CATCHING THE RUN - HOW A TREND DAY ANNOUNCES ITSELF

Vajgrt Labs - Education - Lesson 71 of 72 - 8 min read - Updated Oct 21, 2026

TL;DR

- You never know a run is coming. You can recognise one starting: a floor that refuses to break, all four weather dials flipping the same way at the open, volume expanding on the break, and each broken level holding as the next floor - the staircase.

- The catch is early and boring: the first 5-minute close through a session level (here, 767.66-768.43), or its retest holding. The top of the run (here, 771.74) is where the same charts tell you to stop entering - RSI near 75, price stretched, the next target closer than the stop.

- Even the fantasy trade is modest: a perfect buy at the low and sell at the high on a ~5-day ATM call was worth roughly +$386 per contract on SPY's +$8.54 move - delta under 1.0 and IV crush see to that. Position in the staircase beats perfection at the ticks.

THE TAKEAWAYS

- Tell 1 - the floor held. Before the run, SPY's pre-market lows kept bouncing off the same shelf: Asia low 765.64, London low 765.95, prior-day low just under. Sellers pushed three times and failed. A level that refuses to break is stored energy - and it defines your stop: if the floor goes, the idea is wrong, cheaply.

- Tell 2 - the weather flipped, all at once. At the 8:30am CT open the board turned together: VIX fell from ~19.2 toward 17.61 (fear leaving), the 10-year yield slid from 5.14% to ~5.08% (the month's main headwind switching off), oil sank from ~99.5 to 95.86 (the war premium unwinding), and NVDA - the index's leader - ripped from 213 to 218. One dial is weather noise; four dials agreeing is a climate change.

- Tell 3 - volume expanded on the break, not before. Premarket volume was a whisper. The opening candles were towers by comparison, green and closing near their highs, and the pullback candles that followed were smaller. Read volume as a sequence: expansion on pushes, quiet on pullbacks = commitment. A single big bar alone proves nothing.

- Tell 4 - the staircase: levels broke, then held. Prior-day close 766.48 reclaimed, pre-market high 767.66 broke, Asia high 768.43 broke, the 30-minute block mid 769.64, prior-day high 770.46, block high 771.74. Each level that broke became the floor for the next push. That is the whole skill: enter at a break-and-hold or its retest, and stay while the stairs keep holding - leave when one doesn't.

- Tell 5 - RSI is a speedometer, not a crystal ball. RSI ran from the 40s to ~75 because the trend was strong; in a real trend it pins high and stays. RSI only warns when price makes a new high and RSI doesn't (divergence), or when price loses a level RSI already rolled over on. Shorting 'overbought' at 768 is how a trader donated money all the way to 772 on this exact morning.

- The top is not the entry. At 771.51 the guard panel's math was explicit: first target 771.72 (0.21 of room), tactical stop 770.70 (0.81 of risk) - a trade that must be right four times out

of five just to break even. The run was catchable at 768 with room above; it was only advisible at 772. Knowing the difference is most of trading.

RULE: A run is caught at the first level that breaks and holds - never predicted beforehand, and never chased at the top.

COMMON MISTAKES

- Shorting 'overbought' RSI in a trend - RSI pins high on trend days; it is a speedometer, and speed is not a sell signal.

- Chasing vertical candles at the top, where the next target is closer than the stop - room must exceed risk or there is no trade.

- Reading one pane: SPY breaking up while VIX, yields and oil disagree is a breakout with no fuel; it usually dies at the first level.

- Waiting for every timeframe to agree before acting - the higher timeframes confirmed this run only near its top. The fast timeframe plus the weather is the early evidence; size is how you respect the uncertainty.

- Defending the night-before lean after the morning votes against it - Lesson 70's rule: the newest checkpoint outranks the oldest, and a flipped board flips the plan.

DO IT - REPLAY THE RUN

In TradingView, open SPY on the 5-minute chart, start Replay at 8:25am CT on Tuesday Oct 20, 2026, and step forward one candle at a time. At each candle, say the checklist out loud: floor holding? weather? level break? RSI rising? The moment you would have entered, pause: draw your entry, stop and target on the chart, and mark the exact candle where RSI crossed 60. Screenshot your marked chart and compare it against this lesson's three pictures - grade your entry the way this course grades reads: against the chart, not the result. Then repeat the whole drill on two more past trend days this week. Repetition is the lesson: the pattern has to fire in real time, and it only does that after you've watched it happen slowly, several times.

Education only - not financial advice. Layer ? lesson 1: Friday Oct 16, 2026 closes (SPY 763.30; SPX 7,659.44; QQQ 709.86; VIX 19.99; 10-year 5.10%; Brent $109.86) from Robinhood / Barron's / AP closing reports; Monday Oct 19, 2026 calendar and earnings from Morningstar / TipRanks / Trading Economics - checked Oct 18, 2026. Lesson 2: the author's own TradingView captures, Tuesday Oct 20, 2026, 9:47-9:48am CT (SPY 763.72 to 772.26; VIX 19.99 to 17.61), personal bars cropped, approved for publication Oct 20, 2026; its option figures are Black-Scholes estimates, labeled theoretical. The lessons teach a reading process; they forecast nothing. Vajgrt Labs - Education.