Final – Putting it ALL Together
TheoTrade Summer School
with Tony Rago
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Putting it All Together – The little things

1. SPOT Tests – how many is too many?
2. The BIG markers and converting levels
3. Scalping the NQ
4. 5 min Chart
5. Q&A
SPOT Tests – How many? Price > Everything

1. SPOT Tests – Regular Trading Hours (RTH) ONLY
   a. The first pass has the best probability of paying – verify with your homework
   b. 2nd Pass the marker is still good – pay attention to overall price
   c. 3rd pass and beyond – let it print first and let the trade setup via overall price
   d. These are also setups from the “Back thru” trade
      a. The back thru is buying/selling the SPOT test against the respective marker and looking for it to slice thru the SPOT
      b. You need to have a limit order sitting there to catch this trade.
   e. Recognize when you are fighting price or a trend ← use longer time frame to identify
Too Many Tests from Below

Multiple Passes of the 36 from below

The Back thru
Multiple Passes of the 06 from above

Multiple Passes of the 06 from above

The Back thru
The BIG Markers that convert levels

1. The 12 Marker
   a. This marker is used to determine if/when we convert the roundy below
   b. It is also used as the gateway to the roundy below if lost on tests from above

2. How to use the 12 Marker for LONG SETUPS
   a. Coming into the 18 from above the 12 is the maker on a long
   b. You must try the LONGS until the 12 breaks and overall price sets up
   c. On first passes of the 18 from below – if no rejection be cautious of the conversion of the 12 based on price
   d. Price will glom to the 12 and can remain there until it resolves – you wanna go with price
   e. 12 IS NEVER A PRESS OR AN ENTRY

3. How to use the 12 for SHORT SETUPS
   a. We use the 12 marker on an 06 short on the first pass with a roundy backtest as the target
   b. This is also where the roundy can go resistance if the 12 remains above us
   c. If coming from the 18 in a downtrend – once the 12 is lost you can try an AGGRESSIVE SHORT 10 VS 12
   d. The 12 remains the marker until price can get and stay above it or until a roundy prints
LONGS ARE AGAINST THE 12

First pass of 18

12 Remains the marker
LONGS ARE AGAINST THE 12 IF NO REJECTION ON THE 18

First pass of 18 from below – NO rejection

12 Breaks and traps shorts
IF THE 12 REMAINS RESIS IT OPENS THE ROUNDY

Losing the 12 opens the roundy

12 remains resis and opens the roundy again
THE 12 REMAINS ABOVE US AND SETS UP THE TREND DOWN

Looking for a roundy test at open as long as 12 is resis

Short 06 vs 12 to get a roundy
First Pass Fade of the 06 AGAINST THE 12

First pass of 06 from below against the 12
The BIG Markers that convert levels

1. The 62 Marker
   a. This marker is used to determine if/when we convert the 50 below
   b. It is also used as the gateway to the 50 below if lost on tests from above

2. How to use the 62 Marker for LONG SETUPS
   a. Coming into the 66 from above the 62 is the maker on a long
   b. You must try the LONGS until the 62 breaks and overall price sets up
   c. On first passes of the 66 from below – if no rejection be cautious of the conversion of the 62 based on price
   d. Price will glom to the 62 and can remain there until it resolves – you wanna go with price
   e. 62 IS NEVER A PRESS OR AN ENTRY

3. How to use the 62 for SHORT SETUPS
   a. We use the 62 marker on an 56 short on the first pass with a 50 backtest as the target
   b. This is also where the 50 can go resistance if the 62 remains above us
   c. If coming from the 66 in a downtrend – once the 62 is lost you can try an AGGRESSIVE SHORT 60 VS 62
   d. The 62 remains the marker until price can get and stay above it or until a 50 prints
62 MARKER IS THE DEAL
THE 62 IS LOST AND SETS UP REVERSAL THRU THE 50

56S OPEN

56S still OPEN

62 lost and opens the 50
First Pass Fade of the 56 AGAINST THE 62

56 First Pass Fade against the 62 Only owes you a 50

Longs are against the 50

Higher lows above the 50

If 62 remains good we convert the 50
Are we converting the 50?

First pass of 66 only pays risk out

62 Remains good
Scalping the NQ

1. Scalping the NQ Chart
   a. You are relegated to SPOT entries ONLY
   b. SPOTS only helps you avoid overtrading
   c. 1ST Passes have the best probability
   d. The scalp setup is based on a risk reward of 1:1 (risking 4 to make 4)
   e. You BUY on the test from above
      i. It only owes you a bounce to the nearest point of resistance which is the marker above
      ii. Front Run the marker above
      iii. Take the full position off and wait for the next setup
   f. You SELL on tests from below
      i. It only owes you a test of the nearest point of support which is the marker below
      ii. Front Run the marker below
      iii. Take it all off and wait for the next setup
Scalp Setups

First pass of 77

Test of 66 from above

First pass of 66

Test of 56 from above
Using the 5 min Chart with the 20, 50 ema’s and VWAP

1. Using the 5 min Chart with Ema’s
   a. The 5min chart has been incorporated to help identify the trend and remain in trades longer
   b. We still use the 2min as the CORE chart for entries and indicates open SPOTS
   c. Once you have your entry and risk out – watch the 5 min chart for continuation
   d. Momentum indicator using the ma’s – look for the crosses for the UP and the DOWN
   e. The 5min provides a look that has a lot less noise than the 2min and will help you from taking profit too soon
   f. The 5min can also be used to avoid counter trend trades or contrarian trades
   g. Simply helps you go with the trend

2. Price remains the deal
   a. Try to avoid anticipatory trades/fades when the 5min is ramping up or persistently weak
   b. Watch the ema’s and VWAP for clues
   c. Risk out is still the primary objective
Q&A