

Day trading earnings gaps | Tradingsim Video Lessons



Hi Guys, it's Kunal from Tradingsim. Earnings season is here! This is the period of time where momentum traders do really well as many story stocks tend to move very directionally. Day trading earnings gaps can seem scary to many of you but in reality, it can be very low risk and very profitable. When I look back over my trading logs, I tend to see a trend which shows that much of my gain for the year will come from earnings season. The rest of the time, I am either chopping up and down by in large. It forces me to ask myself why I don't just trade around earnings seasons and forget the rest of the chop.

Earnings seasons is filled with volatility and that is how we profit. Volatility is what creates trending moves that you can trade off of. Volatility attracts momentum day traders who typically have very similar styles of trading. It would make sense then why these stocks are easier to trade.

In today's example, were going to review a day trade on GNC. This trade was actually one of the easiest trades I have seen in a while. It helped that it was extremely profitable as well! GNC gapped down hard in the morning and quickly lost almost 20% in the first 5 minutes. The key to this trade was

to understand the bigger levels of support and resistance. When we took out long term support, the stock was in play. Watch this video and see how you could have traded this stock.

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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!