

GME EXIT STRATEGY

USING MACD AND STOCH RSI INDICATORS

by u/NHNE

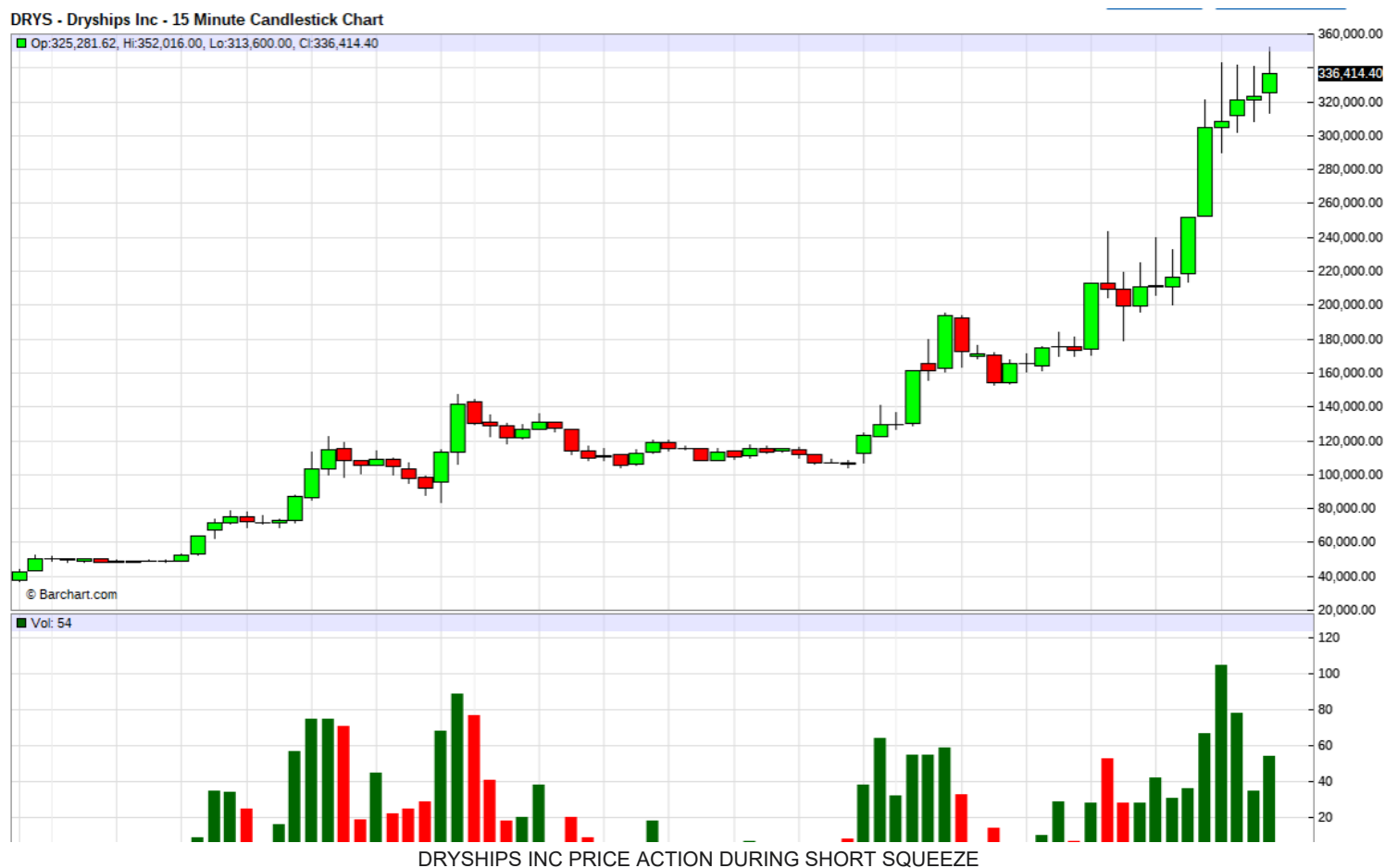


GME Exit Strategy: Here is what I (NOT WE) I am going to do using MACD and STOCH RSI indicators and make sure I don't sell too early, explained in a beginner friendly way.

