

"How I invested in GAF stocks during the Covid-19 crisis"

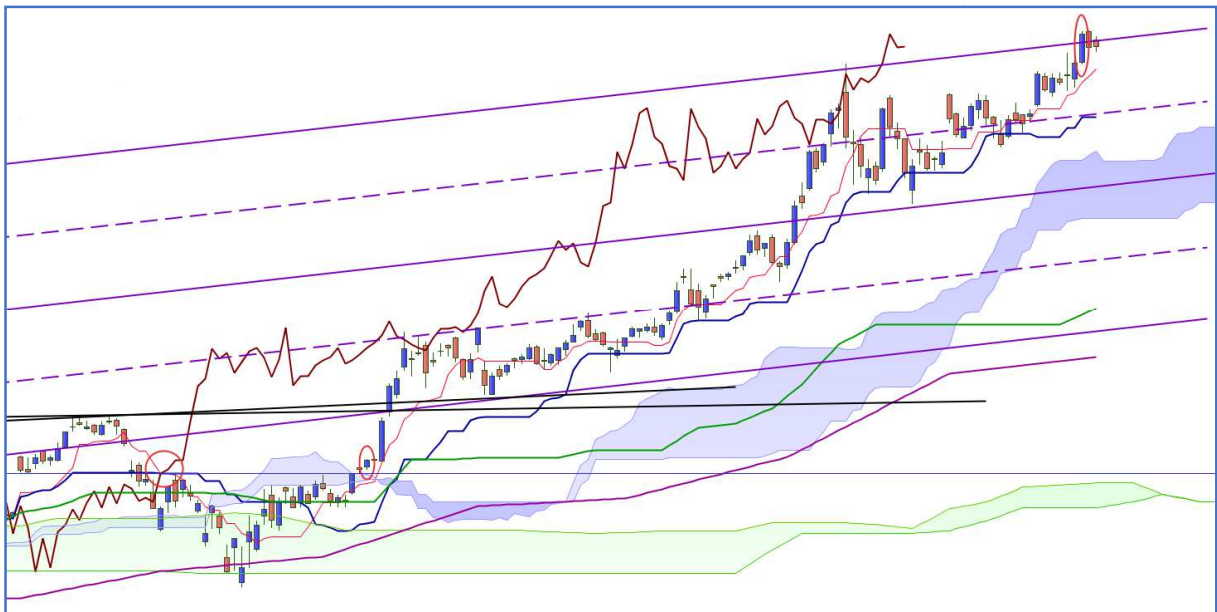
This article aims to show you how to take medium term position in stocks using Ichimoku to find the right entry level.

Following the crash of the markets and especially of the Nasdaq induced by the "black swan" Covid-19, I wanted to try an experience on my personal account by taking swing positions and not by doing intraday trading as I usually do... And the gains were there without any stress.

I chose 7 stocks from the Nasdaq on the assumption that they were on "sales" and that it could be possible to enter this market at a lower cost.

Here are the explanations of these trades:

- 04/08th : **AMAZON** >1st position completed on 04/14th. Closed on 08/26th



The entry was made in the red circled candle, on the exit of the daily cloud, after noting that the weekly Kijun (green) had held up well. The Lagging Span on the left broke its Kijun + Tenkan and therefore validated the bullish pursuit. The only downside was the cluster of trend lines in resistance ahead and the Andrews Pitchfork 's lower band which might hinder the move up. So I only entered 50% of the position and added the other 50% after breaking these resistances.

For the first entry, the SL was positioned below the weekly Kijun and for the 2nd, the SL was set below this cluster.

Then it was raised as prices moved up by adjusting it under the Kijun. The target was the Pitchfork upper band > + 61.8%

- 04/13th : **NETFLIX**. Closed on 08/26th



Same process: entry as soon as prices are out of the daily cloud with the validation of the Lagging Span when it breaks its Tenkan.

The SL was placed under the cloud SSB then adjusted regularly.

I hesitated to close the trade on the first top despite the big red candle. I waited for the next day with this magnificent blue candle which tested the Kijun by forming a hammer. I kept the position and did not see the doji on the Tenkan. When I could see my charts again prices were already under the Kijun but were ranging. So I let it go and I regained my confidence when they reentered the cloud. As long as the SSB held as support, the rise could resume. So I set my SL just below.

