

FUN AND PROFIT

TRADING PLAN



NO	ZCL	POS	DETA	PRICE	STATUS	AMOUNT	DATE	TIME	MARKET
10	10001	50	25.2-35	100000	BUY	100000	2023-10-27	10:00	NYSE
20	10002	50	2007.80	200000	BUY	200000	2023-10-27	10:05	NYSE
30	10003	50	1000.20	500000	BUY	500000	2023-10-27	10:10	NYSE
40	10004	50	1000.21	4300	BUY	4300	2023-10-27	10:15	NYSE
50	10005	50	50	100000	BUY	100000	2023-10-27	10:20	NYSE
60	10006	50	50	100000	BUY	100000	2023-10-27	10:25	NYSE
70	10007	50	100000	100000	BUY	100000	2023-10-27	10:30	NYSE
80	10008	50	100000	100000	BUY	100000	2023-10-27	10:35	NYSE

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FUN AND PROFIT Trading Plan

Dedication to the Blessed Virgin Mary

This work is dedicated to the Blessed Virgin Mary, Mother of God, whose intercession and maternal guidance have been a source of inspiration and strength. May her love and protection continue to guide us in all our endeavors.

Thanksgiving and Adoration to Jesus Christ

I offer my deepest thanksgiving and adoration to Jesus Christ, our Lord and Savior, whose sacrifice and love have redeemed us. Through Him, all things are possible, and to Him, we owe all glory and honor.

Praise to the Most Holy Trinity

All praise and glory to the Most Holy Trinity: Father, Son, and Holy Spirit. In the unity of the Trinity, we find the fullness of love and truth. May this work be a reflection of God's grace and a testament to His eternal wisdom.

Chapter 1: Introduction to the Trading Plan

Welcome to the comprehensive guide on the "FUN AND PROFIT TRADINGPLAN". This trading plan is meticulously designed to guide traders through the complexities of futures trading, with a specific focus on DAX spreading. Trading futures and options require a strategic approach, and this plan is developed to provide you with the necessary tools and knowledge to navigate the financial markets successfully.

The primary objective of this trading plan is to establish a systematic approach to trading that can be replicated consistently. It aims to eliminate emotional decision-making and replace it with a methodical process grounded in

technical analysis and risk management. Whether you are a novice trader or an experienced one, this plan will offer insights that can enhance your trading performance.

This plan is divided into several key sections, each addressing a different aspect of trading. These sections include checklists for daily preparation, system evaluations, stop tools, chart representations, order placements, position sizing, and profit-taking strategies. Each section is crafted to build on the previous one, ensuring a comprehensive understanding of the trading process.

Important: Consistency is the cornerstone of successful trading. Adhering to the trading plan without deviation will significantly improve your chances of achieving consistent profits. Always remember that trading is not about making quick money, but about making well-informed decisions over time.

Understanding the Structure of the Trading Plan

The trading plan is structured to guide you step-by-step through the trading process. It begins

with a thorough preparation phase, which includes setting up your trading environment, understanding the tools you will use, and familiarizing yourself with the market conditions. This is followed by detailed sections on executing trades, managing risk, and evaluating your performance.

Preparation and Checklists

The initial phase of the trading plan focuses on preparation. This includes creating a comprehensive trading logbook and diary to document your trades and thought processes. A well-maintained trading journal is crucial for analyzing your performance and identifying areas for improvement.

System Evaluation and Stop Tools

System evaluation is a critical component of this trading plan. You will learn how to assess the effectiveness of your trading system through backtesting and real-time analysis. Additionally, the plan covers various stop tools, such as initial stops, trailing stops, and time stops, to protect your capital and lock in profits.

By the end of this chapter, you should have a clear understanding of the overall structure of the trading plan and the importance of each

section. The following chapters will delve deeper into each component, providing detailed instructions and examples to help you implement the strategies effectively.

Chapter 2: Checklists and Daily Preparation

Trading Logbook and Diary

The trading logbook and diary are essential tools for tracking your trades and maintaining discipline. The logbook should include details such as the date, time, entry and exit points, trade size, and the rationale behind each trade. The diary should capture your emotions and thoughts during trading, helping you to understand how psychological factors influence your decisions.

Components of the Trading Logbook

- Date and Time: Record the exact date and time of each trade.
- Entry and Exit Points: Note the prices at which you entered and exited the trade.

- Trade Size: Document the number of contracts or shares traded.
- Rationale: Describe the reasons for entering and exiting the trade.
- Outcome: Record the profit or loss for each trade.

Components of the Trading Diary

- Emotional State: Capture your feelings before, during, and after each trade.
- Psychological Factors: Note any psychological factors that may have influenced your decisions.
- Lessons Learned: Reflect on what you learned from each trade.

Daily Preparation Routine

A consistent daily routine is crucial for successful trading. This routine should include a review of the previous day's trades, market analysis, and setting up for the trading day ahead.

Evening Preparation

The evening before the trading day is an ideal time to prepare. Review your trades from the day, analyze what went well and what could be

improved, and update your trading logbook and diary.

Morning Preparation

Begin your day by reviewing the news and checking for any market-moving events.

Conduct a technical analysis of the markets you plan to trade and set up your charts and trading platform. Ensure that your trading environment is free of distractions.

Tip: Consistency in your preparation routine helps to build discipline and reduces the chances of making impulsive decisions.

Chapter 3: System Evaluation

Importance of System Evaluation

Evaluating your trading system is vital to ensure its effectiveness. This involves backtesting the system on historical data and forward testing it in real-time trading.

Backtesting

Backtesting involves running your trading system on historical data to see how it would have performed in the past. This helps to identify strengths and weaknesses and provides a statistical basis for the system's performance.

Forward Testing

Forward testing, or paper trading, involves testing the system in real-time without risking actual money. This phase is crucial for understanding how the system performs under current market conditions.

Key Metrics for System Evaluation

- Win Rate: The percentage of trades that are profitable.

- Profit Factor: The ratio of gross profit to gross loss.

- Maximum Drawdown: The largest peak-to-trough decline in the trading account.

- Average Trade: The average profit or loss per trade.

- Risk-Reward Ratio: The ratio of potential profit to potential loss.

Interpreting Results

It's important to interpret the results of your system evaluation carefully. A high win rate is desirable, but it should be balanced with a strong profit factor and manageable drawdowns.

Note: No trading system is perfect. Continuous evaluation and adjustment are necessary to maintain its effectiveness.

Chapter 4: Stop Tools and Risk Management

Types of Stop Tools

Stop tools are essential for managing risk and protecting your capital. There are several types of stops you can use, each with its specific purpose.

Initial Stops

An initial stop is set at the beginning of a trade to limit the potential loss. It is based on the maximum amount you are willing to lose on a single trade.

Trailing Stops

Trailing stops move with the market price, locking in profits as the price moves in your favor. They are useful for maximizing gains while protecting against reversals.

Time Stops

Time stops are used to exit a trade after a specific period, regardless of the price action. They are helpful in reducing the impact of time decay on options trades.

Setting Stop Levels

Determining the appropriate stop levels is critical for effective risk management. These levels should be based on technical analysis, such as support and resistance levels, moving averages, or volatility measures.

Calculating Stop Levels

- Support and Resistance: Set stops just below support levels or above resistance levels.

- ATR (Average True Range): Use a multiple of the ATR to set stops based on market volatility.

- Moving Averages: Place stops below long-term moving averages for long positions and above for short positions.

Tip: Always use stops to manage risk. Never trade without a predefined exit strategy.

Chapter 5: Chart Representation and Technical Analysis

Importance of Technical Analysis

Technical analysis is a critical component of the trading plan. It involves analyzing price charts to identify patterns and trends that can indicate potential trading opportunities.

Types of Charts

There are various types of charts that traders use, each providing different insights into market behavior.

