

Ed's

# ***RocketTrade Method***

A Hands-On Course  
by Ed Downs



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# ***RocketTrade Method***

## **Part I Updates**

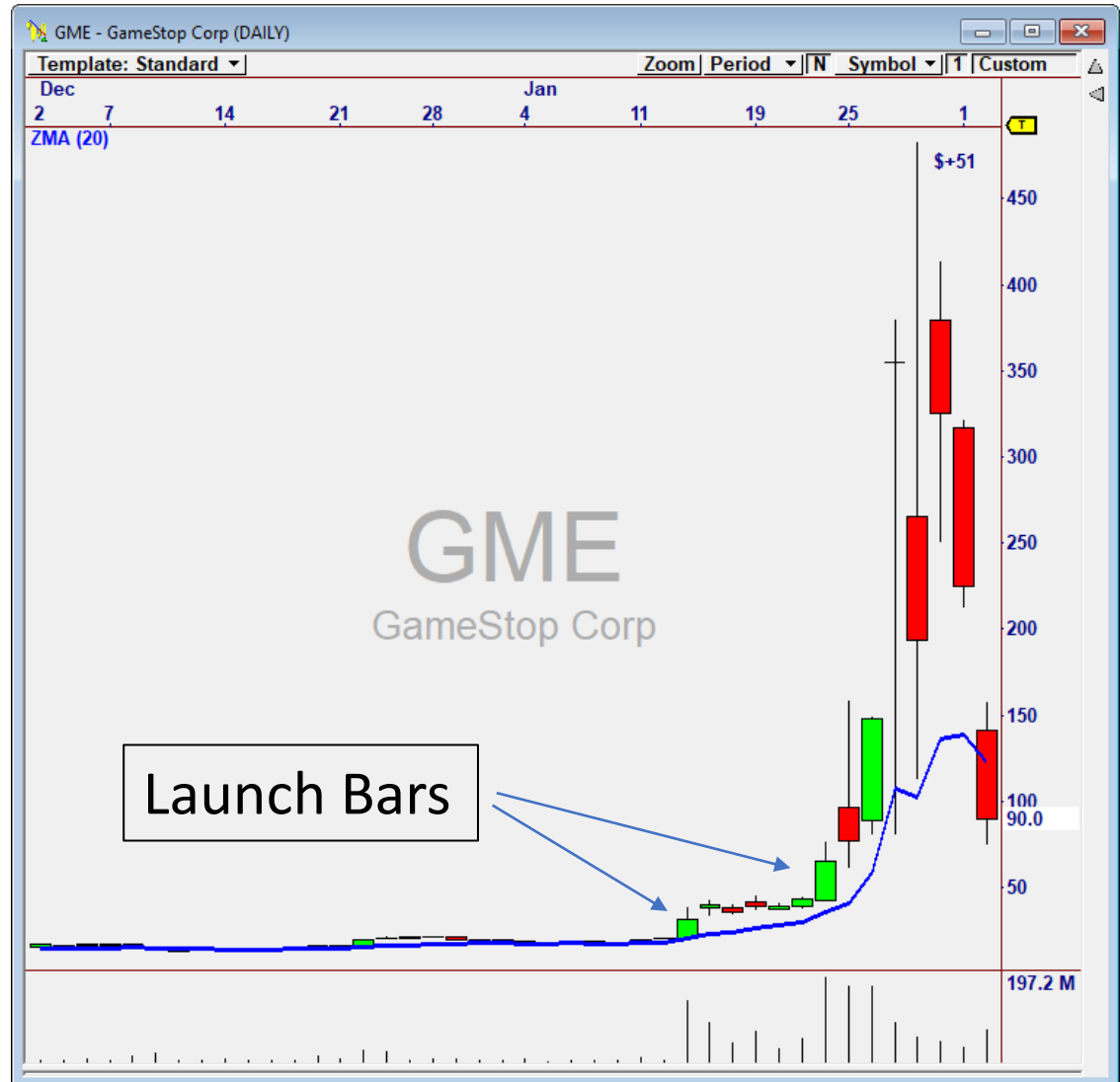


# About Short Squeezes

The Week of 1/25 was a week where RobinHood based traders launched Buying Attacks on the Hedge Funds.

