



# *Seven Steps to a Good Trade*

*Paul Lange*

*Director of Services*

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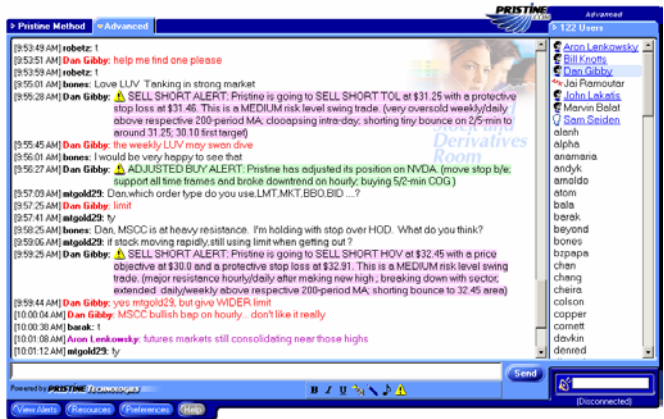
# Many Ways to Learn



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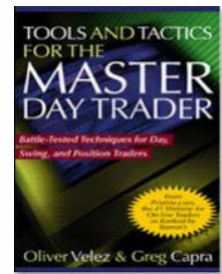
REAL TIME TRADING ROOMS

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# ELIMINATING THE BARRIERS TO ENTRY



# ***Contents...***

- 1. Have a Trading Plan***
- 2. Look for the Technical Picture***
- 3. Analyze the Risk-to-Reward***
- 4. Relative Strength and Timing***
- 5. Share Sizing***
- 6. Management***
- 7. Follow Up***

# ***Introduction***

## ***Some considerations while viewing...***

- It is almost always the case in trading that 'buying a stock' (or going long) and 'short selling a stock' (going short) have the same considerations. If the long example is used to explain a point, it does not imply that the short example is not just as valid***
- This is a summary to help tie together a trader's current knowledge. It does not replace the need to understand in detail the concepts of trading plans, technical analysis and discipline***



***Have a Trading Plan***

# *Have a Trading Plan*

## *You are running a business*



- *“If you fail to plan, you will plan to fail”  
-No truer place than in trading...*
- *A trading plan is the beginning and the end to all good trades...*

# Have a Trading Plan

## All traders agree on the need



- *Most all traders ‘say’ they have a ‘plan’*
- *But when you push the point, you will find that very few traders actually use a detailed written plan*
- *Those that do use them, very rarely follow up on them or use them as a basis to improve their trading*



# Have a Trading Plan

## Do you know?



- ***What strategies you are allowed to trade?***
- ***How to find the plays?***
- ***What should stop you from entering?***
- ***What time of the day can you enter?***

# *Have a Trading Plan*

## *Do you know?*



- *How / when to consider market conditions?*
- *How to manage every strategy you trade?*
- *How to evaluate your results other than just looking at 'profit and loss'?*
- *How long to paper trade?*

# *Have a Trading Plan*

## *Do you know?*

- *How to share size properly?*
- *Money management rules?*
- *Your personal statistics on your trades?*
  - *Win/Loss ratio, Sharpe ratios, winning strategies, the source of your best plays...*

*The contents of this presentation should all be customized and included in YOUR trading plan...* 11

# Have a Trading Plan

**Psychology in trading can not be underestimated**



- ***Most will develop the technical skill***
- ***Trader becomes own worst enemy***
- ***85% of trading is psychological***
- ***The trading plan is your defense against the psychological demons***

# *Have a Trading Plan*

**Psychology in trading can not be underestimated**

● ***What is psychological?***

- Taking stops, hitting targets***
- When to quit, when to push***
- All that is not technical***
- Discipline***



# *Have a Trading Plan*

***This first step is the most important...***

- ***It is NOT the purpose of this DVD to present the details of your master trading plan***
- ***Know that this is the first and most important step***
- ***It is so important there is an entire Pristine DVD and a Seminar devoted to the topic...***

# *Have a Trading Plan*

**Pristine's two-day seminar,**

**"Managing Your Trading Business"**  
**Planning, Budgeting, Tracking and Analysis**

**Pristine's DVD by Paul Lange**

**Creating and Using a Trading Plan**

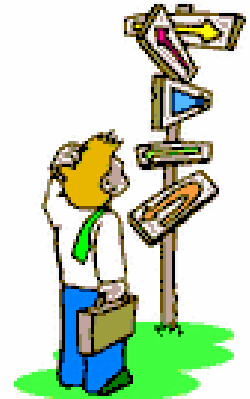


***Look for the Technical Picture***



# Technical Picture

## The 'key' part of your trading



- *The knowledge to proceed here requires an education and understanding of technical analysis*
- *This is a very necessary step, but 'mastering' the charts alone will not guarantee you success*
- *Again, the point of this DVD is NOT to teach a technical analysis course, for that see our Pristine Website for our acclaimed educational seminars*

# Technical Picture

## Some keys in the technical picture

- **Look for a mental 'picture' of the pattern you intend to trade**
- **Your brain thinks in pictures, training it to look for pictures will improve the speed and accuracy of your searching**
- **Do not stare at a chart 'searching' for something – let the play come to you**



# Technical Picture

## Some keys in the technical picture

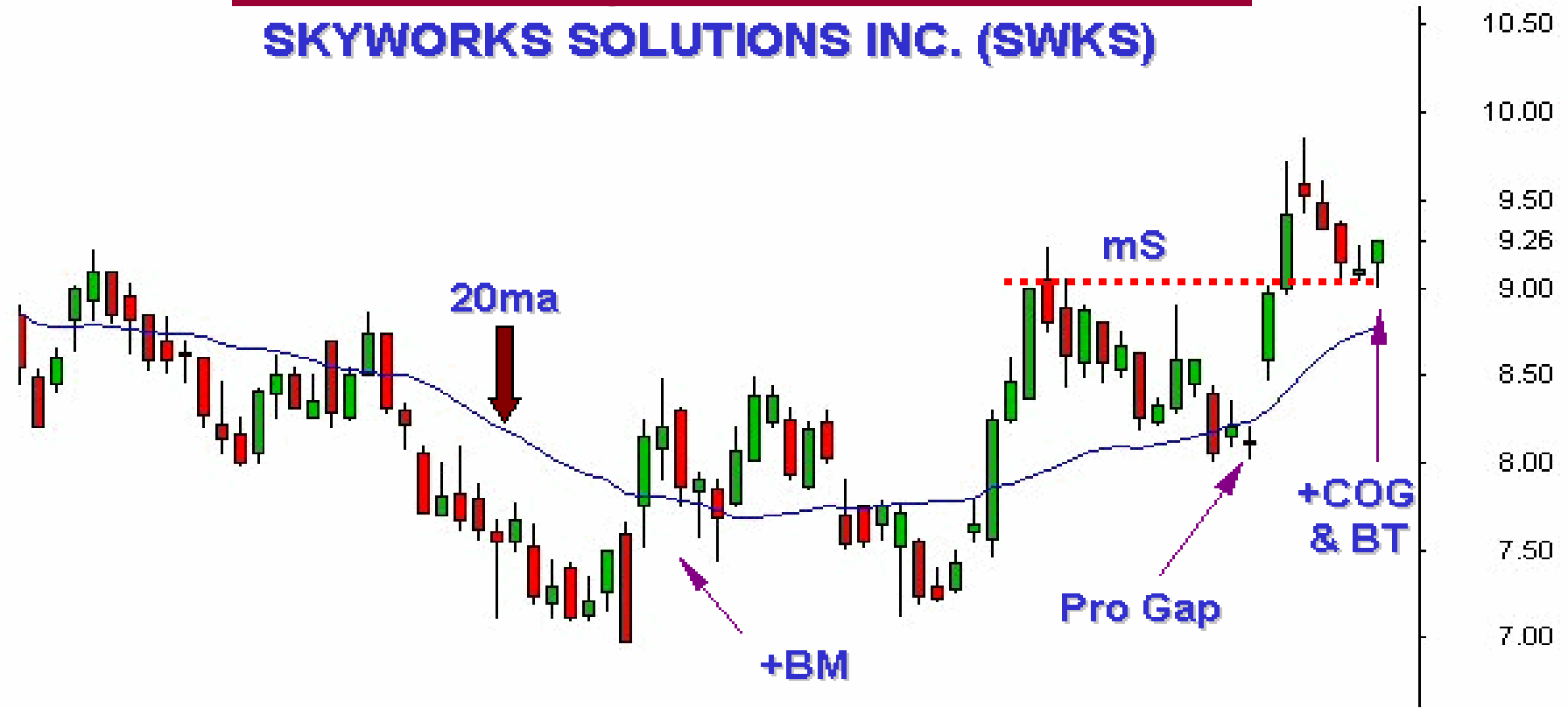
- **Wait for 'compelling' technical patterns**
- **Use all your knowledge to find reasons to stay OUT of a trade**
- **Make sure your pattern is compelling on at least TWO time frames, so at the very least the major time frame agrees with the timing and direction of the minor time frame**



