JOEY CHOY

THE PROVEN TREND TRADING

CONSULTATION CHEAT SHEET

To Potentially Double Your Win Rate in the Singapore Stock Market in 2 Weeks, Perfect for Newbies

Introduction

Have you ever wondered how you can maximize your profits just by following the trend in stock trading?

How exactly do you determine if you are even in the correct trend direction?

I mean you don't want to be in an uptrend just because you think so but actually the trend is down.....

It can be really painful....

Hey there, this is Joey here, Top Tier Remisier, Trader, Top CFD Specialist, Top Account Growth Achiever in Phillip Securities and also Founder and Chief Trainer at Trading Impossible.

I am really glad to have you here and thanks for downloading this **"Perfect Trend Trading Consultation Cheat Sheet"**.

I can't wait to share with you everything you need to know in order to get started in trend trading in the Singapore Stock market.

In this Cheat sheet, you'll soon discover:

- Why it's best not to go against the trend.
- The trading psychology of why 80% of the people suck at trend trading.
- How to determine the correct trend of any counter like a pro.
- When to time your entry and exit in a trend.
- How to know if the trend has reversed.

Well, you might be at the stage where you are just confused and lost and want to find a more systematic approach to trading, more clarity or simply more consistency.

After reading this cheat sheet, I can assure you that you will see the stock market differently and with more clarity. :)

And more importantly, become a really good trend trader.

So do stick around to the very end...

So are you ready?

I bet you are. You are born ready!

But before we go on to the real content, please allow me to share more on myself so you know who I am and what I do... :)

Let's head on to the next section!

Joey Choy

My Story

Over the last couple of years, I have had the privilege to impart my trading strategies to people from all walks of life in Singapore.

Conducted numerous full house seminars and shared the stage with other top trading experts in major conferences such as Invest Fair, Invest Carnival and Trading Summits.

I have been speaking regularly on 938 Live, and have the honor of being one of the most followed persons on InvestingNote (Singapore's 1st social trading platform) where I share some of my trading ideas too.

I have also been privileged to have been bestowed with several yearly awards like Top Trading Representative, Top Cfd Specialist and Top Account Growth Achiever by Phillip Securities.

All these while, teaching people how to find more clarity in the stock market and profit consistently from it in the long term.

But Things Were Not Always Like That.

In fact, it was only a few years ago that I hit rock bottom.

I was completely crushed.
Yes, the word is **"Crushed".**

You'll soon understand why.... But I am blessed and fortunate to have come back up...

Coming back up all through the stock market. Specifically the Singapore stock market which is my forte.

If you don't want to know what happened and how I fought back then ***don't click*** the link below.

For everyone else...
Welcome to my world ;)

I Want In...
Because I'm Curious Now..

Ok, if you have click on the link above, I guess you now know me a little better, thank you very much.

So let's get to business. ;)

Essentially, I have ONLY 2 trading strategies that I used daily and both of them go through a "6-Step" blueprint that I have put together.

1) 1 GOOD TREND (1GT) aka the Trend Trading Strategy

This is my **1st trading strategy** which I have been using for about 8 years now it is where we ride the trend of stocks whether it is up or down, maximizing and protecting our profits along the way.

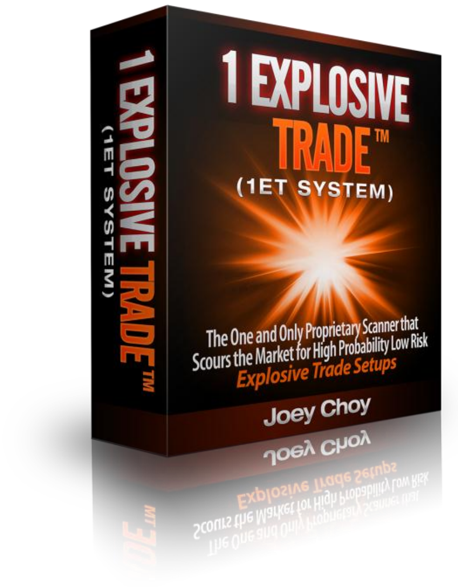
I have developed a system to track such setups.

2) 1 EXPLOSIVE TRADE (1ET) aka the Explosive Trading Strategy

This is my **2nd trading strategy** which is also the exciting one and I have been using this strategy for about 5 years now and gotten really good results.

