
NATE BEAR'S
4-DAY
EARNINGS PROFIT BLITZ

Day 3

Placing Profit Surge Trades

Just to recap yesterday...

- The basics of charting
- My Trading Edge: The TPS Method (Trend... Pattern... Squeeze)
- What is a Trend?
- What is a Pattern
- What is a Squeeze?
- Options 101

Yesterday's Homework Survey:

- 68.9% of you correctly said that technical analysis is the use of PAST market data to forecast future price movements.
- 95%+ of you guys understood TPS = T.rend P.attern S.queeze
- 91%+ of you guys knew 1 candle on a daily candle represents 1 day.
- 81% frequently look at charts
- Stephen will drop some questions in here that you had for me (relevant to today)
- Make sure to do Day 3 today! Participate!!

Today’s Agenda

- How to find Earnings Profit Surge Setups
  - Why all of these setups are NOT created equal
- Viewing Earnings Profit Surge setups through the Lens of TPS
  - Looking for TPS setups (trend, pattern, squeeze) on EPS names
- How to pair a valid setup with the RIGHT option
- Let’s take everything we’ve learned and PLACE SOME TRADES!
- How to use AI to find these plays
- Live examples!

Day 1 ➡ Earnings Profit Surge
Day 2 ➡ How I Trade

Day 3 = Day 1+ Day 2

Let’s Put It Together!

A reminder...

- During this 4-Day Blitz, you're going to see some historical examples. Past performance is never a guarantee of future results. Individual results may vary.
- I trade options, and, like all investing, trading options involves risk. It's important to learn how to manage risk.
- We are not investment advisors. Our goal is to teach you one of Nate's favorite strategies that has been successful for us. It's important to "trade within your means". You should never invest more than you can afford to lose

Earnings Profit Surge Setups

- First things first, we need to make sure that everyone knows what a ‘watchlist’ is and how to create one
  - These are almost universal in trading software programs, charting programs, etc., but worst case you can always use good old pen and paper!
- We are looking for names that beat earnings right?
  - Wrong!
- We are looking for names that REACT POSITIVELY post earnings
  - This is small distinction, but we don’t care about the actual numbers
  - We only care how the MARKET is reacting to those numbers!

What I Do Every Quarter:

