

StreetSmack's Short-Scalping Smackdown

An unofficial analysis of StreetSmack's method by Prospectus @ <http://www.movethemarkets.com>
Taken from conversations @ <http://www.wallstreak.com>



"It takes some practice watching how parabolic stocks trade. Once you become consistent with a style of trading just keep doing it until it doesn't work anymore. So far, it has worked for years."



Introduction

StreetSmack is an amazing trader. One of his strategies is to find stocks that are making an unsustainable parabolic rise, and then short the reversion to sanity, as it were. Typical results of a successful scalp short are a gain of a point or two within 5-10 minutes. Read on to learn more about how he does it!

DISCLAIMER: This method of trading is dangerous! You must be quick and disciplined, or you can lose a lot of money really quickly. Do not attempt this at home unless you know what you are doing, or at the very least have a cardboard box handy that you can move in to after you lose your house. In any case, do so at your own risk! (Trading in this manner, not living in a box, I mean. Box houses can have a nice ambience, especially oceanfront boxes...)

Overview

This analysis starts with a general description of my understanding of how StreetSmack plays parabolic short scalps. Next there is an example or two, with one of these trades including a play-by-play commentary taken from Wallstreak. Finally, there are general tips and Q&A taken from <http://www.wallstreak.com> conversations with StreetSmack, providing more details directly from the man himself. Any time you see "*quoted text in italics*" this is a direct quote from StreetSmack.

Please read and study this document before asking StreetSmack about his method! He's been very generous to share all of this knowledge, and we want to respect his time and energy from here on out. Hopefully, he will keep posting candidates and trades he's taking on Wallstreak, and this document can help to guide the study of traders new to his method.

The “Smackdown” (As I Understand It)

I don't want to speak for StreetSmack, so this section is only my understanding of how he scalps parabolic moves short. Any errors / opinions here are my own.

The Setup

“I use Trade Ideas to pull up %gainers in real time. I pull the chart then look for new high's on less momo (take lots of practice watching charts) then short. I don't use stops which is dangerous but works fine for my style. I scale in near the top then pile on as I detect the momo shift. Then scale out @ various FIB levels and support/trendline area's. That's it in a nutshell. 99% of my scalps are short regardless of market conditions.”

Some styles of trading require that you find the sleeper before it moves (if it ends up moving at all). The nice thing about this type of play is that the setups scream at you, so they are easy to find. Candidates for short scalps are found by any convenient method, be it a scanner, percent-gainers lists, gapping stocks, a standard watchlist of stocks that typically show a lot of movement, etc. There are other ways to find them, but what you're looking for is something moving at an incredible pace—the more extreme, the better. It's not just looking for a big percentage gain, but finding something that has moved parabolically, unsustainably, and “must” regress to the mean. Don't be fooled by something that has moved 3 points over the last few hours—that's called an uptrend. You want something that moves 3 points over the last few *minutes*.

The best time of day for these setups is the first hour of the session:

“Most of my \$\$ is made in the first hour of trading for scalps. So it gives you a cushion going into the rest of the day.”

Basically, he makes most of his money during the first hour of trading, as he shorts things that gap up and pop after the open, only to fall back down when the surge of buy orders is processed and buying pressure falls away. This takes practice and skill!

So the setup is simply to find a stock that is on fire and going to the moon! This is also known as “the easy part”. (While the focus here is on going short, the principles also apply to buying stocks that have dropped parabolically, though volume and support are more important going long. A stock can fall dramatically on very little volume, but typically will not appreciate much without volume behind it.)

The Entry

The most important factor in the entry on these plays is **scaling**. Do NOT put on the whole short at once when you think there is a top:

“I like scaling in and out of a position therefore giving me a dynamic price to work with. Long ago I noticed the opps in the am and tried to take advantage of it all at once and was woodshedded (not fun) so I figured scaling would work best for my style.”

You have to scale in to the position initially or you're toast. What you are looking for as an initial entry signal is a price and momentum divergence, meaning that price makes a higher high, but momentum makes a lower high. There are many methods of tracking momentum: MACD, RSI, Rate of Change for example, but the principle is the same. Another supporting factor that gives you confidence in the entry timing is an overhead resistance being reached. Check the longer-term charts for pivot points, round numbers or other forms of resistance that may put a stop to the stock's advance.

Once you have made your initial scale into the position, the dance begins. You can scale out and back in, also adding as price moves up or down. Sometimes, you have to be willing to let the position move against you somewhat. This is very much an art, and I'll save the discussion for the Q&A later. Once the death spiral begins, however, then is the time to strike! You sell and sell hard, piling in when the downward movement is inevitable. Again, the art comes into play.

The Exit

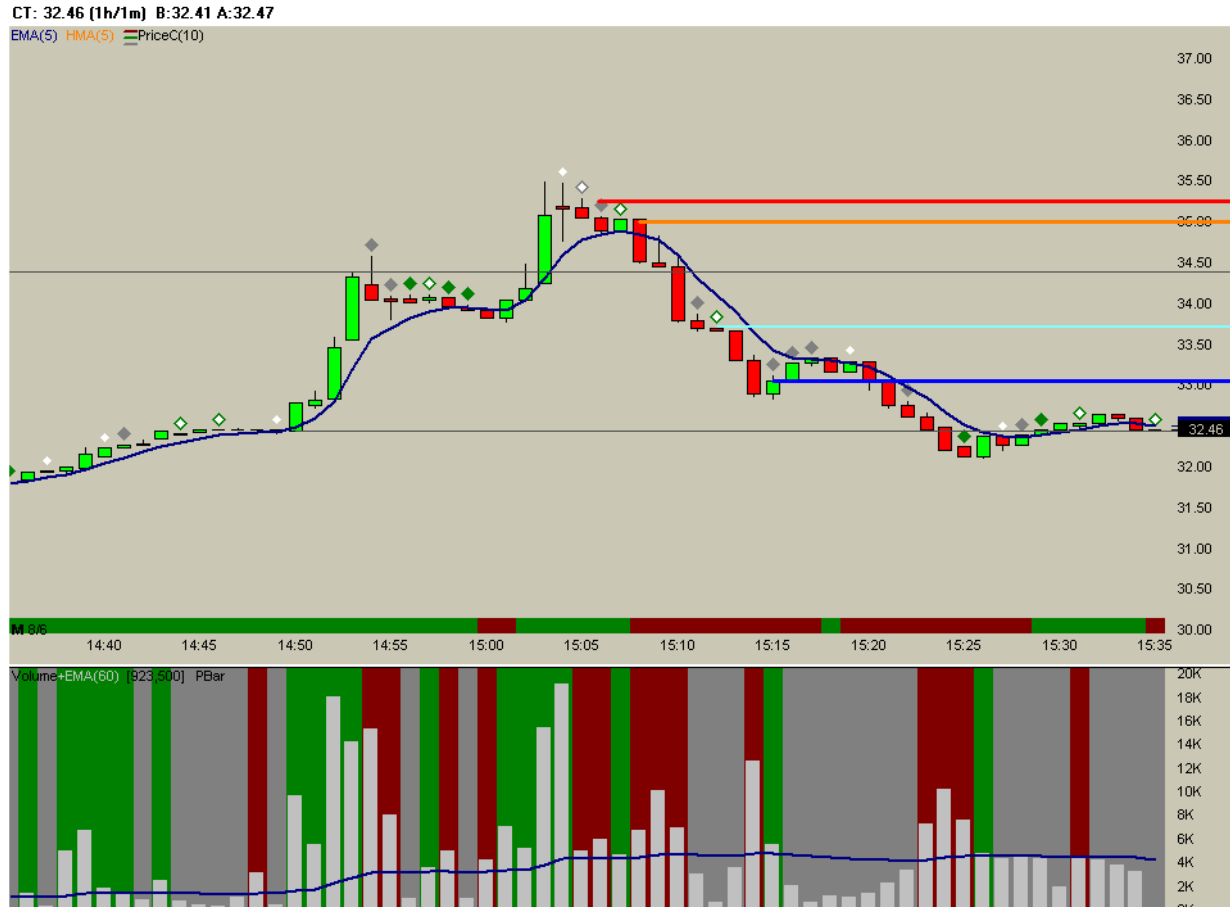
The exit from these plays is “the other easy part”. Simply look for pivot points, round numbers or other forms of support to cover into. Taking a partial profit is also wise if the decline is met with some support prior to your target. Whatever you do, once you have piled in big, do not let the position retrace back against you! Covering at extreme spikes in price and volume is also a good idea. A reasonable goal for most short scalps is at least a point of profit.