One of them was Short 140% of GME.

Buying pushed the price from \$20 to \$150 on Day One, \$375 on Day Two, and up to \$450 on Day Three.



# OmniScan Squeeze Candidates

We don't want to focus on Squeeze Candidates but OmniScan has the right metric – ShortInterest.

Fundamental Search Criteria

**Fundamental Criteria Editor**

Define Criteria Rule

Select Item: ShortIntFloat%

13.700 90%

6.000 75%

☐ Range

☐ Below 0 %

☒ Above 80 %

☒ Instant Rule Update

☒ Use Percentages

0.900 25%

0.200 10%

Description (Optional)

Save To Library Apply Cancel OK

Sort Formula:

$100 * (C - C[1]) / \text{AVG}(\text{ABS}(C - C[1]), 20)$

# Squeeze Play from Today's Scan

We are seeing dramatic moves right now.





# OmniScan Capitalization

Some users have asked about running Dynamic OmniScans for Strategy Testing

This feature does not support historical fundamentals.

HOWEVER, targeting Higher or Lower Priced Stocks is a good replacement.

## HRS Strength:

Change

Cap(total) > 50% to C > 10

Rules	Symbol	Count
Cap(Total) >= 50%	Current	2693
Avg(C*V,3) > 10000000	Current	2040
HRS_ZBand(20,1.5) andalso C>0 andals...	Current	666
HRS_DIFF(14,5,"SPY") > 0	Current	395
HRS_ACC(14,5,"SPY") > EMA(HRS_AC...	Current	347
DTOE()>10 or DTOE()<=0	Current	347

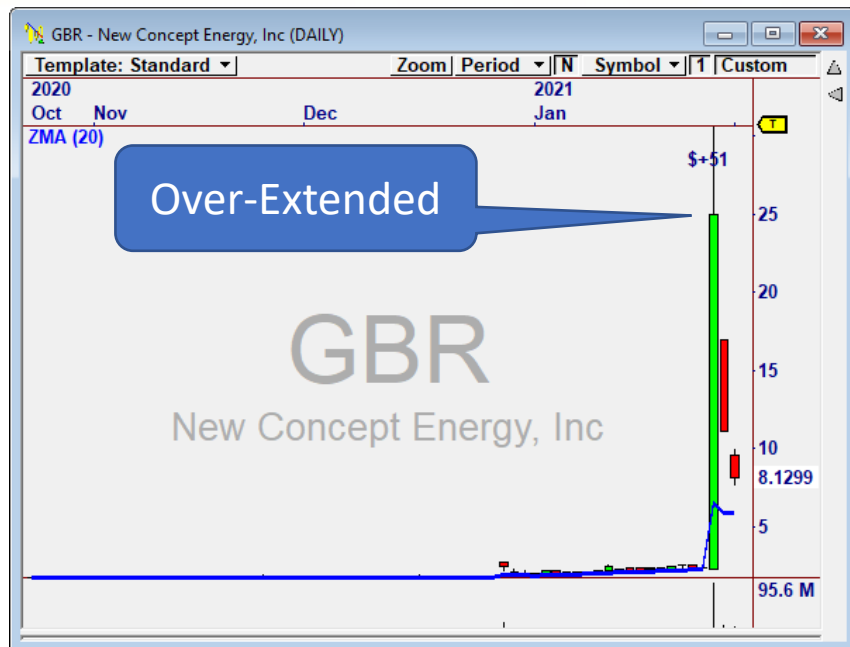
## HRS Strength LoCap:

