

MOMENTUM HUNTER⁺



*TECHNIQUES TRADERS USE TO
LOCATE STOCKS BEFORE THEY RUN*

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Introduction

How many times have you witnessed a momentum stock just explode (to the upside or downside) and thought to yourself... “Man, if only I was able to trade that stock, I would’ve made a killing.” I know I have, and that’s why I developed a handful of key patterns to help me hunt down momentum.

For the majority of my trading career, I traded small-cap momentum stocks and focused on a handful of patterns, allowing me to lock down some massive winners, as well as (some losers). Of course, I know how to locate stocks set to run up in the small-cap space, as I’ve shown before...

10:59		Signal, Wi-Fi, Battery	
< Positions	MITO +3000		
	●●●●●●6387		
4.74	Bid	4.74	Size: 2
2.7996 (+144.28%)	Ask	4.77	Size: 1
Trade Price	3.94	P/L Day	\$5,942.62
Net Liq	\$14,490.00	P/L Open	\$2,659.00

March 3, 2020

Portfolios		Portfolios	
Jason Bond -4059		Net Account Value	\$420,117.20
		Total Unrealized Gain	\$10,055.69 (3.13%)
Positions	Performance & Value	Margin	Gains & Losses
View	Tax Year	Filters	
Realized	2019		
Symbol / CUSIP	Security Types	Term	
RWLK	All Securities	All	
Total Gain Realized	Short-Term Gain Realized	Long-Term Gain Realized	Total Commission & Fees
\$25,387.45	\$25,387.45	\$0.00	\$684.62

February 13, 2019

Positions		PLAY +4000	
8:30		●●●●●●6387	
8.60	Bid	9.90	Size: 160
0.00 (0.00%)	Ask	10.00	Size: 50
Trade Price	8.25	P/L Day	\$5,200.00
Net Liq	\$39,600.00	P/L Open	\$6,601.87

March 19, 2020

Uncovering momentum stocks potentially poised for massive gains in the small-cap space is great and all. However, I knew in order to become a complete trader, I needed to expand my horizon. You see, by focusing on just one type of stock, I realized I was

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leaving a lot of potential profits on the table — after all, there are mid-caps and large-caps that make up TRILLIONS of dollars on the market.

So I went out and studied chart patterns in mid- and large-cap stocks.

Guess what I found?

The same simple momentum patterns I used for the better part of my trading career were prominent in both the mid- and large-cap spaces.

Those are the SAME patterns I've been using for years... and I thought to myself, "Man, was I stupid for not hunting down momentum in other areas!"

I've kept this a secret for quite some time now, but it wouldn't be fair to everyone if I just locked away forever. Finally, I will reveal to you the process I use to hunt down momentum in small- and mid-cap stocks with just a few simple patterns.

You're probably wondering, "*Jason, why aren't you hunting down momentum in large-cap stocks?*"

Well, I'm an educator at heart, and I believe if I focus on large-caps... it would actually box some people out because those stocks are expensive to trade and eat up a lot of capital. In order to help as many people out as possible, I want to solely focus on small- and mid-cap stocks because I believe they offer some of the most explosive and accessible opportunities in the market.

I want to show you the benefits and risks of momentum trading and put you in the driver's seat, as you'll learn throughout this eBook.

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After studying it, you'll learn:

- **How to spot momentum plays using my high-probability setups... even if you haven't traded a single momentum stock in your life.**
- **The benefits of momentum trading and how it provides you with the potential to grow your trading account.**
- **How to filter for stocks to trade.**
- **Scalable and repeatable patterns to keep in your arsenal — the same ones I use to hunt down my momentum trades.**
- **How to implement your trading strategy, using REAL MONEY case studies.**

As a former elementary school teacher, I'm really excited to show you the ropes, as I truly believe every trader should be using momentum strategies to target high returns.

If things don't click at first, don't get discouraged. Re-read this eBook, study the patterns, and go back to the lessons, and I believe it will eventually click for you... just as it did for me.

If and when it does, you will be well-equipped with a strategy that has the potential to build wealth for you and your loved ones.

Why Trade Momentum

Through my experience, momentum trading is one of the easiest ways to profit from patterns. Basically, I take advantage of strong price trends, and quickly buy and take profits. The whole theory here is that when a stock breaks out of a key level, it attracts buyers. In turn, increased demand pushes the stock higher

You might be thinking, “Jason, how exactly do I spot the bottom of a trend and pick the top?”

Well, that’s the beauty of momentum trading, you don’t necessarily need to buy at the absolute low and sell at the top to make money. I can actually trade within the larger trend, and if correct, still profit!

The best part about momentum trading is that it provides the potential to generate meaningful profits in a short period of time.

Of course, you have to have the right personality and understand that you need to be able to stomach risk (the potential of loss). It’s a basic market principle, without risk, the rewards are puny.

Think about it like this... the S&P 500 is thought by many to be safe (not really though because there is market risk involved and you’re susceptible to volatility shocks) and you would be lucky if you were able to return 20% on it annually.

Just take a look at this weekly chart in the SPDR S&P 500 ETF (SPY).



Chart Courtesy of StockCharts.com

It took the fund about 3 years to double!

However, when you look to momentum stocks... they could move significantly higher in a matter of days, sometimes hours.

Just take a look at this massive move in MITO...

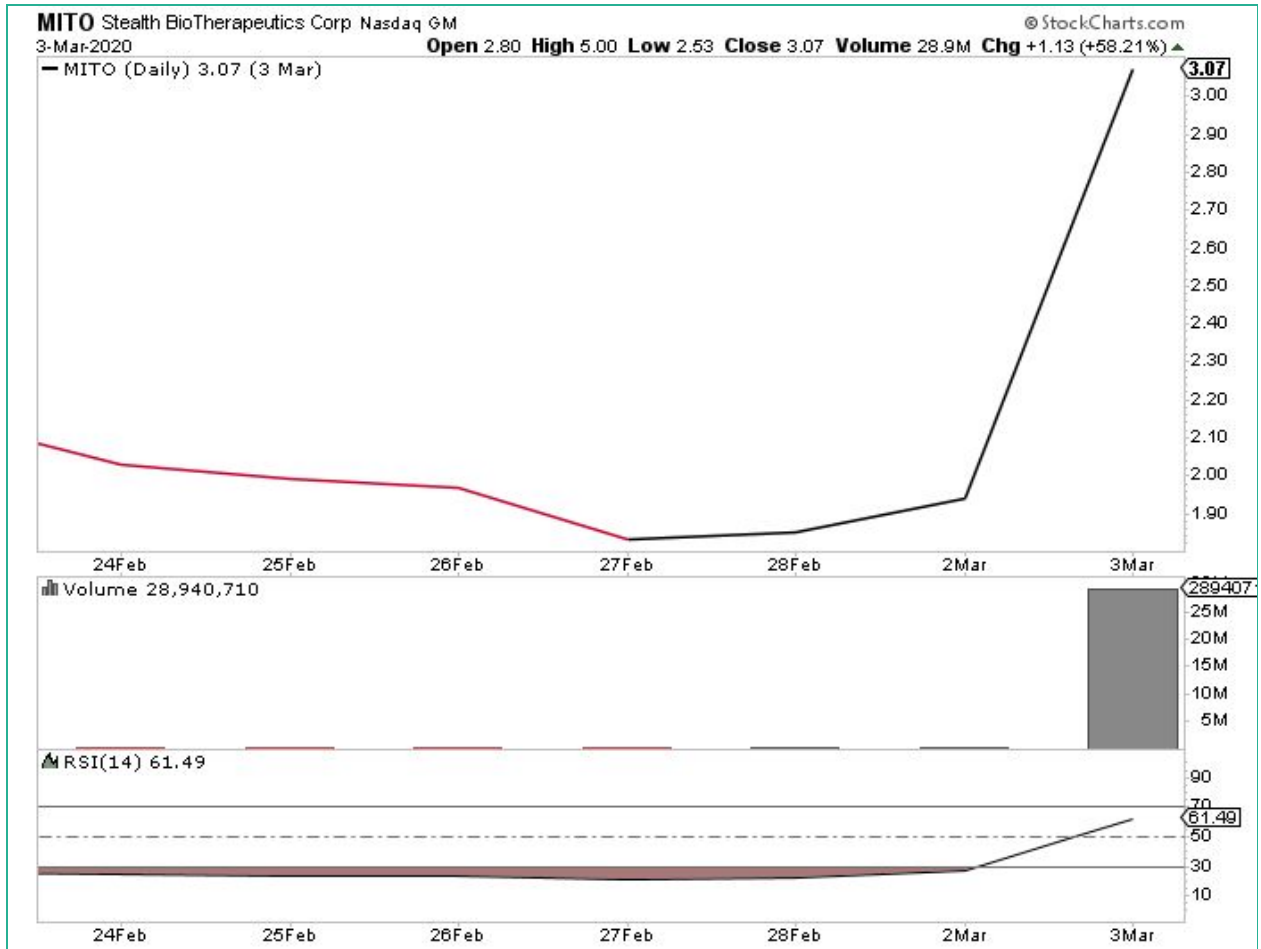


Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

... or what about Tilray (TLRY)...