Here is where we position ourselves for big moves in the market, potentially reaping massive gains.

I also have a system to track such setups. Many of my students love this! ;) I will share more another time…



Want to find what people are saying about these strategies? **Click here!**

So in this cheat sheet, I'm going to be talking about my 1st strategy and that is the Trend Trading Strategy…

So let's get started!

Content

1. What is Trend Trading?

In a nutshell, trend trading is a strategy when one determines the trend of any stock and then seeks to ride with the trend.

If the trend is up, we want to take long positions or look to buy and ride the upside together with the uptrend.

Conversely, if the trend is down, we want to be careful of any long positions (stocks bought previously) that we are holding on.

Why?

Holding on to these stocks in a downtrend can see our losses increasing with each passing day.

It can be really painful and you definitely don't want to be in this situation as your capital will be eroded quickly.

For a downtrend, not only should we think about getting out for long positions, we should also think about riding the downside.

What do I mean?

Well, its means that we can actually make money when the stock goes down. We can actually sell first and when the stock goes lower, we can buy back.

We call this "shorting".

Ok ok, wait, I get this question all the time: "Joey, is this illegal? I thought SGX doesn't allow one to do a naked short as there can be a penalty?"

Yes that's true.

If you short under the **cash trading account** and you do not have the shares and you fail to cover or buy back within the same day, it can be a naked short and there can be a penalty of $1k. (We can try to help you to borrow shares if you have done it accidentally)

So, we encourage people not to short under the cash account, as it can be quite dangerous.

There are cases where clients shorted in the morning wanting to buy back at day end but the counter was halted.... Ooops...

So how do we short then?

Well, we short using CFD, which stands for Contract for Difference.

It may sound really complicated but trust me, it's not.

Anyone can open a free CFD account. In Phillip Securities where I am a broker, the CFD account is tagged on to the main cash account, so with just 1 account number, you can do both.

In a nutshell, CFD allows one to long and short, and also to leverage.

Back to the downtrend, it means we are able to ride the downside of a counter for as long as we want, as long as we have the cash in our CFD account to support that "short" position.

I do have some training videos on CFD in my client's membership area if you are keen to be a client ;) >>> **Click Here to be a Client.**

2. Why use Trend Trading?

Trend trading is one of the most widely use strategies in the world. Of course, there are many variations of it but the concept is pretty similar.

I think we all have heard of this phrase before: " The Trend is Your Friend".

Which is true, because if you are with the trend it is harder to go wrong.

Yes, we may not be 100% right all the time, but the fact is there is a higher probability of the trades moving in our favor just because we are in the same direction as the trend.

Make sense?

In technical analysis (where we trade using just charts), we believe that there is a pattern to the prices.

Which means that prices are not just moving randomly but rather, in a way that shows us something if we are able to read the pattern.

In this case, if we can read the trend correctly and trade in the right direction as the trend, we are able to use this pattern in our favor.

Here are some of the gurus who were very successful just by using a trend trading strategy that complements their style:

- Jesse Livermore, the most famous trader of all time, at his peak in 1929 was worth $100 million which in today's dollars roughly equates to $1.5 billion.
- Richard Dennis, the founder of the turtle traders, who in the early 1970s borrowed $1,600 and reportedly made $200 million in about ten years.
- Ed Seykota, possibly the best trader of our time, achieved a return of 250,000%, over a 16 year period.

3. Why most people fail in trading?

Most people fail in trading because of 1 key reason. Brain conditioning.

What do I mean?

It is because our brains are conditioned to react the same way as we would in real life.

For example, whenever we buy things in real life, it could be clothes, bags, shopping, we want discounts.

We are always looking for bargains. We are always looking for the Great Singapore sale.

Agree?

Basically, we want things cheaper. Nothing wrong with that, who doesn't like a good deal or a great discount. :) Probably some coupon code or something that we can buy it cheaper.

So that's how our brains are conditioned all these while in real life.

So let's see how does this brain conditioning applies in the stock market.

There are 2 stocks below that have traded lower by quite a fair bit and not long ago, some of my clients have actually asked if it was a good time to buy.

Let's take a look below.

What do you think?

Prices has indeed tanked by a lot. It looks really cheap and discounted now to be honest.

And there is a high chance for it to rebound given that it has already dropped so much.

