

# Trading Plan

## Trading Goals

- 1) Become an excellent trader.
  - a) I follow a well devised written Trading Plan.
  - b) I am disciplined in obeying my trading rules.
  - c) I learn from every trade.
  
- 2) I know I am an excellent trader because of the results that I generate.
  - a) No more than 2 down months per year
  - b) Maximum of 25 percent draw down
  - c) Return on equity of 50% per year
  
- 3) Generate cash flow that will sustain family income.
  - a) 4000/month rate (200 per day) before tax, net of other trading expenses by 12/31/2010
  - b) 10000/month (500 per day) by 12/31/2011
  
- 4) Begin trading a 2<sup>nd</sup> market/timeframe in the next 6 months.
  - a) Crude Oil 89 tick timeframe, starting at 9am EST

## Trading Edge

- 1) I model the best trading practices. This helps me build and maintain a winning trading psychology.
  
- 2) I use a trading coach to guide me through new or difficult areas and to push me to higher performance.
  
- 3) I use well-developed trading strategies and I thoroughly research the past performance of the strategies.
  - a) I back test and record the results of all markets in my trading plan
  - b) I understand the limitations of back testing
  - c) I do not allow research results to take the place of a comprehensive understanding of the trading strategy
  - d) I use this preparation to give me the utmost confidence when trading the strategy

## **Trading Strategy**

- 1) I will utilize the High Velocity Market Master method of trading.
  - a) This method has defined Entries, Stops and Targets
  
- 2) I will begin by trading one market and timeframe.
  - a) Starting with the Russell 2000 89 tick
  - b) Trade the morning session 8:30am CST to 11:00am CST
  - c) Trade the afternoon session 12:50pm CST to 14:40pm CST
  - d) I will commit to be at my trade desk 1 hour before the start of the morning session and 30 minutes before the afternoon session
  - e) I will adjust around key price levels for my entry stop and targets (0 and 5 adjustments.
  - f) I will adjust around key swing levels (High/Low of the session)
  - g) I will use the “Power of Quitting” and stop trading after 2 wins and positive for both the morning and afternoon session
  - h) I will trade for profit by locking in x percent when a trade reaches 90% of its target
  - i) I will use a circuit breaker to stop trading when my trading account is down 4% or I have x losing trades in a row.
  
- 3) I will paper trade until I correctly complete a series of 25 trades.
- 4) When I am ready to trade real money, I will start by trading 1 contract only until a series of 25 trades are completed and executed correctly.
- 5) Next I will risk 1% on each trade until a 50% profit level is reached on my account and after that my risk per trade will be 2%.
- 6) I will log all of my trade in some form of a Trade Log. (Paper or electronic)
- 7) If I make a discretionary, non-system trade I will penalize myself by not trading the next session. If I make 2 such trades in a week I will penalize myself by not trading for 1 week.