

Trader Starter Pack 2.0

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In this Starter Pack you will learn:

- I. Trader Terminology
- II. Candlesticks
- III. Common Chart Patterns
- IV. Float
- V. Support & Resistance
- VI. Level 2 & Time and Sales
- VII. VWAP
- VIII. SEC Filings
- IX. Best Brokerages
- X. Top Trading Books
- XI. Best Trading DVDs & Courses

You can join our trading club for free via <https://discord.gg/EyXrTYw>

- Tight knit community helping one another
- Great traders providing analysis in real-time
- Fast trade alerts & accurate watchlists
- Trading consultation calls


Terminology

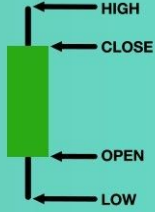
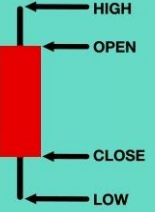

HOD	High of day
nHOD	New high of day
LOD	Low of day
nLOD	New low of day
EOD	End of Day
B/O	Breakout
SS	Short Sell
Long	Buying the stock
Green	Stock is above previous day's close
Red	Stock is below previous day's close
G/R	Stock was above prior day's close, but now has gone below it
R/G	Stock was below prior day's close, but now has gone above it
SSR	Short sell restriction (have to short on the ask)
DD	Due diligence, do your homework on stock, news, etc
ER	Earning Report

Pre	Pre-Market Trading
AH	Post-Market Trading
R/R	Risk/Reward
Channel	Certain price range that a stock stays within
ETB	Easy to borrow
ETFs	These are not companies! Google it so you remember :)
Gearing	Gearing, Perking, Moving are terms used to describe strength
Heavy	Lots of buying OR selling pressure
HTB	Hard to borrow
LITS	Line in the sand
Washout / Wash	A large sudden drop in stock price
Scale in/out	Buy/selling partials on the way up or down
Absorbing	A buyer stepping in to save a stock from falling
Soaking	Hidden buying or selling on the bid or ask
Spread	The difference between the bid/ask price
Stuff	Large upper wick candle showing intraday weakness


Candlesticks

ANATOMY OF CANDLESTICK FORMATION



OPENING PRICE < CLOSING PRICE	OPENING PRICE > CLOSING PRICE	OPENING PRICE = CLOSING PRICE
		 DOJI

Bullish Candles








				
Most Bullish	2nd Most Bullish	Normal Bullish	Neutral Bullish	Least Bullish

Chart Patterns

Level 2 and Time & Sales

The bid is the buy side (left side of the screen). This is where market makers are placing buy orders. The ask is the sell side (right side of the screen). This is where market makers are placing sell orders. The difference between the bid and the ask is defined as the "spread".

The chart is only a physical graph showing you completed trades. The Level 2 and T&S offers you a complete view of what the market is doing RIGHT now and is showing you the details of each completed trades and pending orders.

A microscope on the market:

1. You can identify "soaking"
2. You can identify "absorption"
3. You can identify block orders going through
4. You can identify a bid prop

Level 2 and Time & Sales

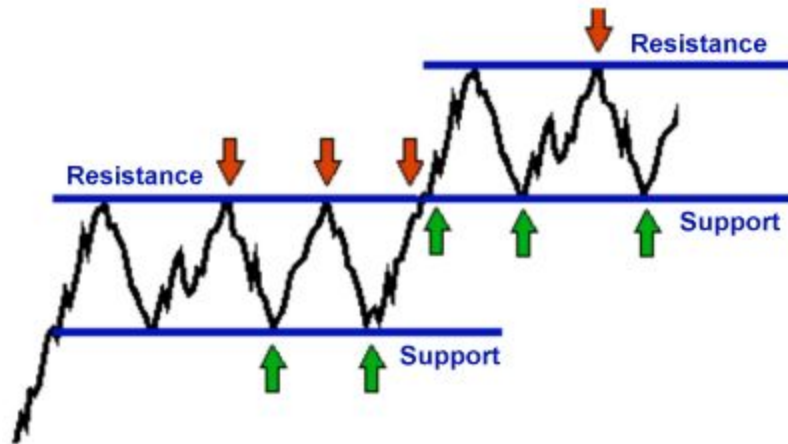
Along with the more advanced topics above that we will cover in the future is the ability to identify market manipulation such as hidden selling - you can see in this image above. \$1.04 offer only showing 100 shares but you can clearly see in the time and sales there's many more