Change

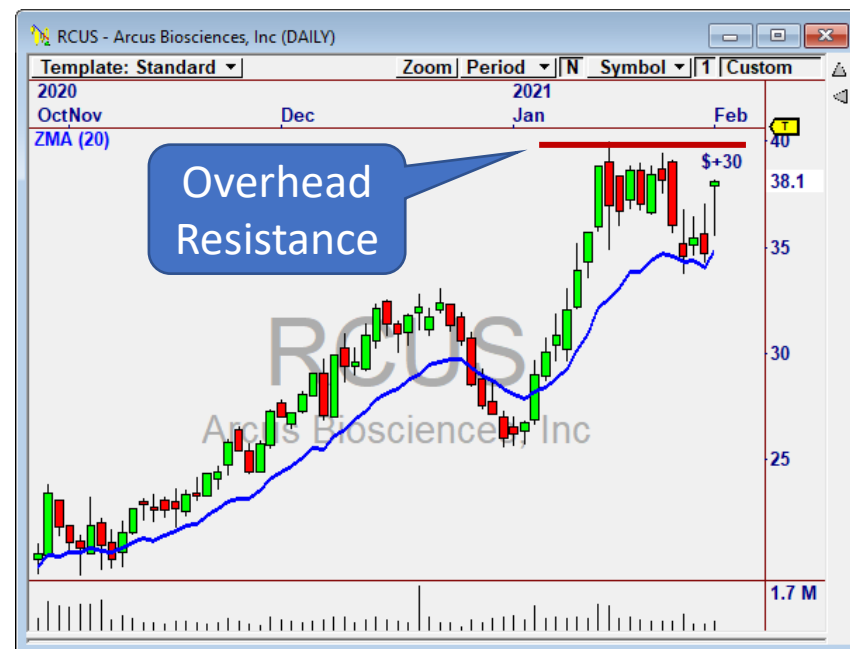
Cap(total) < 50% to C <= 10

Rules	Symbol	Count
Cap(Total) <= 50%	Current	6010
Avg(C*V,3) > 5000000	Current	671
HRS_ZBand(20,1.5) andalso C>0 andals...	Current	277
HRS_DIFF(14,5,"SPY") > 0	Current	202
HRS_ACC(14,5,"SPY") > EMA(HRS_AC...	Current	191
DTOE()>10 or DTOE()<=0	Current	191

# Charts to Avoid



- Over-Extended – A Very Over-Extended Chart is likely to hit Profit Taking.
- Too Volatile – These Charts are Highly Unpredictable
- Overhead Resistance – There is no reason to fight Resistance.



# Consider Using Real Time Charts

In End of Day  
OmniTrader, you can  
activate Real Time  
Charts.\*

These show  
INTERNAL Support  
and Resistance  
Levels.

I stayed in PCAR Way  
Too Long!!!

\* RT Data Subscription Required.





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# ***RocketTrade Method***

Part II

Watering the  
Garden



# Part 2 – Watering the Garden

## Agenda:

- **Planting & Watering:**  
How to Acquire Positions as you go.
- **Pruning:**  
Moving Stops to Maximize Gains and Minimize Losses
- **Pulling the Weeds:**  
When to Exit Losers
- **Harvesting:**  
When to Take Profits



