

# Trading Plan

"It's not whether you're right or wrong that's important, but how much money you make when you're right and how much you lose when you're wrong." — George Soros

### Target: 8% per month

I will make 8% per month on average through trading and 30% per year, minimum, through investing. I will accomplish these results by trading stocks and cryptocurrencies (See strategies below).

I must make 80,000 GBP per year through trading and investing which means that I need 100,000 GBP to make 80,000 GBP with a return of 8 % per month.

---

### Mission Statement

I am disciplined, do whatever it takes to win, good at following rules and analysing charts.

My goals as a trader are to be patient, use fundamentals analysis more, take less risk and to structure my days better.

By sticking to the game plan, I will win my life on my own terms, have choice and freedom in my life and spend more time with family and loved ones.

### Strengths as a trader:

- I do whatever it takes to win
- Disciplined
- Good at following rules
- Technical Analysis

### Improve as a trader:

- Patience – wait until the right opportunity comes!
- Analytical – watch fundamentals closely
- Take less risk – Do not risk too much in each trade"
- Structure my days better

### What I can expect as a successful trader:

- I will have CHOICE and FREEDOM in my life.
  - Spend time with family and loved ones.
  - Winning the game of life on my own terms!
-

## Budget: 100%

### Trading: 20%

- Buffalo Advanced and Breakout on Best and Worst companies (60%) – Split on 8 opportunities.
- Crypto Trading – Fib Strategy and Contrarian Momentum (40%) – Split on 4 opportunities.

### Investing: 80%

- VCA on Solid companies (50%) – split on 5 opportunities.
  - VCA Advanced Small Caps (25%) – Split on 5 opportunities.
  - VCA Crypto + Small cap (25%) – Split on 20+ opportunities.
- 

## Structure of my months/weeks/days

*"If you fail to plan, you plan to fail" - Churchill*

### Daily Routines

#### Morning Routine to get in the right state:

06.15 – 07.00: Yoga/workout

07.15 – 07.35: Meditation/breathing/ and journaling

07.35 – 08.00: Shower + getting breakfast and meals ready for the day with energising music

08.00 – 08.45: Learning something new, doing a course and reading trading plan

09.00: Get working

#### Evening Routine:

9.00 – 9.30: Prepare for the next day / trade management etc.

9.30 – 9.45: Prepare meals for the next day

9.45 – 10.15: Yoga

10.15 – 10.45: Reading + Bookend the day

---

### Trading Routine

#### Monthly:

**Last Weekend** every month I (2-3 hours approximately):

- Backtest my trades that I have made, as soon as a trade is finished I put it in the "Monthly Improvement List" in order to look through them. I then write down learnings in my trading journal.
- Review my goals and make sure I am on track on reaching my trading goal of 8% per month and 30% per year from investing.
- I will make sure I am on track by following the **Compounding Sheet**.

First Weekend every month I create my monthly watchlist for the upcoming month, I scan Finviz for VCAs, Buffalos and Small Caps.

#### Weekly:

- Every weekend spend 1 hour to find new buffalos, manage trades and exchange tickers in watchlists. This time is for organisation.

#### Daily:

Spend 1-1.30 hours a day on:

- Trading stocks: Look over my Buffalo and small cap list, manage my trades (15 min)
- VCAs and Small caps: Trade management, seeing if there are any new entries etc. (5 min)
- Trading and investing in cryptos: Looking through watchlist, Coinmarketcap and looking at BTC and ETH for trading entries (20 min)
- Research: 30 min on crypto research, looking at market sentiment



## Crypto Slingshot – To make 4-5% per month trading Cryptos

### 5 steps for the Crypto Slingshot Strategy:

- Step 1: Find two bounces creating an upwards or downwards trending support or resistance line
- Step 2: Find the swing from low to high, or high to low and place your fibonacci retracement tool at these points
- Step 3: Find your Entry, Stop loss and Take Profit points and calculate your 2% risk
- Step 4: Place your Limit orders and manage them based on what the market does
- Step 5: Manage the trade for more profits

### Technical Analysis (90%):

- Use the indicator, Fibonacci Retracement
- Need 2 bounces to form the trend. Drawing the Fib from low to high on the second bounce.
- Enter on the 0.786 retracement and looking to exit at the 0 which will give me a 3.6 RRR
- Maximum risk 2% of portfolio
- The trend is your friend. Identify the weekly trend, UT or DT and only trade with the trend = higher probability.



