

Trading Plan Template

Why am I trading?

This is to remind yourself why you have decided to trade in the first place. Is it because you want to quit your job and travel? Is it to supplement your income? Is it so you can retire early? When are exhausted and don't feel like scanning, have had a run of losses, etc. this will remind you why you need to persevere.

Objectives

These are your financial objectives (make X amount of money per week/month, and your trading skills objectives (master three long and two short setups over the next year). These should be specific and challenging, yet attainable.

Trading Style

Are you focused on swing trades, day trades, or a mix of both? If a mix, what is the balance and do you adjust the mix based on market conditions or any other factors?

Setups

This is an important and often overlooked key to success. As a new trader, if you try to use every setup you learned in Bootcamp every day you are going to have a very difficult time making money. Instead, pick two or three setups that you understand and like and focus on mastering those before adding more. List the setups you will trade, including how and why they work and how you will trade them (entries, exits, stops, etc).

Risk Management

How much are you willing to lose on any particular trade (as a percentage of account value). Many traders also adjust this figure based on market conditions. Will you scale out halves or thirds? This is where you define all your risk management rules.

Trading Rules

These are guidelines that don't necessarily fit into Risk Management or Setups, but are important nonetheless. Maribeth has put together a list of seven that she lives by: <http://bullsonwallstreet.com/7-rules-for-daytraders/>

Morning Routine

What will you do before the market opens each morning to prepare?

Scanning Routine

How will you find the stocks you are going to trade. What software will you use to do so. What blogs will you read to find additional plays you might have missed?

Reviewing and Journaling

It's important to track your trades. Not only will it help you spot areas for improvement later, but the act of journaling will help you think more clearly about each trade before you make them. If you force yourself to write down your stop, the type of setup, etc. it makes it much harder to take those account-killing, no-setup, gamble trades. You should also have a routine to review your trade journal

periodically and note any recurring issues or things that could be fixed, as well as setups/times of the day/trading styles that are working particularly well for you.

Education

Successful traders—even the best in the business—devote time to constantly improving and perfecting their craft. Improving what you are doing now and exploring new ideas and information is crucial to staying profitable longterm. You should have a plan for devoting time to ongoing education: re-attending Bootcamp, asking questions, sharing your trades with others, etc.