

DAILY GLOBAL MACRO TRADING RULES



RULE #1

MANAGE MY TRADES TOWARDS MY OBJECTIVES

- Build large positions to capture trends in Forex that occur on daily chart as defined by the Bollinger Bands.
- See objectives and risk management template.
- Look for trades with at least a 10% move expected.

TRADE THE RIGHT APPROACH FOR THE MARKET TYPE

RULE #2

- Identify the MT with Bollinger bands and trade the right approach for the market type.

RULE #3

TRADE ONLY WITH A MACRO VIEW

- Limit trades to those where there is an expectation of a macro trend.
- But... be prepared to trade the price action first.

WAIT FOR A DAMN GOOD SET-UP

RULE #4

- Must be trading on the correct side of the Bollinger bands and Ichimoku cloud
- Sideways quiet market types.
- Major reversal patterns off key levels (exception to the BB above rule).

RULE #5

STALK A LOW RISK ENTRY

- “Busted” breakouts
- Breakouts candles
- Reversal patterns
- Fundamental catalysts

HAVE A HARD TO HIT STOP-LOSS

RULE #6

- Place 0.5% behind the key level (reversal).
- Place stop 0.25% behind the candle of two weeks ago (trend).
- Place stop on opposite Bollinger bank (breakout).

RULE #7

CREATE ASYMMETRICAL RISK SCENARIOS

- Scale-in up to 5 times on the position in the first 1/3 of the planned move.
- Add any free risk on the first scale-in point and then use the combined stop calculator.

BUILD A RISK-FREE POSITION

RULE #8

- Enter on a retracement for 50% off the position with target near the entry. Retracements can be to Marabuzo line, mid Bollinger band, Daily low or close (about half the distance to the stop).

RULE #9

TRADE AROUND THE POSITION TO HAVE LARGE WINNERS

- Use 25% of the position.
- During the first 1/3 of the planned move, add any additional profits to the core position.
- In the next 1/3 of the move, maintain the profits to build a risk-free position.
- In the final 1/3 of the move, then trade the position at the original 25% level.
- Move to swing and day trading plans for entry and exit rules.

PROTECT PROFITS

RULE #10

- Close 25% on a candle stick double bottom/top or in a sideways MT or off a key level(re-enter on new entry).
- Trail stop 25 pips behind the candle of 2 weeks ago.

RULE #11

TRADE WHAT'S INFRONT OF ME

- Trail stop on 50% of position behind 1 week candle during fast market types.
- Close on weekly reversal pattern.

SIZE POSITIONS IN-LINE WITH CONVICTION LEVELS

RULE #12

- Asses the correct position size within the allotted bounds of the risk management plan.

RULE #13

I AM A RISK MANAGER FIRST

- Position size per risk management plan.
- Maximum 4 positions at one time.
- Max 2 correlated positions (unless using a basket).
- Max 3 correlated positions if 2 are risk free.
- Max position size on 1 trade is 1.5 times trading capital.

TRADE THE RIGHT SYSTEM UNIVERSE FOR THE STRATEGY

RULE #14

- FX Majors and crosses only.

RULE #15

MANAGE NEWS EVENT RISK

- Tighten stop on 25% of position to 0.25% behind the recent high/low.
- Take off the 25% used for trading around the position if it is on.
- Leave stop on 50% or buy out of the money options and remove stop-loss. Either close position when options expire or re-establish stop. Leg the options so that 50% are close to market, and 50% are long-term. Close options after the event as required.

BE READY FOR WINDFALL PROFITS

RULE #16

- Extreme MT stop at 0.5R on 50% position. Re-enter on next re-entry.

RULE #17

MAXIMISE BIG WINS

- Add additional positions on new entry signals when position is risk-free.
- Once up 30% for the year go for big wins with aggressive scale-ins on high conviction trades.

CUT LOSSES SHORT

RULE #18

- Close 50% of position on reversal candle right after entry by placing a stop on the low of the candle.

RULE #19

LET PROFITS RUN

- Exit core position on close over the opposite daily Bollinger Band by placing the stop 0.25% behind the candle.

DON'T PLAY

RULE #20

- Assess the quality of the trade out of 100 and only take trades that rate 85 or higher.
- If I am not sure if it is 85 or not, then don't take the trade.