Risk Management

There is only one way to manage your risk here, and that is by scaling in! You have to be willing to take some adverse movement, and if you aren't skilled at reading parabolic tops, you're going to get slaughtered. Always define a maximum adverse price point, a point where you will get out if it goes that far against you, and size your initial scaling positions to match your maximum risk per trade. StreetSmack doesn't do this, as he is far more skilled, but I would recommend that traders new to this method do so. As you get better at this method, your success rate will go up dramatically, and the only time you will have to bail out will be in the case of a “Black Swan” rare event. Because of this, always make sure that your position size is not going to kill you should you get caught in a sudden updraft! Keep size small while you're not sure you're right, and pile the size on when you know you're right and it's diving.

Example “Smackdown” Short Scalp: CT, 6 Aug 2007

StreetSmack walked me through a short scalp in CT. Here’s the chart; if you want to get the play-by-play, follow along with the timestamps on the posts below. The red line shows my stop, the orange my entry, the light blue the partial exit and the dark blue my final exit. As this was my first try, I entered a full position all at once, and I got lucky. Always scale in!



StreetSmack's Post



CT scalp too

posted in [stocks](#) on Aug 6 2:55pm

2 Replies:



Still an entry in [CT](#) here?

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:00pm



yes

posted by [StreetSmack](#) in [stocks](#) on Aug 6 3:00pm



Late day scalpers delight

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:00pm](#)



probably has 1pt more to give is my guess

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:01pm](#)

[StreetSmack's Post](#)



be careful though....late in the day and anything can happen

posted in [stocks](#) on Aug 6 3:02pm

1 Reply:



Was that 34.50 tick for real?

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:03pm

StreetSmack's Post



yes, very volatile

posted in [stocks](#) on Aug 6 3:03pm

2 Replies:



That thing is on fire!

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:03pm



If you can pull \$\$ out of CT, Street, you're amazing!!

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:05pm



look for 36.60 area for entry too. Already covered and @ 33.92 and jumped into a little up here.....scale into these beasts

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:06pm](#)



when CT dumps it will be fast and hard

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:06pm](#)



from here it should go down 2pts

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:07pm](#)



but late in the day so you gotta be very careful with a stock like this

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:07pm](#)



I love stocks like CT

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:08pm](#)

StreetSmack's Post



This should be the coup d' gras

posted in [stocks](#) on Aug 6 3:08pm

2 Replies:



I got in at 34.96

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:09pm



Bid collapsing!

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:10pm

[StreetSmack's Post](#)



CT 33.25 +/- bottom but just watch price and V action to dictate your exit

posted in [stocks](#) on Aug 6 3:11pm

1 Reply:



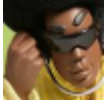
Covered half here at 33.72

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:12pm



33.50 another area of interest with such a volatile name

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:12pm](#)



Covered a little here @ 33.60

posted by [StreetSmack](#) in [stocks](#) on [Aug 6 3:13pm](#)

[StreetSmack's Post](#)



CT dropped nicely

posted in [stocks](#) on Aug 6 3:14pm

14 Replies:



You absolutely called it

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:15pm



I covered the rest of mine at 33.11, total of +5R!!

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:18pm



Awesome Prospectus!! OK, now I am outta here.....

posted by [StreetSmack](#) in [stocks](#) on Aug 6 3:19pm



that's awesome. It would have been less awesome if I had gotten it at 34, just before it popped up to 35.50, though. I guess I would have needed the balls for 2 tries at it.

posted by [RichardTodd](#) in [stocks](#) on Aug 6 3:19pm



I admit I was lucky. I shorted at 15:08 PM, watching 1 min chart, and I put the full (though about half size) position on right there. If I'd taken the earlier entry, I'd have been stopped out, too.

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:21pm



Wow, it's going more

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:22pm



Richard: Do you use a Trade Ideas scan to look for these like Street?

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:22pm



I del.icio.us'ed his setup, so I can duplicate it later. My current T-I scans find some of them, even though that's not what they're geared towards.

posted by [RichardTodd](#) in [stocks](#) on Aug 6 3:25pm



How do you set a target for these? He knew it had about 2 points to give back, and he was right.

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:28pm



i think he just assumes it will retrace the entire parabolic part of the move.

posted by [RichardTodd](#) in [stocks](#) on Aug 6 3:29pm



That makes sense. It should at least retest it if you look on a higher timeframe, I guess.

posted by [Prospectus](#) in [stocks](#) on Aug 6 3:30pm



you can see that CT really took off from 32.80ish, and he covered at 32.90ish.

posted by [RichardTodd](#) in [stocks](#) on Aug 6 3:30pm



if I draw fibs against the breakout from 31.50 to 35.50, the 61.8% retracement line is around 33.00.

posted by [RichardTodd](#) in [stocks](#) on Aug 6 3:33pm



32.76 was yesterday's high in CT.

posted by [Zoomie](#) in [stocks](#) on Aug 6 3:44pm

[StreetSmack's Post](#)



Exited last here @ 32.90

posted in [stocks](#) on Aug 6 3:15pm

Example #2: VMW 8/22/07 by Market Monk



Market Monk saw VMW looking weak along with a downturn in the overall market. He went short and covered when his training stop was hit. Looks like about a point in 10 minutes. Note the volume peak occurring at the same time as the price peak, hinting that the upward move was over.

Comments and Q&A Taken From Wallstreak

What follows are postings taken from Wallstreak that reference StreetSmack's method. I tried to capture all of the times that he offered advice or answered someone's question. These posts are arranged in chronological order, so it reads more like a FAQ than an instruction manual.



