

Earnings and why it matters

Companies report earnings every quarter.

Most investors and financial news outlets focus on things like earnings per share, revenue, guidance, EBITDA...

To me, none of that matters.

I'm pretty sure I don't even know what EBITDA means.

Remember, with VWAP trading, all we care about in **Warlock's World** is **VOLUME** and **PRICE**.

So all those ratios and metrics? Throw 'em out the window.

I'm sure you're asking...

But Kenny, if you don't care about what the earnings report says, why do you care about the stock reporting earnings?

Ahhhhhhhhh I'm glad you asked, Blanche.

As a disciple of VWAP, I'm looking for stocks with high trading **VOLUME**.

The more volume, the stronger the corresponding VWAP signal will be.

At no point in the year do we see more relatively predictable volume and volatility spikes than during quarterly earnings season.

Earnings opens the door for **Warlock's World** members to trade stocks they might not otherwise – stocks that regularly have LOW volume.

Let me give you an example.

In May, for instance, I guided the *Warlock's World* community to an INSANE trade in **Dick's Sporting Goods (DKS)**.

DKS isn't very high on the list of stocks that I would normally consider "good" for day trading.

The average daily trading volume for **DKS** is a paltry 1.9 million shares.

For comparison, the **Invesco QQQ Trust (QQQ)** – my favorite stock – averages over 81 million shares traded per day.

Higher trading volume usually creates larger moves for stocks, as well as being LIQUID.

Liquidity is what makes nimble day trading possible.

But let's get back to **DKS**.

During *Money Morning LIVE* that day, I let VWAPIans EVERYWHERE know that not only was I looking to go long **DKS**, but I gave a significant price level of \$63.50.



DKS was hovering around that level. It wasn't too late to get in.

The stock was above the 1-minute VWAP and appeared to be on its way to the multiday VWAP.

AKA the **1-minute multiday VWAP reversal**.

DKS never broke back under VWAP, rising as high as \$81 per share.

The stock saw over 38 million shares traded today.

That's over 20 times its average trading volume.

Are you picking up what I'm putting down?

The stock reported earnings – so it's on my radar for the day.

The stock broke the 1-minute VWAP (blue line) to the upside, giving me a reason to buy.

The stock then broke above significant price levels rising towards my target of the multiday VWAP (orange line).

DKS *broke through* the multiday VWAP. So I started adjusting the time frame of the multiday VWAP to continue to find new upside targets as the price continued to rise.

Even only 100 shares from the significant price level of \$63.50 to the daily high of \$81.30 would have yielded nearly \$2,000 in *profit*.

My main point is:

EARNINGS = VOLUME & VOLATILITY

VOLUME = LIQUIDITY

VOLATILITY = PRICE MOVEMENT

LIQUIDITY + PRICE MOVEMENT = VWAP TRADES

VWAP TRADES = \$\$\$

That's why earnings is SO important.

That's how I narrow down the over 8,000 stocks on the market to the 10 or 12 that I'm watching every day.

And there's *always* stocks reporting earnings.

When people think about earnings, they think about the BIG names – **Apple (AAPL), Amazon (AMZN), Microsoft (MSFT)**...the list goes on and on.

They think about tech and big banks and companies like **Walmart (WMT)**...

They're not looking at **Dick's Sporting Goods (DKS)**.

But you know what? I am.

Let 'em have the big dogs. When the time is right, we'll trade those too.

But I can find WINNERS for my **Warlock's World** members EVERY DAY.

Because I know what to look for, I know how to find the price levels, and I have the only trading indicator you'll ever need in my holster.

A handwritten signature in black ink that reads "Kenny Glick". The signature is stylized, with the first name "Kenny" written in a cursive-like font and the last name "Glick" in a more blocky, slightly cursive font.

Kenny "The Warlock" Glick