

# TRADING PLAN

Version 2 — March 2022

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# 01

## TRADING PRINCIPLES

# Guiding quotes

*Trading is an art, not a science, and should be treated accordingly.* Carley Garner

*Simple is better. You don't need indicators, and you should only look at one chart. If you can't make money off a single chart with no indicators, adding more things to analyse will only make it more difficult.* Al Brooks

*Trading depends on execution, not on analysis.* EmperorBTC

*Take only high probability trades and don't do anything stupid in between.* Tom Dante

*Don't chase the price, wait for it to come to you.* Mike Ser

*It's not whether you're right or wrong that's important, but how much money you make when you're right and how much you lose when you're wrong.* George Soros



# Motivation

I want to become a trader to:

- Build a capital
- Not depend financially on an employer
- Have my own business
- Learn a skill for life



# Mission statement

Create a life of **freedom and independence** for me and my family through trading.

# What type of person am I?

## Personality and thinking style:

- I'm a strategic and structured thinker.
- I'm an avid learner and an independent thinker.
- I adore simplicity, but need to understand and design systems accordingly
- I'm quite quick at making decisions, once that my goal and objectives are clearly defined.
- I'm quite good at suppressing my emotions and being patient.

# What sort of trader am I?

## Trading approach and preferences:

- I'm a method-based discretionary swing trader
- Ideally, my trades last from 1 to 5 days
- I base my trading method on technical analysis and price action
- I trade indices and crypto
- I follow up a list of max 20 markets on a daily basis
- My favourite time frames to trade are 1H, 4H and 1D
- I use 2 strategies: swings and ranges
- According to the Van Tharp Institute test, I'm a "Strategic Trader"

# My competitive advantage

- I'm quite **obsessive** and can spend a lot of time learning about topics I'm interested in.
- I am very **methodical**.
- I am an **independent thinker** and normally avoid to follow the herd.
- I'm quite **patient** and don't need to rush into trades just because it seems like a good opportunity.
- I can stick to **systems and rules** quite easily.

# Weaknesses and remedies

1. **Fear of losing** my hard-earned capital.

- Solution: a) build confidence by working with a mentor, b) demo trade, c) trade with small size positions.

2. Not properly analysing my trades and **rushing into losing trades**.

- Solution: a) set a very strict analysis and trade opening procedure, b) build a habit around the procedure, c) simplify my trading process so I don't skip it.

3. **Let losses run** and cut profits too soon.

- Solution: make a habit out of cutting losses quick, without thinking.

# Worst trading mistakes

1. Technical mistakes in the trading platform
2. Trade counter-trend and stay too long in the trade
3. Not entering trades at S/R level
4. Trade when I'm tired or anxious
5. Letting winning trades go against me
6. Moving to very low time frames to monitor on-going trades

Link to my [Trading Journal](#) main mistakes.



## Frame of mind

- I will only trade after proper analysis of the market I'm intending to trade and following my trading rules.
- I will only trade when I feel rested.
- I will avoid trading when I feel ill, angry or reckless. In those cases, I will only observe the market, rest or distract myself with other things.



# 02

**GOAL,  
OBJECTIVES  
AND TARGETS**

# Goal and objectives

My goal is **to become a successful professional trader**. My next objectives are to:

## 1) Learn to trade:

- Be able to use technical analysis confidently by Oct 2021 - DONE
- Develop and my own trading system and plan by Dec 2021 - DONE
- Test my trading strategies and collect data by Apr 2022 - ONGOING

## 2) Build a capital:

- Increase the size of my trading account by Jul 2022. Target size: \$40,000
- Earn \$1,000,000 from trading by Oct 2024

## 3) Make a living out of trading:

- Start paying myself a salary by Oct 2022. Target: 30,000 SEK / month

# How I will grow my account

1. I will categorise my strategies, test them and find those that have the highest win rate (0-100%): instrument, time frame, position (long-short), etc.
2. I will look through different markets and chose the best performing one.
3. I will focus on trading that market.
4. I will break down my strategy in different elements (patterns) and identify the most profitable ones.
5. I will trade only the best performers: market and patterns.

# Financial targets 2022

Target	Target	Achieved	Percentage
Year	24,000	0	0%
Quarter	6,000	0	0%
Month	2,000	0	0%
Week	500	0	0%

# Trading statistics

Year	Trades	PNL	Win rate	R/R	Expectancy
2022	0	€0	0%	0	€0
2023	0	€0	0%	0	€0

# My trading business

I will trade as a **sole trader** until I reach my goal to have a \$50,000 trading account — after paying 30% of capital gain taxes.

Then, I will establish a **limited company** (*aktiebolaget AB*) in Sweden. From that moment on, I will reinvest all the profits in the business (grow my account, pay expenses, etc) until I quite my job. I will only quit my job when I'm completely sure that my company can pay me a monthly salary.

When I quite my job, I will receive a **monthly salary** equal to my last salary as an employee.

I will reinvest all additional **profits** into growing the business, investing in real estate and, occasionally, paying myself some dividends. I will revise my salary once a year and adapt according to the annual business results.



# 03

# MARKETS AND TOOLS

# From scalping to investing

To achieve optimal results, I will combine different trading styles:

- Scalping: short and quick trades to generate cash on a daily basis.
- Day trading: few-hour trades aiming for longer price movements.
- Swing trading: trades lasting for a few days and max 5 days.
- Value investing: long-term trades in valuable assets aimed to generate wealth.

I will keep separate brokerage accounts for each trading style.

# Markets traded

I trade crypto futures and index CFDs:

- Bitcoin Perpetual Futures - BTCPERP
- S&P500 - US500
- Nasdaq - US100
- DAX - DE40
- Nikkei - J225

# Markets observed

I do not actively trade any other markets than those listed before. I will focus on, though, the following commodity CFDs and FOREX pairs which allow me a better overview of the overall financial markets:

- Gold - GOLD
- Crude oil - OIL-CRUDE
- EURUSD

I will take trades in these markets when there are very clear opportunities. Before doing so, I will keep in mind the following:

- I stick to my plan and strategies
- Market and broker open/closing times.
- Spreads are low
- Margin requirements

I'm not sure  
about this...

# Time frames

I use several time frames:

- 1W - general market long-term overview
- **1D - my main time frame for technical analysis**
- 4H - for more detailed price action analysis
- 1H - for accurate entries in swing trades
- 30, 15 and 5 minutes for scalping.

# My trading schedule

- I will swing trade only on **weekdays**.
- I will trade the first hours of the London session (**08.00 to 10.00**) and the first hours of the US session (**14.00 to 16.00**).
- I will **never trade in the evenings!!!**
- I **won't trade during the weekend** and I will close all my positions by Friday at 18.00 the latest.

# Technical analysis tools

I use the following concepts, tools and indicators:

- Market phase: trend, accumulation or distribution
- Market structure: uptrend, downtrend and accumulation
- Support, resistance and trend lines
- Exponential moving average - 20EMA
- Relative Strength Index - RSI
- Moving Average Convergence Divergence - MACD
- Average True Range - ATR
- Volume and volume profile
- Delta and Open Interest

# Fundamental analysis scanning tools

I use the following platforms and news providers:

- The Economist - big geopolitical and economic picture
- CNBC - general economic and market information
- Forex Factory - major market events
- Finviz - market mapping
- Coin Telegraph - crypto news
- Coin Market Cap - crypto market information

# Brokers, exchanges and charting

I use different exchanges and broker to reach the markets:

- Index, commodities and forex CFDs — [capital.com](https://capital.com). Alternative: Interactive Brokers, Avanza, IG.
- Crypto futures — **Binance Futures**. Alternative: Bybit.