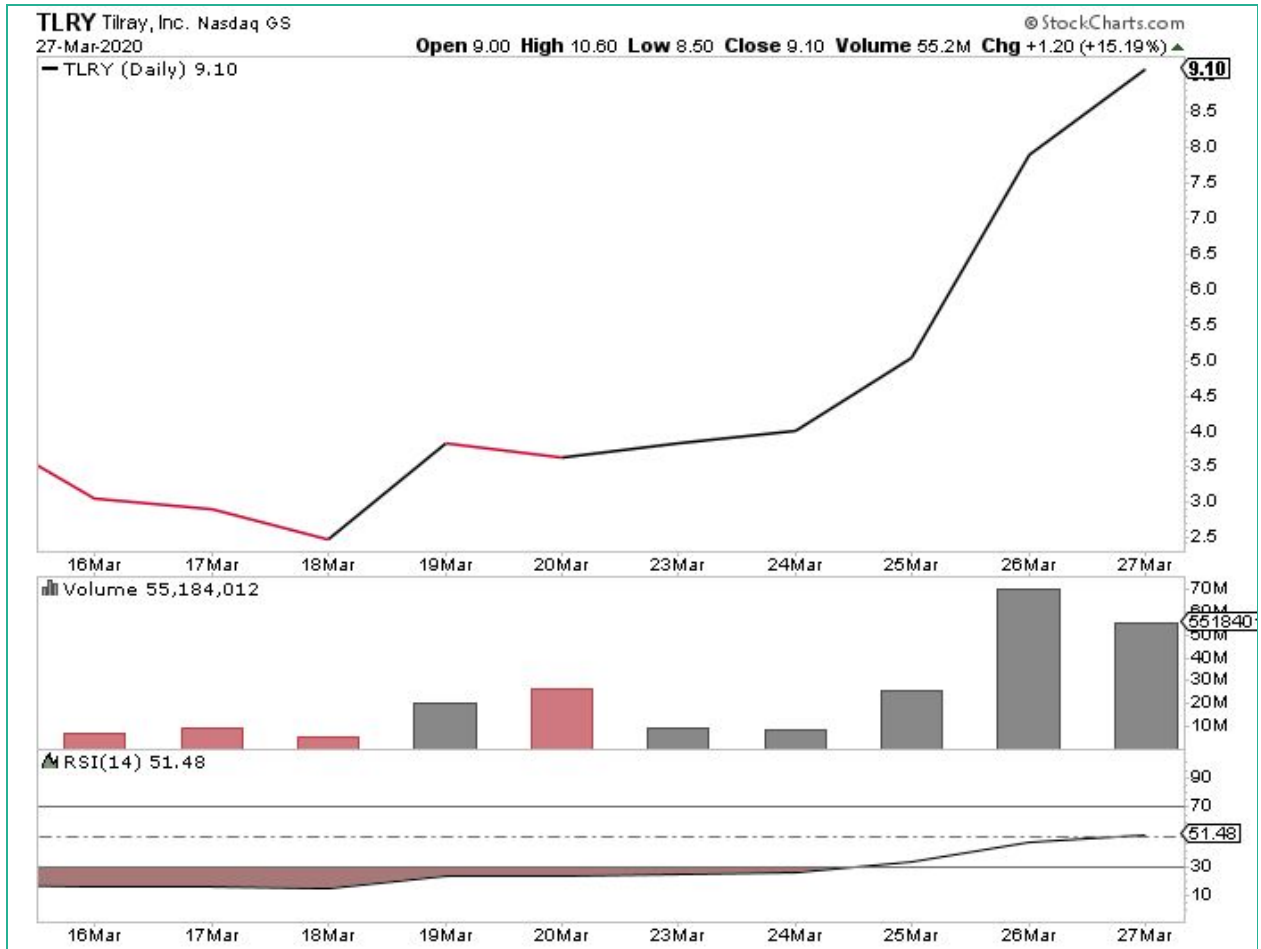


Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

Who could forget about Beyond Meat Inc. (BYND) — once a small-cap company that skyrocketed into mid-cap, and then large-cap territory.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

You could imagine how fast you could grow your trading account if you're able to consistently spot winners and properly risk manage your positions.

The reason why I love to trade momentum stocks is because it's easy for me to identify the ones I think are set to rise using my scalable patterns.

Before I get into the fun part and teach you how to hunt down momentum, there are a few basics we need to walk through — such as different classes of stocks.

Momentum Hunter: Techniques Traders Use To Locate Stocks Before They Run

Three Different Areas To Hunt Down Momentum

What do I mean by “classes” of stocks?

Well, it’s simple. In general, stocks are separated into three different categories: small-cap, mid-cap, and large-cap. Basically, publicly-traded companies are differentiated into sizes, based on market capitalization.

Remember when I mentioned how I traded small-cap stocks for the better part of my career?

The reason was due to the fact they were cheap to trade, and you can find hundreds of small-cap stocks out there for under \$10. As a former school teacher who was sitting on a mountain of debt, you could imagine what my bank account looked like... it wasn’t a lot, and my trading account was puny in relation to other players on the street.

Small-Cap Stocks

So in order to learn how to trade stocks, I opted for small caps. These stocks have a market capitalization (shares outstanding multiplied by the market price) between \$300 million and \$2 billion. To us, that might seem like a whole lot of money. However, in the markets, it’s just a drop in the bucket.

These companies are typically in the growth phase and are considered speculative by many (high risk, high reward opportunities). If you think about it, if you can find

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small-cap momentum stocks, for say less than \$5 a share... you could potentially buy more shares with less money, when compared to a higher-priced stock.

The benefits of trading small-cap stocks is due to the upside potential they have, as well as the ability to hunt down stocks poised to move using scalable and repeatable patterns.

Sure there are more than 1,000 small-cap stocks out there in which I could find opportunities...



March 9, 2020

Courtesy of [Finviz](#)

However, I came to the realization that since I only focused on this class of stock, I was missing out on a lot of other momentum trading opportunities.

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That's when I started to look at the mid- and large-cap space.

Mid-Cap Stocks

In general, traders consider a stock to be a mid-cap if its market capitalization between \$2 billion and \$10 billion. This is a step up from the speculative small-cap stocks, and mid-caps are often thought to be a bit more stable. I like to think of this as a hybrid between high-growth stocks and blue chips.

A lot of the time, you'll find some household names that are mid-cap stocks. Just look up some brands you use, you might find they're publicly-traded stocks that fall into the mid-cap class. With that being said, many consider these are "safer" than small-caps, and are of the opinion that they are less susceptible to outsized moves (against you) if you're trying to trade momentum.

Just take a look at the number of mid-caps that are out there...

Filters: 1													
Exchange		Index		Sector		Industry		Country		Any			
Market Cap.		Dividend Yield		Float Short		Analyst Recom.		Option/Short		Any			
Earnings Date		Average Volume		Relative Volume		Current Volume		Price		Any			
Target Price		IPO Date								Reset (1)			
Overview	Valuation	Financial	Ownership	Performance	Technical	Custom	Charts	Tickers	Basic	TA	News	Snapshot	Stats
Total: 895 #1													
save as portfolio create alert Auto Refresh: 10s 1min off Page 1/45													
No.	Ticker	Company	Sector	Industry	Country	Market Cap	P/E	Price	Change	Volume			
1	AAL	American Airlines Group Inc.	Services	Major Airlines	USA	4.34B	2.50	9.50	1.17%	93,461,717			
2	AAON	AAON, Inc.	Industrial Goods	General Building Materials	USA	2.69B	47.28	48.23	7.39%	279,385			
3	AAP	Advance Auto Parts, Inc.	Services	Auto Parts Stores	USA	6.93B	14.02	95.81	13.18%	1,378,146			
4	AAXN	Axon Enterprise, Inc.	Industrial Goods	Aerospace/Defense Products & Services	USA	4.12B	5230.77	68.00	10.55%	772,861			
5	ABMD	Abiomed, Inc.	Healthcare	Medical Appliances & Equipment	USA	6.86B	28.19	150.26	6.27%	574,782			
6	ACAD	ACADIA Pharmaceuticals Inc.	Healthcare	Biotechnology	USA	6.88B	-	43.29	6.21%	1,281,013			
7	ACC	American Campus Communities, Inc.	Financial	REIT - Residential	USA	3.89B	46.41	27.89	7.77%	1,752,767			
8	ACGLO	Arch Capital Group Ltd.	Financial	Insurance Brokers	Bermuda	8.70B	5.58	21.59	8.38%	63,098			
9	ACGLP	Arch Capital Group Ltd.	Financial	Insurance Brokers	Bermuda	8.88B	5.69	22.03	9.49%	60,189			
10	ACH	Aluminum Corporation of China Limited	Basic Materials	Aluminum	China	6.34B	38.40	5.03	3.07%	69,267			
11	ACIA	Acacia Communications, Inc.	Technology	Communication Equipment	USA	2.79B	86.85	66.70	0.45%	867,985			
12	ACIW	ACI Worldwide, Inc.	Technology	Technical & System Software	USA	2.78B	41.88	23.45	7.82%	1,212,866			
13	ACM	AECOM	Services	Technical Services	USA	4.71B	-	28.27	7.94%	2,100,530			
14	ADC	Agree Realty Corporation	Financial	Property Management	USA	3.16B	31.09	60.07	5.24%	801,881			
15	ADPT	Adaptive Biotechnologies Corporation	Healthcare	Biotechnology	USA	3.88B	-	28.10	9.25%	805,555			
16	ADSW	Advanced Disposal Services, Inc.	Industrial Goods	Waste Management	USA	2.95B	-	32.45	0.25%	994,117			
17	ADT	ADT Inc.	Services	Security & Protection Services	USA	3.28B	-	4.38	5.04%	2,615,201			
18	AEQ	Aegion N.V.	Financial	Life Insurance	Netherlands	5.78B	3.26	2.48	9.73%	7,055,948			
19	AEK	AerCap Holdings N.V.	Services	Air Services, Other	Netherlands	2.92B	2.55	21.55	13.96%	2,105,822			
20	AES	The AES Corporation	Utilities	Electric Utilities	USA	9.65B	30.07	13.62	11.27%	4,886,245			

April 6, 2020

Momentum Hunter: Techniques Traders Use To Locate Stocks Before They Run

Source: [Finviz](#)

There are nearly 1,000 mid-caps out there... and that figure should grow over time. I just want to kick myself when I think about all of the missed opportunities over the years.

Large-Cap Stocks

Large-cap stocks are considered the cream of the crop. These are publicly-traded companies with a market capitalization of at least \$10 billion. Keep in mind, some market participants consider large-caps to be in the range of \$10 billion to \$20 billion — stocks with a market cap greater than \$20 billion would be considered mega-caps.

In many traders' and investors' minds, they are the least risky types of stocks. Many large-cap stocks are considered to be blue chips. Some stocks that fall into this category include Apple Inc. (**AAPL**), Microsoft (**MSFT**), and Amazon.com (**AMZN**) to name a few.

By looking to other classes of stocks, you expand your horizons and could uncover more potential money-making opportunities than you would if you just focused on one class. That's what I figured out when I looked to take my trading to the next level.

However, there is a problem with large-caps. These stocks could be extremely expensive and you may not be able to buy as many shares as you potentially want to based on the price.

Think about it like this, if I want to trade a large-cap stock... it could cost a lot of money and eat at my buying power. If you just look at some mid- and large-cap momentum stocks, they could cost me a heck of a lot more than a small-cap.

For example, AAPL trades for well over \$150 a share. If I found one of my favorite setups in AAPL, I would have to shell out more than \$150,000 just to purchase 1,000 shares. I don't know about you, but that's not efficient for me whatsoever.

That's why I've expanded my horizons to mid-caps. That way, I'm still focused on small-caps and put myself in a position to uncover opportunities in the mid-cap space, without overwhelming myself.

Of course, when you enter a new territory to hunt down momentum stocks... there are some problems. You see, when you focus on just small-cap stocks, the trading universe is relatively small... but when you add mid-caps the trading universe more than doubles.

So how do I combat that problem?

Simple, by using my scanner. Before I talk about how I scan for stocks to potentially trade, I want to talk to you about an important technique I believe every trader should understand, risk mitigation.

Risk Management For Momentum Trading

When it comes to trading momentum stocks, I believe it's imperative to understand risk management techniques. For example, I find it's helpful for me to size my positions properly.

What I mean by that is I don't want to take on too much risk in relation to my account size. It has been said that a good rule of thumb to use is to never risk more than 1% of an account size.

