



**EminiJunkie.com**  
Your ES Day Trading Mentor

## **Day Trading Plan Trading Progression**

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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.

## **HIGH RISK TRADING DAYS**

The following days are high risk days to trade due to volume and volatility and should be avoided if possible; FOMC Meeting Announcement, Options Expiration and Contract Rollover.

## **MONEY MANAGEMENT RULES**

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.

Stop trading on any day if losses exceed more than 5% of your account total. In our scenario of trading 2 contracts with \$12,000 you would stop if losses exceed \$600. A more conservative approach would be to stop trading after 2 full stop losses (7 Ticks on each of 2 contracts) in a row. Once profits go over 5% on any given day, never give more than 2.5% of your winnings back to the market. Example if up \$600 you would stop trading if your daily account falls below \$300.

## TRADING JOURNAL

In the August/September 2006 issue of *Trader Monthly*, Doug Hirschhorn recommends that trader adopt a 15-point template to making the most of their trading journal. You may want to add or subtract from these ideas but the following list is a good place to start:

- ⌚ Establish your trading rules for the day. For example, if you've been struggling lately, you might establish a rule that you'll take 50% off your winners on the first hint of a pullback.
- ⌚ Identify the major world events that are currently in play.
- ⌚ Figure out which economic numbers are in play today.
- ⌚ Create a motto for the day. Keep it brief and positive.
- ⌚ Develop your morning game plan (be sure to do so before the open).
- ⌚ Evaluate your morning game plan (how did things really play out? How did you react? Did you stick to or stray from your game plan, and why?)
- ⌚ Prepare an afternoon game plan (create it over lunch, say, before the afternoon session begins).
- ⌚ Evaluate your afternoon game plan. A quick retooling of strategy could pay off in the second half.
- ⌚ Ask yourself: What did I do well today? What could I have done better? Use this step to dig deep and engage in some genuinely tough self-analysis.
- ⌚ List all your trades that appear to be working and all those that aren't.
- ⌚ Call the market -- is it range-bound? Trending? Which sectors are in play?
- ⌚ Determine for yourself: On a scale of 1 (low) to 10 (high), your level of focus and concentration for the day.
- ⌚ Your daily question: Am I a better trader today than I was yesterday? If so, why? In other words, what exactly have I learned? A day without learning is a wasted day in a trader's career.
- ⌚ Which trades should I pay attention to tomorrow?
- ⌚ My goal for tomorrow is?

I am a big fan of an online journaling service provided by [StockTickr](http://StockTickr.com). They have a free trial you can test drive and if you decide to subscribe to the service use the promo code "[EminiJunkie](http://EminiJunkie.com)" to receive a 15% discount. The service allows you to bulk upload your trades straight from your broker, charts your results via several different reporting options and allows you to add comments on your day etc.

Regardless whether you use an online service or not it is important that at the end of each day you review your charts and identify all of the possible trade entries. I keep a detailed spread sheet of the trade entries according to my plan and think it is a great habit you should adopt.

## TRADING PROGRESSION

ALL TRADES TAKEN WHILE LEARNING THIS SYSTEM SHOULD BE DONE IN A SIMULATED PAPER TRADING ACCOUNT. Please review the [Trading Plan 101](#) video in the members forum.

WEEK 1 - Monitor the 400 Tick Chart with only the 116 SMA on the screen. As price moves above and below the SMA draw Fibonacci lines in the respective directions on the swings watching how price reacts at its various levels. Be sure to try and identify both normal fibs and fib extensions. On the 5<sup>th</sup> day add all the moving average lines and draw the Fibonacci lines only when you see a 34/68 EMA cross. Again try to determine the correct swing and whether the move is a normal fib or fib extension.

WEEK 2 - Start SIM (Paper) trading this week off the 50% fib line. Take every trade immediately following the 34/68 EMA cross that pulls back to within 1 tick of the 50% ambush zone. On day 5, add the ^TICK chart and look to pinpoint your entries using the ^TICK rules previously discussed.

WEEK 3 - Continue SIM trading with the ^TICK on day 3 add the ^ADV-^DECL chart and start filtering out some trades. Only take the trades in the direction of the 9 DEMA/20 EMA cross. On day 5, start watching the ^ADV-^DECL 9DEMA/20 EMA cross.

WEEK 4 - Continue SIM trading with the 400 Tick, ^TICK, ^ADV-^DECL. On day 3, add the 5 Minute and 3200 Tick Charts and start looking for larger time-frame Ambush trades. When you find the larger time-frame trade drop down to your 400 Tick chart and pinpoint the entry as being done previously. By this point you should be seeing on average 6-10 trades per day, maybe less if only looking for larger time-frame entries.

WEEK 5 - Add your sector list to your platform. Start identifying the opening gap and 1/2 gap and look at SIM trading the gap using our rules discussed previously. On day 3, start adding the 10 key daily price levels to your charts and notice how these areas act as support and resistance.

WEEK 6 - Continue SIM trading with all the rule sets for Ambush Trades. Be sure to keep an accurate journal of your experience and what is working well and what areas you need more practice.

At this point, only you can decide when it is time to risk real money. I suggest you trade on a simulated basis until which time you have experienced 3 months of consistent "paper" profits. Once you go live, focus on the morning session only for a minimum of 2 months and continue to paper trade in the afternoon. After you consistently pull profits from the morning for 2 months then you can look at going live in the afternoon.

## **EDUCATIONAL VIDEOS**

My intention is to provide educational Videos to cover the various sections of this trading plan in more detail. I plan on making these sessions FREE of charge and will post them in the Member's Only Forum. All Videos will be recorded and available to view in the Emini Junkie Forum section of our website.

## **TRADING/CHAT ROOM**

Independent of this Trading Plan, you will 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 each trading day. I want us to have a safe community where you can chat and trade with other like minded traders using this approach. The key purpose of the chat service will be for you to have a real time communication tool to ask me questions which I will try to answer via live audio/ streaming video explanations in our trading room each day. The trading room is currently open in the mornings and we use the rooms chat feature for asking questions. The main purpose of the room is to serve as a continual education tool outlining changes to this plan as the market changes.

## **UPDATES/NEWER VERSIONS**

As this plan evolves and substantive changes are made, you will constantly have access to the latest version via the members section of the website or the members forum.

## CONCLUSION

Well, that is it. I have given all of myself into writing this trading plan and hope you find some very valuable information that will help move you to becoming a more consistent and profitable day trader of the ES E-mini Futures.

As I stated at the beginning, my hope is to deliver exponential value to the buyer of this course and to all members of my trading room. I have priced my materials 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 both the chat and live trading room.

If you did find this information useful all that I ask is for you to please send me your testimonial how it has helped to [EminiJunkie@gmail.com](mailto:EminiJunkie@gmail.com) and share my website [www.EminiJunkie.com](http://www.EminiJunkie.com) with others who may benefit from this trading plan.

I look forward to getting to know you in the trading room and wish you all the success in the world. I know if you take the information provided and apply yourself to learning the content and implementing what you have learned, you will definitely have the opportunity for great achievements. Everything you need is within you. Believe in yourself and your ability to succeed.

Thanks again for trusting in me.

Your Continual Growth,

A handwritten signature in blue ink that reads "Emini Junkie". The signature is written in a cursive, flowing style.

Matt Brown