



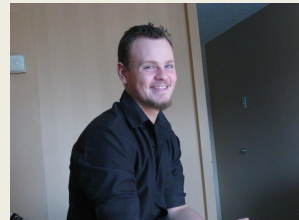
Business Plan

for David Hiebert

March 2014

Why I am Trading

I am trading to create a living for myself, and to support my family. I want to have a career where I “work to live”, as opposed to “live to work”. Freedom to choose my own hours and days off. If it is a long weekend, I no longer wish to be worried about having to work, while my family enjoys the holiday without me.



I see this career as a way that I can aspire to be able to achieve all of my hopes and dreams of this world. I want to be able to do the things I want to do, when and how I want to do them.



Aside from just “making a living”, I want to achieve more. I want the ability to pay off my debt, travel, and live life without worry.



Working better hours... Be able to help my family...
Give them funds to help with their debt and lives.
Help them cover their schooling and bills.

You only get one life to live... It doesn't make sense
to me that for my life, that I have to be cooped up at
an employer's place of business for most of my days,
vs in my home... with my wife and family.

Trading is freedom. Freedom from being stuck in a cubicle for 11 hours a day, five days a week. Freedom from having to deal with managers that lie, cheat, and steal in order to get a deal, potentially jeopardizing my own reputation. No longer having to deal with the potential of being thrown in on lawsuits, or going to jail for something I am not responsible for.



No longer being forced to make customers take products that they do not need.



For health reasons. The stress of having to deal with the management in the car business, combined with my blood pressure. I am sure it makes me a time bomb waiting to explode.

This is why I am Trading.

Objectives

Financial: \$300 per day, leading to \$1200/week, leading to a minimum of \$5,000 per month for the first 6 months. Increasing to \$400 per day after six months, and \$500 per day after one year. I currently have \$25,000. If goal has been exceeded, my plan is to build this to \$80,000, then take out \$30,000 leaving \$50,000 to trade with. Once a month, pull out all monies over and above the \$50,000 marked for paying for living expenses and paying down of personal debt.

Trading Skills: Mastering the following 3 setups within the first year:

- 1) **PR/Earnings Breakout;**
- 2) **Pull Back To Moving Averages;** and
- 3) **Rubber Band Move.**

In regards to short setups, I plan on mastering all three of these same setups to both the long AND the short side.

Trading Style

Day-Trading: The style of trading I choose to do is Day-Trading. I have tried all of the other styles, whether it be swing, longer term investing, or combinations of both. In my past experiences, Day-trading gives me what I'm looking for. I like to see the trades work in real time. Experience them as they happen. Holding positions overnight causes me to lose sleep.

I do, however, reserve doing some swing trading in the future. As my account grows, if I am in a good position during the day, and have made some profits, I may decide to hold a final small portion of my day trade over night for a possible "lotto". At this point, that would be left to a max of the final 1/3rd (or less) of the initial investment that I ran with during that day.

Setup #1

Press Release/Earnings Breakout:

The idea on this breakout is that you scan for stocks that are up huge (over 3%) pre-market.

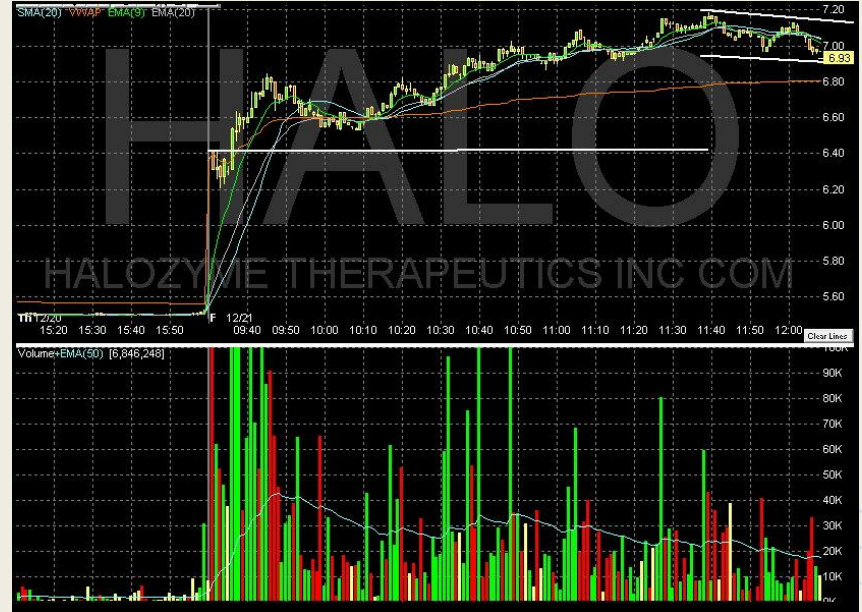
- 1) Something positive;
- 2) Good pre-market volume (>8000);
- 3) Check for high relative volume;
- 4) Float under 100 million and over 10 million.