- **Candlestick Charts:** Show price movements and provide visual patterns that can indicate market sentiment.
- **Line Charts:** Display closing prices over a period and are useful for identifying long-term

trends.

- Bar Charts: Provide information on open, high, low, and close prices for each time period.

- Volume Charts: Show trading volume at different price levels, indicating market activity.

Key Technical Indicators

Technical indicators are mathematical calculations based on price and volume data. They help traders make informed decisions about market trends and potential reversals.

- Moving Averages: Smooth out price data to identify trends. Commonly used moving averages include the simple moving average (SMA) and the exponential moving average (EMA).

- Relative Strength Index (RSI): Measures the speed and change of price movements to identify overbought or oversold conditions.

- MACD (Moving Average Convergence Divergence): Indicates changes in the strength, direction, momentum, and duration of a trend.

- Bollinger Bands: Use standard deviation to plot bands above and below a moving average, indicating volatility.

Applying Technical Analysis

To effectively apply technical analysis, it's important to combine multiple indicators and chart patterns. This approach helps confirm signals and improves the accuracy of your trading decisions.

Note: Always use technical analysis in conjunction with other forms of analysis, such as fundamental analysis, to get a complete picture of the market.

Chapter 6: Order Placement and Execution

Types of Orders

Placing the right type of order is crucial for executing your trading strategy effectively.

Here are the common types of orders used in trading.

- Market Orders: Execute immediately at the current market price.
- Limit Orders: Set a specific price at which you want to buy or sell. The order will only

- execute if the market reaches that price.

- Stop Orders: Become market orders once a specified price level is reached. Used to limit losses or lock in profits.

- Stop-Limit Orders: Combine stop orders and limit orders. The order becomes a limit order when the stop price is reached.

Order Execution Strategies

Effective order execution strategies help you achieve better pricing and reduce the impact of market volatility.

Scalping

Scalping involves making numerous trades over short periods to capture small price movements. It requires quick execution and low latency.

Day Trading

Day trading involves opening and closing trades within the same trading day. It focuses on taking advantage of intraday price movements.

Swing Trading

Swing trading aims to capture larger price movements over several days or weeks. It

involves holding positions overnight and requires careful risk management.

Position Trading

Position trading involves holding trades for longer periods, often months or years, to benefit from long-term market trends.

Tips for Successful Order Placement

- Plan Ahead: Define your entry and exit points before placing orders.
- Use Limit Orders: Avoid market orders to reduce slippage and ensure better pricing.
- Monitor Market Conditions: Stay aware of news and events that could impact your trades.
- Use Stop-Loss Orders: Always protect your positions with stop-loss orders to limit potential losses.

Chapter 7: Position Sizing and Risk Management

Importance of Position Sizing

Position sizing is critical to managing risk and maximizing returns. It involves determining the appropriate amount of capital to allocate to each trade based on your risk tolerance and trading strategy.

Calculating Position Size

To calculate the appropriate position size, consider the following factors:

- **Account Size:** The total capital available in your trading account.
- **Risk Per Trade:** The maximum percentage of your account you are willing to risk on a single trade.
- **Stop-Loss Distance:** The difference between your entry price and stop-loss price.

Position Sizing Formula

Use the following formula to calculate position size:

$$\text{Position Size} = (\text{Account Size} * \text{Risk Per Trade}) / \text{Stop-Loss Distance}$$

Risk Management Techniques

Effective risk management involves more than just position sizing. Here are additional techniques to manage risk:

- **Diversification:** Spread your investments across different assets to reduce risk.
- **Hedging:** Use derivatives or other instruments to offset potential losses in your primary positions.
- **Regular Reviews:** Continuously monitor and adjust your positions based on market conditions and performance.
- **Stay Disciplined:** Stick to your trading plan and avoid emotional decisions.

Chapter 8: Profit-Taking Strategies

Importance of Profit-Taking

Profit-taking is a crucial aspect of trading. It involves determining when to exit a trade to lock in gains while minimizing the risk of giving back profits.

Setting fixed profit targets involves defining a specific price level at which you will exit the trade. This approach provides clarity and reduces the emotional aspect of trading.

Trailing Stops

Trailing stops allow you to lock in profits as the market moves in your favor. As the price increases, the trailing stop moves up, securing your gains while still allowing for potential upside.

Partial Exits

Partial exits involve taking profits on a portion of your position while allowing the remaining part to run. This strategy balances securing profits and capitalizing on further potential gains.

Implementing Profit-Taking Strategies

To implement effective profit-taking strategies, consider the following tips:

- Define Clear Targets: Set specific price levels for taking profits based on your analysis.
- Use Technical Indicators: Incorporate indicators such as RSI, MACD, and moving averages to identify potential exit points.

- Monitor Market Conditions: Stay aware of news and events that could impact your trades.
- Stay Flexible: Be willing to adjust your profit-taking strategy based on changing market conditions.

Chapter 9: Fun and Profit Trading Strategies

Overview of Trading Strategies

This chapter introduces various trading strategies designed to maximize both fun and profit. These strategies are based on technical analysis, market patterns, and trader psychology.

V-Formation Strategy

The V-Formation strategy identifies sharp reversals in price, where a steep decline is followed by an equally steep rise. This pattern suggests a strong change in market sentiment.

Narrow Range Bar Strategy

The Narrow Range Bar strategy focuses on identifying periods of low volatility that often precede significant price movements. This strategy involves entering trades when a narrow range bar is followed by a breakout.

Hidden Smash Day Strategy

The Hidden Smash Day strategy looks for large price moves that are not immediately apparent. It involves identifying hidden patterns in price action and entering trades based on these patterns.

Implementing Fun and Profit Strategies

To effectively implement these strategies, consider the following tips:

- **Backtest Thoroughly:** Test each strategy on historical data to ensure its effectiveness.
- **Combine Strategies:** Use multiple strategies together to confirm signals and improve accuracy.
- **Stay Disciplined:** Follow your trading plan and avoid deviating from your strategies.

- Adapt to Market Conditions: Be flexible and willing to adjust your strategies based on current market conditions.

Chapter 10: Hedging and Long-Term Investment

Importance of Hedging

Hedging is a strategy used to reduce the risk of adverse price movements in an asset. It involves taking an offsetting position in a related security to mitigate potential losses.

Hedging Techniques

There are several hedging techniques that traders can use:

- Options: Buying put options to protect against declines in the value of an asset.
- Futures: Using futures contracts to lock in prices and protect against price fluctuations.
- Inverse ETFs: Investing in inverse exchange-traded funds that move opposite to the market.



Pairs Trading: Going long on one asset while shorting a related asset to hedge against market movements.

Long-Term Investment Strategies

Long-term investment strategies involve holding positions for extended periods to benefit from overall market trends. These strategies require a different approach compared to short-term trading.

Value Investing

Value investing involves selecting undervalued stocks that have strong fundamentals and holding them for the long term. The goal is to buy low and sell high.

Growth Investing

Growth investing focuses on companies with strong growth potential. Investors look for stocks that are expected to grow at an above-average rate compared to the market.

Dividend Investing

Dividend investing involves selecting stocks that pay regular dividends. This strategy provides a steady income stream and potential capital appreciation.

Combining Hedging and Long-Term Investment

Combining hedging with long-term investment strategies can provide a balanced approach to managing risk and maximizing returns.



Protect Your Portfolio: Use hedging techniques to protect your long-term investments from market volatility.



Diversify: Spread your investments across different asset classes and sectors to reduce risk.



Stay Informed: Continuously monitor the market and adjust your strategies based on changing conditions.



Be Patient: Long-term investing requires patience and a focus on the bigger picture.

Note: Successful investing involves a combination of sound strategies, effective risk management, and continuous learning. Always stay informed and adapt to the ever-changing market environment.



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TRADING THEORY

ALL-POWERED TRADING STRATEGIES AND TOOLS



Money Management - Low Margin

Account

Game On with Financial Strategy

Definition

Low Margin Accounts are accounts that offer higher leverage than 5.

