



EminiJunkie.com

Your ES Day Trading Mentor

Day Trading Plan

The Rules

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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.

THE OPENING GAP

Due to the fact that the ES trades almost 24 hours a day on the GLOBEX there are several days when price opens up at a different level than where it closed during the previous day. We call this difference the Opening Gap. The ES Gap usually fills 1/2 of its Gap within the first hour of trading unless there is a strong trend break away gap that forms during the overnight session. As Emini Junkies we look for a minimum of 1/2 the Gap to be filled on a regular basis and note this price level as one of our key levels to monitor during the trading day. One important note, I measure my close, for my Gap measurements, from the 4PM close as compared to the 4:15PM futures close.

TRADING THE GAP - Trading the 1/2 Gap is a high probability trade that we look to play everyday under the following circumstances. We calculate our high probability gap range by looking at the previous days range and the previous five days (trading hours only) average true range. We take both those numbers and multiply by 40%. Which ever number is smaller is the number we use. We take the resulting value and we add it to the higher of the 4pm or 4:15pm close and subtract it from the lower of the 4pm or 4:15pm close. The difference between the two numbers is our high probability range. We use the Pre-Market 8:30AM - 9:30AM as our timing to try and enter into a trade in the direction of the Gap using our normal trade entry rules (discussed later). If we do not get a chance to get into the Gap play Pre-Market we have to monitor the sector list at the open. If a gap down and every sector is red, you need to wait until at least 5 or more sectors are green to start your positions. If a gap up and every sector is green, you need to wait until at least 5 or more are sectors red to start your positions.

SECTORS: BKX, BTK, CMR, CYC, DFX, DRG, HGX, HHH, HMO, HWI, IIX, IXF, NWX, OSX, RLX, SOX, TRAN, UTY, XAU, XBD, XCI, XNG, XOI, XSH, XWH, XLF.

Watch the gap in relation to the pivot levels of R1 and S1. If the gap is above R1 or below S1 there is less chance in the gap filling that same day. The same holds true for the previous days high and low. If the gap is above yesterday's high or below yesterday's low there is less chance in the gap filling that same day.

MOVING AVERAGES ON 400 TICK CHART

All of our entries are based on the movement of price action on the 400 Tick chart. If your recall from earlier we use Heikin-Ashi candles with 5 different moving averages that all tend to act as areas of support and resistance to price action.

Those moving averages are;

34 Periods Exponential Moving Average of the Close (Red Line)

68 Periods Exponential Moving Average of the Close (Blue Line)

116 Periods Simple Moving Average of the Close (Gold Line)

240 Periods Exponential Moving Average of the Close (Pink Line)

740 Periods Simple Moving Average of the Close (Teal Line)



Just visually look at the above chart and notice how price reacts to these levels over and over. I suggest if you have not already done so, load this chart in your trading platform with the moving averages shown... Review a few months worth of data and you should be quite impressed with how well these lines define support and resistance.

BRINGING IT ALL TOGETHER

Up until this point in the manual we have been building on the foundation of understanding the ES E-Mini Futures Contract and some of the key guidelines associated with trading it. In review, we spoke about the how we get a risk/reward edge with our trade management using the Apex Trader platform, we discussed time of day to trade, key reversal times, key price levels, key price patterns, using swing highs/lows for trend identification, the 20/40 EMA trade, market internals, news, the use of Fibonacci lines for entry and profit targets and finally how to trade the opening gap. All of these topics provide opportunities for trading, but we need a specific set of rules for trade entry.

LONG ENTRIES

1. The 34 EMA needs to be above the 68 EMA.
2. Entry price needs to be above the 116 SMA.
3. Draw a Fibonacci on the swing that includes the 34/68 EMA cross.
4. Monitor the Time & Sales tape to see buying pressure near 50% Fibonacci.
5. Enter 1 tick prior to the 50% fib line if the swing is 9 ticks wide.
6. Only take one trade per moving average cross.
7. Do not attempt an entry if a trade was not entered after the first 2 pullbacks (needs to go a minimum of 38.2% to be considered a pullback).

SHORT ENTRIES

1. The 34 EMA needs to be below the 68 EMA.
2. Entry price needs to be below the 116 SMA.
3. Draw a Fibonacci on the swing that includes the 34/68 EMA cross.
4. Monitor the Time & Sales tape to see selling pressure near 50% Fibonacci.
5. Enter 1 tick prior to the 50% fib line if the swing is 9 ticks wide.
6. Only take one trade per moving average cross.
7. Do not attempt an entry if a trade was not entered after the first 2 pullbacks (needs to go a minimum of 38.2% to be considered a pullback).



