

Day Trading Plan

Sep-Dec 2021

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Section 1:

Goals and Objectives

Main Objective: To be Consistently Successful and Profitable Trader.

Major Goal 1: I want to Achieve 100% Discipline Score

Major Goal 2: I want to Make 5% Per Week and 10-20% Per Month.

Daily Targets:

1. To Achieve 100% Discipline on every trade, session and day.
2. Daily Profit Goal of 4% (2 Good Trades) with Daily Profit Limit = None
3. Daily Loss Limit (Daily Stop Loss) of (-2%)

Reason for DS0: If stop loss for the day is hit and continues to trade then disciplinary action must be taken.

Section 2

Instruments, Sessions, Time Frames

Forex:

Start Time: Europe Open (6 or 7am UK)

Instrument to Trade: Majors and a few hot crosses.

Analysis Time Frame: H1/M15/M5

Trading Time Frame: H1/M5 (H1 Pullback / M5 Setup) or H1/M15 (Famous)

DAX30:

Start Time: London Open

Analysis Time Frame: H1 and D1 (Overall Picture)

Trading Time Frame: M1 and/or M5.

US30 / US100:

Start Time: 2.30 UK (NY Equities Open) If major news then 1.30PMUK.

Instrument to Trade: US30 or NAS100 (whichever is moving smoothly). Trade one or the other. Do not trade both.

Time Frame to Trade: M1 and/or M5

Section 3:

Entry Methods, Order Types, Process and Techniques

Order Types:

- In most cases, use Stop Orders and Limit Orders.
- Applies to Entry as well as Exit. Exit's should be either on stop order or take profit level.
- **Market Orders are NOT allowed** on m1 except if absolutely sure and can explain why.

Warning!!! Always WAIT FOR CANDLE CLOSE. Never enter or exit before the candle is closed.

Entry Types and Rules

I will Use the Following Type of Entries:

1. The Setup Pattern: Includes Setup 1, Setup 2, Setup 0.
2. The Hunt Method: The First or 2nd pullback into a new 3 or wave 5.
3. The PC Method: It's a pullback method but with 2 legs. A PC pullback will have 2 highs and two lows.

The Setup Entry Method:

3 rules and 3 Filters for The Setup Strategy

If there is a trend created within the first 15-30 min then start using the Setup Hunt Method. **Rule 1: Is there a New Peak on eWave?**

- **Rule 2: Is there a pullback with Dark Bars on eWave?**

- **Rule 3:** Is there a Confirmation Candle (Cherry/Banana/OB/PB)
- **Filter 1:** No Climax (Peaking eWave with Price pulling away from gator)
- **Filter 2:** No Major S/R near entry (Box levels to the left too near)
- **Filter 3:** Trade within trends not trading ranges. (5XHTF is clear of levels with open gator)

[\(follow this link to check rules, explanation and examples\)](#)

The KC 123 Entry Method:

3 rules and 3 Filters for KC 123 Method

If there is a trend created within the first 15-30 min then start using the KC123 pullback method.

- **Rule 1:** Has price poked or gone through the Outer Band?
- **Rule 2:** Has price pulled back to the midline?
- **Rule 3:** Is there a Confirmation Candle (Cherry/Banana/OB/PB)
- **Filter 1:** No Climax
- **Filter 2:** No Major S/R near entry
- **Filter 3:** Trade within trends not trading ranges.

Preparation, Process and Techniques:

Do everything in your power to remain 100% focused.

Use Pomodoro, Use Focus Music, Keep the phone away, no browsing, no youtube, no tv etc.

Prep Time Before Market Open:

1. **The Big Picture:** Overall market direction and feel. Are there major events moving the market? Is the market waiting for something to happen?
2. Check the NEWS for the Day.
3. Find and Mark YD's Highs and Lows. (H1 Box Levels)
4. Find and Mark Overnight Range highs and Lows. (M5 Box Levels)
5. Check if the market has moved or stayed sideways during Premarket. If it's showing signs of momentum, I'll try to go with it, at the open.