### Fundamental Analysis (10%):

- Only doing it on top 10 cryptos where there is more than 200,000 USD in daily volume.

## Contrarian Momentum – Short Term Investing

The Contrarian Momentum Strategy is a short-term investing strategy where we look at making 5% in a couple of days at most. Since we do not use a stop loss to cut our losses it is short term investing. I propose doing this on ETH/BTC to accumulate more cryptos since the upward bias is so large on crypto. In that way we never leave the crypto market.

### Strategy

- Asset: BTC/ETH
- Use 1-hour candle to enter
- Use the RSI-Indicator on setting 14
- Enter maximum 3 times but there must be a distance of 5% between the entries
- Enter with 25% more each time
- Enter the trade when 2-candles has closed when RSI is under 30
- Enter with a market order – set alerts on Tradingview to get informed



### Trade Management

- We are looking for a profit of 5% which means we are getting 5% more ETH or 5% more BTC than before.
- When up 3% in profit move stop loss to breakeven + fees
- When up 5% in profit move stop loss to 1% under the candle touching the 5% profit mark.
- After that, move stop loss up under the troughs.



## Buffalo Horizontal, Up Trending and Down Trending

In order to make 8% per month through trading, the following strategies will be utilized.

Buffalo long will be done on both small caps and large cap+. Fundamentals are important to get rid of the worst/best companies.

### General Rules

I will use the foundation of the Buffalo Strategy but will also do it on the shorter term on more liquid assets such as indices (US100, US30, USOIL, GOLD and SILVER). However, always using the same principles.

### Fundamental Analysis (20%)

### Fundamentals Bullish Scenario

Filters: 3				Descriptive (1)	Fundamental (2)	Technical	All (3)
Exchange	Any	Index	Any	Sector	Any	Industry	
Market Cap.	Any	P/E	Any	Forward P/E	Any	PEG	
P/B	Any	Price/Cash	Any	Price/Free Cash Flow	Any	EPS growth this year	
EPS growth past 5 years	Any	EPS growth next 5 years	Over 15%	Sales growth past 5 years	Any	EPS growth qtr over qtr	
Dividend Yield	Any	Return on Assets	Any	Return on Equity	Over +15%	Return on Investment	
Quick Ratio	Any	LT Debt/Equity	Any	Debt/Equity	Any	Gross Margin	
Net Profit Margin	Any	Payout Ratio	Any	Insider Ownership	Any	Insider Transactions	
Institutional Transactions	Any	Float Short	Any	Analyst Recom.	Any	Option/Short	
Performance	Any	Performance 2	Any	Volatility	Any	RSI (14)	
20-Day Simple Moving Average	Any	50-Day Simple Moving Average	Any	200-Day Simple Moving Average	Any	Change	
20-Day High/Low	Any	50-Day High/Low	Any	52-Week High/Low	Any	Pattern	
Beta	Any	Average True Range	Any	Average Volume	Over 200K	Relative Volume	
Price	Any	Target Price	Any	IPO Date	Any	Shares Outstanding	
After-Hours Close	Any	After-Hours Change	Any				
Overview	Valuation	Financial	Ownership	Performance	Technical	Custom	Charts
							Tickers
							Basic

