



Trading Plan, Basic format.

Trading Plan Sample

- I believe that Financial Markets are 100% psychologically driven.
- Price patterns are a reflection of the collective psychology of a large number of traders.
- Trading psychology also a major factor in my own trading. It is identified as my trading state. Fear and Greed are powerful enemies to profitable trading and I can overcome this by training my subconscious mind to be focused on following a defined trading plan versus focusing on wins and losses.
- I am a disciplined trader committed to trading only for profit strictly adhering to my trading rules, plan and standard operating procedures.
- My style of trading is aggressive with my preference to trade directional. I trade full time as a day trader and also seek other trading opportunities especially dealing with Options.
- I will not have a bias as to where the market may or may not head, I will not react to the price, instead I will act on the signals I am given. Always applying my trading rules.
- I trade what I see... Not what I think! I do not know what the markets will do; therefore I use my tools to tell me what to do.
- I understand that I cannot control the market, I can control only myself.
- My trading mindset is the key to the my success of trading. I must be rested, fit, healthy and mentally alert. I accept the stress of trading by keeping focused, calm, disciplined and not distracted. This is essential for being a professional trader.
- Losses are acceptable, not desirable but I can minimize them with compliance to the rules, especially avoiding impulse or emotional trades, and never being in a trade without a plan and a stop-loss.
- Trading is a business and I am here for the profit. I do not care if I am wrong or right about the market, I follow the system.

Golden Trading Rules:

- Check for Stops and targets resting in the Market then update or remove them. Whenever possible use OCO orders.
- Always Set a Stop Loss. Always!
- Maintain Discipline.
- Avoid impulse trading. Plan the trade and trade the plan, and stand by the rules.
- Identify, Predict, Decide and Execute. Never guess, always know!
- Do not enter a market within 10 minutes before and 3 minutes after an ECON or news event.
- Get S.E.T. (Stop, Entry, Targets) before every trade. (Know where and how to Exit...)
- If I lose my ISP then call my Broker immediately and go flat, then work on the technical challenges to get back online. Always keep the number to the trading desk on a note on the monitor.
- Keep it simple. Make the rules of engagement simple and easy to execute.

Money Management, Risk Reward and Financial Goals:

- I will trade X contracts as a position for the S&P e-mini.
- I will trade X contracts as a Position in the Euro 6E currency.
- For every \$3K that I add to my account I can add a contract. If I reduce my account by \$2K then I will reduce the contract size, following the fixed ratio system. I will apply this system until my contracts traded reaches 10, and then I will switch to a Smoothed ratio system.
- Commissions, fees, charting services, continuing education and other business related costs are considered essential to trading.
- A 1 to 1 Risk to Reward ratio is preferred, but waiting for the set up and trading the rules is paramount, and given the opportunity this standard is a guideline.
- My goal is to successfully execute my system perfectly every day.
- My desire is to become totally financially independent to the degree that I don't have to work by the age of 50.

Daily Routine

- I will only trade on days when I am well rested, relaxed and not mentally distracted by matters that will divert my focus.
- I will spend at least 15 minutes relaxing to music or a form of meditation after a good night's rest before trading.
- Conduct a Pre-Market Analysis myself, perform a top-down review of the major markets I trade and develop a plan of the day. My trading day is from 7:00 a.m. (EST) to 11:00 a.m.
- I do not trade for the first hour on Mondays.
- I do not enter any new trades the last half an hour of the market hours (1545 - 1615 EST).
- After I have met my goal or my hours of trading are over, I will log my journal and then spend quality time with my family.
- At some point before the end of the day I will revisit the S&P trading day and back test my plan and system.

Pre-Market Analysis

Understanding that **70% of the volatility** occurs during the first **2 ½ hours** of trading, this is very important to understand. Take advantage of this time.

- Check for - and note important **reports, events, and or news releases**. Include in the plan of the day candidates and times for probable heightened price volatility.

Rules for trading system

1. System name.
2. Instrument traded
3. Time of day traded
4. Number of contracts traded
5. Entry signal
6. Exit signal

