

Trading Plan – Key Points

Risk Management

- Maximum risk of: 0.15% per trade, 0.3% per day, 0.9% per week
- 0.2% (total) in markets that with an absolute 5m/1h currency correlation > 50%
- Cannot go short and long in two assets that with a currency correlation > 50%.
- If lose 2x(3x) in same market in one day(week), can't trade market for rest of the day(week)
- No overnight risk as trades must all be closed by 4pm
- News: Wait 15 minutes after news to enter positions
 - Before any intermediate/high impact news, move stop loss very tight in related markets 10 minutes before. In unrelated markets, move to previous swing low/high.
- Personal Risk Management: Aim for 2 trades per day – *do not overtrade*
- Cannot trade for remainder of day unless it has been written in the trade plan
- If I am stopped out of a position, allow myself *one re-entry* into the same trade.

Triple EMA Crossover Strategy

- Only trade markets that are trending (**by eye** and using **ADX > 20**)
- Analyse the last 3 days, but place **more emphasis** on the previous day

Setup (base timeframe)

- S&R Levels (major, base, round numbers), Trendlines and Counter Trendlines
 1. The crossing of the fast MACD line over/under the signal line (base timeframe)
 2. Prices close beyond the blue EMA line with wick or body (base timeframe)
 3. Green EMA crosses red and blue (base timeframe).
 4. Red EMA crosses blue line (base timeframe).
 5. If candle is indecisive, wait for the close of another stronger candle

Triggers and Execution (execution timeframe)

- Trigger: a non-indecision candle closed in the reversal direction
 - If **trigger** is a **strong** candle, enter after close
 - If **trigger** is a **medium** candle (body: 50%) enter on a higher high higher close candle
- If a *very large move causes MACD & EMAs to cross*, don't wait for close. Enter using a 3-pip price filter at the most recent candle in execution timeframe.
- If no strong candle in execution timeframe (after MACDs/EMAs cross), don't take trade after 6+ indecision candles

Choppy Markets

- *If 5-6 consecutive strong candles, only take trade once prices pull considerably in one direction (1 strong base candle & 1 strong execution candle)*
- *Do not take trade after 7-8 consecutive candles*
- *This is especially important when waiting for the EMAs to cross.*

Pullback of Price to EMAs

- *Don't wait for the pullback of price to the red/blue EMA.*
- However, it acts as **confirmation to the trend reversal**

Trade in the Direction of the Trend

- *In markets with a clear trend direction— only take trades in the direction of the trend*
- *In markets where direction is fluctuating-- trade both directions.*

Waiting to Break Key Level Before Entering (S&R, Round Number, Pivot etc)

- *If think prices will quickly rise(fall) above(below) level, use other orders to prevent late entry.*
- *SELL STOP for breaking of support level. BUY STOP for breaking of resistance level.*
- *Only do this if has at least two recent touches, or one recent & one historical touch.*

Corrections in a Strong Trend

- *Used to enter previously missed moves or add positions into a trade.*
- *Can only enter when the prior move is extremely strong, and only at the first correction*
- *Need a tight stop loss to improve RRR*
- *(Note— if the EMAs recross in base, then it is a new move and not a correction. I.e. in a strong trend with corrections, can enter at every new move.)*

Partial Correction - can enter once after the first partial correction

1. *In execution timeframe, small pullback in prices. Decreasing MACD momentum, reduced candle strength and lower volume.*
2. *Enter with price filter after a strong candle.*
3. **If too fast, can't enter. Wait for full pullback.**
4. *Pullback of price to red/blue line & MACD touching adds conformation (not necessary)*
5. *ADX shows prices are trending, and DMI shows + line is far above the —line.*

Full Correction— can also re-enter once after the first full correction:

1. *Pullback in prices in base timeframe. Decreasing MACD momentum, reduced candle strength and lower volume.*

2. *Full pullback of price to red/blue line. MACD should just touch or even cross on execution timeframe. They should also show some movement in base timeframe.*
3. *EMAs should recross on the base timeframe*
4. *Look for indecision candles and then a strong candle in the correct direction*
5. Enter after higher high higher close in the execution (strong candles)

Do not execute trades:

- When EMA lines are very tangled (2-3 crossovers, requires some discretion).
- When the market is ranging (ADX 21 period, by eye)

In-Trade Management

Trail stop loss with:

- Blue EMA at 50% of TP Red EMA at 70% of TP Green EMA up to 80% of TP
- After 80%, trail stop with every candle in base timeframe until stopped out or reach TP.
 - Do this only when prices move fast. When moving slower, stop incase there is a correction and prices could continue past the TP.
- Cannot manually close out trades, unless prices are rejecting and within 5% of TP
- Trail stop losses aggressively after 3:30 PM.