## Fundamentals Bearish Scenario

Filters: 3			Descriptive (1)		Fundamental (2)		Technical	All (3)	
Exchange	Any	Index	Any	Sector	Any	Industry	Any		
Market Cap.	Any	P/E	Any	Forward P/E	Any	PEG	Over 2		
P/B	Any	Price/Cash	Any	Price/Free Cash Flow	Any	EPS growth this year	Any		
EPS growth past 5 years	Any	EPS growth next 5 years	Any	Sales growth past 5 years	Any	EPS growth qtr over qtr	Any		
Dividend Yield	Any	Return on Assets	Any	Return on Equity	Under -10%	Return on Investment	Any		
Quick Ratio	Any	LT Debt/Equity	Any	Debt/Equity	Any	Gross Margin	Any		
Net Profit Margin	Any	Payout Ratio	Any	Insider Ownership	Any	Insider Transactions	Any		
Institutional Transactions	Any	Float Short	Any	Analyst Recom.	Any	Option/Short	Any		
Performance	Any	Performance 2	Any	Volatility	Any	RSI (14)	Any		
20-Day Simple Moving Average	Any	50-Day Simple Moving Average	Any	200-Day Simple Moving Average	Any	Change	Any		
20-Day High/Low	Any	50-Day High/Low	Any	52-Week High/Low	Any	Pattern	Any		
Beta	Any	Average True Range	Any	Average Volume	Over 200K	Relative Volume	Any		
Price	Any	Target Price	Any	IPO Date	Any	Shares Outstanding	Any		
After-Hours Close	Any	After-Hours Change	Any						
Overview	Valuation	Financial	Ownership	Performance	Technical	Custom	Charts	Tickers	Basic
									TA
									News

After screening I will look at the list of companies and choose the best/worst ones each week.

- Never trade 2 stocks in the same industry the same direction BUT can have one long and one short for example

## Technical (80%)

- 3 bounces / breakout pattern
- Price action: Reversal candle / reversal patterns on higher volume on low timeframe
- Bullish/bearish chart pattern in shorter time frame (1 hour or 15 min)
- Look for Divergence in RSI (above 70) and MACD on 1 hour before entering - <https://www.tradingview.com/x/NFNADWE7/>
- Not entering 2 weeks before earnings

## Risk Assessment

- Never risk more than 2% per trade
- If it goes sideways for more than 7 days around entry price, I close it at breakeven
- Gapping: Avoid gaps by not trading pharma companies or biotech. Avoid earnings by not entering 2 weeks or less prior and avoid gappy stocks in general.
- However, if it gaps against me I will close the position with a bigger loss than expected.
- If the asset gaps and takes me in at a worse price, and by that making my RRR be less than 3, I will move the stop loss to breakeven OR close my position at breakeven.
- If the asset shoots up/down more than 7% in one day (when in profit), I will go in on the 1 hour chart and move the stop loss in relation to how the throughs move.
- Always enter a trade with a stop order
- 6 – 8 positions live at the same time
- Leverage 1:4 in order to enter more positions.



## Trade Management

- Move stop loss to breakeven when up 1:1 in profit
- Then move stop loss as the market moves in troughs, 1% under lowest/highest point of trough\*
- As soon as I move my stop loss to breakeven or better, I remove my TP.
- Only trade when market is closed to avoid emotions
- If I am in when earnings approaches I use previous earnings as a reference if it is likely to have a big movement. If there is generally not a big movement in the past, I look at the anticipation of the earnings what analysts are expecting. If I cannot find any red flags, such as a big miss of earnings, big announcement etc.



## Examples Long:



## Examples Short:



## Examples Short:



## Rules

- Find a breakout pattern (Flag or triangle) or a reversal pattern (Ascending and descending triangle) according to the strategy.
- Entry slightly above the lower high (below the higher low) in the consolidation
- Stop loss in the middle of the consolidation but below a support/above a resistance level.
- Move stop loss structurally.
- Use MACD and RSI divergences to increase probability.
- Use volume and candlestick patterns to increase probability.

- Only enter if it is a "Good Trade".
- If I lose 2 trades in a row, I quit for the day.
- If I have more than 5 losing trades in a row (over a few days), I take the risk down from 1% to 0.5% per trade.