First 30 Minutes of the Open

6. IF the market is stuck within a tight range, with no impulsive moves then I want to wait for breakout to happen before I commit.
7. If the market breaks out of tight range then I want to enter on the first and/or 2nd pullback.
8. If there is a trend visible before the open, then I want to see continuation of the pre-market trend.
9. **FOMO:** I certainly don't want to sit there and watch the market fly. I say DO SOMETHING and GET IN. But that's valid only if it is actually moving and flying 🤪. Understanding market volatility and impulsive moves is important. Understanding trends and trading ranges are important. This trick can be a very powerful tool but can cost me money if not played correctly. (It has caused significant losses to me as well as profits)
10. Must not chase price by hitting the buy/sell button randomly. Wait for entry setup and always wait for the candle to close.
11. Display DAX30 at LO and Choose between NAS or Dow at NEO.
12. During LOBOT focus on looking at DAX only. Likewise, during NEOBOT time, focus on US30 or NAS Only.

Section 4:

Chart Layout and Template Rules

What Chart Template will I use?

I will use either the KC Template or the Setup 1 / Hunt Template. I want to see both from time to time. (Using Setup 1 Since 1 Sep 21)¹

Do not keep switching between templates. Stick to one.

¹ Using Mostly Setup 1 templates since 1st of Sep.

Section 5:

Risk and Position Size Cardinal Rules

Risk Per Trade:

DAX30: Take 1% Risk calculated per 30 points whether entry is on M1 or M5.

US30: Take 1% Risk calculated per 50 points whether entry is on M1 or M5.

FX: Take 1% Risk Per Pair and Never trade more than 4 FX Pairs.

Reason for DS0: If you take a bigger or smaller risk percentage per trade or change the fixed points, it will be marked as DS0.

Section 6:

Trade Management Rules

1. Use 2 ATR Stop Loss as an Emergency Stop. Calculate lot sizes based on this. Ideally it would be around 30 Points for DAX and 50 for US30.
2. Target Point 1 for $\frac{1}{3}$ or $\frac{1}{2}$ Exit and if it goes fast, allow it to run until it closes back inside the bands. Close Rest here.
3. When there are free bars, (candle completely out of outer bands) you may start to trail candles if too far from out band else if close to outer band use the band as stop loss.
4. When trading within a trading range, use wider stop loss away from trading range highs or lows and target the other side of the range.
5. If trading within a trend, trail behind major swing highs/lows.
6. If trading within the H1 Range, consider targeting those levels for exits.
7. Yesterday's highs and lows, and the day's highs and lows are good reasons to exit too but wait for confirmation.

Reason for DS0: Exiting a trade is purely discretionary but if you exit too early because of fear or can't explain then it's a DS0

Section 7:

6 Rules of Discipline Score (DS)

Rule 1 - Time Frame and Market:

Stick to the time frames set for analysis and entry. Do not over complicate things. Don't trade any other markets otherwise it is a DS0. [trader-sam](https://trader-sam.com)

Rule 2 - Entry Method :

- Only use entry methods agreed in this trade plan.
- The exact entry signal or candle is not the point. The point is to know if you're using the correct entry method within the right trading environment. E..g Pullbacks are best for trending markets, Reversal methods are best for trading ranges.
- Find out if you should be long or short the market and time frame you are looking at, once you know the answer, simply wait for an entry signal that you have agreed to use in this trade plan.
- Don't be pedantic about it but also don't just pull the trigger anywhere.
- **NO MARKET ORDERS.**

Rule 3 - Chart and Template Layout:

- Don't look for different chart templates.
- If you want to see charts with some indicator or template you may do so but stick to the agreed template.
- Also don't draw too many trend lines and S/R zones.
- Keep it simple.

Rule 4 - Risk and Position Size: **Cardinal Rule**

1. Stick to the base Risk Per Trade.
2. Don't exceed max daily loss. (which is 4X of Min Risk per trade)
3. Do not trade more than 10 times per session EVER.
4. Don't exceed max risk per trade.
5. Don't add on to winners or losers.
6. Don't take half off without a valid reason.
7. Every trade must be based on Risk per Fixed point.
i.e DAX30 30 or more if required points SL at ½% risk. US30 50 points or more if required.