DD

Preface: I am writing this to help myself diamond hand during the squeeze and not to fuck myself over by selling too early, and not to fuck over the short squeeze rocket by removing some of it's fuel too early. This is not financial advice for anyone, I'm just a dumb crayon eating ape.

Without the power of hindsight, it can be quite daunting to try and "time" the top. I am going to be faced with a situation like this picture below. Just a green rocket going up, and my thinking will be, "Well damn when's the top? How high is it going to go? \$10k sounds nice but what if it goes to \$100k or \$500k or \$1 million?" In the case of Dryships Inc and their short squeeze, if I was in at \$40k and the price rocketed to \$336k, I might be thinking, damn it's almost 10x, should I sell? How high will it go? Read on to find out the conclusion to \$DRYS.

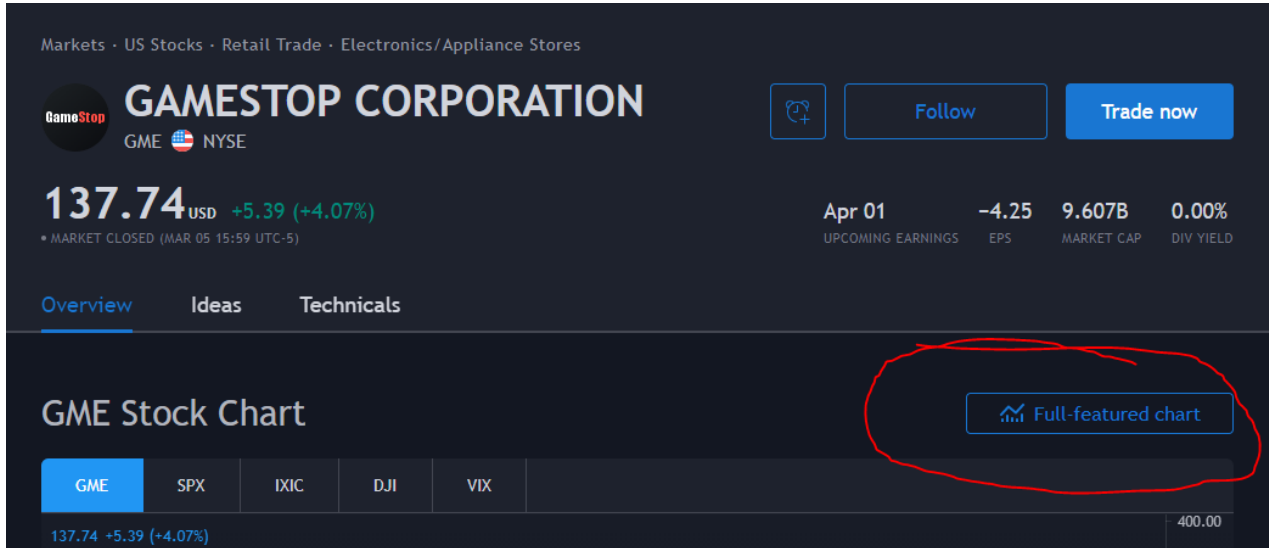


That is why I am not relying on chance, but relying on common technical indicators to know when to sell, based on what happened to \$DRYS.

This guide will be broken up into 4 parts, where to get technical charts, what is MACD, what is Stoch RSI, and how can I use all this to know when to sell \$GME. And for those of you who don't know what an "exit strategy" is, it's basically a strategy of how to sell \$GME without fucking yourself over, or fucking over other apes.