This setup works regardless of what the market is doing.

There is so much excitement, that even if the market is having a down day, it may go up... or on an up day in the market, from the fear of sellers, that it may fall.

**** It goes by the news only ****

Press Release/Earnings Breakout, Daily & Intraday Timeframes



Setup #2

Pullbacks to Moving Averages:

The idea on this strategy, is to find strong trending stocks that have recently hit highs, but are pulling back. It is imperative that the stock went up to highs on higher than normal volume, and pulled back on low volume (an orderly pullback).

* Primarily, I am looking strong trending stocks, which have had a pullback, and reached the 20 SMA on the daily chart, however, the 50 and 200 SMA's also have potential.

* Secondly, I want another reason to trade it (more pieces of the puzzle).

This setup works as buyers come in at these levels. They are imaginary lines, but everyone looks at them, thus bounces occur.

Keep them in your watchlist for several days, as the bounce may continue or get it's largest candle within a few days of hitting a major moving average.

****Works best when the overall market is trending in the same direction of the bounce.****

Secondary Factors To Make the Trade:

- 1) Hitting price support through Pivots, Trendlines, or Gap Windows.
- 2) Oversold condition with Stochastics < 20 for trading to the long side, or > 80 for trading to the short side.
- 3) Fibonacci retracement of either .382 or .50 & .618 are the most important retracements. The market stalls at these levels.
- 4) An even dollar amount.
- 6) Narrow bodied candle that has a lot of volume.
- 7) Or combination of any one of the above factors (the more the better). It is important to follow the long term trend of the stock. If the trend is up, only trade long, and vice versa.

Pullback to Moving Average



Setup #3

Rubberband Snap Back:

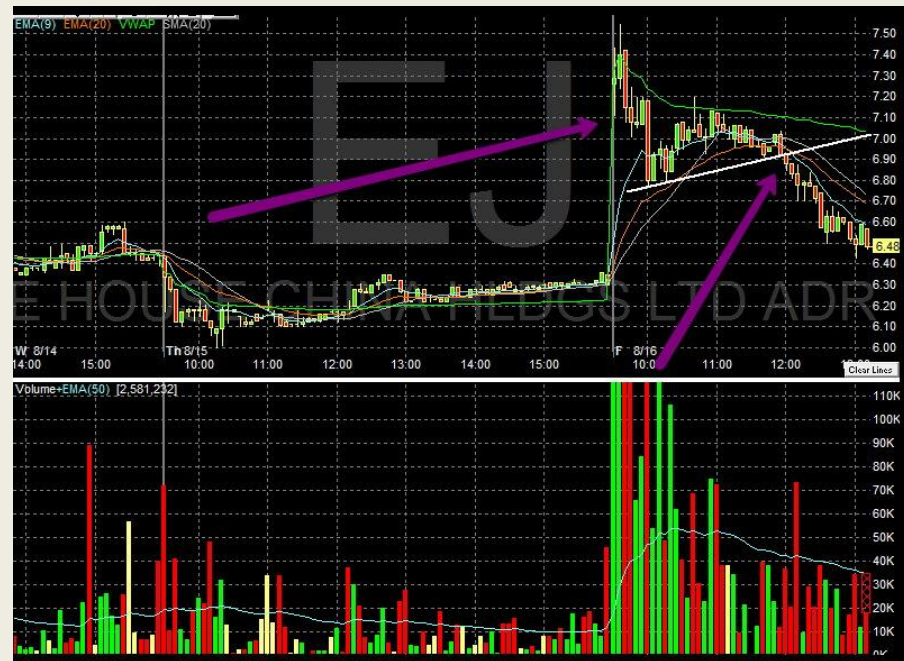
This trade takes advantage of stocks which are extremely overbought or oversold.

- 1) Stocks which have had a huge run up over several days;
- 2) Are now outside of their bollinger band (the further the better, often the second day outside of the band is the best setup, provided that it had a huge move).

This setup works due to the fact that all of the buyers are now gone, and existing traders want to lock in their profit before it falls. This leads to mass selling.

****Trade to the short side with a good intra-day set-up when stock is outside it's upper bollinger band on the daily, and to the longside when outside it's lower bollinger band****

Rubberband Snapback



IntraDay Setups

Setup Strategies: As noted in my objectives, I have three strategies that I will master in the beginning. I can not take a trade on any of the “end of day” setup, without a good “intraday setup”.

These include:

- 1) Flag Patterns;
- 2) ORB's (Open Range Breakouts or Breakdowns);
- 3) First Pull-back Buys;
- 4) Base Breakouts.