There shouldn't be more downside....

Agree?

Not actually.

If we apply this mindset to the stock market, things can get really bad....

Let's see what I mean below by looking at what happened to the 2 stocks above that were supposed to be cheap previously.

You can see that prices continued to head lower in the downtrend.

And it became cheaper.

Can you imagine what will happen to those people who went in previously without a plan thinking that the rebound will happen.

Their capital would have been wiped out. Their $10k would have become $1 - $2k.

So what's the take away here?

Well, in the stock market, it's the opposite.

We don't want a discount, we don't want a bargain. We don't want to buy things just because it is cheap.

Why?

Because, cheap can become cheaper.

3a. Is Averaging down a good thing?

What about those who have averaged down, which means they bought more of the same stock as it went even lower.

Why would anybody do that? (I know you wouldn't ;))

So that they can lower their cost price so it's easier to get out if it rebounded. (Ooops... bad choice)

Nope, it did not rebound.

The stock headed lower. And they now have a larger position on the same stock that continues to head lower.

Note that it can be really dangerous if you are averaging down on a downtrend stock that is just heading lower and lower.

You are just throwing good money after bad money with the intention of lowering down your cost price, and just blindly hoping that it will finally recover one fine day and you can breakeven.

I hope the day comes.

From my experience, to be honest, it seldom comes.

Can you see how dangerous it is?

Ok now you know. ;)

So just to recap what happens in real life at least 80% of the time...

For stocks that are in a clear downtrend, we have people who are buying and averaging downwards, and hoping for a rebound along the way down and....

.....We have the pros who are shorting the stock all the way down, profiting from the downside...

Doing the complete opposite.

Can you see the stark difference?

So that's one of the reasons why most people lose money in the stock market.

Because we are doing the complete opposite of what we should be doing.

So far so good?

3b. What about stocks which are more expensive then before?

Let's say you have bought a stock and you have sold it at a pretty decent profit. And now it became more expensive to buy.

Would you enter again at a more expensive price?

Let's go back to the concept of brain conditioning.

As mentioned, most of us like to get things cheaper in real life. Nobody likes to pay more for something if we can get it cheaper.

If we go shopping and we see that the bag or the watch is more expensive than the price we saw previously, we will probably think about it for a while and perhaps wait for the price to drop back lower before buying again.

Make sense?

So now, let's take a look at some of these stocks which have traded higher and some of my clients asked if's too high and expensive already.

What do you think? Is it expensive?

Yes, it has indeed risen by quite a lot compared to its low and there probably shouldn't have more upside.

Let's wait for prices to drop till it's much cheaper before entering... if not we will not enter.

Agree?

Not actually.

If we have applied this mindset to the stock market, we would have missed out on the gains that these stocks could bring us.

Let's take a look below at how these 2 stocks which were thought to be expensive previously performed.

You can see that prices continued to head higher and the uptrend continued.

Can you see the gains that one would have missed out if they ignored these stocks just because they were deemed as more expensive than previous.

So what's the take away here?

Well, in the stock market, again, it's the opposite.

It might sound weird, but we like stocks at a premium. We like stocks that are moving up and have the potential to move up higher.

Yes, the stock may be more expensive than what we saw previously or we may have sold and it became more expensive.

But we will still continue to ride or look to enter again until there are signs of weakness.

Why?

Because, expensive can become more expensive in the stock market. Cheap can become cheaper.

But what most people are doing based on my experience is that they will never enter if the price has gone higher.

Most people just cannot grasped why they must buy at a higher price than before, it just doesn't make sense for them.

So from $0.20, the stock rises to $0.30 and $0.50 and higher and they will just seat and wait for it to drop back to $0.10 before they will decide to enter. (Are you like that? ;))

BUT it does not drop, it continues higher and higher and no matter what, they will not enter because they feel it's not right. (Emotions playing tricks again...)

And of course, we have the pros again who buys upwards (averaging up and buying more) and continue to ride regardless of whether it's more expensive or not because they see the upside potential....

You see the difference again?

So what's the final take away here?

Well, trading and real life are very different.

If we apply what we have been conditioned to do all along in real life to the stock market, the results can be disastrous.

In the stock market:

- What goes up can go up higher.
- What goes down can go down lower.

There is no such thing as too high or too low.

In summary, the market is never too high to long, or too low to short.

