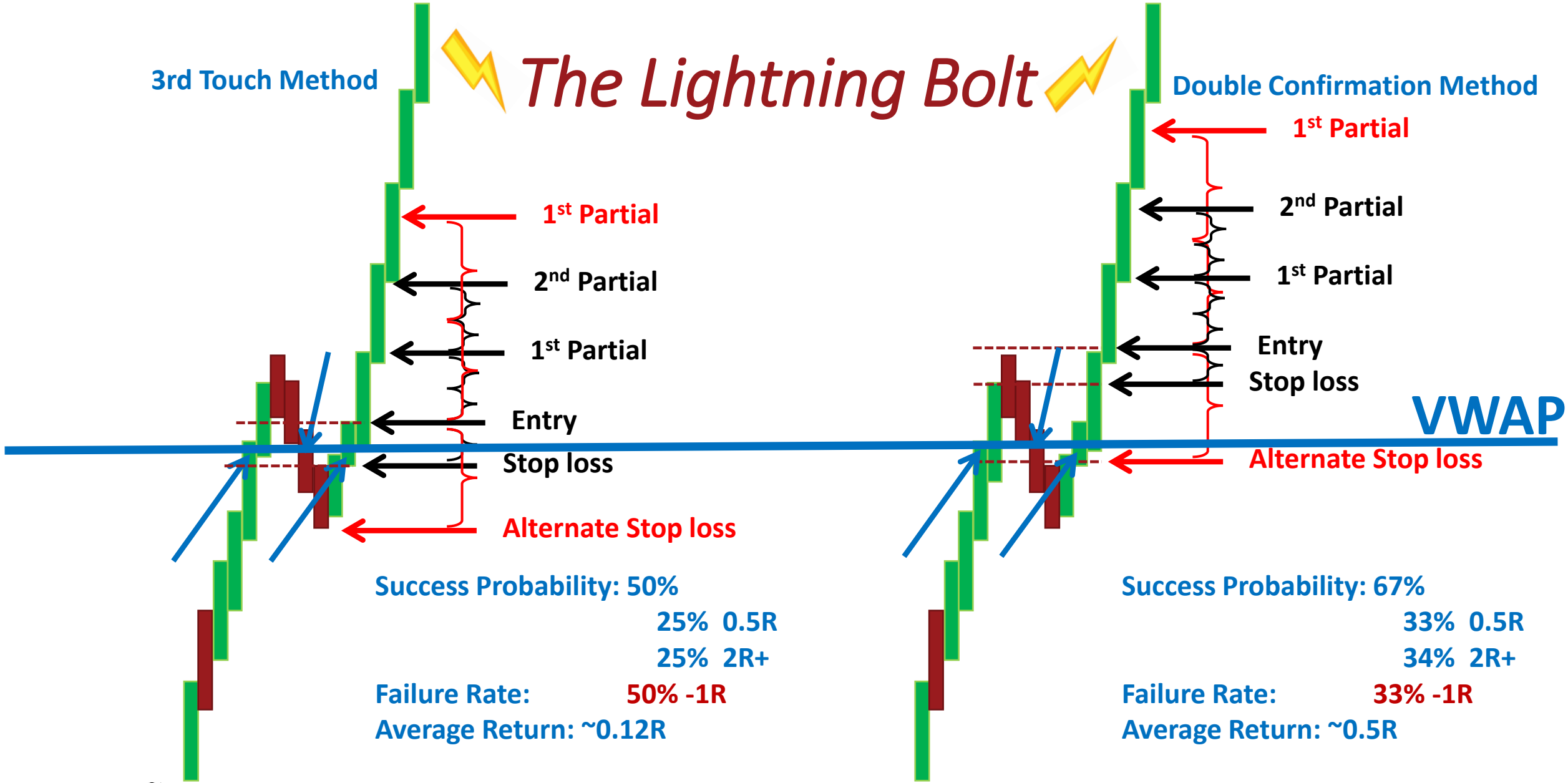
} abs(Entry - Stop Loss) = Trade Risk



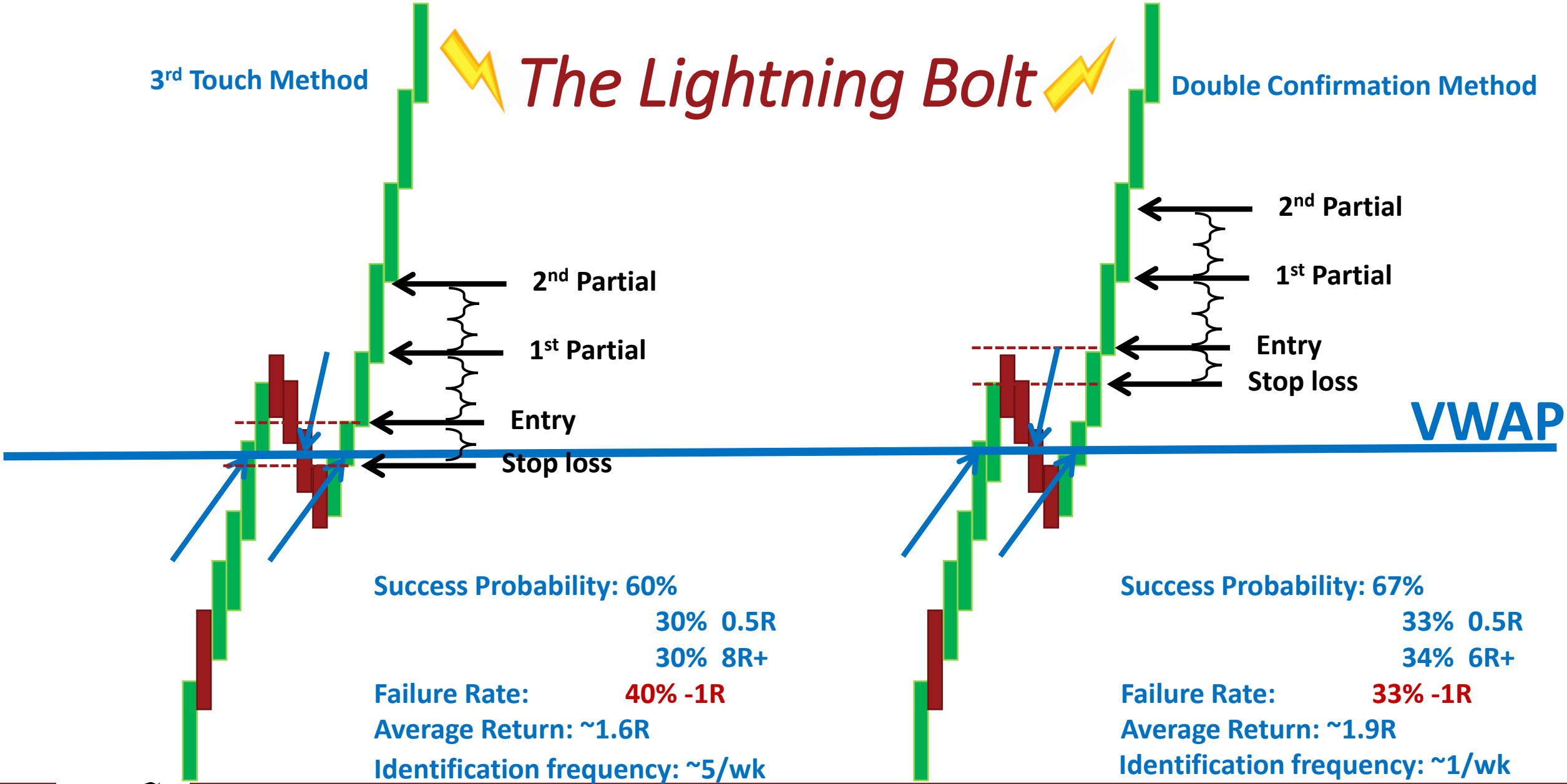
The Lightning Bolt



The Lightning Bolt



The Lightning Bolt



⚡ *Trade Assumptions* ⚡

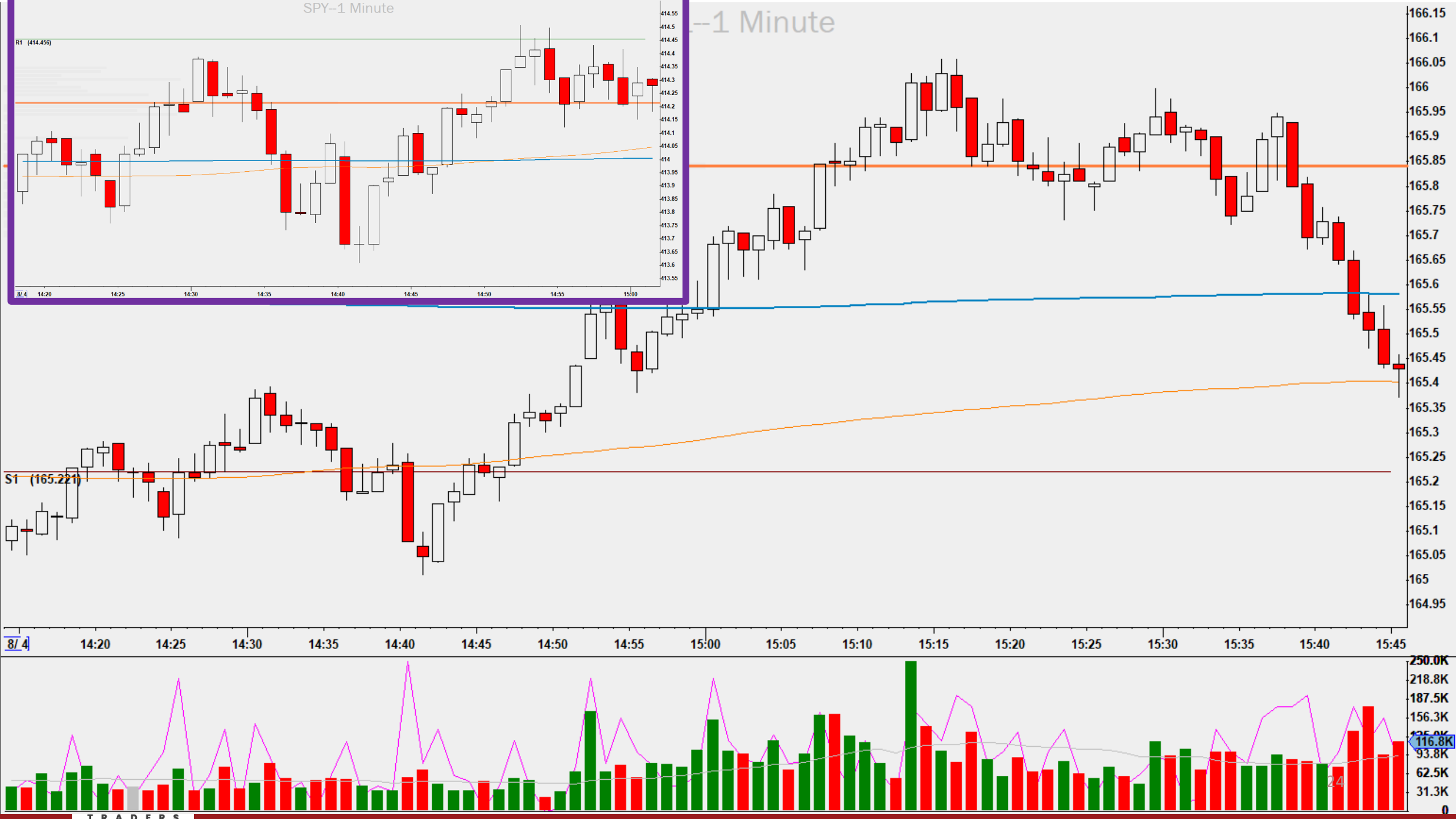
- **Partials are taken as follows:**