Setup

The trading year is divided into 4 quarters, starting from January 1st. Each quarter spans 3 months. Decide on a sum you are willing to lose within a year. This amount should be no more than 20% of your total assets. For example, with assets of €100,000, the risk would be $1R = €20,000$.

This 20% portion is divided into 4 tranches, transferred to the trading account at the beginning of each quarter: January 1st, April 1st, July 1st, and October 1st. Each quarter, 5% of the total assets are transferred to the trading account.

If a smaller percentage of assets is used, e.g., 10%, this amount is divided by 4 and transferred accordingly.

Execution

This method prevents the entire trading capital from being fully invested at the beginning of the trading activity. It also provides the opportunity to re-enter during the year if the account experiences a loss. This avoids a total loss. The

spreading effect reduces psychological pressure, keeping some funds in reserve.

After 4 quarters, an evaluation occurs. If funds remain, they are deducted as from the first tranche. If no capital remains, a new calculation based on the current assets is made, and a new tranche, equal to the total assets divided by four, is transferred. Each new year starts with the smallest tranche. Throughout the trading year, trading capital increases.

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Model Portfolio Allocation

Hedge Fund Manager Style

Balanced Model Portfolio

Cash: 25%

Euro/Dollar Cash: 15%

Physical Gold: 10%

Equity Allocation: 50%

- Maximum 5 individual securities: 10% each
- Minimum 2 individual securities: 25% each

Options & Derivatives: 10%

- Maximum 1% per derivative
- Maximum 10 derivatives at 1% each

Fixed Income Investments: 15%

- 15% invested for 1 year with interest

Conservative Model Portfolio

Cash: 50%

Euro/Dollar Cash: 40%

Physical Gold: 10%

Equity Allocation: 20%

- Maximum 2 individual securities: 10% each

- Minimum 1 individual security: 20%

Fixed Income Investments: 30%

- 30% invested for 1 year with interest

Balanced Hedging Model Portfolio

Cash: 30%

Euro/Dollar Cash: 20%

Physical Gold: 10%

Equity Allocation: 60%

- LONG: 30%
- SHORT: 30%
- Maximum 6 individual securities: 10% each
- Minimum 2 individual securities: 30% each
- 1 LONG & 1 SHORT in a relatively weaker stock

Options & Derivatives: 10%

- Maximum 1% per derivative
- Maximum 10 derivatives at 1% each

Conservative Hedging Model Portfolio

Cash: 50%

Euro/Dollar Cash: 40%

Physical Gold: 10%

Equity Allocation: 40%

- LONG: 20%

- SHORT: 20%
- Maximum 4 individual securities: 10% each
- Minimum 1 individual security: 20%
- 1 LONG & 1 SHORT in a relatively weaker stock

Fixed Income Investments: 10%

- 10% invested for 1 year with interest

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Gradient Line Two-Point Form

200-Day Moving Average

Setup

Calculate the gradient line between the 200-day moving average from 1 month ago. Compare today's 200-day moving average point with that of one month ago.

Calculate the next point using the formula: $(f(x) = mx + b)$. Calculate the gradient angle using the gradient line: SHIFT - key / tan - key / m.

Chart Representation

Display the moving average as a point chart.

Entry

LONG: If the gradient angle is at least 45% compared to 1 month ago.

SHORT: If the negative gradient angle is at least 45% compared to 1 month ago.

LONG: Stop Buy - High of the Friday candle.

SHORT: Stop Loss - Low of the Friday candle.

Stops

Stops

Initial stop is set 5% away from the entry price.

Trailing stop is used after 1 week, provided the price is in profit.

Trailing stop is adjusted after the second profit candle to the low (high) of the respective candle and followed on profit candles.

Time stop is used when no stop is hit within 6 sessions.

Time Frame

Time Frame

1 week

 Gradient Line Chart

Credit Spread Indicator

A Trusted Guide for Bond Traders

Setup

This indicator compares the yield of public bonds (issued by the state, municipalities, etc.) with the yield of corporate bonds issued by major industrial companies (DJIA, EUROSTOXX).

Entry

If the yield spread between corporate bonds (primary market) and government bonds (secondary market) narrows, it indicates greater optimism in the market.

This can be seen as **bullish** for the stock market.

If the yield spread between corporate bonds (primary market) and government bonds (secondary market) widens, it suggests skepticism regarding the creditworthiness of companies.

This can be seen as **bearish** for the stock market.

Explanation

The yield on corporate bonds is usually higher than on government bonds, reflecting greater uncertainty about the companies' ability to repay their debts.

Royal Trading Almanac

Honored Insights from the Markets

Holidays - DAX 1959-1992

1 Day before Christmas to 1 Day after Christmas: Average Return: 1.3%

1 Day before Christmas: Average Return: 0.4%

1 Day before Easter: Average Return: 0.6%

Days of the Month

The trading span between the **28th of the month to the 8th of the following month** is consistently positive.

The trading span between the **8th of the month to the 28th of the month** includes 13 negative days, where the losses are significantly larger than the gains of the positive days.

Months

The months from **November to May** are consistently positive.

The months from **May to November** are mixed, with **September and October** showing negative trends.

Statistical Filter Analysis

S&P 500 and US Treasury Bonds

S&P 500 (1982-1998)

Day	High - Low	Close - Opening Price
Monday	4.22	+.631
Tuesday	4.30	+.130
Wednesday	4.29	+.221
Thursday	4.19	-.044
Friday	4.45	-.1164

US Treasury Bonds (1988-1998)

Day	High - Low	Close - Opening Price
Monday	.708	.001
Tuesday	.781	.064
Wednesday	.767	.010
Thursday	.823	-.017
Friday	1.05	.022

Best Trading Day in Three-Day Cycle

Buy at Opening Price, Sell at Closing Price after 3 Days

Value	Day	% Increase	Avg. Profit
Treasury Bonds	Tuesday	52%	85
S&P 500	Monday	57%	212

Statistically, it is most favorable to build a LONG position in the S&P 500 at Monday's opening price and hold for 3 days. Conversely, the best time for SHORT selling Treasury bonds is at Thursday's opening holding until Tuesday's opening.

Treasury bonds yield more modest returns, and a LONG position should be entered on Tuesday at the opening.

These weekday patterns can serve as filters for these markets.

The Loss Brake

Ensuring Risk Management in Trading

Setup

When 2 consecutive losses occur in a stock over a period of 2-5 days trading (weekly trading), the original position and the subsequently averaged position are stopped out due to loss. This stock is blocked for new entries for 1 week.

If 2 consecutive losses occur in a stock during intraday or day trading, the original position and the subsequent averaged position are stopped out due to loss. This stock is blocked for the following day. The same applies to the traded stock.

Even if there is trading activity within these periods, the block remains due to the loss brake.

This can be controlled or monitored by a computer software.

Effect

The loss brake restricts trading activity by instructing the system to assign losses to

specific stocks. This helps to limit losses.

The time effect of dispersion occurs with the loss brake.

Note: The loss brake mechanism is crucial in ensuring that losses do not spiral out of control, maintaining the trader's capital over the long term.

Options Initial Stop

Setup

When the initial spread position Call/Put is entered, and the stop loss for the losing position reaches -50%, the position is exited at the close with a 50% initial stop, based on the trading price by market order execution.

Strategy

This ensures that for the next entry, at least half of the capital remains. The profit target with options is 100%, providing a 2:1 risk/reward ratio.

This stop also helps to optimize the option if it falls in the money.

If the stock loses 50%, it's better to exit and reenter with a different strike price closer to the

current trading price.

As a general rule, a total loss of the option position is excluded, which essentially saves the issued premium. Most options expire worthless, so it is crucial to maintain at least 50% of the capital set aside for options.

Initial Stop

-50% of Entry Price of OPTION

Fair Price: Fair Price = Spot Price + Financing Costs – Yields.

