



**WARRIOR
TRADING**

Warrior Trading

CHAPTER 14. PARABOLIC RUNNERS





Parabolic Movers

Parabolic Movers are stocks that basically go straight up. Sometimes we see this with stocks that go straight down, but more often, it's with stocks that are going up.

The combination of a news catalyst with traders mentality to chase the move causes these incredible moves. It's hard to believe a stock can go from \$2.00 to \$50 in a matter of days, but it's happened many times and it will surely happen again!





Parabolic Movers

The dynamics of a Parabolic Mover

What allows a stock to surge up? We are looking for that perfect combination of:

- 1) Low Float (stocks with a low float can make incredible moves)
- 2) Strong Catalyst (either public news like ebola, gun control, or company specific news, activist investors, FDA approvals, drug breakthroughs, etc.)



Parabolic Movers

How to trade Parabolic Movers.

On the one hand, we can easily make a living without trading parabolic movers. On the other hand, they clearly provide massive opportunities for profit if you trade them properly.

I trade these using the same Gap and Go, Momentum, and Reversal strategies that we've already discussed.

Something that is different is that once I have a profit cushion on the stock, I will try to take a position and let it ride as long as possible, knowing I've already made money on the stock with my first trades.



Parabolic Movers

It's important to know how to trade parabolic movers. You should study as many of the past parabolic mover charts that you can find. These will help prepare you for the next parabolic movers.



Intraday Squeezes

Intraday squeezes are often the result of a low float stock with a recent catalyst or a technical breakout. These sometimes result in multi-day moves, but are often just a 1 day runners. We ride the momentum then look for the next one.



Intraday Squeeze





Intraday Squeeze



Intraday Squeeze





Intraday Squeeze

Original breakout on \$ATV was a technical squeeze

Notice the first two pullbacks on the 5min were extremely strong.

Also look at the afternoon run off the moving average support.





Former Runner effect

On a later day when \$ATV was gapping up, it was predictable it would squeeze because it was a recent runner. Traders who missed the first move see the gap and often jump in for the ride.





Multi-Day Squeezes

A multi-day parabolic move requires a substantial catalyst. These can be company specific or global news.



Parabolic Movers

Major Steak by billionaire Health Care hedge fund Baker Brothers. This came in combination with fundamental news from the company.

This move started as a Gap and Go trade





Parabolic Movers

Anytime \$AQXP reports mildly good news, the stock pops up substantially as investors think maybe it will make a big squeeze again.

\$AQXP round 2. Another strong day since at this point, it was a “former runner”

Notice the 5min chart, over \$14.00 the squeeze to \$16+





Parabolic Movers

Martin Shkreli reports majority stake in \$KBIO. The last company he ran produced an AIDS drug. He increased the price by 5000 percent—from \$13.50 to \$750 a tablet.

The company eventually filed for bankruptcy.





Parabolic Movers

\$LAKE makes Bio Hazard suits. During the Ebola crisis, the demand for their suits went up dramatically which was good for business. During headlines of Ebola scares in the following weeks/months the stock would spike up again.





Parabolic Movers

\$EYES is a former runner with a history of making huge moves.

This recent run started with intraday breaking news.

Anytime it's gapping up it's on close watch for a breakout.

The 5min setups were very strong on this. The obvious setups worked the best because thousands of people were buying it up.





Parabolic Movers

\$VLTC surged up on news of a billionaire investor taking a large stake. This resulted in speculation about why he made the investment and traders scrambled to get a piece of the action





Front Side of the move

On the intraday chart, I would generally consider the stock to be on the front side of the move as long as it holds the 20ema. But if we see a 1234 setup that breaks to the downside, that is also an indicator the momentum may be shifting.





Back Side of the move

As the price crosses below the 20ma, and breaks the 1234 setup to the downside, this would be a possible short.