  - **1st partial- 2xRisk**
  - **2nd partial- 4xRisk**
  - **3rd + partial(s)- at major support/resistance, trend reversal or consolidation areas**

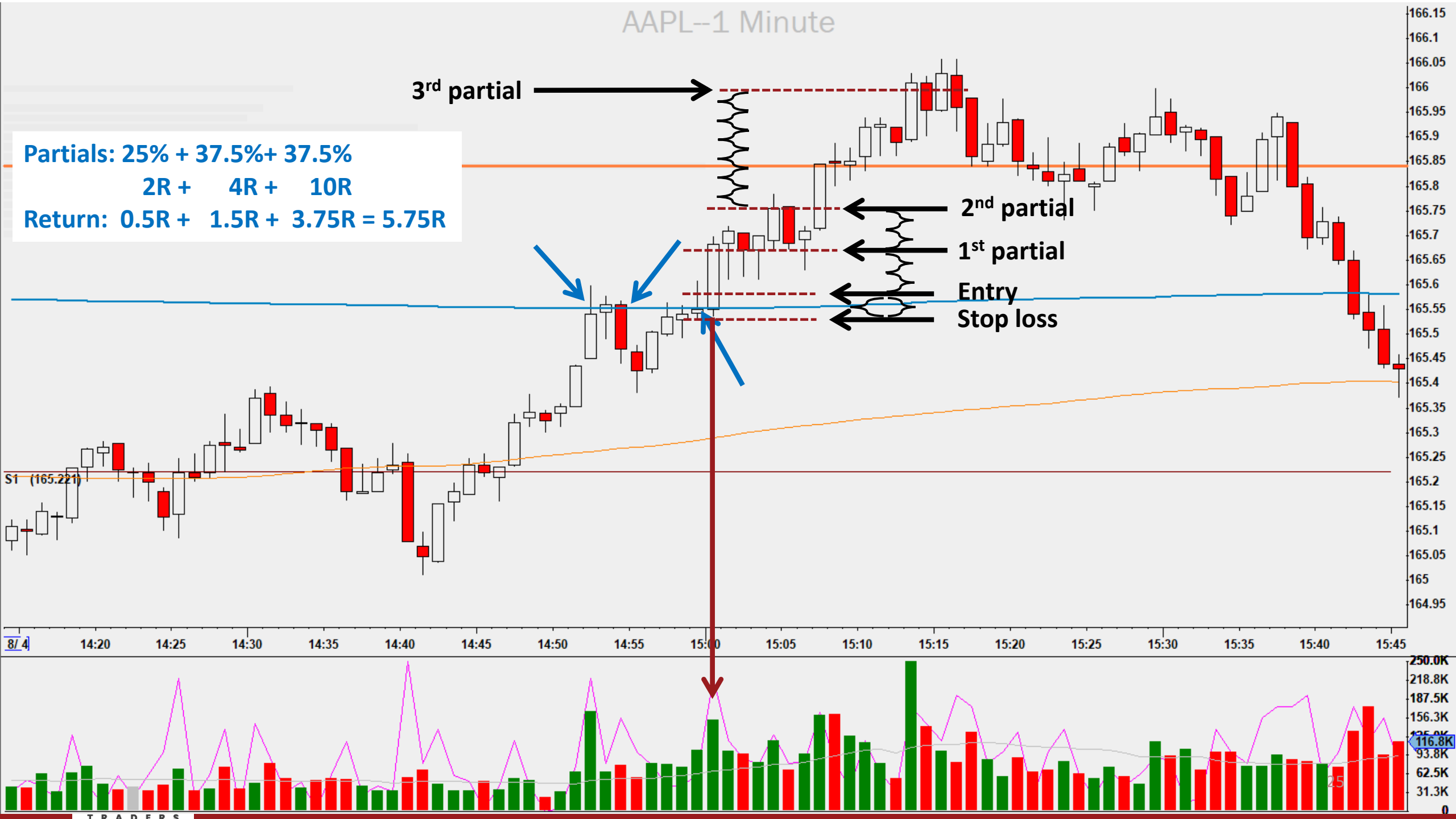
- **1st partial is 25% of original size and all other partials are 50% of remaining size***