AMBUSH LONG RULES

- ⌚ Only Trade Pre-Market if Trading in the Direction of 1/2 Gap Following the Previously Defined Gap Trade Guidelines.
- ⌚ Trade Session 1 and Session 2 Only - Manage Existing Trades During the Dead Zone and End of Day Time Periods.
- ⌚ Do Not Enter Trades Within 3 Minutes of Major News Announcements.
- ⌚ Look to 5 Minute Chart for Key Support/Resistance Areas Including 20/40 EMA Trade, Ambush Longs and Key Price Patterns.
- ⌚ Look for Confirmation of Direction in the BANK or XLF.
- ⌚ ^ADV-^DECL the 9 Period DEMA (Teal Line) has to be Above the 20 Period EMA (Gold Line).
- ⌚ ^TICK Should Have Recently Broken Out of its Bearish Channel, Needs to Be Trading Near The Low of it's Range and be Below the 25 Period Simple Moving Average of the Low (Red Line) at Price Entry.
- ⌚ Follow Long Entry Guidelines
 1. The 34 EMA needs to be above the 68 EMA.
 2. Entry price needs to be above the 116 SMA.
 3. Draw a Fibonacci on the swing that includes the 34/68 EMA cross.
 4. Monitor the Time & Sales tape to see buying pressure near 50% Fibonacci.
 5. Enter 1 tick prior to the 50% fib line if T2 is a minimum of 7 ticks away. (Measured Swing Length of 9 Ticks)
 6. Only take one trade per moving average cross.
 7. Do not attempt an entry if a trade was not entered after the first 2 pullbacks (needs to go a minimum of 38.2% to be considered a pullback).

OTHER BULLISH INDICATORS

- ⌚ Price Above Daily Pivot
- ⌚ ^TICK 1 Period EMA Mostly Above Zero
- ⌚ 5 Minute Chart 20 EMA Above 40 EMA
- ⌚ ^ADV-^DECL 20 Period EMA Above 800
- ⌚ Sector List 80% Green

AMBUSH SHORT RULES

- ⌚ Only Trade Pre-Market if Trading in the Direction of 1/2 Gap Following the Previously Defined Gap Trade Guidelines.
- ⌚ Trade Session 1 and Session 2 Only - Manage Existing Trades During the Dead Zone and End of Day Time Periods.
- ⌚ Do Not Enter Trades Within 3 Minutes of Major News Announcements.
- ⌚ Look to 5 Minute Chart for Key Support/Resistance Areas Including 20/40 EMA Trade, Ambush Longs and Key Price Patterns.
- ⌚ Look for Conformation of Direction in the BANK.
- ⌚ ^ADV-^DECL the 9 Period DEMA (Teal Line) has to be Below the 20 Period EMA (Gold Line).
- ⌚ ^TICK Should Have Recently Broken Out of its Bullish Channel, Needs to Be Trading Near The High of it's Range and be Above the 25 Period Simple Moving Average of the High (Green Line) at Price Entry.
- ⌚ Follow Short Entry Guidelines
 1. The 34 EMA needs to be below the 68 EMA.
 2. Entry price needs to be below the 116 SMA.
 3. Draw a Fibonacci on the swing that includes the 34/68 EMA cross.
 4. Monitor the Time & Sales tape to see selling pressure near 50% Fibonacci.
 5. Enter 1 tick prior to the 50% fib line if T2 is a minimum of 7 ticks away. (Measured Swing Length of 9 Ticks)
 6. Only take one trade per moving average cross.
 7. Do not attempt an entry if a trade was not entered after the first 2 pullbacks (needs to go a minimum of 38.2% to be considered a pullback).

OTHER BEARISH INDICATORS

- ⌚ Price Below Daily Pivot
- ⌚ ^TICK 1 Period EMA Mostly Below Zero
- ⌚ 5 Minute Chart 20 EMA Below 40 EMA
- ⌚ ^ADV-^DECL 20 Period EMA Below -800
- ⌚ Sector List 80% Red

WRAP UP

Okay, by this point your eyes are blurry and your head is spinning a little bit... RIGHT? Don't worry, that is normal. You have been given a lot of information in very short order. In a few pages you are going to read about a trading progression that will give you a step by step plan on how to digest this information bite by bite. Follow the progression exactly as written and you will be fine.

In the live trading room, I will be walking through this plan on a daily basis continually pointing out all the keys to successful implementation. We will work together to make sure you understand the material and how to watch the signal set up well in advance of your desired entry.

My ultimate goal is to make sure you feel calm and empowered to take the setups with confidence as they come. With the proper implementation you should expect to be done entering trades by 11:30AM each day and have more time to do the things in life you enjoy.

Please take a moment to watch these two short videos of live trades. These are simulated entries that will look very similar to what you will be doing during the trading progression as you learn the material.

[Simulated Short Trade](#)

[Simulated Long Trade](#)

As you can see, the setups happen at a pace that is manageable. This system is more than a set of rules, it is a methodology that will provide a sound footing for you to grasp both the art and science of trading consistently. Don't let anyone take away your dreams of becoming a more empowered and successful trader. With a little effort on your part by joining the room and taking advantage of the FREE Educational Seminars you will be well entrenched and on your way...