*Structured Products = Underlying +
Derivative(Option) = Structured Product
Certificates and legally viewed bonds.*

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Stock Selection: Weekly Basis

17:35 EUROPE / 22:00 USA

Setup

Scan an index for stocks that have a 5% performance on a weekly basis compared to the previous Friday. These are the so-called "Outperformers" with a 3-5% comparison value.

Winner Selection

- These stocks can be selected for 2-5 days (weekly trading), i.e., on Friday after the market close:
- A stop buy order is placed at the current high of the day from Friday.
- A stop loss order is placed at the current low of the day from Friday.

Loser Selection

- These stocks can be selected for 2-5 days (weekly trading), i.e., on Friday after the market close:
- A stop buy order is placed at the current high of the day from Friday.
- A stop loss order is placed at the current low of the day from Friday.

Remis Selection

Scan each stock on a weekly basis with a 0.3% to -0.3% performance compared to the previous Friday. These are the so-called "Remis" stocks with no significant performance difference.

- These stocks can be selected for 2-5 days (weekly trading), i.e., on Friday after the market close:
- A stop buy order is placed at the current high of the day from Friday.
- A stop loss order is placed at the current low of the day from Friday.

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Futures Trading: Options - DAX Spreading

Navigating the Depths of the Market

Setup

Based on weekly basis: Simultaneous purchase of DAX Call / DAX Put at the XETRA Friday close.

- V-DAX Filter: Entry only when V-DAX Friday close is below the 18-day average. Best entry is with low volatility.

Base Price

- Call: 2% - 5% out of the money / Put: 2% - 5% out of the money

- Distance from spot must be the same for both call and put.

Duration

- Options must have at least 4 months until expiration.

Time Frame

- Time stop is the last day of the following month.

Initial Stop Loss

Stop loss is set at -50% of the entry price.

Exit

Exit upon profit-taking. Return is calculated from close to close.

Basis on Daily Close

- 0.1% - 0.5% -> 10% of holdings
- 0.5% - 1% -> 20% of holdings
- 1.01% - 1.5% -> 30% of holdings
- 1.51% - 2% -> 40% of holdings
- 2.00% - X% -> 50% of holdings

Option Security

Options must cost at least €0.80 to ensure the spread between bid/ask is not too wide.

Strategy

Loss positions are not increased.

Position Size

In the first tranche, the same euro amount is invested in both call and put.

Futures Trading: Accumulation Options - Monthly Basis

Precision and Discipline in Trading

Entry Setup

Based on preference: Lower volatility with a slight price increase.

- Markets: Options on major indices: DAX
- V-DAX Filter: Entry when V-DAX Friday close is below the 18-day average.

Base Price

- Call: 2% - 5% out of the money / Put: 2% - 5% out of the money

Distance from spot must be the same for both call and put.

Duration

Options must have a minimum of 4 months until expiration.

Time Frame

- Time stop is the last day of the following month.

Initial Stop Loss

Stop loss is set at -50% of the entry price.

Exit

Exit at the end of 1 month.

Option Security

Options must cost at least €0.80 to ensure the spread between bid/ask is not too wide.

Accumulation

- End of month, check the last trading day.
- Friday close at the end of month 1: 20% invested in options.
- Each following Friday, buy "winning" options to accumulate.

Strategy

Loss positions are not increased.

Initial Investment

- In the first tranche, the same euro amount is invested in both call and put.
- For example, €1000 in call/put.

Slope Line Trend Channel Limit Buy

Designing Your Way Through Market Trends

Setup

Let's craft a precise market entry using the slope line of a trend channel:

- Identify two weekly candles, each with a higher low than the previous candle.
- Draw the slope line between these two low points.
- Calculate the next point using the formula: $f(x) = mx + b$.
- Similarly, for a downtrend, identify two weekly candles with lower highs.
- Draw the negative slope line and calculate the next point.

Chart Presentation

Visualize the trend channel on your chart for clarity:

- Display the moving averages as points connected by the slope lines.

Entry

Set your entries with design precision:

- **LONG:** Limit buy at the projected low of the trend channel.
- **SHORT:** Limit sell at the projected high of the trend channel.

Stop Losses

Place your stop losses strategically:

- **Initial Stop:** Set at 5% of the trend channel's range from the entry price.
- **Trailing Stop:** Adjust after each winning candle to lock in profits.

Time Stop

Stay in sync with the market:

- **Time Stop:** Exit at the close of the trading week if the position hasn't triggered any stops.

Position Size

Manage your position size with precision:

- **Position Size:** $1 R = 1\%$ of the account volume.

Visual Guide

Refer to the visual guide below to understand the entry and stop placement:

 Trend Channel Visual Guide

Limit Buy with Moving Averages

For the Fashion-Forward Trader

Setup

In the world of trading, just like fashion, timing and trends are everything. Here's how to set up the Limit Buy with Moving Averages strategy to ensure your trades are always in vogue:

- 20-Day Moving Average: Compare today's price to the moving average from a month ago. If the price today is 10% higher, set a limit buy order at the current moving average.

For example:

- 20-Day Moving Average a month ago: €10.00
- 20-Day Moving Average today: €11.00
- 200-Day Moving Average a month ago: €50.00
- 200-Day Moving Average today: €45.00

Entry

Ensuring your trade is always stylishly timed:

- Limit Buy: Place at €11.00
- Limit Sell: Place at €45.00

Stop Losses

Protect your portfolio with the essence of a fashionista:

- Initial Stop Loss: Set at 10% from the execution price, safeguarding your stylish entry.
- Trailing Stop: Adjusted daily with each winning candle, ensuring your gains are as secure as your fashion choices.

Time Stop

Keep your trades chic and efficient:

- Time Stop: Double the period of the moving average used, ensuring timely and fashionable decisions.

Position Size

Maintaining a disciplined approach with a fashionable flair:

- Position Size: $1 R = 1\%$ of the account volume, perfectly aligned with your risk management style.

Loss Brake

Protect your capital with strict controls, just like a fashion show backstage:

- Loss Brake: After 2 consecutive losses within the applied timeframe, the system is disabled. This rule also applies to the traded base value to prevent further losses.

Slope Line with 18-Day Average

Unveiling the Mysteries of Market Time Travel

Setup

Step into the time machine and calculate the slope line between the 18-day moving average and the 1-week average:

- Compare the 18-day average point from today with the point from a week ago.
- Calculate the next point using the formula: $f(x) = mx + b$.
- Determine the slope angle: $\text{SHIFT} - \text{Key} / \tan - \text{Key} / m$.

Chart Presentation

Display the moving average on a point chart, ensuring clarity in your time-traveling journey:

Entry

Enter the market with precision, whether traveling forward or backward:

- **LONG:** If the slope angle compared to last week is at least 45%.

- SHORT: If the negative slope angle compared to last week is at least 45%.
- LONG: Stopp Buy at Friday's high.
- SHORT: Stopp Loss at Friday's low.

Stop Losses

Set your stop losses with the accuracy of a time traveler:

- Initial Stop: 1 point away from the entry point.
- Adjustment Stop: After a week, adjust if the course is in profit.
- Trailing Stop: Adjust after the second winning candle, based on the respective candle's low/high.

Time Stop

Ensure you are always on the right side of time:

- Time Stop: Activated after 3 sessions if no stop is reached.

Position Size

Maintain your position size with precision:

- Position Size: $1 R = 1\%$ of the account volume.

Time Frame

Navigate the markets on a weekly basis, ensuring you are always in sync with the temporal market rhythms:

Counter-Cyclical Moving Average System

For the Entrepreneurial Trader

Setup

Like planting seeds in a well-prepared garden bed, our system begins with a solid foundation:

- 200-Day Moving Average: Set your buy limit at minus 20% and your sell limit at plus 20%.
- Calculate the moving average based on the closing price. If this price exceeds a certain volatility threshold, it's time to plant your position for accumulation.