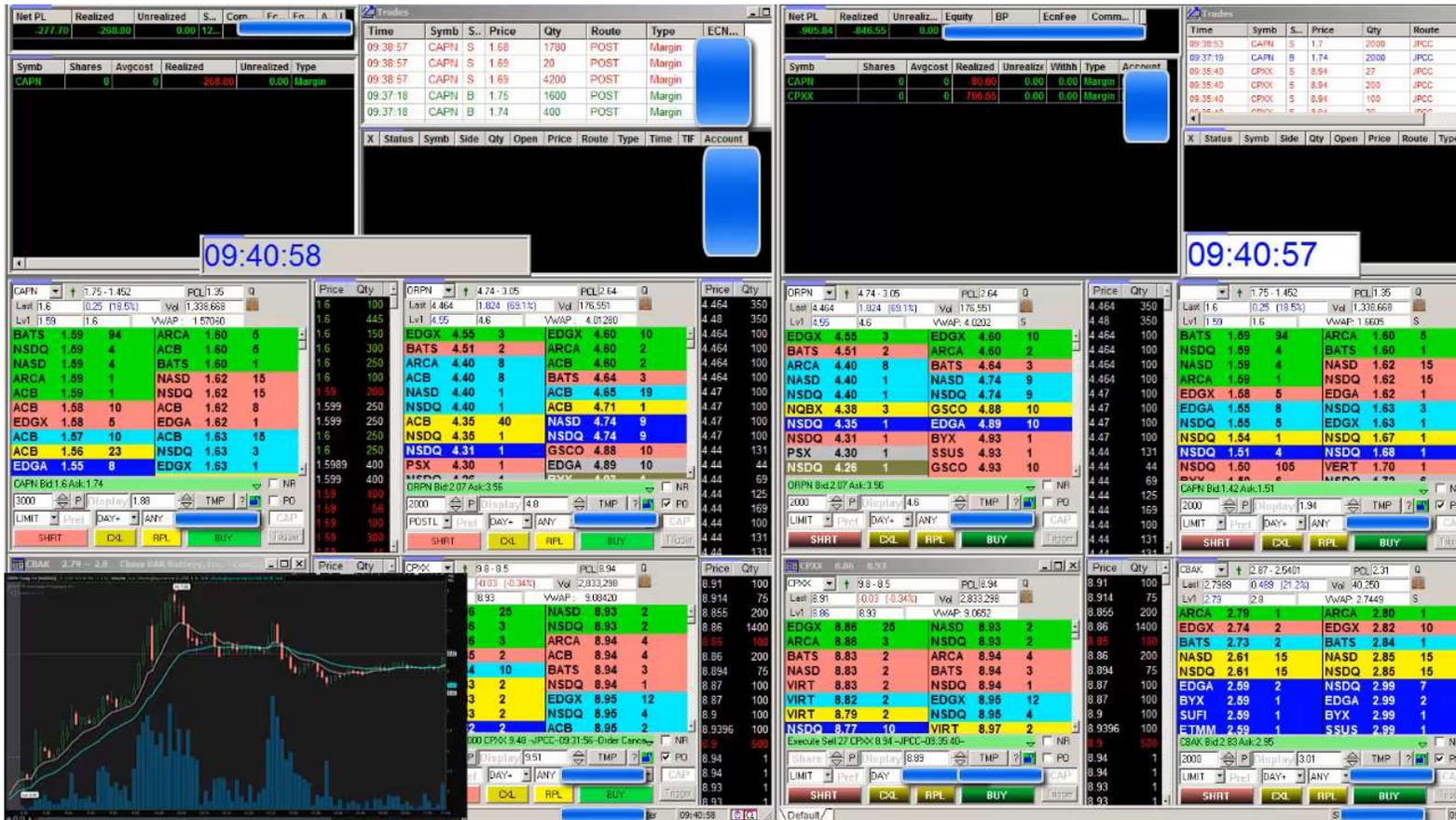
Many short sellers have blow up accounts trying to short parabolic movers. So you have to be extremely careful and always respect your stops.



VIDEO Case Studies



\$ORPN Gap and Go, 1st Pullback (big bids level2 Parabolic Squeeze)



\$DELT +400%

The screenshot displays a comprehensive trading interface with several key components:

