BEAR BULL TRADERS

TRADEBOOK

HANDBOOK OF IMPORTANT DAY TRADING STRATEGIES

AUGUST 2022

DISCLAIMER

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. It must be understood that a very high degree of risk is involved in trading securities. The Company, the authors, the publisher, and the affiliates of the Company assume no responsibility or liability for trading and investment results. Statements on the Company's website and in its publications are made as of the date stated and are subject to change without notice. It should not be assumed that the methods, techniques, or indicators presented in these products will be profitable nor that they will not result in losses. In addition, the indicators, strategies, rules, and all other features of the Company's products (collectively, "the Information") are provided for informational and educational purposes only and should not be construed as investment advice. Examples presented are for educational purposes only. Accordingly, readers should not rely solely on the Information in making any trades or investments. Rather, they should use the Information only as a starting point for doing additional independent research in order to allow them to form their own opinions regarding trading and investments. Investors and traders must always consult with their licensed financial advisors and tax advisors to determine the suitability of any investment.

INTRODUCTION

Hello BearBull Trader,

This TradeBook is a collection of trading strategies that the moderators within our community trade throughout the day. It is designed to assist you in understanding the setups that our moderators discuss in the chatroom. The information contained within each of these strategies can also be used as a starting point in your own journey to create a personalized strategy. It is highly recommended that you begin testing any strategy in your simulator before attempting to trade with real money.

Sincerely,
BearBull Traders Team

TABLE OF CONTENTS

Fallen Angel *(Long Trade)* & Rising Devil *(Short Trade)*

This is and ORBU/ORBD strategy that has the stock reverse (pull back) from its overall trend into the open then bounce and resume its movement in the overall direction of the major trend. This trade is taken with the major trend, taking advantage of the price improvement and excellent risk-toreward potential provided by the pullback and bounce.

This is a high probability trade that leverages the overall trend. The reversal is generally caused by people taking profits from the pre-market gap causing the short-term reversal before the strength of the original move is re-engaged.

Time: 9:30-9:40am

Indicators:
· Pre-market the stock is moving in the direction of the gap
· Stock starts to reverse direction right before or right after the open (9:20-9:35)
· Volume is either consistent or growing on the reversal if it starts pre-market
· At the open, volume must spike
· Price movement should be increasing compared to before 9:20am but not more than 50% of the gap
· The price does NOT push through any areas of support/resistance (daily levels, VWAP, MAs) before bouncing

Confirmations:
· For clarity, if any of the Indicators above or the Confirmations below does not happen, the trade is ABORTED
· There is an area of support (long play) or resistance (short play) off of which the price reverses. Identify this area prior to the open. Note that this is an AREA- thi means if there are multiple support levels, note them all as the 1st may not hold but the 2nd could. If the stock fails to bounce on either level, ABORT
· Volume continues to increase (1min chart candle-over-candle) through the bounce
· There are no significant areas of support/resistance (daily levels, VWAP, MAs) that the price pushed through before the bounce that would inhibit an effective 1:2 return on the 1st partial of the trade

Entry Signal:
· Bounce off of the targeted area of support/resistance (daily levels, VWAP, MAs)
· Take the entry as close to the targeted are as possible but only <u>AFTER</u> it starts to reverse

Stop Loss (R):
· Best Option: Next support/resistance level break
· Second choice:

      Long Trade Stop Loss = (Entry price) + (2 X the spread below the identified area of support/resistance)
      Short Trade Stop Loss = (Entry price) - (2 X the spread below the identified area of support/resistance)

Target:
Next major area of support or resistance in the direction of the trend OR 4R, whichever comes first.

Rules:
· The stock must be a Gapper following standard practice. Ideal if the news is strong and the move >10%
· The stock must not have wild price swings in the pre-market
· Partials are to be taken at 2R, any areas of price hesitation, 4R, and areas of support/resistance thereafter
· This is a fast moving trade. DO NOT USE b/e stop-loss Hotkey. This trade is <u>always</u> to be managed manually.
· <u>NOTE:</u> There may be a secondary trade on a second bounce if the original trend does not continue with sufficient strength. It requires a VERY STRONG and quick reversal to the level of the 1st bounce then another reversal to go back into the original direction of the major trend. This is a separate Tradebook strategy (not yet fully developed).

TLRY broke the expected MA support but quickly
came back through Support here @ 9:10am low.
Riskier setup but would have worked.

QS used the VWAP support brilliantly. Very quick
trade- all over in less than 1 minute.

OCGN didn't pull back much, but it gave 2 entry
opportunities using the VWAP/9EMA.Once again,
a quick trade.

QCOM was expecting the VWAP to hold but the
9EMA was the level here. Tougher one— I actually
aborted the trade.