- **Once a partial is taken, the trade is <u>ALWAYS</u> exited at break-even**

AAPL--1 Minute
R2 (167.078)
R1 (166.459)
S1 (165.221)
S2 (164.602)
167.4
167.3
167.2
167.1
167.
166.9
166.8
166.7
166.6
166.5
166.4
166.3
166.2
166.1
166.
165.9
165.8
165.7
165.6
165.5
165.4
165.3
165.2
165.1
165.
164.9
164.8
164.7
164.6
164.5
164.4
164.3
164.2
8/ 4
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
13:30
13:45
14:00
14:15
14:30
14:45
15:00
15:15
15:30
15:45
1.2M
1.0M
864.8K
720.7K
576.5K
432.4K
288.3K
111.6K
0
22

AAPL--1 Minute
S1 (165.221)
166.15
166.1
166.05
166
165.95
165.9
165.85
165.8
165.75
165.7
165.65
165.6
165.55
165.5
165.45
165.4
165.35
165.3
165.25
165.2
165.15
165.1
165.05
165
164.95
8/ 4
14:20
14:25
14:30
14:35
14:40
14:45
14:50
14:55
15:00
15:05
15:10
15:15
15:20
15:25
15:30
15:35
15:40
15:45
250.0K
218.8K
187.5K
156.3K
116.8K
93.8K
62.5K
31.3K
0


SPY--1 Minute
R1 (414.456)
S1 (165.221)
8/ 4
14:20
14:25
14:30
14:35
14:40
14:45
14:50
14:55
15:00
15:05
15:10
15:15
15:20
15:25
15:30
15:35
15:40
15:45
166.15
166.1
166.05
166
165.95
165.9
165.85
165.8
165.75
165.7
165.65
165.6
165.55
165.5
165.45
165.4
165.35
165.3
165.25
165.2
165.15
165.1
165.05
165
164.95
250.0K
218.8K
187.5K
156.3K
116.8K
93.8K
62.5K
31.3K
0


AAPL--1 Minute
3rd partial
Partials: 25% + 37.5%+ 37.5%
2R + 4R + 10R
Return: 0.5R + 1.5R + 3.75R = 5.75R
2nd partial
1st partial
Entry
Stop loss
S1 (165.221)
166.15
166.1
166.05
166
165.95
165.9
165.85
165.8
165.75
165.7
165.65
165.6
165.55
165.5
165.45
165.4
165.35
165.3
165.25
165.2
165.15
165.1
165.05
165
164.95
8/ 4
14:20
14:25
14:30
14:35
14:40
14:45
14:50
14:55
15:00
15:05
15:10
15:15
15:20
15:25
15:30
15:35
15:40
15:45
250.0K
218.8K
187.5K
156.3K
116.8K
93.8K
62.5K
31.3K
0

LCID--5 Minute
30.3
30.2
30.1
30
29.9
29.8
29.7
29.6
29.5
29.4
29.3
29.2
29.1
29
28.9
28.8
28.7
28.6
28.5
28.4
28.3
28.2
28.1
28
27.9
27.8
2/17
10:00
10:30
11:00
11:30
12:00
12:30
13:00
13:30
14:00
14:30
15:00
15:30
16:00
1.2M
902.7K
601.8K
300.9K
6.5K

DIS--1 Minute
97.4
97.2
97
96.8
96.6
96.4
96.2
96
95.8
95.6
95.4
95.2
95
94.8
94.6
94.4
94.2
94.08
94
93.8
93.72
93.6
93.50
93.4
09:05
09:10
09:30
09:35
09:40
09:45
09:50
09:55
10:00
10:05
10:10
10:15
10:20
10:25
10:30
10:35
10:40
10:45
10:50
10:55
11:00
11:05
11:10
11:15
60
50
40
13.0K

DIS--1 Minute
Stop loss
Entry
1st partial
2nd partial
3rd partial
SPY--1 Minute
97.4
97.2
97
96.8
96.6
96.4
96.2
96
95.8
95.6
95.4
95.2
95
94.8
94.6
94.4
94.2
94.08
94
93.8
93.72
93.6
93.50
93.4
09:05
09:10
09:30
09:35
09:40
09:45
09:50
09:55
10:00
10:05
10:10
10:15
10:20
10:25
10:30
10:35
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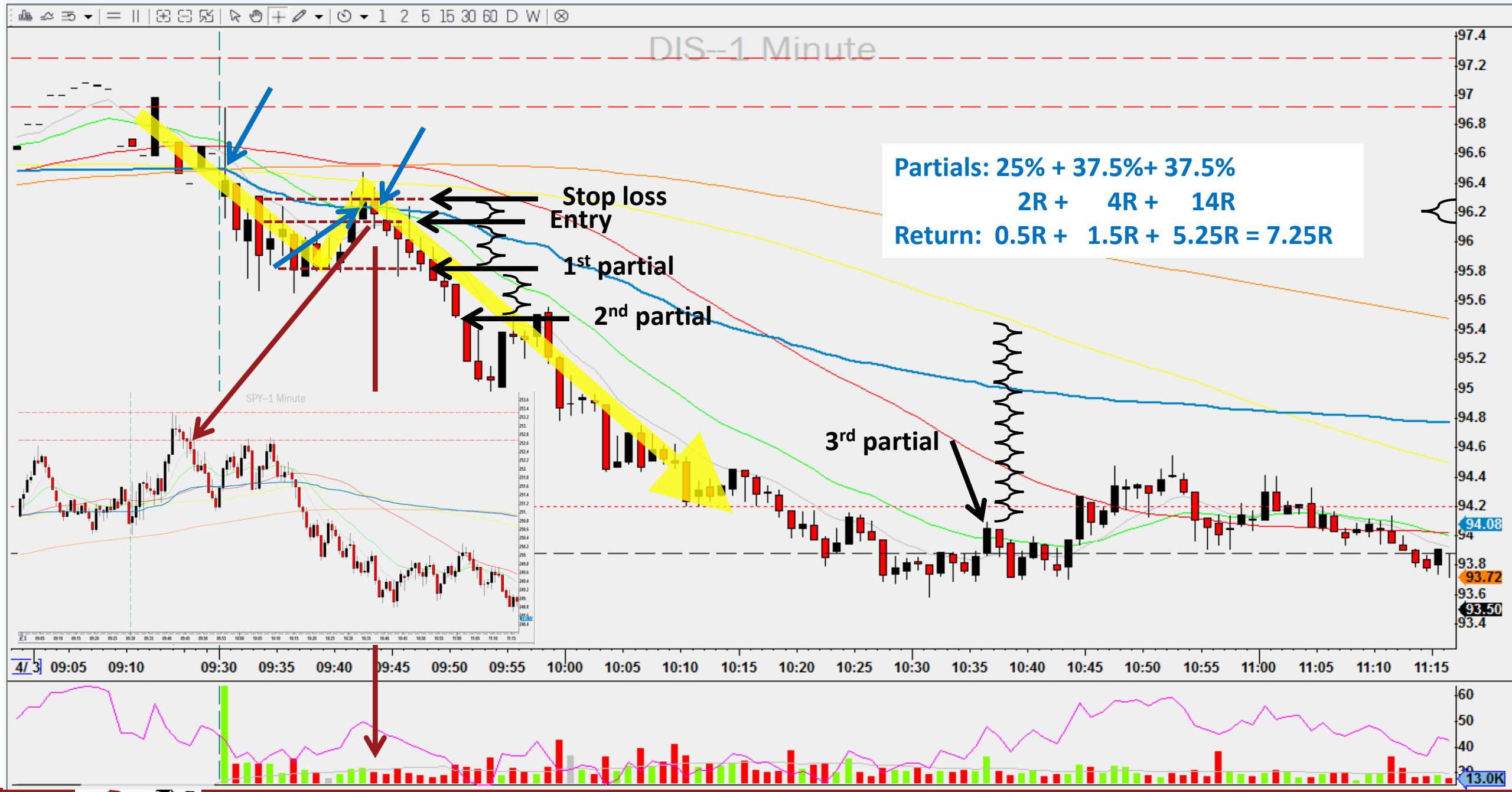
11:10
11:15
60
50
40
13.0K