Rule 5 - Trade Management :

Follow your Exit plan correctly per trade. You should have a fair idea of where you will exit with a loss or a profit before you pull the trigger.

If you exit prematurely, or based on an incorrect logic mark the trade as DS0.

Rule 6 - No Further Changes to this Trade Plan.

If you bring a change before the Review date, everything will be DS0.

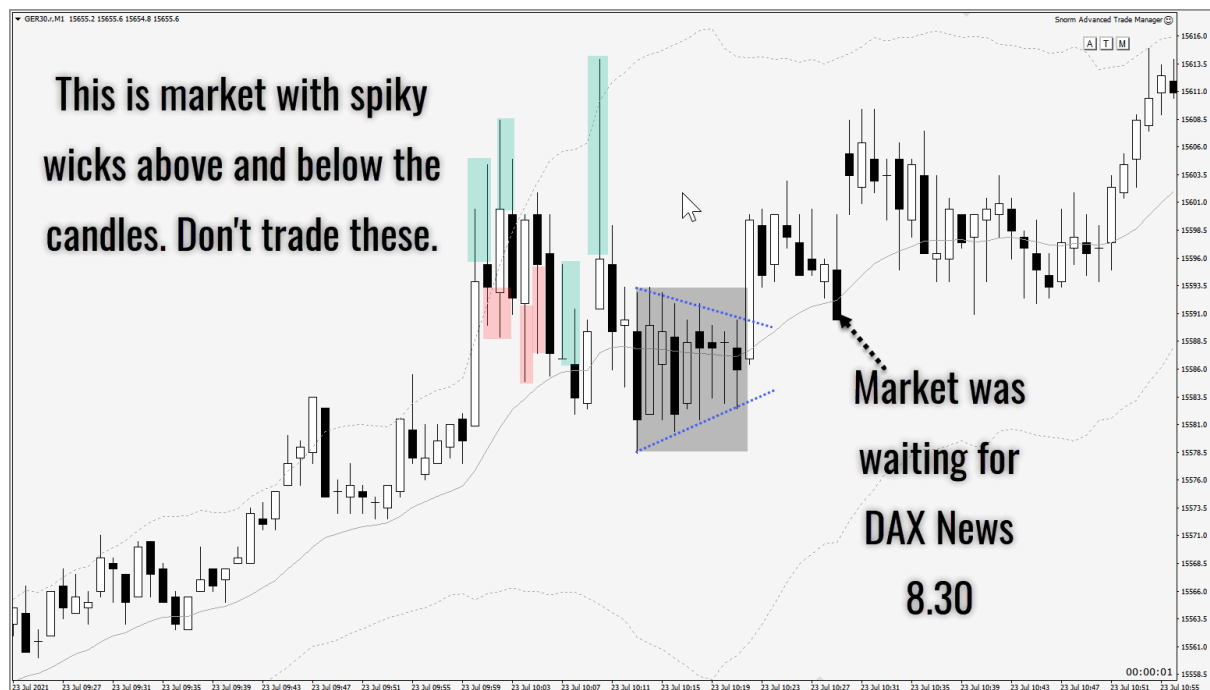
Next Review Date: Sat, 2 Oct 2021.

Trade Examples:

Spiky Candles: Do NOT trade when candles have lots of wicks and smaller bodies.

E.g. Friday 23 July 2021

<https://www.screencast.com/t/ZjREcbvI2IA>



Smooth Charts: A Smooth chart is one with candles that have these properties:

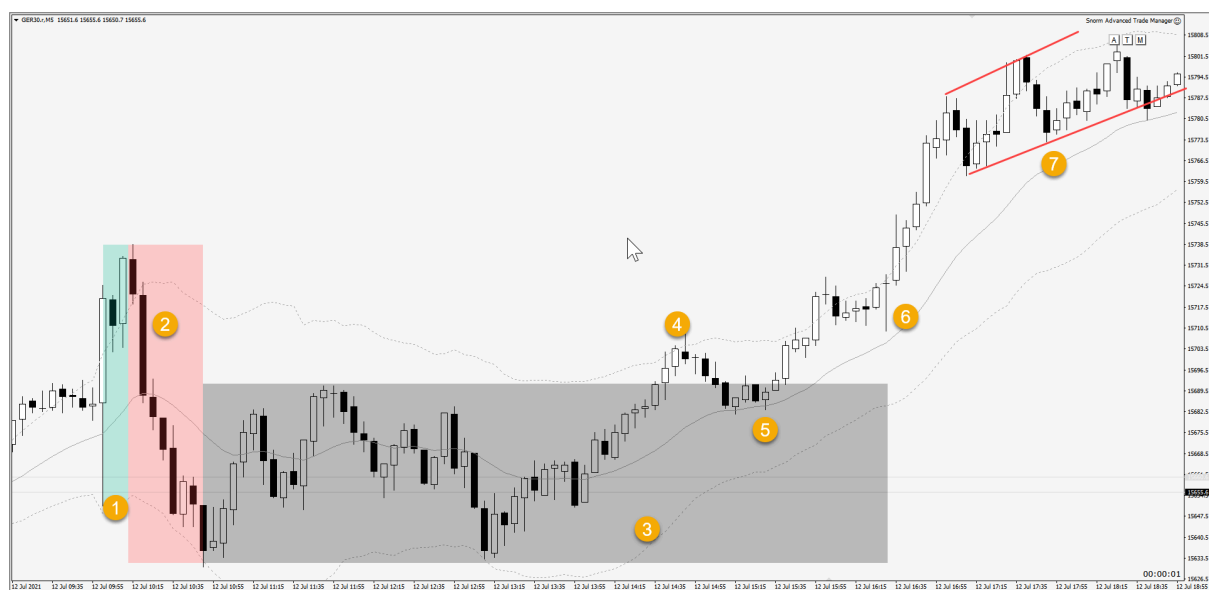
- Candles have small or barely any wicks on either side
- Candles highs and lows don't overlap or only slightly
- In bull trend, the new higher low does not overlap the previous higher high or if it does then it's not too far down.
- There is usually a clean screen to the left with no levels.

E.g. 19 July 2021 : A Clean Bear Trend

<https://www.screencast.com/t/BJlc2lqp>



Markets that switch from breakouts to range and Breakout again



This is a very interesting chart from 12 July 2021.

<https://www.screencast.com/t/7i2Mz4pKO4qB>

1. A clean breakout to start with but soon turned into a bear breakout (price out of the band)
2. The second push up failed and turned into a BEAR breakout. Look at those big black bear candles with bigger bodies and hardly any wicks.

3. Sadly for the bears though, the market could not continue its bear moves and it turned into a trading range that lasted all the way till the US premarket opened.
4. finally it breaks the trading range, and also check how the price touched the outer-band before pulling back to the midline. Also note that the breakout was with nice white trend candles and a tight bull channel.
5. The first pullback to the base line. and retest of the range highs. It's a clean pullback. Candles are small and pullback is not too deep.
6. Continuation of the trend with a minor/shallow pullback. Another entry was available here
7. The trend finally turns into a channel and then trading range.

Deeper Vs Shallow Pullbacks | Which ones to trade ?

The quick and simple answer is that we should trade both.

Both have statistical edge.

- Deeper Pullback goes near the 20ema (Gator Red Line)
- Shallow Pullback goes near the 10ema. (Gator Green Line)
- Shallow pullback can sometimes be even out of the band. (2-3 candle pause or pullback away from RISING Open gator)

Most Important things to know about Trading The Pullback Pattern

1. Must be Trending - We are trading fluctuations in an established trend.
2. Concept is more important than the pattern itself. (chart pattern has many variations but concept is the same) All variations of the pullback pattern are the same. The market has many many many names for this pattern, the wedge or pennant, flag, etc etc.
3. You are trading Pauses / Pullbacks in an **ESTABLISHED TREND**
4. Simplify it, don't be pedantic about it.
5. Every edge comes from an imbalance of buying or selling pressure.
6. Simple vs Complex Consolidation (both good take them both)
7. The Best Pullbacks have
 - a. Sharp with trend momentum
 - b. No Climaxes
 - c. Start of the Trend not near the end of trend
 - d. 50% retrace
 - e. Point 1 is usually the HIGHER or LOW of the Day.
 - f. Ideally there are No Levels to the left from the same day. Even better if no levels to the left from the day before.