I scale in and out of scalps very quickly then pile on when momo dries up

posted by [StreetSmack](#) in [stocks](#) on [Jun 22 12:50pm](#)

StreetSmack's Post



I was scalping TGT for last hr+. That is the kind of stock I target for scalping.....when emotions are off the charts.

posted in [stocks](#) on Jul 12 3:48pm

6 Replies:



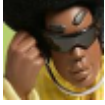
How do you scalp? Can you describe what you do?

posted by [Prospectus](#) in [stocks](#) on Jul 12 3:55pm



I mainly scalp short. I would not recommend my style of scalping to anyone, it is very dangerous. I don't use stops. I scale/avg in at key price points as price and momo diverge and exit @ FIB and/or support resistance area's. Very hard to describe how I do it but I watch price, volume and momo then scale in and out.

posted by [StreetSmack](#) in [stocks](#) on Jul 12 4:01pm



I don't wait for any kind of chart pattern to scalp I simply go in when I see divergence. I am right over 90% with scalps.

posted by [StreetSmack](#) in [stocks](#) on Jul 12 4:05pm



Awesome.

posted by [Prospectus](#) in [stocks](#) on Jul 12 4:12pm



Street, I used to be similar but I just can't do it anymore. I trade NYSE mostly and the fills I started getting with the Hybrid killed this method for me. Perhaps I need to check into more Nasdaq stocks though I think the reason I hate the hybrid is because it's more like the Nasdaq now...

posted by [DinosaurTrader](#) in [stocks](#) on Jul 12 4:34pm



Dino: I trade both NYSE and NAZ and use market orders to enter and usually limit order price target order to exit. I watch for the L2 spread to tighten then send order to get decent fill.

posted by [StreetSmack](#) in [stocks](#) on Jul 13 8:45am

[johnson's Post](#)



Street - do you generally not hold overnight and just try to bang out X number of dollars per day scalping?

posted in [stocks](#) on Jul 13 12:02pm

6 Replies:



Johnson: I generally focus on scalps the first hour or two of morning when momo is at its highest for most stocks. I also daytrade breakout setups and do carry some swings short and long. I do a little bit of everything everyday.

posted by [StreetSmack](#) in [stocks](#) on Jul 13 12:11pm



Later in the day I will also look for Trade Ideas to spit out huge breakout movers and scalp short for quick profits.

posted by [StreetSmack](#) in [stocks](#) on Jul 13 12:13pm



My scalps avg. 90% win rate and 1-2 pts. I prefer to target parabolic enthusiasm.

posted by [StreetSmack](#) in [stocks](#) on Jul 13 12:15pm



So is most of your money made scalping or with the swing trades?

posted by [johnson](#) in [stocks](#) on Jul 13 12:20pm



It's about even. I go in with more leverage on daytrades and scalps than swings.

posted by [StreetSmack](#) in [stocks](#) on Jul 13 12:26pm



I prefer to control my risk in real time than allowing some news event out of my control therefore the smaller swing positions.

posted by [StreetSmack](#) in [stocks](#) on Jul 13 12:28pm

[StreetSmack's Post](#)



Thanks Dino for LVS heads-up. Scalped it short for a nice gain

posted in [stocks](#) on Jul 25 12:43pm

8 Replies:



Great! Nice job... anyone think this DRYS could follow the rest of the shippers that have already bounced?

posted by [DinosaurTrader](#) in [stocks](#) on Jul 25 12:44pm



could bounce but I wouldn't go long until break above 58.35+ if 15m chart confirmed with proper setup.

posted by [StreetSmack](#) in [stocks](#) on Jul 25 12:46pm



Had to reconfigure my Trade Ideas to catch movers like LVS. SNA, LVS and MBI are the kind of stocks I look for every morning to short. Very profitable scalping method for those that want to take a shot.

posted by [StreetSmack](#) in [stocks](#) on Jul 25 12:49pm



Cool, thanks.

posted by [DinosaurTrader](#) in [stocks](#) on Jul 25 12:51pm



I love moves like that. But how do you catch something as wacky as MBI? On my blog I would probably label that a "Freaky hybrid Trade"... Did you short into the spike or wait till a red bar or something?

posted by [DinosaurTrader](#) in [stocks](#) on Jul 25 12:52pm



I watch the momo on 1m and 5m chart then scale in as I start to huge expansion candles and massive blowoff volume and/or divergent volume on higher high's. I then start to scale out @ FIB levels. Great way to make killer \$\$ in the first 1+ of trading day

posted by [StreetSmack](#) in [stocks](#) on Jul 25 12:58pm



It takes practice but that is all I look for in the first hour of trading no matter what the market is doing.

posted by [StreetSmack](#) in [stocks](#) on Jul 25 1:00pm



I forgot, LII was another scalp short I took this morning. Parabolic moves is what I trade short every morning. Trade Ideas finds them everyday.

posted by [StreetSmack](#) in [stocks](#) on Jul 25 1:03pm

[Anonymous](#)'s Post



StreetSmack-- when you say scalp do you usually mean getting in and out for a nickel/dime or do you hold for larger moves?

posted in [stocks](#) on Jul 31 1:21pm

1 Reply:



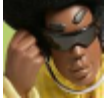
No. Usually I can get at least .50 cents and much more depending on the chart and price of stock. Avg is around \$1

posted by [StreetSmack](#) in [stocks](#) on Jul 31 1:23pm



For example....RTI I already scalped for .98 cents on the prior selloff. I am currently in CACH for a daytrade from 17.85 and scaling out.

posted by [StreetSmack](#) in [stocks](#) on [Jul 31 1:25pm](#)



CACH is small in price but big in share size for my short

posted by [StreetSmack](#) in [stocks](#) on [Jul 31 1:26pm](#)



GRMN was classic gap to upper trendline on daily then short. Watch for those gappers....\$\$ to be made

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 10:38am](#)

[StreetSmack's Post](#)



Nice quick 2+ pts on MTG scalp bounce. Thx Dino

posted in [stocks](#) on Aug 1 11:21am

4 Replies:



Nice catch. At least one of us made money in it!

posted by [DinosaurTrader](#) in [stocks](#) on Aug 1 11:25am



Parabolic scalps is what enjoy trading the most which also has the highest win % rate too

posted by [StreetSmack](#) in [stocks](#) on Aug 1 11:28am



What's the entry / stop on one of those?

posted by [Prospectus](#) in [stocks](#) on Aug 1 12:08pm



I don't use stops so it is a dangerous way to trade but I scale in small at massive parabolic moves then pile in as it turns in my direction so the risk isn't much. Then scale out @ FIB levels.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 12:14pm



What timeframe of chart do you watch for your parabolic scalps?

posted by [Prospectus](#) in [stocks](#) on Aug 1 12:44pm



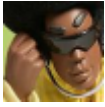
I primarily watch the 5m and 1m, but I have a 15m next to the other timeframes so I can get a good perspective of the action. I also have a mini Daily on the same screen so I can see support/resistance zones.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 12:46pm



just snagged CSE short. Another example of parabolic move.

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 1:14pm](#) [2 comments](#)



just covered for almost 2pts in 5m. You can do it too Prospectus

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 1:18pm](#)

[Bluedog's Post](#)



Wow, good job. How did you spot it? Screener?

posted in [stocks](#) on Aug 1 1:19pm

3 Replies:



I watch Trade Ideas % Gainer window for any name that is moving. Pull up the chart and look for a parabolic move to support/resistance and watch price and volume for entries.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 1:22pm



Most of my \$\$ is made in the first hour of trading for scalps. So it gives you a cushion going into the rest of the day.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 1:24pm



Anybody can do it. Just get good at studying how parabolic moves act and watch for trendlines/support/resistance then pick your spots.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 1:25pm

[Bluedog's Post](#)



Do you look at most volatile by %..? Trade ideas has a bunch of options.

posted in [stocks](#) on Aug 1 1:25pm

3 Replies:



No. Just anything that where price ≥ 10 , Avg Daily V is $\geq 300k$ and min. volatility =1 then check alert box for % up for day and that's it. Then just watch the names roll by.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 1:28pm



I also don't look at news...don't have time and don't care. Just the chart is what matters.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 1:30pm



I would suggest getting Trade Ideas. Review the history of the % gainers and study each chart to see how you can take advantage of the situation before putting real \$ behind the idea.

posted by [StreetSmack](#) in [stocks](#) on Aug 1 1:33pm



It happens to be one of the easier ways I know how to extract \$ from the market.