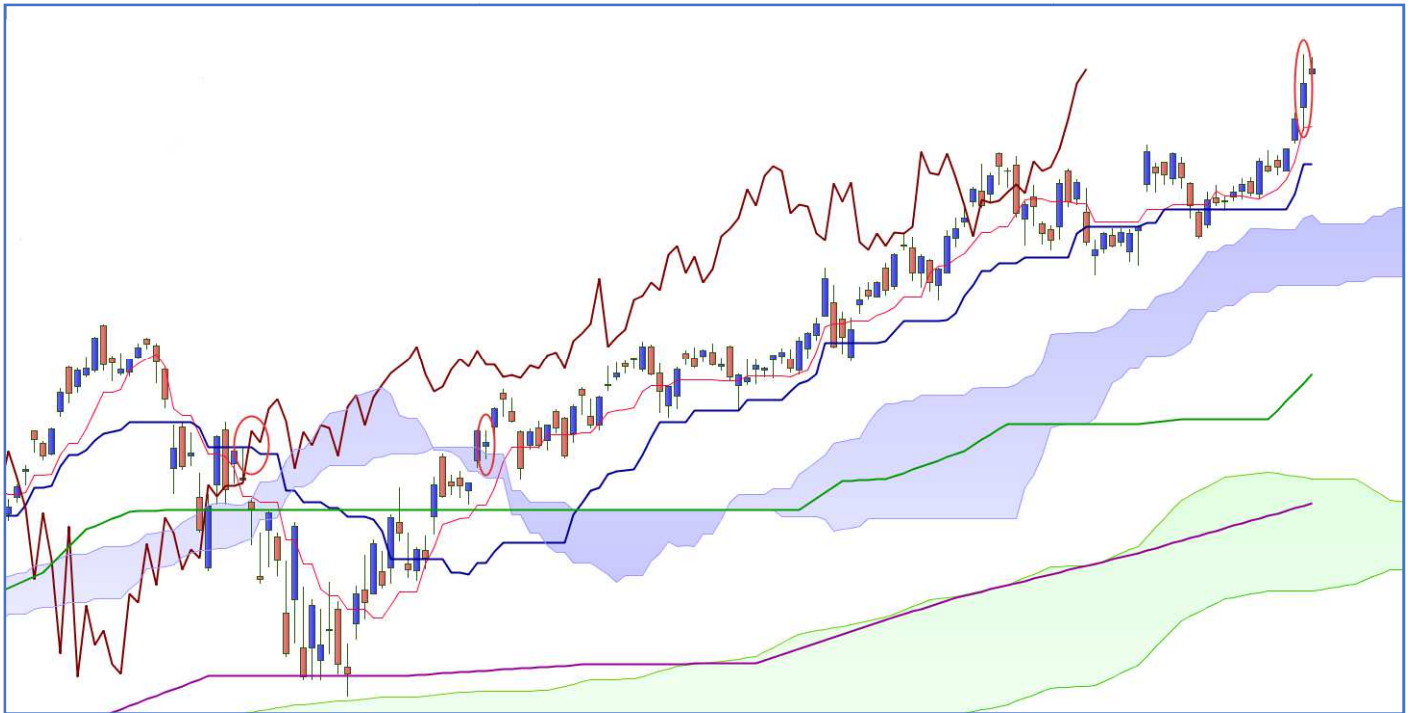
The big blue candle took me out > + 29%

- 04/22nd: **MICROSOFT**. Closed on 08/27th

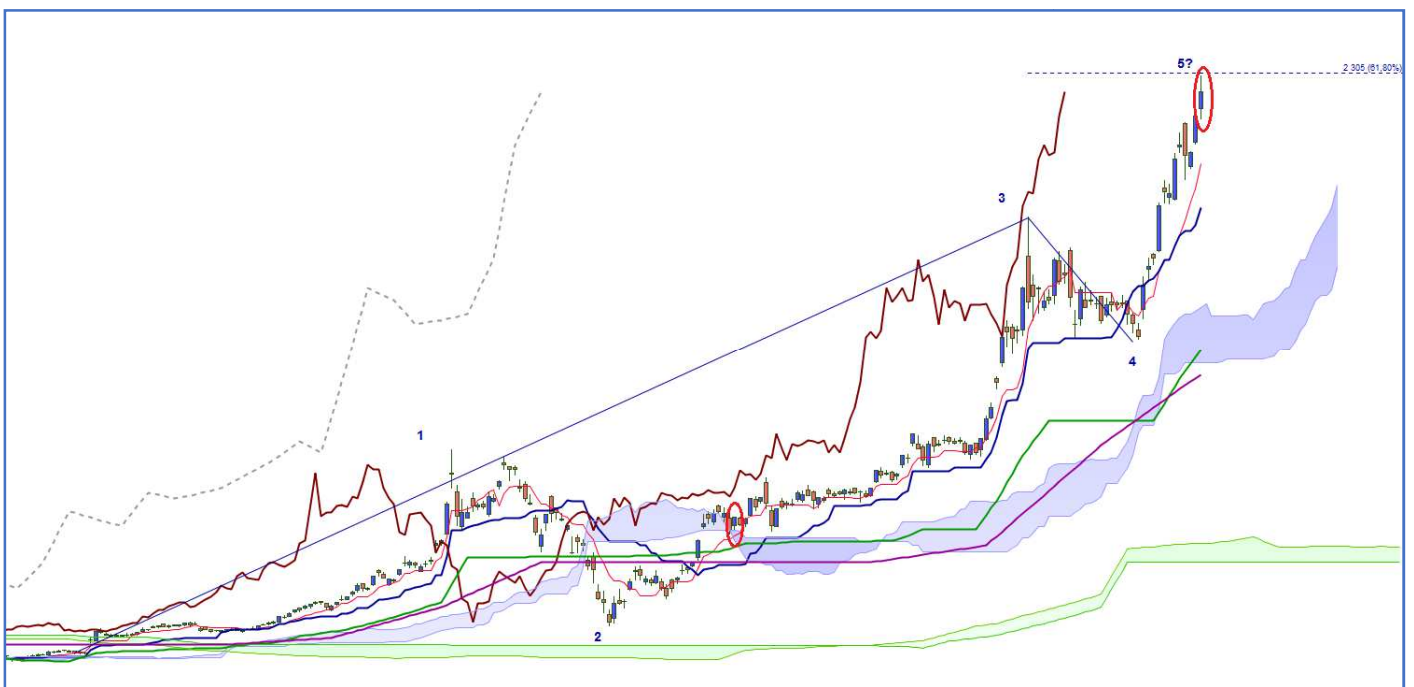
Always the same: entry on the exit of the daily cloud by the prices validating by the Lagging Span breaking its Kijun.

SL under the weekly Kijun then re adjusted

Exit on 3rd blue candle of the last bullish impulse > + 35%



- 04/22nd : **TESLA**. Closed on 08/27th



I admit that it was mainly this stock that I wanted to buy (with Apple), the others were only there to look pretty in my portfolio....!!

Always the same process: entry following the exit from the daily cloud. I held this position by adjusting the SL following the Kijun.