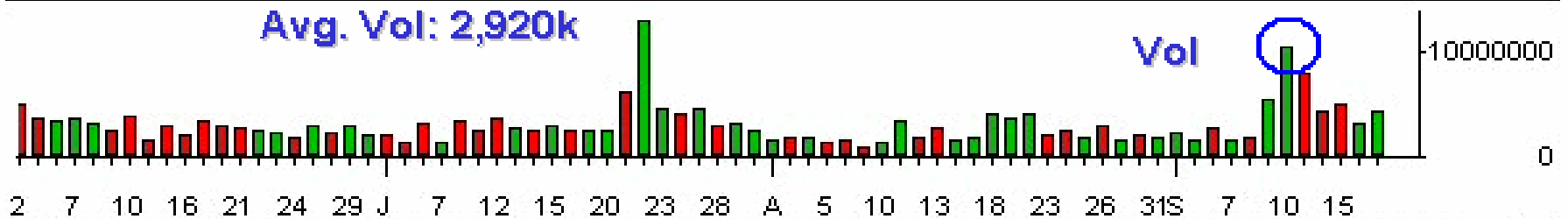
# Technical Picture

## Compelling technical picture

**SKYWORKS SOLUTIONS INC. (SWKS)**



Avg. Vol: 2,920k



# *Technical Picture*

## **What else makes the picture 'compelling'?**

- *Quality of the current trend, including retracement*
- *Support and resistance areas governing the entry and target areas*
- *Pivot analysis, reaction to large candles with and against the trend*
- *Volume, shock value including gaps*

# Technical Picture

## What else makes the picture 'compelling'?

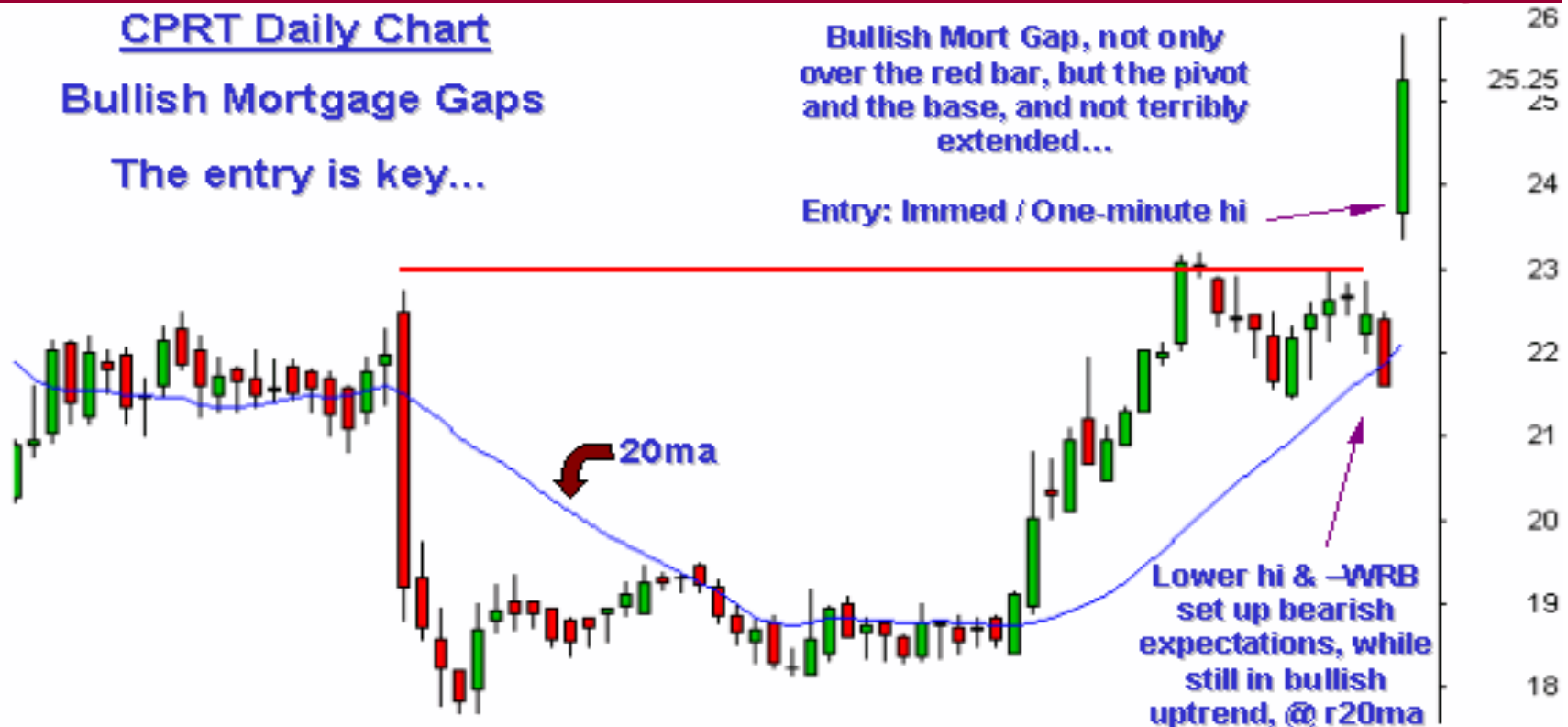
### CPRT Daily Chart

### Bullish Mortgage Gaps

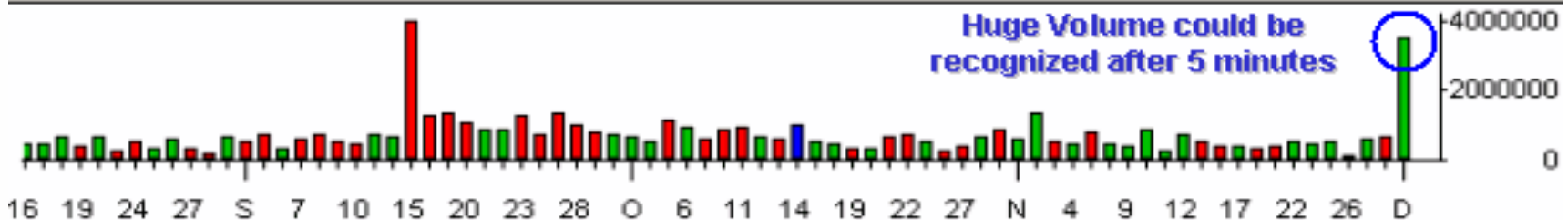
The entry is key...

Bullish Mort Gap, not only over the red bar, but the pivot and the base, and not terribly extended...

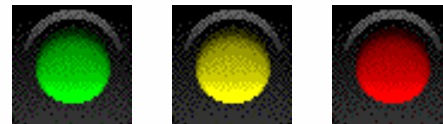
Entry: Immed / One-minute hi



Huge Volume could be recognized after 5 minutes



## Some additional items



- *In general, when scanning, avoid looking at the names of the stocks*
- *Use a 'point' system to rank your picks and help maintain objectivity*
- *Always wait for your trading plan trades, 'let the stock come to you'*

# Technical Picture

## Some additional items

- **Remember that most charts you look at (likely 98%) have no compelling technical pattern**
- **Do not be biased by news or your 'gut' feeling the direction of the stock or the market**
- **Have patience**
- **Wait for your pitch**





## ***Some additional items***

- ***Always be a student of technical analysis***
- ***A couple of weekend classes are the beginning, not the end, of your studies***
- ***Improving your knowledge even slightly, discovering a way to improve even an occasional trade can have a profound affect on your bottom line***

# ***Technical Picture***

**"I just wait until there is money lying in the corner and all I have to do is go over there and pick it up. I do nothing in the meantime.**

**In essence, by not wanting to trade, I have inadvertently transformed myself into a master of patience.**

**By forcing myself to wait until there was a trade that appeared so compelling that I could not stand the thought of not taking it, I had vastly improved the odds...." - *James Rodgers***



*Analyze the Risk-to-Reward*

# *Analyze the Risk-to-Reward*

***Every strategy has an entry, stop, and target***

- ***Entries and stops can be identified exactly***
- ***Target areas must be chosen***
- ***These numbers come from the CHART***

# Analyze the Risk-to-Reward

## Calculate the Risk-to-Reward (RR)

- Use these 3 numbers to calculate the RR
- For 'multiple' targets, use the average



# **Analyze the Risk-to-Reward**

## **What does your trading plan require?**

- ***Either the trade meets or does not meet this requirement***

## **If the trade meets the requirement, move on to the next step**

- ***This is a Yes or No decision***

# *Analyze the Risk-to-Reward*

***If the trade does NOT, then move on to another trade***

- ***You cannot change the entry, stop or target***
- ***Moving on to another trade could possibly mean the same stock on a different time frame, if the strategy is legitimate and in your trading plan***