How to Record Trades in Journal

1. Create a post for the day. (You may create a post per session if there is time)
2. Mark the Session or the Day as DSI or DS0.
3. Put all the trades on one chart and mark the trades with numbers. Attach this screenshot to the post.
4. Take a screenshot of the statement and mark the number of trades. Attach this to the post.
5. Talk about each trade stating its number if you want .
6. Summary: End the post with
 - a. Summary comments
 - b. Result in dollar amount for the day (strive for green days)
 - c. Win percentage for the day.
 - d. Was the day DSI or DS0?

What to do at the Open

The Method, Techniques and Process

1. Identify The Major Trend. Overall look and feel of the global market. This simply means, have a look at the daily weekly chart of the dax. You should be aware, generally, what the feel of the market as a whole is. This can be achieved by looking at US30 NAS100 and FTSE100. Probably US500 as well. This type of work should not be done right at the open. You should gain this information through the weeks and months. So if you start now, in a week's time you will have an idea.
2. Then you want to mark some relevant levels off the daily and hourly chart. Don't give them more than 50% importance. Because a Support level will only become a stopping or bouncing point if there is lack of momentum and power in the market. In other words, the market will respect S/R levels during low volatility and range bound markets. When it trends, it crashes through those levels. And it makes sense, because if it always respected the levels, there would NEVER be trends and breakouts.
3. Job number one is to identify whether the Hourly chart is in a clean up or down trend. Or is it stuck within levels. If the H1 chart is stuck within levels, going sideways, chances are that the daily chart will be barcoding. Now there are two types of trading ranges. Tight or wide/tall. If the H1 chart is in a tight under 100 point range, this could be a seriously bad market for the m5 or m1 time frame. But that could change at the open so we have to keep an open mind. Generally it's best to trade when price breaks those levels with a clean clear breakout. Candles will have small wicks and bigger bodies. Simply stay away from any market with big wicks. Wicks means trading range.
4. Once I know H1 is in a wide or tall trading range and I know my levels then I need to know if price is near the range lows or highs. If it's near the highs chances are that the breaks of the highs will most likely fail. Beginners will bet on breakout of the range, pros think the opposite. (Or when the

opposite is true). So if it's a trading range, and price is near the lows, look for long setups. But again, everything will be clear once the market opens.

5. At the open: look at what price does and how it reacts to the levels. IF it can't crash through those levels, chances are this will be a trading range day even on the 5 or one minute chart. Otherwise it will soon be clear to you when you see price flying or tanking past the levels.
6. If the H1 is trending and there are no levels to the left of both of h1 and d1 then it's plain sailing. Look for pullbacks and dance with the trend.

Important Information about US Indices and its composition

6 Stocks Control 40% of US100 - A VERY Important Information about US Indices

The Top 6 Giants Control These Indices

6 Stocks Control 40% of US100

Apple 11%

MS 10%

Amazon 8.5%

Facebook 4%

Google 7%

Tesla 3.5%

Components of the Nasdaq 100

#	Company	Symbol	Weight		Price	Chg	% Chg
1	Apple Inc	AAPL	11.186	▲	146.10	0.46	(0.32%)
2	Microsoft Corp	MSFT	9.967	▼	285.21	-1.29	(-0.45%)
3	Amazon.com Inc	AMZN	8.465	▼	3,331.90	-268.02	(-7.45%)
4	Facebook Inc	FB	4.135	▼	355.86	-2.46	(-0.69%)
5	Alphabet Inc	GOOG	4.081	▼	2,705.05	-25.76	(-0.94%)
6	Alphabet Inc	GOOGL	3.785	▼	2,695.19	-20.36	(-0.75%)
7	Tesla Inc	TSLA	3.566	▲	685.39	8.04	(1.19%)
8	NVIDIA Corp	NVDA	3.42	▼	195.00	-1.62	(-0.82%)