## VCA – Value Cost Average Advanced on Solid Companies

### Fundamental Analysis (70%)

- Positive income
- Debt/equity under 0.3 ideally
- Peg under 1 ideally
- EPS next year / next 5 years positive over 15%
- Institutional own. 60%+
- Invest in GROWING industries
- Must be a story stock... Something that attracts attention and have an uptrend bias, such as TSLA, APPLE etc. (Something more stable but something with a story around it that attracts investors).

Index	-	P/E	14.91	EPS (ttm)	1.70	Insider Own	0.10%	Shs Outstand	1.78B	Perf Week	-2.20%
Market Cap	45.33B	Forward P/E	16.25	EPS next Y	1.56	Insider Trans	0.00%	Shs Float	1.77B	Perf Month	-6.11%
Income	3.03B	PEG	0.42	EPS next Q	0.36	Inst Own	72.10%	Short Float	0.93%	Perf Quarter	-12.46%
Sales	12.20B	P/S	3.72	EPS this Y	270.50%	Inst Trans	-1.45%	Short Ratio	0.93	Perf Half Y	-6.90%
Book/sh	12.82	P/B	1.98	EPS next Y	34.92%	ROA	6.70%	Target Price	34.41	Perf Year	50.21%
Cash/sh	2.66	P/C	9.55	EPS next 5Y	35.69%	ROE	13.80%	52W Range	12.65 - 31.22	Perf YTD	36.47%
Dividend	0.36	P/FCF	20.36	EPS past 5Y	23.80%	ROI	18.70%	52W High	-18.74%	Beta	0.12
Dividend %	1.42%	Quick Ratio	3.30	Sales past 5Y	-1.00%	Gross Margin	37.80%	52W Low	100.55%	ATR	0.83
Employees	22500	Current Ratio	4.50	Sales Q/Q	32.20%	Oper. Margin	52.50%	RSI (14)	38.06	Volatility	1.96% 2.68%
Optionable	Yes	Debt/Eq	0.23	EPS Q/Q	-61.70%	Profit Margin	24.80%	Rel Volume	1.06	Prev Close	25.86
Shortable	Yes	LT Debt/Eq	0.23	Earnings	Nov 05 BMO	Payout	15.90%	Avg Volume	17.60M	Price	25.37
Recom	2.00	SMA20	-5.60%	SMA50	-8.66%	SMA200	0.35%	Volume	18,712,104	Change	-1.89%

### Technical Analysis (30%)

- How much a stock has fallen in a previous crash determines how much I should invest. If fallen 40% in last crash, I prepare for a fall of 50%.
- I do not enter specifically at a 20% fall the first time but rather on technical analysis. I enter based on support, reversal patterns, and indicators such as MFI divergence and Fibonacci levels.
- I add 25% more for each entry.



## Trade Management

- I am looking for a 20% profit and when a candle is touching the 20% profit level, I put a stop loss 1% below the candle. Then I move stop loss 1% under 21 MA:

<https://www.tradingview.com/x/3WbE0f77/>

## My Golden Trading Rules

- Be disciplined every day and in every trade.
- I will trade according to my own plan, never act according to another's plan.
- I love to take small losses.
- I'm not addicted to trading; I just want to see what happens.
- I only trade based on a good risk/reward that has the probabilities in my favour.
- Build the Great Wall of China – lay the same stone (strategy) repeatedly until I reach perfection.
- Once I find a setup, I don't hesitate; When I'm in, I don't overanalyse.
- A detailed trading journal will always be used, and I will act on what it tells me.
- Everything I do will be the success of my trading company!!

## Mindset Rules

- I take 100% responsibility for my trading and my actions.
- I accept that I have no control over how my trade will go.
- I accept that today may be a day I lose.
- I NEVER act on emotions but follow my rules and only place "Good Trades".

- With every loss I get, my winnings get closer.
  - I let my profits go and stop my losses quickly.
  - "Anything" can happen.
  - I don't need to know what's going to happen next to make money.
  - There is a random distribution between wins and losses for a given variable that defines an edge.
  - An Edge is nothing more than an indication of a higher probability of one thing happening over another.
  - Every moment on the market is unique.
-