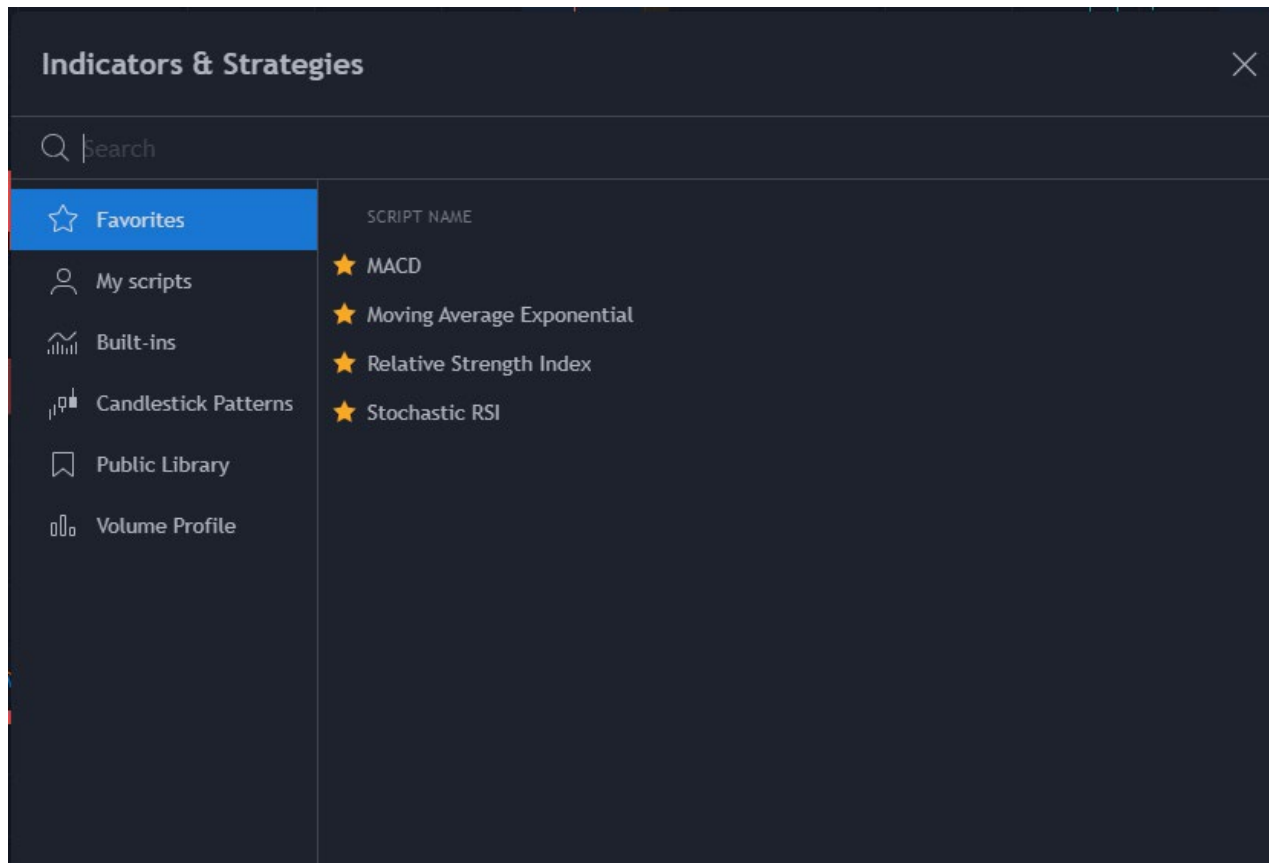
PART I: WHERE TO GET TECHNICAL CHARTS?

If you've been trading without viewing technical charts. LOL. But yes, all you need is Trading View, and yes it's free: <https://www.tradingview.com/symbols/NYSE-GME/>



Click on Full-featured Chart

Then, hover your mouse over the garbage can icon on the right bar to get a right facing arrow to appear. Click on the right facing arrow, then click "remove drawing and indicators" to clear the chart. Then, on the top bar, click on indicators, then type in and click on "Volume", "Stochastic RSI", and MACD.



Then you should get something like this:



Fuck paying for it. Don't worry about it.

Now that ape has stick tool, moving on to part II

PART II: WHAT IS MACD?

<https://www.investopedia.com/terms/m/macd.asp>https://www.youtube.com/watch?v=eob4wv2v--k&t=3s&ab_channel=RaynerTeo

TL;DR for MACD Moving average convergence divergence (MACD) indicates momentum reversals. You have 2 lines, the

signal line and MACD line. Signal line is orange and MACD line is blue on Trading View. The bars show you the distance between these two lines. Green bars if MACD is higher than signal line. Red bars if MACD is lower than signal line. Basically big green bars show strong positive momentum. Big red bars show strong negative momentum.