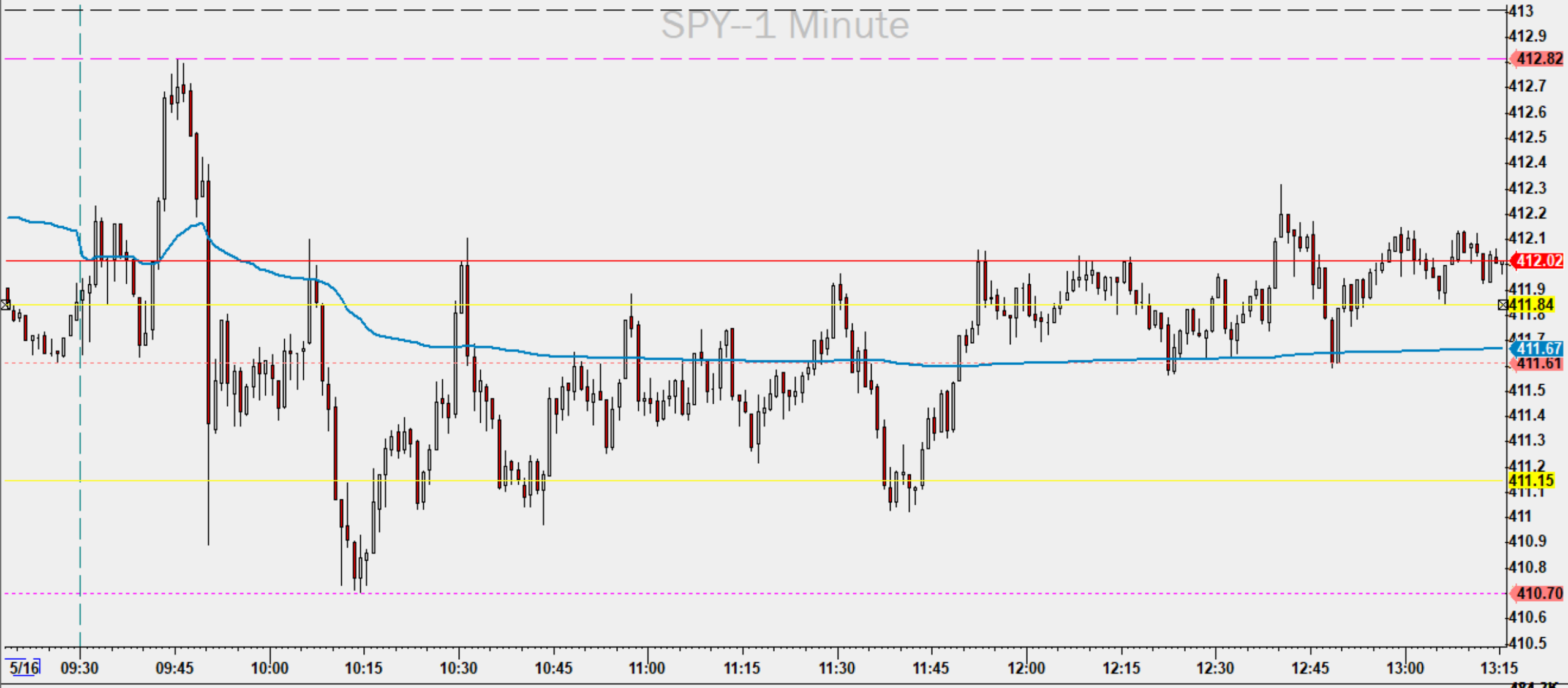

DIS--1 Minute
Stop loss
Entry
1st partial
2nd partial
3rd partial
Partials: 25% + 37.5%+ 37.5%
2R + 4R + 14R
Return: 0.5R + 1.5R + 5.25R = 7.25R
SPY--1 Minute
94.08
93.72
93.50
13.0K

DIS--1 Minute
SPY--1 Minute
No trade
-1R loser

TSLA–1 Minute
287.75
287.5
287.25
287
286.75
286.5
286.25
286
285.75
285.5
285.25
285
284.75
284.37
284
283.75
283.5
283.25
283
282.75
282.5
282.25
282
281.75
281.5
281.25
281
280.75
280.5
280.25
280
8/29
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
Volume (BAR)
882.6K
772.2K
661.9K
551.6K
441.3K
331.0K
220.6K
110.3K
61.6K

