

Tips for Trading Alongside Smart Money

InsiderFinance.io	Smart Market™ Intelligence
What's Included?	Tips to Profit like a Wall Street Insider
<p>Smart Market Unusual Options Activity:</p> <ul style="list-style-type: none"> • Smart Market Daily Unusual Options Activity Intelligence • Smart Market Daily Unusual Options Flow Intelligence (algorithmically ranked) • Trade Detail for Top 3 Tickers with Most Unusual Premium <p>Smart Market "Sweep" Options Activity:</p> <ul style="list-style-type: none"> • Smart Market Daily Momentum "Sweep" Intelligence • Smart Market Daily Sweep Options Flow Intelligence (algorithmically ranked) • Trade Detail for Top 3 Tickers with Most Sweep Premium <p>Smart Market Sentiment:</p> <ul style="list-style-type: none"> • Smart Market Daily Equities Sentiment • Smart Market Daily ETFs Sentiment 	<p>Look For...</p> <ul style="list-style-type: none"> ✓ Big picture from Smart Market Sentiment (don't trade blindly) ✓ Technical indicators that support position ✓ 100% (or close to) bullish or bearish tickers ✓ New names or change in "flow" direction (bullish to bearish, etc) ✓ Larger % OTM (percent out-of-the-money) ✓ Clearly bullish or clearly bearish ETF sentiment ✓ Small trades with high unusual/momentum scores ahead of big movements <p>Avoid...</p> <ul style="list-style-type: none"> ✗ Chasing trades or deviating from your trade plan ✗ Tickers that have been run up for weeks ✗ Tickers reacting to breaking news ("news shocks") ✗ Trading through earnings ✗ Negative % OTM (typically adding to deeply green positions) ✗ Trading ETFs solely on options flow (best used for big picture)

If you are new to using smart money order flow as a leading indicator of big market movements, **start by understanding the intent behind the trade** to see which ones get results.

- Why are they buying?
- What is that ticker doing today?
- Any recent news?

Smart money order flow for ask activity (i.e. the "buy side") is a very powerful leading indicator, but **that doesn't mean you can trade it blindly.**

- Pay attention to develop a feel for what's normal.
- We can see orders but not the traders' intentions.
 - A large call position can be a hedge against a larger put position.
 - A large put position can be a hedge against a larger call position.
- We don't know the traders' intended hold time.
- Understanding the "why" behind an order will produce the most winners.
 - For example, is there a catalyst, recent news, or earnings ahead?

Understand the Smart Market big picture for the best chances of success.

Options flow is only one piece of data.

- Look at the Smart Market Sentiment pages to understand market conditions. Is Smart Money overall bullish or mixed today? What about different sectors or ETFs?
- Always pull up a chart. Smart Money isn't as concerned about the price they pay for an options contract, and analyzing a chart may give you the opportunity to get in cheaper.
- The trade history provides additional context.

Use the Smart Market Equities Sentiment to **look for the 100% (or close to) bullish or bearish stocks.**

- Equities trading with 100% bullish or bearish sentiments are typically not part of a broader strategy.

Use the Smart Market **ETFs Sentiment to get a general feel for market sentiment.**

- This is especially helpful when major index sentiments (like S&P) are clearly bullish or clearly bearish.

Look for **new names or change in "flow"** direction.

- Don't chase after trades that have already seen substantial bullish flows for weeks and have already been run up. The orders coming in are likely all adding to positions that are deeply in the green already. These are easy to spot by looking at the "% OTM". Tickers with "negative % OTM" are adding to positions already in the money.
- You'll have the best odds if you trade tickers that are either seeing new flow or the flow has changed directions (flow has gone from bullish to bearish or from bearish to bullish). Puts that come in after large bull runs can be the biggest winners.

Don't trade through earnings.

- Just don't do it. Sometimes stocks beat earnings and still dip. Other times stock miss but rocket upwards. How stock price will react to earnings is unpredictable and should be avoided.
- You can always sell then buy back in. Don't get attached and trade with emotion.

Small orders can be big winners.

- It's not always about the biggest premiums. Small orders can be leading indicators that big orders will be pouring in soon. Big flows almost always start with a small order, so pay close attention to the small orders in the Unusual Flow Intelligence and Momentum Flow Intelligence.

Pass on "news jumps".

- Sometimes stocks immediately moves 2%-3% or more when reacting to "breaking news". Don't act on these immediately; either pass or let it settle before entering. These orders are typically from high-frequency trading bots that buy and sell within seconds.

Look at ETF sentiment for the bigger picture, not to trade.

- Most of the put flow that comes from SPY, IWM, QQQ, and others is probably a hedge in most cases, even high dollar ones. ETFs sentiment is only meaningful when it's clearly bullish or clearly bearish.

Know your trade plan and stick to it.

- Don't blindly trade - do your research.
- Pick an entry and exit point before you trade.
- Stick to the plan and don't trade on emotion.