IntraDay Set-Up #1a

Flag with a Pullback to 20 ema:

On this chart, the price pattern has fallen below the lower support line of the flag. It never broke out of the top resistance line, so doesn't qualify as a flag break.

* Important to note: When price drops down to the 20 ema, there is still a huge portion of the flag "pole" still there. Price has NOT encompassed the pole. If the pole is ever taken out, the trade is invalid. I prefer 50% or less (More than this is quite bearish.)

* **Buy half a position.** Enter close to the end of the 5 min candle as it reaches the 20 ema, or on the very next candle as it goes back up (you have to be quick). Ensure the risk/reward ratio is at least 2:1

* **Have a tight stop** on the following candle (see next chart). Should price take out the low of the first candle hitting the 20 ema, $> .15$ (set at $.17$ allowing some wiggle room), stop out for a small loss.

* **Buy the remaining half** as soon as price has cleared the 9 ema. Get as close to the 9 ema as you possibly can, to ensure you do not chase. Place stop at low of the day

* **Sell 1/3rd on a spike up.** On this chart, it happens to be spiking to the VWAP. In case of a reversal at VWAP, sell $\frac{1}{3}$ of the position right here. Put a break even stop on the remaining $\frac{2}{3}$ of the position, selling another $\frac{1}{3}$ on the next spike. Raise the stop so that the remaining shares will still end in a profit should you get stopped out. On this chart, my stop would be raised to just below the VWAP. For the remaining $\frac{1}{3}$ **sell it by the end of the day** (I'm not holding over night).

Flag with a Pullback to 20 ema



Some Important Notes on this trade

* On this particular chart, the entry is at the 20 ema. It is important to note however, that not all stocks act the same. You have to watch the pattern each time. On this one, the price bounced on the 20 ema. It cut right through the 9 ema. There are going to be pullbacks to the 9 ema as well. I am prepared to buy a stock right on the 20 ema, or as it pierces or bounces from it. If it bounces on the 9 ema, I am ONLY prepared to watch the bounce, and prepare for a flag breakout, going in as close to the 9 ema as I can. You have to see how it reacts to both the 9 and the 20 ema. Prepare for a “First Pullback Buy”, as per pg 132 in the text-book, chapter 17.

Please note, there are multiple reasons to enter this trade. The more reasons, the stronger the case:

- | | |
|--|---------------------------------------|
| 1) Price got to a 50% retracement of the pole. | 2) Price got to an even number. |
| 3) Intra-day selling on low volume. | 4) High relative volume on the daily. |
| 5) PR News B/O | 6) Support at \$24 on the daily. |
| 7) Low float (19 million). | |

* Prior to entry, I would have figured out the retracement of the pole, as well, checked out the 30 min and daily time frame to determine resistance/support lines.

* No resistance on either the 30 min, or the daily. Multiple taps on the daily gave this a high probability, plus gapping over resistance.

IntraDay Set-Up #1b

Break of Flag:

On this chart, the price pattern has maintained above the 9 ema. I'm looking for a flag pattern to develop either even with the top of the pole, or descending downwards. Simply put a resistance line on the top of the candles, and a support line on the bottom to make my flag (alerts set on both lines). As both the 9 and 20 ema come up from under price, they push price through the top of the flag. Flag pole must not have more than 50% of it eclipsed.

My buy spot for a full position is just above the resistance line, on the following candle. You can see the entry spot on the next chart. I try to purchase as close to the VWAP as I can, before it moves too far away from it. I would have my stop just below the low of the day, under the most recent low. Ensure risk is at least 2:1.

Price moves slowly upwards, and then spikes. I must wait for that first spike, then sell 1/3rd of my position, and moving my stop up to just under the VWAP.

* Key next is to let the trade work. Four candles later, there is another spike! Sell another $\frac{1}{3}$ of the position, and again, move my stop up into the money, placing it right at where I sold the very first 1/3rd.

Keep the final third for the "lotto", selling either when it hits your stop, or by end of day. If position keeps moving up, then move the stop up to the next level. Similar to the other flag, do not hold it over night.

Break of Flag



Open Range Breakout (ORB)

Open Range Breakout (ORB)

- * This breakout is a highly effective day trading setup. The long setup is based on a break over the opening price or the early high of the first five minute candle stick (“Open” means a breakout very close to the “open” of the day)..

- * The short setup is based on a break below the opening price or early low of the first five minute candle stick.

- * ORB's work best with trending stocks that are high probability trades on the daily charts.

Entry of an “opening range”, means close to the open. This move is within the first 30 minutes of the trading day. Buy as close to the 9 ema as you can.

The ORB has a simple setup:

- * A momentum stock gaps up on the open.
- * It then forms a range, consolidating.
- * You buy on a break of the consolidation range.
- * The short setup is the same, just in reverse.