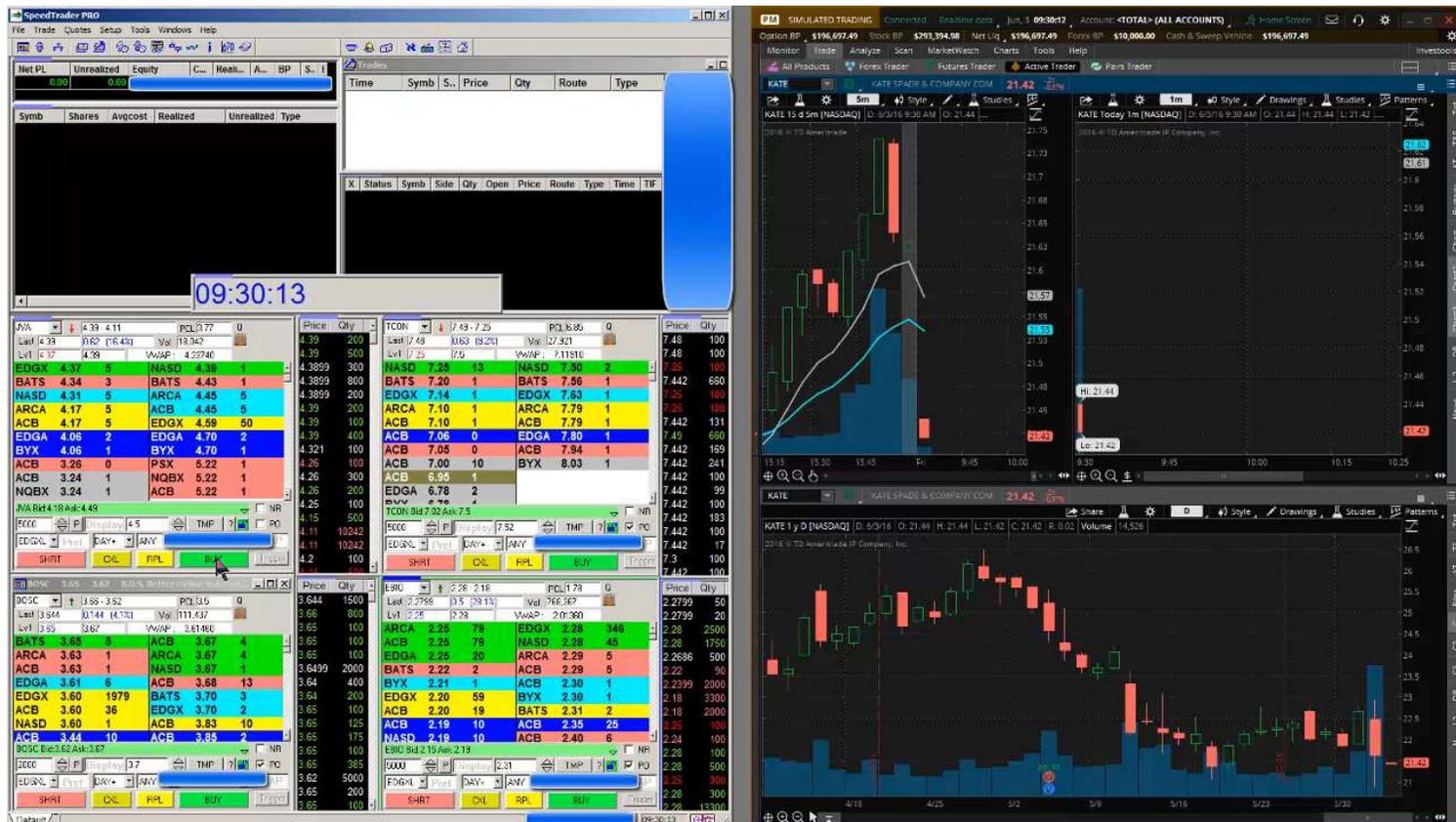
- Account Summary (Top Right):** Shows a simulated trading account with a net liquidation value of \$196,697.49 and a stock balance of \$293,394.96.
- Order Book (Middle Left):** Lists various market orders for symbols like ARCA, ACB, BATS, NASD, EDGA, EDGX, and BYX, with columns for price and quantity.
- Trade List (Middle Right):** A table of executed trades for NTN, showing time, symbol, price, quantity, and route.
- Price Charts (Right Side):** Two charts are visible: one for DELTA (NASDAQ) showing a sharp price increase to 1.09, and another for SKYWKS (NASDAQ) showing a price rise to 66.47.
- Market Data (Bottom Left):** Displays order books for RMSG, MCUR, and DELT, including bid/ask prices and volumes.

