

STUDENTS TRADING PLAN & CHECKLIST



Students Trading Plan

And Trade Checklist



HOW IT WORKS: QUICK OUTLINE ...

Here for your quick reference when creating your own plan and rule sets are the steps and order the plan is created in.

#1: What trades / trigger entries will be used to enter the market and the rules used to find these triggers.

#2: Rules on entering the market.

#3: Rules for different stop loss.

#4: Rules for different trade management - **REMEMBER:** Each market needs to be managed according to it's market type.

#5: Money Management rules.

#6: CHECKLIST: Trade checklist / rule set for every trade to make sure you keep following your plan.

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NOTES BEFORE STARTING

#1: This is a plan and rule outline and example. You need to take it and create your own. Don't copy, otherwise it will not fit your style and personality.

#2: Trade checklists for individual trades are important and we will go through them at the end once we have been through creating rules for the whole plan.

#3: We never change our plan either when the market is closed, straight after a loss or without first consulting our journal.

#4: We manage trades and markets differently depending on the market type. If unsure on this please refer back to course #1 and then jump back when ready.

#5: Make sure to give your plan and any changes you make enough time, and enough trades to do what it is you want.

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PRICE ACTION TRIGGERS USED FOR ENTRY

The #2 x price action triggers used for entry are:

- **PIN BAR**
- **ENGULFING BAR**

These are the two trades I will be trading, discussing and managing in this plan, but this plan example and methodology can be used to create your own plan rule set for breakouts, touch trades, inside bars and any other setup.

And Trade Checklist

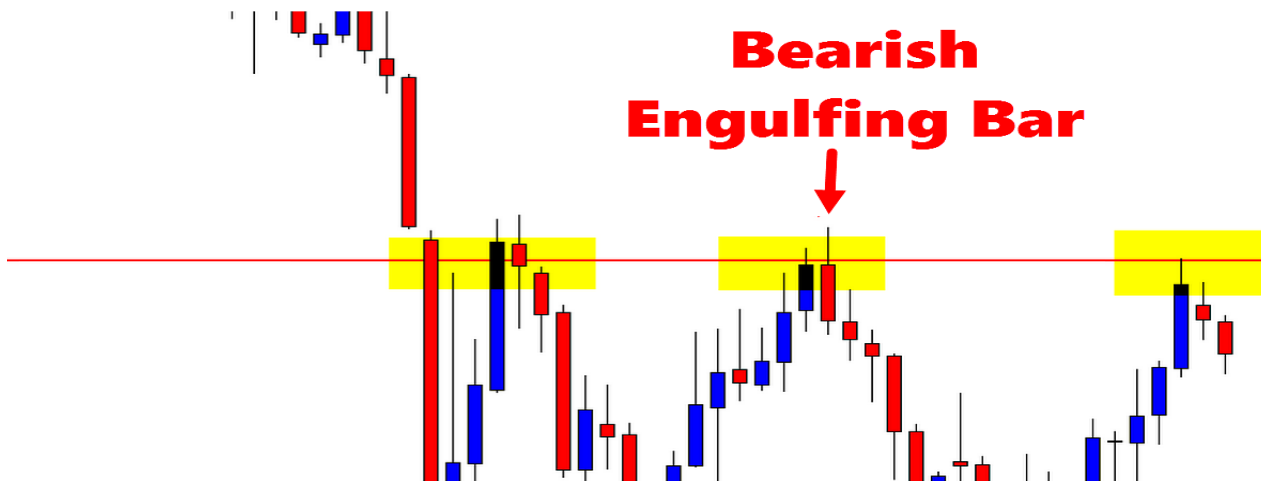


Example rules;

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ENGULFING BAR = "EB"

Example rules;

- I will only make trades with the trend or range. I will not make engulfing bars against the trend.
- Engulfing bar **MUST fully engulf as a minimum the previous candle**. The more candles it is engulfing, the better.
- The engulfing bar must form at a logical pull-back / retrace point and correct swing high/low.
- The engulfing Bar **MUST** form at a daily key support / resistance area.
- Price must close within the last 1/3rd of the candle in the direction I am wanting to enter the trade.
- I will not trade engulfing bars from 'no mans' land when hunting trades in ranging / consolidating or sideways markets.