As with any day trade, it is important to line up all of the time frames. Set up the FIB retracements, look at the 30 and the daily to line up all of the support and resistance lines.

Opening Range Breakout



SELL 1/3 BREAKEVEN
STOP AT THIS LINE.

SCALE OUT A SECOND
1/3RD AS IT MOVES IN
YOUR FAVOUR, AND
MOVE THE STOP UP IN
THE MONEY AT THE
SAME TIME.

First Pullback Buy

First Pullback Buy:

Best candidates for this trade, are for stocks which are breaking out on the daily, or an earning/news gapper. It tends to work immediately, and is a low risk trade.

It is the first pullback where the momentum begins.

This trade really is the same as the trade for “how I trade flags”, but deals strictly with the “first pull back” of the day.

- * Must have a strong upward movement.
- * Low volume pullback.

* When it pulls back to the 20 EMA, buy a half a position, with a tight stop. But the second half as it confirms the 9 EMA, as close to the 9 ema as possible, moving your stop to the entry of the first position.

* If it bounces on the 9 EMA, buy on break of the flag that then develops. A tight range bar on high volume is a good key to enter half early before the break if you like.

* Scale out in 1/3rds on spikes.

* Initial stop was at the low of the day.

First Pullback Buy

pullback buy example 2



Base Breakouts

Base Breakouts:

Easy pattern to identify and occurs every day in trading. It is found near the high of the day, or the high of previous days charts on higher time frames (daily/30 min).

Pattern is narrow range horizontal bars that are consolidating at or near the current day's breakout price.

This is a high probability, reliable setup. It also has an easy to set stop, so calculating risk to reward is quick.

- * Consolidation on low volume, along with a narrow price range is key.
- * Rising intraday 9/20 EMA supporting the lowest range of the price, and “squeezing” up the price range.
- * Candles tend to be narrow and you start to see higher lows within the consolidation. You will see two or more of these candles close, close to the top of the range.
- * The breakout candle will be on heavy volume.
- * Scale out in 1/3rds on spikes.
- * Initial stop just below the top breakout resistance line, that should have now become a support line.

Intraday Base Breakout



End of Setups

Risk Management

#1 PRIORITY IN TRADING

IT'S NOT WHAT YOU EARN,
IT'S WHAT YOU DON'T LOSE.

1) Do not hold ANYTHING overnight when there are major announcements expected. This will include, but not be limited to:

- a) Earnings.
- b) Fed Announcements.
- c) ISM Report (PMI) (Monthly on the first).
- d) Non Farm Payroll (8:30 AM every first Friday of every month).
- e) CPI Index (Comes out mid-month before the open. (used to judge inflation).

2) How Much I am Willing to Lose on a Trade:

A) Half a point (.5%) on volatile days or:

- * On days that there are Fed announcements.
- * Every Monday and Friday.
- * The first trading day of the month (ISM Report Day).
- * The day that the CPI Index comes out (mid-month before the open).
- * When trading to the long side and the S&P 500 is below its 50 day moving average.
- * Every third Wednesday of every month, to line up with Options Expiration.
- * When price on the S&P 500 is below the 13 ema on the 30 min time frame (real time scan in TC2000 built for this) if trading long.

Risk Management

B) One full point (1.0%) when:

- * Shorting Stocks (Until I become completely proficient at it).
- * Every Tuesday, Wednesday, and Thursday if the S&P 500 is above it's 50 SMA, but below it's 20 SMA.
- * When the 20 SMA is flat, indicating a sideways moving market.
- * On any trade where the S&P 500 is below it's 20 ema on the 5 min chart when trading to the long side (Real time scan built for this in TC2000 on desktop in order to check it quickly.)

C) Two full points (2.0%) when:

- * All other Tuesdays, Wednesdays, and Thursdays, except for as noted in settings A & B above, when the market is in a clear up trend. This would be when the S&P 500 is above it's 20 day SMA; the moving averages are pointed up; and the market is not "chopping sideways".

3) Plan for Scaling Out:

Scale out of every position in 1/3rds
After entry, as soon as I get a spike up, my plan is to sell 1/3rd of my position. At that time, I will bring my stop up to a break-even position. This will always ensure that if I get at least one spike, I won't lose money.

Risk Management

- * On a second spike, I will always sell another 1/3rd of my position, and then bring my stop up to the sell spot of my first 1/3rd that I sold the first time on the trade.
- * My final 1/3rd position will always held until I have a reason to sell it, or by the end of the day.

4) Minimum Risk/Reward Ratio of 2:1, however 5:1 and higher preferred.

5) Maximum Daily Loss:

My account is at \$25,000. If I lose \$500 in any given trading day, I'm out for the rest of the day.