When choosing an exchange or broker, I will consider:

- Zero commissions
- Low spreads
- User friendly interface
- No need for currency conversion

For charting, I use a pro subscription at **TradingView** (150€ / year).



04

**MONEY  
AND RISK  
MANAGEMENT**

# General money management

I will keep 80% of my trading funds in my bank account or in a high-interest account. The remaining 20% funds will remain at my broker.

When the time comes, my limited company will open two bank accounts. One for taxes and one for the operating capital.

Until I can employ myself full-time as a trader, I will keep all my trading gains in my trading account as a way to grow it as much as possible. My goal is to have a trading account of 50,000€ to 100,000€.

As a full-time trader, I will pay myself a monthly salary on the 25th of each month. I will revise my salary once a year.

# Risk management

**Risk per trade:** I risk a maximum of **1%** of my trading account per trade.

**Drawdown:** The maximum drawdown I will take is **10%** of my trading account. This means 10 losing trades in a row. When this happens, I will stop trading immediately, revise my strategy, backtest it and forward test it until the results are again satisfactory.

I will **not trade** when I don't find the setups and entry triggers stated in my trading plan and strategies.

# Position size and leverage

The size of all my positions will be calculated according to a risk to **reward (R/R) ratio of at least 2**. Under no circumstances, my R/R should be lower than 2.

If a trade doesn't allow a R/R of 2, I will simply **pass on the trade** and look for opportunities in other markets.

I will trade with **10:1 to 20:1 leverage**. I will chose the most appropriate leverage factor based on the setup and probability for the the trade to succeed.

To calculate the maximum risk per trade, position size and leverage, I use my custom **position size calculator**.

I will set realistic expectations for my returns and avoid overexposing my account. My priority is to stay in the game for the long-term.

# Leverage risk

Leverage	Margin %	Margin	Buying power
1:1	100%	€10,000	€10,000
2:1	50%	€5,000	€10,000
5:1	20%	€2,000	€10,000
10:1	10%	€1,000	€10,000
20:1	5%	€500	€10,000
50:1	3%	€250	€10,000
100:1	1%	€100	€10,000



## Strategy risk

I will monitor the win rate and drawdown of my strategies individually and as a whole. If a strategy underperforms, I will stop using it and revise it accordingly.

# Strategy back and forward testing

Before implementing a new strategy, I will backtest it and then forward test it. In both cases, I will use between 50 and 100 trades to gather enough data. Only after the strategy has been duly tested, I will start trading live with it. I will test the stop loss (if and where should it be placed), win rate, take profit, drawdown.

Strategy testing process:

1. **Rough backtesting** to find out whether the strategy is worth spending time testing. I won't spend more than 1 or 2 hours at this phase.
2. **Thorough backtesting**: add precision to the test.
3. **Micro trading**: once the strategy has been backtested, I will start testing it with small position size. I will avoid demo testing.
4. **Full positions**: if the strategy has proven to be effective, I will move on to trade with my usual full position size.

# Journaling

I will journal all my trades in my custom Trading Journal.

# Realistic daily and weekly return goals

Account value	Daily return goal	Daily return %	Weekly return goal	Weekly return %
5,000	100 - 200	3%	750	15%
10,000 - 20,000	200 - 300	2%	1,000 - 1,500	10%
20,000 - 50,000	300 - 500	1.5%	1,500 - 2,500	7.5%
50,000 - 100,000	500 - 1,000	1%	2,500 - 5,000	5%
100,000 - 500,000	1,000 - 5,000	1%	5,000 - 25,000	5%
500,000 - 1,000,000	1,000 - 10,000	0.2%	5,000 - 50,000	1%



# Taxes

For reporting my crypto results I will use **Koinly**. Regarding other financial instruments, I will use the brokers reports.



05

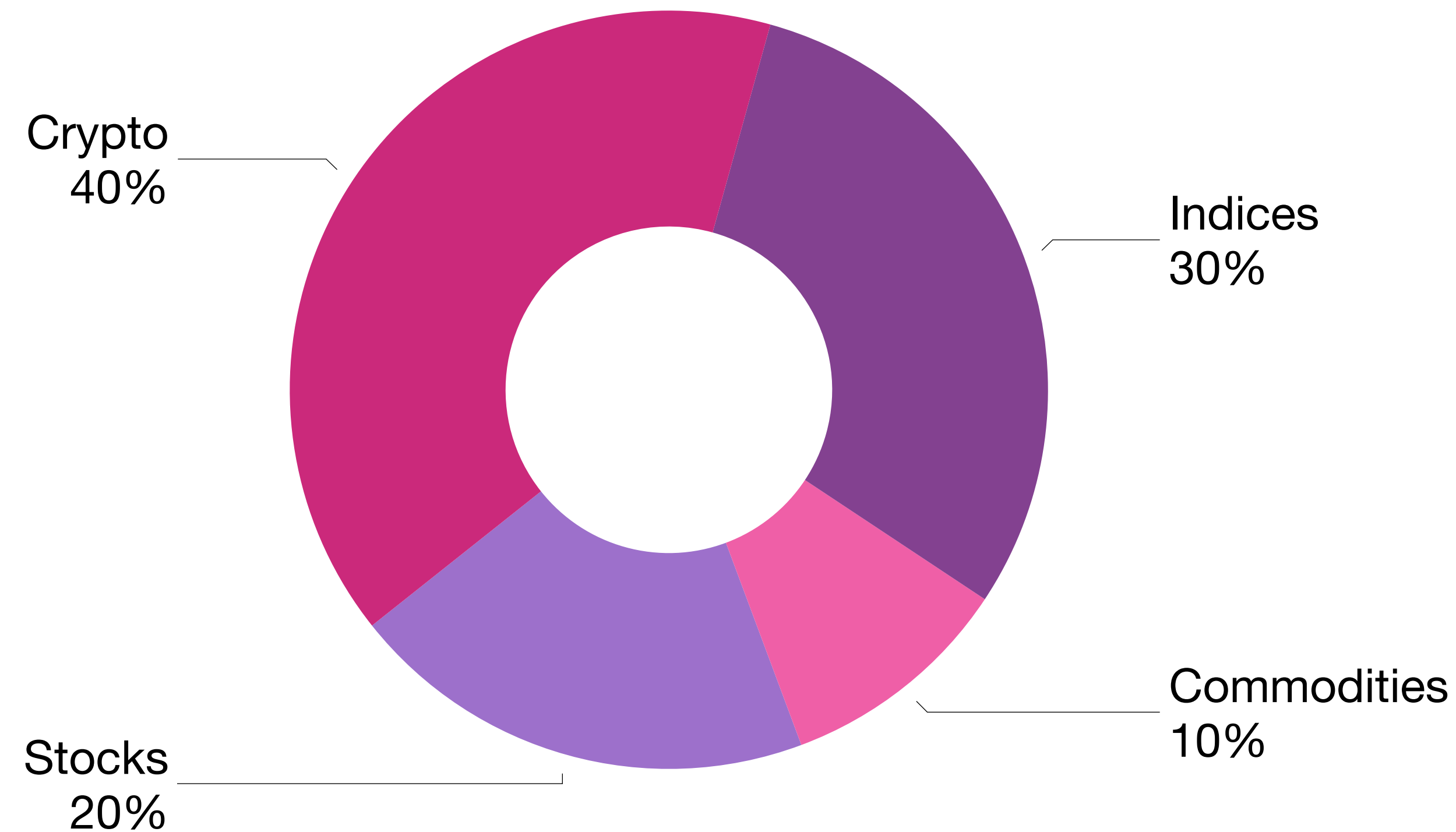
# TRADING STRATEGIES

# Portfolio



# Tactical portfolio

The tactical portfolio is my active swing and day trading allocation. It's divided in 10 equal positions representing 10% of my equity each:



# Strategic portfolio (buy & hold)

At the moment, I will only manage a tactical portfolio. In the future, a part of the gains from the tactical portfolio will be re-allocated into the strategic portfolio:



# Market Setups

# Setup 1: Ranges

## Conditions or "reasons for trading":

- Time frame: intraday or daily charts
- Price enters a range with minimum 4 touch points (3 touches is a much more speculative and risky trade, but could also work)
- Volume decreases as price remains within the range
- Expect a continuation in the same direction as the previous trend
- Expect a trend reversal when price is at accumulation or distribution level
- Use the mid point of the channel as a take profit level (full or partial)
- Buy long at support
- Sell short at resistance

## Setup 2: 20EMA Breakout

### Conditions or "reasons for trading":

- Time frame: daily or intraday
- Bullish setup:
  - 20EMA bullish crossover and one candle close above it
  - Confluence: RSI moving within the upper half
  - Bullish candle pattern > Buy long
- Bearish setup:
  - 20EMA bullish crossover and one candle close below it
  - Confluence: RSI moving within the lower half
  - Bearish candle pattern > Sell short

# Setup 3: Swing Failure Pattern

## Conditions or "reasons for trading":

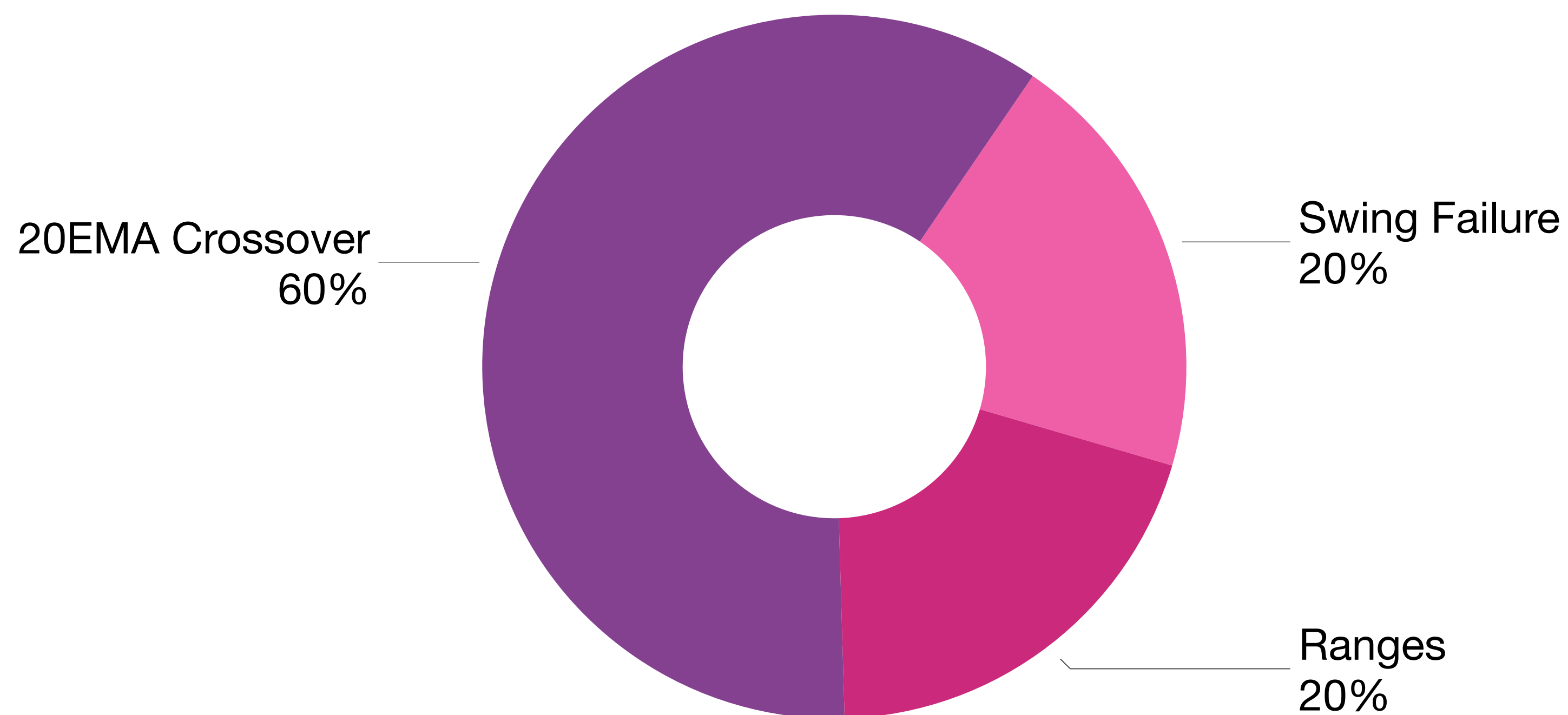
- Time frame: daily or intraday
- Bullish setup:
  - TBD
- Bearish setup:
  - TBD

# Strategy Overview

# My most traded patterns

NOT  
ENOUGH  
DATA YET

I trade the following patterns:



# Strategy statistics and risk allocation

NOT  
ENOUGH  
DATA YET

Strategy	Win rate (live)	Expectancy	R/R	Risk allocation
20EMA Crossover	55%	0	1:2	\$100
Ranges	0	0	0	0
Swing Failure	0	0	0	0

# Price Action Approach

## Price action principles:

- Use daily and hourly charts. In lower time frames it might not work so well
  - Market structure
  - Trendlines
  - Key price levels: price history, psychological levels, etc
  - Support and resistance levels
  - Volume (to confirm the setup and price momentum)
  - Chart patterns
  - Candlestick patterns
- 
- Entry at support, exit at resistance (and vice verse when selling short)

# Market scanning

Every day, before start trading, I will map the market as follows:

- Market structure and Heiken Ashi candles
- Trend lines and channels: 1D and 1W
- Support and resistance levels: 1W, 1D
- Chart patterns
- RSI
- MACD

# My trading algorithm

My trading algorithm is a simple moving average crossover strategy. It uses two moving averages: a 50-day simple moving average (SMA) and a 200-day simple moving average (SMA). The algorithm generates buy signals when the 50-day SMA crosses above the 200-day SMA, and sell signals when the 50-day SMA crosses below the 200-day SMA. The algorithm is applied to the daily closing prices of the S&P 500 index from 1990 to 2020. The results show that the algorithm achieved a net profit of approximately 150% over the period, with a maximum drawdown of about 25%. The algorithm's performance is robust across different market conditions, including periods of high volatility and low volatility.