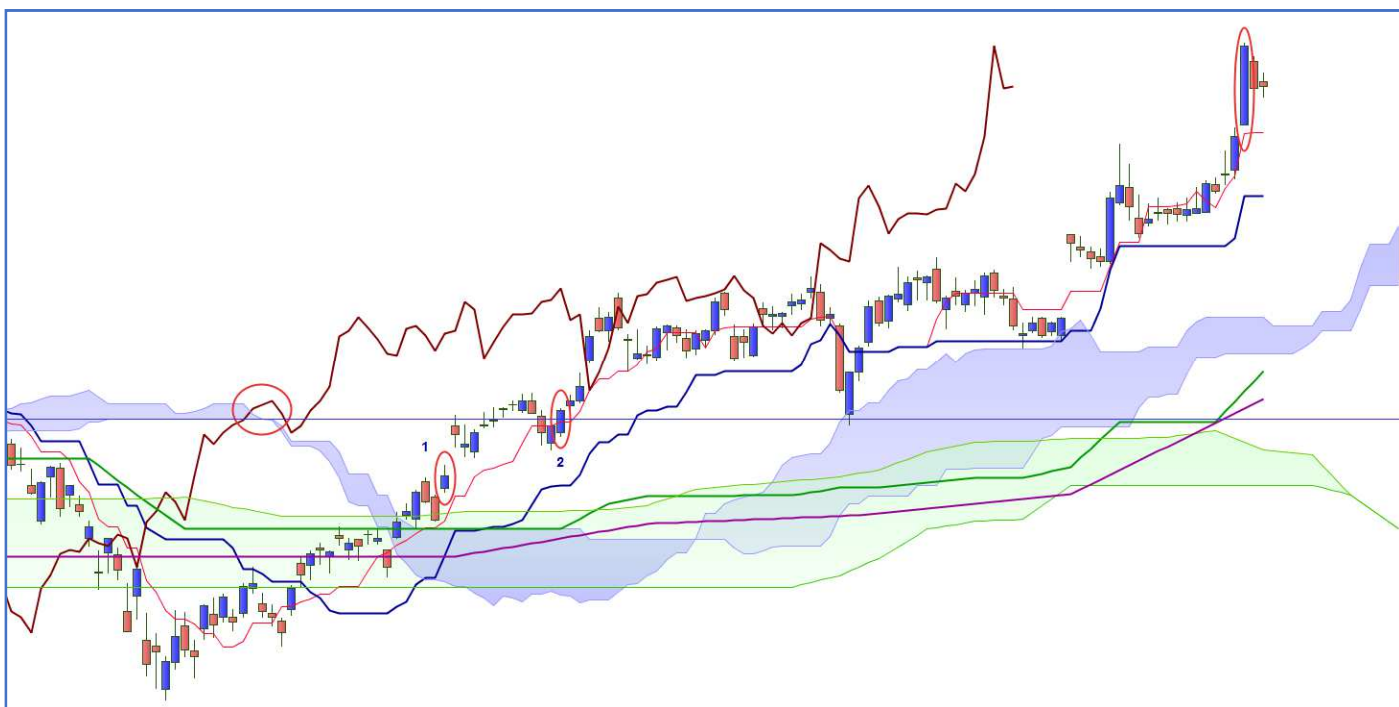
I will not have taken into account the Kijun breakout above point 4 because it is the Kijun which was going up and prices broke it de facto. And to be honest, I didn't see

this action since I was at sea. I saw my chart with the following blue candle that was testing the Kijun.

I drew a Fibo extension to spot upside potential and reinforced my position on the blue candle which was breaking the top of wave 3.

Closed on Wave 5 top > + 220%

- 04/29th : **FACEBOOK** > scale in. Closed on 08/26th



Entry 1: when prices exited the weekly cloud with the validation of the Lagging Span.

I noted that there could be a potential resistance with the daily cloud SSB higher.

