

Staying Alive: Trading Defensively to a Ripe Old Age




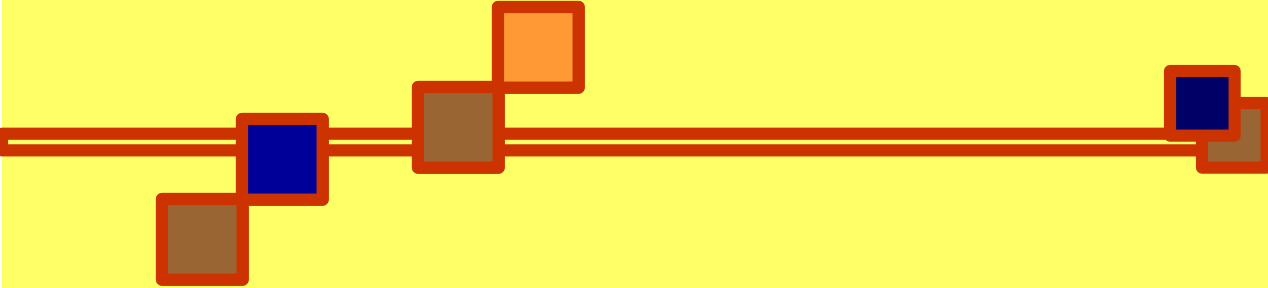
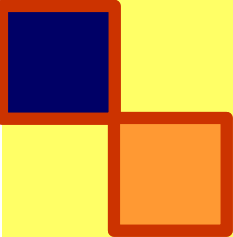
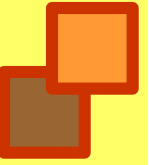
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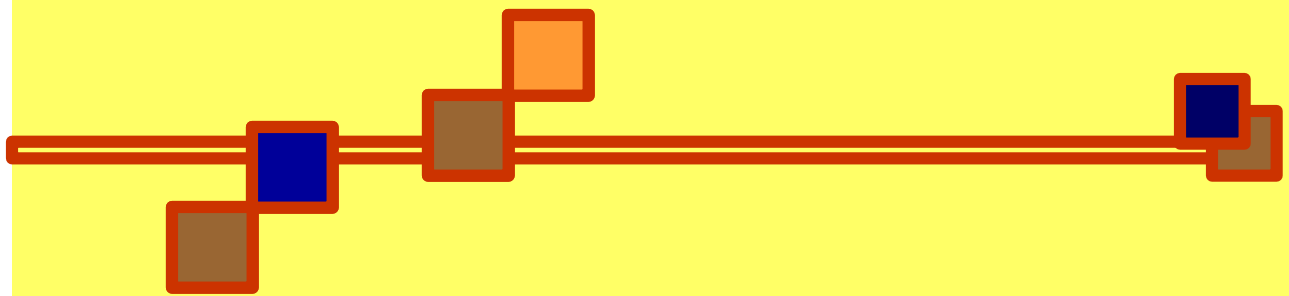
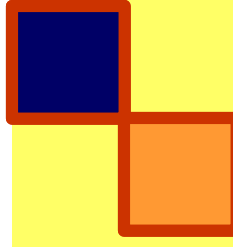



Business Plan



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



Cook Cumulative Tick

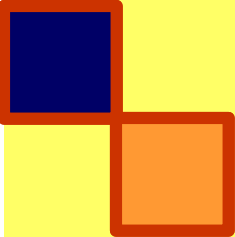
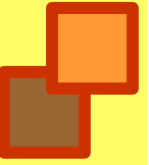


Components

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

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



n 200,000-300,000 Take Notice

n 300,000-400,000 Take ACTION !!

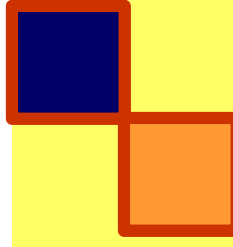



n EXTREMES 400,000-500,000

n -> Nerves



The Count

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