4. How to Determine the Trend of any Counter like a Pro?

So you now know a little about the psychology of trading and what most people are doing that is completely opposite of how we should trade a trend.

You also have an idea of what is an uptrend and what is a downtrend.

So the question is how do we determine the trend?

Let's get to it now! ;)

4a. Uptrend

For a stock that is in an uptrend, we can draw what we call a channel support line. This is a line that is sloping upwards connecting all the lows of the stock and supporting the uptrend.

As long as prices are above the channel support line, the uptrend is intact.

See what I mean below.

For the 2 counters above, MM2 Asia and Valuetronics, you can see that every time prices approaches this channel support line, we see a rebound from it.

A move below this channel support line can indicate a potential reversal downwards with more confirmation required.

If we are in an uptrend, we want to think above taking long positions to go along with the uptrend.

Affirming the uptrend

Another way we can use to affirm the uptrend is by using the moving average.

Basically, a moving average is an indicator which gives us the average of prices over a period of time and a line will be plotted on the chart.

We can use the 200 day moving average to affirm the longer term trend of the stock.

Let's apply it to the same 2 stocks above.

If the 200 day moving average is pointing upwards and the price is above it, we can say that the longer term uptrend of this counter is intact.

See what I mean below.

We can see from the above 2 charts that this 200 day MA line is indeed pointing upwards and prices are above this line.

So the longer term trend of this counter is pretty strong upwards.

A move below the 200 day MA line can signal a potential reversal in trend downwards in the long term where we want to be careful if we are still holding any long positions.

So as mentioned previously, we want to think about buying in an uptrend, taking long positions to ride the uptrend further.
Make sense?

4b. Downtrend

In a downtrend, we can draw what we call a downward sloping channel resistance line. This is a line that connects all the highs of the stock and we are seeing prices retracing lower whenever it nears it.

As long as prices are below the channel resistance line, the downtrend is intact.

See what I mean below.

From the 2 charts above, you can see that prices are pretty much always staying below this downward sloping line.

A move above this channel resistance line can indicate a potential reversal upwards with more confirmation required.

So if you are still holding long position in this stock and you know that you are in a downtrend, you seriously want to think not only about getting out but also switching to ride the downside by shorting.

Affirming the downtrend

Similarly, we can also use the 200 day moving average to affirm the longer term downtrend of the stock.

Let's apply it to the same 2 stocks above.

If the 200 day moving average is pointing down and the price is below it, we can say that the longer term downtrend of this counter is intact.

See what I mean below.

From the 2 charts above, we can see that prices are mostly below the 200 day MA line with the line also sloping downwards. So yes the longer term trend is down.

A move above the 200 day MA can signal a potential reversal upwards in the long term and that's probably where we want to get prepared to take long positions.

But anything before that, the trend in the longer term is pretty much down so don't bluff yourself when you are still holding on to this stock.

Get out! Save money.

5. Where are the Best Entries to Ride a trend?

So now that you know how to determine and affirm whether the trend is up or down but where do you want to take your trade positions for each of them?

5a. Uptrend

In an uptrend, there is a higher probability for prices to rise further and we want to take long positions as you would already know by now.

So where should we buy in an uptrend?

Well, as you know, a stock cannot possibly go up every single day for a few months or weeks.

Most of the time, it will consolidate and move sideways after a move up.

Why?

This is probably due to the stock taking a breather as some profit taking occurs. Because there are people who want to take some money off the table in an uptrend too ,thereby leading to a slight retracement before buyers find it attractive to enter again.

And that's where we will find a new higher support level.

A support level is a price level where the stock always rebounds as it nears or approaches it.

There is strong buying pressure there.

These are areas where our reward to risk ratio can be higher if we time our entry.

For these 2 counters, MM2 Asia and Valuetronics, we have already established that the trend is up based on the channel support line and the 200 DAY MA that we have covered just now.

So where are the areas we could have bought or we can think about buying now in an uptrend?

Let's take a look at the chart of these 2 stocks again below. (Note that I have removed the 200 DAY MA and the channel support line so it's not so messy)

From the charts above, you can see that there are price levels where the stock always rebounds from in an uptrend.

I have highlighted these areas in orange.

So what you want to do after determining the trend is to draw horizontal lines, connecting all the price levels which acts as the support.