# Trend following algorithm

This algorithm is the essence of my trading strategy:

1. **Market sentiment:** risk-on and risk-off based on economic events and news.
2. **Time frame convergence:** Check the time frame above.
3. **Entry signal:** price crosses and closes above (long) or below (short) the 20EMA.
4. **Confirmation 1:** RSI (14) is in the upper area (long) or the lower area (short) and MACD is confirming the movement.
5. **Confirmation 2:** Heiken Ashi candles show the same trend direction as previous indicators.
6. **Volume validation:** volume is progressively moving in the direction of the trend. If volume is spiking, beware of a potential trend or swing reversal.
7. **Stop loss:** at 1.5 ATR. Use an exit signal to identify an exit before the SL is hit.
8. **Exit signal:** use one of the following indicators 20EMA (cross and close beyond), Heiken Ashi (change of direction), MACD (EMA crossover).

# Comments on the algorithm

Keep in mind the following:

- Use 1-2 Average True Range measures to set the stop loss and the take profit.
- When price crosses the 20EMA, the second candle should go in the same direction as the one crossing the moving average. If a candle closes beyond the 20EMA in the opposite direction, just exit, even if the stop loss is still far away.
- Never go short when price sits above the 20EMA
- Never go long when price sits below the 20EMA
- Trailing stop at 1.5ATR after the price has raised 2ATM from my entry level
- Scale out —let your winners run— to profit from large trends.

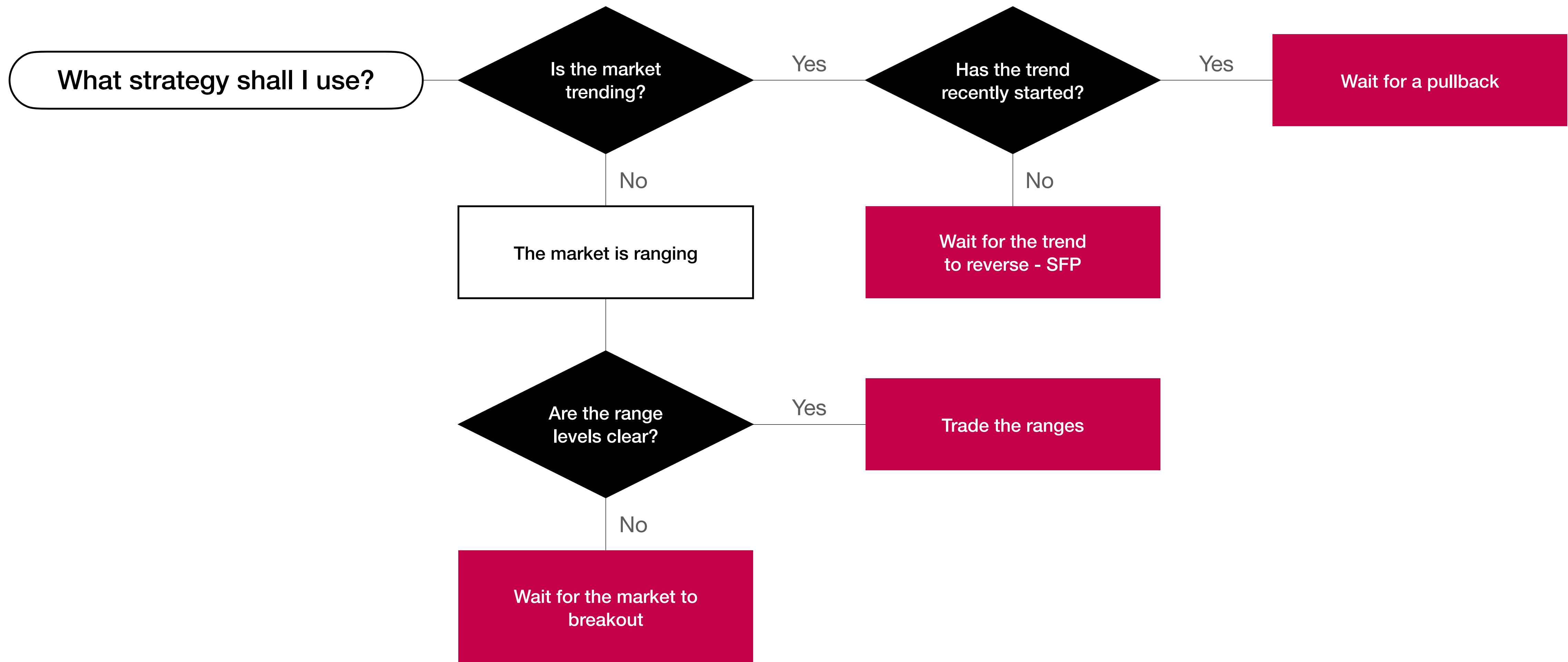


# Ichimoku

I will test the Ichimoku indicator.

# Strategy Summary and Trading Checklist

# What strategy shall I use?



## 1. 10 & 20 EMA Crossover

1. Identify the direction of the trend on the 1D chart
2. Wait for the price to cross the 20EMA
3. Look for volume confirmation
4. Set the invalidation point under the previous candle or around S/R
5. Set the target at at least 2:1. Ideally 3:1
6. Enter at S/R level on the 4H or 1H chart
7. Start pyramiding at the first pullback

## 2. Ranges

1. Identify at least 3 touch points (ideally 4, two up and two down) at S/R levels in the ranging area on the 1H or 4H chart
2. Trade in the direction of trend (conservative) or countertrend (aggressive). In a range, volume normally decreases. It increases again when it breaks out the range
3. Look for reversal patterns: double top/bottoms, h&s, etc.
4. Look for RSI signals to long (oversold) and short (overbought)
5. Look for other factors of confluence: Bollinger Bands (volatility), Volume profile, dynamic S/R, Fibonacci and reversal candlesticks
6. Set the target at at least 2:1
7. Enter at S/R level on the 1H or 4H chart

## 3. Swing Failure Pattern

1. Identify a strong S/R level on the 1D chart
2. Look for reversal signals
  - Ranging accumulation or distribution area
  - RSI at overbought or oversold level
  - Price action patterns: double top/bottom, S&H or wedge
3. Look for reversal candlestick patterns: pin bar or engulfing candles.
4. Look for confluence with the 20EMA
5. Enter at S/R level on the 4H or 1H chart
6. Start pyramiding in the next pullback

## 1. Check-in

- Am I at my trading desk?
- Am I tired, anxious, angry or stressed?
- Am I calm and ready to trade?
- Am I committed to implement my plan?
- Have I checked the daily economic news?
- **Fix it or don't trade today!**

## 2. Market analysis

- Stick to your 3-5 regular markets
- Draw key levels (1M, 1W, 1D)
- Determine market phase: trending, accumulating or distributing
- Check for price action patterns
- Determine market structure in two time frames: uptrend, downtrend or ranging
- **Is price action bullish or bearish?**

## 3. Trade planning

- Chose a time frame to trade: 1D, 4H, 1H
- Identify potential entries at S/R level
- Look for confirmation from time frames, EMAs, Fibonacci levels, volume, RSI, MACD and candlesticks
- **Formulate 3 price action scenarios: uptrend, downtrend and range.**

## 4. Price action patterns

- Continuation: triangles, flags and pennants
- Reversal: double tops/bottoms, head and shoulders and wedges
- Channels: ascendent, descendent and horizontal
- Reversal candlesticks: pin bars and engulfing candlesticks

