

The Briefing Trader service features trading calls or trading ideas that are posted by our senior trading analysts. Each analyst has their own style and approach, as well as unique “handles” that they go by on the service. Trading calls from a given analyst can be identified by their [Custom Ticker](#), which is posted at the front of their comments on Live In Play. For example, ScalpTrader is Briefing.com’s Chief Market Strategist Damon Southward and his custom ticker is SCALP.

Some trading calls contain terminology that might not be familiar to all of our users. This glossary defines these terms in order to help users profit from the calls.

Below this glossary is an example of a trading call containing a number of these terms with a [step-by-step explanation of the call](#).

Balance or Trailing Stop – A stop order that can be set at a defined percentage away from a security's current market price. A trailing stop for a long position would be set below the security's current market price; for a short position, it would be set above the current price. A trailing stop is designed to protect gains by enabling a trade to remain open and continue to profit as long as the price is moving in the right direction, but closing the trade if the price changes direction by a specified percentage.

Choppy, Whipsaw and Ranging – Technical analysis terms indicating price action in a given security that shows no apparent or clear direction. It is essentially a sideways move in which buyers are defending weakness and sellers are active into strength. It is typically seen after a stronger directional move or trend has already occurred and the aggressive buying or selling momentum has begun to diminish.

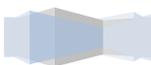
Cover (e.g., “covering shorts”) - Exiting a short position. This is done by buying back the same security that was initially shorted. E.G., if one of our traders shorts 100 shares of ABC stock at \$20/share, he borrows the stock and sells it for \$2000. If ABC falls to \$15/share, he can then buy the stock back for \$1500, creating a profitable trade of \$500.

Day Trade - A long or short position that is intended to be entered and exited prior to market close.

Fade or Fading (e.g., “fading some of this CDTI”) - A trade that goes against the current price trend in a given security. If a stock's price is rising, a fade is a short position. If a stock's price is falling, a fade is a long position.

Fundamental Analysis - One of two basic methods of stock evaluation, the other being Technical Analysis. Fundamental Analysis attempts to measure and predict a stock's current and future value to determine whether it is under or overpriced relative to this value. Fundamental analysis is based primarily on analysis of the company's fundamental earnings and cash flow, but also takes into account management evaluation, market, sector, industry conditions, regulatory issues, macroeconomic, amongst others.

Briefing Trader's trading analysts use both fundamental and technical analysis to create their trading calls.



Illiquid - See: "Thin"

Liquidity - Indicates a given security is traded heavily. Positions in these securities are typically easy to exit without impacting the price.

Locking in - See: "Trimming"

Long- Indicates our trader is taking a position where he is buying a given security, with the expectation that it will rise in value. Opposite of a Short position.

Momentum (e.g., "Momentum Stocks" or "Momentum Names" - Indicates a given security, usually a stock, is showing an increase in the rate of acceleration of its stock price. The premise behind trading momentum stocks is that their price is more likely to keep moving in the same direction than to change directions.

Names - Stocks. An In Play entry referencing "relative strength in Big Energy names" would be referring to relative strength in the stocks in large energy companies.

Position - The buying or shorting of a given security

Relative Strength - Indicates a given security's price performance is displaying strength relative to the price performance of the overall market.

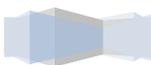
Risking (e.g., "risking 2 points") - The suggested amount of risk one is willing to accept on a given trade. E.g., if one of our traders says he is "risking 2 points" on a long position, it indicates that he is will accept a drop in price of \$2.00 before he exits the position and accepts it as a loss.

Scale In/Out - Gradually entering or exiting a long position as the price of a given security falls. Often traders apply this strategy to ease into a Long or Short position around a particular price zone. Scaling in to a long position lowers the average entry price of the long position and helps to maximize profits.

Scalp Trade - A long or short day trading position that is intended to be held for a brief intraday period, making a profit on a small, and often quick, price change.

