

TRADING PLAN PROFESSIONAL FLOWCHART



Ken Calhoun has been featured in:



Use this handy flowchart to help you plan out & manage your trades. Designed by award-winning trading pro Ken Calhoun, you'll find a useful step by step process you can use every time you trade. Best wishes for success!

MARKET ANALYSIS
 S&P Trend strength, key support/resistance levels?
 Strongest Recent Sectors (or currency, for Forex)?
 VIX, TRIN, Oil/Gold profile?

SCANNING
 What are the highest-potential charts to trade?
 What patterns will produce fastest profits for you?

Breakouts & Gaps: find 15-day, 90-day and 52-week highs; Cups & uptrends. Use SwingScans.com

ENTERING YOUR TRADE: Decide Your Initial SIZE

Exceptionally Strong Charts
 Market rally/selloff days

Large size, (rare);
 eg 500+ shares, 8+ contract/lots

Small size, "pilot trade" (normal/default);
 eg 20-100 shares; 2 contracts/lots

SET INITIAL STOP LOSS
 Set immediately after trade confirmation. Use tight stops (2-day lows/\$2 for stock & ETF swing trades, .40 intraday; 30 pips Forex, 6 ticks ES)

MANAGE USING UNREALIZED P&L
 Trail a stop to lock in a minimum of 50% profit once your initial dollar (or %) profit target is hit; eg \$300+ for swing trades. Take profits early & often!

ADD TO YOUR WINNING TRADES + scale out of losing positions

When Do You Scale Out of Losers?
 Every ___ points/pips/ticks

When Do You Scale In to Winners?
 Every ___ points/pips/ticks

CLOSE FINAL TRADE POSITION
 Exit remaining open position with trailing stop and/or chart pattern (hammer/shooting star/engulfing/loss of key support/resistance level), or time-based P&L stop.

TRADE ANALYSIS
 Look for common patterns in your wins vs stops. What "lessons learned" did you discover? How will you make bigger winners, more often, next time?



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Traders,

I hope this thoughtful "success blueprint" helps you visually plan your trades more profitably.

By using a step-by-step process, you can troubleshoot problem areas and make an improvement plan to help you potentially reduce your stops and make better trade decisions. Trade well!

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