## 5. Trading strategy

- Chose the most suitable strategy:
  - 10 and 20 EMA Crossover
  - Ranges
  - Swing Failure Pattern
- **Look for high quality and high probability trades only!**

## 6. Risk and position management

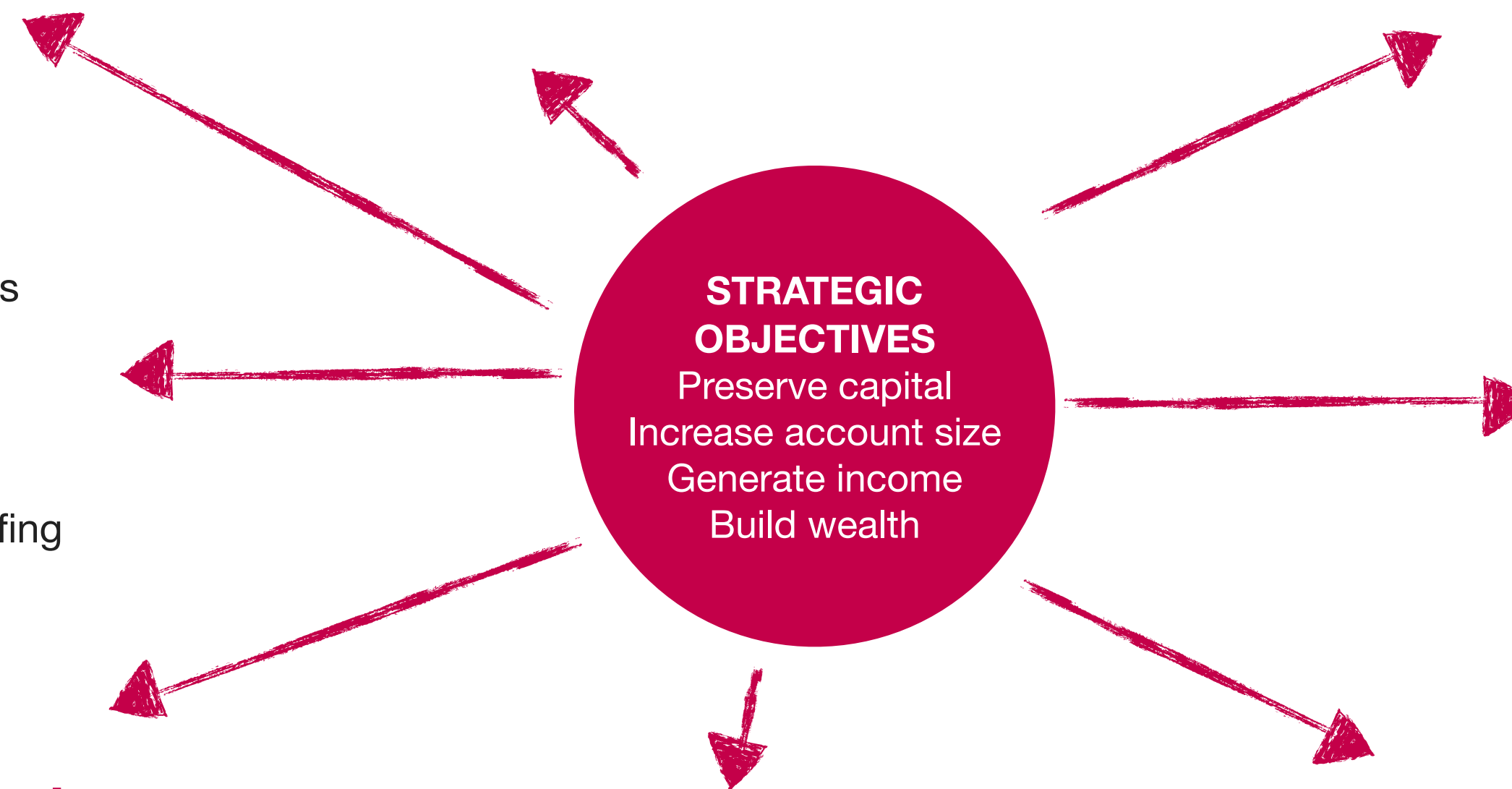
- Calculate the position size for the trade
- Set the entry point. Ideally several hours before entering the trade
- Determine the invalidation point
- Set the stop loss
- Mark the profit-taking level(s)
- **Write down it all in your trading journal**

## 7. Entry

- Always enter at S/R level
- Confluence with price action and indicators
- Get confirmation from volume and candles
- Wait for a new candlestick to start
- Enter the trade
- **If possible, pyramid your position.**

## 8. Exit

- Exit when:
  - Your capital might be at risk
  - You need to abort a bad entry before the price hits your stop loss
  - You can take partial profits at key levels or your target price is hit
- **Don't let a winning trade turn into a loser! Always evaluate the trade.**



# New Trend Strategy



# 10 and 20 EMA Crossover (1/3)

## 1. Setup:

- Market phase: look for an accumulation or distribution phase at the end of a trend (up or down).
- Market structure: works both for uptrends and downtrends. Make sure that you are entering the trade in the direction of the trend.
- Time frame: 5 min, 1H or 1D. Check for confluence with the higher time frame.
- RSI (14 periods): for uptrends, it should be in the upper half (around 60) and, for downtrends, in the lower half (around 40).
- Volume: around or above the average level and in confluence with the direction of the trend.
- Avoid entering the trade when the angle in which the EMAs are crossing is too sharp. The more perpendicular the crossover is, the better, as it shows greater momentum.

# 10 and 20 EMA Crossover (2/3)

## 2. Rules:

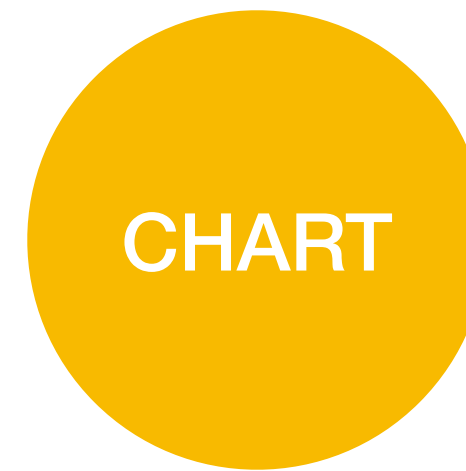
- Rule #1: price crosses 20EMA.
- Rule #2: the volume is above average at the time of the crossover.
- Rule #3: start pyramiding when the price pulls back and touches the 20EMA, as long as the RSI (14) remains in the area of the trend.

**3. Entry signal(s)**: place a limit order at a lower time frame when the price is at a support or resistance.

**4. Invalidation point**: place the stop loss at the edge of the candlestick you are entering. Admit your error as soon as possible and move on to the next trade.

**5. Profit target**: in the 4H chart, aim for 10-30%. In the 1D chart, aim for 15-50%. Set reasonable targets!

# 10 and 20 EMA Crossover (3/3)



# Trend Continuation Strategy

Identify the trend  
Determine the continuation point  
Enter the trade

Set the stop loss  
Set the take profit  
Exit the trade

Monitor the trade  
Adjust the stop loss  
Exit the trade

Repeat the process  
Keep a trading journal  
Review the results

# Trend Continuation Strategy (1/4)

## 1. Setup:

- Market phase: identify an advancing or declining market.
- Market structure: identify the current trend in the time frame that you will trade and look for confirmation in a higher time frame. Uptrend: higher highs and higher lows. Downtrend: lower highs and lower lows.
- Time frame: 4H and 1D.
- Warning: avoid entering trends which are fading. Try to get into trends at their initial stages. Use RSI and Elliot Waves to determine the trend phase.