and the same 6 stocks Control 20% of US500

Components of the S&P 500

#	Company	Symbol	Weight		Price	Chg	% Chg
1	Apple Inc.	AAPL	6.106213	▲	146.05	0.41	(0.28%)
2	Microsoft Corporation	MSFT	5.767388	▼	285.08	-1.42	(-0.50%)
3	Amazon.com Inc.	AMZN	4.124837	▼	3,330.76	-269.16	(-7.48%)
4	Facebook Inc. Class A	FB	2.294745	▼	355.49	-2.83	(-0.79%)
5	Alphabet Inc. Class A	GOOGL	2.182784	▼	2,696.07	-19.48	(-0.72%)
6	Alphabet Inc. Class C	GOOG	2.078407	▼	2,706.42	-24.39	(-0.89%)

2

So, when you have an Earnings Report for any of these you will have volatility in NASDAQ. Best days to trade US100 on these days or when there are major news about these companies

² <https://www.slickcharts.com/nasdaq100>

The Dax 30

Top 5 Companies have 40% weight

1. LIN.DE 10%
2. SAP 10%
3. Siemens SIE 9%
4. Allianz ALV 7%
5. Bayer BAYN 6%

↕	Company ↕	Prime Standard Sector ↕	Ticker symbol ↕	Index weighting (%) ¹ ↕	Employees ↕	Founded ↕
	Linde	Basic Materials	LIN.DE ↗	10.47	58,000 (2018)	1879
	SAP	Technology	SAP.DE ↗	10.18	96,498 (2018)	1972
	Siemens	Industrials	SIE.DE ↗	8.65	379,000 (2018)	1847
	Allianz	Financial Services	ALV.DE ↗	7.22	142,460 (2018)	1890
	Bayer	Healthcare	BAYN.DE ↗	5.52	110,838 (2018)	1863
	Deutsche Telekom	Communication Services	DTE.DE ↗	4.93	215,675 (2018)	1995
	Adidas	Footwear	ADS.DE ↗	4.91	57,016 (2018)	1924
	BASF	Basic Materials	BAS.DE ↗	4.89	122,404 (2018)	1865
	Deutsche Post	Industrials	DPW.DE ↗	3.91	547,459 (2018)	1995
	Daimler	Automobile	DAI.DE ↗	3.84	298,683 (2018)	1926
	Munich Re	Financial Services	MUV2.DE ↗	3.31	41,410 (2018)	1880
	Vonovia	Real Estate	VNA.DE ↗	3.11	9,923 (2018)	2001

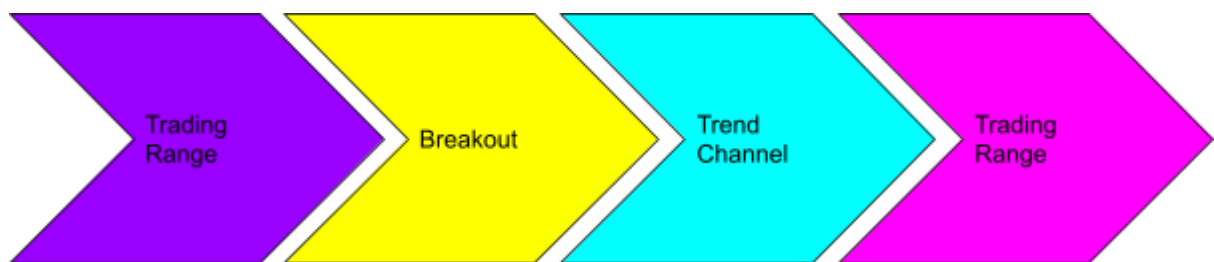
**My Biggest Mistake I Wish I
knew 10 Years Ago:**

[Click Here to Read More](#)

Deleted Stuff

Del date 30 July 2021:

Remember the Market Cycle: Trading Range > Breakout > Trend Channel > Trading Range



Draw Phases along the way - Draw Boxes to show Trading Range, TL for Trends. Check 50% pullbacks and 1:1 Measured Moves²

FX: Before LO See if FX has some Double Tops/Bottoms off the D1 Levels, or if there is a Trend Candle on D1 then trade the pullback on H1. The overnight analysis of the D1 Swing Account should have given you some ideas.