PART III: WHAT IS STOCHASTIC RSI?

<https://www.investopedia.com/terms/s/stochrsi.asp>https://www.youtube.com/watch?v=THKFIE3119E&ab_channel=RaynerTeo

TL;DR for Stoch RSI

- A StochRSI reading above 0.8 is considered **overbought**, while a reading below 0.2 is considered **oversold**. On the zero to 100 scale, above 80 is overbought, and below 20 is oversold.
- Overbought doesn't necessarily mean the price will reverse lower, just like oversold doesn't mean the price will reverse higher. Rather the overbought and oversold conditions simply alert traders that the RSI is near the extremes of its recent readings.

PART IV: WHAT DO I DO WITH THIS INFO AND HOW DOES IT HELP ME KNOW WHEN TO SELL GME?

One thing to note is that selling too early REALLY REALLY slows down the rocketship to andromeda, so I am definitely going to try and sell AFTER the peak and not before. Why? Because in a bidding war for GME up to infinity, I don't want to supply more GME shares to them, because an increase in supply will decrease the price.

This is where using MACD and Stoch RSI comes into play:



What actually happened to \$DRYS

So taking a look at the case study for \$DRYS, if I sold \$DRYS at \$336k, I would have DEFINITELY missed the peak of \$800k+ by ALOT.

From this case study what I see is that i am going to have my STOCH RSI at super high levels during the rocketing period, and my MACD indicator is going to be above the trend line and I have green bars.

That little fake out drop at \$500k probably shook out a lot of paper hands, and I have the STOCH RSI going into the oversold region all the way to 0, but my MACD is still above the trendline and still near peak positive momentum. We also see the STOCH RSI picking back up.

Then as I approach the top and go past it, I have another drop in the STOCH RSI from 70 down to 0 and the price drop begins. This is also signaled by the MACD nearing to 0 and having weaker bars. So from this price action I can see that a good time to sell would have been when MACD approaches 0 WHILE the STOCH RSI was also heading down to the oversold region past 30. If I sold at that region on the chart where MACD was close to 0 while the STOCH RSI was down at the 30ish region, then I would have sold \$DRYS for \$725k, which is 90% from the top, which is not too shabby at all!! And if I had done this, then this was also great because I did not sell during the way up and I didn't do anything to slow down the rocket!

BONUS EDIT: It was brought to my attention not to neglect volume so looking at the volume, we obviously know that as we are HODLING, the volume is gonna be very small and trading is dry. So historically that's like maybe in the 10-30 million range. But, as the squeeze happens, volume will increase drastically, so looking at \$DRYS, we can also see this is the case. We can see a brief increase in volume to double the price, then there was a period of HODLING, and the volume of basically non-existent (does that sound familiar, btw?). Then we can see on the 14th, BOOM, insane volume, and ladies and gentlemen, the squeeze is on! As the price increases, so does the volume, which peaks at around halfway into the squeeze. As more and more people cover, buying pressure is less and buying volume grows less. You can see the volume taper off towards the top and a little past the top. Meanwhile, the sell volume is basically inverse. There would be little to no sell volume during the squeeze (except for the paper hand bitches), but in general the sell volume will increase as you get to the peak, and spikes once the stock freefalls back to earth.

Now, again, this is just ONE case study out of many short squeeze examples. I haven't done any more research on other case studies. But I think if smarter apes can aggregate data from all the other short squeezes maybe they can find better patterns and indicators about when to sell. That's what I'm going to do during the rest of the week.

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EDIT: No, this is not foolproof nor can we expect GME to mirror DRYS and behave in a similar fashion, but it's just something to keep in mind though as GME holders play the same game of trying to sell near or slightly after the peak.

EDIT 2: It's come to my attention that some of you more smoother brained apes think this entire price action for DRYS will happen in just a few hours. If you look at the time scale at the bottom, you can see that significant price spike from squeeze started from Nov 14th, hitting 500k on Nov 16th, and finally peaking on Nov 17th. In other words, DW, you'll KNOW when the squeeze is happening, plenty of time from the squeeze to the very top.