Portfolio

Account Name: U1838968

Account | Open Orders | Order History | Positions | Close Positions

Display Trades: ☒ All ☐ Option

Symbol	Quantity	Entry Date	Entry Price	Last Price	Current P/L (\$)	Current P/L (%)
TLRY	248	1/11/2021 1:48 PM	2.3481	18.00	\$1,567.54	51.18%
PVL	1753	1/13/2021 12:53 AM	1.00	1.57	\$841.94	44.07%
SNL	5349	1/27/2021 1:32 PM	0.1	0.79	\$748.86	21.54%
CGC	96	1/11/2021 2:51:09 PM	31.532	37.83	\$604.20	19.96%
REI	2703	1/8/2021 2:51:08 PM	1.0565	1.25	\$520.78	18.22%
ACB	292	1/11/2021 2:18:05 PM	10.4	11.58	\$344.56	11.35%
EGHT	72	12/23/2020 2:41:29 PM	34.595	39	\$317.16	12.73%
GSAT	1609	1/13/2021 10:06:21 AM	1.0092	1.13	\$195.39	12.04%
CMRX	360	1/8/2021 2:53:41 PM	8.199	8.72	\$187.58	6.36%
WBA	64	1/11/2021 2:51:18 PM	47.68	50.6	\$186.88	6.12%
WTI	413	11/25/2020 12:18:04 PM	2.19	2.61	\$173.46	19.18%
CDEV	400	1/8/2021 2:54:13 PM	1.995	2.34	\$138.00	17.23%
VFF	130	12/23/2020 2:55:49 PM	11.35	12.35	\$130.00	8.81%
BKD	206	11/25/2020 12:18:33 PM	4.39	4.9	\$105.06	11.62%
IVR	500	1/25/2021 2:41:04 PM	3.79	3.93	\$70.00	3.69%
DVAX	178	12/23/2020 2:51:26 PM	5.619	5.95	\$58.94	5.89%
SELB	400	1/25/2021 2:39:35 PM	4.058	4.2	\$56.80	3.50%
ALL	21	12/16/2020 2:54:07 PM	106.65	109.3	\$55.65	2.48%
FANG	58	1/27/2021 10:10:35 AM	59.45	60	\$31.90	0.93%
RF	155	1/6/2021 10:37:21 AM	17.385	17.47	\$13.17	0.49%
GDOT	-66	1/25/2021 2:38:31 PM	51.785	51.709	\$5.02	0.15%
PCG	-303	1/25/2021 2:41:46 PM	11.37	11.41	(\$12.12)	-0.35%
RCL	-50	1/25/2021 2:41:20 PM	68.46	68.98	(\$26.00)	-0.76%
PLTR	96	1/25/2021 2:41:34 PM	36.3	36	(\$28.80)	-0.83%
LB	60	1/6/2021 2:55:40 PM	43.53	41.99	(\$92.40)	-3.54%
DSX	1480	1/27/2021 10:44:35 AM	2.32	2.25	(\$103.60)	-3.02%
SONM	1000	1/25/2021 2:43:52 PM	1.039	0.93	(\$108.48)	-10.45%



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# ***RocketTrade Method***

Planting & Watering the Garden



# Keep Planting



Keep looking for “Seedlings” to transplant to our Garden.

- Strength Scans: Continued Upside Movement
- Weakness Scans: Steady Sell-Offs
- Launch Scans: Strong Evidence of a Pending Launch



WHERE MOST OF YOUR  
PROFITS WILL COME FROM

# Blast Off!



Up over 170%  
in One Day.



15 Minutes



Purchased  
yesterday 2/1  
for \$22.



# Do We Need to Find a Short Squeeze?

No.

SUDDEN and MASSIVE Accumulation has always occurred in Markets. There have always been Rockets.

The Key is to be in the Right Place at the Right Time.



This Launch Bar Happened December **2019**

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# ***RocketTrade Method***

Pruning with Stops



# Set Exit Levels

Set Stop at  
Recent  
Support Level.



# Set Exit Levels

Set Stop at  
Recent  
Resistance  
Level.





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Pulling the Weeds





# How Likely?

Always ask yourself, “How Likely is this Position to go Higher from Here?”



Has Dropped and Consolidated – Not Likely to Go Up

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Harvesting



# Harvesting the Rockets

Parabolic Move:

A very tight stop should be implemented.

SAVA is up 170% in One Day. Apply Tight Stop

Real Time Chart Helps but not necessary.

