Use Long Term Support and Resistance Levels to Day Trade with an Edge | Tradingsim Video Lessons

Guys, this pattern keeps repeating itself over and over again. If you guys have watched the videos that we have been putting together, you have heard us talk about the importance of longer term support and resistance levels when day trading. These longer term levels provide significant areas of potential price rejection; meaning long term support can halt a decline or long term resistance can halt a strong intraday move higher. While I wish it were this simple, it is not. As traders, we must pay attention to the message of the tape.

It is at these levels where we can understand the intentions of the move that led into this support or resistance level. There is no magic rule that states a stock must stop at support and resistance levels. Take a look at the price action. Is it reversing hard at these levels or are you seeing a shallow pullback? Is the intraday trend being reversed or is everything still moving in the right direction? Are you trading a earnings gap or story stock? If so, there maybe more juice behind the move and greater odds of a breakout occurring. Is volume heavy on the day? High volume tends to accompany stronger moves. Ask the right questions and keep an open mind. Do NOT let your biases interfere with your trading, that is a deadly combination. If a stock starts taking out large resistance levels and there is heavy volume and strong price action I will look to trade the continuation.

Wait for confirmation that a trend is broken before you jump into the trade with your "bias". That is the quickest way to

lose your money fast. You goal should not be picking exact tops or bottoms, you are not a fortune teller. It is the 80/20 rule. If you can be on the 80% side, you will be just fine.

The video you see above was created using our own [Tradingsim Market Replay tool](#). Feel free to take our [free 7 day trial](#) and improve your day trading skills and money management approach. We have over 2 years worth of data you can practice against. We are essentially a trading DVR!

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