

# *Swing Trading for the Fences*

with Jeff Drake



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# ***Swing Trading for the Fences***

**PART FOUR:  
THE DAILY SWING  
TRADING PROCESS**

# Introduction

- Welcome to Part Four of Swing Trading for the Fences.
- Today we'll go over the daily process to swing trade our method.
- **BONUS:** We'll also look at the effect of different order types on our swing trades.



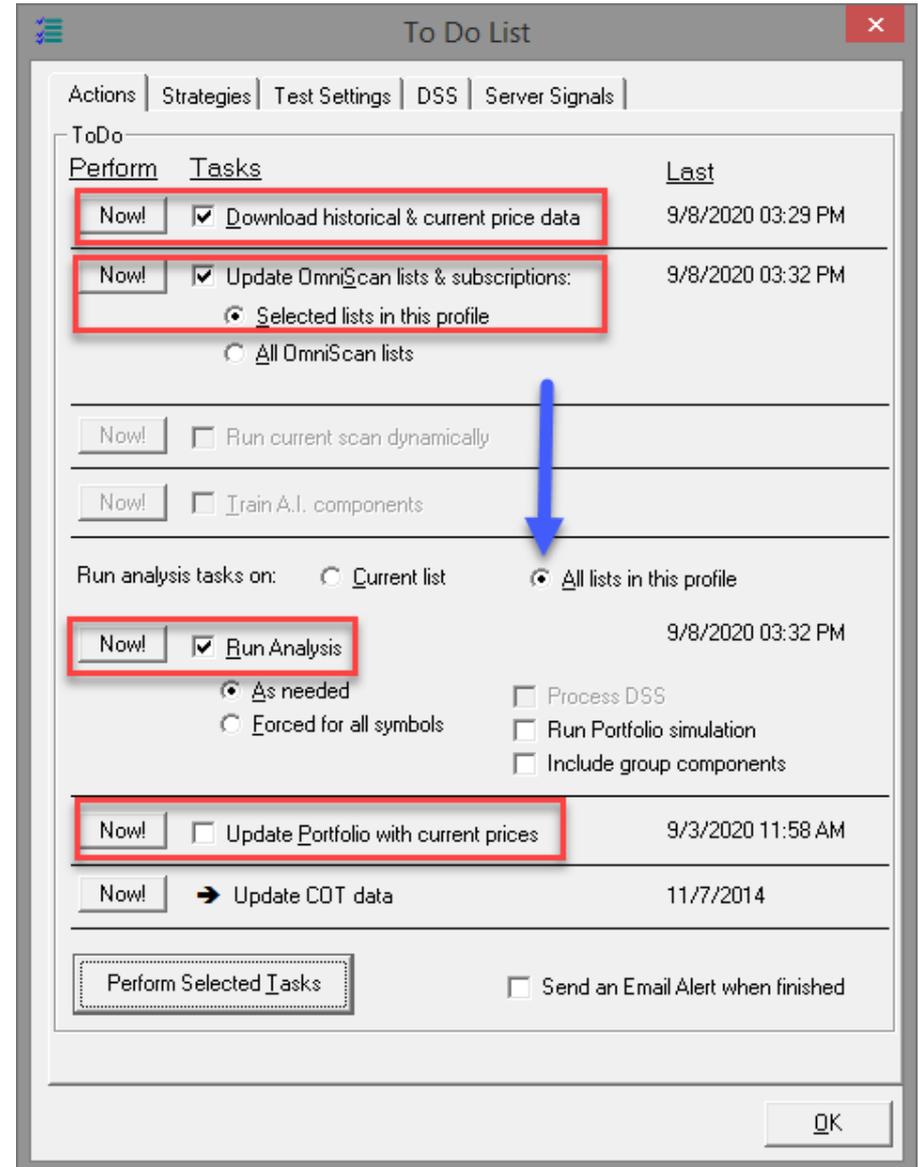
# The Daily Process

- We have a simple series of steps to follow in order to daily trade this method:
  - Update OmniTrader
  - Determine Market Mode
  - Check Current Positions
  - Determine Available Cash
  - Find New Trades!