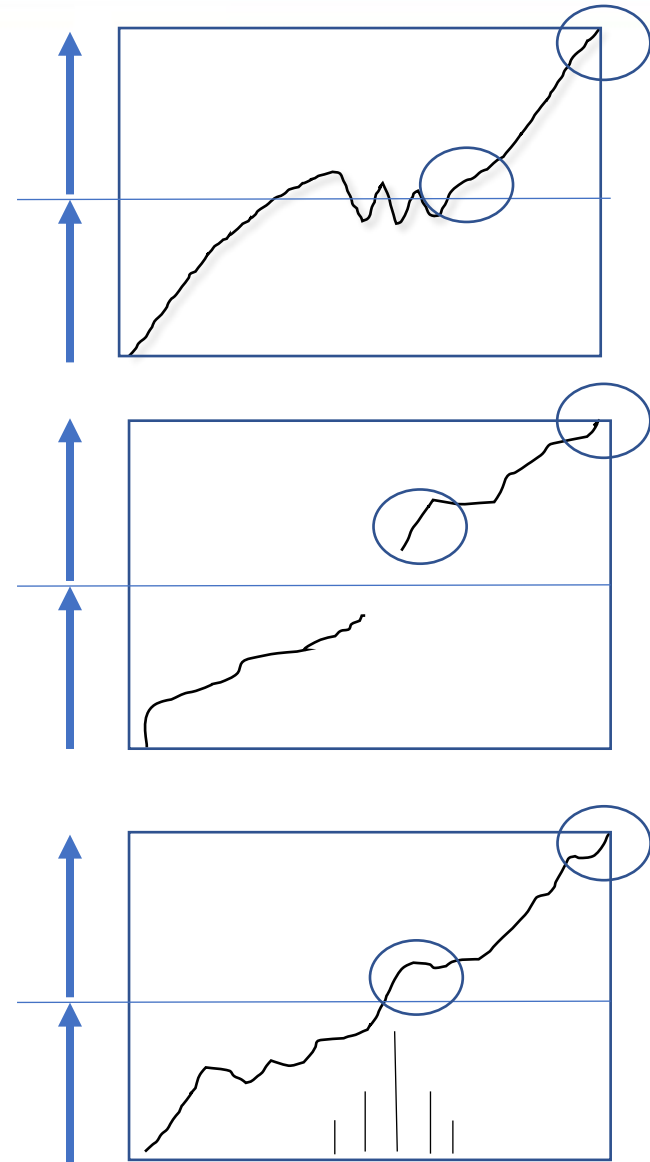
LIVE Trade, Feb 2, 2021



# Use Measured Move Targets

Measured Moves are patterns that indicate the half way point on charts.

- Consolidations
- Measured Gaps
- Volume Climaxes





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# ***RocketTrade Method***

Putting it All Together





# Account Reviews

Quick Review  
of Trades and  
Stops in the  
LIVE Account.

“Rockets”

