



Strategic Planning – Pulling it all Together Parts 1 & 2

From the Active Trend Trader

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Developing a Strategic Plan—Putting it all Together

- Remember that trading is an activity that requires constant learning
- There is no “Holy Grail”
- There is only what you learn and apply
- Which is Rules & Tools! Mechanical Rules Based System

- Teach yourself how to Win
 - Following your rules is winning
 - Take Partial Profits

- Build Wealth by focusing on the System/Process

Price Is King! Time and Symmetry Define Tradability

Often Price Action will show both Price and Time Symmetry

- In other words, price will move approximately an equal distance in approximately an equal time
- Becoming aware of these traits can help a trader establish expectation for a move
- This phenomenon happens due to the composite of all who are trading the stock/ETF
- These provide us an estimate of what may happen & when
- Can work on all timeframes

The Challenge:

- Knowing when to Act
- Knowing when to sidestep and wait – Confluence of Clues
- Often the more things on our charts the more contradictions
- We must learn how to look for opportunities & plan based on what we see on the charts
- The problem: When the chart looks the safest is when it typically is not—It's most dangerous
- We want to buy when it is early & scary then sell when others think its safe!

Price & Time Symmetry – Learn to Identify Value Zones



A-B = 42.67 177% in 11 weeks

C-D = 37.34 138% 13 weeks

E-F = 61.30 484% 19 weeks

G-H = 89.13 222% 17 weeks

B-C = -39.45 -59% 27 weeks

D-E = -51.71 -80% 13 weeks

F-G = -33.79 -45% 7 weeks

There's an old adage in Real Estate: "You make your money on the buy!"

- This applies equally to stocks/ETFs/Options
- Start developing your process to ***act at your trigger*** where the risk is low and definable
- When you buy a house, you define a price you are willing to pay and stick with it within limits
- Learn to Buy at Wholesale & Sell at Retail!

Developing a Strategic Plan—Putting it all Together

Now what?

- Pull together what we've learned into a Strategic Plan

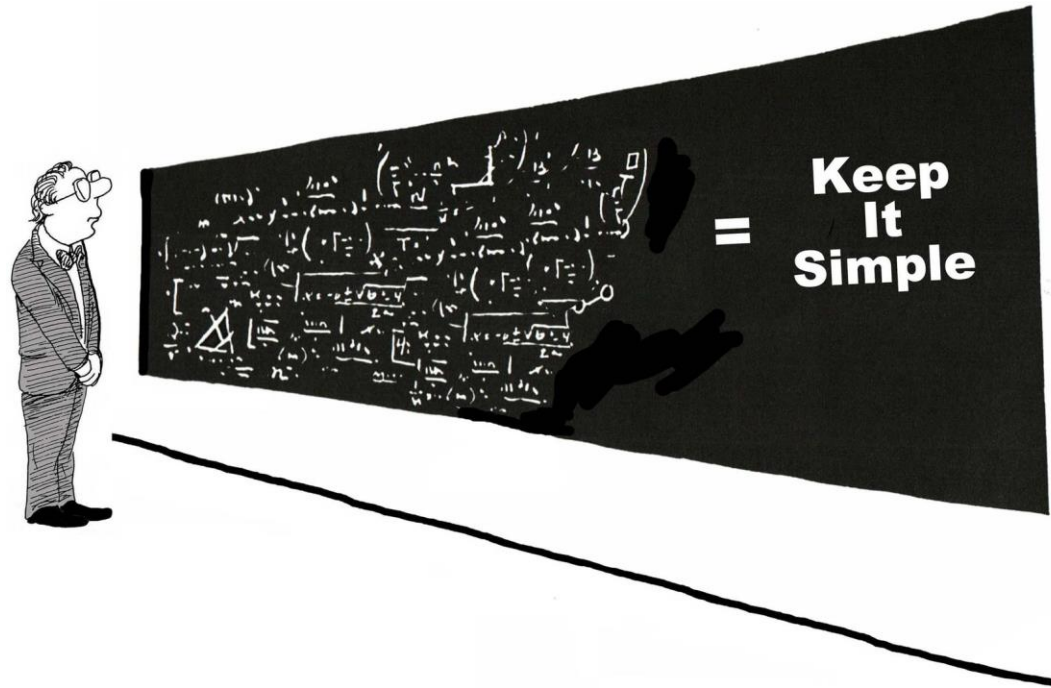
What should this include?

- 6 Pillars
- Specific Characteristics: Support & Resistance Bounces; Moving Average Breaks; Fibonacci Retracements and Extension; etc.

Only choose a couple and build from that. By selecting only a couple triggers it improves both time ***efficiency*** & ***focus***

- How many stocks do I really need to focus on—much fewer than you think
- It's a matter of Discipline, Patience and Persistence