Note: 10 charts for Day trading because I was getting bored watching the M5 chart only. That boredom led to leaving charts and missing entries.

Markets and Time Frames for Forex:

Instruments to Trade:

GBPUSD EURUSD USDJPY (3 FX) ⁸⁹

Analysis Time Frame: D1 and H1 (Range or Trend / Levels)

Entry Time Frame: H1 Only ¹⁰

When to Trade: Starting at FO through to London Close (check once per hour only).

TC can be on M1 or M5. But if TC is on M5 then drop to M1 for DB.

~~Either use the high/low of the trend candle or look for micro pullback. (if on m1 watch price from close and see how far it goes in the opposite direction. When it starts to come back in the direction of the trend candle, enter when it goes past the close— you know, the MicroPB. If on M5 however, then simply trade the m1 pullback)~~

~~ON D1 Chart when I see a TB on FX Majors I want to jump on a pullback in that direction on the hourly chart. BUT... I want to make sure the Pair is Trending. If in Range Bound then that could often be a reversal spot.~~

27 July Deleted this :

The Breakout of Tight Ranges in the direction of Trend (Setup 1)

- The breakout method is to be used for Tight ranges within trending markets. This is the classic setup 1. If you see a breakout phase, or a tight trend channel which is followed by a tight trading range which is longer than 10 candles it should form a bull flag or the setup 1 pattern.
- Breakout method in the direction of trend is literally setup 1 so enter above the rectangle / box high with stop loss below the lows for longs and vice versa for shorts.
- It would sometimes be ideal to wait for a bull or trend candle to close outside of the range. The range must be tight.

~~— Add The Box and 20ema Starting Week 28 — 12 July 2021³⁴~~

Rules for Entering within Trading Ranges:

The Trend Candle ⁵

- Use it as entry for Breakouts of
 - Tight Trading Ranges.
 - Confirmation of trend resumption within pullbacks.
 - Rejection of S/R for Reversal entries or trading range highs or Lows.
- *Use it for Lobot and Neobot.* If M5 has a Trend Candle at the Open which has cleared a trading range, trade the M5 trend candle on Stop Order. If Candle is too big, say, more than your usual Stop loss, wait for a smaller candle or pullback.

~~— Add The Box and 20ema Starting Week 28 — 12 July 2021⁶~~

Buying or Selling the Range Highs or Lows

- If the higher time frame (H1 swings or D1 high/low) has levels, trade the reaction of those levels.
- You may or may not use Confirmation candles for entries. But if you use confirmation candles Trend Candles or Pin Bars are good.
- In general or if not waiting for confirmation then entry must be within the upper $\frac{1}{3}$ (for shorts) or the lower $\frac{1}{3}$ (for longs) of the trading range.

Endnotes

1. This does not include taking a trade on FX h1 charts. It means if day trading LOBOT trade dax30 only.
2. <https://www.screencast.com/t/FhOGz2oM>
3. <https://www.screencast.com/t/wt1bCAkyf> compare this with 5
4. Box brought old memories and habits. Removed it again. Does not help. It only looks great after you've seen beautiful moves.
5. ~~Micro Pullback for Fx would be H1/M5 or H1/M15 or if D1 is Trend Candle then H1 pullback~~
6. <https://www.screencast.com/t/wt1bCAkyf> compare this with 5
7. 18 Jul 2021: Changed this from 6 charts to 3 charts. No FX charts. Deleted the line which allowed me to flick through the charts. It's a BAD habit.
8. (29 June 2021) Changed from 10 to 6 Dropped UK100 CAD Swissy and Gold
9. No more forex pairs to look at, I just don't get time to do it. So better to keep the brain free.
10. If D1 Bull trend catche Double Bottom / Pull Back on H1. If D1 Range Sell High Buy Lows of Range.