# Analyze the Risk-to-Reward

## What is the 'right' RR?

- *Not an easy question without a full understanding*
- *Many traders will focus on at least a 3-1 (three REWARD units for every one RISK unit)*
- *However – this one number is not enough*
- *A thorough understanding of the math that goes into trading is key*



# Analyze the Risk-to-Reward

## Consider -

- **What is your ACTUAL average winner compared to your average loser? This is your 'after the trade' RR...(Simplified Sharpe Ratio)**



**- How does this compare to your 'intended' RR?**

**- If your initial RR was 3-1, but your final trade only makes '1' for the '1' risked, you are just kidding yourself**

# Analyze the Risk-to-Reward

## Consider -

- *What is your Batting Average, or Success ratio?*
  - *High batting averages are easy when they come at the expense of the the RR and Sharpe*
  - *High RR and Sharpe can be obtained at the expense of your batting average*
- *You must look at your RR along with your accuracy and your ability to achieve your intended RR...*

# Analyze the Risk-to-Reward



*Scenario 1, by the book...*

## **Bullish Gap Surprise Daily chart**

- **Entry 5-minute high @ \$34.46**
- **Stop yesterday low @ \$33.50**
- **Target same for all @ \$36.00**
  
- **RR = 1.6**

# Analyze the Risk-to-Reward



*Scenario 2, use today's low...*

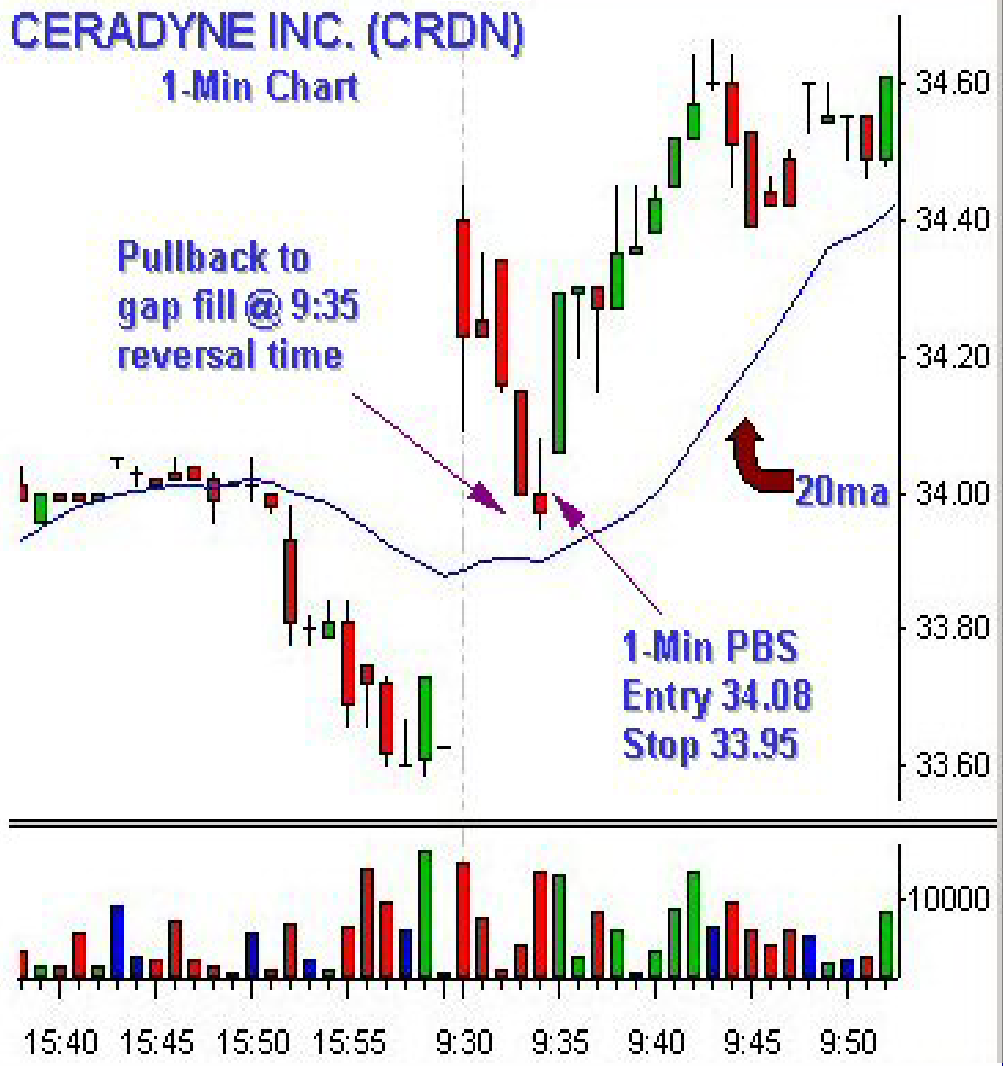
## **Bullish Gap Surprise Daily chart**

- **Entry 5-minute high @ \$34.46**
- **Stop today's low @ \$33.95**
- **Target same for all @ \$36.00**
- **RR = 3.0**

# Analyze the Risk-to-Reward

CERADYNE INC. (CRDN)

1-Min Chart



*Scenario 3, use gap fill...*

***Bullish Gap Surprise  
One-minute chart***

- ***Entry 1-minute PBS  
@ \$34.08***
- ***Stop today's low  
@ \$33.95***
- ***Target same for all  
@ \$36.00***
- ***RR = 14.8***

# Analyze the Risk-to-Reward

**Compare the results your trade entry has on the Risk-to-Reward...**

1) By the Book, Yest LOD stop		2) By the Book, Today LOD stop		3) Use 1-min PBS on pullback	
5 minute high	\$34.46	5 minute high	\$34.46	PBS entry	\$34.08
Stop < yesterday's low	\$33.50	Stop < today's low	\$33.95	Stop < 1-min bar	\$33.95
Target 36.00 for all	\$36.00	Target 36.00 for all	\$36.00	Target 36.00 for all	\$36.00
Risk	\$0.96	Risk	\$0.51	Risk	\$0.13
Reward	\$1.54	Reward	\$1.54	Reward	\$1.92
<b>Reward/Risk Ratio</b>	<b>1.6</b>	<b>Reward/Risk Ratio</b>	<b>3.0</b>	<b>Reward/Risk Ratio</b>	<b>14.8</b>

# *Analyze the Risk-to-Reward*

***Your strategy and chart set up will determine your initial Reward-to Risk***

***The quality of your trades selections and your management will determine how your initial Reward-to-Risk translates to the bottom line***



## ***Relative Strength and Timing***



## ***Using Relative Strength (or weakness) and timing***

- If your trade is a 'go' up to this point you now want to get the odds in your favor as much as possible.***
- Depending on your time frame and trading style, this step may be critical or not necessary***

# Relative Strength and Timing

## Relative Strength (or weakness)



- **Relative Strength or weakness (RS from here forward) means the strength of what you are trading, compared to a broader standard**
- **For example, a 'stock' compared to the sector the stock is in, or the market as a whole**

# Relative Strength and Timing

## Relative Strength (or weakness)



- *Can be measured by percentage or by visually comparing chart patterns*
- *Not to be confused with an 'RSI Indicator'*
- *Valid on each and every time frame, but only for that time frame*

## Relative Strength (or weakness)

*Visually look at...*

- *The formation of the bars*
- *Compare pivot highs and lows*
- *The size of the up and down bars*