Portfolio

Account Name: U1838968

Account | Open Orders | Order History | Open Positions | Closed Positions

Display Trades  
☒ All ☐ Option

Close Position

Symbol	Quantity	Entry Date	Entry Price	Last Price	Current P/L (\$)	Current P/L (%)
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CGC	96	1/11/2021 2:51:09 PM	31.5362	40.06	\$818.28	27.03%
DVAX	178	12/23/2020 2:51:26 PM	5.619	9.5501	\$699.76	69.96%
ACB	292	1/11/2021 2:18:05 PM	10.4	12.575	\$635.10	20.91%
DSX	1480	1/27/2021 10:44:35 AM	2.32	2.66	\$503.20	14.66%
CMRX	360	1/8/2021 2:53:41 PM	8.199	9.26	\$381.98	12.94%
CDEV	400	1/8/2021 2:54:13 PM	1.995	2.9031	\$363.24	45.52%
REI	2703	1/8/2021 2:51:08 PM	1.0565	1.18	\$331.57	11.60%
VFF	130	12/23/2020 2:55:49 PM	11.35	13.74	\$310.70	21.06%
AMRN	454	1/25/2021 2:39:44 PM	7.5375	8.1899	\$296.57	8.67%
BKD	206	11/25/2020 12:18:33 PM	4.39	5.075	\$141.11	15.60%
WTI	413	11/25/2020 12:18:04 PM	2.19	2.5101	\$132.20	14.62%
SELB	400	1/25/2021 2:39:35 PM	4.058	4.305	\$98.80	6.09%
PVL	1753	1/13/2021 10:02:53 AM	1.0888	1.125	\$61.86	3.24%
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GSAT	1609	1/13/2021 10:06:21 AM	1.0092	1.04	\$50.58	3.12%
WBA	64	1/11/2021 2:51:18 PM	47.68	48.4	\$46.08	1.51%
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LB	60	1/6/2021 2:55:40 PM	43.53	44.03	\$30.00	1.15%
FANG	58	1/27/2021 10:10:35 AM	59.45	58.51	(\$54.52)	-1.58%
NOVN	1000	1/25/2021 2:40:40 PM	1.35	1.225	(\$125.00)	-9.26%
SONM	1000	1/25/2021 2:43:52 PM	1.039	0.893	(\$145.48)	-14.01%
NVIV	500	1/25/2021 2:40:02 PM	1.6675	1.18	(\$243.00)	-29.17%
IMMR	236	1/25/2021 2:38:07 PM	14.6	13.44	(\$273.76)	-7.95%
ADT	328	1/27/2021 2:33:02 PM	10.0573	8.94	(\$366.64)	-11.11%
NNDM	206	1/25/2021 1:15:03 PM	16.545	14.68	(\$384.16)	-11.27%
PLTR	96	1/25/2021 2:41:34 PM	36.3	31.7122	(\$440.43)	-12.64%
PLUG	46	1/26/2021 12:45:29 PM	74.67	63.975	(\$491.97)	-14.32%

Close

## Account Information

Account Margin: 100 %

Current Equity: \$69,403.80

Current Cash: (\$6,957.07)

Buying Power: \$173,094.78

Longs Total Value: \$76,360.87

Shorts Total Value: \$0.00

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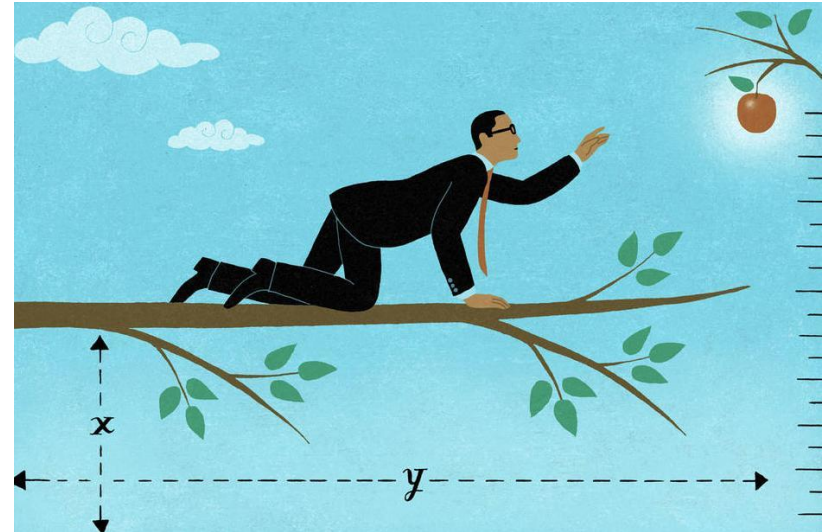
Coming in Part III



# Part 3 – Reducing Risk

## Agenda:

- **Kinds of Risk:**  
Market versus Security Exposure
- **Ways to Diversify:**  
Accumulating Different Things.
- **Balancing Positions:**  
How to Play Both Sides of the Market
- **Hedging:**  
Using Options to Hedge Against Risk





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Thank you!

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