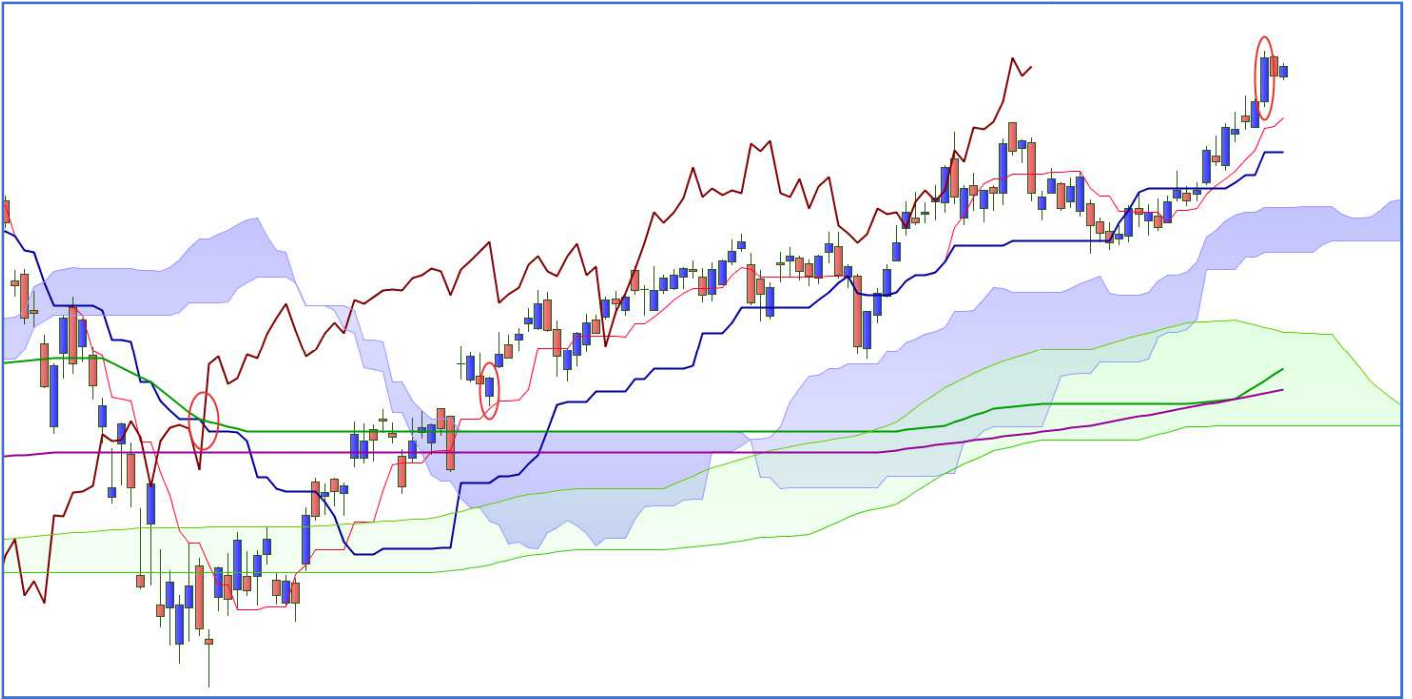
Entry 2: when the Lagging Span broke its thin daily cloud and prices broke up the Tenkan.

Exit on the big blue candle because a correction was expected after such a candle > + 54.4%