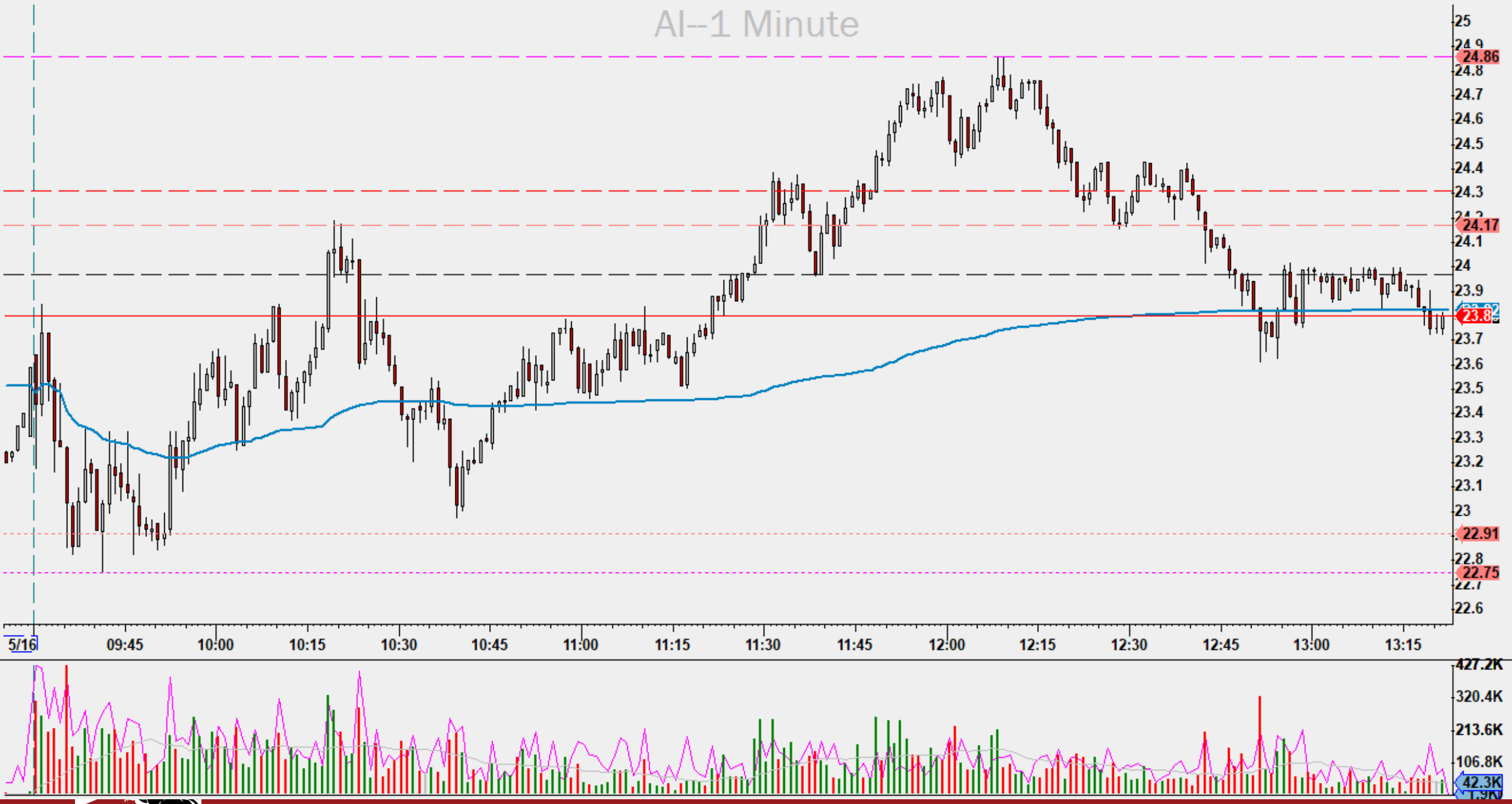
Today

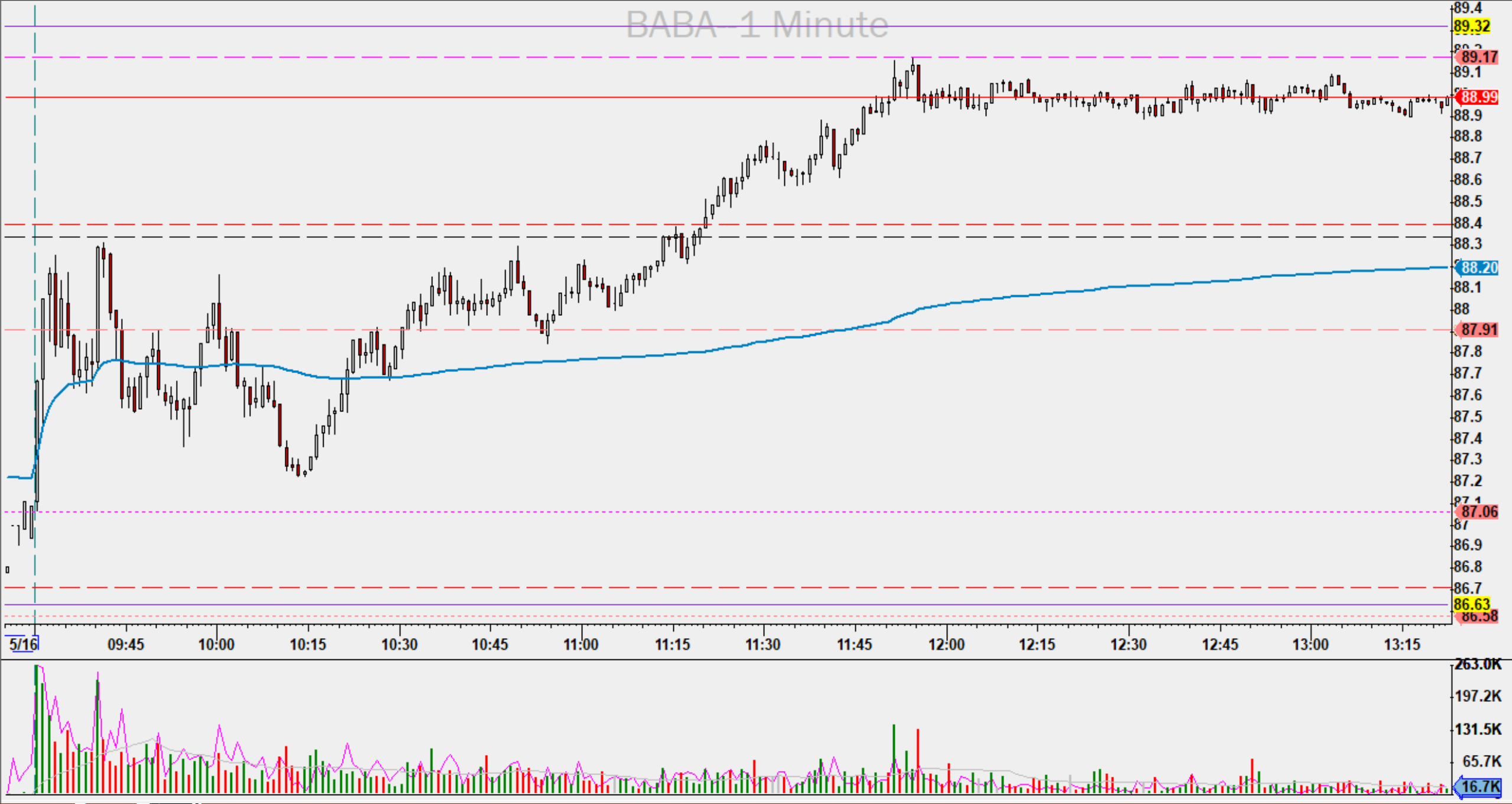
…as of 1pm…


SPY--1 Minute
413
412.9
412.82
412.7
412.6
412.5
412.4
412.3
412.2
412.1
412.02
411.9
411.84
411.67
411.61
411.5
411.4
411.3
411.2
411.15
411
410.9
410.8
410.70
410.6
410.5
5/16
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
484.3K
363.2K
242.2K
121.1K
43.1K

QQQ--1 Minute
329.13
329
328.90
328.69
328.5
328.38
328.25
328.13
328
327.88
327.75
327.65
327.5
327.38
327.25
327.13
327
326.88
326.75
326.63
326.5
326.38
326.25
326.13
326.02
325.83
325.63
5/16
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:10
391.9K
293.9K
195.9K
98.0K
39.7K

