

Day Trading High Momentum Stocks | Tradingsim Video Lessons



The broad stock market made a ferocious recovery off of the BREXIT lows. It was a broad-based market rally that essentially retraced everything that was lost. As a [day trader](#), I look for **high momentum stocks** to trade on a daily basis. This week presented challenges in terms of the number of trades available. Fortunately, there were a couple of high flying momo stocks out there which presented great opportunities for profit. One of them was Stone Energy, or ticker: SGY.

The stock was up over 2000% in a couple of days. It rallied from around .50 all the way over 12. I wanted to create a video on how you could have traded this stock on the breakout above its most recent rally highs from last week. There were actually three different entries that you could have taken on these stocks intraday.

Many of these high momentum stocks are low float issues. This means that they do not have a very large outstanding float of shares available to trade. This lack of liquidity provides even more gas for stocks like this to go much higher than most people think they can. The short covering in momo stocks can create vicious rallies especially when they have wide bid/ask spreads.

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