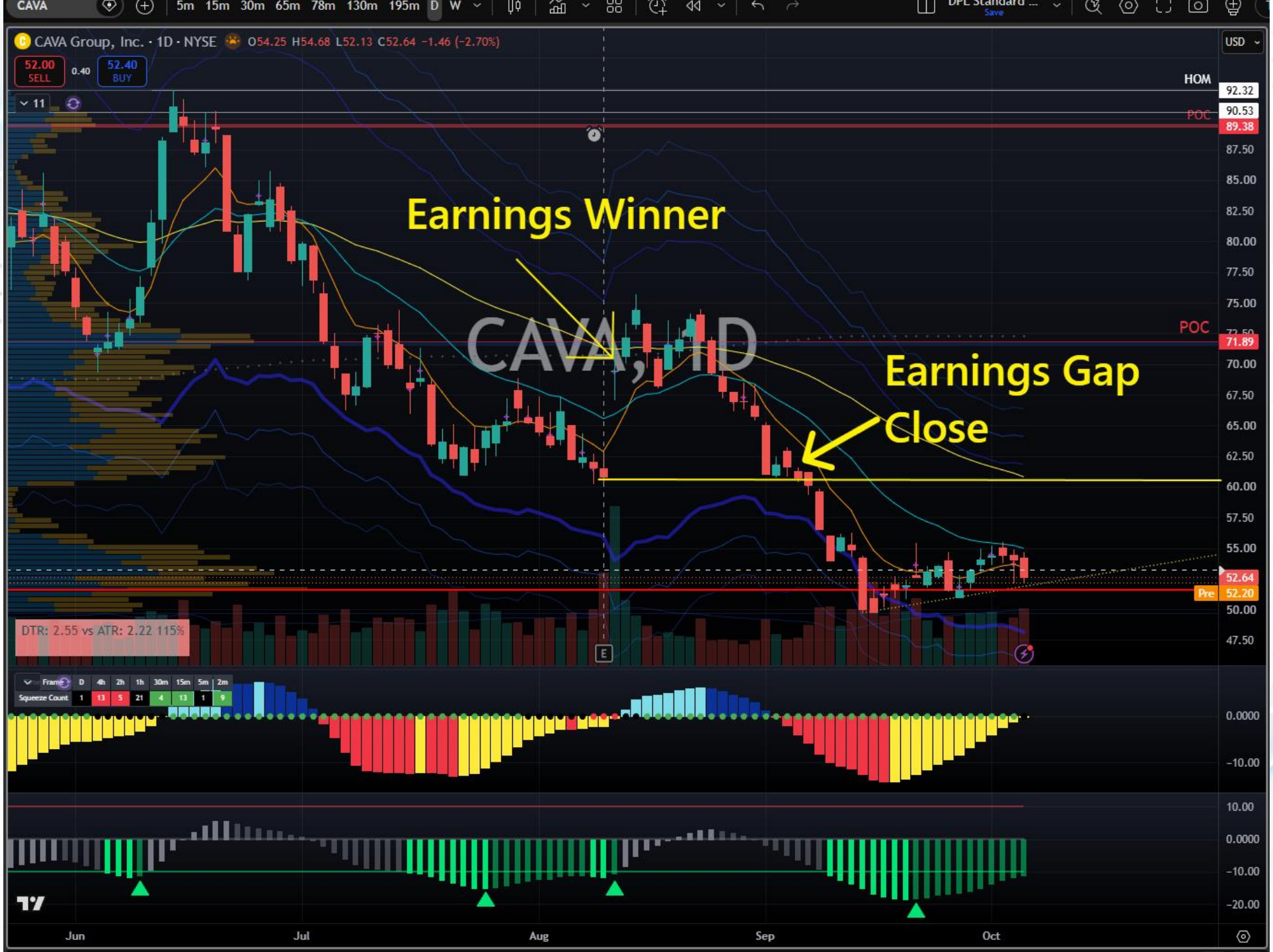
- I have an ‘earnings winners watchlist’
  - I’m happy to share mine with everyone who uses TradingView
- Each morning, I look for names that are UP premarket
- Once I find those names, I double check to make sure that the reason they are up is because they just had earnings
  - I don’t care about names that are up 1% or 2%, we want to see at least 10%
- Each day during earnings seasons, I simply add these names to my ‘earnings winners watchlist’

Earnings Profit Surge Setups

- At this point, we are making a running list of ‘earnings winners’ for the current quarter
- I start over at the beginning of each earnings cycle
- I also ‘scrub’ this list weekly
  - Scrub just means that I monitor the list and make sure that the earnings winners are behaving like the ‘should’
- Basically, these stocks are like my players, I’m the coach. If one of my players isn’t playing well, they aren’t going to get any playing time!
- For me, a stock still qualifies as an earnings winner as long as it doesn’t close it’s gap

We've Even Developed An AI-Powered Scanner To Make This Easier!

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CAVA
5m 15m 30m 65m 78m 130m 195m D W
CAVA Group, Inc. · 1D · NYSE O54.25 H54.68 L52.13 C52.64 −1.46 (−2.70%)
52.00 SELL
0.40
52.40 BUY
USD
HOM
92.32
POC
90.53
89.38
Earnings Winner
CAVA, 1D
POC
71.89
Earnings Gap Close
52.64
Pre
52.20
DTR: 2.55 vs ATR: 2.22 115%
E
Squeeze Count
0.0000
−10.00
10.00
0.0000
−10.00
−20.00
Jun
Jul
Aug
Sep
Oct

Analyzing Setups Using TPS

- Okay so once we have our list, our job then becomes simply analyzing these stocks on an ongoing basis and looking for TPS setup
  - Remember, TPS is my main edge
  - Trend, Pattern, Squeeze
- You might think that is would be a tedious chore, especially once this list gets pretty big after the first few weeks of earnings season
- But……we have AI
  - Time to check out my biggest trading hack…..SAM