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 1:49pm](#)



Also remember this. The uptick rule no longer applies so it makes it that much easier to short when you want to.

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 3:11pm](#)



I almost always use market orders to scalp. No problems since the uptick rule is gone.

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 3:12pm](#)



It doesn't matter what the overall market is doing either. The shorts still work regardless.

posted by [StreetSmack](#) in [stocks](#) on [Aug 1 3:13pm](#)

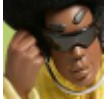
Bluedog's Post



Timing is the issue. For instance, RWT is now climbing back from mid decline level. It didn't (yet) bottom out to the 29's.

posted in [stocks](#) on Aug 1 3:16pm

1 Reply:



yes. Timing is everything. But when you are handed 1pt in less than a couple minutes it is best to take at least a partial then use a 1m high pivot as your cover for the rest but also looking for a move lower to support and/or FIB levels

posted by [StreetSmack](#) in [stocks](#) on Aug 1 3:20pm



After the initial spike down, they recover... do you then keep watching to short again? I'm looking for a new entry in FED.

posted by [DinosaurTrader](#) in [stocks](#) on Aug 2 10:22am



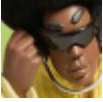
sometimes, but there are usually others popping up that spark my interest. Involved in GLF scalp now looking to scale out

posted by [StreetSmack](#) in [stocks](#) on Aug 2 10:26am



DINO: I think scalping short parabolic moves can add to your bottom line when other trades don't work out.

posted by [StreetSmack](#) in [stocks](#) on [Aug 2 10:28am](#)



Most \$\$\$ I make from scalping occurs in the first hour +/- . Then I get a few throughout the day that pop up.

posted by [StreetSmack](#) in [stocks](#) on [Aug 2 10:35am](#)



Most scalps last from 15-30m. Some scalps I will scale out of a large portion as the momo to the downside dries up then daytrade the rest.

posted by [StreetSmack](#) in [stocks](#) on [Aug 2 12:59pm](#)



I've found you can extract more \$\$ if you scale out instead of trying to get out all at once.

posted by [StreetSmack](#) in [stocks](#) on [Aug 2 1:01pm](#)

BlueDog's Post



Do you scale in or only on the way out?

posted in [stocks](#) on Aug 2 1:02pm

1 Reply:



I scale in and out of my position. I will never pick the exact top but I will pile in when I see any sign of weakness. Takes lots of practice to get used to this style and be consistent without losing \$.

posted by [StreetSmack](#) in [stocks](#) on Aug 2 1:05pm

[fufufnik](#)'s Post



Scalping intimidates me for my lack of being confident to time the entries/exits properly.

posted in [stocks](#) on Aug 3 11:38am

2 Replies:



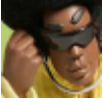
Confidence in your strategy is very high on my list. Without that you will second guess entry/exits, not take trades etc. Lack of confidence is similar to fear. Test and study strategies that fit your comfort level of risk and style then master it.

posted by [StreetSmack](#) in [stocks](#) on Aug 3 11:42am



tell me about it...the more you know in this business the more you find out you don't know. It ain't easy being green.

posted by [fufufnik](#) in [stocks](#) on Aug 3 11:45am



Scalping isn't for everyone. I just happen to have a strategy that works for me that I am comfortable with and is very successful.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 11:44am](#)



being green is tough. But there is no reason you have to stay that way. Nothing worth having is easy, it's usually hard work and time.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 11:47am](#)

[thebulltrader.com](#)'s Post

no pic

hey street, do u have specific rules when scalping? I just started to try and scalp 2 weeks ago

posted in [stocks](#) on Aug 3 11:48am

1 Reply:



scalping UA short but have a minute to summarize my scalping method. I use Trade Ideas to pull up %gainers in real time. I pull the chart then look for new high's on less momo (take lots of practice watching charts) then short. I don't use stops which is dangerous but works fine for my style. I scale in near the top then pile on as I detect the momo shift. Then scale out @ various FIB levels and support/trendline area's. That's it in a nutshell. 99% of my scalps are short regardless of market conditions.

posted by [StreetSmack](#) in [stocks](#) on Aug 3 12:01pm



you can also do the reverse and look for %losers then go long. I prefer shorts

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:03pm](#)



UA was a nice 1pt gain again. This is a good example of what goes on everyday in the market. You just have to develop the skill set

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:34pm](#)



to take advantage of it. If you don't like shorting than go with %losers and pick your spot. Usually 1pt or more can be had quickly.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:34pm](#)



As I've mentioned before I almost always use a market order to enter. Watch the bid side for good prices, then hit it with a market order.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:36pm](#)



Watch key price area's such as whole #'s (61,36 etc) and .50/.75 area's and see how price is reacting to those #'s.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:38pm](#)



like I said before, it takes lots of practice to master the technique. You gotta walk before you run.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:39pm](#)



Also watch for re-entries on the same stock as it attempts to go up again. You can usually get a stop level for those that want to use stops

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:40pm](#)



My style of scalping requires quick thinking and more importantly decisive action.

posted by [StreetSmack](#) in [stocks](#) on [Aug 3 12:44pm](#)

[StreetSmack's Post](#)




Scalped HOKU short and booked the house payment for the month. Too many happy campers up at the 10 spot.

posted in [stocks](#) on Jun 21 2:59pm



Largest scalping day yet \$\$\$\$\$ 32k

posted by [StreetSmack](#) in [stocks](#) on [Aug 8 2:49pm](#) [2 comments](#) 



I don't like to talk about \$\$\$ but today was exceptional and an example for those that think scalping is for chump change

posted by [StreetSmack](#) in [stocks](#) on [Aug 8 2:50pm](#) [2 comments](#) 



Street: What percentage of your total equity will you put down on your first scale into a short scalp (roughly)? Just trying to get a percentage feel for an appropriate size

posted by [Prospectus](#) in [stocks](#) on Aug 9 12:26pm



Prospectus... you're going to try to make this a conversation about "R"... aren't you?

posted by [DinosaurTrader](#) in [stocks](#) on Aug 9 12:29pm



I don't use a %. I just eye up the chart and see how far I think it can drop then scale in. I just go in small at first then when I see the momo changing I go in big. I just go in with what I think I can comfortably get away with if that makes any sense

posted by [StreetSmack](#) in [stocks](#) on Aug 9 12:29pm



Discretionary is the best way to describe my scalp style

posted by [StreetSmack](#) in [stocks](#) on Aug 9 12:30pm



Does Wombat Crazy work too? As a description of your trading style, I mean...

posted by [DinosaurTrader](#) in [stocks](#) on Aug 9 12:32pm



Yes, makes sense. Basically, the risk management / position size is done by feel and experience rather than calculations.