For example, assume a trader has a \$10,000 account. On any one trade the trader should not lose more than \$100 on any given trade.

So let's say the trader buys 1,000 shares of a momentum stock trading at \$0.50, if they want to risk manage properly, they would not let the stock move more than 10 cents against them. So if the stock falls to \$0.40, the trader should take the loss and stick to their plan on not losing more than \$100 on a trade (excluding any trading fees).

After the trader takes the loss, that would mean the account would sit at \$9,900 (excluding any trading fees for simplicity in this hypothetical example).

Thereafter, the trader should not risk more than \$99 on any one of their position.

One key risk management technique I use is to have a level in mind because I'm typically at my computer so I can watch stocks for most of the trading days. In other words, there is an exit I have in my mind in case the stock goes against me.

Basically, I would identify a key support level and if the stock breaks below that price, I would stop out (take a loss) on the trade. The same is true if I have unrealized profits in one of my positions, I would set a take profit at a key level.

If I'm not able to be at my computer and I have positions on, I may look to enter stop-loss limit orders. In other words, I can look to play an order to take a loss on a position. I would need to set a trigger price, followed by a limit price.

That means if I'm trading a stock and have a stop-loss limit order for my entire position open, if the stock falls to the trigger price, the limit order would be entered into the market. Thereafter, if the stock falls to the limit price, I should be out of my position.

Remember, it all depends on your risk tolerance and what you're comfortable with. So before you start trading stocks with real money, I believe it's important to understand the risks involved and have a good understanding of how to use your trading platform.

Not only that, but if you're serious about trading stocks, it's imperative to discuss these risk management techniques and the implementation with your broker or financial advisor.

Now that the basics are out of the way, I want to show you how I scan for stocks to trade.

How To Locate Stocks Potentially Set To Rise

For me personally, I believe chart patterns can be broken down into two types: breakouts and breakdowns. Basically, a breakout pattern occurs when a stock rises above a key resistance level, while a breakdown occurs when a stock drops below a key support level.

In the next section, I'll discuss some of my favorite chart patterns... but right now, that's all you really need to know.

Note: A resistance level is a price area in which a stock has had a hard time breaking above. A support level is an area where the stock has had a hard time breaking below.

Now, it's pretty easy when you think about it like that. That means on any given day, I'll filter for the top 10 stocks based on the percentage gain or loss on the day (depending on which chart pattern I want to use).

Remember when I mentioned there are thousands of stocks out there?

I wasn't kidding... just take a look at my scanner during the pre-market trading hours in one of the most volatile trading months in history.

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#	Time	Symbol	Company Na...	Bid	Ask	Last	Net Change	% Chg	Volume	Trades	\$ Volume
2448	07:00:00	AMP	Ameriprise Fin...	76.00	120.00	101.00	+0.940002	+0.94 %	10	1	\$ 1,010
2449	07:51:34	AMBA	Ambarella Inc	42.01	46.85	45.00	-0.709999	-1.55 %	4	1	\$ 180
2450	07:00:00	ALNY	Alnylam Phar...	100.00	130.00	100.00	+0.059998	+0.06 %	6	1	\$ 600
2451	08:16:29	AKBA	Akebia Therap...	4.75	7.83	7.35	+0.11	+1.52 %	100	1	\$ 735
2452	07:42:12	AJX	Great Ajax Co...	5.30	5.62	5.31	+0.29	+5.78 %	1	1	\$ 5
2453	08:02:09	AIA	iShares S&P A...	0.01	70.00	55.95	+1.1681	+2.13 %	34,776	1	\$ 1,945,717
2454	07:00:09	AGN	Allergan Plc	170.18	175.93	171.00	+0.149994	+0.09 %	20	1	\$ 3,420
2455	08:10:40	ADAP	Adaptimmune ...	2.25	3.10	3.0999	+0.0199	+0.65 %	1,000	1	\$ 3,099
2456	07:14:29	ACOR	Acorda Therap...	0.90	1.02	0.93	+0.0273	+3.02 %	300	1	\$ 279
2457	08:12:35	ACM	AECOM	22.00	27.50	25.90	+0.039999	+0.15 %	22	1	\$ 569
2458	07:48:30	ACER	Acer Therapeu...	1.35	2.50	1.34	0.00	0.00 %	5	1	\$ 6
2459	08:00:01	ACAD	ACADIA Phar...	35.00	39.00	38.99	+0.93	+2.44 %	200	1	\$ 7,798
2460	07:00:46	AB	AllianceBernst...	16.96	20.88	17.50	+0.59	+3.49 %	1,000	1	\$ 17,500

March 25, 2020

Source: © [Scanz Technologies Inc.](#)

There were more than 2,000 stocks moving before the market opened... and when you're trying to plan for the day, it can get difficult.

However, I've figured out a way to narrow my trading universe down to just a handful of momentum stocks a day.

How?

Simple. I look for a few different factors to drill down on. For the most part, I want to focus on stocks trading under \$30. Thereafter, especially in the pre-market when I'm filtering for stocks to trade, I want to focus on the dollar volume (\$ volume) traded.

If you refer to the screenshot of the scanner above, you'll notice the \$ volume on the far right-hand side.

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Basically, this tells us how active a stock is in the pre-market. At a minimum, before the opening bell, I want to see at least \$200K in volume traded. Just by using that simple filter, it takes the list of thousands of stocks down to just hundreds...

#	Time	Symbol	Company Na...	Bid	Ask	Last	Net Change	% Chg	Volume	Trades	\$ Volume
440	07:13:16	EWV	iShares Inc IS...	26.00	29.10	27.71	+1.00	+3.74 %	21,075	5	\$ 583,901
441	04:49:56	AAJ	iShares MSCI ...	59.50	79.00	59.50	+1.95	+3.39 %	10,010	5	\$ 600,110
442	08:00:00	BND	Vanguard Tota...	84.12	84.20	84.12	+0.040001	+0.05 %	4,312	4	\$ 362,723
443	08:10:21	ACN	Accenture Plc	149.50	161.00	156.85	0.00	0.00 %	4,784	4	\$ 750,384
444	08:00:00	TFO	iShares Treas...	50.25	0.00	50.31	0.00	0.00 %	4,420	2	\$ 222,369
445	08:00:00	SCHO	Schwab Short-...	51.29	51.87	51.62	0.00	0.00 %	4,147	2	\$ 214,067
446	08:01:48	IXP	iShares Global...	0.01	70.38	50.34	+0.459999	+0.92 %	250,010	2	\$ 12,585,510
447	08:02:10	SPSB	SPDR Portfolio...	0.00	29.46	29.68	+0.530001	+1.82 %	40,700	1	\$ 1,207,976
448	08:00:53	SMFG	Sumitomo Mits...	4.92	5.49	5.00	-0.18	-3.47 %	101,000	1	\$ 505,000
449	08:02:09	KXI	iShares Global...	0.00	0.00	45.65	+0.890003	+1.99 %	10,500	1	\$ 479,325
450	08:02:09	IOO	iShares S&P G...	38.00	0.00	43.12	+0.809998	+1.91 %	79,950	1	\$ 3,447,444
451	08:10:21	FIS	Fidelity Nation...	111.77	119.00	119.16	0.00	0.00 %	4,626	1	\$ 551,234
452	08:02:09	DXGE	WisdomTree G...	0.01	199,999.98	22.03	+1.658	+8.14 %	26,797	1	\$ 590,337

March 25, 2020

Source: © [Scanz Technologies Inc.](#)

Now, in the pre-market, I'll look at the top gainers (those that I believe are set to gap up once the opening bell rings). For the most part, I want to focus on the top 10 gainers.

#	Time	Symbol	Company Na...	Bid	Ask	Last	Net Change	% Chg	Volume	Trades	\$ Volume
1	08:24:44	ASTC	Astrotech Corp	3.11	3.24	3.24	+2.12	+189.29 %	260,785	982	\$ 738,557
2	08:24:45	TTOO	T2 Biosystems...	0.93	0.94	0.9301	+0.5403	+138.61 %	10,190,388	10,440	\$ 9,175,685
3	08:24:44	MFA	MFA Financial ...	0.72	0.7294	0.7279	+0.3679	+102.19 %	2,951,494	3,145	\$ 2,071,890
4	08:24:30	HAPP	Happiness Biol...	3.91	3.97	3.9798	+1.4598	+57.93 %	211,037	793	\$ 826,356
5	08:24:27	CTSO	Cytosorbents ...	6.95	7.04	6.99	+2.38	+51.63 %	927,974	4,820	\$ 7,140,447
6	08:24:34	CHFS	CHF Solutions ...	0.4605	0.47	0.47	+0.144	+44.17 %	2,906,192	2,961	\$ 1,427,102
7	08:24:32	MIST	Milestone Phar...	2.42	2.47	2.45	+0.75	+44.12 %	528,505	1,888	\$ 1,440,169
8	08:24:24	TWO	Two Harbors I...	3.42	3.44	3.4399	+0.8299	+31.80 %	80,877	225	\$ 264,214
9	08:16:21	DRIP	Direxion Daily ...	270.00	320.00	320.00	+61.065	+23.58 %	1,019	88	\$ 279,174
10	08:24:45	NBY	NovaBay Phar...	1.00	1.01	1.00	+0.185	+22.70 %	1,337,260	2,340	\$ 1,415,113

March 25, 2020

Source: [© Scanz Technologies Inc.](#)

This allows me to identify potential bull flags and pennants (more on these patterns shortly). Not only that, but scanning for momentum stocks to hunt down in the pre-market allows me to conduct my due diligence. Basically, I can figure out the catalyst behind the move, as well as plan accordingly.

On the flipside, I also look at the percentage losers in the pre-market. This allows me to identify what I believe are oversold stocks for my fish hook pattern or Fibonacci retracement. Don't worry if you don't know what I'm referring to when I talk about these patterns... because I'm going to break it down for you in the coming sections.

