Evaluation trades
Juli 5th 2017 until August 3th 2017

Insight from posting my Journals on Future io:

- Posting my Big Pictures, trades, journal and debriefings helped me built a good daily routine that works
- It helped me with logging my thought, decisions and Aha-moment so I am able to get good insight from it
- It made me extra accountable
- I found it much easier to report good trading days, than bad trading days with my shortcomings. Feeling embarrassed is a sign of making myself wrong. The only thing that was going on is that I did do something that I need to learn to change and wanting to learn and improve myself is a strength.
- Despite of all the trade mistakes I made, I was profitable.
- I got a lot of support from trader s I knew and didn't new. I am feeling grateful for it
- I got in contact with traders I didn't new before

General Remarks

- ⬀ I need to learn to be more patient and know crystal clear what I am looking for

- ⬀ If I do what my trading plan tells me to do, it is unavoidable to become very successful ;)

- ⬀ I improved the quality of my Big Picture and I need to learn to benefit more of it

- ⬀ I mostly entered my trade with a clear target in mind of at least +2R or 3R

- ⬀ I am better aware of my trade state and I was more often to step away from my charts after acknowledge when I didn't had the right trade state

- ⬀ I traded more different setups than I had sad that I would do and I had added a setup which I haven't tested properly (Pietertje **ACTION: I will stop trading it until I have tested properly and I will only focus on OWL, Spike (3 variations) and the SQC; I will start testing the Pietertje setup before I am going to add it to my setups**)

- ⬀ Focusing on the tasks of Top Trading works for me

- ⬀ Discipline = doing what I say I am going to do

  Only commit to new actions if I know that I am committed do them

- ⬀ I need to simplify my rules and bring them more in sync with each other based on the RLCO template. I noticed that I had forgotten some valuable basics of the RLCO frame-work and mixed them with the template of Rob Hoffman **ACTION: I will skip different trend definitions in my rule sets and create congruence based on the RLCO**

Evaluation of Proces Targets every Day

↗ I have often used the same Process target/Intention for the day

↗ They were **too general** like:
- ↗ Trade what you see
- ↗ First location, then setup
- ↗ Be Patient
- ↗ Let the trade come to me
- ↗ Check regular my bias
- ↗ Discipline in executing my trading plan

Improvement point:

↗ **Make them smaller and more specific**

↗ **Relate them to traders mistakes that I made and for which I could do mental rehearsal for**

Identified Loss Trap behavior

- ↗ Not respecting my Bullet-system (f.e. because I want to win (close the trade session with a profit instead of a loss)

- ↗ Not respecting my abort rules. I start hoping the trade will work.

- ↗ Start trailering my SL very close on the bar and not according my trade management rules

- ↗ Putting my TP further away when I don't have +4R in a trade session yet (= trade optimization). In those cases I mostly wanted to compensate earlier losing trades. This is a sign that I didn't accepted my loss.

- ↗ Aiming (= hoping) for a long run and ignore my setup rules

- ↗ Trade another extra session when the morning session had a negative result.

- ↗ Justifying bad entries and hope it will work = not wait for a proper setup = gambling = not trade my plan. **ACTION: close the trade directly when a trade mistake has been made**

Big Pictures

↗ My Big Pictures worked most of the time. I need to be more patient and let the trade come to me!

   ACTION: print main sheets from presentation June 2017

↗ Keep-it-Simple

↗ I could have more benefit from working with what I learned about Pivot and Pivot zones when I combine them with trend channels **ACTION: add to my Big Picture and debriefing of my Big Picture**