# Trend Continuation Strategy (2/4)

## 2. Rules:

- Rule #1: Identify an existent trend on the daily chart (higher highs or lower lows).
- Rule #2: Wait for a pullback and move to the 4-hour chart. There should be be disparity of market structure between the higher and the lower time frame (1D uptrend > 4H downtrend; 1D downtrend > 4H uptrend).
- Rule #3: Identify the reversal point of the pullback using S/R levels, Fibonacci levels, EMAs (10, 20 and 50), price and candle patterns. The stronger the trend, the shallower the pullback should be. Use confluence to asses the reversal point.
- Rule #4: Set a limit order at S/R level and wait for it to be triggered.

## Trend Continuation Strategy (3/4)

**3. Entry signal(s):** Always enter at S/R level. Enter at the end of the pullback (aggressive entry) or, for a more conservative approach, enter when the price breaks out or down.

**4. Invalidation point:** a lower low which is lower than the last higher low or a trendline break out. Place your stop loss at previous lower candle, ATR level or below/above the closes support or resistance.

**5. Profit taking:** use a reasonable R/R at a S/R level.

**6. Trade management:** Follow up the trade using Haiken Ashi candles to spot the end of the trend. Pyramid in every pullback.

# Trend Continuation Strategy (4/4)

1D trend	4H trend	Action	Pattern	Confluence	Entry
Up	Up	Set aside	Uptrend	—	—
Up	Down	Go long	SFP, rejection at S/R level, double top	S/R levels. Fib levels. Dynamic S/R. RSI - avoid fading trends	At S/R level when: 1) EMA penetration (10, 20 or 50). 2) Breakout
Down	Up	Go short	SFP, rejection at S/R level, double bott	S/R levels. Fib levels. Dynamic S/R. RSI - avoid fading trends	At S/R level when: 1) EMA penetration (10, 20 or 50). 2) Breakdown
Down	Down	Set aside	Downtrend	—	—

# Ranges Strategy

# Ranges Strategy (1/6)

## 1. Setup:

- Market phase: utilise this strategy in non-trending markets or consolidation phases by identifying support and resistance levels near the price.
- Market structure: identify the levels in the horizontal channel among which the price is ranging. Buy long when the price touches the support and sell short when the price touches the resistance.
- Time frame: 1H, 4H, 1D. It can also be utilised in lower timeframes.
- Volume: it's normally low during consolidation phases.

# Ranges Strategy (2/6)

## 2. Rules:

- Rule #1: Identify at least 3 touch points (ideally 4, two up and two down) at S/R levels in the ranging area.
- Rule #2: Determine the trend at a higher time frame and at the time frame that you are trading. Trade in the direction of trend (conservative) or countertrend (aggressive).
- Rule #3: Look for reversal patterns: double top/bottoms, h&s, etc.
- Rule #4: Look for RSI signals to long (oversold) and short (overbought).
- Rule #5: In a range, volume normally decreases. It increases again when it breaks out the range.
- Rule #6: Look for other factors of confluence: Bollinger Bands (volatility), Volume profile, dynamic S/R, Fibonacci, etc.

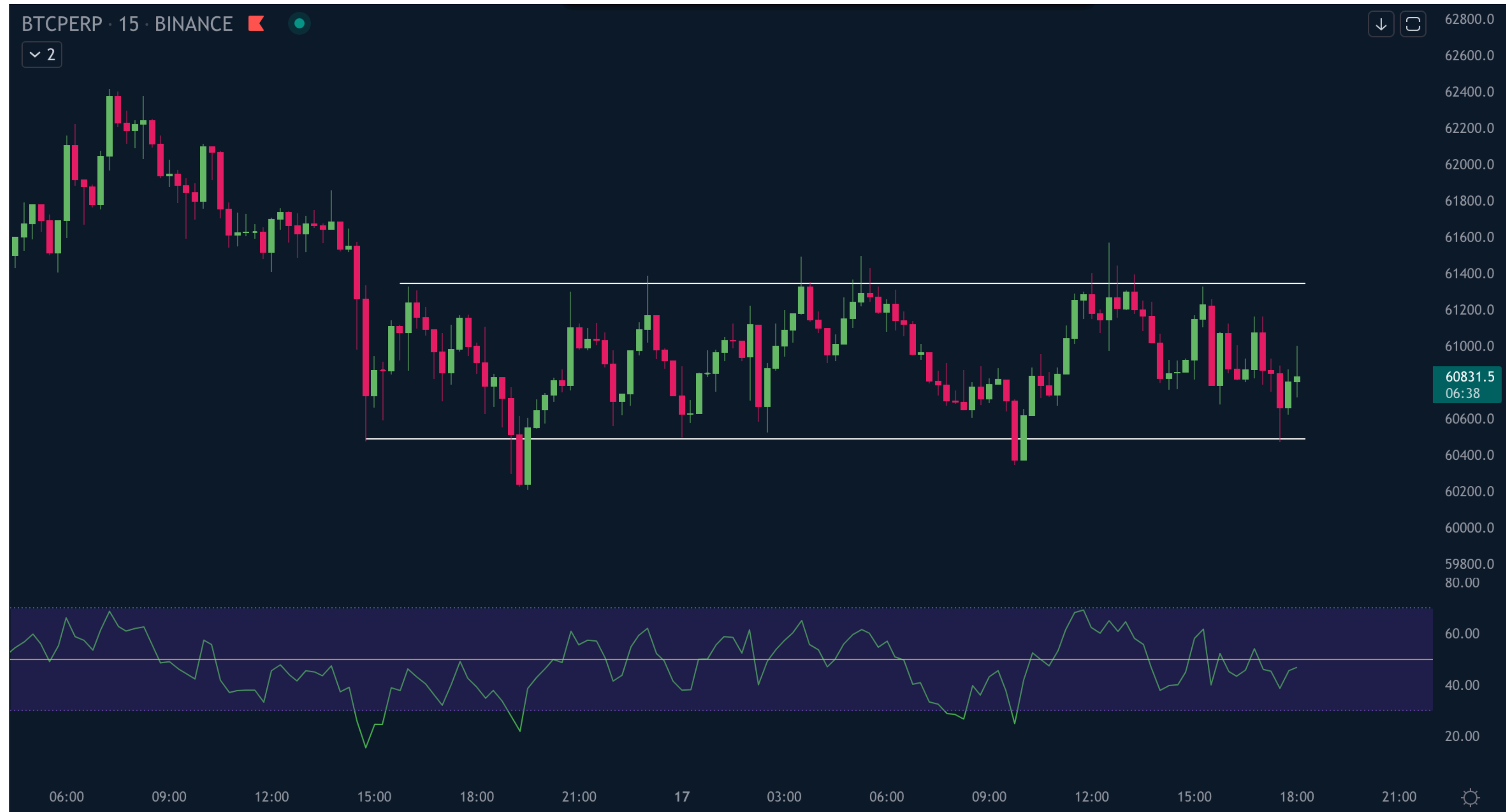
## Ranges Strategy (3/6)

**3. Entry signal(s):** Place a limit order at S/R level in the direction of the trend (conservative) or against it (aggressive).