#	Time	Symbol	Company Na...	Bid	Ask	Last	Net Change	% Chg ^	Volume	Trades	\$ Volume
1	08:26:34	IMAC	IMAC	3.22	3.23	3.22	-1.73	-34.95 %	356,025	1,397	\$ 1,182,109
2	08:25:14	ODFL	OLD Dominion ...	136.00	137.50	136.00	-51.869995	-27.61 %	2,191	46	\$ 293,438
3	08:25:52	WTRH	Waitr Holdings...	1.25	1.27	1.25	-0.17	-11.97 %	213,852	463	\$ 274,833
4	08:24:11	EXIV	VelocityShare...	8.05	8.10	8.25	-1.00	-10.81 %	43,833	104	\$ 369,953
5	08:26:03	AYTU	Aytu BioScien...	1.81	1.82	1.8198	-0.1702	-8.55 %	1,183,764	1,800	\$ 2,138,531
6	08:24:52	FISV	Fiserv Inc	80.01	86.45	80.01	-6.639999	-7.66 %	12,650	164	\$ 1,103,168
7	08:26:14	GUSH	Direxion Daily ...	16.62	16.80	16.60	-1.299999	-7.26 %	13,400	185	\$ 239,783
8	08:25:25	AMGN	Amgen Inc	188.20	200.99	188.31	-14.029999	-6.93 %	7,102	126	\$ 1,408,612
9	08:26:36	CODX	Co-Diagnostics...	7.65	7.70	7.6502	-0.5298	-6.48 %	80,287	446	\$ 638,458
10	08:25:36	CTL	CenturyLink Inc	9.26	9.35	9.35	-0.599999	-6.03 %	57,337	84	\$ 549,715

March 25, 2020

Source: [© Scanz Technologies Inc.](#)

By doing the scans during the pre-market hours, I'm able to come up with a handful of names I may want to trade for the day. However, after the opening bell, I have to tweak my filter.

All I do here is change the \$ volume to more than \$2M. Thereafter, the process is the same... I want to rank the stocks by either top percentage gain or loss on the day.

Just by doing that, I know exactly what I may want to trade on any given day.

I believe understanding how to filter stocks to trade is extremely important if you want to hunt down momentum stocks. The thing is, there is another aspect to take into account... being able to spot repeatable patterns. Don't worry if you don't know anything about chart patterns, I'm going to walk you through some of my favorite chart patterns... the same ones I use day in and day out.

Momentum Hunter: Techniques Traders Use To Locate Stocks Before They Run

Patterns To Keep In Your Tool Kit

For the most part, there are just a handful of patterns I use when I trade momentum stocks. The thing is, I found that mid- and large-caps exhibit the same scalable patterns I've used to make money in small-cap stocks in the past.

Bull Flag and Bull Pennant Patterns

Let me walk you through some of these patterns — the classic **bull flag pattern**.

With the **bull flag pattern**, we're looking for a sharp move higher, followed by an area of consolidation — what I like to call the rest stop. You see, when stocks suddenly rise, they typically need to take a rest as I've seen from my experience.

Think if you're going on a long road trip... you're going to have rest stops in between until you continue on the drive and reach your destination.

Here's what I'm talking about.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

If you look at the chart above, the stock made a sharp move higher and had a rest stop. The area highlighted in yellow is what's known as the flag, while the blue rectangular area is known as the flag pole.

While not a given, typically after the rest period, the stock breaks out.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

The bull pennant pattern works very similar to the bull flag pattern.



Chart Courtesy of StockCharts.com

Notice the yellow rectangular area, this is the flagpole – pretty much identical to the flagpole in the bull flag pattern. However, you’ll notice two blue lines that look like they’re converging and forming a symmetrical triangle. Well, this is the pennant part of the pattern.

This is actually a small-cap stock I’ve traded before... and the pattern worked for me, for multiple trades, as I show in the case studies later on.

I know what you're thinking, "Jason, this can work with small-caps, but can it actually work with mid-cap stocks?"

You tell me.

The classic bull flag pattern popped up in Beyond Meat (BYND), and if you understood how to use the bull flag pattern coupled with successful entry and exit prices... it could have resulted in big gains.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

Now, this isn't the only bullish pattern I have in my arsenal... the ascending triangle could also be a high probability setup to hunt down momentum stocks.

Ascending Triangle

There are three things I look for to identify the ascending triangle pattern:

- A “ceiling” of resistance (sometimes I call this the supply line)
- A series of higher lows
- The resistance line and the line connecting higher lows should be able to connect at some point, forming an acute angle (almost like a triangle!).

Once the stock tops that line of resistance, it typically moves higher.

For example, check out this chart below, it's a classic ascending triangle pattern.



Chart Courtesy of StockCharts.com

Notice the blue horizontal line, this is known as resistance – or the supply line. The stock had a tough time breaking above this area. However, if you look at the uptrend line, the stock was still running higher... and looked as if it could break above the blue horizontal line.

Historically, you'll see stocks flirt with the resistance area before breaking above it. That's exactly what we saw here. As you can see below, once the stock broke above that blue horizontal line, it jumped higher!



Chart Courtesy of StockCharts.com

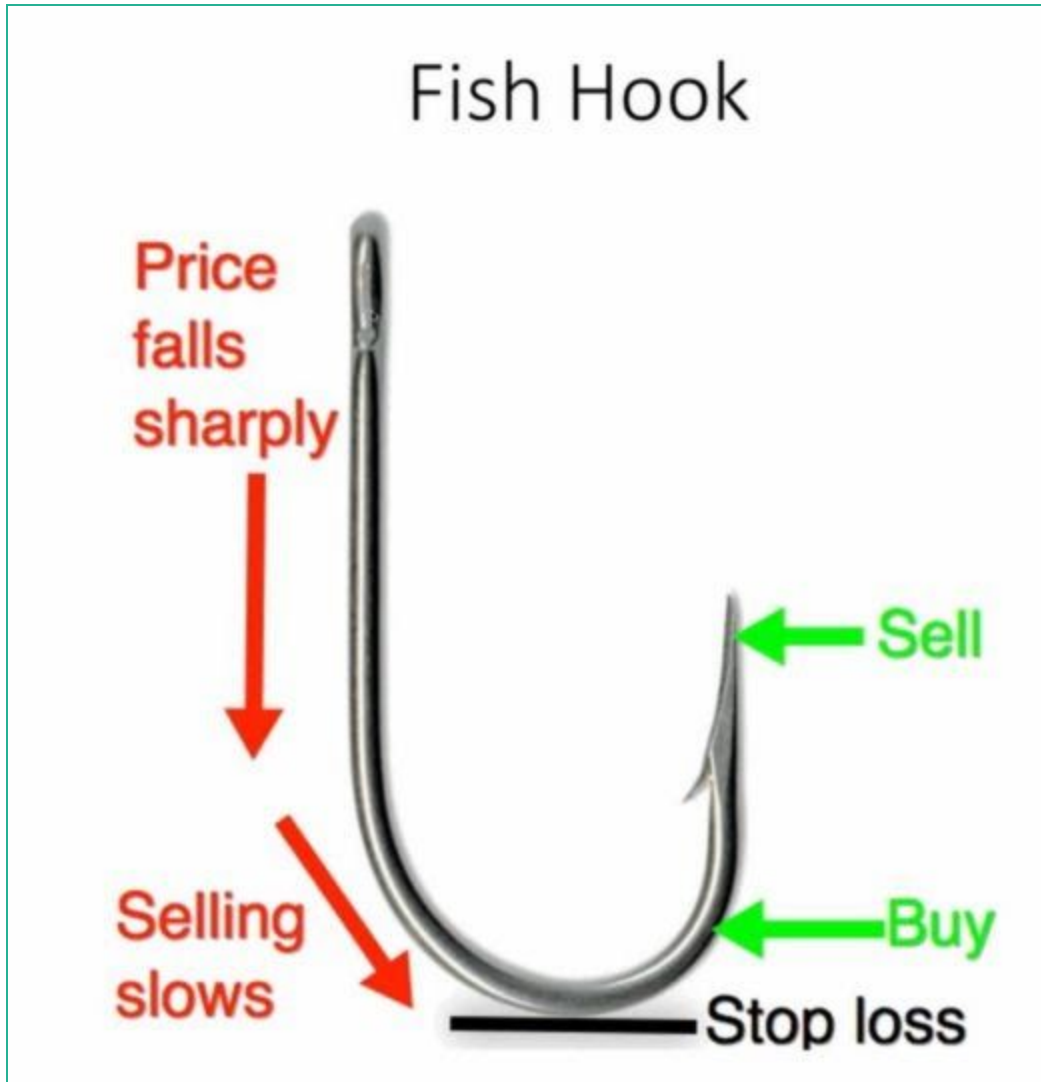
Fish Hook Pattern

How many times have you seen a momentum stock fall significantly, stall and think it could bounce?

Well, I have so many times... and for the most part, I've been able to use it successfully. What's the fish hook pattern?

It's easy.

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I'm looking for a big drop in the stock, a slow down in the selling pressure... followed by an area of consolidation. Thereafter, I want to see the stock catch a pop.

Here's how it looks on an actual stock chart.



Chart Courtesy of StockCharts.com

What I'm really looking for is an area of support, and it helps if the Relative Strength Index (RSI) is below 30. Basically, the RSI is a momentum indicator that lets us know whether a stock is potentially oversold or overbought.

Typically, when a stock's RSI is below 30, momentum traders consider it oversold... and that's a signal the stock could catch a bounce. On the other hand, if the RSI is above 30, it indicates the stock may be overbought and it could be at a top.

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Of course there are plenty of bullish patterns out there, but these are the ones I've found most useful to get started with momentum trading. I'll show you how I use some of these bullish patterns to my advantage when I'm trading momentum stocks, whether they be small-caps or mid-caps.

In order to understand how the fish hook pattern works, I believe it's helpful to understand some bearish patterns as well.

Make Sure To Keep An Eye On Bearish Patterns

With momentum stocks, when they fall... they fall fast, and it's helpful to know a few setups that could signal a stock could drop lower. That way, it allows for better timing of entries and stop-losses.

That being said, let's take a look at a few bearish patterns.

Descending Triangle

Remember the ascending triangle pattern? Well, the descending triangle pattern is just the opposite.

With this specific setup, I want to see three things happen:

- A series of lower highs (a downtrend)
- An area of support
- The support line and the line connecting lower highs should be able to connect at some point, forming a triangle.

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Here's how it looks on an actual stock chart.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

Now, we're not looking to short momentum stocks because it could be extremely dangerous. The purpose of studying bearish patterns is to improve the probability of success when hunting down oversold stocks set to bounce (using my trusty fish hook pattern).



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

As you can see above, if you wanted to try the fish hook pattern in BYND... it wouldn't have been wise because there was a big descending triangle pattern there.

I want you to go out and pull up some stock charts and see if you can spot this pattern. I find it's helpful to actually draw and annotate the charts.

This brings us to the bear flag or pennant pattern.

Bear Flag / Pennant Pattern

The bear flag / pennant pattern is the exact opposite of the bull flag / pennant you saw earlier. However, this time we want to see a sharp move lower, followed by a period of consolidation.

I'm going to use Facebook (FB) as an example for the bear flag / pennant pattern — just because most people are familiar with the stock. However, keep in mind, this pattern comes up in small-cap and mid-cap stocks as well.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

Just take a look at what happened once the stock (Facebook) broke below the consolidation area.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

If you look at the bear pennant pattern, it almost looks like a fish hook pattern right?

It's very easy to get faked out, and that's why I wanted to bring some bearish patterns to your attention.

There's one more pattern I want to walk you through...