The greatest way to learn how to read the "tape" (level 2 and t&s combined) is to just WATCH your screen. There is no way anyone can teach you everything about L2. You can record your screen while the market is on and watch it back in slow motion to discover the tricks.

Support and Resistance

Support and resistance is one of the most simple yet effective indicators in all of trading. Resistance is defined as a level the stock has failed to surpass, support is the exact opposite. A break of resistance is considered to be a bullish move and a break of support is considered to be a bearish move.



Previous resistance becomes new support once the resistance has been broken

Float

The float is the term used to define the number of tradable shares in the market. Float is calculated by subtracting closely held shares from the total shares outstanding.

The lower the float the less amount of volume it takes to move the stock. A 50,000 share block on a 300,000 float will be much more significant than a 50,000 share block on a 10,000,000 float.

Micro-Float	300,000 - 1,000,000 shares
Low-Float	1,000,000 - 10,000,000 shares
Mid-Float	10,000,000 - 35,000,000 shares
Large-Float	35,000,000+ shares

Float rotation is a key concept for trading stocks, especially small caps. When a stock “rotates” the float all the available shares have been traded one time over. The supply has diminished and the demand is high!

For example:

Stock \$XYZ with a float of 2,000,000 shares has traded 6,000,000 shares by 10:00AM. This stock has already rotated the float 3x, this means a lot of eyes are on the stock and new people are recycling shares over and over again. Float rotation can be a HUGE red flag for short sellers if the stock is over VWAP and holding an uptrend.

You can find the float of a security on the following:

- Finviz.com
- Finance.yahoo.com
- Broker Platform

VWAP

One of the most popular chart indicators used by Institutional and Retail traders, here's the general rule of thumb:

- Stock is over VWAP it is considered relatively strong or bullish
- Stock is under VWAP is considered relatively weak or bearish
- VWAP Reclaim is extremely bullish (stock was below vwap, now broke back above and confirmed support)
- VWAP Rejection is extremely bearish (stock was below or above vwap and rejected the reclaim)



IGC in this example breaks above VWAP showing strength



AMD in this example breaks below VWAP showing weakness

SEC Filings

10-Q

Unaudited Quarterly report that updates the 10-K

10-K

Comprehensive annual report of the company

20-F

Financial report filed by foreign countries listed on U.S exchanges

8-k

Report of unscheduled material events or corporate changes

13-D

Submission by a shareholder who acquires beneficial ownership of more than 5% of the CO

Form 144

Notice of intent to sell restricted stock which is usually held by corp insiders who obtain stock outside of a public offering

Form NT

A company files this when they need an extension to file a 10-Q or 10-K in time. This allows for an extra 15 days to file.

S-3

A company makes an S-3 filing in order to raise capital

Brokerages

The one question everyone seems to have! The first thing you have to ask yourself is what kind of trader are you? This will be very important to find out before you chose a broker.

Below \$25k Brokers Recommended:

ETrade, WeBull, TD Ameritrade

Trading Books

- Reminiscences of a Stock Operator by Edwin Lefèvre
- Trading in the Zone by Mark Douglas
- The Daily Trading Coach by Brett N. Steenbarger
- One Good Trade by Mike Bellafiore
- The Playbook by Mike Bellafiore

Trading Courses & DVDs

- Trading Tickers by Tim Grittani
- ****Market Notify's Free Beginner Course****
<https://www.marketnotify.net/day-trading-university>
- YOUTUBE!

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