Video: AKAO break of pre-market highs and HALT

The image displays two screenshots from a trading software interface. The left screenshot shows the 'SpeedTrader PBO' window at 09:30:32, featuring a 'Net PL' summary, a 'Trades' window, and a grid of market data for various stocks including BWEN, ACB, EDGX, EDGA, NASD, ARCA, BATS, BYX, and OPIT. The right screenshot shows the 'SIMULATED TRADING' window for 'OCEAN POWER TECH COM' (OPIT) with two candlestick charts: 'OPIT 15 d 5m (NASDAQ)' and 'OPIT Today 1m (NASDAQ)'. The charts show price movement with a significant peak and subsequent decline, and a volume bar chart below. The OPIT Today 1m chart shows a price of 5.60 and a volume of 195,253.

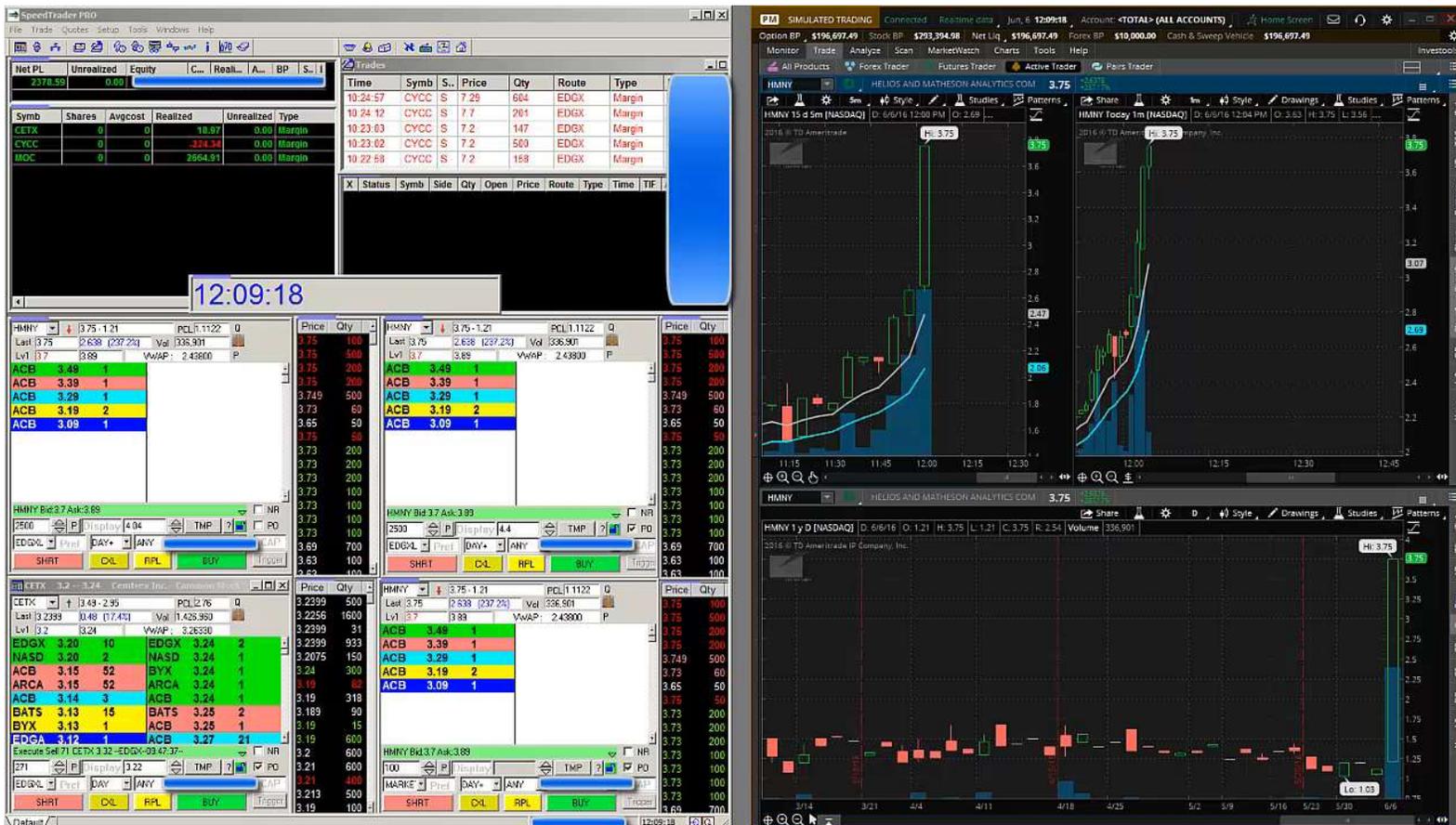
\$JVA Gap and Go Live Trading

Over \$3500 in profits in 15min.