Stop Loss

To protect your growing investment, establish a safety net:

- Stop: Place it 10% away from the entry price, ensuring that unexpected market conditions don't uproot your gains.

Accumulation

Carefully tend to your investment as it takes root:

- Accumulation: Begin with 20% of the total position, entering over 5 candles. If the position gains daily, don't add to it unless it shows a profit, nurturing it patiently.

Profit Target

Harvest your gains at the right moment:

- Profit Target: Aim for the 200-day moving average, where your efforts come to fruition.

Time Stop

Set a timeline for your trading cycle:

- Time Stop: One month to give your investments the chance to bloom.

Position Size

Manage your resources wisely:

- Position Size: 1 R = 1% of the account volume, typically 1000 shares.

Markets

Expand your garden across various landscapes:

- Markets: Stocks and indices.

Loss Brake

Cyclical Moving Average System

For the Savvy Businessman

Setup

In the world of trading, timing is everything. Here's how to set up the Cyclical Moving Average System to ensure your trades are always on point:

- **20-Day Moving Average:** When the price crosses the 20-day moving average, initiate a StopBuy (Loss) for trend buying.

Entry

Precision is key when entering the market:

- **Entry:** Calculated based on the closing price. If the price is below the moving average, place a LONG Stop Buy. If it's above, place a SHORT Stop Loss.

Stop Losses

Manage your risks effectively:

- **Initial Stop Loss:** Set at 10% from the entry price to safeguard your position.
- **Trailing Stop:** Adjusted with each positive candle to secure profits as the market moves in your favor.

Time Stop

Keep your trades efficient:

- **Time Stop:** Activated after 5 candles from the position's entry, ensuring timely decision-making.

Position Size

Maintain a disciplined approach to trading:

- **Position Size:** 1 R = 1% of the account volume, aligning with your risk management strategy.

Loss Brake

Protect your capital with strict controls:

- **Loss Brake:** After 2 consecutive losses within the applied timeframe, the system is disabled. This rule also applies to the traded base value to prevent further losses.

PeakValleyAI Garden

Nurturing Growth in All Time Frames

Introduction

The AI Peak Valley Trading System is like a well-tended garden, where careful attention to the peaks and valleys of the market can yield a bountiful harvest. This system, suitable for both daily and weekly charts, helps traders cultivate opportunities by identifying key turning points with precision.

How It Works

Spotting Peaks and Valleys

- Valleys (Bullish Blooms): These valleys form when a central candlestick's low is flanked by higher lows on both sides, signaling potential upward growth. These are fertile grounds for planting long positions.

- Peaks (Bearish Pruning): Peaks arise when a candlestick's high is not surpassed by its neighbors, hinting at a forthcoming decline. Ideal moments for pruning with short positions.

Strategic Trade Cultivation

- Short Position: Planted when a peak is confirmed by three consecutive candlesticks, anticipating a market decline.
- Long Position: Sown at a valley, also confirmed by three consecutive candlesticks, predicting market growth.

Execution Timing: Trades are cultivated at market prices immediately after the pattern confirmation to reap the expected price movement.

Risk Management with Stop Losses

- Peak Strategy: Stop losses for short positions are placed just above the peak's highest point, preventing the garden from overgrowing if the market reverses.

- Valley Strategy: For long positions, stop losses are set just below the valley's lowest point, protecting against unforeseen downturns.

Optimized Risk-Reward Ratios

Strategically placed stop losses ensure minimal risk with the potential for a rich harvest. This careful management enhances the chance-to-risk ratio, particularly beneficial in volatile trading environments.

Adaptability and Flexibility

The AI Peak Valley Trading System thrives in both trending and range-bound markets, much like a garden that flourishes in various seasons. It's suitable for day trading and longer-term strategies, offering consistent performance across different trading sessions.

Enhanced Decision-Making

- Clear Rules: The system provides clear guidelines for entry and exit points, reducing the time spent deciding and minimizing potential errors.

- Visual Clarity: Candlestick patterns are easy to identify, making the system user-friendly and reducing the cognitive load, much like recognizing familiar plants in a garden.

Note: This system requires no prior knowledge of algorithms or trading strategies, making it accessible to both new and seasoned traders.

System Highlights

Advanced AI algorithms designed to detect market trends, much like a seasoned gardener recognizes the signs of changing seasons.

- Real-time analysis to make quick and informed decisions, ensuring your trading garden remains lush and productive.
- Customizable options for individual trading preferences, allowing you to tailor your approach to your unique trading landscape.

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the AI Peak Valley System effectively. Cultivate your trading garden with the best practices outlined in our guide.

[Download Full Guide](#)

Join Our Community

Engage with other traders and share insights on our dedicated online platform. Just as gardeners share tips and tricks, you can exchange strategies with fellow traders.

[Visit Community](#)

Conclusion

The AI Peak Valley Trading System is more than a set of rules; it is a comprehensive trading framework that integrates technical analysis, psychology, and rigorous risk management. Like a well-planned garden, it equips traders with the

Golden Cross / Dead Cross

Setup

- Scan for a short-term moving average crossing a long-term moving average at the weekly close.
- For calculation, use weekly closing prices.

Entry

- **LONG:** When the short-term 18-day moving average crosses the long-term 200-day moving average from below to above.
- **SHORT:** When the short-term 18-day moving average crosses the long-term 200-day moving average from above to below.



PlayStation Style

Stops

- Initial stop set at 10% of the entry course.
- Trailing stop adjusted to the point total of a positive candle in favor of my position.
- Time stop activated after 5 candles from the position opening.

Position Size

- Initial stop set at 10% of the entry value = 1 R = 1% of the account size.

Loss Brakes

- After 2 consecutive losses within the applied timeframe, the system is disabled. The same restriction applies to the traded base value.

BUSTER

Boomer

- Boomer stocks are those that have increased by at least 10% since the end of the previous trading day.
- These stocks typically rise due to "good news," and the market generally shows an overreaction.

Buster

- Buster stocks are those that have decreased by at least 10% since the end of the previous trading day.
- These stocks typically fall due to "bad news," and the market generally shows an overreaction.



Entry

- Buy Boomer stocks preferably within the first 30 minutes after the opening.
- Sell Buster stocks preferably within the first 30 minutes after the opening.

Trend Filter

- On a 3-month chart, if the XETRA weekly closing price is above the 20-day moving average, a LONG signal can be traded.
- On a 3-month chart, if the XETRA weekly closing price is below the 20-day moving average, a SHORT signal can be traded.

Stops

- Initial stop: Daily low for Boomer, daily high for Buster.
- Trailing stop: On a 30-minute basis - the stop is moved to the point total of the book profit.
- Time stop: Daily close.

Position Size

- 1% of the account volume corresponds to 1 R.

Gap & Trap Setup

— -

- Scan stocks that open with a negative or positive gap that must be at least 2% from the previous day's closing price.
- The gap must be within the previous day's price range.

Bureaucratic

Entry

- After the opening, a Stop Loss order is set to the previous day's closing price for a positive gap.
- After the opening, a Stop Buy order is set to the previous day's closing price for a negative gap.

Stops

- The initial stop is set 1 point away from the entry price.
- An equalization stop is used after the first profitable candle.
- A trailing stop is used after the second profitable candle, based on the low (high) of the respective candle.
- A time stop is used after 5 candles if no other stop is triggered.

Package Size

- 1000 shares → 1 R = 1% of account volume.

Timeframe

- Daily chart.

Loss Brake

Pattern Gap - Daily Basis

Setup

A positive pattern gap occurs when the low of the current bar is above the closing price of the previous bar. The current closing price is above the current opening price.

-

A negative pattern gap occurs when the high of the current bar is below the closing price of the previous bar. The current closing price is below the current opening price.

-



Trend Filter

- On a 3-month chart, the XETRA weekly closing price must be above the 20-day average closing price to enter a **LONG** position.
- On a 3-month chart, the XETRA weekly closing price must be below the 20-day average closing price to enter a **SHORT** position.