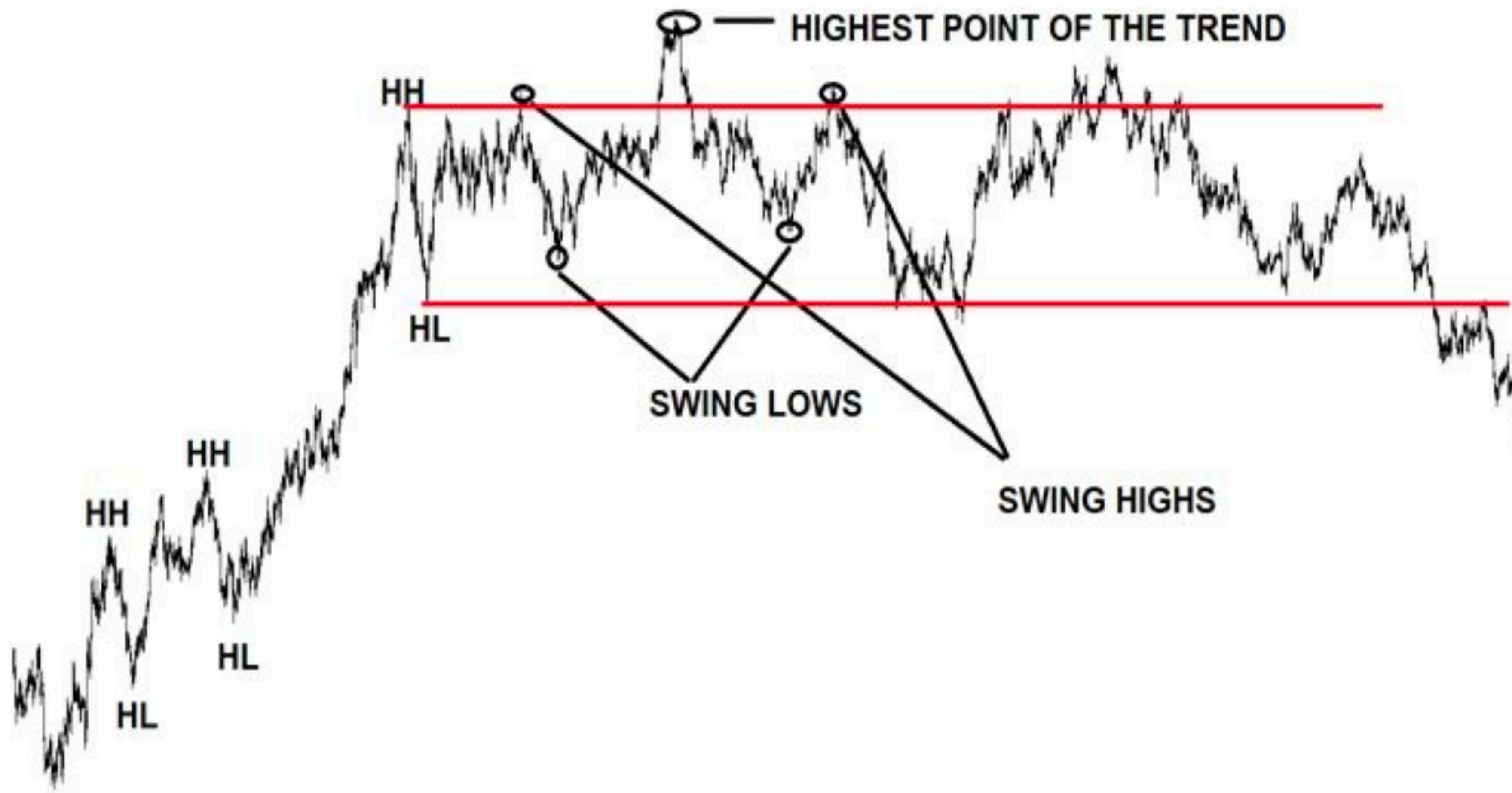
**4. Invalidation point:** place your SL beyond the level that you have entered. Leave room for potential price deviations from the range.

**5. Profit target:** It will be determined by the range you are trading. The mid-point of the range can be used to take partial profits. If the price breaks out the range, you can double the size of the channel and project it to get a new target (don't use this alone, look for confluence with other indicators). Set reasonable targets!

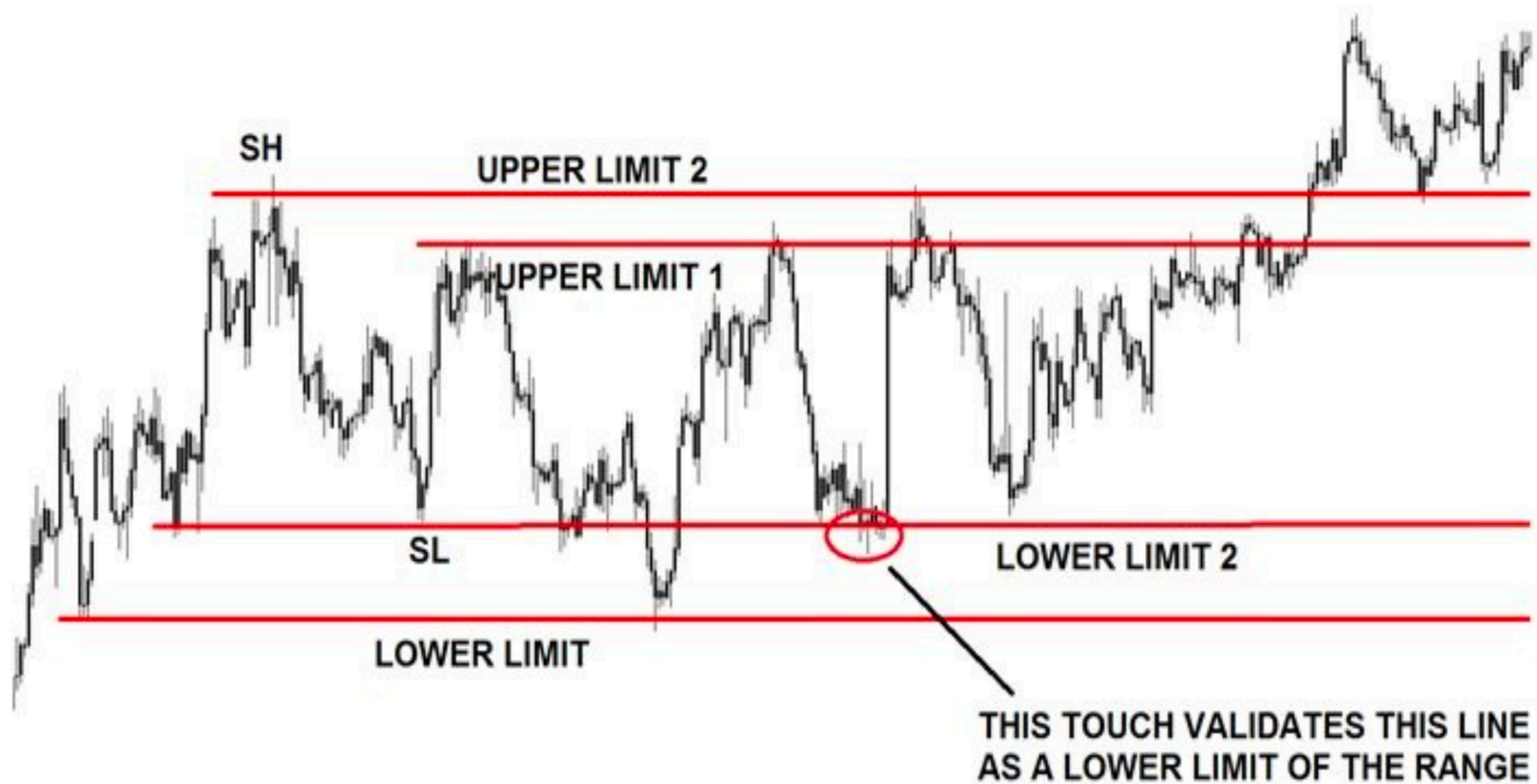
# Ranges Strategy (4/6)