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The Rest And Retest Pattern

This is one of my favorite patterns to use, and sometimes I refer to it as the Fibonacci retracement pattern.

If I miss out on a massive move in a momentum stock, often the rest and retest pattern comes into play.

Why?

Well, generally, a momentum stock will move higher and there is a high probability there will be pullbacks along the way. Thereafter, once it finds a key support level, it will typically bounce off and often continue higher.

With this specific pattern, I'm literally looking for the stock to "rest" at a key level... and "retest" or reclaim recent highs.

Here's what the Fibonacci retracement pattern looks like on a chart.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

Notice how Glu Mobile Inc. (GLUU) broke out... if I missed the move, that's okay. I identify the high and low points for the stock and draw the Fibonacci retracement. The retracement charting capabilities should be found on your trading platform or charting software.

If you notice, there are key support levels in the chart above. Don't worry if this is unclear to you right now... because I'm going to show you how this works in the next section.

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Of course, there are plenty of charts you can study out there... and anyone can teach you any chart pattern and tell you they work. It's one thing to be able to identify chart patterns, and it's another to actually make trades based on them.

I'm a real money trader and I want to show you how I trade some of these patterns. I believe the easiest way for you to learn how to spot momentum stocks that may move significantly is through real-money case studies.

After you study the real-money case studies, I believe it's beneficial to paper trade and test these patterns out on your own to see if they work for you. With that being said, let's see how I'm able to consistently hunt down momentum stocks.

Case Studies — Real Money Momentum Trades

I don't just talk about chart patterns and show backtested results. I put my money where my mouth is and I'm confident these patterns could hunt down momentum stocks.

I'm going to walk you through a number of my real-money trades, so you can see exactly how my bread-and-butter setups work.

The Fibonacci Retracement Play

In order to help as many subscribers as possible, I send out advanced notice alerts of my stock purchases. This lets traders know a stock is on my radar and I'm looking to get in very soon if my entry price is achievable.

BLPH advance notice (check charts)



Jason Bond jason@jasonbondpicks.com
to me ▾

Fri, Mar 20, 12:44 PM

BLPH had ROCKETED higher out of the gate the day I wanted to trade it. It came up on my screener in the morning, and I assessed the catalyst for the stock exploding:

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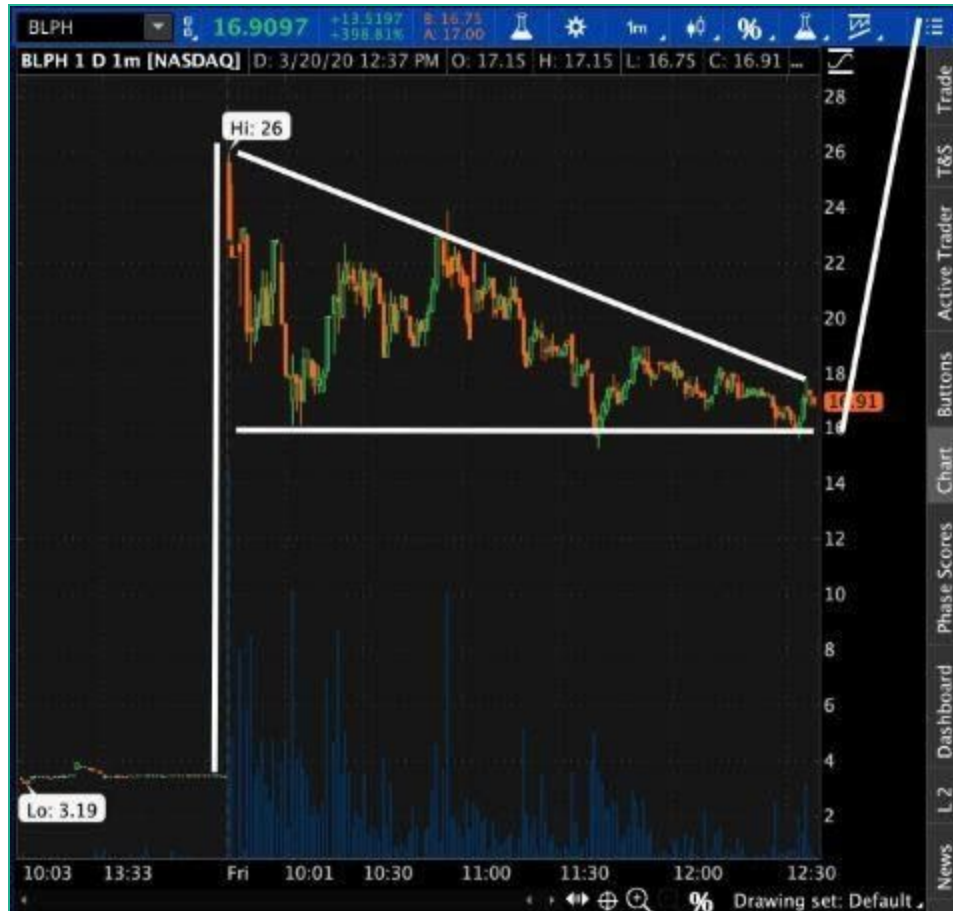
the FDA granted emergency expanded access for the company's INOpulse — its proprietary inhaled nitric oxide delivery system — to be used for **COVID-19** treatment.

The stock's heavy volume — you see about \$107 million worth of \$-volume was traded at the time my advance notice was given — also caught my attention.

But most notably, after the initial pop, BLPH started etching out a **bull pennant formation** on an intraday chart.

I also noted to subscribers that I could see potential entries at various Fibonacci retracement levels. See, after a stock rockets higher, it often takes a REST at key mathematical levels before it RETESTS its highs.

Nevertheless, I wanted to be patient, as it was early, and go for a small position if I acted.

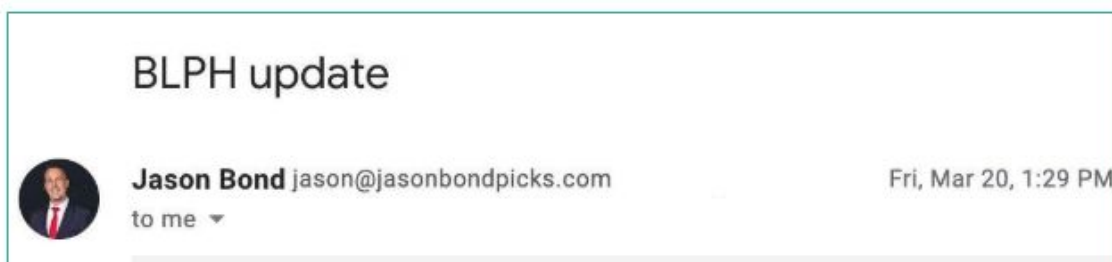


Source: thinkorswim

But alas, things didn't go according to plan.

Just as I was LITERALLY entering my position, BLPH came off support!

I sent another update at **1:29 p.m. ET** that day, about an hour after my advanced notice buy alert.



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I let subscribers know that although I missed my entry, I wouldn't be surprised if BLPH set back up and I would potentially buy the stock.

I also sent a chart showing the **true power of the Fibonacci retracement theory!**

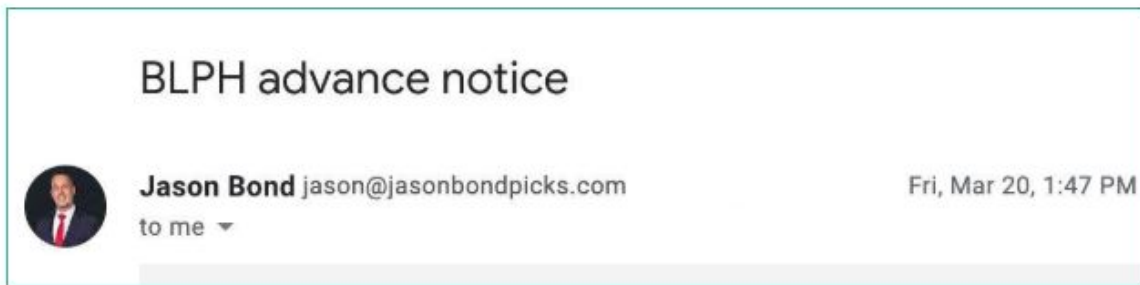


Source: thinkorswim

Well, it didn't take long for opportunity to come knocking...

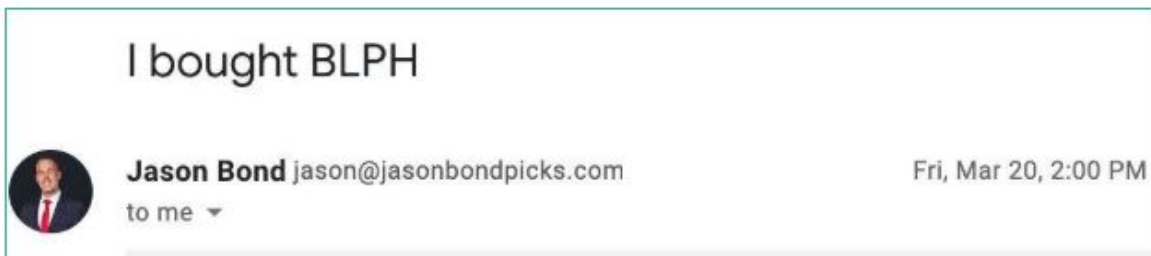
With BLPH hovering around \$16, I sent my second Advance Notice Buy Alert on the stock **shortly after my update.**

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I told subscribers that I was aiming to make a day trade — a trade you're in and out of in the same session — amid my expectations for the stock to possibly retest its high of the day.

I had yet to see a lot of snaps that scared me on trades like this, so I figured the probability was good, but also understood it was a risky position.



Specifically, I bought 1,000 shares of BLPH at \$17.91, and expected it could head back to its highs in the middle \$20s.

So, basically I was **risking a few thousand dollars to try and make \$8,000**.

To illustrate the pattern, my initial goal was to get an entry around the \$15 level — a 50% retracement from the previous day's close to the high on the day — so I did end up paying just under \$3 more a share than I'd hoped.

But that pennant formation — not to mention very **encouraging late-day** stock volume — had me hopeful there was potential for a big win.

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Source: thinkorswim

And, less than 45 minutes before the close of trading that day, things were encouraging...



BLPH hit around \$22!

And I felt if the stock could just break that level, there could be plenty of room to run!

I expected the shares could hit that \$26 area, the point of their intraday high, but I planned to go ahead and sell half my shares to **lock in a win once BLPH moved between \$22 and \$24.**

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Source: thinkorswim



Source: thinkorswim

AND THEN...

My fears of a crack came to fruition.

Here's what I wrote just 10 minutes before the closing bell.

Well bummer



Jason Bond jason@jasonbondpicks.com
to me ▾

Fri, Mar 20, 3:50 PM

Bellerophon stock fell apart AT THE BUZZER, and I got hit by eleventh-hour volatility.