Entry

- **LONG**: Stop buy at the current day's high.
- **SHORT**: Stop loss at the current day's low.

Stops

- Initial stop for **LONG** position is the previous day's low.
- Initial stop for **SHORT** position is the previous day's high.
- Trailing stops are adjusted daily to follow the book profit.

3er FIBONACCI PYRAMID

Basiswerte: Aktien

Trendfilter:

- On a 3-month chart, the XETRA weekly closing price must be above the 20-day average closing price to enter a **LONG** position.
- On a 3-month chart, the XETRA weekly closing price must be below the 20-day average closing price to enter a **SHORT** position.

Setup: 3er Pyramid

- Tranche = 62% from High - Low = 20% of the total amount (200 units)
- Tranche = 50% from High - Low = 30% of the total amount (300 units)
- Tranche = 38% from High - Low = 50% of the total amount (500 units)



Stops:

- Initial stop is set to **LONG** position at the previous weekly low.
- Initial stop is set to **SHORT** position at the previous weekly high.
- Trailing stops are adjusted every trading day to follow the book profit.
- Time stop is 3 trading days.

Position Size:

- 1R = 1% of the account volume
- Distance from candle high/low (depth) = 1% of the account volume

Loss Limit:

Pyramid R-Multiples

Setup

- **Peak System (System X):** Entry for the 1st position (100%), when Position 1 R is reached, 50% is added, when Position 2 R is reached, 25% is added.



Principle

- Foreign capital must never exceed equity.
- As long as the position is profitable, the broker provides credit.

Stops

- Initial stop applies for each tranche at 1 point distance to the entry.
- Compensating stop is used as soon as a tranche is in profit on a daily basis.
- Trailing stop is used for each tranche, moving up 2 candles if in profit (High/Low).
- Time stop is used after 5 profit candles per tranche.

Position Size

- 1 R = 1% of the account volume.
- 1 R = 500 units; 0.5 R = 250 units; 0.25 R = 125 units.

Leverage

Maximum leverage is 2.0.

Loss Limit

After 2 losses within the applied timeframe, the system is locked for the period. The same lock applies for the traded base value (see loss limit definition).

Fibonacci Accumulation Weekly Basis

Base Values: Limit Entry Stocks

Trend Filter

- On a 3-month chart, the XETRA weekly closing price must be above the 20-day moving average to signal a **LONG** trade.
- On a 3-month chart, the XETRA weekly closing price must be below the 20-day moving average to signal a **SHORT** trade.

Setup

- 1st tranche = 62% from high to low → 10% of total (100 units)
- 2nd tranche = 50% from high to low → 20% of total (200 units)
- 3rd tranche = 38% from high to low → 30% of total (300 units)
- 4th tranche = 0% from high to low → 40% of total (400 units)

Stops

- Initial stop for **LONG** positions is twice the volatility of the evaluation candle.
- Initial stop for **SHORT** positions is twice the volatility of the evaluation candle.
- The entry is valid until the stop is 20% away from the evaluation candle.
- Trailing stop is adjusted after each gain day to secure book profit.

Position Size

1R = 1% of account volume.

Inside Week Pattern Weekly Basis

Setup

An Inside Week occurs when a bar is completely within the price range of the previous bar.

Trend Filter

- On an intraday chart, the current XETRA - price must be above the previous day's closing price to enter a **LONG** signal.
- On an intraday chart, the current XETRA - price must be below the previous day's closing price to enter a **SHORT** signal.

Entry

- **Weekly Basis:** Stop Buy LONG signal at the bar high / Stop Loss SHORT signal at the bar low.
- Entry orders are always placed with an IF-Done order for 1000 shares, which automatically reverses the position in the worst-case scenario.

Stops

- Initial stop for **LONG** positions is the current candle low.
- Initial stop for **SHORT** positions is the current candle high.
- The trailing stop is adjusted with each gain bar to secure book profit.
- The time stop is set for 5 trading days unless a stop is hit and the position is liquidated.

Position Size

1000 shares per 1 point distance. 1R = 1% of account volume.

3ER L - FORMATION WEEKLY BASIS SETUP

The L-Formation consists of

1 large positive bar and 3 relatively small bars all within the price range of the large bar.

The Minus L-Formation consists of 1 large negative bar and 3 relatively small bars all within the price range of the large bar.

TREND FILTER

- On an intraday chart, the current XETRA - price must be above the previous day's closing price to enter a **LONG** signal.
- On an intraday chart, the current XETRA - price must be below the previous day's closing price to enter a **SHORT** signal.

ENTRY

- **LONG**: Stop Buy at the current day's high.
- **SHORT**: Stop Loss at the current day's low.

STOPS

- Initial stop for **LONG** positions is the previous day's low.
- Initial stop for **SHORT** positions is the previous day's high.
- The trailing stop is adjusted with each gain bar to secure book profit.
- The time stop is set for 5 trading days.

POSITION SIZE

1R = 1% of account volume, determined from the low(high) of the candle.

LOSS BRAKING

After 2 consecutive losses, the system is locked for the applied time frame. The same lock applies to the traded underlying asset.

FLUCTUATION RANGE 50% WEEKLY BASIS

SETUP

Monday Opening Price

Determine the fluctuation range of the previous week (High-Low). Take **50%** of the fluctuation range (weekly candle) and clamp the current opening price within this amount. 5 minutes after the opening.

ENTRY

The upper value is a buy signal (**LONG**).

The lower value is a sell signal (**SHORT**).

PERMANENT FILTER

50% + X must trend on one side

- Intermarket spreads DJIA: Weekly Basis
- 20-day average weekly
- Triple Bar Trend Angle Filter Weekly Basis
- Weekly Trend Angle

VOLATILITY FILTER

1% - 5% Weekly Basis

STOPS

Initial stop **LONG** position is the current candle low.

Initial stop **SHORT** position is the current candle high.

Trailing stop is moved after the first gain candle and is adjusted for the book profit.

Time stop is activated after 5 sessions.

POSITION SIZE

TRIPLE BAR VOLATILITY SPREADING

SETUP

Analyze the difference between Triple Bar **High** and Triple Bar **Low**.

IDEA

If the distance between the average high and the average low relative to the previous distance is smaller, it indicates **decreasing volatility**.

If the distance between the average high and the average low relative to the previous distance is larger, it indicates **increasing volatility**.

ENTRY

Enter when the volatility is decreasing (smaller distance) for **LONG/SHORT**.

RISING VOLATILITY

Enter when the rising volatility is characterized by hectic/panic.

TRIPLE BAR STOPS

Initial stop for **LONG** positions is at the average of the last 3 low points.

Initial stop for **SHORT** positions is at the average of the last 3 high points.

IDEA

If the distance between high and low is smaller, the initial stop is closer to the market, creating a better risk-reward ratio.

TRIPLE BAR MOVING AVERAGE LIMIT TRADING

SETUP: WEEKLY BASIS

Calculate the moving average of the last 3 **highs**.

Calculate the moving average of the last 3 **lows**.

These two lines together form a type of Bollinger Band.

ENTRY

If the price touches the upper line, then enter

SHORT via limit sell.

If the price touches the lower line, then enter LONG via limit buy.

TREND FILTER

On a 3-month chart, the XETRA closing price must be above the 20-day moving average to take a LONG signal.

On a 3-month chart, the XETRA closing price must be below the 20-day moving average to take a SHORT signal.

STOPS

Initial stop for LONG positions is set at 50% distance from the moving average of the last 3 lows.

Initial stop for SHORT positions is set at 50% distance from the moving average of the last 3 highs.

Trailing stops are used, adjusted to each candle's high/low as the trade progresses.

Time stop is set at 3 candles; if no stop is triggered, the position is liquidated.