VXRT- MA only trade without much pullback,
but still did give an opportunity. Gotta be quick!!

5-Minute Opening Range Breakout

Opening Range Breakout: Price breaks out of the opening range of the previous candle. The upper and lower boundaries of the range can be defined by the high and low of the first 5-minute candle.

Time: 9:35am

Indicators:
· Stock opens near VWAP

Confirmations:
· High volume, gapped up/down stocks.
· Clean price action on the 1-minute chart in the first 5-minutes.

Entry Signal:
· Enter as stock is breaking the opening range.
· Stock should have not moved too far from VWAP for good R:R.

Stop Loss (R):
· Loss/Break of VWAP. Stop should be tight as we should not be too extended from VWAP by this point

Target:
· Daily levels, moving averages, previous day close

Rules:
· Do not enter into a position in the same direction of a long wick. Doesn't usually go well.
· Enter on pullback **ONLY IF** stock pulls back to clear support/resistance levels.
· Place stop losses at technical levels.
· Don't stop yourself early when a winning trade starts to reverse. Take enough good partials

Extreme Reversal

Extreme Reversal is a trend reversal pattern characterized by an indecision candle followed by a cross of the 50 SMA.

Time: 12 noon - 3:30pm ET

Indicators:
· Reversal pattern on bigger time frames
· 9/20 crosses the 50 SMA on the 1-min chart
· New 5-min high/low
· New 15-min high/low
· Pullback to the 50 SMA on the 1-min chart

Confirmations:
· Candle confirming the direction of the move

Entry Signal:
· New 1-min high/low after the pullback to the 50 SMA on the 1-min chart and after the candle confirmation

Stop Loss (R):
· High/low of the previous wave, 50 SMA on the 1-min chart

Target:
· Minimum of 3R, VWAP

Rules:
· Once a partial is taken, the trade should always be exited at break-even

Parabolic Reversal

The Parabolic Reversal takes advantage of a stock the is extended from the 9 EMA on the 5-min chart as it is breaking out of the accumulation phase. It is designed to take advantage of the pullback toward the 9 EMA when buyers begin chasing the stock for greed.

Time: Any time during the trading day

Indicators:
· Stock extended from the 9 EMA on the 5-min chart
· New 1-min or 2-min low/high

Confirmations:
· Reversal candles on smaller time frames

Entry Signal:
· New 1-min high/low

Stop Loss:
· Break of the high/low of the previous candle

Target:
· 9 EMA on the 5-min chart

Rules:
· Once a partial is taken, the trade should always be exited at break-even

ABCD Pattern

The ABCD Pattern is one of the most basic and easiest patterns to trade, and it is an excellent choice for beginner and intermediate traders.

Time: Any time during the trading day

Indicators:
· Trending stock making a move from A to B
· Pullback (40-70%) to a support area (preferably 9 EMA on the 5-min chart)
· New high D

Confirmations:
· Candle confirming the direction of the move

Entry Signal:
· Break of the consolidation (D)
· Entry as close as possible to the support after a confirmation candle on the 1-min chart

Stop Loss:
· The low of the consolidation if the entry was inside the range
· New 1-min low if the entry was at the breakout

Target:
· Minimum 2R

Rules:
· Before 10am ET, it's possible to catch ABCD Patterns on the 1-min chart if the stock isn't extended on the 5-min chart; later in the day, it's better to catch reversals on the 5-min chart using the 1-min chart only for entry/exit purposes
· Once a partial is taken, the trade should always be exited at break-even

Lightning Bolt

The Lightning Bolt is a trend continuation pattern where the price breaks through VWAP, retraces itself, and then continues in the original direction.

Time: 9:40am - 3pm ET (works best from 9:40am - 11am ET)

Indicators:
· Stock should be mid to large float and have an event catalyst for the day
· Works best when a stock has higher than average volume (i.e., RVOL > 100%)
· The pullback (through VWAP) is less than 1/2 of the trend move to get to VWAP
· Trend volume should be strong (i.e., above the average of the day)
· Supported by the overall market direction (at the moment)
· Markets are neither highly choppy nor strongly directional (unless you catch the trend early!)

