

Defining the Strategy

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Tools

VWAP

Explore VWAP for scalps. On 15m

Probablychoppy indicator

The indicator is used to confirm the breakouts. For example if I am looking for a long I need a break and hold and that the indicator confirms the candle.

5ma

I use the 5ma as a trailing stop after my first take profit.

9ma

I use the 9ma to determine whether or not the underlying has short term bullish momentum in a certain timeframe. Can also be used to locate 9ma boxes when the underlying starts to consolidate for a shorter period of time,

21ma

I use the 21ma to determine whether or not the underlying has medium term bullish momentum. Can also be used to spot 21ma boxes when the underlying is consolidating and the 9ma do not give a push higher. These consolidations are longer than the 9ma consolidation and

50ma

I use the 50ma to determine whether or not the underlying has long term bullish momentum. It can also be used to spot longer consolidations in the form of a 50ma box. These consolidations usually happen when both the 9ma and 21ma fail to support the underlying.

Squeeze pro

The squeeze pro is used to spot consolidations that are more likely to break out and give a strong move. The move can be to either side. It uses Bollinger bands and Keltner channels to determine the squeeze.

Entry parameters

A zone is a price of importance where reactions happen. For example, let's say a certain stock always seems to bounce up when it hits \$100. Then \$100 would be seen as a zone.

If the setup is on the weekly charts I will be looking for an entry on the daily chart. If the setup is on the daily charts I will be looking for an entry on the hourly chart. And if the setup is on the hourly chart I will look for an entry on the ten- or fifteen minute chart.

Long term investments or LTIs are scouted on the weekly chart
LTIs have a hold time of (time determined during backtesting)

Swings are scouted on the daily chart.
Longer term swings have a hold time of (time determined during backtesting)
Shorter term swings have a hold time of (time determined during backtesting)

Scalps are scouted on the hourly chart.
Scalps are held throughout the day and are sold of at TP or at EOD

Box trades

When entering a box trade price should be above all the major MAs (9,21,50) in said timeframe. The box boundaries are the highs and the lows of the consolidation and from the time the consolidation started to the time the consolidation ends. The trade can be entered in 1 of 2 ways. Either we wait for a consolidation at the top right edge and enter on a breakout. Or we can enter near the bullbearline of the box. This gives us a tight stop and we can play a winning trade even if we are not expecting a breakout at that time. Boxes can be entered on all time frames and squeezes are preferred. Boxes comes in the form of 9ma box, 21ma box, 50ma box and a base box.

The 9ma box is defined with a consolidation and a rising 9ma

The 21ma box is defined with a consolidation, a flat 9ma and a rising 21ma

The 50ma box is defined with a consolidation, a flat 9ma, a flat 21ma and a rising 50ma

The base box is defined with a consolidation and all flat MAs

Ex



50ma box

Zone to zone trades

For zone to zone trades price should be above all the MAs for a long or below all the MAs for a short in the entering timeframe. Ex, for a daily zone to zone price should be above all the hourly MAs. More often than not the price should be above the 50ma for a long and below for a short on the trade time frame. However you can abstain from this rule and enter opposite the 50ma as long as the 50ma is flat. Price should always be above the 9ma and 21ma for a long and below for a short. Entries are taken on one timeframe lower than the trade idea. Ex, daily idea then hourly entry. For a zone to zone entry a candle needs to close above/ below the zone marked out as resistance/support with a confirmation arrow. The entry will then be on the opening of the next candle.

Exit parameters

When exiting a trade I will have different parameters depending on if it is a box breakout or a zone to zone trade.

Box trades Take Profit

When taking profits in a box trade I will have a target of one box higher (example if the box is from 150-200\$ my target would be 250\$). It will always be the most recent box (example if the base box is from 50-300\$ and the 50ma box in the top right corner is 300-350\$ the target

would be 400\$ and not 550\$). When the price hits my target I will exit half the position. The other half will have a trailing stop in from of the 5ma.

Box trades Stop Loss

My stop for box trades will be the bullbear line of the most recent box, meaning the lvl where the box turns from bullish to bearish, usually the middle. This will result in me always having a planned Risk/Reward of 2:1 which would work well.

Zone to zone trades Take Profit

The target on zone to zone trade will be the next zone of importance. When price gets there I will exit half of my position and use the 5ma as the trailing stop for the rest.

However if it is a scalp. I will exit the full position at the target or at the EOD.

Zone to zone trades Stop Loss

When playing zone to zone my stop will be a break back below that zone. Once the first zone is reached the 5ma will be the trailing stop.

Risk per trade

The risk of a LTI or longer term swing should be no more than 2% of the entire account.

(Need to determine maximum size of a trade in regard to the percentage of the cash allocated to longer term plays. (This is so you are not able to go all in just because you are only risking 2%))

For shorter term wings I have 2 parameters for risk. The risk should not exceed 1% of my total capital and the size of the trade should not be more than 10% of the account.