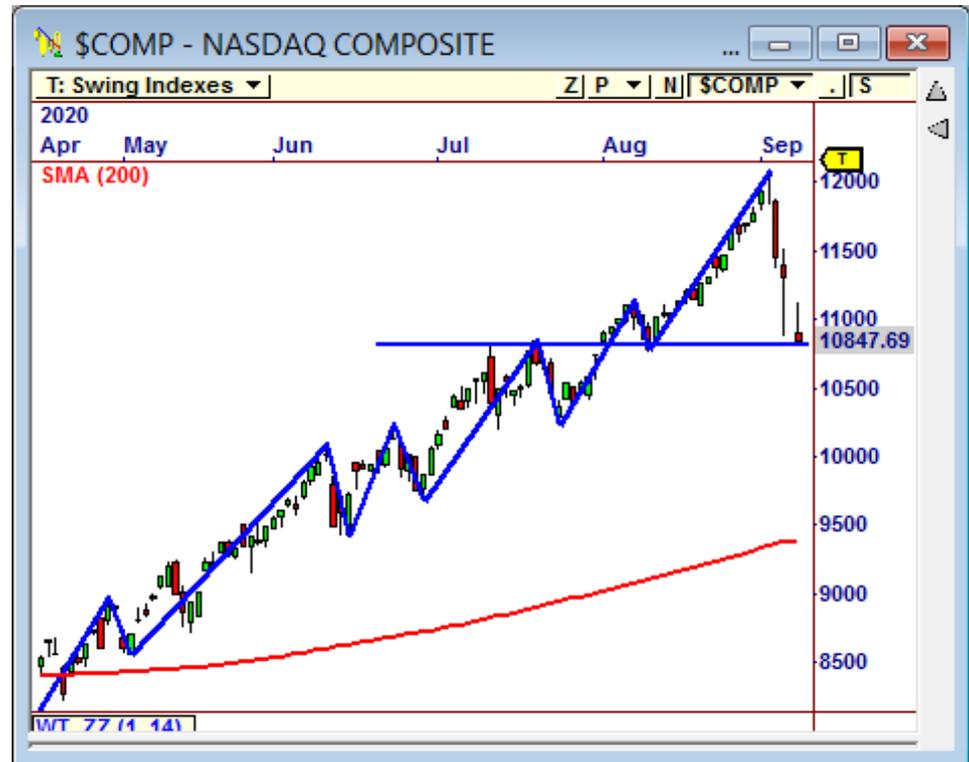
# Update OmniTrader

- Step one is to update OmniTrader.
  - Get Data
  - Update OmniScans
  - Run Analysis
  - Update Portfolio
- Be sure that you have all lists selected to update.



# Determine Market Mode

- Next we determine Market Mode and apply classic analysis techniques:
  - Pivot Analysis
  - 200 Period SMA
  - Support and Resistance
  - Volatility



# Check Current Positions

- We need to look at our current positions and see what actions need to be taken.
- We need to know which trades we need to exit.
- We also adjust stops if necessary.



# Determine New Trade Availability

- Now we need to see how much cash we have available.
- Remember to consider the Market Mode:
  - Total Allocation
  - Portfolio Balance
  - Trade Size



# Remember to Consider Diversification

- Consider the positions that are still open as far as what industry groups they are in.
- This might help you use diversification in your new trade selection.