Pivot Zones and directional bias
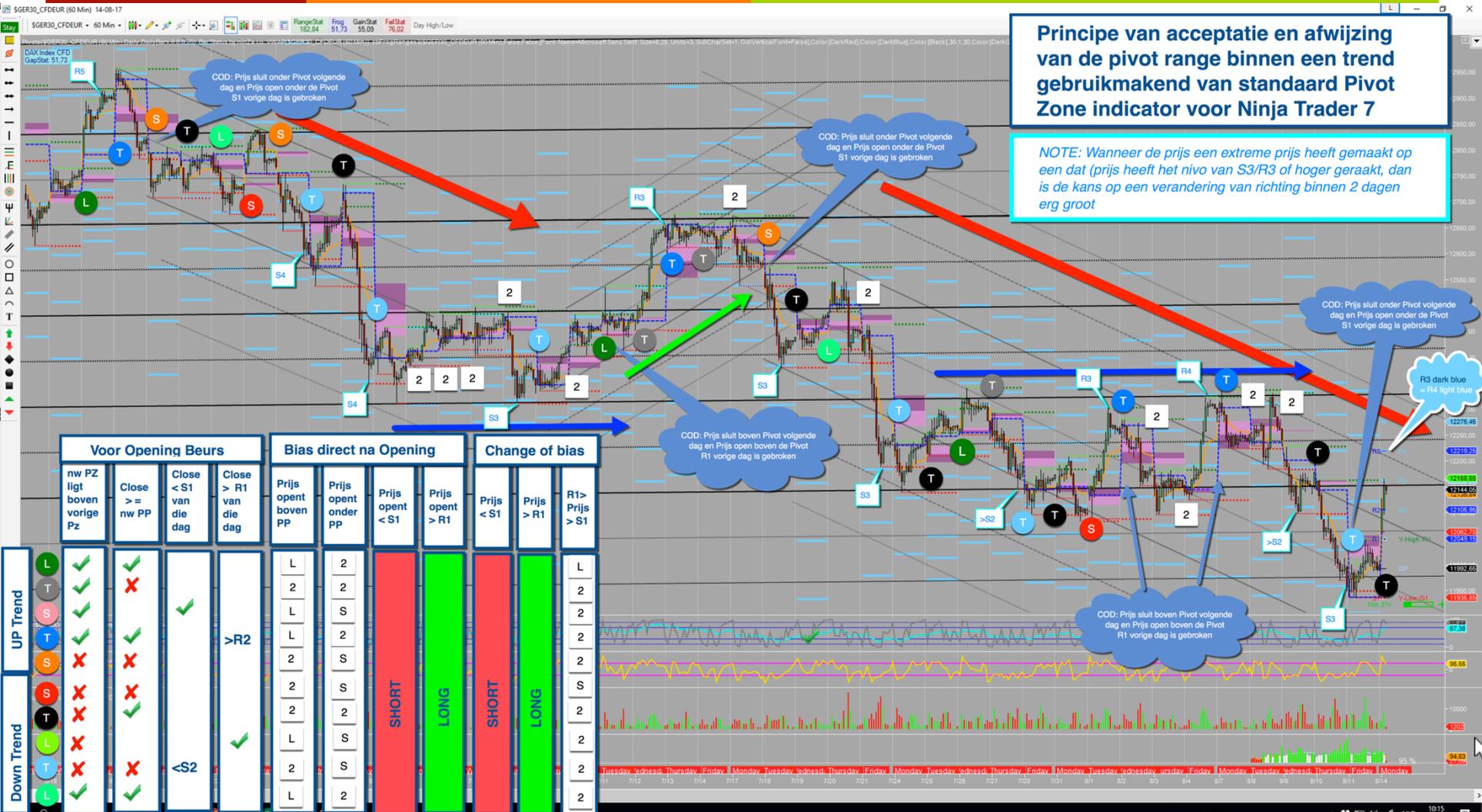
OWL-setup: General

↗ 31 out of 100 trades were OWL trades and were responsible for +10,29R (including my trading mistakes) = AvgR of 0,33R

↗ Trade mistakes that I made and which easily can be avoided:

  ↗ Not wait until the bar above the Dragon was almost closed

  ↗ Not respecting my abort exit rules regarding adjusting my SL. **ACTION: use rule for adjusting SL that can be automated by attaching them to an indicator so the system will decide for me**

  ↗ Trade in non-trading periods like around opening or news events

  ↗ Entering the OWL to late when the price crossed the EMA21

  ↗ Target < +2R

  ↗ Ignore Divergence Type 2 in a strong trending market

  ↗ Entering an OWL after a rail road without a OWL setup on a higher timeframe

  ↗ Entering an OWL at a VWAP or at a short distance from a pivot level

  ↗ Entering an OWL with a M-/W-pattern for trend continuation

  ↗ **ACTION: Add the above 4 point to my setup rules as disqualifiers for the OWL-setup**

OWL-setup: great locations/conditions

➤ Great OWL-locations/conditions:

➤ OWL-setup with the trend/@ trend line of a Trend channel

➤ After touch of parallel line Trend Channel with more confirmation

➤ After a new higher Swing-Low (Long)/lower Swing-High against the trend

➤ After a SQC on a lower timeframe

➤ After RSI 14 has crossed 30-level after being oversold or 70-level after overbought OR RSI 14 has support/resistance at these levels

➤ After fail of a Super Pinch breakout (RL270, RL90, RL30 and RL10 are very close together and BB3 is sideways)

➤ After re-test of a target location like pivot-levels, previous HOD or LOD, RL270

➚ 35 out of 100 trades were Spike trades and were responsible for +2,74R(including my trading mistakes) = AvgR of 0,08R