TBBB Real Earnings Profit Surge Example

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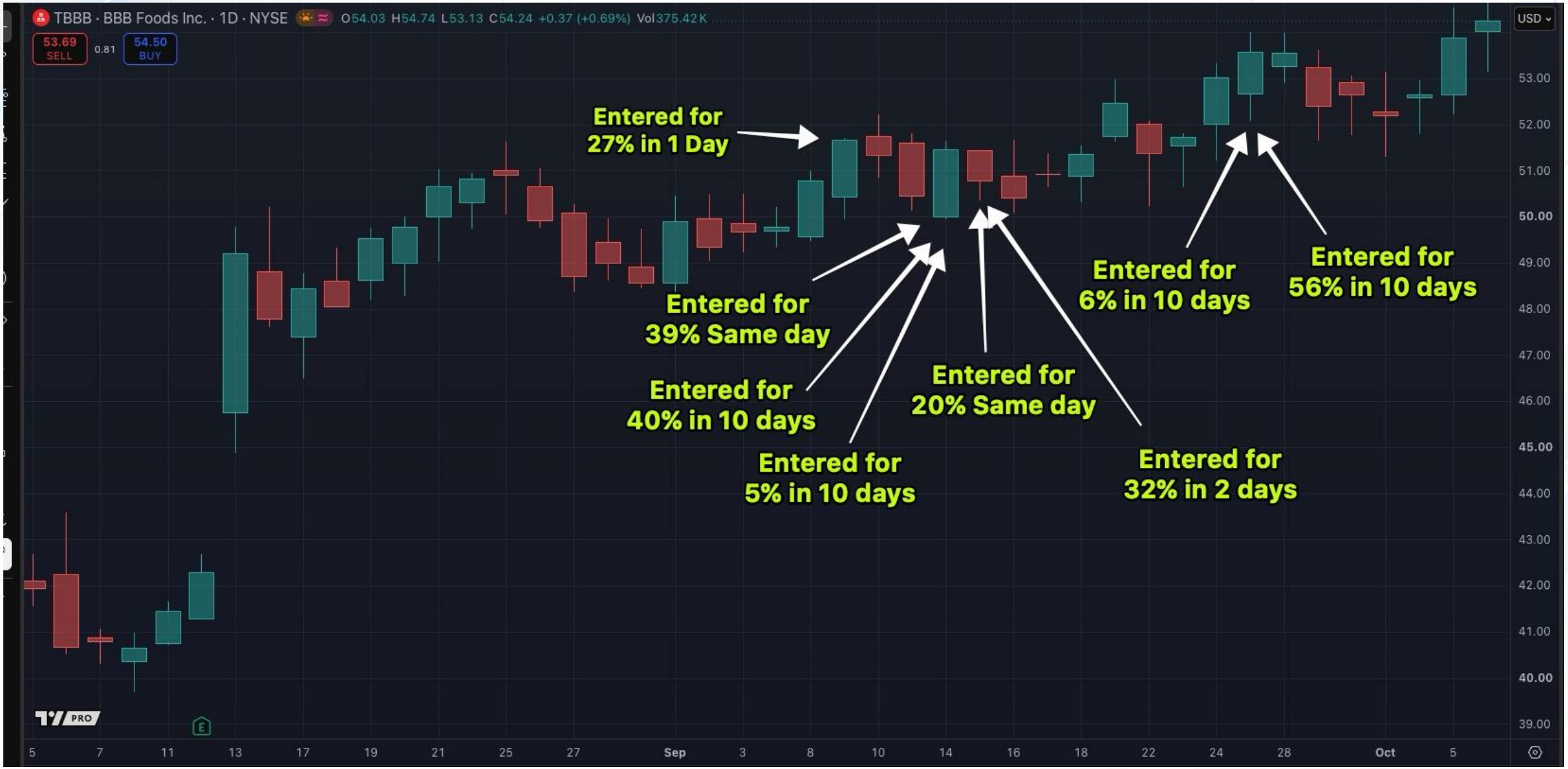
The Earnings Profit Surge In Action:
TBBB: Our September “One Ticker”