Confirmations:
· Can be played off the 1-, 2-, or 5-min charts
· Pulls through VWAP, reverses direction for a pullback, and then continues in the original direction
· Volume decreases during the pullback and increases as it moves back through VWAP
· Best if pattern is visible on next higher time frame charts
· No major moving averages or daily levels in the way of the pattern as it continues

Entry Signal:
· Candle that breaks through VWAP for the continuation CLOSES beyond VWAP and the next candle continues in the same
  direction
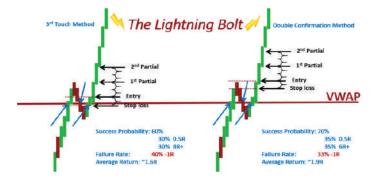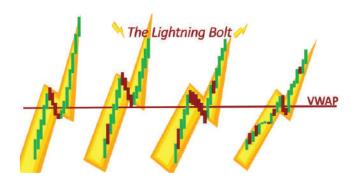· Enter on the 2nd candle beyond VWAP on the continuation

Stop Loss:
· Either just beyond VWAP or at the pullback reversal point

Target:
· At the initial reversal point beyond VWAP, further partials can be taken at key technical levels

Rules:
· Once a partial is taken, the trade should always be exited at break-even

Mountain Pass

The Mountain Pass is a trend reversal pattern characterized by a double top/bottom (ideally the high/low of the day) followed by a cross of the 50 SMA.

Time: 9:50am – 3pm ET (works best from 10:30am – 2pm ET)

Indicators:
· Stock should be mid to large float and ideally have an event catalyst for the day
· Works best when a stock has higher than average volume (i.e., RVOL > 100%)
· Potentially supported by a similar move in the overall market direction
· Markets are neither highly choppy nor strongly directional

Confirmations:
· Is at the end of an existing trend and the potential start of a new trend
· Sets a new high/low of the day (i.e., extended from VWAP)
· Fails to set a 2nd new high/low of the day
· Pulls in and then crosses the 50 SMA
· The graphic below sets out specific pattern identifiers

Entry Signal:
· Price has completed a 2nd candle in the reversal direction after the 2nd top
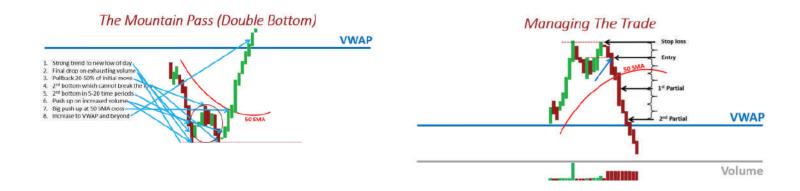· This should be located near or at the start of the pullback price action area

Stop Loss:
· The break of the high/low of the day or, alternatively, the 2nd top (if it is much lower than the high/low of the day)

Target:
· 1st partial beyond the pullback area, other partials can be taken at VWAP or at any major resistance level(s) prior to VWAP

Rules:
· Once a partial is taken, the trade should always be exited at break-even

The Mountain Pass (Double Bottom)

1. Strong trend to new low of day
2. Final drop on exhausting volume
3. Pullback 20-50% of initial move
4. 2nd bottom which cannot break the low
5. 2nd bottom in 5-20 time periods
6. Push up on increased volume
7. Big push up at 50 SMA cross
8. Increase to VWAP and beyond

Managing The Trade

Break of High/Low of Day $ Level

This is the easiest way to take an HOD trade. You simply enter the position either just before the price breaks past the HOD or, if you can get a reasonable entry, just after it breaks past the HOD.

Time: Any time during the trading day, but easier to trade between 9:40am - 11:30am ET

Indicators:
· Works best with stocks in the $100 - $400 range
· Best if HOD is exactly at a $ level, within 15 cents is OK
· Even better if the $ level is a multiple of 5, 10, 50, 100, etc.
· Even better if the HOD/$ level is also a PMH, PCL, Y, YY, ATH
· Want stock to have pulled back at least $1 from HOD, more is better
· Looking for a chart pattern that is "punching" up toward the $ level

Confirmations:
· Level 2 should have a noticeably large ASK to the dollar level near the HOD and also at the next dollar level
· Price arrives at the $ level "quickly" (i.e., seems to be moving faster than other stocks and SPY)
· SPY is trending up or at least sideways
· Ideal entry is when the $ level ASK decreases by about 50% and the Time and Sales confirms buyers were hitting the ASK in large numbers

Entry Signal:
· Your entry will be at the $ level if executed perfectly (you bought some of that large ASK)
· You can enter after the break as well, but it is a judgment call on how far above the $ level is acceptable (perhaps $0.10 on a $100 stock, perhaps $0.25 on a $400 stock)

Stop Loss:
· At least $0.51 below the entry $ level

Target:
· Take 50% partials at half-dollar and dollar levels

Rules:
· Once a partial is taken, the trade should always be exited at break-even
· Exit the trade after 5-min if you do not have your first partial
· Exit the trade if the first three 1-min candles after entry have lower lows and lower highs
· This is not a trade where it is "success or a -1R loss", It is perfectly fine to take a -0.5R loss, use your judgment and watch SPY