@Dino: R you threatening me? ;-)

posted by [Prospectus](#) in [stocks](#) on Aug 9 12:33pm

[Bluedog's Post](#)



StreetSmack, when you short do you place limit or market orders?

posted in [stocks](#) on Aug 9 12:17pm

5 Replies:



I watch the spread and send market orders for entry and scale out using limits

posted by [StreetSmack](#) in [stocks](#) on Aug 9 12:18pm



You play the opposite side as well? As in catching knives?

posted by [DinosaurTrader](#) in [stocks](#) on Aug 9 12:20pm



Street - what scan do you use on Trade Ideas to find your potential trades?
Thanks!

posted by [Skyb0x](#) in [stocks](#) on Aug 9 12:21pm



Skybox: I just use %Gain to find the movers

posted by [StreetSmack](#) in [stocks](#) on Aug 9 12:32pm



Thanks Street. I'm checking out site now. Free web-based service looks interesting.

posted by [Skyb0x](#) in [stocks](#) on Aug 9 12:36pm

Bluedog's Post



I should have held onto HOC. Man, I lost .9 as I tried to cover my short.

posted in [stocks](#) on Aug 9 1:00pm

1 Reply:



Study many parabolic movers to get a handle on how to take advantage of them. They can be very dangerous if you haven't mastered the technique.

posted by [StreetSmack](#) in [stocks](#) on Aug 9 1:05pm

Bluedog's Post



It's so frustrating. Every time I daytrade I end up entering in on the reversal.

posted in [stocks](#) on Aug 9 1:05pm

1 Reply:



The goal is to scale in near a top not as it has already started to drop big. Focus on how to detect tops, it will improve your success rate.

posted by [StreetSmack](#) in [stocks](#) on Aug 9 1:08pm

johnson's Post



So SS - the drying up volume in LEE, normally a time to get in?

posted in [stocks](#) on Aug 9 1:44pm

1 Reply:



not necessarily. It could mean a selloff or a move higher. You just have to look for support/resistance area's and V

posted by [StreetSmack](#) in [stocks](#) on Aug 9 1:45pm

[Zoomie's Post](#)



Street, I am looking at the daily chart along with your scalps. In a lot of cases they reverse right on the pivots. Do you look at daily?

posted in [stocks](#) on Aug 9 1:47pm

1 Reply:



yes. I look @ 200 and 50 EMA's. I have a 15,5,1m and Daily on one screen with L2 so I can get an idea where I can start to scale in

posted by [StreetSmack](#) in [stocks](#) on Aug 9 1:48pm

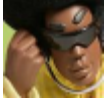
[johnson's Post](#)



so are all these names from your trade -ideas scanner? What would you say your ratio of alerts to trades is? 10%

posted in [stocks](#) on Aug 9 2:02pm

1 Reply:



All of them from the scanner. I have no idea what % but probably less than 1%. There are just so many that you never run out of trades. For those that prefer trading long only using the same idea then use %losers that have dropped parabolic. My scalp style has something for everyone.

posted by [StreetSmack](#) in [stocks](#) on Aug 9 2:04pm

[johnson's](#) Post



So which of the HOC, MIDD, ROG, ORLY, LEE, SPF are you still in? Do you monitor the indices for signs to get out or just the individual charts

posted in [stocks](#) on Aug 9 2:05pm

2 Replies:



I am out of all of them. My style of shorting doesn't require the market to be doing anything. The individual stock chart is all that matters. You just wait for the scanner to dish up some names then take your pick. I don't have to hunt for names to trade, they come to me. Much simpler way to trade for me.

posted by [StreetSmack](#) in [stocks](#) on Aug 9 2:08pm



My style of trading is just taking advantage of situations that can't be sustained and will revert back to some price mean. When that happens I am usually out.

posted by [StreetSmack](#) in [stocks](#) on Aug 9 2:10pm



late in the day so I don't get too greedy and use smaller size than the morning shift

posted by [StreetSmack](#) in [stocks](#) on [Aug 9 2:54pm](#)



thx guys for kind words. "There is always a bear market somewhere, and I'm committed to bringing it to you---(everyday)." ;-) Later....

posted by [StreetSmack](#) in [stocks](#) on Aug 9 3:21pm

[StreetSmack's Post](#)



just to add something....I will choose a NYSE stock over a NAZ trade all things being equal....just personal preference

posted in [stocks](#) on Aug 10 11:14am

2 Replies:



just curious -why? I always prefer Nasdaq because orders/fills seem much smoother.

posted by [Ugly](#) in [stocks](#) on Aug 10 11:16am



NAZ market makers make life of a scalper a little more challenging

posted by [StreetSmack](#) in [stocks](#) on Aug 10 11:20am

[Stewie's Post](#)



what i like about shorting parabolic runners is that risk is much easier to control. A stock can only rise so much before gravity kicks in

posted in [stocks](#) on Aug 10 11:44am

1 Reply:



what's nice about reversal trading is you are dishd up loads of names all day long, all you have to do is look for the best opportunities

posted by [StreetSmack](#) in [stocks](#) on Aug 10 11:47am

[chud's Post](#)



i can tell you from experience that gravity sometimes will kick in much later than you thought possible.

posted in [stocks](#) on Aug 10 11:47am

5 Replies:



that is why scaling works for this style of trading....master that and you will have no problems

posted by [StreetSmack](#) in [stocks](#) on Aug 10 11:50am



i agree with you. probably during a bull mrkt this strategy could give you some grey hairs. But during a bear phase gotta short rallies. And not buy selloffs, contrary to popular opinion.

posted by [Stewie](#) in [stocks](#) on Aug 10 11:52am



parabolic/very strong moves in quick fashion have a statistically high probability to revert back to a price mean.....bull or bear markets...which makes it work a very high % time

posted by [StreetSmack](#) in [stocks](#) on Aug 10 11:55am



I love what i am seeing so far. thanks again for sharing this awesome technique. Always love adding new tools in my arsenal and increasing success rate.

posted by [Stewie](#) in [stocks](#) on Aug 10 11:57am



it definitely works a high percentage of the time. you just have to be on the lookout for the fat tails/abnormal probability events and keep your risk defined. risk can get out of hand fast in a scaling in strategy. discipline is the key. my problem is i have a hard time exiting a position i got into due to an overbought/oversold condition due to it getting even more overbought/oversold.

posted by [chud](#) in [stocks](#) on Aug 10 12:04pm

[StreetSmack's](#) Post



short scalping still working even with the huge move up...it never changes

posted in [stocks](#) on Aug 10 12:36pm

5 Replies:



Street, do you put a minimum on the daily ave # of shares traded on these stocks? Like 100K daily.

posted by [MarketMonk](#) in [stocks](#) on Aug 10 12:39pm



no. but I do filter for 300k or more on the scanner to weed out very thin names

posted by [StreetSmack](#) in [stocks](#) on Aug 10 12:43pm



so to clarify, the 300K is the # of shares traded that day, or the average trading volume over last 50 days?

posted by [MarketMonk](#) in [stocks](#) on Aug 10 12:46pm



300k for avg V in Trade Ideas. I use a 40day avg V on my daily charts

posted by [StreetSmack](#) in [stocks](#) on Aug 10 12:48pm

[johnson's Post](#)



ss - is a stock like KELYA representative of the majority of your trades? - slowly fading rather than a quick spike down?

posted in [stocks](#) on Aug 10 1:57pm

1 Reply:



no. Most will move quickly, but some are slow to payoff. Those are the ones that can many times payoff huge. Each name has it's own personality of how it gives it up in the end.

posted by [StreetSmack](#) in [stocks](#) on Aug 10 2:00pm

[Zoomie's Post](#)



I looked at 5 minute ATAC, and there were volume divergences on the swing highs, so I stuck with it.

posted in [stocks](#) on Aug 10 2:01pm

2 Replies:



Oh, and thanks for that tip Street!

posted by [Zoomie](#) in [stocks](#) on Aug 10 2:04pm



yr welcome Zoomie. ATAC is one of those trades that gets under my skin (didn't take it was in others) cause the momo died without moving well. I will usually partial out to limit risk or just cut and run....not worth my time to babysit dead \$\$\$.