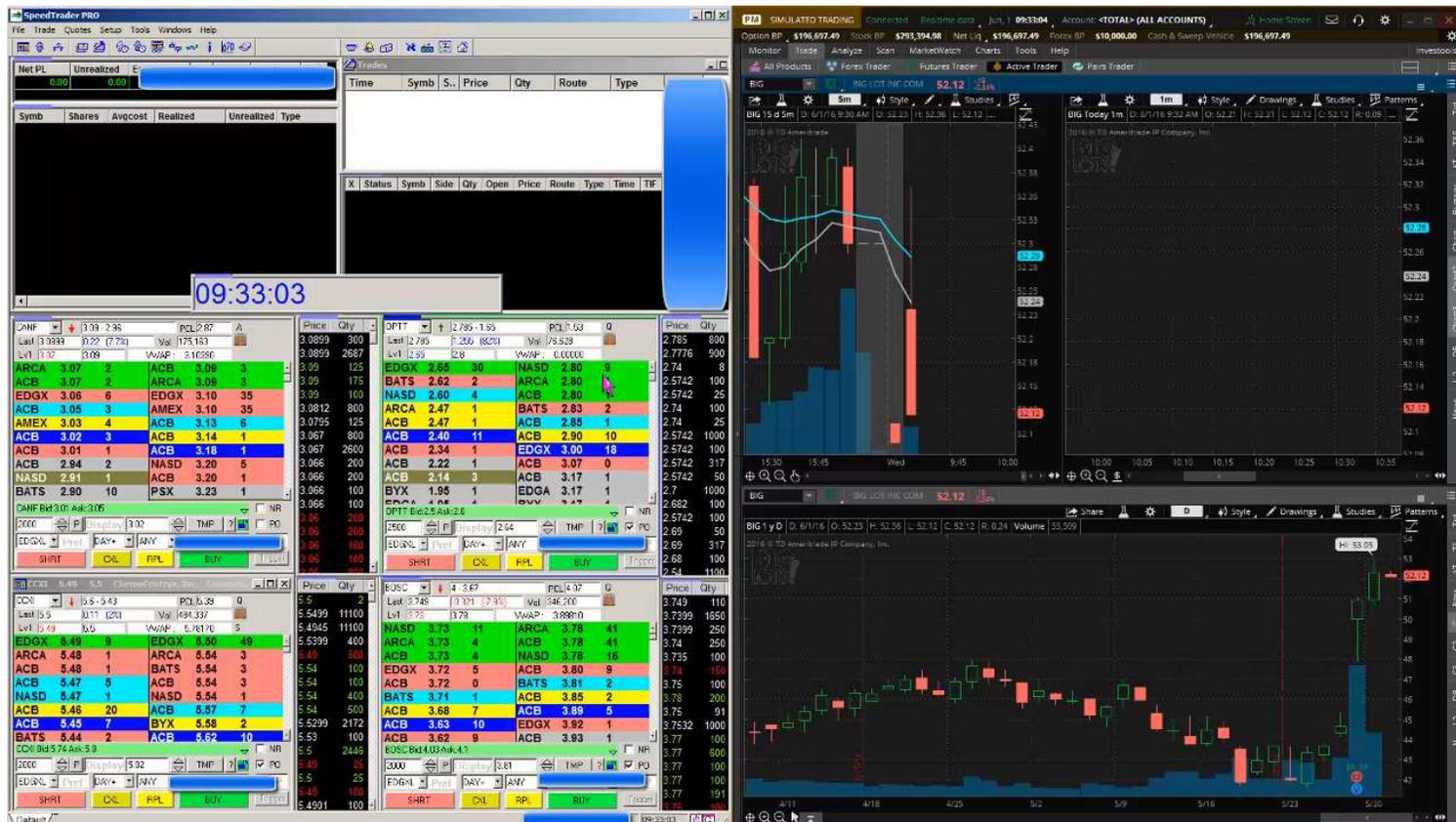




\$HMNY Breaking News & Halt (acquisition/merger)



Whole Dollar Break then Short Squeeze \$OPTT





Extras & Links

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