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ENTRY RULES

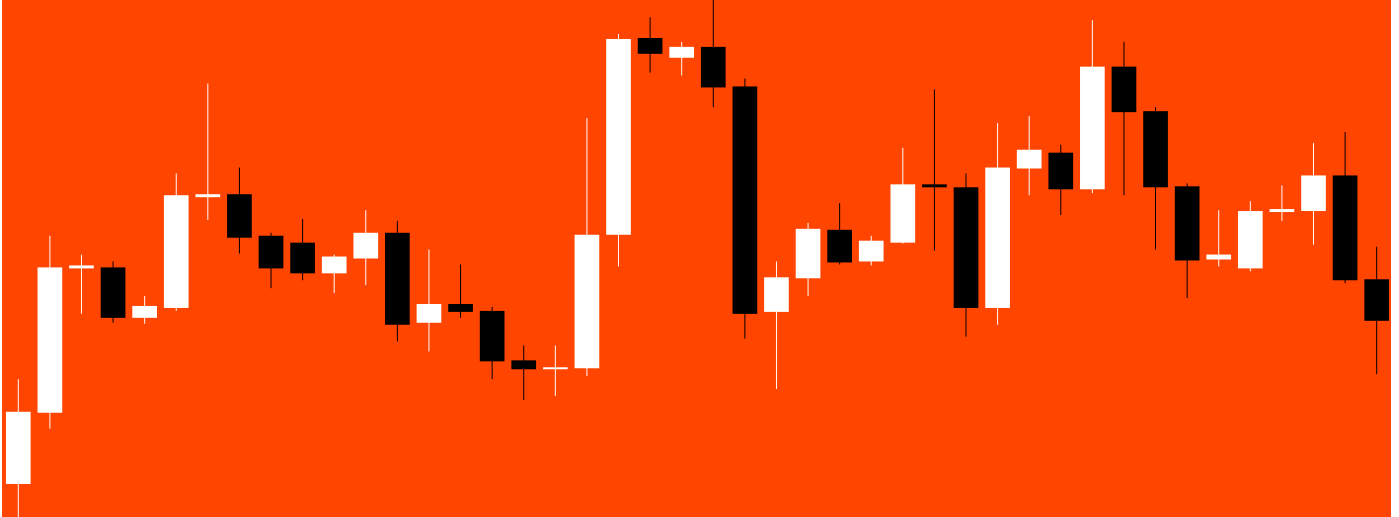
NOTE: It is crucial you move through your time frames with a clear stepped and methodical approach, like everything we do. First becoming proven profitable and then progressing to smaller charts as you see fit. See; students minimum requirements lesson in resources for more information.

PIN BAR

- **Time Frames Trading Rules:** I will enter ALL triggers on the daily and 4 hour charts and only on my demo account until I have proven myself consistently profitable, and then will start moving through other time frames.
- Pin bar entries will only ever be taken at the break of the high or low.
- I will make sure to enter during the correct session, including the pairs that do permit during Asia.
- I will never enter a pin bar during the first session of Monday open or last 4 hour session of the market before close.
- When entering the pin bar I will use the correct spreads and buffers for the applicable time frames.

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ENGULFING BAR

- I will enter the engulfing bar on the daily and 4 hour charts.
 - I will enter the engulfing bar at the break of the high or low **ONLY** at this stage. **However**; when profitable I will look at revising this rule if my journal stats support it.
 - I will not enter the engulfing bar if I am changing my whole trade management position strategy to enter the trade. If I find myself bending the market or cutting the stop without reason to try and make better risk reward to get into the trade, I will not enter.
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RULES FOR STOP LOSS

PIN BAR REVERSAL

- Stops will be placed above the high or low in 90% of trades.
- Other stop strategy used with the pin bar will be placing the stop above the 61% Fibbo level at the 70% level.
- I will take into account all Very Big Round Numbers with my stop placements and be smart placing my stop. Not just randomly place them.
- I will take into account the correct buffers and spreads for buy/sell orders so I am not either faked out or taken out of the market too soon before I should be and price does not 'tip' me out of my trade.