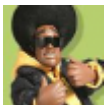
posted by [StreetSmack](#) in [stocks](#) on Aug 10 2:06pm



MDTH 50 EMA @ 31.30 area. Scaling in between 31-31.50 looks good, but if a rally ensues it could have one last move higher

posted by [StreetSmack](#) in [stocks](#) on [Aug 10 2:17pm](#)

[StreetSmack's Post](#)



MDTH has plenty of resistance zones up here so for those that want to take a shot pick your spots

posted by [StreetSmack](#) in [stocks](#) on [Aug 10 2:18pm](#) [1 comment](#)

[johnson's Post](#)



ss - would this have been the case for tfx as well then?

posted in [stocks](#) on Aug 10 2:19pm

1 Reply:



yes. TFX hit it's 50 EMA on the Daily and price congestion zone so that would of been an area to start scaling in. It doesn't always work that way but it gives you a logical area to target

posted by [StreetSmack](#) in [stocks](#) on Aug 10 2:23pm

[StreetSmack's Post](#)



tmrw should have more to offer.....although the first hour is the best place to make the \$\$\$

posted in [stocks](#) on Aug 14 1:53pm

12 Replies:



I'm back. Nice pic :) Do you do anything differently during the first hour vs. scalps later in the day? Do you scalp gappers, and if so, does the gap mess with your read of the MACD / price momentum divergence?

posted by [Prospectus](#) in [stocks](#) on Aug 14 1:56pm



I'm struggling to trade the opens as I don't have the volume data from gap ups to rely upon, any hints you have or symbols traded that could help me out? For example - USU was one I was watching but didn't take. I didn't think the 1 min vol was enough to go on at minute 3... and then the stock falls off by about 10%. Any thoughts are greatly appreciated.

posted by [johnson](#) in [stocks](#) on Aug 14 1:58pm



Not really. I try to snag as many parabolix as possible.....the more horizontal and pts. up the better, especially with little gap....those setups are what I crave the most.....they will retrace quickly and by a large amt. on avg

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:00pm



USU isn't one I would of looked @ for long @ the open. No follow through to challenge previous day high.

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:03pm



For example, KOP is one of a few I took this morning. It went parabolic out of the gate and ran into an upper trend line on the 15m from last few days so that was a logical place to get in. LCC is another where it went straight up 2pts in the first 5m into prior few days high. I will take a small position then as it takes a quick drop I usually get out most then hold the rest if it looks like it could go further

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:07pm



Having a 15m with @ least 8-10 days price action next to a 5m and 1m with a small Daily in one workspace is a must to nail turning points

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:09pm



Thanks! I'll put all of this in the Q&A so you'll only have to say it once. :)

posted by [Prospectus](#) in [stocks](#) on Aug 14 2:12pm



Target the names that are up @ least 4% or more near the open and have little gap (those seem to payoff better). Gappers are fine too

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:13pm



So would WBSN have been nice at the open or too risky as it was a pure gap and no run up?

posted by [johnson](#) in [stocks](#) on Aug 14 2:14pm



WBSN to hard to catch, but FOSL is one I took right out of the gate and just covered.....why?? cause it gapped over the 52wk high @ the open and if you draw parallel trendlines on the 15m it gapped into the upper trendline

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:20pm



FOSL was a very nice gap to crap play....albeit a slow one.

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:21pm



The very first names that pop up on the scanner with huge % gains @ the open catch my attention first.....I size them up quickly then take a position or move on to the next....gotta be quick and take decisive action

posted by [StreetSmack](#) in [stocks](#) on Aug 14 2:23pm

[johnson's Post](#)



ss - i hope you had half of your equity in that trade... 50% in an hour, not too shabby

posted in [stocks](#) on Aug 15 10:24am

3 Replies:



only 5000 shares...but \$8 entry.....scaled most @ 12

posted by [StreetSmack](#) in [stocks](#) on Aug 15 10:28am



Damn... only 5,000? So you mean you only pulled in \$20 grand on the trade? Well... one can only hope you trade a little better for the rest of the day SS... :)

posted by [DinosaurTrader](#) in [stocks](#) on Aug 15 10:32am



LOL....TMA an example of a parabolic move down on a Daily....had to do it

posted by [StreetSmack](#) in [stocks](#) on Aug 15 10:34am

johnson's Post



how important is the daily for you ss? Would you take MSO here?

posted in [stocks](#) on Aug 15 11:15am

3 Replies:



I'm asking because it looks as if MSO has put in a short term bottom on its chart, yet its clearly moving to the upside on declining volume and is right up against its declining tops on the 15 minute chart.

posted by [johnson](#) in [stocks](#) on Aug 15 11:18am



I prefer moves that have been moving up for a few days but will take any move as long as it offers enough reward for my risk

posted by [StreetSmack](#) in [stocks](#) on Aug 15 11:20am



makes sense, thanks ss

posted by [johnson](#) in [stocks](#) on Aug 15 11:28am

StreetSmack's Post



Daily is important for 52wk high's and 200/50EMA's. I look @ the 15m for resistance and trendlines. MSO not a big enough payoff

posted in [stocks](#) on Aug 15 11:17am

[Zoomie's](#) Post



Street, would DE have been a play you would have taken? WR daily candle to multi-day resistance.

posted in [stocks](#) on Aug 15 12:18pm

23 Replies:



yes, but I wouldn't of expected too much from it since the V was very strong. That is one you try to take quick profits (yes, I know this is 20/20 but that is how I play strong movers early...hit and run). I wasn't in this one.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:25pm



cool, thanks!

posted by [Zoomie](#) in [stocks](#) on Aug 15 12:27pm



I like to see the 5m and 1m stix in a parabolic mode too if possible. They have the most to give when it falls

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:28pm



The more trending look of the 5ma and 1m means more support levels I gotta deal with on the way down...the less support the better

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:30pm



There are simply two short scalp setups I look for: 1) parabolic move into resistance and 2) somewhat parabolic move that eventually sets up with a negative divergent momo situation...plenty of time to get in

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:33pm



ah, makes sense. I am almost ready to try this with real money...I have only tried one so far.

posted by [Zoomie](#) in [stocks](#) on Aug 15 12:34pm



if you have Trade Ideas.....go back and pull up a history each day of what %Gainers showed up and study the 15,5 and 1m charts to see how you can take advantage of these kinds of moves. Scaling in is very important since you can never catch the exact top.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:38pm



I will have to get off my wallet and get trade ideas then ;)

posted by [Zoomie](#) in [stocks](#) on Aug 15 12:41pm



I've had it for about a week Zoomie and its well worth it. The history feature is incredible.

posted by [johnson](#) in [stocks](#) on Aug 15 12:46pm



Not sure if this has been asked, but what's the cost for Trade Ideas?