Focus List

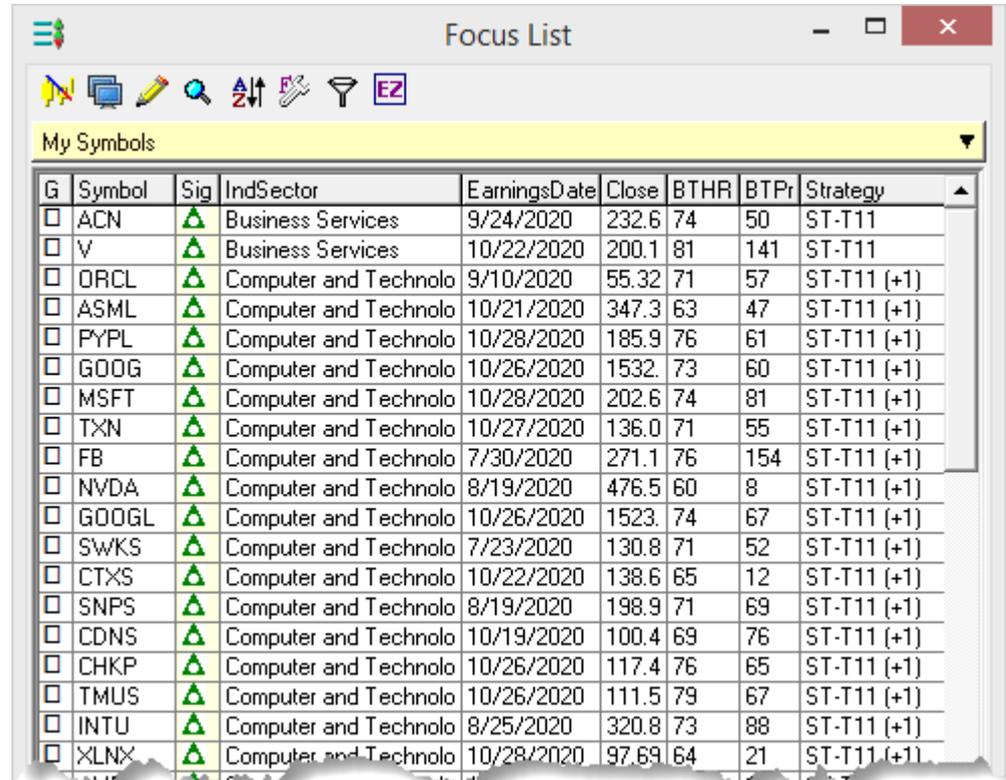
My Symbols

G	Symbol	Sig	IndSector	EarningsDate	Close	BTHR
<input type="checkbox"/>	TGT	▲	Retail-Wholesale	8/19/2020	146.0	73
<input type="checkbox"/>	HD	▲	Retail-Wholesale	8/18/2020	274.6	67
<input type="checkbox"/>	ATVI	▲	Consumer Discretionary	8/4/2020	80.31	66
<input type="checkbox"/>	PRTS	▲	Auto-Tires-Trucks	8/10/2020	11.21	62
<input type="checkbox"/>	EBAY	▲	Retail-Wholesale	10/28/2020	53.16	68
<input type="checkbox"/>	TTWO	▲	Consumer Discretionary	8/3/2020	166.6	71
<input type="checkbox"/>	PFE	▲	Medical	7/28/2020	36.4	69
<input type="checkbox"/>	KIRK	▲	Retail-Wholesale	9/3/2020	6.93	61
<input type="checkbox"/>	KHC	▲	Consumer Staples	10/29/2020	33.55	64
<input type="checkbox"/>	EA	▲	Consumer Discretionary	7/30/2020	132.8	70
<input type="checkbox"/>	DLTR	▲	Retail-Wholesale	8/27/2020	92.92	66
<input type="checkbox"/>	NTES	▲	Computer and Technolo	8/13/2020	485.3	66
<input type="checkbox"/>	BMY	▲	Medical	10/29/2020	60.05	68
<input type="checkbox"/>	FOXA	▼	Consumer Discretionary	8/4/2020	27.35	66
<input type="checkbox"/>	FOX	▼	Consumer Discretionary	8/4/2020	27.51	55
<input type="checkbox"/>	CTRP	▼		11/13/2019	34.93	63
<input type="checkbox"/>	KO	▼	Consumer Staples	10/16/2020	50.48	70
<input type="checkbox"/>	WDC	▼	Computer and Technolo	8/5/2020	37.71	66
<input type="checkbox"/>	CHKP	■	Computer and Technolo	10/26/2020	124.0	73
<input type="checkbox"/>	MXIM	■	Computer and Technolo	7/28/2020	68.55	71

Watchlist Notes Statistics Chart Group

# Find New Swing Trades!

- Now we prospect for new positions.
- Use our confirmation steps to find the trades with the best profit potential.
- **DON'T TRADE INTO EARNINGS!**



The screenshot shows a window titled "Focus List" with a toolbar and a table of stock data. The table has columns for G, Symbol, Sig, IndSector, EarningsDate, Close, BTHR, BTPr, and Strategy. The data is sorted by EarningsDate in descending order.