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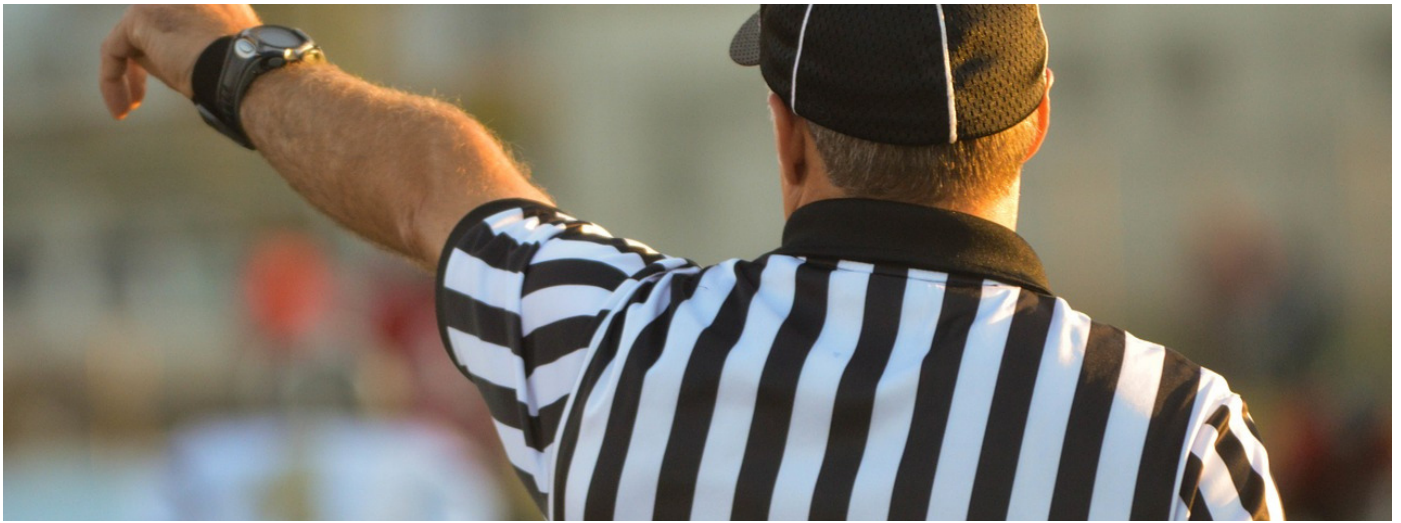


ENGULFING BAR

- Engulfing bar stops will be placed above the high or low in 9 out of 10 trades.
- I must make sure when choosing engulfing bars to trade and the stops to use that I am never bending trades to fit the market. If a stop and risk reward does not work, then I will not force it by cutting it up some other way. I will skip the trade and move to the next one.
- The other stop placement method used (1 out of 10) is using surrounding key support and resistance levels and price action story.
- I will NOT use the 70% stop placement method level on the engulfing bar.