12 trades where Full-spikes (excl. Full-spikes hockey stick): +3,77R, AvgR of 0,31R

19 trades where Half-spikes: +2,81R, AvgR 0,15

➚ Trade mistakes that I made and which <u>easily can be avoided</u>:

- ➚ Trade Spike-setups without a clear tend at at leased 2 min chart. My trend definition was not crystal clear. **Only take these setups when RL30 crossed SMA30. ACTION: adjust my rule description**

- ➚ I noticed that I often entered late by using P-entry/123-entry: Sign of lack of confidence in the setup caused by price action bars **ACTION: Market Replay**

- ➚ Not respecting my iSL/eSL rules for this setup or abort exit rules regarding adjusting my SL. **ACTION: use rule for adjusting SL that can be automated by attaching them to an indicator so the system will decide for me**

- ➚ I took several Spike-setups at target locations like the pivot levels or VWAP. So too small or no Risk-Reward. Fail around these levels in the context of Big Picture works much better. **So: be more patient!**

- ➚ I was to optimistic in the reward distances when +2R was more realistic

- ➚ To strong bias which made me ignore signs of change of direction. **ACTION: re-write my trade management and exit rules**

Spike: Great locations and conditions

↗ When the price crossed the river, a more deeply pull-back can be expected: Wait until the price is close to the river or previous broken swing. This will mostly be an Full-spike or a M/W-spike.

↗ Strong trend: RL270, RL90, RL30 and RL10 are stacked and stabled. Idem for SMA30, EMA21 and EMA13

↗ After fail under median of Trend Channel/PF, direction is chosen, with enough R/R

↗ Kiss-good-by's at Pivot-levels or Fibo-levels (often M/W-spike)

↗ Watch the RSI14: When RSI14 crosses 30 or 60 level in a trend watch out for chance of direction! **ACTION: add to rules as a disqualification of the setup**

↗ 8 out of 100 trades were Spike trades and were responsible for -3,43R = AvgR of -0,43R

↗ Trade mistakes that I made and which <u>easily can be avoided</u>:

- ↗ I let myself being impressed with large bars and didn't respect one of the conditions that also the Volume must increase
- ↗ Entry to close before opening of the market or major news event
- ↗ Traded this setup after the European session was closed

SQC: Great locations and conditions

↗ When Regression Lines are <u>Super Pinched</u> *(watch YouTube Ken Long PS 01 until PS 04)*: RL270, RL90, RL30 and RL10 are close together and Bollinger Bands are horizontal.

When RL270 or RL90 is the highest: Break-out short is more probably. Idem visa versa. Watch-out for false break-outs! Be prepared to reverse the trade

↗ There is often an OWL-setup in the river.

New Trade Management and Exit rules

↗ <u>Total R for the day is < +4R</u>: Take Profit at +2R/+3R with at +2R SL automatically to +0,5R

1. *Abort exit*: SL 2 point from high/low of the 2nd bar when 2 bars goes against the trade at the beginning of the trade. This can be a combination of a Pin Bar and a bar with the opposite color OR 123-tje.

2. Attach SL to SWING (strength = 2) with 2 points distance. Use 'Modify towards last price only'

3. When price is near +3R target: SL below the body of the candle (zeno-en)

↗ <u>Total R for the day is > +4R</u>[*]: Take Profit at logical target based on Big Picture for possible longer runners.

Start with the trade management as described above

↗ <u>Pull-back max. EMA21 (= low bullish/bearish)</u>:

1. SL 2 points from the RL30 with a max point which is defined per instrument (for DAX this will be 10 points).

2. After RL30 has crossed the SMA30 trail SL 2 points from the Dragon[*]; and

3. When the EMA21 (on close of the bar) has crossed the Dragon start trailering 2 points away from the EMA21[*].

4. When closer to target, attach SL to a quicker indicator. Use 'Modify towards last price only'

Ad *) Attatch SL to indicator. Keep 'Modify towards last price only' blank.

↗ <u>Pull-back above EMA21</u>:

▪ Attach SL to SWING (strength = 2) with 2 points distance. Use 'Modify towards last price only'

↗ <u>Profit Exits</u>:

↗ Reversal exit at the next OWL or

↗ Near Pivot-levels or other target locations: zeno-stop and just blow/above the pivot-level when it is broken

↗ **Spike**, **RSI14** and **CCI 7** are all overbought/sold after a large bar and **VOLUME** spike. Price has often crossed BB3: SL below the low/high of the bar OR in case of a very large bar at 50% of that bar

↗ Price in an SQC-pattern on several timeframes: Close the trade. The trade is not a low-risk trade anymore