POSITION SIZE

1 R = 1% of account volume

LOSS PREVENTION

TRIPLE BAR MOVING AVERAGE TREND FOLLOWING FILTER / SYSTEM SETUP: WEEKLY BASIS

A moving average of the last 3 **highs** is calculated.

A moving average of the last 3 **lows** is calculated.

These two lines together form a type of Bollinger Band.

ENTRY

If the moving average of the last 3 highs and the last 3 lows **rises** compared to the previous day, then enter LONG via Stop Buy at Friday's high.

If the moving average of the last 3 highs and the last 3 lows **falls** compared to the previous day, then enter SHORT via Stop Buy at Friday's low.

TREND FILTER

On a 3-month chart, the XETRA closing price must be above the 20-day moving average to take a LONG signal.

On a 3-month chart, the XETRA closing price must be below the 20-day moving average to take a SHORT signal.

STOPS

Initial stop for LONG positions is set at the moving average of the last 3 lows.

Initial stop for SHORT positions is set at the moving average of the last 3 highs.

Trailing stops are used, adjusted to each candle's high/low as the trade progresses.

Time stop is set at 3 candles; if no stop is triggered, the position is liquidated.

POSITION SIZE

1 R = 1% of account volume

LOSS PREVENTION

MORNING / NIGHT ATTACK SPREADING

CHECK

10:00 / Market Close

SETUP

Check the difference between the price after the first hour of trading and the closing price.

Current Closing Price – Price at 10:00 AM = Positive or Negative Movement

TREND FILTER

On a 3-month chart, the XETRA closing price must be above the 20-day moving average to take a LONG signal.

On a 3-month chart, the XETRA closing price must be below the 20-day moving average to take a SHORT signal.

ENTRY

LONG: Stock with the highest positive movement at closing.

SHORT: Stock with the highest negative movement at closing.

POSITION SIZE

1 R = 1% of account volume / 500 shares or 50,000 € per side

LOSS PREVENTION

After 2 consecutive losses within the applied time frame, the system is blocked. The same block applies to the traded base value (see definition of loss prevention).

Inter-Sector Spread

Calculation

Price of Industry Leader - Price of Competitor = Inter-Sector Spread

Interpretation: Comparison of the spread from one period to the next (candle) shows relative strength or weakness of a competitor's stock.

Rule

If the spread decreases, the competitor is relatively stronger; If the spread increases, the competitor is relatively weaker.

Application

Compare the industry leader of a sector with competitors from the same sector.

Entry

Simultaneous entry Stronger market **LONG**; weaker market **SHORT**

Stops

Initial stop is activated if the spread moves 1000 € against me. Trailing stop is activated if the spread shifts against me. Time stop is activated after 3 sessions if no other stop has been hit.

Exit

The spread **MUST** be fully liquidated (both positions).

Position Size

1 R = 1% of account volume per side.

Time Frame

1 Week

Sectors

- **Banks:** Deutsche Bank / Commerzbank
- **Chemicals:** BASF / Kali und Salz
- **Auto:** Daimler / BMW or Daimler / VW
- **Technology:** SAP / Infineon
- **Telecom:** Dt. Telekom / Dt. POST
- **Energy:** EON / RWE

Professional Spreading

Daily View / Weekly View

Setup

Body of the Candle

Closing Price – Opening Price = negative or positive movement

Check: Market Close

Stock Selection

DAX / MDAX / TECDAX / SDAX

Signal

Stock with the highest positive movement in percentage **LONG**

Stock with the highest negative movement in percentage **SHORT**

Entry

Stop Buy **LONG** Signal at bar high / Stop Loss **SHORT** Signal at bar low

The entry orders are each equipped with an If-Done order of over 1000 shares to possibly reverse the position and liquidate in the worst case.

Stops

Initial stop **LONG** position is the current candle low

Initial stop **SHORT** position is the current candle high.

Trailing stop is adjusted after each profit candle based on book gains.

Time stop is 5 candles; if no stop has been triggered by then, the position will be liquidated.

Position Size

500 shares per 1-point distance.

1 R = 1% of account volume.

Loss Prevention

After 2 losses in a row, the system is blocked for the used time frame. The same block also applies to the traded base value (see loss prevention definition).

Trend Filter

On a 3-month chart, the XETRA closing price must be above the 20-day moving average to be able to trade a **LONG** signal.

On a 3-month chart, the XETRA closing price must be below the 20-day moving average to be able to trade a **SHORT** signal.

Position Size

1 R = 1% of the account volume.

2 x 500 Shares = 1000 Shares or 50,000 €.

System Highlights

- Advanced strategy for trading options and stocks.
- Real-time data for accurate decision-making.
- Customizable options for individual trading strategies.

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the V-DAX Filter effectively.

[Download Full Guide](#)

Join Our Community

Engage with other traders and share insights on our dedicated online platform.

[Visit Community](#)

Conclusion

The V-DAX Filter system provides a comprehensive trading framework that integrates technical analysis, psychology, and rigorous risk management. It equips traders with the knowledge and tools necessary to navigate the complexities of the market, maximizing opportunities while controlling risk. By applying this system, traders of all experience levels can enhance their market presence, making informed and profitable trading decisions.

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Slope Angle Filter

Precision in Market Analysis

Time Frame

Daily Basis / Weekly Basis

Scan stocks with a slope angle of at least 45 degrees. Scan stocks with a negative slope angle of at least -45 degrees.

Calculation

Compare the current closing price with the previous closing price.

P1 (0 / 50)

P2 (1 / 52)

Slope (m):

$$m = (y_2 - y_1) / (x_2 - x_1)$$

Linear Function:

$$f(x) = mx + b$$

$$f(2) = 2 * 2 + 50 = 54$$

P3 (2 / 54)

Slope Angle (α):

$$\alpha = \arctan(m)$$

Calculator:

SHIFT + tan - key / tan - key / m = slope

Minimum Slope:

m = 1.00

Slope Angle = 45 degrees

Important Points

- **Acute Angle: 45 degrees**
- **Right Angle: 90 degrees**
- **Straight Angle: 180 degrees**

Note: This system provides a detailed method for evaluating the market based on slope angles, ensuring precise and reliable trading signals.

System Highlights

- **Advanced calculations for market analysis.**
- **Real-time data for accurate decision-making.**
- **Customizable options for individual trading strategies.**

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the Slope Angle Filter effectively.

[Download Full Guide](#)

Join Our Community

Index Filter Market Breadth / Performance

Effective Evaluation for Strategic Trading

Market Breadth Setup

Weekly Basis

Scan the entire market for winners/losers/draws. For the German market, the entire DAX family is evaluated. For the American market, the S&P 500, DJIA, NASDAQ Composite, or NYSE-traded stocks are evaluated.

Scan an Index by Winners/Losers Ratio (Table)

- If the winners exceed the losers by more than 51%, it is a LONG signal.
- If the losers exceed the winners by more than 51%, it is a SHORT signal.
- Unchanged means neutral signals.

Index Filter Weekly Basis

- If the Index Filter gives a LONG signal, only LONG signals for stocks are considered.
- If the Index Filter gives a SHORT signal, only SHORT signals for stocks are considered.

American Setup: Daily Basis

- **If an American index (DJIA) achieves at least 0.3% return based on daily closing prices, LONG positions are traded.**
- **If an American index (DJIA) achieves at least -0.3% return based on daily closing prices, SHORT positions are traded.**
- **If an American index (DJIA) remains unchanged based on daily closing prices, positions are not traded for that day.**

Index Filter Daily Basis

Time: 22:30 hours after USA closing prices. LONG + SHORT candidates in the German market are scanned using the Index Filter.

- **If the Index Filter gives a LONG signal, only LONG signals are considered for the next day.**
- **If the Index Filter gives a SHORT signal, only SHORT signals are considered for the next day.**

Note: This system ensures a strategic approach by considering market breadth and performance, making it suitable for both novice and experienced traders.

