

# Selling Strategies



# Ground Rules

- Consider your timeframe – Are you a Day Trader, Swing Trader, Long-term holder?
- Different strategies apply to different investment goals/styles.
- Never let your losers run. Have a plan to sell WHEN you're wrong.
- Forget Your Ego, Swallow Your Pride, Don't Get Emotionally Attached
- Don't beat yourself up over mistakes/losses, Keep Learning!
- Sell sooner in a weak market, Hold longer in a strong bull market.
- **Take Your Losses Quick & Your Profits Slow**



# Selling Into Strength

- Big Green Candle after an extended run
- Upper Channel Break
- Climax Run (use trailing stops if available)
- Price Very Extended beyond short-term moving averages (10-EMA)
- RSI at extreme highs (80+)
  - Indicators are more reliable on longer-timeframe charts (daily/4-hr)

# Responding to Sell Signals

- Heavy Volume Reversals – At minimum, should put you on alert.
- Big wick at the top of candle – especially with volume
- Failed Breakouts – breaks below support/breakout point
- Break of Support Levels
  - Trend Lines
  - Horizontal Support (specific price levels)
  - Moving Averages
- Trend Reversal
  - Bearish Patterns such as Double Top or Head & Shoulders

# Systematic Selling

- Routine Profit Taking – Sell Targets are Pre-Determined
  - Take profits after a set target % gain, i.e. 20-30%
  - Cut losses after set % loss
  - Take Profits as it approaches prior resistance
  - Take profits based on indicators – RSI/MACD/Fibonacci