Target Placement

- **TP placed within** previous swing lows/highs, S&R levels or concentrated price action
- *TP placed within the remainder of the 50% of daily ATR that prices have left to move.*
- TP placed with multiple targets to in/decrease depending on realistic movement of trade
 - Changing target must be backed up by primary analysis (violating S&R, candles)
- **SL placed outside** previous swing highs/lows, S&R levels or concentrated price action
- SL placed 5% of Daily ATR above the previous high/low candle
- **Minimum RRR = 2**, cannot take the trade if RRR drops below 1.5.

Specific Setups

My trade plan can be split into four distinct setups which occur frequently. The specific setups, triggers and executions can be seen below. These are:

- Trendline Bounce
- Counter Trendline Break
- Major Trendline Break
- EMA Retest.

Trendline Breakouts

Setup

- ADX > 20 and increasing
- Prior Trendline (3+ touches)
- MACD Setup
- Price breaks trendline w/ strong candle

Trigger & Execution

- If SL can be placed outside a new trendline,
 - ↳ do not require a retest
 - ↳ enter on a break of TL with:
 - Close of Strong Candle or
 - Close of Medium Candle and HHHC candle
 - Close of Strong Candle
- If SL cannot be outside, first require:
 - Retest of Price (to EMAs, CI or SER)
 - Place SL Outside Swing high/low
 - Then enter as above

Stop Loss

- outside new trendline
- outside swing high/low and outside any NEARBY SLR levels

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Confirmation

- RSI

- ↳ Bearish / Bullish divergence
 - in overbought / sold regions
- ↳ Hidden divergence
- ↳ Failure Swings

- Reversal Patterns

- low momentum candles

- Volume

- ↳ Decreasing volume with successive peaks
- ↳ Low volume at last peak
- ↳ High volume on the correction
- ↳ High volume at the trendline break
- ↳ Low volume on the pullback
- ↳ High volume as price moves away after break

Trendline Bounce

Setup

- ADX > 25 and increasing
- Prior Trendline (2-3 touches)
- MACD Setup

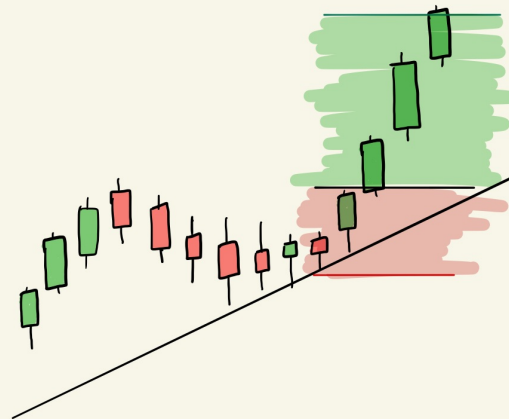
Trigger & Execution

- Price rebounds trendline

- 3+ touches
 - Close of Strong Candle or
 - Close of Medium Candle and HHHC candle
- 2 touches
 - 1 but above prior swing high or low

Confirmation

- Price breaks prior high
- RSI Analysis
 - retest to 50-line (1-5), or overbought (down trend) or oversold (up trend)
- Volume Analysis
 - Low volume approaching trendline
 - High volume on small spread candle at trendline
 - High volume on large spread candle after rebound
- Candlestick Analysis
 - reduced momentum approaching trendline
 - indecision candle rejects trendline



Stop Loss

- outside trendline
- outside any NEARBY MAJOR SLR levels

EMA Retest

Setup

- $ADX > 20$ and increasing
- Price retests to EMA
- EMA Setup occurs or points correct direction

V FAST - Green (5m)

FAST - Red/Blue (5m), Green (15m)

NORMAL - Blue (5m), Red/Blue (15m)

Trigger & Execution

- Price rebounds EMAs
Close of Strong Candle
or
Close of Medium Candle and HHHC Candle
- Don't require price breaks prior high/low unless is strong level of SLR

Confirmation

- Price breaks prior high
- RSI Analysis
 - retest to 50-line (11-5), or overbought (down trend) or oversold (up trend)
- Volume Analysis
 - Low volume approaching EMAs
 - High volume on small spread candle at EMAs
 - High volume after rebounding EMAs
- Candlestick Analysis
 - reduced momentum approaching EMAs
 - inclusion candle rejects EMAs

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Stop Loss

outside swing high/low
outside any NEARBY SLR levels

Counter Trendline Break

- Special Cases of 'Trendline Bounce'

