

WTT SwingTrader MTF R1.8 - Trading Plan

WaveRider Trading Technologies

Multi-Timeframe Syzygy Trading Strategy

EXECUTIVE SUMMARY

Strategy Overview

The WTT SwingTrader MTF is a conservative, multi-timeframe swing trading system that requires alignment across Daily, 4-hour, 1-hour, and current timeframes for signal generation. The system focuses on high-probability setups with comprehensive risk management and performance tracking.

Core Philosophy

- **Quality Over Quantity:** Only trade when all timeframes align
 - **Conservative Risk Management:** 2% risk per trade maximum
 - **Multi-Confirmation:** Volume, trend, and momentum alignment required
 - **Performance Monitoring:** Continuous system evaluation and optimization
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TRADING OBJECTIVES

Primary Goals

1. **Capital Preservation:** Maintain account balance through strict risk management
2. **Consistent Profits:** Generate steady returns through high-probability setups
3. **Risk-Adjusted Returns:** Achieve positive risk/reward ratios consistently
4. **System Reliability:** Maintain system performance through market cycles

Performance Targets

- **Win Rate:** Target 60%+ success rate
 - **Risk/Reward:** Minimum 1:2 ratio per trade
 - **Monthly Returns:** 5-15% consistent monthly returns
 - **Maximum Drawdown:** Keep below 10% of account balance
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MARKET ANALYSIS FRAMEWORK

Multi-Timeframe Analysis

1. **Daily Timeframe (Primary Trend)**
 - Determines overall market direction
 - Must be bullish for long trades, bearish for short trades
 - EMA alignment: Fast > Slow > Trend (bullish) or Fast < Slow < Trend (bearish)

2. 4-Hour Timeframe (Intermediate Trend)

- Confirms daily trend direction
- Provides intermediate trend validation
- Must align with daily timeframe

3. 1-Hour Timeframe (Short-term Trend)

- Validates intermediate trend
- Provides short-term momentum confirmation
- Must align with higher timeframes

4. Current Timeframe (Entry Timing)

- Determines precise entry points
- Provides final confirmation signals
- Must align with all higher timeframes

Technical Indicators

- **EMA Alignment:** 12, 26, 50 period EMAs for trend confirmation
- **MACD:** Momentum confirmation and signal validation
- **RSI:** Overbought/oversold conditions and momentum
- **Volume:** Market participation and signal strength
- **ATR:** Volatility measurement for position sizing

ENTRY STRATEGY

Long Entry Conditions (ALL Required)

1. **Daily Trend:** Bullish (EMA alignment: $12 > 26 > 50$)
2. **4H Trend:** Bullish (EMA alignment confirmed)
3. **1H Trend:** Bullish (EMA alignment confirmed)
4. **Current TF Trend:** Bullish (EMA alignment confirmed)
5. **MACD:** Line $>$ Signal AND Histogram increasing
6. **RSI:** Between 40-80 (not overbought)
7. **Volume:** Above 1.5x average volume
8. **Price:** Above Fast EMA (12-period)

Short Entry Conditions (ALL Required)

1. **Daily Trend:** Bearish (EMA alignment: $12 < 26 < 50$)
2. **4H Trend:** Bearish (EMA alignment confirmed)
3. **1H Trend:** Bearish (EMA alignment confirmed)
4. **Current TF Trend:** Bearish (EMA alignment confirmed)
5. **MACD:** Line $<$ Signal AND Histogram decreasing
6. **RSI:** Between 20-60 (not oversold)
7. **Volume:** Above 1.5x average volume
8. **Price:** Below Fast EMA (12-period)

Entry Execution

- **Entry Price:** Market order at current price
 - **Entry Timing:** Wait for all conditions to align
 - **Confirmation:** Use boundary line levels for additional validation
 - **Patience:** Don't force trades - wait for perfect setups
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RISK MANAGEMENT

Position Sizing

- **Risk Per Trade:** Maximum 2% of account balance
- **Position Size Formula:** $(\text{Account Balance} \times 0.02) \div (\text{Entry Price} - \text{Stop Loss})$
- **Maximum Positions:** 3 concurrent positions maximum
- **Correlation Limit:** No more than 2 positions in correlated assets

Stop Loss Strategy

- **Stop Loss Type:** ATR-based dynamic stop loss
- **Stop Loss Distance:** 1.5x ATR from entry price
- **Stop Loss Placement:** Below support for longs, above resistance for shorts
- **Stop Loss Adjustment:** Only move in favorable direction (trailing)

Profit Targets

- **Primary Target:** 2.5x ATR from entry (1:1.67 risk/reward)
- **Secondary Target:** 3.5x ATR from entry (1:2.33 risk/reward)
- **Trailing Stop:** Activates at 50% of primary target
- **Partial Profits:** Consider taking 50% at primary target

Risk Controls

- **Daily Loss Limit:** Maximum 5% of account balance
 - **Weekly Loss Limit:** Maximum 10% of account balance
 - **Monthly Loss Limit:** Maximum 15% of account balance
 - **Drawdown Limit:** Stop trading if drawdown exceeds 10%
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EXIT STRATEGY

Profit Taking

1. **Primary Target:** Take 50% of position at 2.5x ATR
2. **Secondary Target:** Take remaining position at 3.5x ATR
3. **Trailing Stop:** Move stop to breakeven after 50% of primary target
4. **Trend Change:** Exit on opposite trend signals

Stop Loss Exits

- **Initial Stop:** Exit entire position if stop loss is hit
- **Trailing Stop:** Exit remaining position if trailing stop is hit
- **Time Stop:** Exit if position doesn't move in favorable direction within 48 hours