posted by [DinosaurTrader](#) in [stocks](#) on Aug 15 12:47pm



\$60 per mth. That is free in my book. It's an ATM machine

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:49pm



not trying to be flippant with the ATM comment, but if you have the skillz to take advantage of the scanner you can print \$\$....not always easy, but makes it much easier for my style

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:50pm



Yeah, that sounds pretty good. I think Briefing Trader is \$300 or so. Sounds like you guys get just as many if not more ideas. I don't use Briefing or anything else anymore. I just use this new product I found called "StreetSmack."

posted by [DinosaurTrader](#) in [stocks](#) on Aug 15 12:51pm



LOL.....it's free too! Seriously, I hope I at least have opened some traders eyes to another style of trading that can help them make \$\$\$

posted by [StreetSmack](#) in [stocks](#) on Aug 15 12:55pm



Street - how much sideways action would you say negates the chance of the down move? ie THS here... It seems like a bit of a play it by eye sort of thing to me, in this case I find myself hesitant to cover because the trade has gotten boring because of the chance of a large drop at any time...

posted by [johnson](#) in [stocks](#) on Aug 15 12:58pm



Re: Trade Ideas--If you have a Scottrade account, and you have 25k in equity, you get Scottrade "Elite", which includes Trade Ideas for free. If you don't have 25k in equity, you can also get a "trial" of Elite by asking for it (or by threatening to leave because you hate the Scottrader platform, which is what I did). I would definitely be using it now, but Elite doesn't make it through my firewall :(

posted by [Prospectus](#) in [stocks](#) on Aug 15 12:58pm



another tip for those interested. You gotta be fast but if I see a stock with an OR 5m stik that looks like BOOM or HNZ (this morning) I will short a small pos ASAP then throw out a limit order to cover 1pt less. It works great to snag some free \$\$\$. I did catch HNZ today with this tactic

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:01pm



Interesting. My company pays a monthly fee for some crappy filter I don't even use. Perhaps I can get them to switch for me since you all speak so highly of the aptly-named, Trade Ideas.

posted by [DinosaurTrader](#) in [stocks](#) on Aug 15 1:02pm



How far would you let the position run against you before calling it quits?

posted by [Prospectus](#) in [stocks](#) on Aug 15 1:03pm



Johnson:- When the momo has literally died off like THS I will have covered and moved on. I don't want to babysit, I want to trade new names that are moving.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:05pm



Prospectus: Since I scale in small then pile in big later I will almost always take whatever heat the name can dish out. Sounds very risky (and it is) but my experience tells me I will be right eventually. That is why it's so important to scale in small @ first. It's all about your risk tolerance.....mine happens to be very high

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:10pm



My style of short scalping is definitely not for everyone.....trade a style you are comfortable with and know your risk tolerance level

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:13pm

[Skyb0x's Post](#)



Street - would you consider CPA to be a good long scalp? It's dropped over 14% today

posted in [stocks](#) on Aug 15 1:16pm

11 Replies:



It's kind of wild, they beat earnings estimate but still dropped this much. I don't get it.

posted by [Skyb0x](#) in [stocks](#) on Aug 15 1:17pm



It's trending too much on the 5 and 1m but if it gets a quick push lower on big V I would scale in. Low 43's looks good, but anything can happen

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:18pm



Skybox: The 5m CPA had a huge V spike so that was a sign you could of scaled in some. If price comes near the low or breaks it a little on little V I would start to pile in long

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:22pm



Thanks for feedback

posted by [Skyb0x](#) in [stocks](#) on Aug 15 1:22pm



So you're looking for a selling capitulation spike to scale in to?

posted by [Prospectus](#) in [stocks](#) on Aug 15 1:22pm



sort of. That is when I will start to scale in heavier size. I don't have any share size # that I have predetermined to trade with. I go with what I think I what I am comfortable with depending upon the volatility of the move

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:26pm



I like to scale in close to or @ whole #'s too. I also will add if I see a 2B take place on lower V than previous high

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:28pm



I'll have to look up 2B again

posted by [Prospectus](#) in [stocks](#) on Aug 15 1:29pm



About the only way I can explain why and when I scale is by watching price, V, resistance, divergence and blowoff price action. Scale in as I see these things develop

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:32pm



Unfortunately, my style of scaling in short isn't very mechanical in its description, it is more discretionary using my experience.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 1:34pm

[StreetSmack's Post](#)



CFC long scalp

posted in [stocks](#) on Aug 15 2:31pm

8 Replies:



wow. crazy. around 20 should be support lookin at weekly.

posted by [Zoomie](#) in [stocks](#) on Aug 15 2:38pm



15m trendline bounce and small positive divergence 5m= \$\$\$

posted by [StreetSmack](#) in [stocks](#) on Aug 15 2:39pm



what divergence are you looking at?

posted by [chud](#) in [stocks](#) on Aug 15 2:40pm



5m momo

posted by [StreetSmack](#) in [stocks](#) on Aug 15 2:44pm



so would you have your stop at the lows in this case or would you play it by ear in theory buying more on new lows if the divergence remains?

posted by [johnson](#) in [stocks](#) on Aug 15 2:47pm



I personally add as I see more positive divergence.....and sometimes I will scale out to limit downside then add more lower.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 2:49pm



Remember, my initial size is small so I can sit tight and add as I see more evidence of a reversal.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 2:51pm

[Zoomie's Post](#)



wow. I see one needs to start small.....

posted in [stocks](#) on Aug 15 3:01pm

2 Replies:



Years ago I learned to scale the hard way.....by losing \$\$ by jumping in all at once (unless I am trading 15m charts with defined stops). I don't know of anyone that can pick tops and bottoms so scaling is the answer to my trading style

posted by [StreetSmack](#) in [stocks](#) on Aug 15 3:03pm



You can put more money to work as well I see.

posted by [Zoomie](#) in [stocks](#) on Aug 15 3:06pm

StreetSmack's Post



out....CFC entry avg 19.42 exit avg 20.20. Done for the day

posted in [stocks](#) on Aug 15 3:06pm

3 Replies:



I notice around 20.20 the MACD histogram started to decline on the 1 min chart, and a red 1 minute candle printed. Were you looking at that?

posted by [Zoomie](#) in [stocks](#) on Aug 15 3:13pm



No. The V on the 1m was looking less than desirable on the last move higher to the 20.60+ level and it wasn't acting like it wanted to go higher so I just took the \$\$\$ and ran

posted by [StreetSmack](#) in [stocks](#) on Aug 15 3:17pm



thanks Street. Watching the trade go against you, and scaling was probably the best lesson so far for me. I didn't realize how important scaling was.

posted by [Zoomie](#) in [stocks](#) on Aug 15 3:24pm

dinsf's Post



SS - how many trades do you have going on concurrently in your morning scalps?

posted in [stocks](#) on Aug 15 3:06pm

3 Replies:



It varies, but on avg I am in 4-6 @ a time depending upon how many I find that I like. The first hour is very busy for me then I am usually in about 1-3 at a time from there.

posted by [StreetSmack](#) in [stocks](#) on Aug 15 3:08pm



Thanks SS - that first hour of trading is insane, movements are so quick, hard to stay on top of 1-2!

posted by [dinsf](#) in [stocks](#) on Aug 15 3:12pm



Everyday there are more scalps than I can possibly trade and most take place in the first hour so even slow days are \$\$\$ makers

posted by [StreetSmack](#) in [stocks](#) on Aug 15 3:12pm

[StreetSmack's Post](#)



this is the kind of markets traders live for

posted in [stocks](#) on Aug 17 10:37am

8 Replies:



Absolutely.