G	Symbol	Sig	IndSector	EarningsDate	Close	BTHR	BTPr	Strategy
<input type="checkbox"/>	ACN	▲	Business Services	9/24/2020	232.6	74	50	ST-T11
<input type="checkbox"/>	V	▲	Business Services	10/22/2020	200.1	81	141	ST-T11
<input type="checkbox"/>	ORCL	▲	Computer and Technolo	9/10/2020	55.32	71	57	ST-T11 (+1)
<input type="checkbox"/>	ASML	▲	Computer and Technolo	10/21/2020	347.3	63	47	ST-T11 (+1)
<input type="checkbox"/>	PYPL	▲	Computer and Technolo	10/28/2020	185.9	76	61	ST-T11 (+1)
<input type="checkbox"/>	GOOG	▲	Computer and Technolo	10/26/2020	1532.	73	60	ST-T11 (+1)
<input type="checkbox"/>	MSFT	▲	Computer and Technolo	10/28/2020	202.6	74	81	ST-T11 (+1)
<input type="checkbox"/>	TXN	▲	Computer and Technolo	10/27/2020	136.0	71	55	ST-T11 (+1)
<input type="checkbox"/>	FB	▲	Computer and Technolo	7/30/2020	271.1	76	154	ST-T11 (+1)
<input type="checkbox"/>	NVDA	▲	Computer and Technolo	8/19/2020	476.5	60	8	ST-T11 (+1)
<input type="checkbox"/>	GOOGL	▲	Computer and Technolo	10/26/2020	1523.	74	67	ST-T11 (+1)
<input type="checkbox"/>	SWKS	▲	Computer and Technolo	7/23/2020	130.8	71	52	ST-T11 (+1)
<input type="checkbox"/>	CTXS	▲	Computer and Technolo	10/22/2020	138.6	65	12	ST-T11 (+1)
<input type="checkbox"/>	SNPS	▲	Computer and Technolo	8/19/2020	198.9	71	69	ST-T11 (+1)
<input type="checkbox"/>	CDNS	▲	Computer and Technolo	10/19/2020	100.4	69	76	ST-T11 (+1)
<input type="checkbox"/>	CHKP	▲	Computer and Technolo	10/26/2020	117.4	76	65	ST-T11 (+1)
<input type="checkbox"/>	TMUS	▲	Computer and Technolo	10/26/2020	111.5	79	67	ST-T11 (+1)
<input type="checkbox"/>	INTU	▲	Computer and Technolo	8/25/2020	320.8	73	88	ST-T11 (+1)
<input type="checkbox"/>	XLNX	▲	Computer and Technolo	10/28/2020	97.69	64	21	ST-T11 (+1)

# Conclusion

- These steps can usually be completed minutes each day.
- Lab Mode is an excellent tool to help you practice this method.
- Plan the Trade, Trade the Plan!



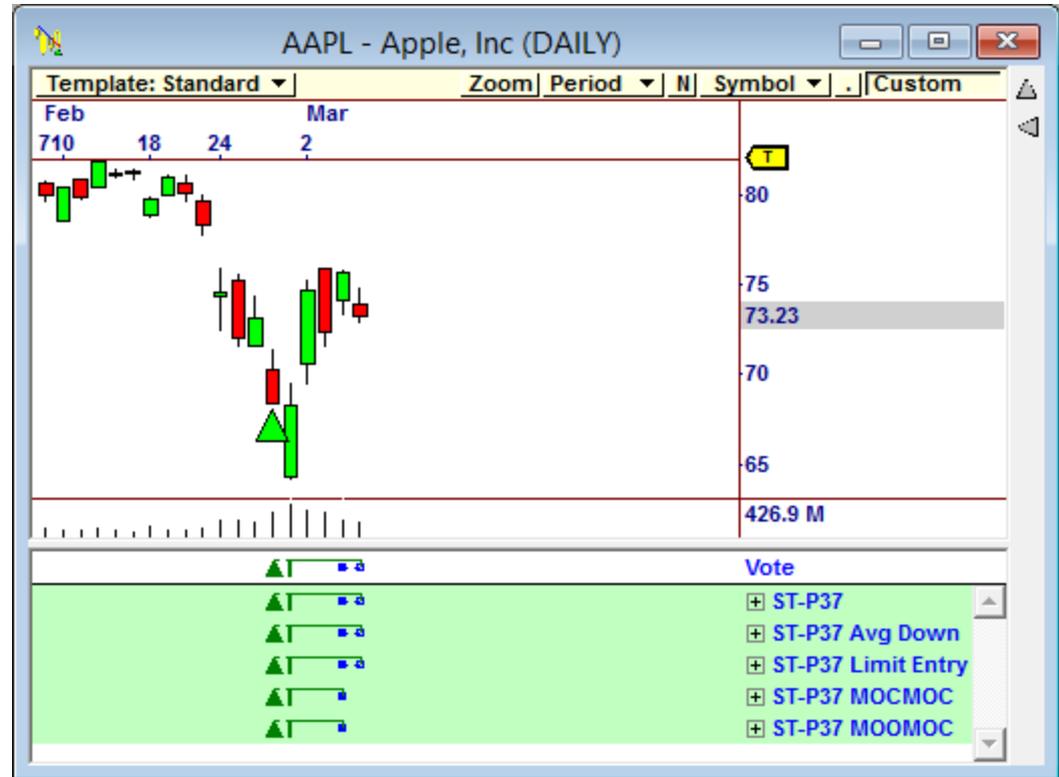
The background features a complex financial chart with various data series. In the upper right, there is a candlestick chart with a price change of -8.81%. Below it, a line graph shows a price change of +1.33. The overall theme is financial analysis and trading.