I was up about \$6,000, or 30%, originally, and then JUST MISSED IT.

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Look at my order before the crack — I was a few PENNIES from locking in a \$2,500 win to hit my target.



Source: thinkorswim

However, BLPH ripped to the downside and hit my stop-loss, so I ended up being down about \$200 on the trade.

THEN, by the time I wrote my final alert, of course BLPH BOUNCED back into the \$20 range. Ha!

Don't get me wrong — I sure wish I'd taken my \$6,000. But several subscribers ended up making **BIG CHEDDAR** using my new alert system, and that's what matters most to me.

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¹ *RagingBull.com, LLC utilizes select testimonials depicting profitability that are believed to be true based on the representations of the persons providing the testimonial. However, trading results have not been verified and will vary widely given a variety of factors such as experience, skill, risk mitigation practices, market dynamics and the amount of capital deployed. It is easy to lose money trading and we recommend educating yourself as much as possible before you even think about trying it. Past performance is not necessarily indicative of future results.

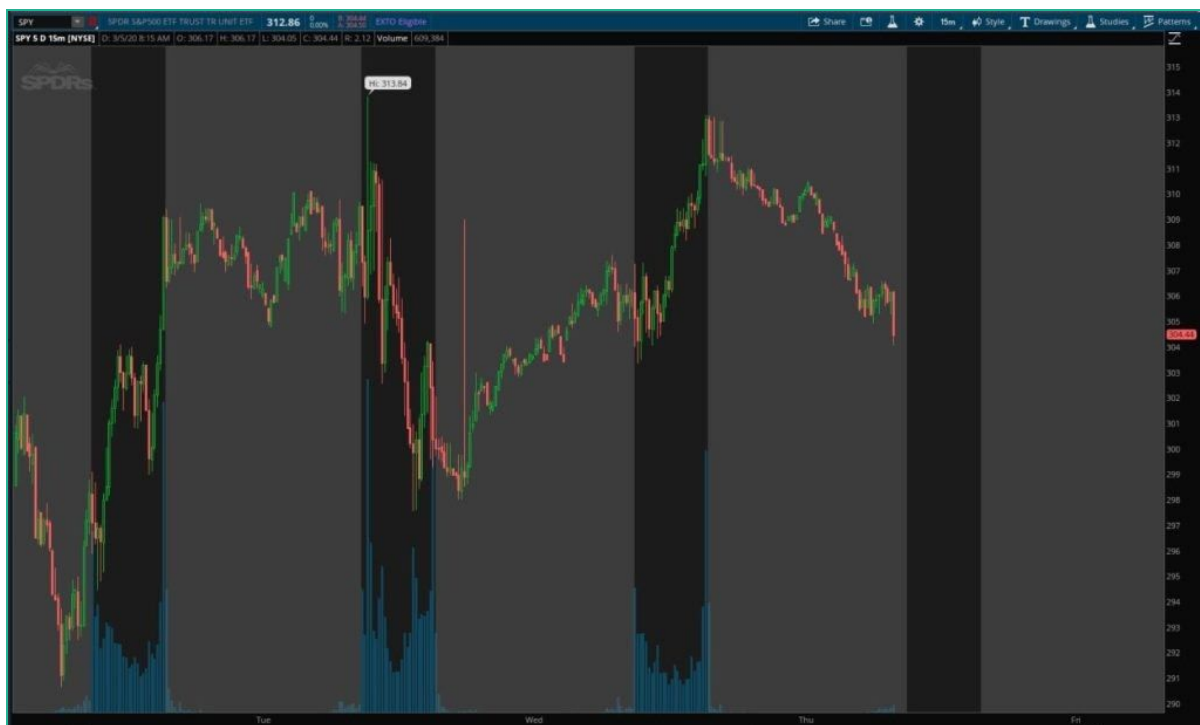
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These are real-money trades, and of course, not every single trade will be a winner... that's just the reality. Now, let's move onto another case study.

Bull Flag Pattern Uncovers \$3,752.62 Winner In Less Than An Hour

One of my favorite types of stock to trade is the one diverging with the overall market. In other words, the stock moves higher when the overall market is trading lower.

Just take a look at the S&P 500 ETF (SPY) during the week of March 3, 2020 when I hunted for a momentum play. It was just choppy price action.

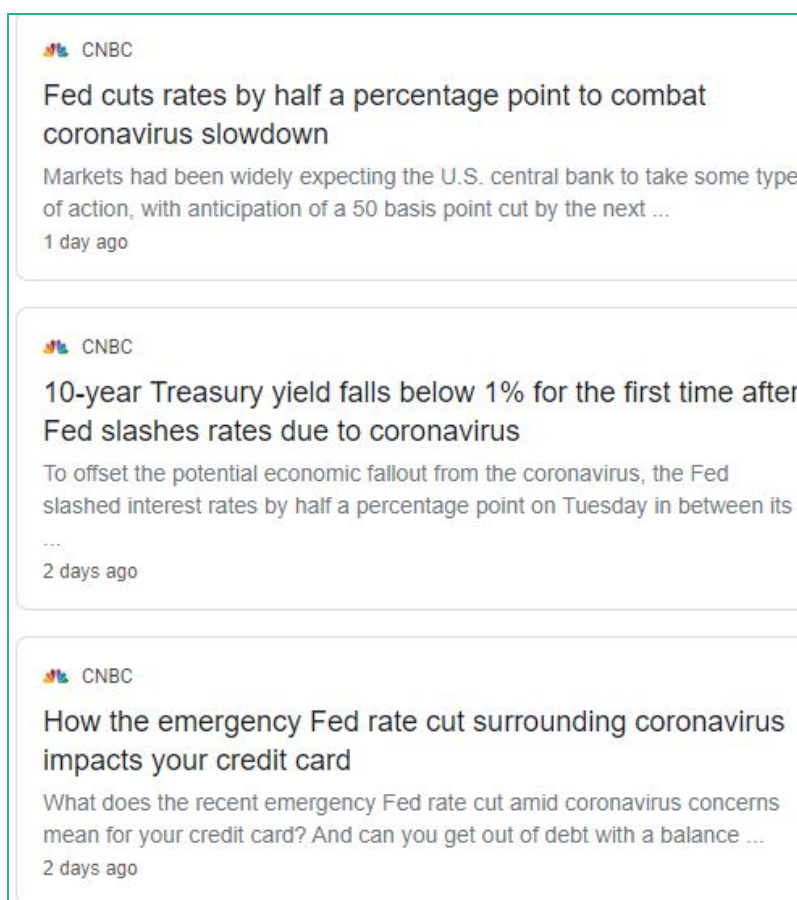


Date: Week of March 3, 2020

Source: thinkorswim

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Not only that, but there were so many headlines that came out that caused even more volatility:



Date: March 5, 2020

Stocks were extremely volatile... as we saw the market pop off the back of a “surprise” Fed rate cut. However, coronavirus fears ensued and the market reversed all the gains and sold off.

The thing is, I was still able to spot a winner using a simple pattern... and if you think I shorted stocks that day, I didn't. I actually made money buying!

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The momentum play was in Stealth BioTherapeutics (MITO). The stock released news that the U.S. Food and Drug Administration (FDA) granted Rare Pediatric Disease designation for its Barth syndrome drug. That catalyst was enough to cause the stock to trade higher.

Of course, when stocks have a positive catalyst and explode... buying blindly is one way to get sliced up because there could be whipsaws along the way. Instead, finding a scalable pattern and understanding catalysts works best for me.

That's exactly what I noticed in MITO. Check out the 1-minute chart when I traded the stock.



Source: thinkorswim

If you notice, MITO exploded right out of the gate and stalled... this formed the bull flag pattern, and I waited for my view of an area of value to get in. If you notice, there was an area of consolidation (the flag portion of the pattern).

I was patiently waiting for the right price, and once it hit the demand line... I bought shares in anticipation of a run higher. Here's what I sent out to subscribers as I was getting into the trade.

Mar 3, 2020 at 10:46 AM – Jason Bond:

JBP: morning bull flag up on news, bought 7k MITO at 3.93, range to 4.50, maybe nhod, probable day trade

Since I bought on the pullback, there was a high probability that MITO could retest the high of the day, and potentially break out and make a new high of the day (NHOD).

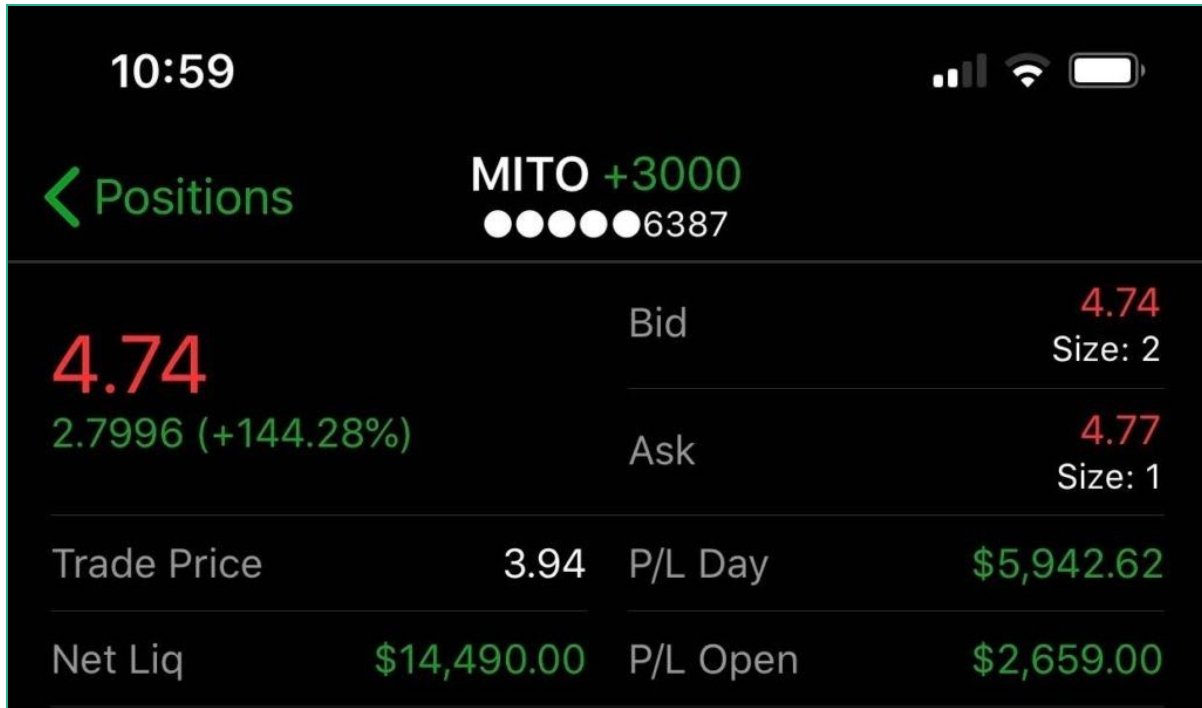
As you can see, MITO broke above and actually got to \$5...