Note that for an uptrend stock, resistance will turn support on an upside breakout so you can look for past resistances as gauge for a new support level.

We want to try to time our entry near these support levels to catch any rebound and also to further ride the uptrend. (Of course, we must determine the trend correctly first)

Make sense?

5b. Downtrend

For a downtrend, we want to take short positions to ride the weakness as in a downtrend, there is a higher possibility for the stock to head lower.

So where should we sell or short in a downtrend?

A downtrend stock would not go down every day too and after some sell down we may see a temporary technical rebound.

Why?

This is probably due to short covering where people buy back their stock to take profit. Because there are people who have shorted earlier and want to take some money off the table in a downtrend too, thereby leading to a slight rebound before sellers find it attractive to enter and short again.

And that's where we will find a new lower resistance level.

A resistance level is a price level where the stock always retraces lower as it nears or approaches it.

There is strong selling pressure there.

These are areas where our reward to risk ratio can be higher if we time our entry for any short positions.

For these 2 counters, Asian Pay Tv and Swiber, we have already determined that the trend is down based on the channel resistance line and the 200 DAY MA that we have covered just now.

So where are the areas we could have shorted to ride the downside?

Let's take a look at the chart of these 2 stocks again below. (Again, note that I have removed the 200 DAY MA and the channel resistance line so it's not so messy)

From the charts above, you can see that every time the stock approached the resistance level, we see sellers coming back and down it went again.

So these are areas where we want to take our short positions in a downtrend.

Make sense?

So what you want to do after determining the trend is to again draw horizontal lines, connecting all the price levels which acts as the resistance.

Note that for a downtrend stock, support will turn resistance on a downside breakdown so you can look for past supports as gauge for a new resistance levels to time entry.

6. Conclusion

I hope this cheat sheet has given you an idea of how to get started in the Singapore Stock market and which stocks to focus on and which stocks to avoid like the plaque.

So just a quick summary what we have covered in this cheat sheet:

- We have covered why most people do the opposite in trading, leading them to actually trade against the trend rather than with it. Remember: Brain conditioning.
- We have covered also how to determine the trend very quickly just by drawing upward sloping channel support lines and downward sloping channel resistance lines.
- We have covered how we can further affirm the trend just by using a simple indicator called the 200 day moving average.
- We have also covered the best places to time our entries for the uptrend and also for the downtrend.

Just to share that there are several more ways we can use to further affirm the trend of any counter even more accurately and also to determine the trend strength.
We can also look to enter our trades in another area when we see a specific price action and use certain indicators sequentially to further improve our hit rate.
Essentially, there's a lot more to how we can increase the odds in our favor when trading.. but I've already hit the 4000 words mark.

It's time to wrap things up. ;)

But whatever that is taught here, I can assure you that you can put it into action right away and you can see an improvement in your trading results.
If you want to find out more on how we do it exactly, you can attend a FREE Introductory workshop to learn more and see my "6-Step" Ultimate Stock Trading Blueprint live.

Check Workshops Availability by Clicking Here.

If there are no more dates available, no worries, will let you know again when more slots open up. :)

Your Next Steps ..

I hope you enjoyed this cheat sheet as much as I have preparing it..

And learned a thing or two ..

This was my goal :)

Finally we have reached the end of the cheat sheet, and if you are still reading till here, you seriously are awesome. ;)

Let me ask you something ..

Do you trade in the Stock market?

If yes ..

Do you have a system or strategy in place that generates high probability trading ideas every single day ..?

Every single day ..?

Think about it ..

If you feel like upgrading your "game" ..

Make sure to pay attention to the email lessons I'm going to send over to you in the next couple of days ..

If you liked this cheat sheet, you will absolutely LOVE my free training ..

And promise me to take action.

Take what you learned in this cheat sheet and apply it to your trading business. Yes, business...

It's time for action pal :-)

Thanks, You rock!

Joey Choy
Top Tier Remisier, Trader, Chief Trainer, Top Account Growth Achiever

PS. If you are already trading and do not have much or any support from your broker or you don't even know who he or she is. YOU SERIOUS?

Allow me and my team to assist you. There is so much more awesome stuff in there.
>>> **Click here to Enjoy Value-Added Services as a Client,** seen nowhere....

PPS. Want to find out more about my advanced PTI training program that will take your trading to a whole new level? **Go to my wall of love here.** ;)