# ***Swing Trading for the Fences***

**BONUS SECTION:  
ENTRY AND EXIT OPTIONS**

# When to Get In and When to Get Out

- In the course we use Market on Open entries and Market on Open exits.
- There are options as to how we enter and exit trades.
- We'll look at pros and cons of each option using ST-P37 long trades.



# In and Out at the Open

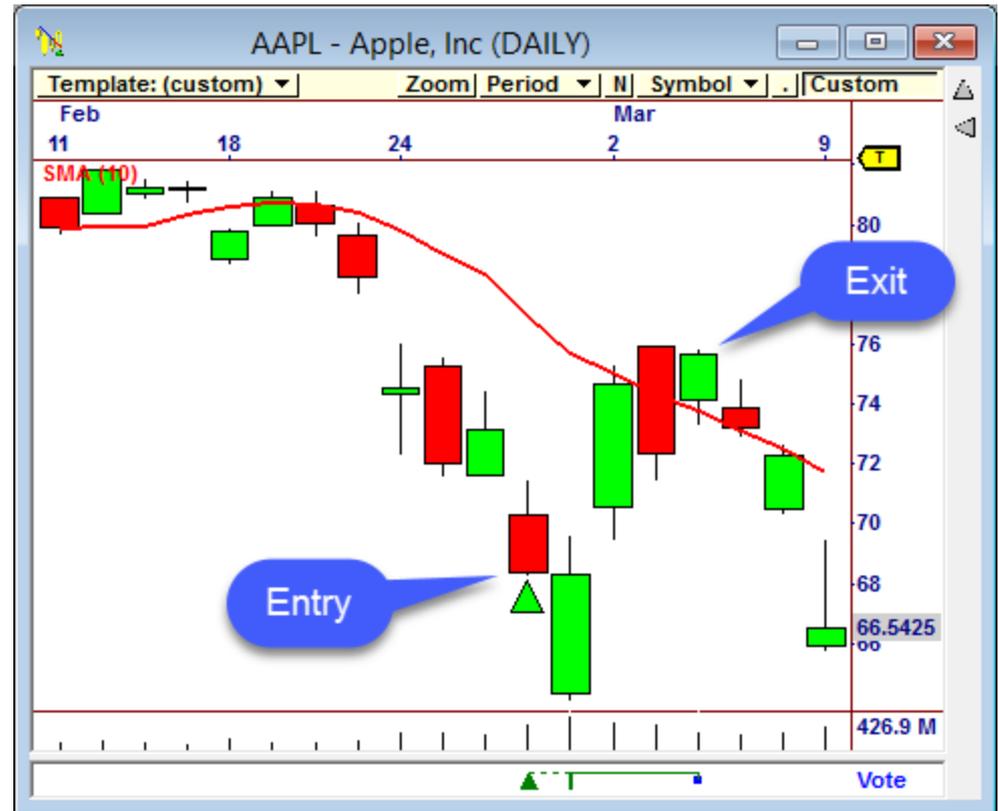
- Getting in and out at the open is easy as we can place our orders anytime after market close and before the next session starts.
- However, getting out of trades to free up cash for new trades can be an issue.



Execution Method	Hit Rate	Profit Per Trade
MOO/MOO	69%	0.62%

# In and Out at the Close

- Market on Close orders can be difficult to execute.
- Orders must be submitted 15 minutes prior to close.
- Your analysis will be done on incomplete bars.
- You still have the issue of exiting trades to free up cash for new trades.



Execution Method	Hit Rate	Profit Per Trade
MOO/MOO	69%	0.62%
MOC/MOC	71%	0.71%

# In at the Open, Out at the Close

- Another option is to enter at the open but exit at the close.
- Since we close trades at the close, we will have that cash available for our open entries.
- Still have the early analysis issue for the close orders.
- Be sure and avoid the PDT issue in smaller accounts.