6) Reasons to Sell List:

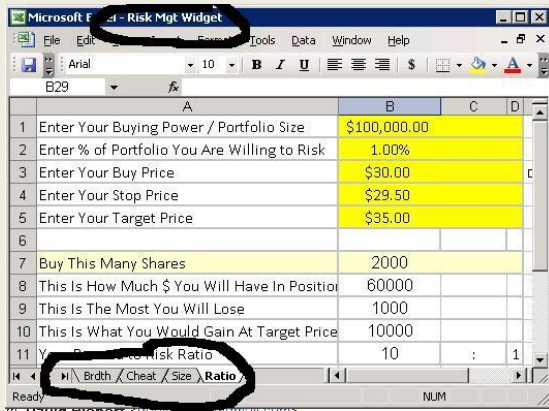
- * Profit Target met.
- * Max Stop Loss Met.
- * Stock is Extended.
- * Stock is reversing (2nd candle closes below the 20 ema).
- * Closed below support.
- * Market is choppy (cut winners quickly).

Risk Management

7) Ensure Proper Position Sizing.

Use my excel “Risk Mgt Widget”, as it has four tabs to ensure you have the right amount of shares being bought each and every time. You do not want to get wiped out by chasing. If your stop is a fair distance away from your entry, and the risk reward ratio is still OK, this widget will tell you the proper amount to buy. The tabs include:

* Tab 1: Size; * Tab 2: Ratio; *Tab 3: Cheat * Tab 4: Brdth



Tab 1 Size:

Four cells to enter data, which includes:

- * Portfolio Size
- * Risk %
- * Share Price
- * Stop Price

After entering the required info in all four cells, it tells you how many shares you can buy to your current risk tolerance.

B	C	D	E	F	G	H	I
Portf Size	Risk %	Total Risk	Stop Loss	Position Size	Share Price	# of Shares	Stop Price
25000	1.00%	\$250	2.14%	\$11,667	\$7.00	1667	\$6.85
25000	1.00%	\$250	2.14%	\$11,667	\$7.00	1667	\$6.85
25000	1.00%	\$250	2.14%	\$11,667	\$7.00	1667	\$6.85

Risk Management

Tab 2 Ratio:

Five cells to enter data, which includes:

- * Portfolio Size
- * Risk %
- * Share Price
- * Stop Price
- * Target Price

Like “Tab 1”, this also tells you how many shares to buy, but also shows you your risk to reward ratio.

Enter Your Buying Power / Portfolio Size	\$100,000.00			
Enter % of Portfolio You Are Willing to Risk	1.00%			
Enter Your Buy Price	\$30.00			
Enter Your Stop Price	\$29.50			
Enter Your Target Price	\$35.00			
Buy This Many Shares	2000			
This Is How Much \$ You Will Have In Position	60000			
This Is The Most You Will Lose	1000			
This Is What You Would Gain At Target Price	10000			
Your Reward to Risk Ratio	10	:		1

Tab 3 Cheat:

Two cells to enter data, which includes:

- * Dollar amount to risk
- * Distance in cents away your stop is.

Pitfall on this, is that it doesn't measure your risk reward, however, if you need to buy a stock in a hurry, it is really quick to tell you how much to buy.

\$200	<-----	(Enter the Amount to Risk Per Trade Here)
Stop is:	0.05	cents away, max # of shares to buy is 4000 shares.
Stop is:	0.10	cents away, max # of shares to buy is 2000 shares.
Stop is:	0.20	cents away, max # of shares to buy is 1000 shares.
Stop is:	0.40	cents away, max # of shares to buy is 500 shares.
Stop is:	0.80	cents away, max # of shares to buy is 250 shares.
Stop is:	1.00	cents away, max # of shares to buy is 200 shares.
Stop is:	1.25	cents away, max # of shares to buy is 160 shares.
Stop is:	1.50	cents away, max # of shares to buy is 133 shares.
Stop is:	2.00	cents away, max # of shares to buy is 100 shares.
Stop is:	2.50	cents away, max # of shares to buy is 80 shares.
Stop is:	3.00	cents away, max # of shares to buy is 67 shares.

Risk Management

Tab 4 Breadth:

Six cells to enter data, (found on finviz) which includes:

- * # of 4% Breakouts
- * # of 4% Breakdowns
- * # of Stocks Advancing
- * # of Stocks Declining
- * # of New Stocks Making New Highs
- * # of New Stocks Making New Lows

Market Breadth

- * Enter this information first thing every day, and Use to determine your daily bias. If you have more stocks advancing, along with more stocks hitting new highs, have a bias to the long side. If more stocks are declining, and hitting new lows, have a bias to the down side, and look for shorting set-ups.