System Highlights

- **Advanced algorithms designed to evaluate market breadth and performance.**
- **Real-time analysis to make quick and informed decisions.**
- **Customizable options for individual trading preferences.**

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the Index Filter effectively.

[Download Full Guide](#)

Join Our Community

Engage with other traders and share insights on our dedicated online platform.

[Visit Community](#)

Conclusion

The Index Filter is more than a set of rules; it is a comprehensive trading framework that integrates technical analysis, psychology, and rigorous risk management. It equips traders with the knowledge and tools necessary to navigate the complexities of the market, maximizing opportunities while controlling risk. By applying this system, traders of all experience levels can enhance their market presence, making informed and profitable trading decisions.

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Tempo System Theory

Mining the Market with Precision

Introduction

The Tempo Trading System is designed to help traders identify optimal entry points based on the rate of change in market trends. This system ensures entries are made with an understanding of market momentum over different timeframes.

How It Works

Tempo Calculation

(Current (current) point range - Previous (previous) point range) / Time (2 sessions)

- If the result is positive, Tempo increases.
- If the result is zero, Tempo remains the same.
- If the result is negative, Tempo decreases.

Setup

Enter a trend direction when Tempo is in a positive range. Exit the trend direction when Tempo is in a negative range.

Trend Filter

- On a 3-month chart, the XETRA closing price must be above the 20-day moving average for a LONG signal.
- On a 3-month chart, the XETRA closing price must be below the 20-day moving average for a SHORT signal.

Entry

- LONG at the current candle's low.
- SHORT at the current candle's high.

Stops

- Initial stop is set 1 point away from the entry price.
- Profit stop is used after the first profitable candle.
- Trailing stop is set after the second profitable candle under the low (high) of the respective candle and is adjusted with further profitable candles.
- Time stop is used if no stop is triggered after 5 sessions.

Chart

Velocity indicator as an oscillator with a zero line in the middle.

Position Size

1 R = 1% of account volume.

Note: *This system provides clear entry and exit rules based on market momentum, making it suitable for both novice and experienced traders.*

System Highlights

- Advanced algorithms designed to identify optimal entry points based on market momentum.
- Real-time analysis to make quick and informed decisions.
- Customizable options for individual trading preferences.

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the Tempo System effectively.

[Download Full Guide](#)

Trend + Cycles Theory

Ride the Market with Precision

Introduction

The Trend + Cycles Trading System is designed to help traders identify optimal entry points based on weekly and daily candle ratios. This system ensures entries are made with an understanding of market movements over different timeframes.

How It Works

Setup

1 week divided into 5 daily candles and display the ratio.

Entry

If the weekly candle color matches the daily ratio, open a position in the trend direction.

Ratio

50% + X % => At least 3/2 in favor of one side.

Stops

- Initial stop is set with a 1-point distance from the entry price.
- Profit stop is used after 1 week if the price is in profit.
- Trailing stop is set after the second profitable candle under the low (high) of the respective candle and is adjusted with further profitable candles.
- Time stop is used if no stop is triggered after 5 sessions.

Timeframe

1 week divided into 5 days.

Trend Filter

- On a 3-month chart, the XETRA closing price must be above the 20-day moving average for a LONG signal.
- On a 3-month chart, the XETRA closing price must be below the 20-day moving average for a SHORT signal.

Position Size

500 shares = 1 point distance = 1 R = 1% of account volume.

Loss Prevention

After 2 losses within the applied timeframe, the system will be locked. The same lock applies to the traded base value.

Note: *This system provides clear entry and exit rules based on weekly and daily candle ratios, making it suitable for both novice and experienced traders.*

System Highlights

- Advanced algorithms designed to identify optimal entry points based on weekly and daily ratios.
- Real-time analysis to make quick and informed decisions.
- Customizable options for individual trading preferences.

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the Trend + Cycles System effectively.

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Volume Filters Theory

Effective for Day and Weekly Trading

Introduction

The Volume Filters Trading System is designed to help traders identify optimal entry points based on volume spikes and explosions. This system provides reliable metrics for both day trading and weekly trading, ensuring entries are made with an understanding of market movements.

How It Works

Volume Spikes

Entry Setup

A volume spike occurs when a volume bar has twice the height of its preceding bars.

Idea

This indicates an increase in volume followed by a decline, suggesting that many shares have changed hands. High volume usually means that shares are moving from weak hands to strong hands.

Time Frame

Daily chart

Combination

A volume spike can serve as a filter for other entry setups. Before a top/bottom formation, a volume spike is a further confirmation of an imminent price reversal.

Stops

Stops are based on the combined trading systems that rely on price data (chart data).

Position Size

500 shares -> 1R equals 1% of the account volume.

Order Placement

After the daily closing price

Loss Limit

After 2 consecutive losses using this system within the specified time frame, trading is suspended. The same suspension applies to the traded underlying asset (see loss limit definition).

Volume Explosion

Entry Setup

A volume explosion occurs when a volume bar is at least 50% taller than the previous bar.

Idea

This indicates a significant increase in volume. High volume means that many shares are changing hands,

typically from weak to strong holders.

Time Frame

Daily / Weekly chart

Combination

A volume explosion can act as a filter for other entry setups, especially for momentum strategies like Smash Day / Mega Candles / Strong Candles.

Stops

Stops are based on the combined trading systems that rely on price data (chart data).

Note: This system provides clear entry and exit rules based on volume changes, making it suitable for both novice and experienced traders.

System Highlights

- Advanced algorithms designed to identify optimal entry points based on volume changes.
- Real-time analysis to make quick and informed decisions.
- Customizable options for individual trading preferences.

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the Volume Filters System effectively.

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Conclusion

The Volume Filters Trading System is more than a set of rules; it is a comprehensive trading framework that integrates technical analysis, psychology, and rigorous risk management. It equips traders with the knowledge and tools necessary to navigate the complexities of the market, maximizing opportunities while controlling risk. By applying this system, traders of all experience levels can enhance their market presence, making informed and profitable trading decisions.

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Weekly High/Low Trendline Theory Strategic for All Time Frames

Introduction

The Weekly High/Low Trendline Trading System is designed to help traders exploit specific market formations that indicate potential reversals. This system is suitable for both daily and weekly charts, providing traders with reliable entry and exit points.

How It Works Setup

A stock must have higher lows than the previous candle for 2 consecutive weeks. Once the stock

shows a close below the last low, a SHORT signal is triggered. A stock must have lower highs than the previous candle for 2 consecutive weeks. Once the stock shows a close above the last high, a LONG signal is triggered.

Trend Filter

On an intraday chart, the current XETRA price must be above the previous day's close to signal LONG. On an intraday chart, the current XETRA price must be below the previous day's close to signal SHORT.

Entry

Stop Buy LONG signal at weekly high / Stop Loss SHORT signal at weekly low. The entry orders are equipped with an If-Done order over 1000 stocks to

reverse the position if needed.

Stops

- Initial stop for LONG position is the current candlestick low.
- Initial stop for SHORT position is the current candlestick high.
- Trailing stop is adjusted after each winning candle to the book profit.
- Time stop is 3 candles; if no stop is hit, the position is liquidated.

Note: This system provides clear entry and exit rules, making it suitable for both novice and experienced traders.

System Highlights

- Advanced algorithms designed to spot market

trends.

- Real-time analysis to make quick and informed decisions.
- Customizable options for individual trading preferences.

Optimizing Your Strategies

Discover techniques to maximize your trading success with our detailed guide on using the Weekly High/Low Trendline System effectively.

[Download Full Guide](#)

Join Our Community

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Conclusion

The Weekly High/Low Trendline Trading System

is more than a set of rules; it is a comprehensive trading framework that integrates technical analysis, psychology, and rigorous risk management. It equips traders with the knowledge and tools necessary to navigate the complexities of the market, maximizing opportunities while controlling risk. By applying this system, traders of all experience levels can enhance their market presence, making informed and profitable trading decisions.

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