## ***Relative Strength (or weakness)***

***Visually look at...***

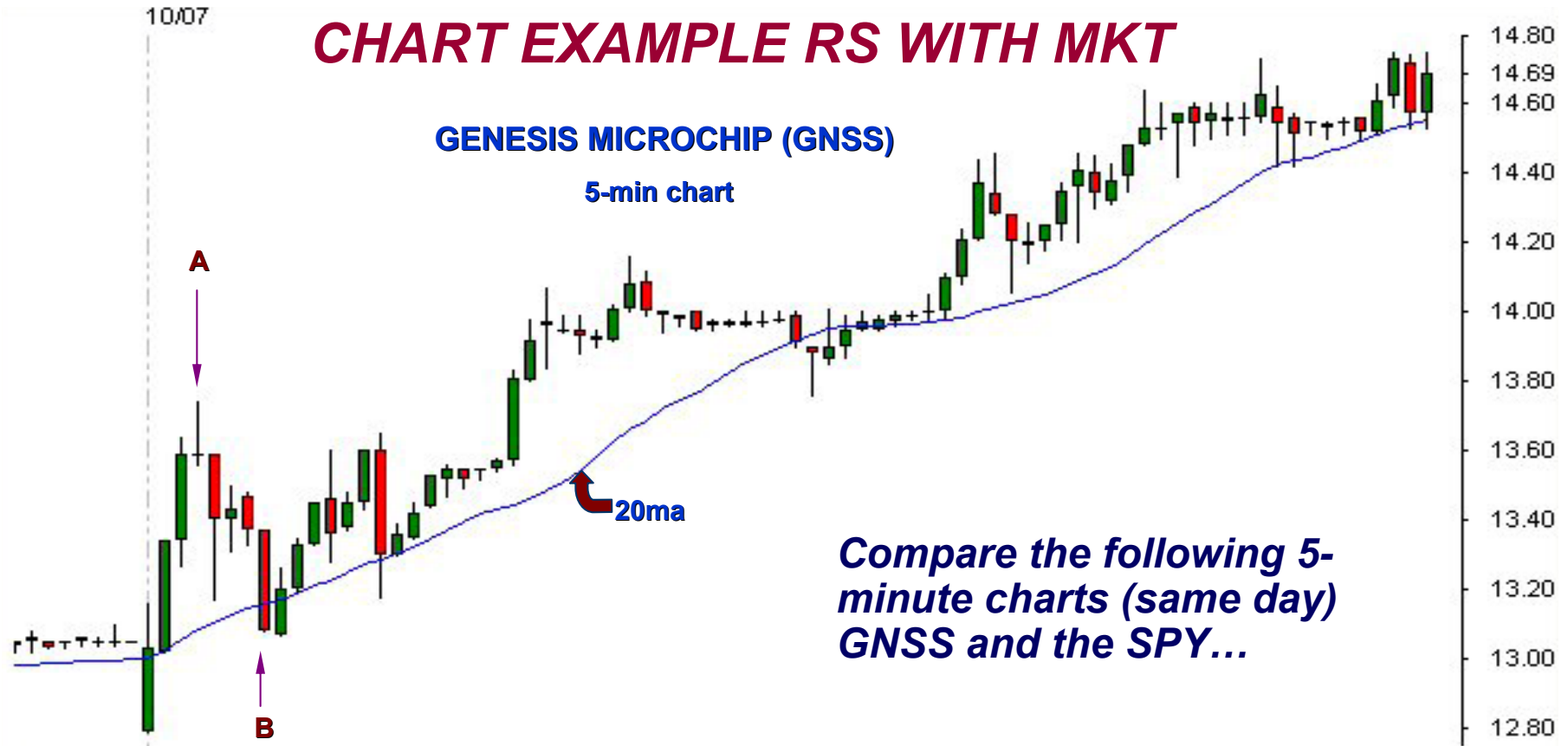
- The slope and position of the moving averages.***
- Where the price is compared to the moving averages***
- Tight consistent pattern of strength***

# Relative Strength and Timing

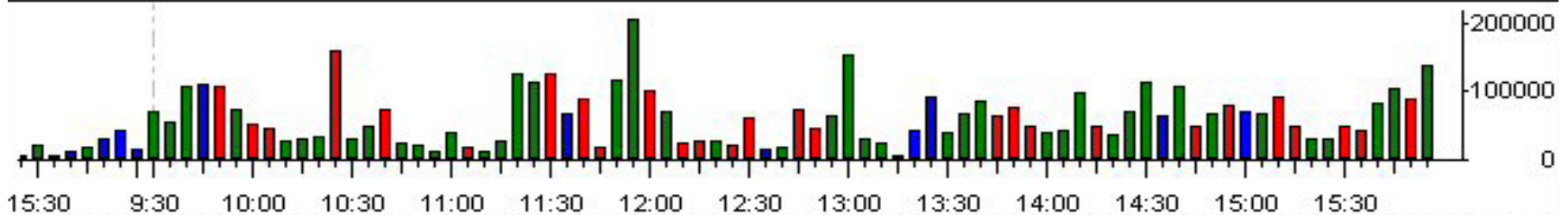
## CHART EXAMPLE RS WITH MKT

**GENESIS MICROCHIP (GNSS)**

5-min chart



*Compare the following 5-minute charts (same day) GNSS and the SPY...*

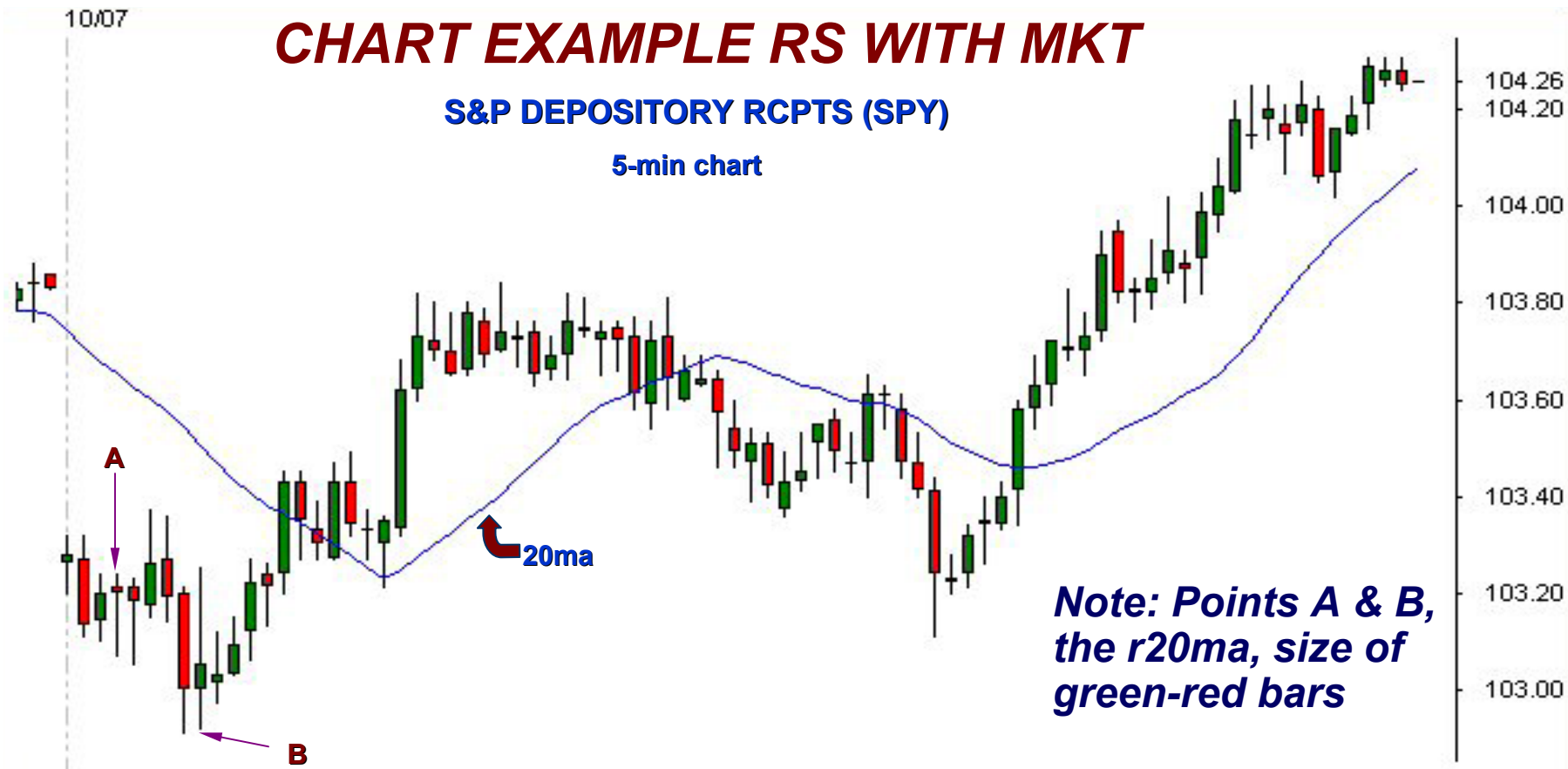


# Relative Strength and Timing

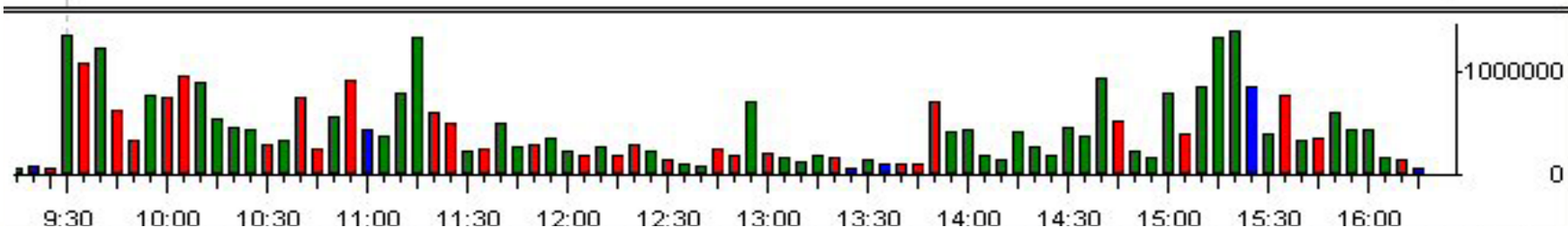
## CHART EXAMPLE RS WITH MKT

S&P DEPOSITORY RCPTS (SPY)