Emergency Exits

- **Gap Against:** Exit immediately on significant gap against position
 - **News Events:** Exit before major news events if uncertain
 - **System Failure:** Exit if indicator malfunctions or gives conflicting signals
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TRADE MANAGEMENT

Pre-Trade Checklist

- ☐ All timeframes aligned (Daily, 4H, 1H, Current)
- ☐ Volume above 1.5x average
- ☐ RSI in optimal range (40-80 for longs, 20-60 for shorts)
- ☐ MACD momentum confirmed
- ☐ Price relative to Fast EMA confirmed
- ☐ Risk calculation completed
- ☐ Stop loss and profit targets set
- ☐ Position size calculated

During Trade Management

- **Monitor:** Check position every 4 hours during market hours
- **Adjust:** Move stop loss only in favorable direction
- **Document:** Record all trade decisions and market conditions
- **Review:** Assess position against original thesis

Post-Trade Analysis

- **Performance:** Calculate actual vs. expected results
 - **Lessons:** Identify what worked and what didn't
 - **Journal:** Document trade in trading journal
 - **Optimize:** Adjust strategy based on results
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PERFORMANCE MONITORING

Key Metrics to Track

1. **Win Rate:** Percentage of profitable trades
2. **Average Win:** Average profit per winning trade
3. **Average Loss:** Average loss per losing trade
4. **Risk/Reward Ratio:** Average win ÷ Average loss
5. **Profit Factor:** Total profits ÷ Total losses
6. **Maximum Drawdown:** Largest peak-to-trough decline
7. **Sharpe Ratio:** Risk-adjusted return measure

Monthly Review Process

1. **Performance Analysis:** Review all monthly metrics
 2. **Trade Analysis:** Examine individual trade performance
 3. **Strategy Assessment:** Evaluate strategy effectiveness
 4. **Risk Management Review:** Assess risk controls
 5. **Optimization:** Identify areas for improvement
 6. **Goal Setting:** Set targets for next month
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IMPLEMENTATION GUIDELINES

Market Hours

- **Primary Trading:** Focus on major market sessions
- **Best Times:** London and New York session overlaps
- **Avoid:** Low liquidity periods and major holidays
- **Time Zones:** Use UTC for consistency

Instrument Selection

- **Preferred:** Major forex pairs, major indices, liquid commodities
- **Avoid:** Illiquid instruments, high-spread assets
- **Correlation:** Monitor correlation between positions
- **Volatility:** Prefer assets with consistent ATR levels

Technology Requirements

- **Platform:** TradingView with Pine Script indicator
 - **Charts:** Multi-timeframe setup (Daily, 4H, 1H, Current)
 - **Alerts:** Set up Syzygy entry and trend change alerts
 - **Journal:** Trading journal for performance tracking
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RISK WARNINGS

Market Risks

- **Gap Risk:** Overnight gaps can cause significant losses
- **Liquidity Risk:** Illiquid markets may cause slippage
- **Volatility Risk:** High volatility can trigger stops prematurely
- **Correlation Risk:** Multiple positions in correlated assets

System Risks

- **Technical Failures:** Platform or indicator malfunctions
- **Data Delays:** Delayed market data affecting decisions
- **Execution Risk:** Slippage and execution delays
- **Psychological Risk:** Emotional decision-making

Mitigation Strategies

- **Diversification:** Trade multiple uncorrelated instruments
- **Position Sizing:** Strict risk management per trade
- **Stop Losses:** Always use stop losses
- **Education:** Continuous learning and strategy refinement



TRADING JOURNAL TEMPLATE

Trade Entry Log

Date: _____
 Time: _____
 Instrument: _____
 Direction: Long/Short
 Entry Price: _____
 Stop Loss: _____
 Profit Target 1: _____
 Profit Target 2: _____
 Position Size: _____
 Risk Amount: _____
 Timeframe Alignment: Daily/4H/1H/Current
 Volume Status: Above/Below Average
 RSI Level: _____
 MACD Status: _____
 Market Conditions: _____
 Trade Thesis: _____

Trade Exit Log

Exit Date: _____
 Exit Time: _____
 Exit Price: _____
 Exit Reason: Target/Stop/Manual
 Profit/Loss: _____
 Trade Duration: _____
 Lessons Learned: _____
 Strategy Performance: _____



SUCCESS CRITERIA

Short-term Success (Monthly)

- Positive monthly returns
- Win rate above 50%
- Risk/reward ratio above 1:1.5

- Maximum drawdown below 5%

Medium-term Success (Quarterly)

- Consistent quarterly profits
- Win rate above 55%
- Risk/reward ratio above 1:2
- Maximum drawdown below 10%

Long-term Success (Annual)

- Annual returns above 20%
- Win rate above 60%
- Risk/reward ratio above 1:2.5
- Maximum drawdown below 15%

CONTINGENCY PLANS

System Failure

1. **Immediate Action:** Close all positions
2. **Assessment:** Identify cause of failure
3. **Backup:** Use alternative analysis methods
4. **Recovery:** Resume trading only when system is stable

Market Crisis

1. **Risk Reduction:** Reduce position sizes by 50%
2. **Stop Loss Tightening:** Use tighter stops
3. **Selective Trading:** Only trade highest probability setups
4. **Capital Preservation:** Focus on protecting capital

Personal Issues

1. **Trading Pause:** Stop trading if emotionally compromised
2. **Position Review:** Assess existing positions
3. **Risk Reduction:** Close or reduce risky positions
4. **Professional Help:** Seek assistance if needed

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Disclaimer: This trading plan is for educational purposes only. Past performance does not guarantee future results. Trading involves substantial risk of loss and is not suitable for all investors.