

RSI Divergence Swing Trading (ETF) System

Developed by Leo Q. from LPP

Pros: High probability of success (>80% win rate). Large percent gains for winning trades (30% or more). Very simple and non-stressful.

Cons: Each trade can take a long time (up to 2 months). Risk : Reward is usually not too impressive (1:1 most of the time).

1. Identify RSI divergence on the daily chart. Must be below 30 RSI and the lower the better.
2. Start positions near the low of the divergent low
 - a. Take three positions with increasing sizes every new divergent low as follows:

Position #	Size	Examples	
1	1n	\$100	\$500
2	2n	\$200	\$1,000
3	3n	\$300	\$1,500
Total:	6n	\$600	\$3,000

3. Stop Loss at 30% of full position
4. Take profit on the bounce as follows:

Current Number of Positions	Profit Target
1	First Resistance Level of Daily Chart
2	30% Total Profit
3	First Resistance Level of Daily Chart or <i>at least</i> 30% Total Profit

Example Trades

JNUG



This is a real swing trade I had with JNUG (~70% profit). Most winning trades don't end up this good, but this was a homerun.

UGAZ



These are two separate successful swing trades I had with UGAZ. Each of them took a little over 1 month to mature. ~30% profit from each of them.

JDST



This is an actual live swing trade I have on JDST as I type this. I got in late and only taken one divergent low position. Currently up 30% and contemplating whether to sell now as it's getting really close to its first resistance level.

GUSH



This is another live swing trade I still have for GUSH as I'm typing this. This almost got stopped out and I was down almost 30% on the entire trade. It has rebounded very strongly in the past few days and turned my swing into green overall. Currently up 8%.