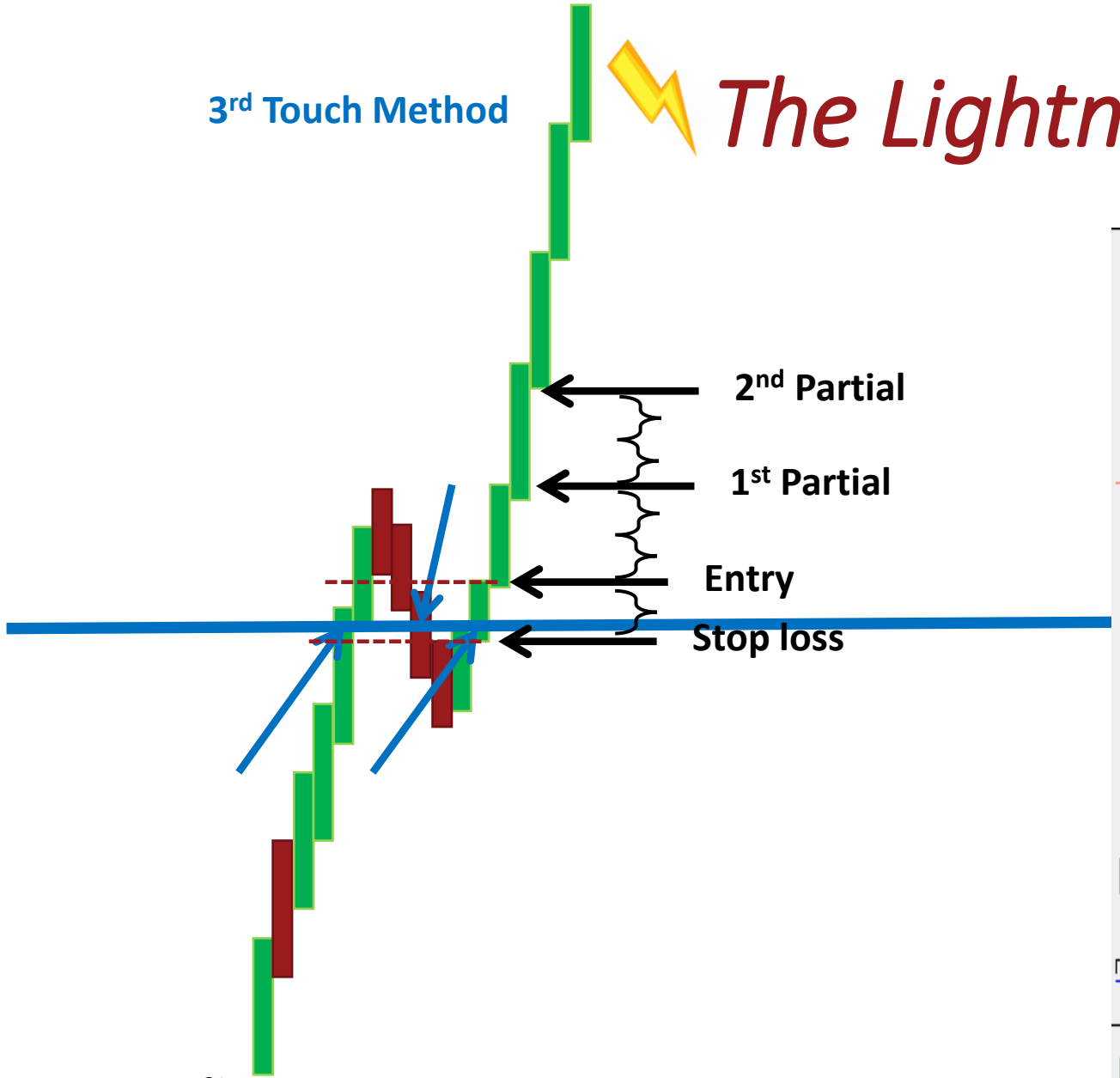
AAPL--1 Minute
173.3
173.2
173.14
173
172.88
172.8
172.67
172.6
172.5
172.4
172.34
172.2
172.09
172
171.9
171.83
171.7
171.6
171.5
171.4
171.33
171.2
5/16
09:35
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
910.1K
682.6K
455.1K
227.5K
34.9K

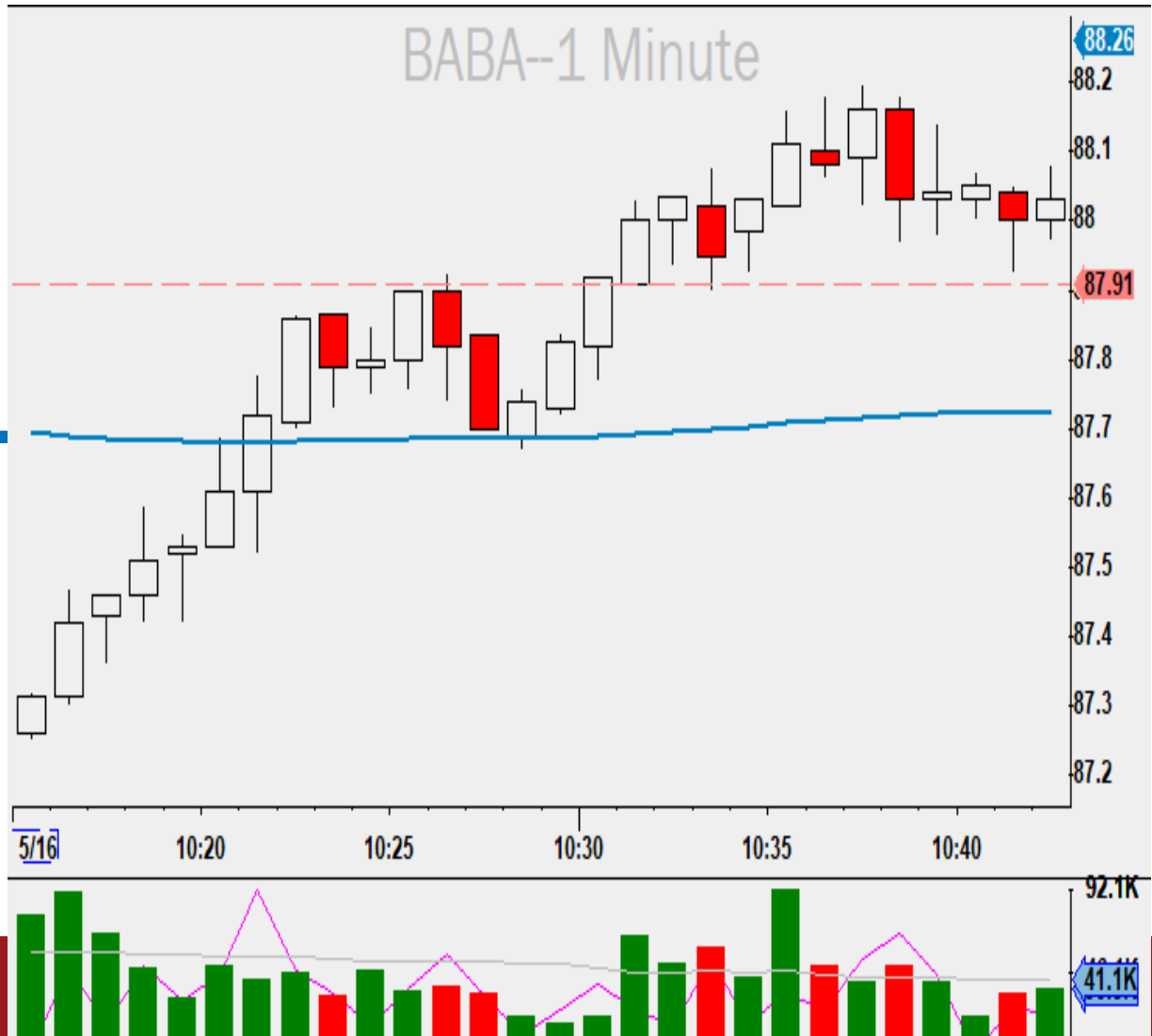

AI--1 Minute
24.86
24.17
23.8
22.91
22.75
5/16
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
427.2K
320.4K
213.6K
106.8K
42.3K