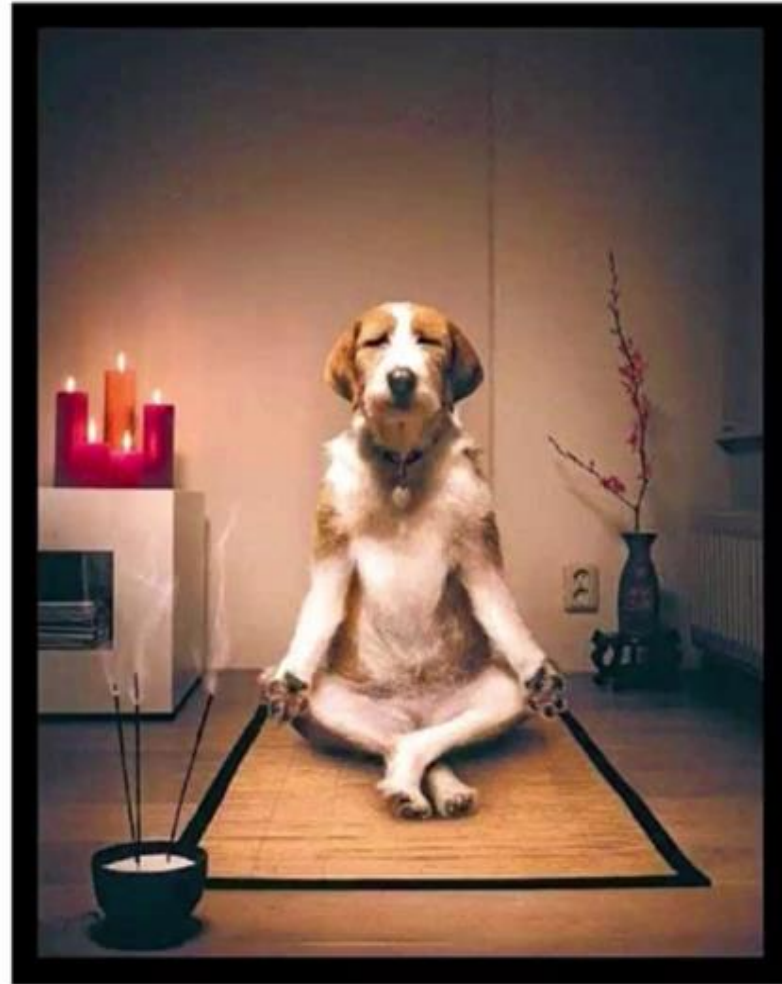
Developing a Strategic Plan—Putting it all Together



GET IN EARLY, GET OUT EARLY

The secret is to be able to **anticipate the move**, not to react to it.

And it is also important to **control the emotions** of fear and greed – which always causes people to do the wrong thing at the wrong time.



Example

Trade Support Bounces Strategy

1. Trade the Stocks/ETFs or options?
 2. How many will I track on my watch list?
 3. How will I identify Support?
 4. What will I do at defined levels of support?
 - A. What are my rules
 - B. What is my primary trigger
 - C. What are my confirming indicators or price action
 - D. Do I have the Skill to place conditional orders?
- Will my system & strategy get me in and out of a trade for both profit and capital protection?

Example

Trade Support Bounces—Answers for a busy person

1. **Trade the Stock/ETF or options?** Yes, IBD Stocks/Special Stocks with good patterns/options/Index ETFs/Seasonal ETFs and their leveraged counter parts
 2. **How many will I track on my watch list?** 3-10
 3. **How will I identify Support?** Past Price Action, Fibs and Moving Averages
 4. **What will I do at defined levels of support?** Place conditional orders when price action bounces off support
 - A. **What are my rules – ATTS Rules**
 - B. **What is my primary trigger – Price action approaching support and bouncing**
 - C. **What are my confirming indicators or price action – Oversold TSI & Momentum on at least the 30- or 60-minute charts**
 - D. **Do I have the Skill to place conditional orders?** Paper trade to develop skill or take smaller positions
- **Will my system & strategy get me in and out of a trade for both profit and capital protection?**
Yes—If I will use it!



Strategic Planning – Pulling it all Together Part 2

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Building the Trade

1. Daily, Nightly, Weekly, Monthly search for candidates – What's the source?
2. From the Big List of candidates pick the ones that have the potential to move 5-10% per week or \$2 or more per week if trading Index ETFs
3. Does the Stock/ETF display patterns? If horizontal range, how big is the range?
4. Pare down the list to a number that is manageable for you! For some this may be a single entity *(if a trader only has time to review a single entity consider doing an Index ETF either non-leveraged or leveraged)*
5. Trade price action and with oscillators for confirmation
6. Learn to use next lower timeframe charts to time entries
7. Learn how to use conditional orders and then let them work

Building the Trade—Conditional Orders

1. Conditional orders allow the trader to specify the exact conditions they are willing to risk placing a trade
2. Conditional orders allow the trader to place orders and then go to work, or take care of other parts of life
3. Conditional orders allows the trader to hide orders from Market Makers! *(Some trading platforms are limited in the ability to do conditional orders—if possible find a platform that is not.)*
4. Do all conditional order to open fill? No—and this is a good thing!

Building the Trade—Design the Trade

QQQ or TQQQ or SQQQ

1. Establish Trend & Levels
2. Define what must happen to trigger a trade—These become conditions
3. Go to shorter time frame chart for hidden levels
4. Define loss parameters
5. Define Profit Targets
6. Build the Order—Paper Trade the process
7. Place the order and wait (day or GTC)

One of the major objectives is to master the process and leave the results to the market or stock

Go to the Trading Platform

Summary - Questions

6 Pillars

- What to Trade
- Where to Enter
- Where to Exit
- What Strategy to Use
- What to Expect
- A Mentor

Trading Rules – One Page

- Include the 6 Pillars
- 1-4 Entry Triggers
- 4-6 Exit Triggers

Journal...



Clarify, Simplify & Multiply

This has been the Motto of Active Trend Trading from the beginning!

We continuously work to Clarify & Simplify through refinements to the system to make it objective and easy to both learn and use.

The purpose of all presentations is to provide our fellow Active Trend Trader Members a jump start to accelerate progress up the Learning Curve.

We welcome suggestions on how to improve the learning process!

Trade Wisely & Profitably,
Dennis W. Wilborn
Founder & Lead Technical Analyst