

TRADE MANAGEMENT

3M TRADING

SPENNYFX

- There are 4 main components to analyzing a market and properly executing a trade.
- **Structure** (helps use create a bias for the market, bullish or bearish)
- **Supply and Demand zones** (helps us pick areas we expect to see bullishness or bearishness from)
- **Entry Confirmation** (specific things we need to see in the supply and demand zones in order to enter a trade)
- **Trade Management** (the strategy of managing your profits/losses once you have entered a trade)
- This section will go over the last step, Trade Management



- **One half of trading is doing the analysis and entering a trade, the other half is managing the trade, which is equally as important**
- **The way you manage a trade and take profits could hugely affect the profitability of your system**



- There are a couple main ways to manage your trades:
- The first main strategy is having a set multiplier that you take profit at everytime. For example, when you enter a trade and risk 1% of your account, you will take profit everytime when they are up 3x or 3%. We call the amount that you are risking per trade “RR”. So if you are risking 1% and gain 3% in a trade, we call that a 3RR gain
- The second main strategy is trailing your stop loss behind price, this is more of an aggressive approach to taking profits, so sometimes you can get stopped out early on in the run and make small profits, but sometimes you also get huge running winners
- The method I use is the trailing method. I find that it makes more sense to trail behind price, giving consistent winning trades with the chance for huge runners still there. However, either method is fine with the correct amount of testing





- This is an example of a Type I entry criteria being met in a demand zone
- If you chose to manage the first way mentioned in the previous slide, you would be setting your profit target at 3RR gain, so 3 times the size of your stop loss

- This is an example of the exact same trade but managed using the trailing method
- For the trailing method, everytime a new bullish break happens (blue lines), we trail the stop loss to the most recent low before the break
- Eventually when a bearish break happens you will get stopped out of the trade and take your profits
- This is an example of a huge running trade, these don't happen often, but this shows the power of trailing your profits



- Those are the basics of how to manage your trades. This topic does go more in depth, but we are happy to help anyone in the private group with any further questions.