## Ranges Strategy (5/6)



## Ranges Strategy (6/6)



# Swing Failure Pattern Strategy

# Swing Failure Pattern Strategy (1/3)

## 1. Setup:

- Market phase: accumulation phase after a strong trend.
- Market structure: the moment in which the market changes its direction. Both uptrend and downtrend.
- Time frame: 1H, 4H or 1D.

# Swing Failure Pattern Strategy (2/3)

## 2. Rules:

- Rule #1: Identify support or resistance in the higher time frame.
- Rule #2: Identify an accumulation stage on the lower timeframe
- Rule #3: Identify a reversal pattern: double top/bottom, head and shoulders...
- Rule #4: Validate the reversal by checking the RSI.
- Rule #5: Look for a reversal candlestick pattern: pin bar or engulfing candle.

## 3. Entry signal(s):

**4. Invalidation point:** set the stop loss below/above the support or resistance level.  
Alternatively, use ATR to determine the SL.

**5. Profit taking:** aim for a swing or a full trend. Set reasonable targets!

# Swing Failure Pattern Strategy (3/3)





# 06

## TRADE MANAGEMENT

# Daily routine

My daily routine will include:

- Read general economic news
- Monitoring open trades
- Scan for new opportunities (Market phase, Market structure, Key levels, Trend lines, Price patterns, RSI, Candlestick patterns)
- Journaling

Don't spend too much time analysing potential trades. Max 60 min a day.

Don't take more than 40 trades a month. 10 a week.

# Holiday trade management

Unless I'm in need to completely disconnect from trading for some days, I will monitor the markets and prepare price action scenario for 30 minutes every morning while on vacation.

I will only take Haigh probability trades and won't prioritise trading over enjoying my spare time with my family.



## Exiting losing trades

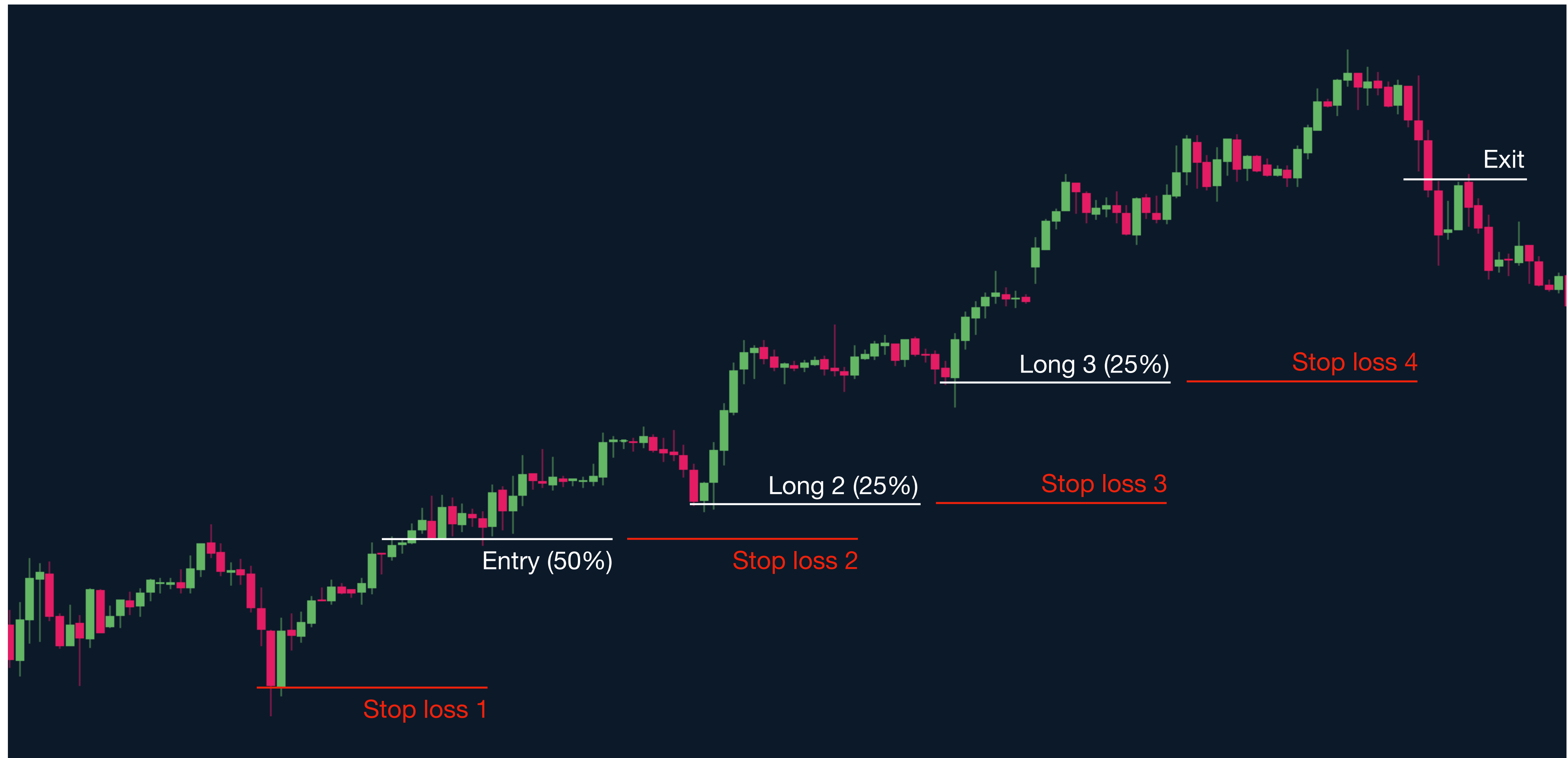
If the price clearly moves against me, I won't hesitate to exit the trade even before reaching my stop loss. I will always prioritise capital preservation.

# Profit taking

If price is showing momentum and the trend moves in the expected direction, I will scale my profit taking as follows:

- Target 1: 50% of the position
- Target 2: 30% of the position
- Target 3: 20% of the position

# Pyramiding



# Trailing stops

I will use trailing stops in combination with pyramiding or when I'm in a long trend trade.

To set the stops I will use the previous lower low or lower high.

# Simultaneous open positions

I won't keep more than three simultaneous open positions unless I'm long-term trend trades. In that case, I will keep the promising long-term trades open while still applying three open trades rule.