# of 4% Breakouts:	230	1.6	230		0-300	normal	Buying Pressure
# of 4% Breakdowns:	147				300-500	increased	
					500-750	high	
					750+	extreme	
Stocks Advancing:	3906	1499.0	1.6	# of stocks higher than declining. Measures the strength of the move. Double is strong. 1/2 bearish (more going up than dn?)			
Stocks Declining:	2407						
New Highs	452	12.2		Many more making new highs vs new lows? Measures strength of the move even more.			
New Lows	37						

Risk Management

8) Things that can knock me off of my game:

- * Not getting enough sleep.
- * Having a bad run of trades.
- * Not getting enough exercise (affects blood pressure).
- * Not balancing my personal and work time properly.
- * Dealing with family issues/problems.
- * Driving daughter to school during prime trading time.
- * Worrying about day to day bills (ability to pay).
- * Myself (bad attitude/bad day) (I am my own worst enemy).

9) Things I must do to counteract items in #8:

- * Proper time management. Ensure I have a “routine” and plan my entire day. On top of planning work related items, also plan time to exercise and spend time with family. Include a proper bedtime, and ensure I spend enough time with my family.
- * When I have had a series of bad trades, and it is affecting me, to get away from the desk. Stop trading, or I risk revenge trades or trades which I may not be following my plan.
- * Help with gasoline for daughter, so that she can take herself to school (ends June 30).
- * Build up 3-6 months of \$ to cover bills. Then work on finding setups, & proper money mgt.

Risk Management

How I'm going to Get Myself Out of a slump.

- * Go for a walk.
- * Go for a swim.
- * Pump some iron.
- * Talk to my wife.
- * Talk to my best friend.
- * Talk to existing trading friends.
- * Make new connections in trading, and talk to them in regards to trading problems.

- * Read “why am I trading” (in my plan).
- * Stop trading for a day or two.
- * Practise on paper for a few days, and work on the setup.
- * Reduce my risk size to .5% or lower.
- * Review bootcamp material again.
- * Don't take it too seriously. Get out and have some fun.
- * Watch a funny movie.

Trading Rules

- 1) Only do trades that follow my plan. I am to concentrate on my 3 setups, and ONLY trade these ones specifically.
- 2) Keep a trading journal. Follow my journaling plan for every trade. Classify whether it is a type 1, 2, 3, or 4 trade. Ensure I am only doing type 1 and 2 type trades, and avoid type 3 and 4.
- 3) Always use my "Risk Widget", and follow my plan for % of risk.
- 4) Always obey my stop. Cut loss's fast. Small losses are ok. Money management is more important than entry strategies. 98% of large losses started as small losses.
- 5) Do not trade the first ten minutes of the trading day.
- 6) Have a tighter risk % on Mondays, Fridays, and the Wednesday of options expiration week.
- 7) Use a trading checklist on every trade.
- 8) Base my calculations on the expectations that luck will be against me. Remember that I may only be right in my trading decision 60% of the time.
- 9) Scale out in 1/3rds on every trade, move stop loss on remaining shares up on every scale out. (never lose money after initial scale out.)
- 10) Be patient, and let the trades work out, while at the same time, buy on strenght and sell on weakness.
- 11) Minimum risk reward ratio of 2:1 and 5:1 or greater preferred on every trade.
- 12) Never hold overnight through earnings or when you know of a major announcement (ie FDA dec). List all of these announcements on my monthly calendar, to ensure that they are not forgotten.
- 13) Never short strong stocks before the afternoon session (10:00 AM my time).

Trading Rules

- 14) Don't trade when I'm off my game.
- 15) Do not trade out of boredom. Only trade if there is a valid setup. If you do not know the setup, there isn't one. Do not do the trade!
- 16) Stop trading if I lose \$500 in one day. Further to this, If I make \$1,000 in one day, and then give back \$400, stop trading.
- 17) Start every day at zero. If I chose to hold a final 1/3rd of my position from the prior day, and it has been hit hard, sell it immediately. If it is down only a little bit, then wait 15 minutes to eliminate it (unless it is setting up in my favour again).
- 18) Watchlists: Scan and create a master watchlist every Sunday. After the market closes each and every day, hone my list, crossing off any, or adding any (follow my scanning plan).
- 19) Use limit orders to enter, and market orders to exit on the spikes.
- 20) Do not chase. Wait for another valid setup.
- 21) Do not overtrade.
- 22) Do not revenge trade. Stop for the day, and fight the battle another day.
- 23) Stocks must have a 50 day average volume of greater than 1,000,000 shares traded per day, unless there has been an earnings/PR release where there is unusually higher than normal volume bringing it somewhat close to 1,000,000 shares traded per day (nothing too thin).
- 24) Trade what you see, not what you feel.
- 25) Do not follow other traders.
- 26) Do not buy for the sake of buying.

Morning Routine

5:15 AM Hit snooze twice, in order to actually BE out of bed by 5:30 AM.

5:30 AM Wash up; Have a protein shake; COFFEE!

5:40 AM Get to computer and do my Lumosity Training (get my brain going).