Short or Short Selling - Indicates our trader is taking a position where he is borrowing a given security and selling it in the open market, with the expectation that it will fall in value. The borrowed stock must be bought back from the open market. If the stock falls in price, it can be bought for less than the selling price, creating a profitable trade. E.G., if one of our traders shorts 100 shares of ABC stock at \$20/share, he borrows the stock and sells it for \$2000. If ABC falls to \$15/share, he can then buy the stock back for \$1500, creating a profitable trade of \$500. Opposite of a Long position.

Short Squeeze - A situation when a heavily shorted security suddenly sees its price move sharply higher as buyers aggressively bid it higher. This forces more short sellers to close out their short positions, adding to the upward pressure on the stock. A short squeeze implies that short sellers are being squeezed out of their short positions, usually at a loss. A short squeeze is generally triggered by a positive catalyst (e.g., a positive earnings report) that suggests the stock may be embarking on a turnaround. Although the turnaround in the stock's fortunes may only prove to be temporary, few



short sellers can afford to risk runaway losses on their short positions and may prefer to close them out even if it means taking a substantial loss.

Size (Full, ½, etc.) - Indicates the number of shares bought or sold by a trader in a given position. This is expressed as a fraction of the normal position size, which will vary depending on the total capital in one's account. Generally, "full" or "normal" size reflects higher confidence in a position. "Half" or "small" size suggests either less conviction or an effort to "scale in" to a position. See "scaling in/out."

Stop or Stop Order or Stop-Loss - An order to buy or sell a given security when its price surpasses a particular point, thus ensuring a greater probability of achieving a predetermined entry or exit price. Stops are used to limit a trader's loss or locking in his profit.

Swing Trade (or "Swing Position") - A long or short position that is intended to be held for period of days, or sometimes even weeks.

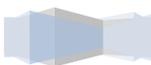
Technical Analysis - One of two basic methods of stock evaluation, the other being Fundamental Analysis. Technical Analysis attempts to forecast a given security's price by studying past price and volume data, displayed in chart format.

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Technical Analysis, or TA, is rooted in the supply and demand of the stock price itself. The key assumption is that price already discounts or reflects the underlying fundamentals of a company and therefore, the interpretation of how investors and traders are positioning themselves accordingly (Long or Short) takes precedence.

Thin or illiquid - Indicates a given security is not traded heavily, so there are relatively few buyers or sellers. Positions in thin securities can be difficult to exit without impacting the price.

Trimming (e.g. "trimming a piece") - Partially exiting a portion of a profitable long or short position in order to lock in some profits, but keeping the remaining portion of the position open in hopes of it becoming even more profitable.



Trading Call Example & Description

At 13:04 ET, ScalpTrader initiates a trading call in equity BLDP, suggesting a “Scalp Squeeze Long”. “Scalp” indicates a very short term trade, “Squeeze” indicates that SCALP considers the conditions to be conducive to a potential [Short Squeeze](#), and Long indicating the Call is a [Long position](#), or a position where the stock is bought. “0.75 risk” indicates that he feels \$0.75 in additional price decline in BLDP is the risk he’d be able to accept, and “1/2 size” indicating he’d take the position at ½ his normal [trade size](#).

13:04 **SCALP** ScalpTrader: BLDP -- I'd consider BLDP for a Scalp Squeeze Long with about 0.75 risk. Going 1/2 size looking to scale in on further weakness. (5.90 -0.98)

At 13:11, SCALP “trims” or exits a portion of his long position in BLDP for a 5% profit, as the stock has gone up from \$5.90/share to \$6.28 since he initiated the position. He is putting in a trailing stop at \$5.85 to protect his profits.

13:11 **SCALP** ScalpTrader: BLDP Update -- Trimming a piece for about 5%; stops to 5.85 (6.28)

At 13:12, SCALP “trims” more of his position, as the stock price rises to \$6.35, locking in more profits and keeping the stop order the same.

13:12 **SCALP** ScalpTrader: BLDP Update -- Out more. Stops the same. (6.35)

At 13:39, SCALP exits the position completely for an approximate 10% profit.

13:39 **SCALP** ScalpTrader: BLDP Update -- Locking in remainder for approx. 10%. (6.48 -0.40)

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