5-min chart



*Note: Points A & B, the r20ma, size of green-red bars*



# Relative Strength and Timing

## Compare excerpt side by side

- The key areas are copied here to compare easier
- Note again: Points A & B, the r20ma, size of green-red bars

**GENESIS MICROCHIP (GNSS)**

5-min chart



Chart Courtesy of [Mastertrader.com](http://Mastertrader.com)

**S&P DEPOSITORY RCPTS (SPY)**

5-min chart



Chart Courtesy of [Mastertrader.com](http://Mastertrader.com)



# Relative Strength and Timing



**GENESIS MICROCHIP (GNSS)**

5-min chart

*Compare excerpt  
above and below...*

- Consider laying out your charts in this way to easily compare the 'market' to a stock visually



**S&P DEPOSITORY RCPTS (SPY)**

5-min chart

## *Timing*

### *Reversal times...*

- *Key times throughout the day when the market is most likely to change directions (sideways IS one of the three directions)*
- *Key times of the month stocks statistically make their moves*
- *Don't trade intraday without knowing these*

# *Relative Strength and Timing*

## *Timing*

*Reversal times...*

- *Eastern Standard Time (EST): 9:35, 9:50-10:10, 10:25-10:35, 11:15, 12:00, 1:30, 2:15, 3:00, 3:30*

*Of these, the major ones are...*

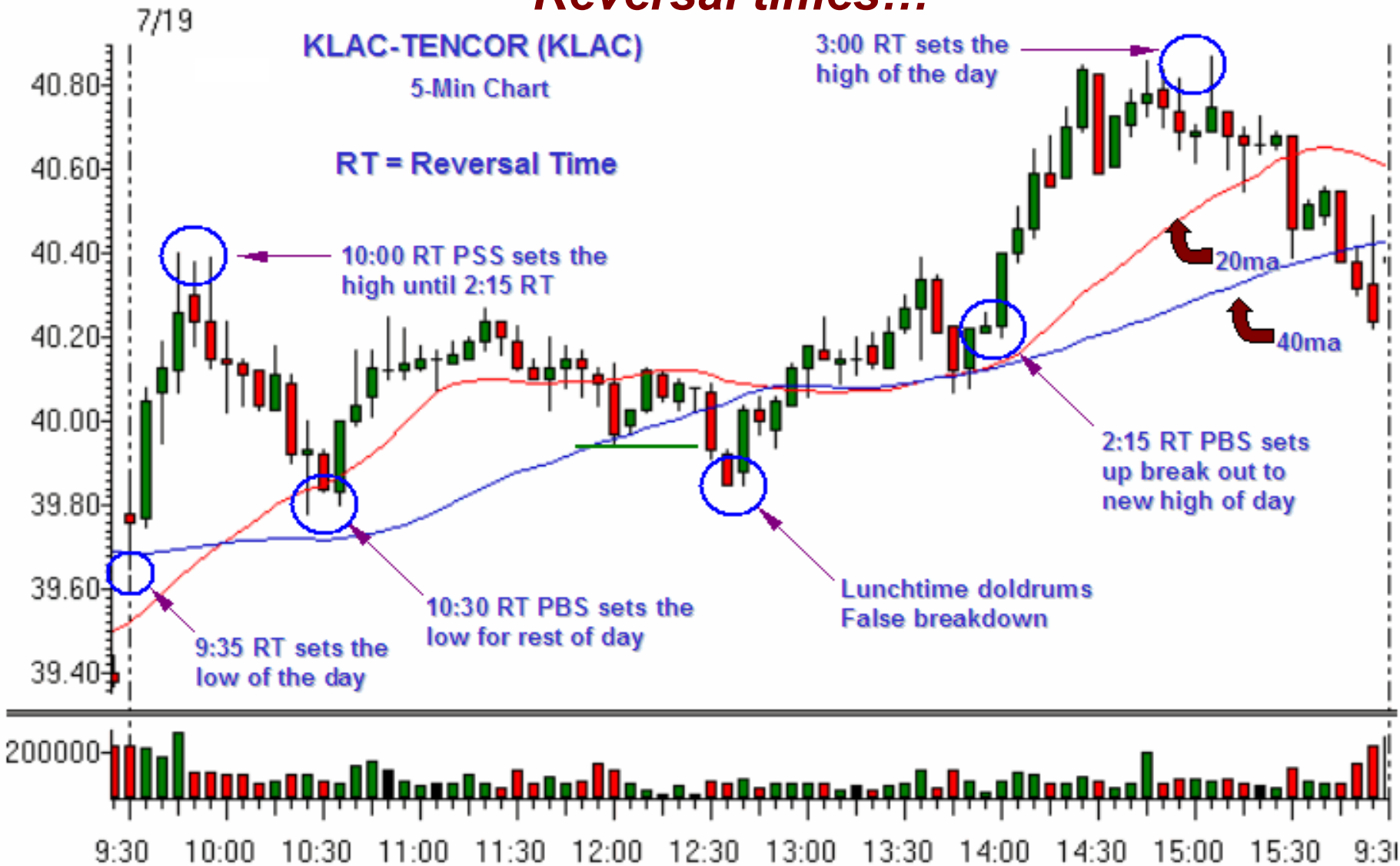
- *Eastern Standard Time (EST): 9.50-10:10, 11:15, 1:30, 2:15 and 3:00.*

# Relative Strength and Timing

## Reversal times...

**KLAC-TENCOR (KLAC)**  
5-Min Chart

RT = Reversal Time



# ***Relative Strength and Timing***

## ***Timing***

***On a daily chart***

- The last 2 days of the month and the first 3 days of the month are statistically the most bullish***
- The 15<sup>th</sup> of the month (plus or minus one day) is statistically the most likely time for a trend to reverse direction***

## Timing – general timing issues

- ***Don't go long after a multi-bar run into reversal time, wait for the set-up***
- ***Don't go long after a multi-bar run that 'breaks' resistance, wait for the set-up***
- ***Understand the lack of follow through that occurs with moves during the first 5 and 30 minutes in the market***

# Relative Strength and Timing

## Timing – general timing issues

- *These timing issues apply ONLY to the current time frame, not the larger one*
- *Example – A long run on the 5-minute chart trades over the prior days high – the swing trade is NOT in question due to the timing, just the scalp on the 5-minute chart*

# ***Relative Strength and Timing***

## ***Timing – special lunch time considerations***

- In general, we consider lunch (roughly 11:30 – 1:30 EST) as the doldrums and best left not traded, unless you have a working plan and track record***
- Exception – A continuous one directional move into lunch can often be ‘faded’***
- Exception – A sleeping, low volume, tight range day into lunch will often continue in the direction of the lunch time ‘break-out’***



# Relative Strength and Timing

## Timing – use reversal times

**AIR T INC. (AIRT)**

Bullish gap up at open

3:00 RT  
Break out

10:30 RT  
PBS sets  
the low

20ma

Key moves are more likely to happen at key reversal times (RTs)





## *Share Sizing*

# Share Sizing

## **Important Note:**

- ***Even if you have proven strategies, a winning record, and a high average winner ratio, you can still go burn up your account by not share sizing properly***
- ***Many psychological issues begin by not share sizing properly and they can permeate the whole trading process***



# Share Sizing

## Can you beat a monkey?

- ***The great share sizing experiment in Van Tharpe's book, "Trading Your Way to Financial Freedom" shows the human flaw that allows a winning system to become a loser***



# Share Sizing

## **Suggested share sizing rule:**

- ***Size all positions so they all have the same dollar amount risked per trade***
- ***You may consider varying this amount for different time frames or strategies, but stay consistent once you have set your rules***
- ***All losses are consistent, the stress level is reduced and trades are managed better***

# Share Sizing

## Suggested share sizing formula:

(Trading plan maximum loss per trade)  
(the size of the stop)

## Example

*Risk per trade per trading plan = \$500.00*

*This trade proposed entry = 32.00*

*This trade proposed stop = 31.50*

*Share size = (500.00) / (32.00-31.50) = 1000 shares*

# Share Sizing

## Suggested share sizing formula:

- *The above example does NOT figure in slippage and commissions, two important numbers you must account for one of two ways*
- *You can figure in a fixed percentage of average slippage and commissions bases on the types of trades you take*
- *Or you can simply use a 'lower' maximum loss number than you truly consider proper to make the calculations easier*