5:45 AM

- * Update widget for the “Market Breadth” and get a bias for the market. Choose priority for going either long or short. Decide on risk tolerance for market conditions.
- * Do morning scan routine for PR/Earnings breakouts, and set up support/resistance lines, along with alerts. Look at existing stocks on watchlists for potential moves. Follow AM scanning routine plan.

6:00 AM

- * Update all watchlists, ensuring that I have the most important stocks to watch at the top, easily ready to access. Set alerts.

6:40AM-9:00AM Trading time Monday & Tuesday.

6:40AM-8:45AM Trading time on work days (Weds-Fri)

8:45 AM 30-45 Minutes to exercise. 20-30 mins on the elliptical, and 20-25 mins of lifting weights.

9:25 AM Shower, and get ready for work.
(Weds-Fri only) Otherwise start trading again after the lunch hours.

9:45 AM Drive to work, be there for 10:00 AM.

1:00PM-7:00PM ***Work at regular job Weds-Fri***

While at work, after the market closes, during down time, do my trade reviews, and prepare for the next day (scanning routine).

7:10 PM Dine with the fam. Remainder of evening for family time. Make COFFEE for am!! (timer).

Scanning Routine

Scans are from: **TC2000 & Finviz.**

Market Breadth. Update this first thing every morning from the home page at: <http://www.finviz.com/>. From here, update:

of stocks advancing vs declining
of stocks hitting new highs & lows.

Review Entire market in regards to trend:

Solid trend up?

2% Max Risk on any trade.

Below 20 SMA, sideways action, and highs not holding?

1% Max Risk on any trade.

From TC2000:

4% breakout

$(100 * (C - C1) / C1) \geq 4$ AND $V \geq 100000$ AND $V > V1$

4% breakdown

$(100 * (C - C1) / C1) \leq (-4)$ AND $V \geq 100000$ AND $V > V1$

Enter the above information into my “Risk Widget”, under the tab “Breadth”, and use it to determine my bias for the day, whether it is to the long side, or the short side.

I will create my own “Go To” list of around 200 stocks to review weekly. A list of my own favourite stocks that have a tendency to move.

Scanning to be completed every Sunday, in order to create a large list of stocks for analyzing. Review the charts for each stock in my “Go-To” list, as well as for the following scans:

- * 4% breakouts and 4% breakdowns from Friday.
- * Stocks with the most momentum in the last 90 days.
- * My scan I built in TC2000 which finds a certain parameter of current “trending” stocks with volume.

Cultivate this huge list of stocks down to a manageable level. Pick only the very best ones that will match the three setups that I am working on mastering. Build a master list of 25-30 stocks to watch for the entire week. Categorize the watchlist into the setup that it applies to (both long and short). Review the 30 min & daily charts, and Set alerts as per the trading plan.

Scanning Routine

Every evening, cultivate the list, and make additions/deletions. Go through your watchlist from the previous day to see if it is still valid or not.

Scans for Each Sunday:

Via TC2000

*** 90 Day Momo Stocks**

$100 * (C - C65) / C65$

*** 4% breakout (from the prior Friday)**

$(100 * (C - C1) / C1) \geq 4$ AND $V \geq 100000$ AND $V > V1$

*** 4% breakdown (from the prior Friday)**

$(100 * (C - C1) / C1) \leq (-4)$ AND $V \geq 100000$ AND $V > V1$

*** \$4.00 - \$100 with Average 50 Day Volume > 1,000,000 and ADX > 30. (Finds high trending Stocks).**

*** Pullback Scan (find PB's to Moving Averages)**

$C > AVGC50$ AND $C \geq AVGC20$ AND $AVGC20 > AVGC20.1$ AND $AVGC20.1 > AVGC20.2$ AND $C1 < C2$ AND $AVGC20.2 > AVGC20.3$ AND $C2 < C3$ AND $AVGV20 \geq 100$ AND $C \geq 1$ AND $C \leq 80$

Up 5 days in a row

$C > C1$ AND $C1 > C2$ AND $C2 > C3$ AND $C3 > C4$ AND $C4 > C5$

and Finviz

http://finviz.com/screener.ashx?v=351&f=sh_avgvol_o500.sh_revol_o2.ta_change_u&ft=3&o=-change

Scans for Each Morning:

Setup #1: Press Release/Earnings Breakout,
<http://thestockmarketwatch.com/markets/pre-market/today.aspx>

Scan for 4% breakouts & 4% breakdowns in the prior column. As well as:
“stocks in play” at <http://biz.yahoo.com/mu/inplay.html>

Each morning, add these stocks to the watchlists already being worked. again, review the 30 min & daily time frames, add support and resistance lines, do my fib retracements, then set alerts for intraday set-ups. Fib retracement tool to determine the 50% of upward move mark on the 5/30 min resolutions. (Mark the .382, .50 & .618 retracement marks on the chart)

Scanning Routine

The above scans are used specifically for each setup.