TBBB: Our September "One Ticker" (About a 28% Stock Move since August 12th)

- 9/9 we entered at $1.73. Sold on 9/10 at $2.20 -> **27% Gain**
- 9/14 we entered at $1.27. Sold on 9/14 at $1.76 -> **39% (in 45 minutes!)**
- 9/14 we entered at $2.71. Sold on 9/24 at $3.80 -> **40% Gain**
- 9/14 we entered (different contract) at $0.95. Sold on 9/24 at $1.00 -> **5% Gain**
- 9/15 we entered at $1.25. Sold on 9/15 at $1.50 -> **20% Gain (in about an hour!)**
- 9/15 we re-entered at $0.90. Sold on 9/17 at $1.20 -> **32% Gain**
- 9/25 we entered at $3.21. Sold on 10/5 at $3.40 -> **6% Gain**
- 9/25 we entered at $0.64. Sold on 10/5 at $1.00 -> **56% Gain**

TBBB: Our September “One Ticker” 8-For-8



Why Trade The Ticker So Many Times With Different Contracts???



Picking the Right Options Contract

- We have already discussed options a bit on day 2
- Now we want to discuss how to pair an option to a chart setup
- There are a few things to consider, including:
  - What time frame is the setup? Daily, hourly, etc.
- What is the ATR of the stock we're playing
  - There are both large and small ATR
- Generally speaking, there are two rules of thumb:
  - When in doubt, go further out
  - Higher delta = better/safter/more responsible option choice

Let’s Place Some Trades!



Placing Trades

- Alright, it’s time to put our money on the table
- As we make our selections, let’s make trade plans as we go:
  - Mark up the chart showing the ‘before’
    - Make sure we are trading in EPS setup
    - Let’s identify the specifics of the TPS setup
  - What is our entry
  - Where is our stop
  - What is our profit goal
  - Are we scaling in, or are we putting up the entire position up front?

What to do in the trade (continued):

- It's been said that trading/investing are tools by which patient people take money from impatient people
- But, the money is made, and the magic happens, in the waiting
- So, now that we've made our trades, all we need to do is watch
  - I like to set alerts on charts, though frankly my job allows me to watch these charts all the time
- However, if you don't have that luxury, let me show you how to set alerts
- This is all made easier when you have a trade plan

What to do in the trade (continued):

- The best trades are the ones that work, and work quickly
- But we all know, they aren't all that easy
- So, what can we actually do while in the trade?
  - There are only 3 possible actions:
    - Add size
    - Reduce size
    - Sit on Hands

When should we add to trades?

- When I trade, I like to ‘scale in’ to trades
  - I want to make a distinction here between ‘scaling in’ and ‘averaging down’
  - These are very similar, but to me there is one key difference
    - Scaling in means that I know, before I ever put money on the table, what my max position size is in the trade
      - For me, that’s about 5k per options trade
    - Averaging down is what everyone, including myself, does before they have experienced enough pain to know better
    - This is simply adding and adding and adding, averaging down, even once a trade is clearly broken, just to try and avoid a loss

When should we take Profits?

- Ideally, we get to take profits at our predetermined levels per our trade plan
- Many times, this doesn't happen
  - Why?
  - Either the trade doesn't work, or it doesn't work fast enough, or we just flat run out of patience
    - Possibly, the trade fails and we stop out
    - This is the hardest thing to do in trading
      - It's also perhaps the most important

When should we take losses?

- This is more of a personal journey/decision than anything that I can teach you
- We can make all the trade plans in the world, but it's a fact that most traders will flat out ignore their rules, their plans that they just made, because the don't want to take losses
  - I'm no different
  - I hate taking losses, but it's part of the game
- I limit risk mainly with position size
- But, as long as you DEFINE where you are going to exit, and FOLLOW THROUGH, there is actually a lot of flexibility on where to take losses
- Let's review some examples of charts that break down

Are all Earnings Profit Surge Trades Created Equal?

