



EminiJunkie.com

Your ES Day Trading Mentor

Day Trading Plan Introduction

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DISCLAIMER: Futures and options trading involves substantial risk of loss and is not suitable for every investor. The valuation of futures and options may fluctuate, and, as a result, clients may lose more than their original investment. The impact of seasonal and geopolitical events is already factored into market prices. The highly leveraged nature of futures trading means that small market movements will have a great impact on your trading account and this can work against you, leading to large losses or can work for you, leading to large gains. If the market moves against you, you may sustain a total loss greater than the amount you deposited into your account.

You are responsible for all the risks and financial resources you use and for the chosen trading system. You should not engage in trading unless you fully understand the nature of the transactions you are entering into and the extent of your exposure to loss. If you do not fully understand these risks you must seek independent advice from your financial adviser. All trading strategies are used at your own risk. This software should not be relied upon as advice or construed as providing recommendations of any kind. It is your responsibility to confirm and decide which trades to make. Trade only with risk capital; that is, trade with money that, if lost, will not adversely impact your lifestyle and your ability to meet your financial obligations.

*This E-book is dedicated to my beautiful wife and
three lovely children who have loved and
supported me throughout this journey...*

and to all you Junkies!

MY MISSION WITH WRITING THIS COURSE

My mission is to empower both new and experienced traders alike the ability to consistently trade the S&P 500 (ES) Emini Futures Contract for daily, weekly, monthly and annual profits.

My goal is to provide you with a plan that will establish all the rules you need to make my mission possible. During your learning process you will have the opportunity to practice what you are being taught and have access to our [trading room](#) where you will be able to see and hear live audio/video explanations of me working through this plan and more advanced trading techniques each trading day. I want us to have a safe community where you can chat and learn from other like minded traders using the Emini Junkie approach. Our live trading room is where you will have a virtual communication tool to ask me questions that I can/will answer via live audio and streaming video explanations in our room each day.

My hope is to deliver exponential value to the buyer of this course and to all members of my trading room. I have priced all my educational products at what I feel is a price that anyone interested in trading can afford and ask that you please do not disclose any of my content, materials or passwords without my specific written authorization and knowledge. Anyone caught abusing this request will be banned from the member's site/forum and live trading room.

This manual will cover many topics as it relates to trading and technical analysis. I intend to describe my application of various tools, price patterns, and trading information, but do not intend to explain in detail how these various indicators are derived etc. My assumption is that the owners of this course already has a basic knowledge of trading and can use search engine services such as Google and Yahoo to further educate themselves in topics not discussed in detail. I will provide links to useful trading sites in the appendix where most of this information can be accessed free of charge.

I want to thank you for purchasing my trading plan and having the confidence in me to help you consistently trade the futures markets. Everything you need is here, believe in yourself and this can be a life changing experience. This trading plan is a prerequisite to all of my other training programs including but not limited to the [Boot Camp](#), [KIS System](#), [KIS Tool](#), [Inside the Edge](#), [Trading Psychology](#), [Junkie Bands](#) and the [Live Trading Room](#).

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RISK DISCLOSURE STATEMENT FOR SECURITY FUTURES CONTRACTS

Risks of Security Futures Transactions

Trading security futures contracts may not be suitable for all investors. You may lose a substantial amount of money in a very short period of time. The amount you may lose is potentially unlimited and can exceed the amount you originally deposit with your broker. This is because futures trading is highly leveraged, with a relatively small amount of money used to establish a position in assets having a much greater value. If you are uncomfortable with this level of risk, you should not trade security futures contracts.

For full disclosure and contract explanation and hours of operation please visit.

[Full Disclosure Statement](#)

[CME Hours and ES Contract Specifications](#)

We trade the S&P 500 Emini (ES) contract which is a smaller electronic version of the S&P 500 Chicago Pit traded contract. The ES is traded electronically on the CME/GLOBEX exchange and is extremely liquid and available internationally almost 24 hrs per day except weekends. The regular session is Monday through Friday from 9:30AM to 4:15PM EST except on U.S. Holidays. The ES contract expires quarterly in March, June, September and December. Although, expiration is on the third Friday of the month, most traders roll over on Thursday the week prior.