# Share Sizing

## Example – use an average percentage

*Risk per trade per trading plan = \$500.00*

*This trade proposed entry = 32.00*

*This trade proposed stop = 31.50*

*Average slippage and commissions = 5%*

*Share size =*

$$\frac{(500.00)}{(32.00-31.50) * 1.05} = 900 \text{ shares}$$

*(suggested you always round off to 100 share lots)*



# Share Sizing

## Example – use lower risk amount

*Risk per trade per trading plan = \$500.00*

*This trade proposed entry = 32.00*

*This trade proposed stop = 31.50*

*Risk amount used to do calculation - \$450.00*

*Share size =*

$$\frac{(450.00)}{(32.00-31.50)} = 900 \text{ shares}$$

*(suggested you always round off to 100 share lots)*

# Share Sizing

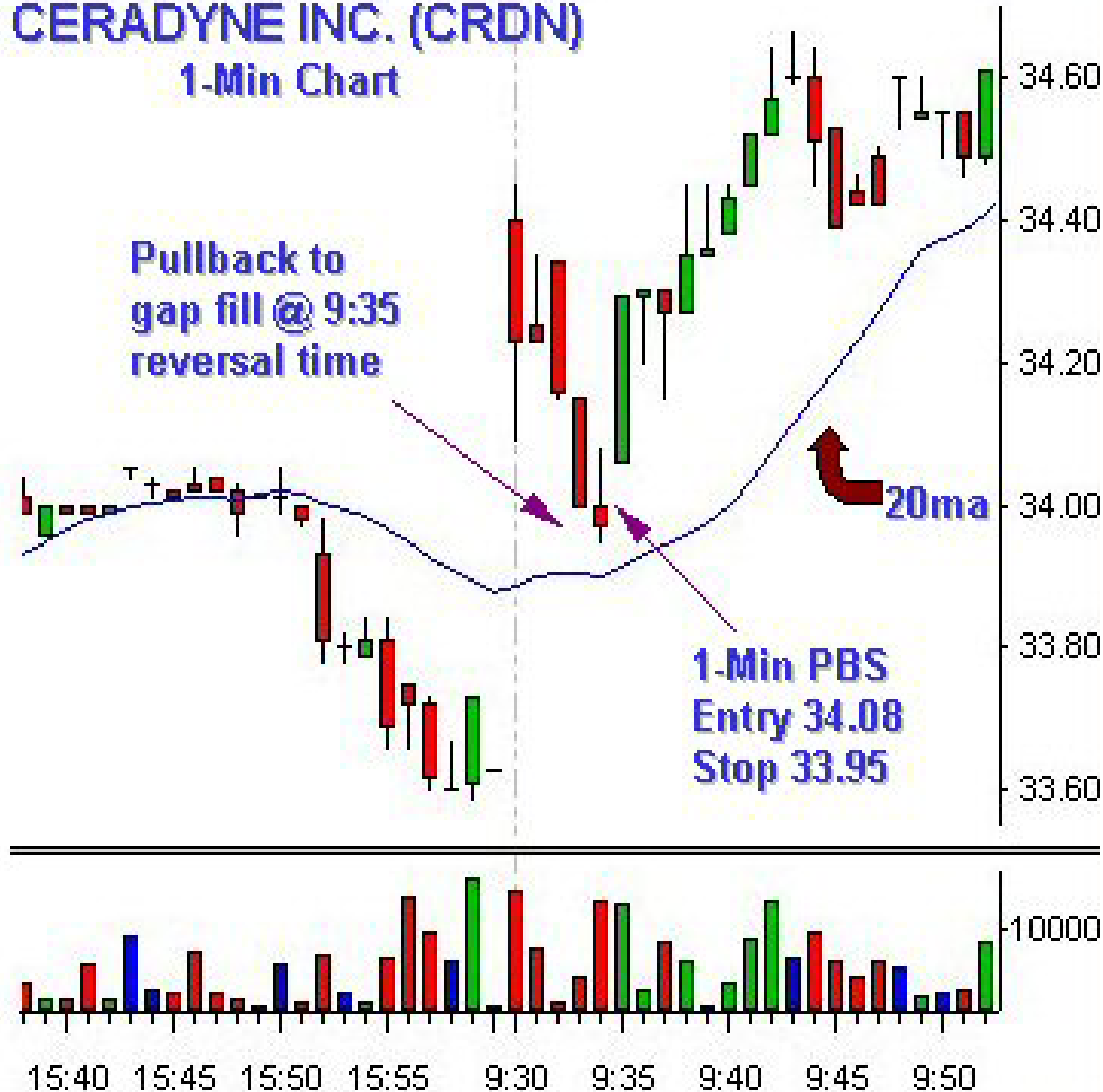
## *Follow your plan here*

- *The concept of making last minute decisions to make random 'bets' by changing the risk amount should be avoided and only your Trading Plan guidelines should be followed*
- *Your trading plan can allow for varied risk if it is clearly defined*

# Share Sizing

CERADYNE INC. (CRDN)

1-Min Chart



**Example:**

● Refer to the prior charts that were discussed in the Risk-Reward section and let's see how share sizing affects the trade results...

# Share Sizing

1 By the Book, Yest LOD stop		2 By the Book, Today LOD stop		3 Use 1-min PBS on pullback	
5 minute high	\$34.46	5 minute high	\$34.46	PBS entry	\$34.08
Stop < yesterday's low	\$33.50	Stop < today's low	\$33.95	Stop < 1-min bar	\$33.95
Target 36.00 for all	\$36.00	Target 36.00 for all	\$36.00	Target 36.00 for all	\$36.00
Risk	\$0.96	Risk	\$0.51	Risk	\$0.13
Reward	\$1.54	Reward	\$1.54	Reward	\$1.92
Reward/Risk Ratio	1.6	Reward/Risk Ratio	3.0	Reward/Risk Ratio	14.8
Risk \$\$ sample	\$500.00	Risk \$\$ sample	\$500.00	Risk \$\$ sample	\$500.00
Share size	521	Share size	980	Share size	3846
Loss if stopped	\$500.00	Loss if stopped	\$500.00	Loss if stopped	\$500.00
<b>Profit if target</b>	<b>\$802.08</b>	<b>Profit if target</b>	<b>\$1,509.80</b>	<b>Profit if target</b>	<b>\$7,384.62</b>

- ***Adjust the size of the position such that the risked dollars are the same (example here is \$500.00) for every play, no matter what the stop is.***
- ***The winners vary greatly, the losers will all be consistent***

# Share Sizing

## Additional considerations

- ***Some additional considerations must be accounted for on very 'tight stop' plays***
- ***If you don't consider the price of the stock or the volatile stocks that can have above average potential slippage, the share sizing formula can be a problem***
- ***Either the max loss can be violated, or you may tie up too much of you account on one trade – consider trading IBM with a '10 cent stop'.***

# Share Sizing

## Additional considerations

- *Answer – set up a table that outlines the **MAXIMUM** shares you will ever play based on price*

<u>Share Price</u>	<u>Full Lot Size</u>	<u>Half Lot Size</u>
\$100-130	500	300
\$70-99	700	400
\$50-69	1000	500
\$35-49	1400	700
\$20-34	2000	1000

# Share Sizing

## Additional considerations

- 2-prong test – then use the **LESSER** of the ‘formula’ and the ‘maximum chart’

Share size =

$$\frac{(450.00)}{(32.00-31.50)}$$

?

Share Price	Full Lot Size	Half Lot Size
\$100-130	500	300
\$70-99	700	400
\$50-69	1000	500
\$35-49	1400	700
\$20-34	2000	1000

# Share Sizing

## ***Additional considerations***

- ***The possibility of using a 'reduced' risk amount or a 'half lot' in certain situations***
  - Market conditions are unclear but you feel a certain play warrants an entry***
  - You are trying out a new strategy after paper trading until successful***



# Share Sizing

## Overview

- *Many experienced traders overlook the importance of share sizing and many new traders are not aware of these concepts*
- *A constant review of the money risked, and a plan to increase that amount when consistently successful, and decrease that amount when consistently unsuccessful, are key to a trader's success....*





***Management***

# Management

## **Most traders do not have a plan to manage a trade**

- ***This leads to early exits of longer term trades, not hitting targets, and taking early stops when not appropriate***
- ***The psychological factors of fear and greed will keep you on the wrong side of most decisions if you do not have a definite and clear plan to manage positions***

# Management

## *How will you manage positions?*

- *Every position taken will have a certain time frame and target that will determine how much room a trade needs*
- *Every strategy will then reflect a management plan to carry out the goal of reaching this target*

