



Staying Alive: Trading Defensively to a Ripe Old Age



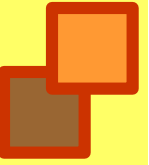
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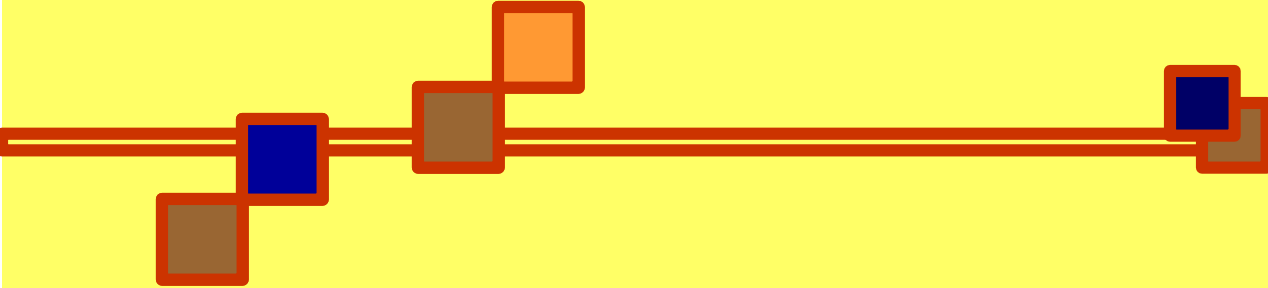
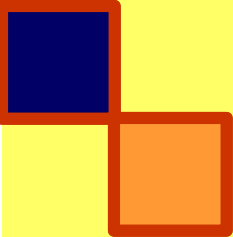
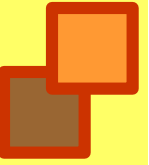


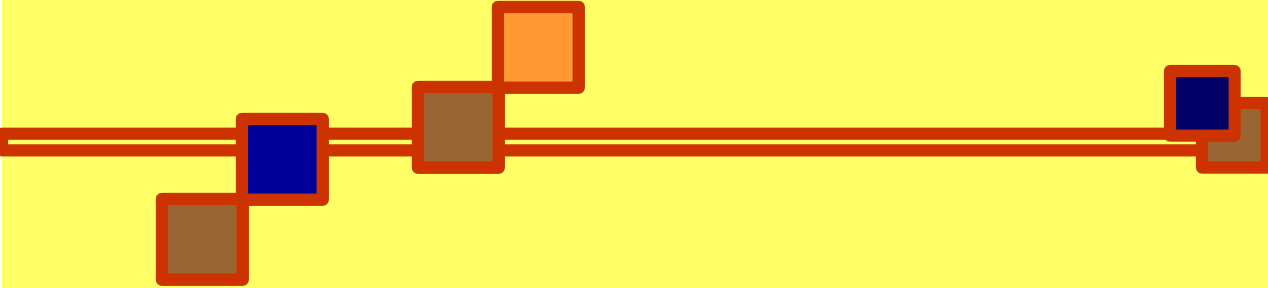
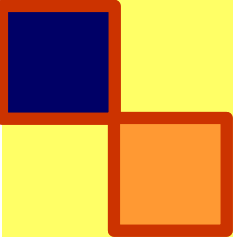
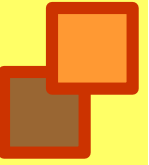


Business Plan



- A. What market? What size?
 - B. Capital \$\$
 - C. Order entry, scaling into positions, method, exiting
 - D. Drawdown rules, shutdown, reevaluation
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- E. Profit rules, \$ per day goals
 - F. Analysis of every trade
 - G. Grade card = rate each day, grade A to F to score your performance
 - H. Personal life, problems that could reduce 100% focus
 - I. Environment, physical setting, is it conducive to trading?
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- J. Order processing, reporting, clerical is it excellent?
 - K. Rewards for performance I.e. vacations etc.
 - L. Punishment for failure – criteria to gauge, when do I quit?
 - M. Educational pursuit – how to I keep advancing i.e. gurus, advisory letters, books, proprietary, etc.



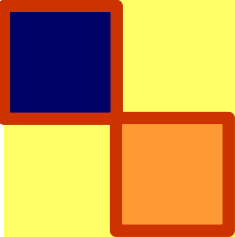

Cook Cumulative Tick

Components

- NYSE Tick
 - NASD Tick
 - Explanation
 - **Emotions > Panic > Euphoria**
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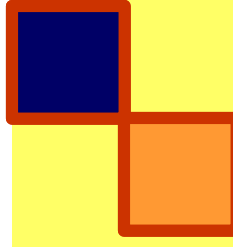



Computation

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- Big Blocks – tick reading
 - Computer buy or sell programs
 - Duration - most important
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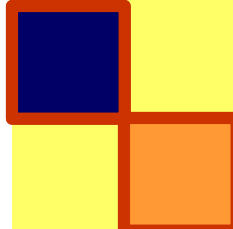



Interpretation

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- 200,000-300,000 Take Notice
 - 300,000-400,000 Take ACTION !!
 - EXTREMES 400,000-500,000
 - -> Nerves
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The Count

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- 300,000 -> 50 S&P points
 - 400,000 -> 100 S&P points
 - 500,000 -> 200 S&P points
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Time expectation 3 weeks to 3 months