Listing of all of Kunal's scans below:

4% breakout

$(100 * (C - C1) / C1) \geq 4$ AND $V \geq 100000$ AND $V > V1$

4% breakdown

$(100 * (C - C1) / C1) \leq (-4)$ AND $V \geq 100000$ AND $V > V1$

Stocks above 50dma and 200dma with 50% volume expansion

$(C > C1)$ AND $(C > \text{AVGC50})$ AND $(\text{AVGC50} > \text{AVGC200})$ AND $(V > 1.5 * \text{AVGV50})$ AND $(\text{AVGV50} \geq 200)$ AND $(C > 4)$

Base breakout scan

$(\text{MINC25} \leq \text{MINC250})$ AND $C \geq \text{AVGC20}$ AND $C \leq \text{AVGC50}$

Pullback scan

$C > \text{AVGC50}$ AND $C \geq \text{AVGC20}$ AND $\text{AVGC20} > \text{AVGC20.1}$ AND $\text{AVGC20.1} > \text{AVGC20.2}$ AND $C1 < C2$ AND $\text{AVGC20.2} > \text{AVGC20.3}$ AND $C2 < C3$ AND $\text{AVGV20} \geq 100$ AND $C \geq 1$ AND $C \leq 80$

Up 5 days in a row

$C > C1$ AND $C1 > C2$ AND $C2 > C3$ AND $C3 > C4$ AND $C4 > C5$

BEAR FLAG SCAN

$C < \text{AVGC50}$ AND $C \leq \text{AVGC20}$ AND $\text{AVGC20} < \text{AVGC20.1}$ AND $\text{AVGC20.1} < \text{AVGC20.2}$ AND $C1 > C2$ AND $\text{AVGC20.2} < \text{AVGC20.3}$ AND $C2 > C3$ AND $\text{AVGV20} \geq 400$ AND $C \geq 1$ AND $C \leq 80$

Reviewing and Journaling

Journaling:

For each trade, prior to doing the trade, I will use the “Trade Checklist”. This will check the following:

- | | | | |
|---|------------------------------|---|--|
| * | What is the setup? | * | What do I expect to get out of the trade (scalp/daytrade/swing)? |
| * | Will I be holding overnight? | * | Is there time frame alignment? |
| * | Where do I set my stop? | * | What is my first price target? |
| * | What size do I buy? | * | What is the risk/reward? |

For reviewing each trade, I have started up my own personal blog. It is located at <http://zoxotrader.blogspot.ca> will write up more on the execution. Was it a type 1, 2, 3, or 4 trade in regards to psychology, as well as what I thought would happen, compared to exactly what DID happen.

Education

- * Become an expert with TC2000. Study their video's, and learn how their program works proficiently.

Further Books To Read:

- * Secrets for Profiting in Bull and Bear Markets, By Stan Weinstein
- * How I made \$2,000,000 in the Stock Market, by Nicolas Darvas
- * Trade your way to Financial Freedom, by Van K. Tharp
- * Hit and Run Trading, by Jeff Cooper
- * Hit and Run Trading II, by Jeff Cooper
- * Trading for a Living, by Alexander Elder

Further Information

Important links for future reference

<http://www.marketwatch.com/tools/stockresearch/screener>
<http://www.bullsector.com/> (great for finding sympathy plays)
<http://finance.yahoo.com/marketupdate/inplay>
<http://finviz.com/>
<http://earningswhispers.com/stocks.asp?symbol=kutv>
<http://biz.yahoo.com/cc/>
<https://www.google.com/finance>
<http://insidercow.com/>
http://seekingalpha.com/dashboard/investing_ideas
<http://biz.yahoo.com/r/>
<http://www.nasdaq.com/article/premarket-earnings-report-for-march-3-2014-mga-ssys-roc-nus-pgh-akrx-cldx-rba-evep-mgln-swc-ssw-cm331228>
<http://chartmill.com/findscreens.php>
<http://www.stockfetcher.com/>
<https://www.tradingview.com/>
<http://stocktiger.net/etf/etf.php>
<http://shortvolume.com/>
<https://www.tickerspy.com/>
<http://www.bullsector.com/>

Check with Kunal RE 123 reversals in my intraday setups, as well as the tool he is creating for journaling.

<http://stocktwits.com/>
<http://www.yourdailywatchlist.com/>
<http://www.chartmill.com/>
MB's Intra Day Scan http://finviz.com/screener.ashx?v=351&f=sh_avgvol_o500,sh_relvol_o2,ta_change_u&ft=3&o=-change

Kunal's GoTo List <http://finviz.com/screener.ashx?v=211&t...>