BABA--1 Minute
89.4
89.32
89.17
89.1
88.99
88.9
88.8
88.7
88.6
88.5
88.4
88.3
88.20
88.1
88
87.91
87.8
87.7
87.6
87.5
87.4
87.3
87.2
87.06
87
86.9
86.8
86.7
86.63
86.58
5/16
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
263.0K
197.2K
131.5K
65.7K
16.7K

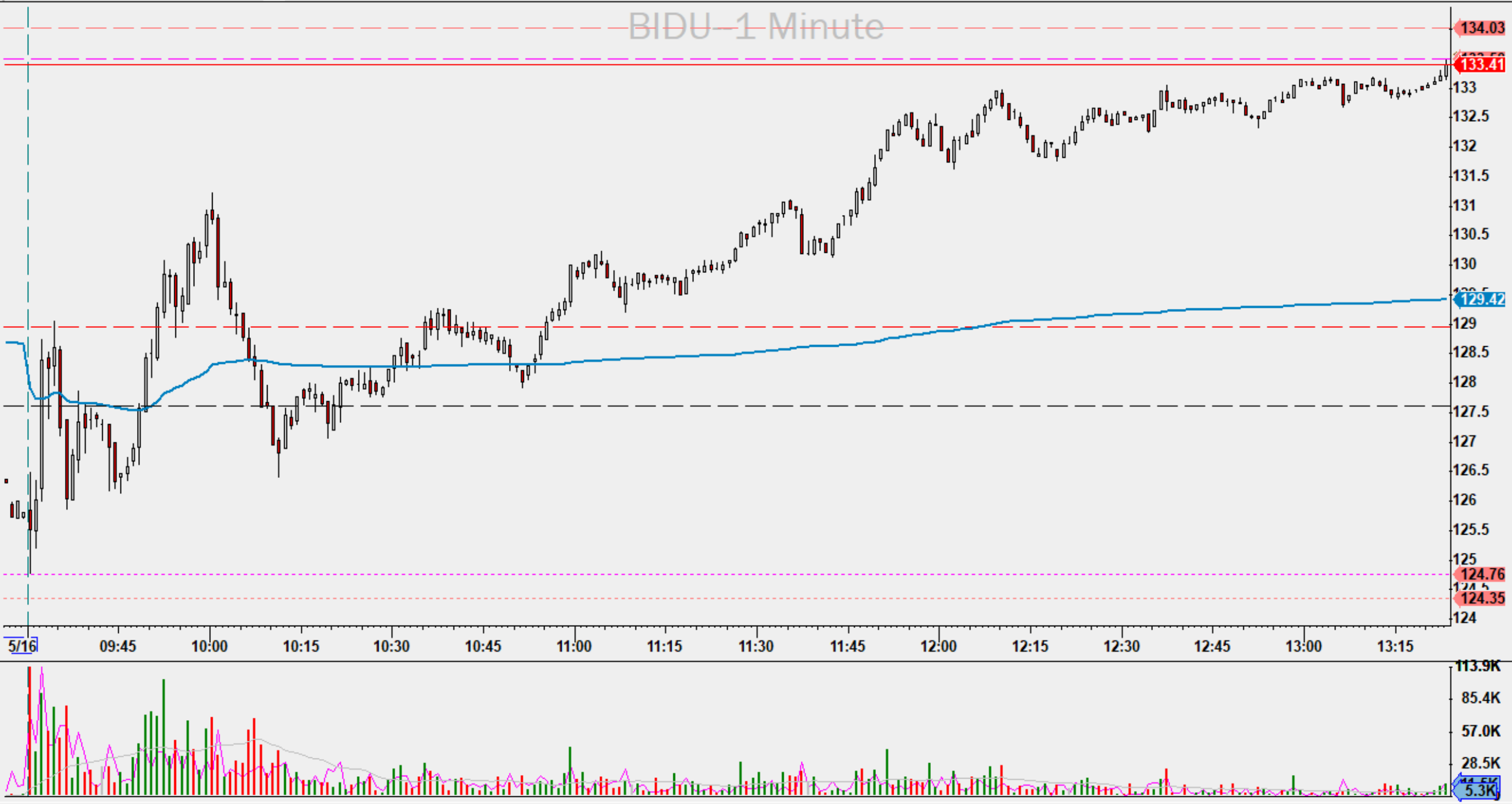
3rd Touch Method

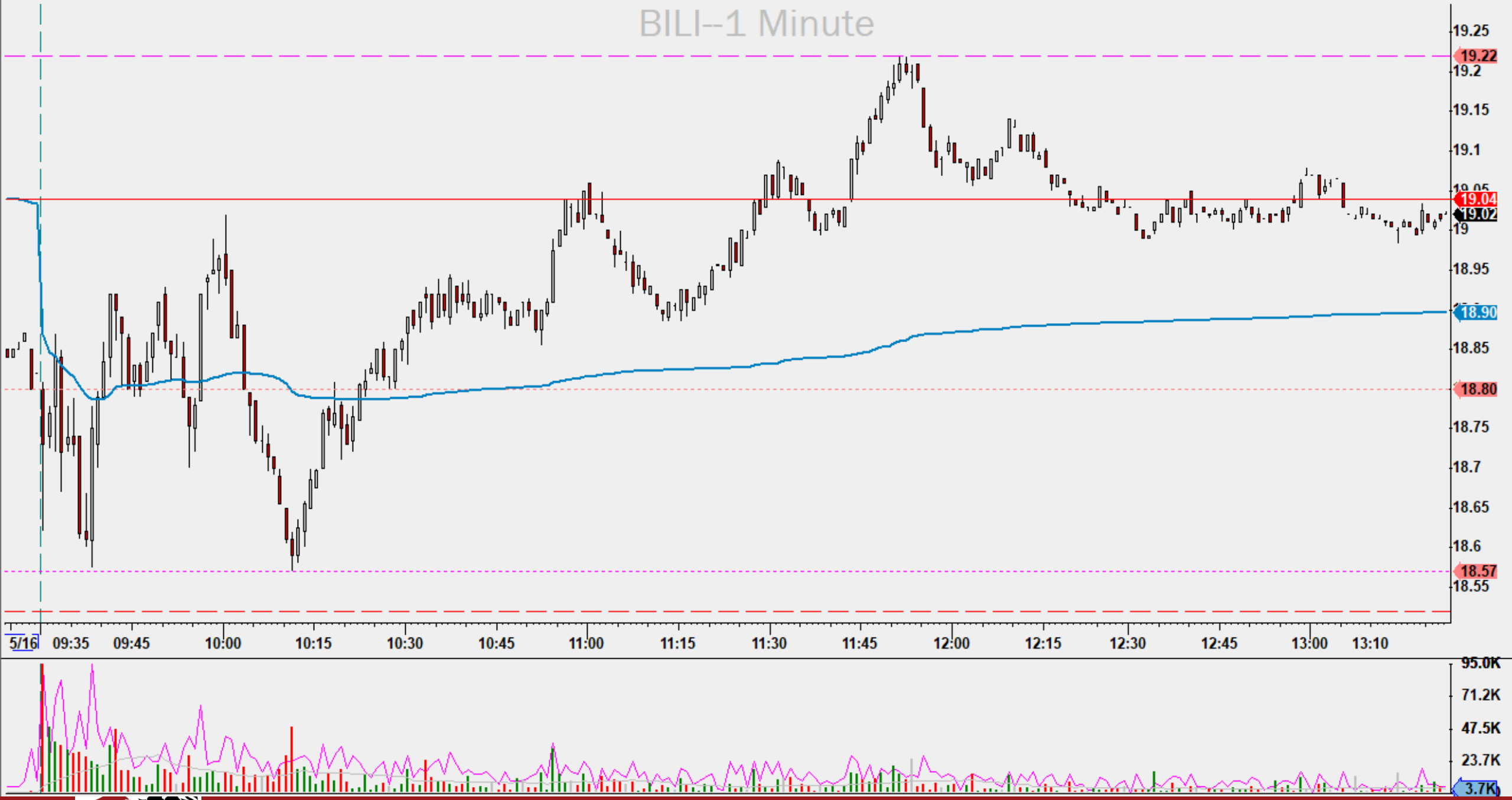
The Lightning Bolt



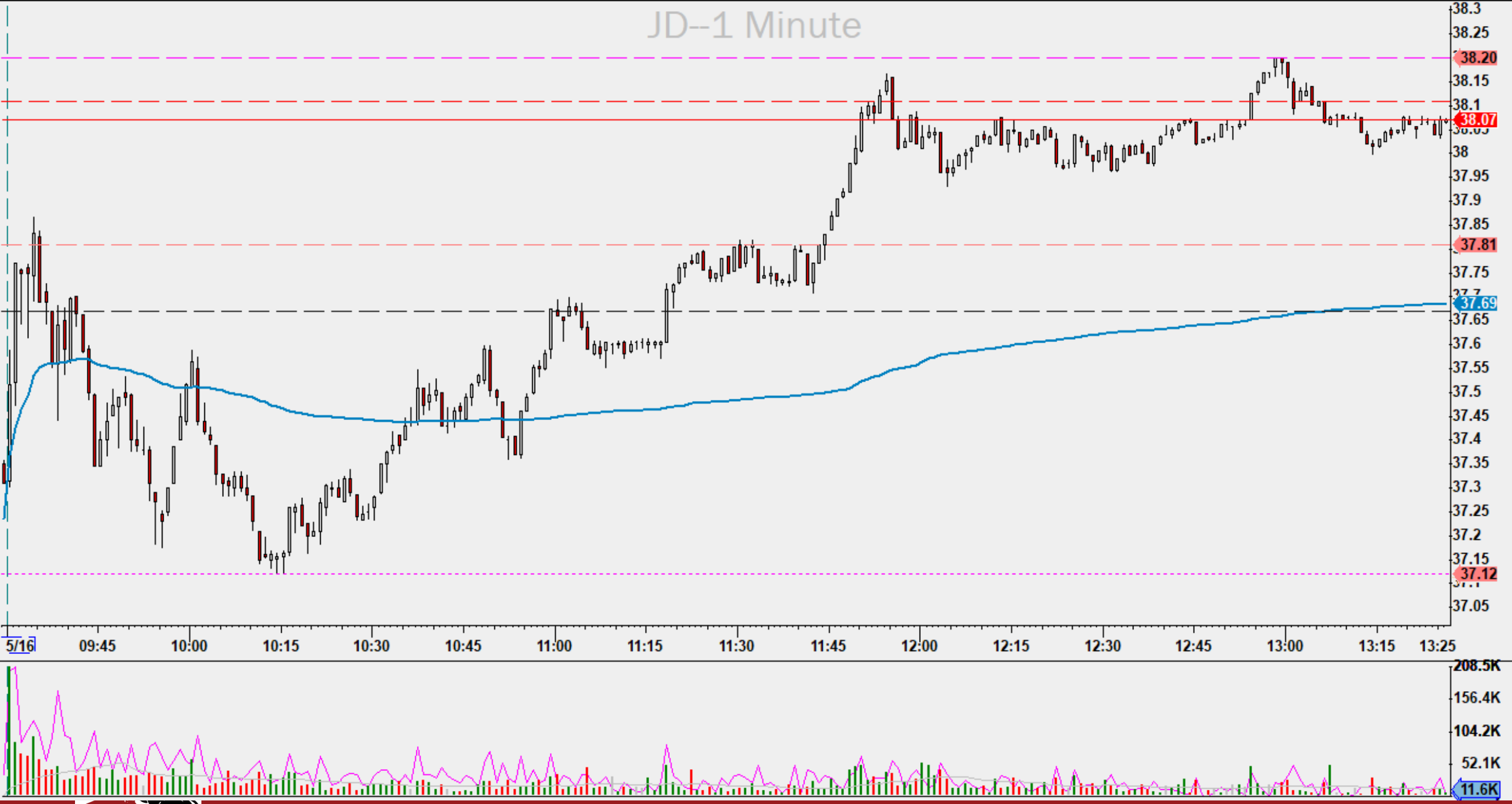


BEAR BULL TRADERS


BIDU–1 Minute
134.03
133.41
133
132.5
132
131.5
131
130.5
130
129.42
129
128.5
128
127.5
127
126.5
126
125.5
125
124.76
124.35
124
5/16
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
113.9K
85.4K
57.0K
28.5K
5.3K


BILI--1 Minute
19.25
19.22
19.2
19.15
19.1
19.04
19.02
19
18.95
18.90
18.85
18.80
18.75
18.7
18.65
18.6
18.57
18.55
5/16
09:35
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:10
95.0K
71.2K
47.5K
23.7K
3.7K

COIN--1 Minute
60.38
60.25
60.11
60
59.88
59.75
59.63
59.5
59.38
59.25
59.13
59
58.88
58.75
58.63
58.55
58.44
58.25
58.13
58