EDIT 3: No idea why it shows the price of \$DRYS in the hundreds of thousands. I honestly had trouble finding data on this stock and this is all I could find. If maybe someone else has a better resource for data on old stocks, I'd love to know it so I can research more short squeeze stocks.

EDIT 4: Volume added





# IMPORTANT ALL apes need to read this to prepare for squeeze, or risk potentially losing profit!

DD

Front Page Edit: Thanks everyone for getting this to the front page. To all my lost GME HODL apes on [r/wallstreetbets](https://www.reddit.com/r/wallstreetbets) who are reading this on the front page, if you want good GME DD and info, you won't find it there. That sub has been compromised since late Jan early Feb. The mods let in some GME fluff and non important posts through, but they delete genuine important info that will help you with the squeeze. This type of important content is only found here on [r/GME](https://www.reddit.com/r/GME). That's why this DD for example is posted here and not on [r/wallstreetbets](https://www.reddit.com/r/wallstreetbets). So if you're relying on [r/wallstreetbets](https://www.reddit.com/r/wallstreetbets) for good DD, please, join [r/GME](https://www.reddit.com/r/GME) instead. Education and knowledge is power.

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Preface: Please upvote this to combat shill bots. This NEEDS to be made known to all diamond hand apes, but it's not financial advice.

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So you've been combating FUD, HODLing, reading DD, and buying the dip cuz you like the stock. Congratz, you have been doing well on the front lines and you've been surviving. But this is actually just the easy part. The hardest part is actually knowing when to sell and actually turning those shares into tendies, because obviously it doesn't matter how much we hold if we mess up during the squeeze and fail to capture most of the value of the shares. And that's why we're going to add a wrinkle on your ape brain today and discuss about your EXIT STRATEGY.

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What is an EXIT STRATEGY, and why is it important?

This really pains me that a bunch of apes have been asking what an EXIT STRATEGY is, as this is something ALL apes should know. An EXIT STRATEGY is your plan for how and when to sell your shares. This is arguably the most important part of trading, as this directly affects how much money you're getting. Obviously we're not going to rely on just emotions, or luck, or just YOLO / 360noscopying the sell button arbitrarily during the squeeze, but we're gonna use our wrinkles to get a better educated guess as to when we're going to sell our shares. Not knowing how to sell our shares well will not only give you as an individual less profit, but also might hinder the squeeze and rob the rocket of rocket fuel, meaning the squeeze won't be as high as it could have been, and meaning ALL APES will have less profit. So read, learn, grow a wrinkle or two, and don't fuck it up for the rest of us!

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There is already two EXCELLENT DD's on this, and just in case reddit dies during the squeeze, or if these posts gets deleted, here is the archived version as well; copy and paste the articles themselves or the links to save them just in case.

Wedges and Triangles:

[https://www.reddit.com/r/GME/comments/m073v6/exit\\_strategy\\_dd\\_a\\_comprehensive\\_guide\\_to](https://www.reddit.com/r/GME/comments/m073v6/exit_strategy_dd_a_comprehensive_guide_to)

[https://web.archive.org/web/20210309074023/https://www.reddit.com/r/GME/comments/m073v6/exit\\_strategy\\_dd\\_a\\_co](https://web.archive.org/web/20210309074023/https://www.reddit.com/r/GME/comments/m073v6/exit_strategy_dd_a_co)

[mprehensive\\_guide\\_to/](#)

Short Squeeze Case Study: \$DRYS

[https://www.reddit.com/r/GME/comments/m0r4kg/gme\\_exit\\_strategy\\_here\\_is\\_what\\_i\\_not\\_we\\_i\\_am](https://www.reddit.com/r/GME/comments/m0r4kg/gme_exit_strategy_here_is_what_i_not_we_i_am)

[https://web.archive.org/web/20210319103103/https://www.reddit.com/r/GME/comments/m0r4kg/gme\\_exit\\_strategy\\_here\\_is\\_what\\_i\\_not\\_we\\_i\\_am/](https://web.archive.org/web/20210319103103/https://www.reddit.com/r/GME/comments/m0r4kg/gme_exit_strategy_here_is_what_i_not_we_i_am/)