The ES moves in 0.25 point increments that are leveraged to equal \$12.50/tick. One full ES point is the equivalent of \$50. You can both buy (long) and sell (short) the ES futures contract, which allows you to trade both market directions with an online futures broker. I recommend and use [Craig Ross](#) at [Apex Futures](#).

Make sure you establish a relationship with an online futures broker and use them to educate yourself on the various types of orders including market, limit, stop loss, buy stops and sell stops. Also, your broker should provide you with ample training on the use of their platform and you must have access to a simulated trading account. I suggest that a simulation account be used while learning this trading plan and keep in effect until you are consistently profitable for 3 months in a row prior to trading live money.

Market Orders are executed at the price (bid or ask, depending on whether you are buying or selling) at the moment the order is executed. You are guaranteed the order will be 'filled' or executed, but you are not guaranteed it will be filled at a particular price.

Limit Orders are orders to buy or sell at a specific price. You are guaranteed that specific price, but your order may not be filled. Note that because of the difference between the bid and ask price, the price has to trade past your limit in order to be filled.

Stops or Stop Loss Orders are a type of limit order; they are usually used to take you out of a position at a specific price if the market moves against you. Placing stops is one of the most difficult aspects of trading, and will be discussed in more detail later. The important point is that stops become market orders if the stop price is touched, even for an instant. In that case the order will be executed at the market price when the trade is executed - and if the market is moving quickly, that price may be a long way from your original stop.

The margin your broker will require to trade the ES contract will vary from firm to firm. Some brokers will go as low as \$500/contract traded. I think this low margin amount is very dangerous as you will learn later that a full stop out following our plan can result in a \$175 loss and we could have multiple stop outs in a row on any given day which would put you out of commission before you even have a chance to get going. My suggestion is a minimum of \$3,000 per contract traded (we use 2 contracts minimum, so \$6,000). However, ultimately I suggest never risking more than 1.5% of your account on any given trade so an ideal starting account would be twice that amount at \$6,000 per contract or \$12,000 total.

Most brokers increase their margin requirements when holding positions overnight. We are using a day trading methodology so overnight margin requirements will not apply the Emini Junkie trading plan. Please make sure you are aware of all of your broker's commission and margin requirements prior to executing your first live trade. If you are paying more than \$4.25 commission per round trip including all fees, you will want to investigate a broker with a more competitive pricing structure.

TRADING PSYCHOLOGY

Trading psychology is one of the more interesting and difficult subjects for traders to grasp. I am not going to attempt to try and discuss all the whys and how comes of this topic, but just remember the markets are made up of individuals who are managing the emotions between fear and greed. Trading has a way of bringing back everything good and bad that has happened throughout your life. The reason we need a firm and complete trading plan is to keep our emotions on the sidelines and become a clear and decisive trader.

Please see the following books and resources on the topic to better understand how your emotions can affect your trading control.

We have a special relationship with Dr. Janice Dorn and she has provided some [free, as well as, paid training](#) for us on our site.

Enhancing Trader Performance, by Dr. Brett Steenbarger

Trading for a Living, by Dr. Alexander Elder

Do not take the subject of [Trading Psychology](#) lightly as it has been my experience that most students can learn my trading system and apply it successfully. However, there comes a time when they start out thinking themselves and create mistakes on execution that all have to do with traders mindset. Dr. Dorn's course is a must have for anyone wanting to pursue trading as a full time profession.

COMPONENTS OF A TRADING PLAN

There is no such thing as a perfect trading plan, but a trading plan does not have to be perfect to be successful. A successful plan has many requirements which we will discuss in detail throughout the remainder of this e-book. The main ingredients of a plan should include Markets To Trade, Daily Preparation, Daily Risk, Entry Rules, Exit Rules and Journaling.

This plan is based on trading the ES, but the concepts can be adjusted to trade any market on any time-frame. I will walk us through our chart set-ups, our daily pre-market activities and all the rules around daily risk including where to enter and where to exit. At the end of each day it is important to review your trades and compare your results to how well you followed your plan.