Setup

- $ADX > 25$ and increasing
- Prior Trendline (2-3 touches)
- MACD Setup

Stop Loss

- outside new trendline
- Outside swing high/low after retest

Trigger & Execution

- If SL can be placed outside major trendline, enter on a break of CT with:
 - Close of Strong Candle } 5m for normal speed
 - Close of Medium Candle and HHHC Candle }
 - Close of Strong Candle } 1m for fast moving
- If SL cannot be outside, first require:
 - Retest of Price (to EMAs, CT or SLR)
 - Place SL Outside swing high/low
 - Then enter as above

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Confirmation

- RSI Analysis
 - retest to 50-line (11-5), or overbought (down trend) or oversold (up trend)
- Indecision / low momentum candles at CT

- Volume

- ↳ Low volume as price approaches major trendline
- ↳ High volume at the CT break/in major trend direction
- ↳ Low volume on the pullback to CT
- ↳ High volume as price moves away after break

Confirmations

Each setup has a different strategy for increasing risk with different confluences

Trendline Bounce

Setup

- Strong trendline
 - MACD Setup
 - ADX
 - ↳ Previously >20
 - ↳ increasing
 - ↳ in trough
- } 0.05 %

Confirmation

- RSI Retest to 50 ☐ 0.025 %
- Breaks prior high ☐ 0.025 %
- Reject TL w/ indecision candle ☐ 0.02 %
- Bearish / Bullish divergence on correction
 - ↳ in overbought/sold regions☐ 0.015 %
☐ 0.015 %

VSA

- Reduced momentum approaching major TL ☐ 0.01 %
Candle/MACD volume ☐ 0.01 %
- HV on Small Spread Candle ☐ 0.025 %
- V after Rebound of TL ☐ 0.025 %

$$\begin{aligned}\text{Base risk} &= 0.05 \% \\ &= 0.22 \%\end{aligned}$$

EMA Retest

Setup

- Strong prior trend
 - MACD Setup
 - ADX
 - ↳ Currently >20
 - ↳ increasing
- } 0.05 %

Confirmation

- RSI Retest to 50 ☐ 0.025 %
- Breaks prior high ☐ 0.025 %
- Reject EMA w/ indecision candle ☐ 0.02 %

VSA

- Reduced momentum approaching EMA ☐ 0.015 %
Candle/MACD volume ☐ 0.015 %
- HV on Small Spread Candle ☐ 0.025 %
- V after Rebound of TL ☐ 0.025 %

$$\begin{aligned}\text{Base risk} &= 0.05 \% \\ &= 0.2 \%\end{aligned}$$

Counter Trendline Break

Setup

- Strong trendline
 - MACD Setup
 - ADX
 - ↳ Previously >20
 - ↳ increasing
 - ↳ in trough
- } 0.05 %

Confirmation

- RSI crosses 50 on CT break ☐ 0.025 %
- RSI Retest to 50 on CT retest ☐ 0.025 %
- Breaks prior high ☐ 0.025 %
- Bearish / Bullish divergence on correction
 - ↳ in overbought/sold regions☐ 0.015 %
☐ 0.015 %

VSA

- Reduced momentum approaching major TL ☐ 0.01 %
Candle/MACD Volume ☐ 0.01 %
- HV on large candle breaking CT ☐ 0.02 %
- LV during retest (CT, SER, EMA) ☐ 0.015 %
- HV after retest ☐ 0.02 %

Base risk = 0.05 %

Max risk = 0.24 %

Trendline Breakouts

Setup

- Prior Trendline (3+ touches)
 - Price breaks trendline w/ strong candle
 - (Retest of price (to EMAs, CT or SER))
 - ADX
 - ↳ Previously >20
 - ↳ increasing
 - ↳ in trough
 - MACD Setup
- } 0.05 %

Confirmation

- RSI crosses 50 on TL break ☐ 0.025 %
- RSI Retest to 50 on TL retest ☐ 0.025 %
- Bearish / Bullish divergence (15m)
 - ↳ in overbought/sold regions☐ 0.025 %
☐ 0.025 %
- Reversal Patterns (15m/1h) ☐ 0.03 %

VSA

- HV on large candle breaking CT ☐ 0.02 %
- LV during retest (CT, SER, EMA) ☐ 0.015 %
- HV after retest ☐ 0.015 %
- Decreasing momentum with successive peaks ☐ 0.01 %
Volume ☐ 0.01 %
Candle/MACD ☐ 0.01 %

Base risk = 0.05 %

Max risk = 0.25 %

