

INVESTOR'S BUSINESS DAILY®

Selling Checklist

Time To Sell Or Hold?

Use this checklist to help decide when to lock in your profits and cut short any losses. Sticking to these basic sell rules will give you a sound game plan for staying both profitable and protected.

Use [IBD Charts](#) and the [Market Pulse inside The Big Picture](#) to go through the checklist.

OFFENSIVE SELLING: When to lock in your profits

- Take *most* profits when your stock rises 20%-25% above a proper buy point**
 - ▶ Use this rule to compound smaller gains into bigger overall returns. [Learn More](#)
 - ▶ Exception: If a stock rises more than 20% *within just 3 weeks* from a proper buy point, hold the stock for at least 8 weeks. [Learn More](#)

DEFENSIVE SELLING: When to cut losses short or protect remaining profits

General Market

- Take defensive action when the Market Pulse outlook is 'uptrend under pressure' or 'market in correction'**
 - ▶ While you don't need to automatically sell if the outlook changes, understand that when the market enters a downtrend, it takes 3 out of 4 stocks down with it. [Learn More](#)
 - ▶ Be ready to sell if you see warning signs and sell signals, like those below, in your stocks.

Your Stock

- Always sell if your stock drops 7%-8% below what you paid for it.**
 - ▶ This one, simple rule will prevent small losses from becoming big ones. [Learn More](#)
- Chart Analysis** – Consider selling some or all of your shares if you see these signals:
 - ▶ Biggest single-day price decline since the start of the stock's run in the heaviest volume in months. [Learn More](#)
 - ▶ Sharp drop – and close – below the 50-day or 10-week moving average in exceptionally heavy volume. [Learn More](#)
 - ▶ [More Sell Signals](#)

[Learn More About When To Sell Stocks On Investors.com](#)

- *New price highs on low volume
- *Falls below 50-day moving average line on the heaviest daily volume in months
- *Heavy-volume sell-off, particularly if the stock experiences the largest price drop of its run
- *Churning: heavy volume and little price progress
- *A climax run also signals a stock is near its peak. Here are some signs a stock is undergoing a climax run:
 - **Occurs after a long price run up of 18 weeks or more
 - **25% to 50% price jump in three weeks or less
 - **Largest one-day price gain of its entire run. Daily volume may also be the heaviest of its advance
 - **May experience an exhaustion gap, as its price opens significantly higher than the prior day's close
 - **Weekly price spread is the largest since the stock began its run

<https://www.investors.com/how-to-invest/when-to-sell-stocks/> or [When To Sell Stocks To Take Profits And Avoid Big Losses _ Investor's Business Daily.pdf](#)

ADE-122324-"Market is extended and many stocks are extended as well. I may add into my current holdings but initiating new positions in brand new stocks would be something I would wait. I almost always try to add to my best performers and money usually comes from my bottom performers. I do not do this aggressively. Just take 20-30% of the position out of lower performers and use it in the better performers. At this point I would not think about buying any breakouts from my watchlist and at the same time if I do not have a position then I will not even buy pullbacks.

Have selling plan in place before I buy, and place conditional sell orders right after buying (or definitely EOD)