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What's Next...

Tomorrow (Day 4) we'll dive into the different phases of the Earnings Profit Surge... and look into to the future.

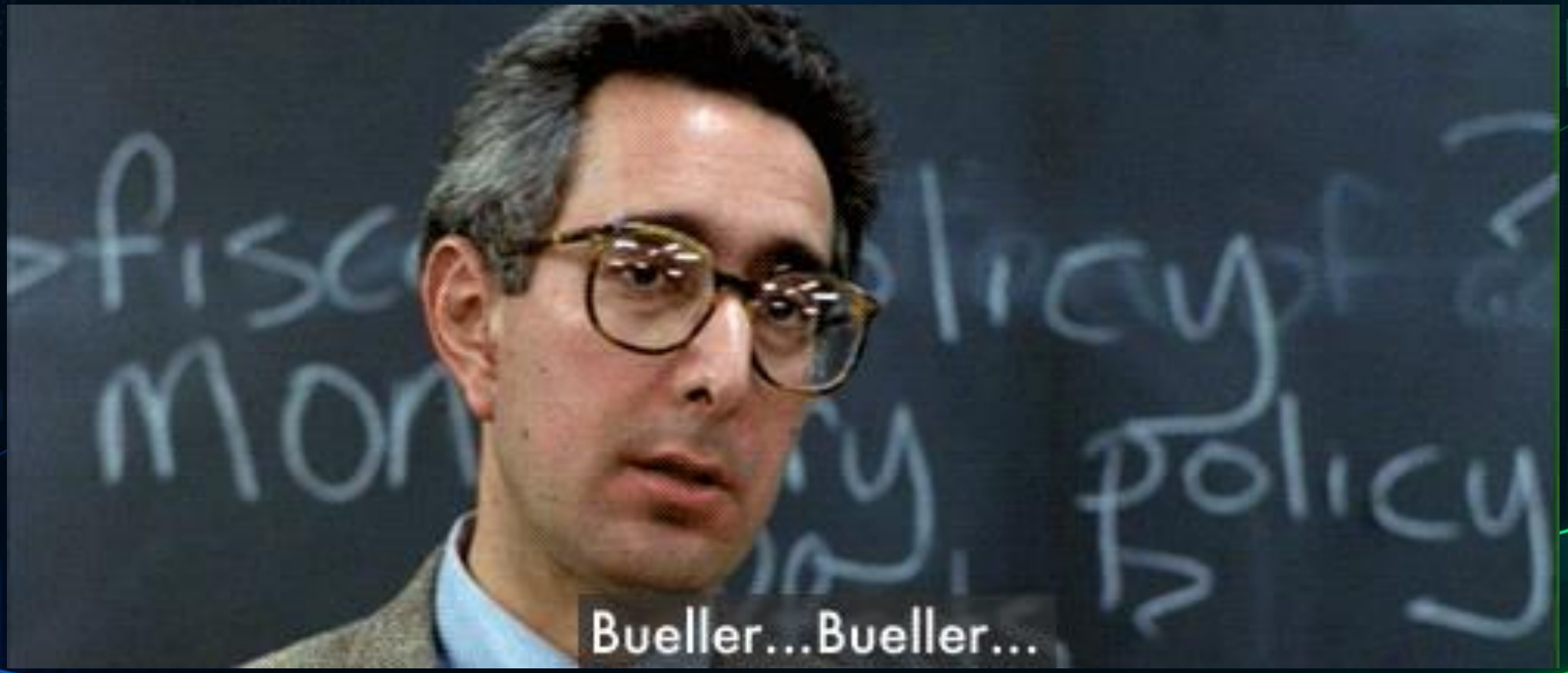
One Ticker Payouts

- Opening Bell Aftershocks
- Day 2 Plays
- Lotto Trades
  - Let's find a Lotto Trade!

- How to trade these with me every week... and new changes coming to *Profit Surge Trader*

QUESTIONS?

Do your homework!



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