

# Around The Horn

## NASDAQ Volatility Band Setups

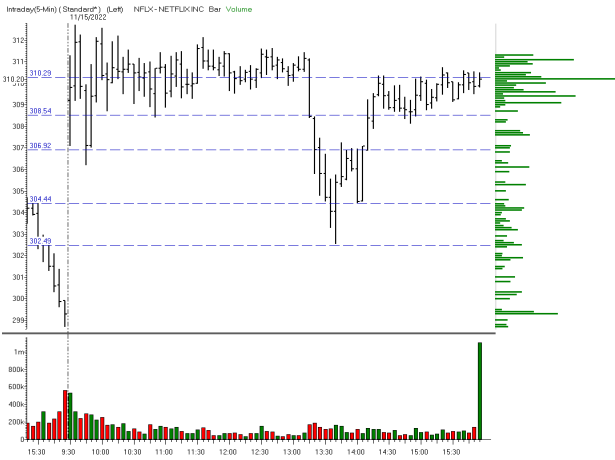
**Wednesday, November 16, 2022**



Symbol MSFT  
 Description MICROSOFT CORP  
 Pattern SCALPER  
 Position **Short**  
 Entry 242.88  
 Scalp 241.94

Alternate Entry 1 241.94  
 Alternate Target 1 241.08  
 Alternate Entry 2 241.08  
 Alternate Target 2 240.07

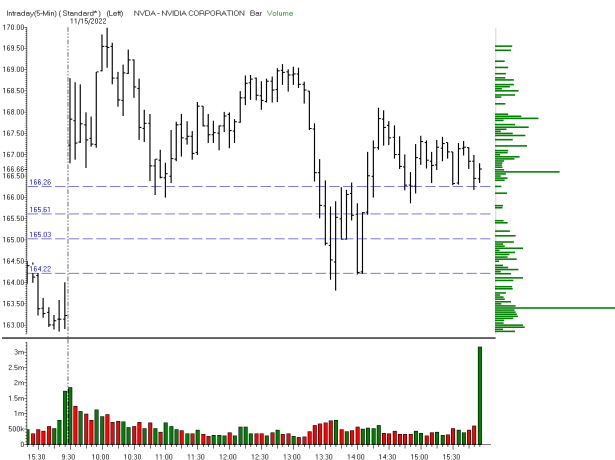
|    |        |
|----|--------|
| R2 | 249.97 |
| R1 | 245.97 |
| P  | 243.00 |
| S1 | 239.00 |
| S2 | 236.03 |



Symbol NFLX  
 Description NETFLIX INC  
 Pattern SCALPER  
 Position **Short**  
 Entry 310.29  
 Scalp 308.54

Alternate Entry 1 308.54  
 Alternate Target 1 306.92  
 Alternate Entry 2 306.92  
 Alternate Target 2 304.44

|    |        |
|----|--------|
| R2 | 318.65 |
| R1 | 314.42 |
| P  | 308.49 |
| S1 | 304.26 |
| S2 | 298.33 |



Symbol NVDA  
 Description NVIDIA CORPORATION  
 Pattern SCALPER  
 Position **Short**  
 Entry 166.26  
 Scalp 165.61

Alternate Entry 1 165.61  
 Alternate Target 1 165.03  
 Alternate Entry 2 165.03  
 Alternate Target 2 164.22

|    |        |
|----|--------|
| R2 | 172.98 |
| R1 | 169.82 |
| P  | 166.82 |
| S1 | 163.66 |
| S2 | 160.66 |

# AAPL

## Volatility Band Hierarchy

Directional Bias Determined By Pre-Market Trading in AAPL and S&P 500 Futures



### Volatility Bands

153.59  
 153.15  
 152.85  
 152.50  
 151.85  
 151.85  
 150.90  
 149.89  
 149.41  
 148.63  
 148.23  
 147.87  
 147.65  
 147.46  
 146.69  
 146.27  
 145.48  
 145.05  
 144.70  
 144.19  
 143.73  
 143.41  
 142.94  
 142.05  
 140.85  
 140.39  
 139.80  
 139.41

### Pivot Lines

**R2** 155.76

**R1** 152.90

**P** 150.73

**S1** 147.87

**S2** 145.70

# Using The Around The Horn Nasdaq Volatility Bands

The *Around The Horn Nasdaq Volatility Bands* use the volatility-based patterns from *Around The Horn: A Trader's Guide To Consistently Scoring In The Markets* in a slightly different manner than that identified in the text. In the case of *Volatility Bands*, what I am looking to accomplish is the identification of volatility bands that occurred on the day of the pattern setup, in stocks that made wide range *Around The Horn* moves.

Each day, I try to identify three to six stocks that are on the move, and have at least three, clearly identifiable, bands of contained intraday volatility. The theory is that, if price moves back into one of these bands during the following session, the resulting price activity should provide an opportunity to capture profits from one, or several, moves back and forth between the support and resistance identified by the bands.

I generally prefer to take entries in the direction indicated by the *Around The Horn* pattern on the setup day. In other words, if the setup is a *Fast Ball* short, then my preference is to take scalp positions as the stock travels lower through one of the entry bands toward a target band. Once a stock moves to the target band, I will wait to see if there is an extension, particularly if the move happens early in the session. During the middle of the trading day, the bands tend to form tighter support and resistance, and extensions are less likely. In the last hour of trading, extensions are once again common, and I loosen my parameters, and look for profit extensions on band violations in my favor.

Counter-trend entries are possible and potentially profitable. I only consider these entries once a clear trading range has been reestablished on the day of the scalp entry. If price starts moving in the same volatility band identified in the previous session, then I will consider a short entry at the top of the channel, followed by a long reversal at the bottom of the channel, then another short sale at the top band, etc.

Always let the bid/ask spread be your guide. If a trading plan has many potential scalp setup, and they all happen to be close to a trigger price, then the ones to eliminate are those with the largest bid/ask spread. If an entry is desired on a wide spread, take the spread – do not give it. In other words, post buys on the bid, and sales or short sales on the ask.

When in doubt, look to the S&P futures as a leading indicator. If the futures are rocketing higher, short positions will be fighting the tape. If the futures are diving, long positions will be difficult to deal with. In both cases, a futures/position divergence will mean unfavorable spreads on the exit side of the trade.

As I stated in the Boot Camp and the Income Trading Academy, the best way to use this trading service is as a guide. Compare the bands that you develop for other stocks with the ones that I create. Try to trade your own setups, and avoid piling into all of the trades that I present, as liquidity is limited, and scalp trading has very tight profit objectives. The best way to use *Volatility Bands* is as a learning tool, and developing alternate setups is going to be the key to everyone having lots of opportunities.

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