Execution Method	Hit Rate	Profit Per Trade
MOO/MOO	69%	0.62%
MOO/MOC	71%	0.66%

# Using Limit Order Entries

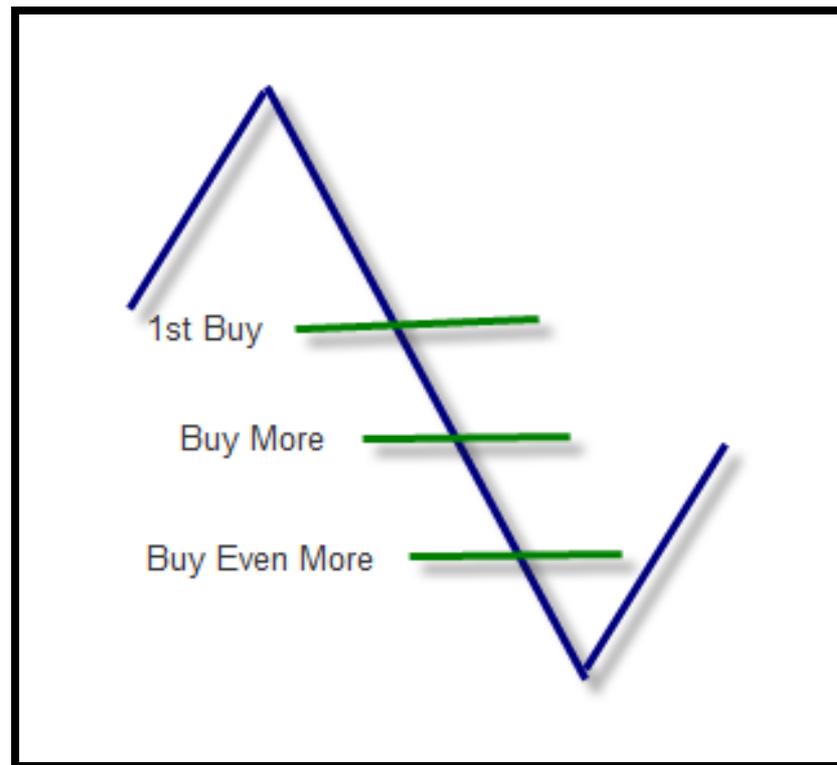
- Limit Order Entries can help us “lock in” an entry price.
- Limit Orders can be placed at any time.
- We may miss trades if price gaps beyond our limit price.
- In this example I made the limit one cent above the close of the prior session.



Execution Method	Hit Rate	Profit Per Trade
MOO/MOO	69%	0.62%
Limit/MOO	69%	0.63%

# The Averaging Down Technique

- Averaging Down is a technique where we buy more shares if the trade moves against us.
- It lowers the average price paid.
- This approach can often assist with Hit Rate and Profit per Trade.
- There is a substantial risk if the stock continues to move against you.
- You are also tying up a large part of your account in one position.



*This illustration shows the concept behind the Averaging Down method. As the trade moves against you, you buy more shares to reduce your average cost /share.*

# The Average Down Trade Plan

- This Trade Plan only Averages Down once.
- It does not have a Fixed Loss Stop.

Long Trade Plan | Short Trade Plan

Copy Long Trade Plan

Trade Plan View

Step	Condition	Orders	Next
1	Initial Order		
		Buy 100% SYM Market GTC	2
2	100% Long SYM		
	Fixed Loss Stop	Buy 100% SYM Market GTC	3
	SMA Profit Target Stop	Sell 100% SYM Market GTC	End
3	200% Long SYM		
	SMA Profit Target Stop	Sell 200% SYM Market Day	End

Condition | Orders

IMPORTANT: OmniTrader must have current data for any virtual condition to be checked [More Info.](#)

Virtual Conditions

Enabled	Condition
<input checked="" type="checkbox"/>	Fixed Loss Stop
<input type="checkbox"/>	Fixed Loss Stop On Close
<input type="checkbox"/>	Fixed Profit Stop
<input type="checkbox"/>	Fixed Profit Stop On Close

Stop Parameters

Parameter Name	Value
Stop Level	2
ATR Periods	20
Time Limit	0

Execution Method	Hit Rate	Profit Per Trade
MOO/MOO	69%	0.62%
Avg Down/MOO	78%	1.09%

# Entry Methods Case Study

- Our study shows that most execution methods limited effect on results.
- There may be a slight advantage with MOC/MOC, but it can be difficult to execute.
- Averaging Down can be effective in certain markets, but can be risky.

Execution Method	Hit Rate	Profit Per Trade
MOO/MOO	69%	0.62%
MOC/MOC	71%	0.71%
MOO/MOC	71%	0.66%
Limit/MOO	69%	0.63%
Avg Down/MOO	78%	1.09%

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**CONCLUSION**

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