



Momentum Stock Trader

User's Guide

Swing Trades

Swing trades are short-term trades, lasting anywhere from a couple of days to 3-4 weeks.

Just like intermediates, there are never more than 6 swing positions open at one time. Just like intermediates, DO NOT buy existing swing positions that have already moved if you are a new person starting out. Leg into these one at a time as the new trades come out on the MST.

Just like intermediate-term trades, of the money you'll use for trading swing trades, put aside 15-20% of the money as a "reserve amount" and divide the rest in 6 equal chunks. Trade each and every position with equal dollar amount.

Once we are in the position, the position gets logged in the Existing Positions table at the bottom of each of the Swing trade page and the stop is updated and listed in red whenever it needs to be, removing the guess work on your part.

As a guideline,

For long swings, we move up the stop to .03 below the low of the most recent trading day if that day the stock makes a higher high and a higher low than the previous day and closes above the open.

For short swings, for every day in which the stock makes a lower high and a lower low and closes below the open, move down the Buy-to-Cover-Stop to .03 above that day's high.

We don't move up the sell-stop on long swings if it was an inside day or the stock closed below the open.

For short swings, we don't move down the Buy-to-Cover-Stop if it was an inside day or the stock closed above the open.

Just as with intermediates, we place the trade with a \$1 limit on the stop price for stocks over \$20, .50 limit on stocks below 20. Just as with intermediates, the MST spells exactly how to place the swing buy or sell short order, removing any guesswork on your part.

Once we're in the position, move your stop up or down every day based on the stop published in the MST. When it needs to be changed, the stop is colored red. If it doesn't need to be changed, the stop is colored black.