Bonus: Elliott Wave

Theory [https://www.reddit.com/r/GME/comments/m6cebh/why\\_10000\\_per\\_share\\_is\\_just\\_a\\_stop\\_along\\_the\\_way/](https://www.reddit.com/r/GME/comments/m6cebh/why_10000_per_share_is_just_a_stop_along_the_way/)

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Some new/repeated points that needs to be reiterated or may not have been covered above:

- GME holders don't want to sell on the way up, but they'd **want to start selling after the peak on the way down**, to minimize the regret of selling at \$10k but seeing the stock hitting \$1 mil. Plus selling on the way down ensures the stock can reach it's max price.
- **We don't need to worry much about paper hands selling early** at like \$5k or \$10k because they make up only a small part of retail investors, and because of the short interest is estimated to be anywhere from 200% - 300% all the way to over 500%, it means our wallstreet bagholder shorters will need to buy these shares back multiple times to cover their position, so even if they buy all the paper hand shares, they'll need to do it again multiples of times to even start to cover.
- The short squeeze isn't going to last for 2 minutes and that's it. From previous short squeezes, **the build up to the top will last for days, so you'll have PLENTY of time to see it coming**. And even at the very top, the price will bounce around a bit before heading down again to earth, so you'll have plenty of time to sell.
- **When you sell, sell with a limit order, not a market order**, because you don't want some freak accident or some illegal shinnanigans where the stock price is worth \$1 mil but because you did a market order sell, you somehow got only \$50k for your share. If your broker doesn't allow you to do limit sells, it's okay you can do market order sell, but expect there to be a difference (usually small buy sometimes bigger during times of high volatility) between the market price you see reported on your brokerage platform vs the actual price you sell it at. The problem with limit order selling is that you have to manually view the price all the the time, waiting for the price to hit whatever level you were planning to sell at. Using a stop-limit sell order though automatically activates the limit order after the stop price has been reached, and you can also set the limit sell price that activates once the price reaches that point. Warning, in times of EXTREME volatility, if you set your limit too close to the current price, there is a chance it won't execute. For example, if the stock is dropping from \$1 mil, and you go and spend a minute to set up a limit set order at \$990k, by the time you finish clicking and typing, the price could already be at \$980k by the time you submit the order, and your order won't fill. Best to have looser sell limit of like maybe 5-10% below current price, or even more, during times of extreme volatility. If you want to, you can also set a trailing stop limit order, which is something that limits how much you can lose but doesn't cap the gain. The issue with setting a trailing stop limit order is that if you don't set it properly, ie, not giving yourself enough room, then potentially any volatile spikes downwards on the rocket ride up could accidentally trigger those stop loss limits and make you sell prematurely, kicking you off the rocket before it arrives at andromeda. For example, in the \$DRYS example in the linked DD, if you set your trailing stop loss to be 10%, then you would have gotten kicked off the rocket at only a little past half way. If you just use a plain old limit order sell, then that gives you the most control. I guess you could also set a trailing stop limit order sell at 10% below current price once the price goes past your target price. For more info: <https://www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor->

★EXIT STRATEGY EXAMPLE★ I'm sitting here masturbating and suddenly the price jumps from trading sideways at \$200-\$300 to \$400. I know something's up. So I now actually stay paying attention to the price. The price goes up past \$1k. Okay, maybe the gamma squeeze is transforming to the short squeeze. There has been a LOT of halts along the way, but it's fine, because As the price is rising, in my head I'm thinking that the share will go past \$100k, so if there are slight dips along the way I don't panic. I am also keeping an eye on technical analysis indicators in the above linked DDs to try and guess where the top is. Let's say the price has reached \$1 mil, and it paused there, and the indicators are starting to point to a reversal. Whether \$1 mil is the top or not, we don't know, but we can still wait to see if it breaks out and rockets up further. At that point I could:

1. Put in a 10% trailing stop limit sell order on my shares at \$1 mil. If it goes up, then I will still get the gainz, but if it goes down 10%, then it'll fill the sell order. At that point, I have to be okay with potentially getting kicked off the rocket during a volatile down spike, as selling at \$900k is still great. And I don't think at that point near the top there would be any more volatile movements of 10% or more, but this is pure speculation.
2. Use a stop limit order of \$950k (if the price is heading down pretty quickly, a \$50k difference from the top will hopefully allow my limit orders to all fill) and sell 50% of my shares, and with the rest, wait for the stock to continue to go up or down. Let's say it starts to drop. It goes back to \$900k. At that point, although maybe I don't know if \$1 mil is the top, I'm going to make a gut guess it is, based on indicators and how much I personally want to profit from this whole thing. So then I will now attempt to sell maybe 50% of my remaining shares. I go on my brokerage and set a sell limit order at \$870k, which is slightly less than the current price of \$890k, to account for the continual dropping of the price. Hopefully most of my order will execute and I'd have filled most of the order at \$870k or higher. In case I still have some shares leftover, I'd put in another limit order sell at maybe \$40k less than the current price, and try again. With the remaining 25% of my total shares, I could then again wait. If the price goes back up, then great, I have another chance to sell for \$1 mil or higher. If it goes down, then I'd sell the rest of it at \$700k. Overall, in this hypothetical scenario, because I've staggered how I sold, I made sure that I still had chances to ride the rocket up past \$1 mil to the true peak, if the peak wasn't \$1 mil

\$1 mil per share is just an arbitrary price point I picked to illustrate an example. Could be higher, could be lower, no one knows. I don't know how high it'll moon, that's why this post exists in the first place, so you do the DD and know the technicals so you can guesstimate where the top is when it happens. The numbers can change, but the strategy won't. \$1 mil is just fun to talk about.

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**Warning, the ULTIMATE FUD is coming, and the ONLY way to combat it is to have a solid exit strategy NOW.**

With the way things are going on our sub, I almost can guarantee when the squeeze starts and when the price hits \$1000 or higher, we're gonna be FLOODED with fake DD's saying that it's the peak and here's why, with lots of technical charts and crayons and lines and fancy trading language and other bullshit to try and trick people into selling. If you don't sufficiently do your DD now and understand why \$1000 will NOT be the peak, then I can guarantee you you're gonna paper hand and sell at \$1000. Knowledge is power, and HFs know that. That's why posts like this gets downvoted to oblivion as soon as it comes out. EDUCATE yourself, form your exit strategy NOW, and stick to it through thick and thin, through the FUD FLOOD armageddon that will come.

Adding to this, as mentioned by another user, while [r/GME](#) bans gain p0rn until the whole thing is over, [r/wallstreetbets](#) and other subreddits will not, so you're going to see a whole flood of people posting gain p0rn after

selling at \$1k or \$2k, and buying various articles of luxury maybe, like lambos. You have to prepare yourself now for that day when reddit front page is just all GME gain porn. Are you also gonna FOMO and paper hand it before GME truly reaches the stars, because the shill tactics then is making it look like everyone else is selling, and you're afraid of being a "bag holder"?

Last PSA: I really can't believe it, but some apes don't even know we have a God Tier DD that's pinned to the very top of [r/GME](#). Seriously. Do yourself a favour and go there and read all of the DD. If you do, your hands are gonna be super diamond.

EDIT 1: Fixed content about limit selling / exit strat example.

EDIT 2: Some are saying not to sell on the way down because there is no more demand and you'll be caught holding the bag, thus you should only sell on the way up. This is only correct if you assume that the very last few shares hedgies need to buy, the last shares out of all 300%+ of outstanding shares, is bought at the very peak, and after that, demand drops to exactly 0% and there is not a single person buying anymore after the peak. But is that a realistic assumption? Up to you to decide. My thinking is that there will be sellers who sell on the way up, and there will be buyers as well on the way up. But some people will wait until the peak and sell on the way down, just like there may be buyers who wait until after the peak and buy on the way down. I personally don't believe there is a hard cut off at the peak where the buy volume suddenly drops to 0.

TL;DR

Ape ask: WHERE PEAK?

Fellow ape answer: Ape need read DD.

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Compilation of sell limits from brokers:

I hit the 40k character limit with this bottom bit so you can find the updated list https://www.reddit.com/r/Superstonk/comments/ml2lnw/28_and_counting_brokers_and_their_sell/.