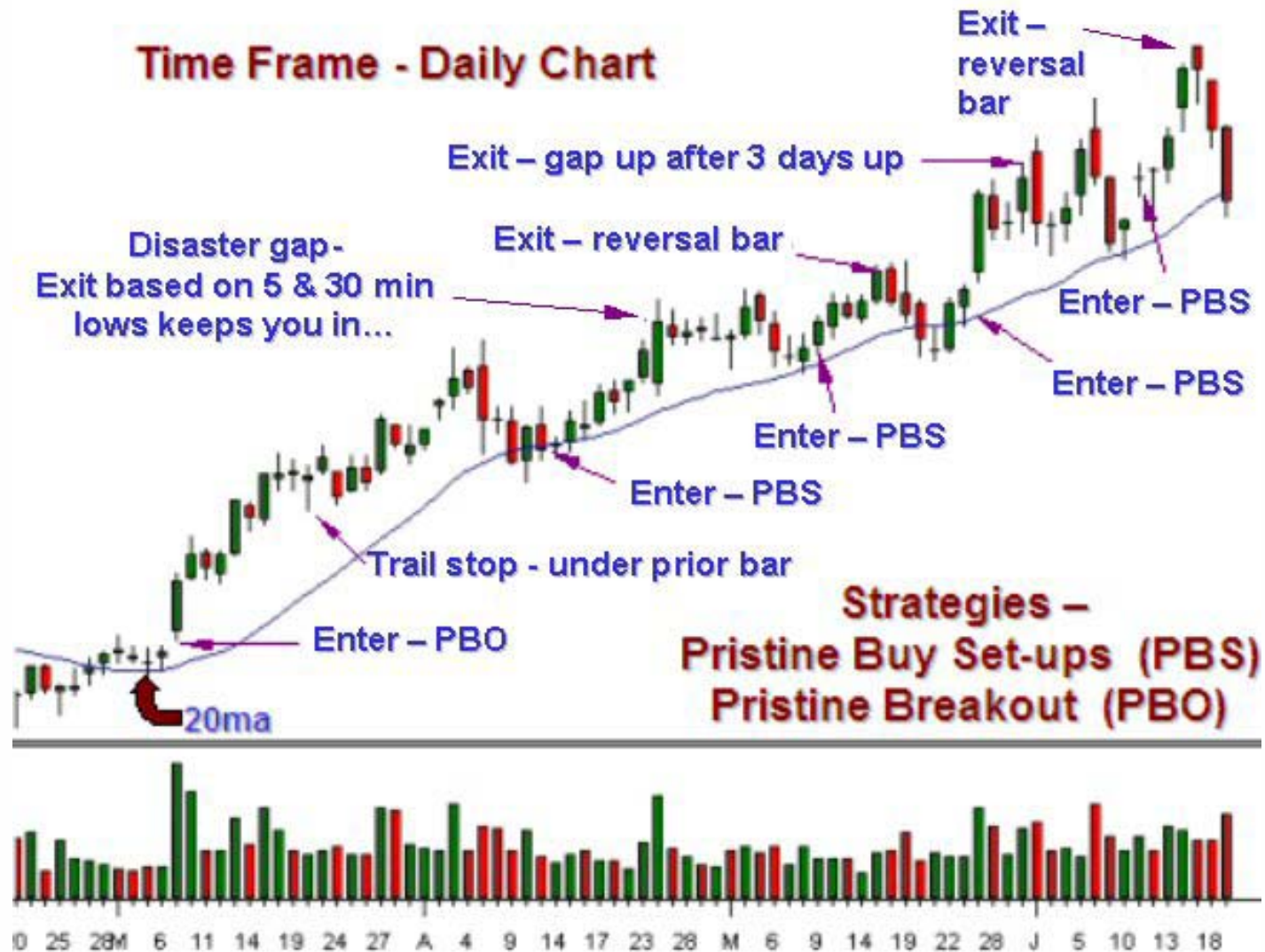
# Management

## *How will you manage positions?*

- *In addition, a trader may wish to enforce certain 'money management' rules in addition to the 'chart management'*
- *Also, a trader may wish to enforce rules to handle certain events like a sudden change in the market environment due to news or special happenings*

# Management

## Example, managing a daily chart...

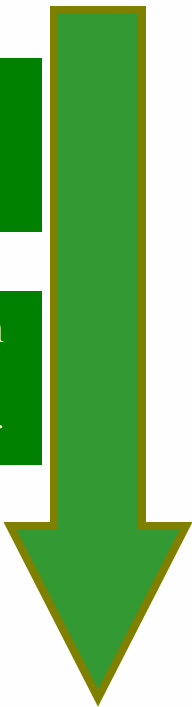


## Various Methods of managing stops

- **Larger profits always risks giving back current gains**

Stay in  
trades  
longer

Lock in  
profits  
quicker



**1. Use pivot points on the current time frame**

**2. Use pivot points on one time frame lower**

**3. Use high/low of bars on the current time frame**

**4. Use high/low of bars on one time frame lower**

# Management

## Example, current time frame bar by bar versus lower time frame pivots

### ELECTRONIC ARTS INC. (ERTS) 15 Minute Chart

+WRB Breakout over consolidation, new Stage 2, first pullback is buyable



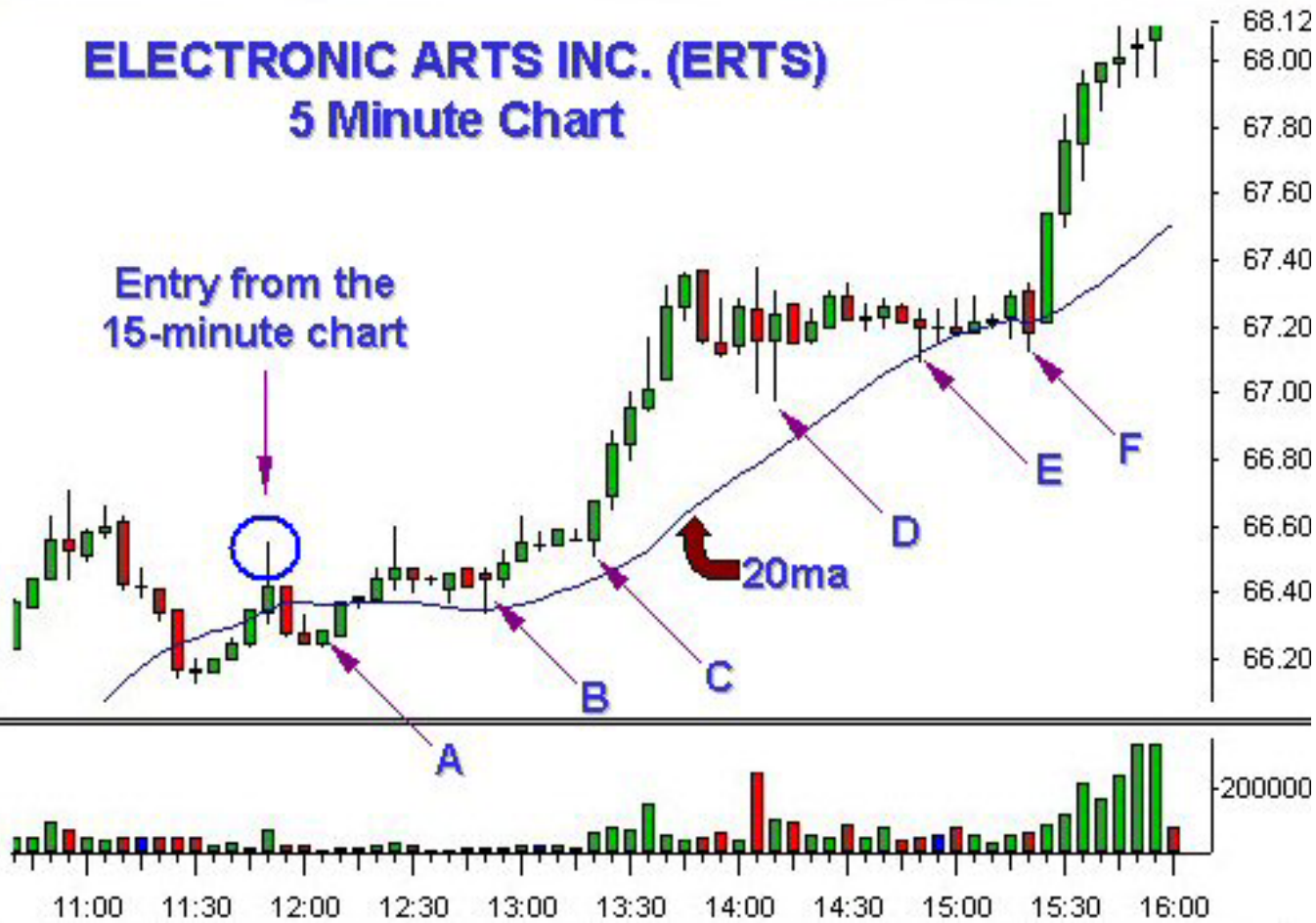
- *Entry on the 15-minute chart based on a Pristine Buy Set-up (PBS).*
- *Managing by a bar trail stop method would have you out at 'A' and again at 'B' if you ignored 'A'. The big move was still coming...*



# Management

## Example, current time frame bar by bar versus lower time frame pivots

**ELECTRONIC ARTS INC. (ERTS)**  
**5 Minute Chart**



- This is the 5-minute chart during the same time period.
- The 15-minute entry is marked. Using the 5-minute (lower time frame) pivots would have you raising the stop 6 times (A-F) but never being stopped out...