57.84
57.75
57.63
57.5
57.38
57.29
57.14
57
56.88
5/16
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
13:25
131.6K
98.7K
65.8K
32.9K
7.9K


JD--1 Minute
38.3
38.25
38.20
38.15
38.1
38.07
38
37.95
37.9
37.85
37.81
37.75
37.69
37.65
37.6
37.55
37.5
37.45
37.4
37.35
37.3
37.25
37.2
37.15
37.12
37.05
5/16
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
13:25
208.5K
156.4K
104.2K
52.1K
11.6K

PDD--5 Minute
66.9
66.8
66.72
66.6
66.5
66.4
66.32
66.2
66.1
66
65.93
65.8
65.7
65.62
65.5
65.4
65.3
65.2
65.1
65
64.9
64.8
64.7
64.6
64.49
64.44
64.3
5/16
09:00
09:15
09:30
09:45
10:00
10:15
10:30
10:45
11:00
11:15
11:30
11:45
12:00
12:15
12:30
12:45
13:00
13:15
237.5K
178.1K
118.7K
59.4K
35.6K
12.2K

Replay

$ROKU – 1min May 15, 2023 10:24am

$AAPL – 1min Aug 4, 2022 14:50pm

Final Lesson

Personally, I never EVER* take a trade the 1st time it goes through VWAP as >95% of the time it will pull back through!

***Unless I fail to follow my strategies….which, unfortunately, does happen on occasion**