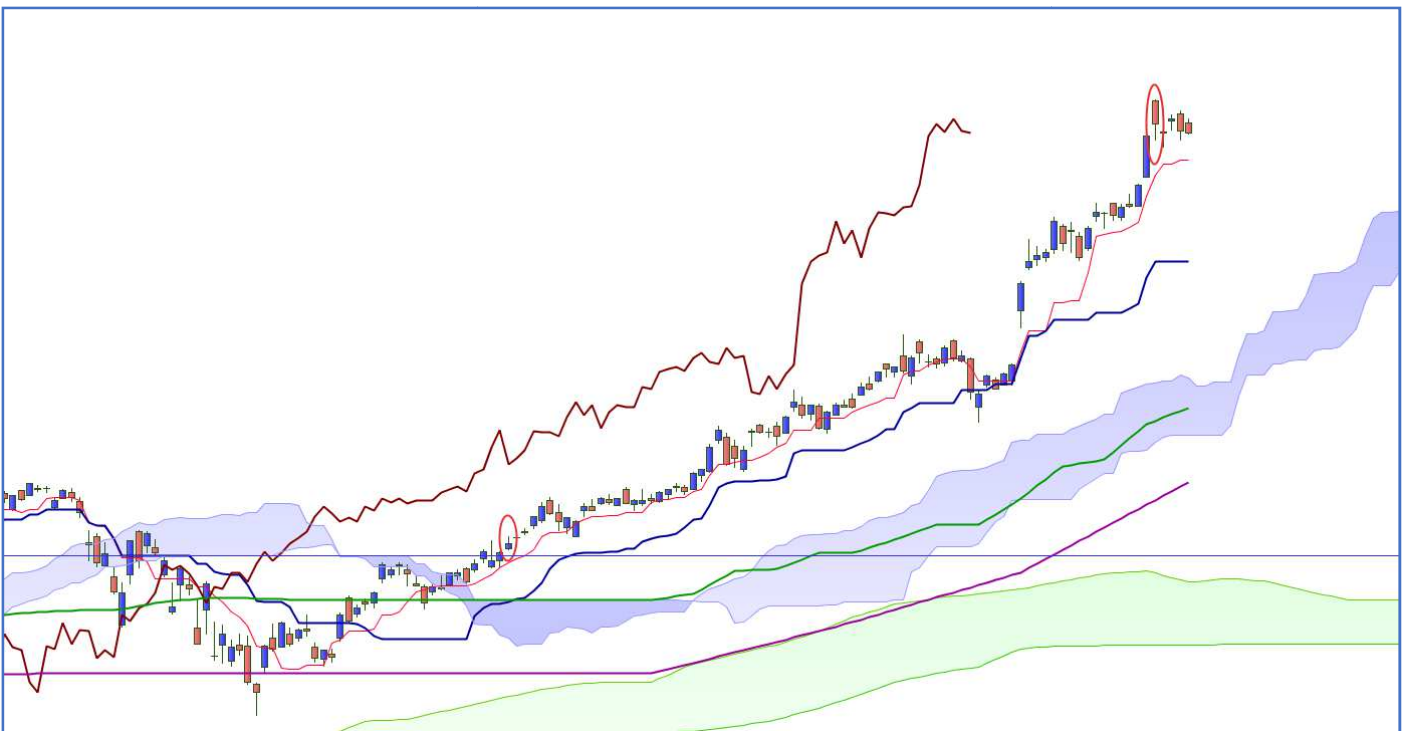
- 05/4th: **GOOGLE**. Closed on 08/26th

What I particularly watched on this chart was the Lagging Span: I waited for it to break first the monthly Kijun then the two daily and weekly Kijuns. As this last move was done with a gap, I preferred to wait for the gap to close and I therefore entered the position following price rebound on the Tenkan.

I closed the position on this impulsive candle that can be found on all stocks and with the same expected correction to follow > + 25%



- 05/4th: **APPLE** - Closed on 08/24th> The only trade where I did not respect the validation of the Lagging Span...



In fact, I took into account the whole evolution of this market > it was not possible that this last stock invalidates a bullish move while all the others were largely green at this date.

I was satisfied with the price breaking the two SSB plateau and watched closely for the validation by the Lagging Span which took place four days later.

The exit was made at 498, thinking that it would hit the 500: psychological market level and 3rd impulse candle > + 72%.

In summary, the analysis and entry process has always been the same (except for Apple).

I only relied on technical levels. SLs have been adjusted based on price action and by comparison between stocks.

These charts were taken on 08/28th. So I closed all my position last week motivated by the fact that the exceptional bullish month of August on these stocks was coming to an end and especially the months of September and October being traditionally difficult, I did not want to stay in the market. Added to this is the uncertainty about the US elections in November, I preferred to ensure the gains and avoid any unnecessary stress.

As of this writing, it turns out that TSLA, AAPL and AMZN continue to rise... I am completely liquid and delighted.

In trading / investing, you have to know how to enter at the right time, that is to say the level that is the most secure i.e. the one that gives the maximum probability of success and know how to exit i.e. take your gains when you start to doubt. Here it was timing circumstances that prompted me to go out even though I had no clear technical signal telling me to do so.

For some stocks like Netflix, Facebook and Microsoft, the close was rather timely since they correct just after. But they might come back up once the Tenkan is reached.

This medium-term trading test was rather conclusive for me and I found it much easier and above all less stressful to position myself in this way while respecting reliable technical levels rather than taking short-term positions on stocks linked to the health situation or directly on the indices.

In addition, you will have noticed that my prudence cost me a few percentage points of gains, not having entered at the lowest point ... but here too it is a choice of "security" > no fuss and no stress. Entering with the right validations gives you confidence. And that's why, on the other hand, I insist on the fact that you have to get out as soon as doubt (the opposite of confidence) begins to set in. And it doesn't matter if it's too early. The gains have been made and we are at peace while waiting for the next opportunities.

I hope that the description of this experience will have convinced you of the relevance of using Ichimoku on stocks and especially of its simple aspect of reading and security.

Karen Péloille, *August 31st, 2020.*