

Day Trading Rule Book

Before the Trade:

- Reaction to key levels only;
- Long entries need to be a bullish confirmation;
- Short entries need to be a bearish confirmation;
- Watch big picture reactions as well as intraday levels;
- Make sure these are "stocks in play" (opportunity plays);
- Longs over VWAP (preferred);
- Check the correlation to "head of the snake" (\$AMZN to \$SPY, \$JNUG to \$/GC etc..);
- Watch level 2 and volume for upcoming moves and heavy spots (heavy seller/buyer price level).

During the Trade:

- Once you enter the trade, set alerts at each key level;
- Take partials (profits) at *each* key level;
- Set hard stop once you enter;
- Once first alert is hit, take partials (preferred), and transfer hard stop to trailing stop;
- Flatten position as inverse confirmation appears.

After the Trade:

- Analyze how much of your process was true and picture it as a checklist;
- Understand how much of the boxes were checked and see the comparison to the outcome;
- If the trade was not according to your ideas, add or subtract aspects of your process;

- Learn from these errors so you can "patch the hole" in your process.

Definitions:

- Bullish confirmation: break of a key level into a hold support.
- Bearish confirmation: breakdown of a key level into a rejection.
- Inverse confirmations: other side of the trade confirms key levels, PM high/low, opening price, major and minor level S&R.