Once I saw that move, I decided to de-risk and take off a little more than half of my position off the table...

Mar 3, 2020 at 10:58 AM – Jason Bond:

JBP: sold 4k of 7k MITO in the 4.70's as it hit 5 on the breakout, riding 3k shares, see what happens

Here's what my PnL looked like just as I took some profits off the table...



Date: March 3, 2020

Source: thinkorswim

Now, with fast-moving stocks that are up more than 100% on the day, it's not surprising to see pullbacks along the way. So to be prudent, I placed a take-profit order, just in case the stock retraces below my entry.



March 3, 2020

Source: thinkorswim

Mar 3, 2020 at 11:33 AM – Jason Bond:

JBP: MITO take-profit at 4.10 triggered

My take profit order was triggered at \$4.10. Of course I could've taken all my profits in the \$4.70s... but at the time, the stock looked to me like it could continue much higher, and the play was for me to hold the rest for a bigger move.

I was happy with the trade, because overall, I locked in a \$3,752.62 winner in less than an hour... even when the market was tanking.

That's one way to define your risk and protect your profits if you're going to trade shares outright.

Let show you another small-cap case study.

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Fish Hook Pattern Reels In A Monster Winner!

Remember when I brought up my trusty fish hook pattern in the last section?

It's useful if you want to trade oversold stocks. Basically, the whole idea with oversold stocks is to try to play for a bounce.

Here's how the fish hook pattern works...

The first thing you have to do is look for beaten-down names, and there are scanners out there that allow you to do this. For example, you can head on over to Finviz, and screen for stocks down say 10% on the week, or you can use the scanner I showed you earlier and look for top 10 percentage losers on the day.

You can even filter for market cap, average volume, and RSI... **the key ingredients to finding the “perfect” reversal play.**

So with **the fish hook pattern**, all I'm looking for is three things:

1. The stock plummets (typically an overreaction)
2. The stock finds a support level and starts to come out of oversold territory, based on the RSI.
3. The stock starts to catch a bounce.

Let me show another fish hook pattern case study...

Fish Hook Pattern Strikes Again!

Again, with the fish hook pattern, look for three things:

1. A stock plummets significantly, with no end in sight.
2. The stock finally finds a support level and holds.
3. The stock starts to catch a bounce and turns.

It might be hard for you to visualize at first, but check out this daily chart in Scorpio Bulkers (SALT).



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

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It looks like a fish hook if you think about it... right?

Looking at the chart above, you'll notice all three conditions were satisfied. SALT sold off pretty hard and in just a few weeks, the stock lost nearly 50% of its value. Thereafter, it found a support level right around \$3.25. Finally, it started to catch a bounce.

Not only that but if you look at the Relative Strength Index (RSI), the stock was in oversold territory. You're probably wondering, Jason, what the heck is the RSI?

Do you see the line under the price chart? That's what you really have to look out for. It's a popular indicator that compares bullish and bearish price momentum and signals overbought or oversold probabilities.

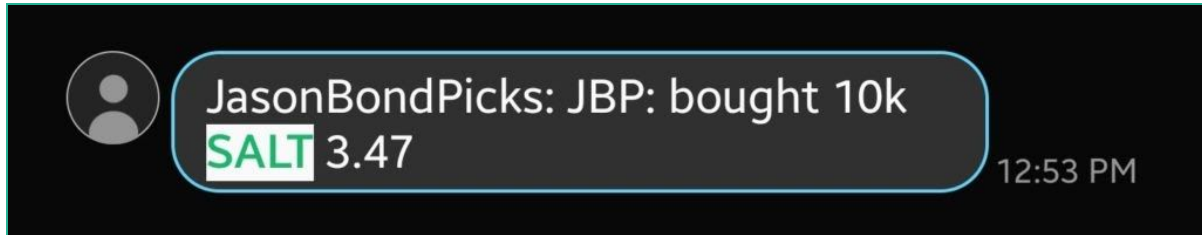
Generally, traders will use 30 (stocks are considered oversold if it's below) and 70 (stocks are considered overbought if the RSI is above this level) as lines in the sand. For this illustration, all you have to worry about is the 30 level in the RSI.

Typically, when I see that price action and the RSI below 30, it's a signal the fish hook pattern could materialize... and I could reel in profits in a short time frame.

If you look back to the chart in SALT, you'll notice the RSI was well below 30, a clear signal it could reverse and come out of oversold territory and back to normal levels.

So what did I decide to do?

I bought shares of SALT to play the bounce. Now, with this specific setup, I don't look for a whole lot. I know the stock isn't going to recoup all of its losses, but I believed it could return a 10-20% winner over the course of about 5 trading days.



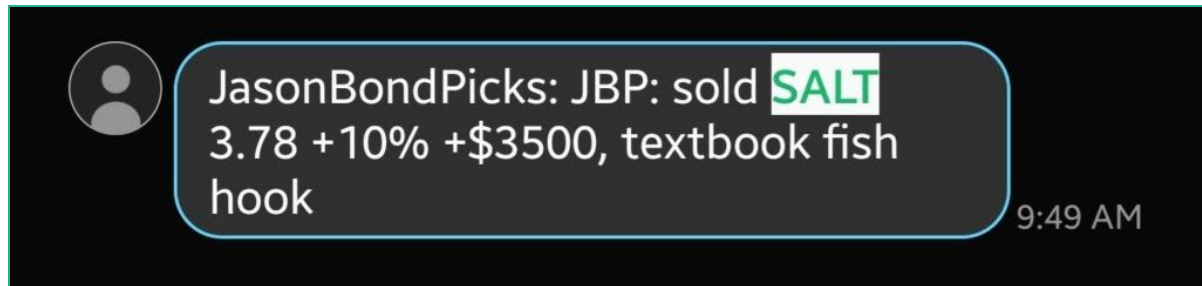
Look at how the trade actually turned out...



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

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I bought shares at 12:53 PM EST and the following day, at 9:49 AM EST, I was able to lock in a \$3,500 winner overnight! That was good for a near 10% winner.



Teach A Trader To Fish...

My fish hook pattern is so powerful that I want to walk you through yet another case study.

I saw PLAY pop up on my scanner. In fact, it was third on my list... and I quickly pulled up the chart. Once I pulled up PLAY, I was so stoked because I saw my trusty fish hook pattern.

#	Time	Symbol	Company Na...	Bid	Ask	Last	Net Change	% Chg	Volume	Trades	\$ Volume
1	09:48:01	IMAC	IMAC	1.71	1.72	1.72	+1.28007	+290.97 %	5,961,359	18,224	\$ 10,366,459
2	09:48:00	AKER	Akers Bioscien...	2.86	2.89	2.8894	+0.9094	+45.93 %	3,221,115	13,451	\$ 9,962,179
3	09:48:00	PLAY	Dave & Buster...	13.48	13.55	13.5291	+3.5691	+35.83 %	1,495,675	8,715	\$ 19,431,357
4	09:48:00	EVRI	Everi Holdings...	4.93	4.95	4.9499	+1.2799	+34.87 %	514,223	3,182	\$ 2,417,084
5	09:48:01	PENN	Penn National ...	12.94	12.99	12.97	+3.17	+32.35 %	4,374,551	23,120	\$ 56,329,975
6	09:48:00	NVAX	Novavax Inc	13.75	13.80	13.775	+3.015	+28.02 %	6,450,197	31,261	\$ 94,262,770
7	09:47:57	ERI	Eldorado Reso...	13.07	13.17	13.0716	+2.6316	+25.21 %	1,063,815	6,738	\$ 14,025,095
8	09:48:01	SAVE	Spirit Airlines ...	12.14	12.19	12.19	+2.36	+24.01 %	1,139,254	6,524	\$ 13,771,111
9	09:47:59	DFEN	Direxion Daily ...	7.56	7.64	7.6002	+1.4302	+23.18 %	271,084	873	\$ 2,074,905
10	09:47:57	CHEF	Chefs Wareho...	8.20	8.27	8.27	+1.55	+23.07 %	541,134	2,920	\$ 4,416,783

Date: March 23, 2020

Source: © Scanz Technologies Inc.

Here's what I sent out to subscribers about PLAY in my watchlist...

Finally, PLAY which I traded well last week is making a nice higher low after resting for a few days. If shares can get above \$10 this really has a lot of room higher. I'm watching \$8 as the pivot for now.



Sincerely,

Jason Bond

Jason Bond

Date: March 23, 2020

Chart Courtesy of [Finviz](#)

Once I put the stock on my watchlist, I knew I had to keep an eye on it... and subscribers had it on their radar as well.

Shortly after I sent out my watchlist, I sent out an ADVANCED Notice Buy Alert email. That's right, before I got into the trade... I let subscribers know about my plans.

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PLAY advance notice

Jason Bond

Mon, Mar 23, 11:12 AM



to me

PREMIUM ALERT

JASON BOND PICKS
winning small cap swing trades
with Jason Bond

LOGIN



Assuming this market doesn't fall apart I think this is about where I want to take another shot on PLAY. \$8 is my pivot as of right now, \$10+ is my goal with the general assumption 10-20% wins, consistently, is huge right now. I'd like to buy 5K shares above \$8.30 as of right now. I think the market has a chance of getting / staying green today and if I'm right I think this makes for a nice overnight trade.



Jason Bond

Jason Bond
JasonBondPicks.com

If you look at the screenshot above, you'll notice there was an entry zone, stop-loss zone, and target area discussed. The only thing I needed to do was follow my plan.

Well, shortly after I sent out the advanced notice buy email, I noticed PLAY was having a stellar day and its performance was diverging with the small-cap ETF (IWM), at the time.

Here's what I sent out to subscribers in real-time — letting them know I bought shares of PLAY.

Hi,

So we're seeing some weakness in the IWM as these overall markets try hard to find a real bottom. I like the divergence in PLAY up 8% at the time of my buy. I picked up 5k at \$8.35, am monitoring \$8 as my probable stop loss area and am looking for a test of \$10 to see how it trades at those levels. Bought into the IWM low of day move thinking if it reverses today, PLAY might see that \$10 level. If not, it's diverging so I might be able to hold onto it for a swing.



