No BS Day Trading - Adapting to the ES

I do periodically make trades in the ES when I feel like there is good action taking place in that market. Particularly when there appear to be very few good opportunities in the treasuries. All of the concepts I teach apply to all markets in some way or another. However, all markets have there own nuances and each one behaves in a different manner. The trick is to adapt in such a way that you are still looking for the same basic plays but you realize that you may have to adjust your risk to reward parameters a bit as well as adjust the way you manage the trades.

I think you typically have to risk at least 3 to 5 ticks in the ES except under ideal circumstances where you have insant edge and know you should scratch if it comes back to your price. I point out an example of this in the video. The ES is also a market which can give a LOT of ticks when there is real pressure. It's hard to make the swap from treasuries in this regard because I'm not familiar with seeing 8 to 12 tick sweeps on a regular basis in the treasuries so I often exit my ES trades a bit too early. You should still be looking for the same signs of heavy volume and back ticking stopping the market but sometimes a little more leeway can be given because of the potential upside if the move continues.

In this video, I demonstrate how I was able to make a few good plays on a very busy day in the ES. The first thing to understand is that there were already clues that it was going to be a busy day. Right from the open at 9:30am, the market began moving on nice volume and it was obvious that people wanted to play. The price of 15.00 was a clear support level by any standards and it appeared as though a break through that support could lead to some nice movement. How did I come to this conclusion? Answer = experience. This is what I mean by understanding context.

I have a group of "setups" which I'm looking to play every day but whether or not I take them depends on the context. The reason I mention this is because I'm sure some people who watch this video will say it was an "obvious sell" at certain levels (although most would not admit to the buy trade being obvious). I would say they are correct about the sell trades being obvious or at the very least, you had to maintain a short side bias given the price action. But only because the context was there. If had been 11:30am and the market had been very slow all morning and failed to reach 15.00 for two hours and then barely made it there on light volume, I would not have taken that first short trade. The context would not have fit into my parameters. It doesn't mean it can't break under those conditions. It just means it's probably a lot less likely to break under those conditions and I'd rather not risk the money in that scenario because I don't feel like it's a high probability trade. It's not just a "setup" of selling lows. It's selling above the low in a "before she goes" type setup due to heavy volume driving the market into that area and the context indicating that a break was likely.

Even though I point people to the treasuries as I feel they are better trade in general, I do like to show how the concepts can be applied to other markets.