## **Additional considerations**

- ***Define what it is to 'hit' a target***
- ***This sounds simple, but will you let a stock get one penny from your target, then go back to the last stop point, even if it is your original stop?***
- ***If not, you need to identify when you can 'lock in profits' and how you will do it***
- ***'Lock in' rules, money management considerations that may supercede the chart***

# Management

## ***Additional considerations***

- ***Consider ‘all or nothing’ as a management option***
- ***At the very least, compare your results with what would have happened under an ‘all or nothing’ scenario***
- ***If you can’t beat a ‘hands off’ approach, use the hands off approach – all or nothing...***

# *Management*

**Many traders over-manage trades to their detriment**



***Follow-Up***

# Follow Up

## The Most Important Part



- *Most traders spend close to “zero” time in follow up*
- *There are many “gems” at the end of the trading day*
  - Good traders use these to improve*
  - Look at it this way: If you have losses, they can be losses and nothing more; or you can consider that money spent on an important lesson; but only if you “find” what that lesson was*

## Printing Charts

- ***Printing charts to identify and eliminate mistakes***
  1. ***Print out the appropriate chart for every trade taken***
  2. ***Mark up the charts using the following procedure***
  3. ***Your goal is to systematically uncover mistakes that you don't notice while trading***
  4. ***Should be done by hand with a pen after chart is printed, but can be done on the computer with a drawing program***

## Printing Charts

- **Step 1 – Identify the strategy (done in BLUE, below)**

**Late day break out**

**Due to WRB break above base in AM  
and holding above r20ma in PM**

**\*\*\*Note: This strategy should be  
one specified on your trading plan  
done at a time allowed by your  
trading plan...**





## Printing Charts

- **Step 2 – Identify proper entry and exit for the play**



# Follow Up

## Printing Charts

- Step 3 – Identify actual entry and exit for the play

Late day break out

Actual Entry →

Actual Exit ↗

\*\*\*Note: The actual entry/exit is simply taken from your records. Circles are being used. Mark this in another color, such as RED



# Follow Up

## Printing Charts

- Step 4 – Identify if the trade was “good” or “bad”



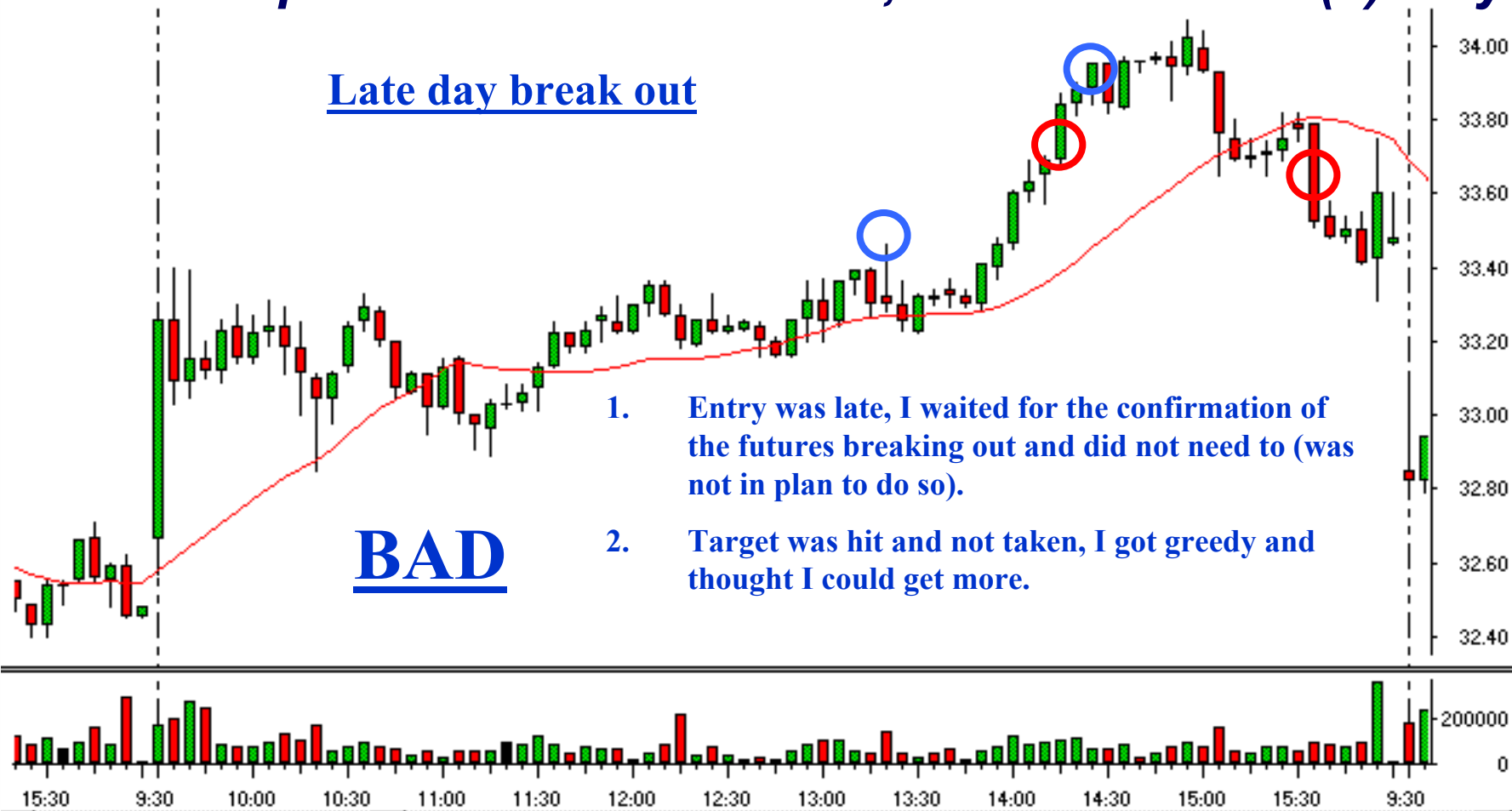
## Printing Charts

- Step 5 – If trade was “bad”, note the reason(s) why

Late day breakout

**BAD**

1. Entry was late, I waited for the confirmation of the futures breaking out and did not need to (was not in plan to do so).
2. Target was hit and not taken, I got greedy and thought I could get more.



## Printing Charts

- **Step 6 – If trade was “good”, SAVE it in a folder**
  - 1. Start a collection of excellent charts for reference**
  - 2. The more you study good examples of good strategies, the more likely they will become recognized by your brain**

# Follow Up

## Printing Charts

**3. You can print and save nice examples of plays even if you did not play them**

**4. Get a collection of examples of each strategy you play**



## Printing Charts



- **Step 7 – If trade was “bad”, SAVE it in a folder**
  - 1. Make sure the reasons used to identify bad trades are consistent**
  - 2. Over the weekend, review all the “bad” trades**
  - 3. Sort them by the “reason” they were bad**

## Printing Charts



***8. Find the single biggest problem from the last week (most common reason) and resolve to fix that one problem in the upcoming week***

***9. Read, study, get help, amend your plan. Do all that is needed to remove that one and only one problem from your trading***

***10. Do this every week***



## Printing Charts – If in doubt.....

- **“Was this trade entered when, where, and how my Trading Plan allows, and was it managed according to my Trading Plan?”**





## *Summary*

# Summary

## *The Bottom Line*

- *Having a Master Trading Plan is key to success in trading*
- *Part of that Master Plan is to define how each strategy should be carried out, this presentation will guide you on the seven steps you should take when considering any trade*

# *Summary*

**“You must be rigid in your rules and flexible in your expectations. Most traders are flexible in their rules and rigid in their expectations.”**

**Mark Douglas, Trading in the Zone.**

# Summary

For a more in depth look at structuring your business, using tracking sheets to improve you performance, and organizing your trading day, consider Pristine's two-day seminar,

**"Managing Your Trading Business"**  
**Planning, Budgeting, Tracking and**  
**Analysis**



***Thank You For Joining Us***



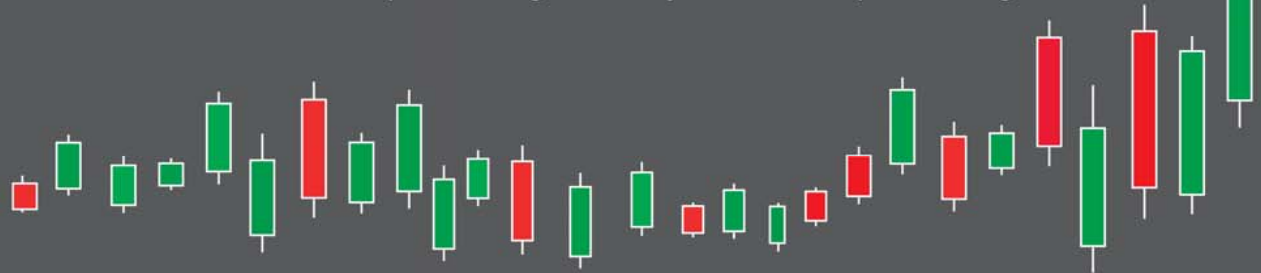
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