posted by [DinosaurTrader](#) in [stocks](#) on Aug 17 10:38am



DINO.....this has been the best opening short fest I have had in a long time

posted by [StreetSmack](#) in [stocks](#) on Aug 17 10:39am



However, I'm trading very lightly so far today.... had I sized up I'd have caught some good moves. Just taking it slow. Maybe later I'll get aggressive again but now I want to be aggressive on the long side. Need to wait for stocks to sell before I can buy again.

posted by [DinosaurTrader](#) in [stocks](#) on Aug 17 10:39am



the opening was a gift from the gods.....damn

posted by [StreetSmack](#) in [stocks](#) on Aug 17 10:40am



I can imagine, SS. If you had the kahunas to short the financials at the open, I'm sure you made bank.

posted by [DinosaurTrader](#) in [stocks](#) on Aug 17 10:40am



my scanner was going nuts and was just throwing bombs at any big gappers.....and it paid big

posted by [StreetSmack](#) in [stocks](#) on Aug 17 10:41am



already beat my best scalping day in the first hour.....crazy!! Hope you guys were minting some coin

posted by [StreetSmack](#) in [stocks](#) on Aug 17 10:43am



Sweet. I've been chilling this morning. Maybe I'm a bit hungover from yesterday's energy. Had a hard time tapping into it to get too aggressive. I caught nice moves, but with small size.

posted by [DinosaurTrader](#) in [stocks](#) on Aug 17 10:44am

[johnson's Post](#)



hi all - good to see everyone having a good morning. SS - What was sign to go short the world? Can you explain your thoughts and timing?

posted in [stocks](#) on Aug 17 11:27am

8 Replies:



Johnson- when I see a huge gap after a massive reversal day and most gappers move more pts from the gap I know the probability is in my favor for retracements.....so I throw bombs on the biggest movers.....had 13 going @ once.....crazy but when you see opportunity you gotta go big

posted by [StreetSmack](#) in [stocks](#) on Aug 17 11:30am



if we didn't have the reversal day yesterday then I would of been more cautious with entry points, but yesterday gave many shorts the opp to get out....today's huge gap just sucked the rest of them out of the game so no one was left to support the prices

posted by [StreetSmack](#) in [stocks](#) on Aug 17 11:33am



I'm always trying to see the trade through the other side and size up the probability of my trade working

posted by [StreetSmack](#) in [stocks](#) on Aug 17 11:37am



thanks for the continual answering of questions. All helping me to become a much better trader, I appreciate your help. In a case like today's does volume not even matter when you are just trying to get short as much as possible? Do you in effect go all in all and then weed if you have to where appropriate?

posted by [johnson](#) in [stocks](#) on Aug 17 12:27pm



I will go about 75% then add more if I can get good prices. It really depends on how much the gap is and how much it has run up since the gap.....discretionary (what I think I can get away with)

posted by [StreetSmack](#) in [stocks](#) on Aug 17 12:29pm



SS. look at WSFS. Volume is low but just looking at price action alone. doesn't that look very shortable here.

posted by [Stewie](#) in [stocks](#) on Aug 17 12:33pm



yes....the only reservation is the avg Daily V is very slim so you could get jacked quick with a huge spread

posted by [StreetSmack](#) in [stocks](#) on Aug 17 12:37pm



i agree. that's why i only have 2000 shrs short. I shorted at 68.15. looking good so far. I just liquidity was better.

posted by [Stewie](#) in [stocks](#) on Aug 17 12:42pm

[StreetSmack's Post](#)



the funny thing about my short scalping style is that you can short into the strongest of markets (works very well first hour) and make nice\$

posted in [stocks](#) on Aug 17 12:41pm

5 Replies:



i can see that. Pretty sweet technique. i have been trying to incorporate into my trading.

posted by [Stewie](#) in [stocks](#) on Aug 17 12:43pm



most traders are scared shitless to short into perceived strength the first hour but that is where the biggest opps are found

posted by [StreetSmack](#) in [stocks](#) on Aug 17 12:45pm



some will try it then get burned and give up. But if they learn to master scaling and identifying peak sell zones then they would change their tune

posted by [StreetSmack](#) in [stocks](#) on Aug 17 12:46pm



the operating word is 'scale'. calling an exact top is almost impossible. but by scaling in, you can be near a top and still be ok. also, having a little intestinal fortitude to have it go against you a little.

posted by [Stewie](#) in [stocks](#) on Aug 17 12:49pm



exactly. I like scaling in and out of a position therefore giving me a dynamic price to work with. Long ago I noticed the opps in the am and tried to take advantage of it all at once and was woodshedded (not fun) so I figured scaling would work best for my style

posted by [StreetSmack](#) in [stocks](#) on Aug 17 12:53pm

Anonymous's Post



Do you find it easier to short the pop ups or catch the falling knives? Or is it the same?

posted in [stocks](#) on Aug 17 12:48pm

1 Reply:



I don't catch falling knives unless the Daily is so out of whack (my TMA and CFC trades) that probability is in my favor. Shorting doesn't require V to be successful and with the tick rule negated it makes it even easier

posted by [StreetSmack](#) in [stocks](#) on Aug 17 12:55pm



if you don't master scaling and defining peak sell zones then you need to step aside or go to Las Vegas and throw your \$\$\$ away...

posted by [StreetSmack](#) in [stocks](#) on [Aug 17 12:57pm](#)



you at least get more fun for your buck there

posted by [StreetSmack](#) in [stocks](#) on [Aug 17 12:57pm](#)

StreetSmack's Post



also, if you can't take some heat then stick to playing breakouts and having static stops instead of the dynamic stops I use through scaling

posted in [stocks](#) on Aug 17 1:00pm

10 Replies:



I've heard of software that allows for someone to replay a full market session as if it were real time. Does anyone know what this software is? It sounds to me like the perfect way to refine skills necessary to trade in the scaling manner like SS does.

posted by [johnson](#) in [stocks](#) on Aug 17 1:02pm



Replay Software -> I have heard that Esignal will. I know that Amibroker will (but requires a data feed).

posted by [MarketMonk](#) in [stocks](#) on Aug 17 1:08pm



Ensign software does as well. What are you looking to play back? Just one symbol or multiple symbols?

posted by [MarketMonk](#) in [stocks](#) on Aug 17 1:10pm



I'm looking to obtain 6 months of experience short selling these gappers at the bell in a few weeks. I need it to be real time, with all symbols so that I can proceed through my trade idea alerts as they'd come in and decide whether to take trades or not. Basically, simulated trading.

posted by [johnson](#) in [stocks](#) on Aug 17 1:15pm



basically, perfect practice makes decent trader :)

posted by [johnson](#) in [stocks](#) on Aug 17 1:19pm



right on Johnson. Don't expect to pickup a style without study and be consistently successful.....yes, to make \$\$\$ consistently it takes work

posted by [StreetSmack](#) in [stocks](#) on Aug 17 1:22pm



you can use scanners and other tools to find trades but at the end of the day they are useless until you have a trading style to exploit them

posted by [StreetSmack](#) in [stocks](#) on [Aug 17 1:10pm](#)

[StreetSmack's Post](#)



I'm done beating the drum....you guys get the point. Find something that worx then master it....the end

posted in [stocks](#) on Aug 17 1:12pm

The End

Now go study parabolic movers, scale in and bank coin!