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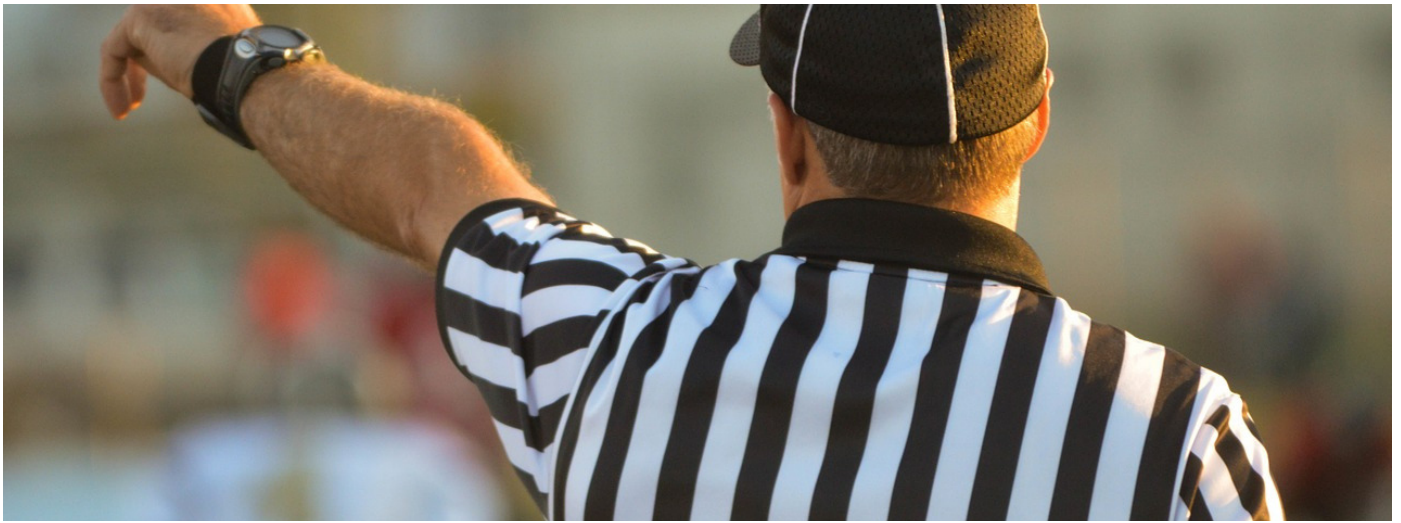
TRADE MANAGEMENT RULES

QUICK NOTES AND MAIN RULES:

- All trades will be managed according to this plan and the rules set out below.
- A **pre-trade plan** will be made before every single trade without fail and if there is not enough time to make a pre-trade plan, then there is not enough time to make the trade.
- All pre-trade plans are to be detailed and include exactly how I will manage the trade - where I will move to breakeven, take profit and if I will trail the stop or look for bigger profits.
- No counter-trend trading.

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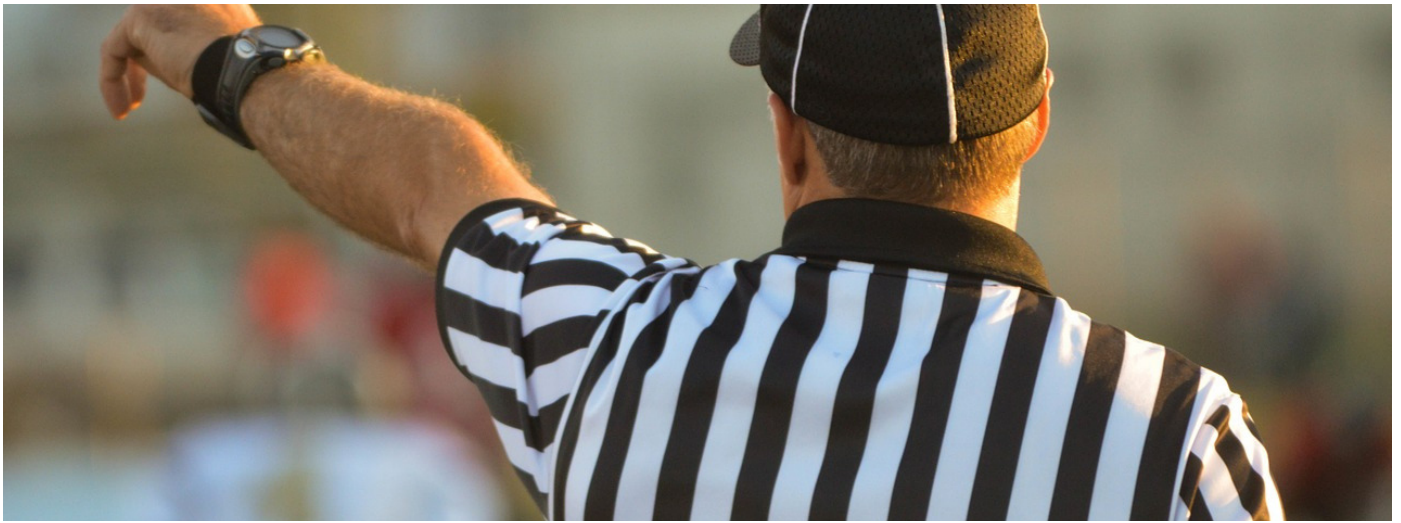


