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

📊 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

🛡️ RISK MANAGEMENT

Position Sizing

- **Risk Per Trade**: Maximum 2% of account balance
- **Position Size Formula**: (Account Balance × 0.02) ÷ (Entry Price - 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%

📈 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

📊 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

🎯 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

🚨 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.