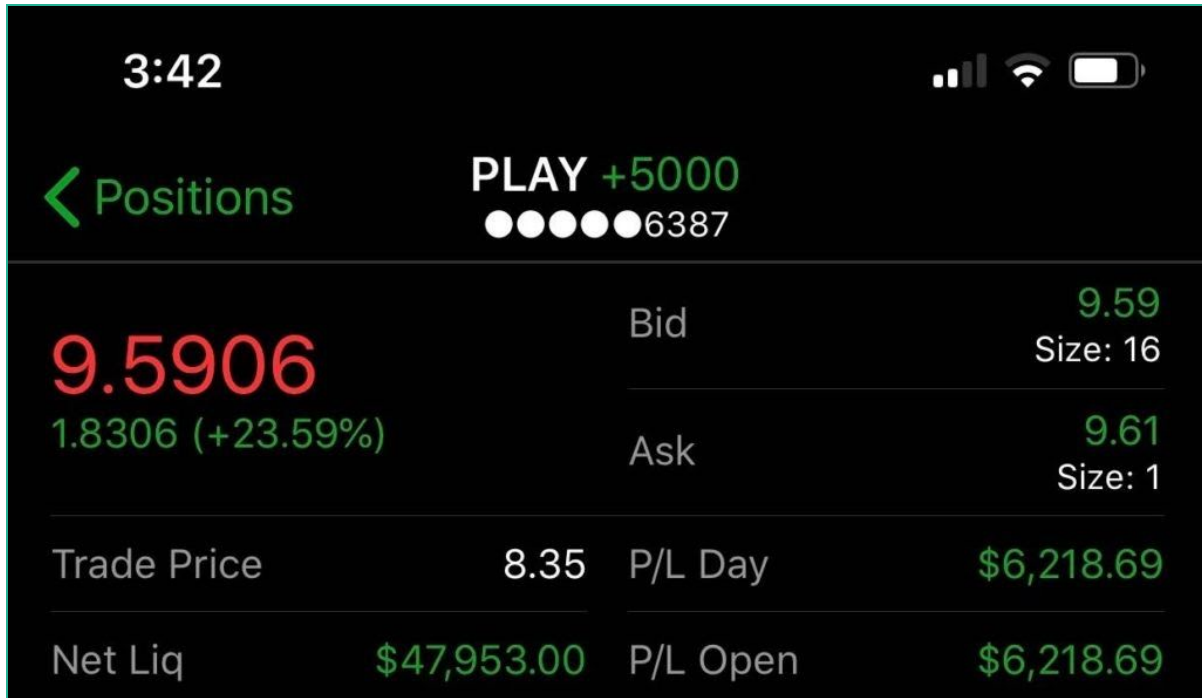
Chart Courtesy of [Finviz](https://finviz.com)

Here's the divergence on PLAY I'm referring to, meaning it's up as the market is down, showing signs of headed higher despite a headwind. The thesis is if the wind shifts to the back of the overall market, stocks that were diverging will go up faster. We'll see if it works.



Chart Courtesy of [Finviz](https://finviz.com)

Just a few hours after I got into the trade... PLAY jumped up 15%, and I was able to rake in \$6,000 in real-money profits!



Date: March 23, 2020

Source: thinkorswim

Of course, some subscribers did a heck of a lot better than me... like Sanmeet.



² *RagingBull.com, LLC utilizes select testimonials depicting profitability that are believed to be true based on the representations of the persons providing the testimonial. However, trading results have not been verified and will vary widely given a variety of factors such as experience, skill, risk mitigation practices, market dynamics and the amount of capital deployed. It is easy to lose money trading and we recommend educating yourself as much as possible before you even think about trying it. Past performance is not necessarily indicative of future results.

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Now, let's move onto another case study.

The \$8,300 Winner In Just 35 Minutes

The beauty about momentum plays is, if correct, you can potentially generate high returns in a short period. Take a look at this setup in New Age Beverages (NBEV).

At the time, there were numerous reasons to trade the stock — multiple catalysts and a chart pattern that signaled NBEV could bounce.

New Age Beverages was a cannabis play, as the company is well known for its alternative beverages and emergence into the CBD-based drink business. While it was not a pure pot play, it would get a boost when marijuana stocks do catch a pop.

³ *RagingBull.com, LLC utilizes select testimonials depicting profitability that are believed to be true based on the representations of the persons providing the testimonial. However, trading results have not been verified and will vary widely given a variety of factors such as experience, skill, risk mitigation practices, market dynamics and the amount of capital deployed. It is easy to lose money trading and we recommend educating yourself as much as possible before you even think about trying it. Past performance is not necessarily indicative of future results.

In my weekly watchlist, I noted one of the catalysts I liked is **New Age's Marley brand** — a selection of coffees and teas centered around Bob Marley's values of natural living and authenticity.

NBEV's Marley CBD line of drinks — the non-psychoactive portion of cannabis — is available in select states.

Not only that but I mentioned that pop culture icon Kendall Jenner (part of the Kardashian family) had become the “face” of NBEV, at the time.



If you know who the Jenners are... you probably know how massive their following is... and anything stock tied to them will move. Heck, back in 2018, her sister Kylie, tweeted about Snapchat (SNAP), and the stock cratered — losing more than \$1B in market cap.



I figured Kendall Jenner could do the same with NBEV... but it'll take some time for the masses to adopt NBEV. However, it was still a positive catalyst. There was another catalyst on the table for NBEV.

The stock was expected to report earnings a few weeks from when I traded the stock, and I figured it could be a catalyst runup play, as small-cap momentum traders may scoop up the penny stock ahead of the event. Especially after Canopy Growth (CGC) popped after its earnings announcement.

Sure, those catalysts are great and all... but I don't buy stocks at random prices. I have to find an area of value, and chart patterns help with that.

Of course, NBEV was a beaten-down name... and it actually looked like it could continue lower because it was in a perpetual downtrend.

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Chart courtesy of [Finviz](https://finviz.com)

However, if you look closely at the Finviz chart above, you'll notice there was a double bottom.

So what's a double bottom?

Quite simply, it's an area of support. Generally, traders view double bottoms as a sign the stock could rebound and continue higher.

Since there were multiple reasons to get into NBEV, all I had to do was be patient and trade the plan I developed.

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I noted I would look to buy shares around \$1.90 to \$2. However, I missed that by a tad... and when I saw shares trading above \$2 (breaking above a recent resistance level, at the time), I pounced on the trade.

I alerted subscribers after I had bought the stock...



Of course, I had a target in sight... as I looked for a 10%+ winner.

Well, in just 35 minutes, the stock made the move, just as I suspected!



Just so you can see how easy the play was for me... you can see how I traded it on the intraday chart.



That was good for an \$8,300 winner in just 35 minutes! As you can see, I just placed my trade and let it work out.

This was a prime breakout play. I know you probably can't get enough of these case studies... but we've reached the last case study for this eBook.

Now, let me walk you through another Fibonacci retracement play.

Bread And Butter Pattern Spots \$11,000 Winner

You've probably heard this before, one of my favorite patterns to use is the rest and retest pattern... and I think it would be more useful if I showed you another example of how I actually use it to locate stocks poised to move.

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So let's recap again... what's the rest and retest pattern?

Well, if you've ever seen a stock shoot up and think to yourself, "I can't believe I missed the trade! I should've bought the stock" ... this is where the pattern comes into play and could help you uncover another opportunity.

Check out this hourly chart in Glu Mobile Inc. (GLUU).



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

If you look to the left-hand side of the chart, you'll notice GLUU made a massive move... and if you missed out on it, that's okay. All you need to do is identify the high and low points of the move and apply the Fibonacci retracement tool.

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Let me show you how it works in action.

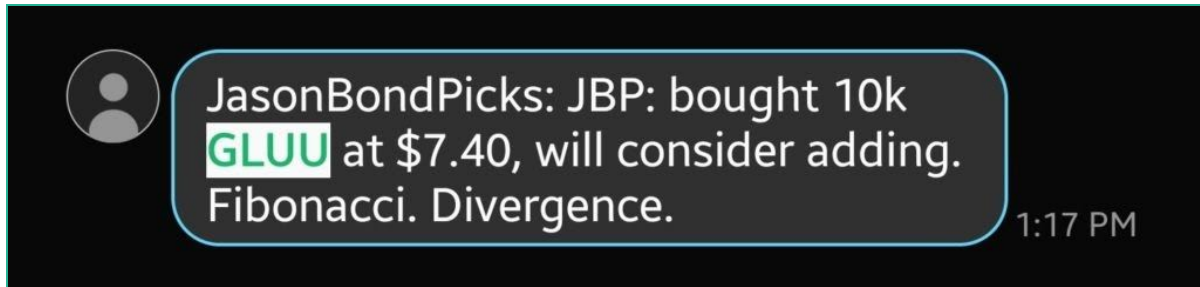


Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

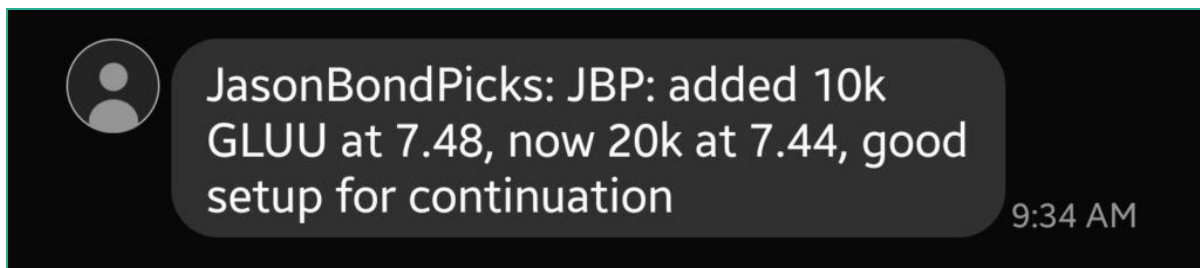
If you look at the chart above, you can see the 61.8% retracement line held as support and continued higher... thereafter, the 38.2% retracement level became an area of value. So what did I do?

I bought shares as GLUU broke above that level...

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I believed GLUU was a strong stock at the time and I decided to buy more shares the following day...




Just a few hours after I added to the position, GLUU exploded and retested its recent high.



Chart Courtesy of [StockCharts.com](https://www.stockcharts.com)

Of course, once the stock retested highs, I locked in my profits and ended the week on a high note... that was good for \$11,000 on one single trade.



JasonBondPicks: JBP: sold GLUU

7.90's +\$11,000

12:18 PM

Momentum Hunter: Techniques Traders Use To Locate Stocks Before They Run

I hope by now you understand the power of my patterns and how easy it is to spot momentum plays.

Are You Ready To Hunt Down Momentum Stocks?

By now, you should have a good understanding of how to hunt down momentum plays in small- and mid-cap stocks. You can find high-probability trades in these classes of stocks to put yourself in a position to maximize profits in a short period of time.

Not only that, but you should be well-equipped with easy-to-use and highly-effective patterns to locate stocks poised to move.

If this doesn't click for you right off the bat, don't worry. Making it in the momentum trading game is not a sprint, it's a marathon. Go back and review these lessons, paper trade and things should eventually click for you. If and when they do, you'll be armed with a high-probability momentum trading strategy designed for fast profits and risk minimization.