RULES FOR MANAGING TRADES WITH A RANGE

- I will open #2 x positions when making trades within a ranging or consolidating sideways market.
- I will manage trades in a range a lot more tightly, than if managing trades in a strong trend or if I have the momentum in my favor.
- I will not look for big runners, or look to trail my stops, or look to use other advanced techniques such as shorten stops, and will manage my trades a lot more wisely when in this sort of market realising that because price is a lot more choppy it is far more likely to chop and whipsaw back against me at any moment.
- I will move to breakeven at take profit #1 at the FSA/FRA.
- Profit #2 will be taken at the high or low of the range.

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RULES FOR MANAGING TRADES WITH A TREND

- I will open #3 x positions when making high probability trades with a strong trend.
- I will identify the FSA/FRA and watch for it closely. If the FSA/FRA is a really obvious and major level or a clear level price has respected time and again I will move to break even. Otherwise the plan will be to trade with the trend and look for price to move into the logical first target. This will often involve price breaking a FSA/FRA with a strong trend.
- All #3 x profit targets are to be clearly identified into pre-trade plan before entry to capitalize and look for potential bigger rewards with trend and momentum on my side.
- When looking for big winning reward trades with the trend, the method used will be on the last 1/3 portion of the trade. The rest of the trade, must have been taken profit and/or be protected by breakeven trail stop.

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MONEY MANAGEMENT RULES

NOTES:

The following money management rules will be the same for all time frames and trade triggers.

- Before all trades I will use the trade size calculator to work out the correct position size for entry.
- I am using the fixed money method and risking \$10 per trade - (You may be using the percentage method or you may be using fixed dollar. If using fixed dollar; pick a comfortable amount to risk each trade and then work to your next goal amount you want to start risking).
- ALL profit/loss (and everything else) will be accounted for in real money terms - not pips.
- If I lose 15% of my account in real money, I will move back to demo for a period of time.

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CHECKLIST - YOUR A+ TRADE

EXAMPLE A+ TRADE RULES

- **WHAT MARKET TYPES WILL YOU HUNT THE TRIGGER SIGNAL?**
- I will only make trades with the trend or range. I will not make pin bars against the trend.
- **WHAT TIME FRAMES WILL YOU TRADE THIS TRIGGER ON?**
- The Daily and 4 hour charts.
- **WHAT KEY CHARACTERISTICS MUST THE TRIGGER SIGNAL HAVE?**
- Pin bars **MUST** meet the basic #3 criteria - NO exceptions to the rule.
- **WHAT TYPE OF LEVEL MUST THE TRIGGER FORM WITH OR WHAT TYPE OF PRICE ACTION STORY (for example; swing high or low)?**
- Pin Bars **MUST** form at daily key support / resistance area and must form at a value pull-back with correct swing point so I have room to make profit.

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CHECKLIST - YOUR A+ TRADE

EXAMPLE A+ TRADE RULES

- **ARE THERE ANY KEY CRITERIA OR FEATURES FOR THIS TRIGGER THAT YOU NEED TO SEE?**
- Pin bars must be out and away from all other price and really obvious like a sore thumb.
- **WHAT 'NEXT LEVEL' MUST THE TRIGGER HAVE IN REGARDS TO PROFIT AND TRADE MANAGEMENT?**
- I will only make a pin bar trade if the setup has a clear path into the FSA/FRA and before entry will write out my pre-trade plan according to the rules in my plan.
- **ANY EXTRA RULES WHEN HUNTING THESE A+ TRADE TRIGGERS?**
- Pin bars formed within a range / sideways market always entered from major highs and lows and never from the 'no mans' land.