

Make Your Trading Plan



BetterTrades Instructor
WADE SUTTON



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Where you are going

Achieve your trading objectives with greater focus, consistency, and efficiency



Ask better questions



How much does it cost?

Is the cost and volatility appropriate?



Shop for what you can afford

\$10,000 account value

20% Maximum in single trade

\$ 2,000



Rate of return?

Could your strategy and candidate produce your desired target?



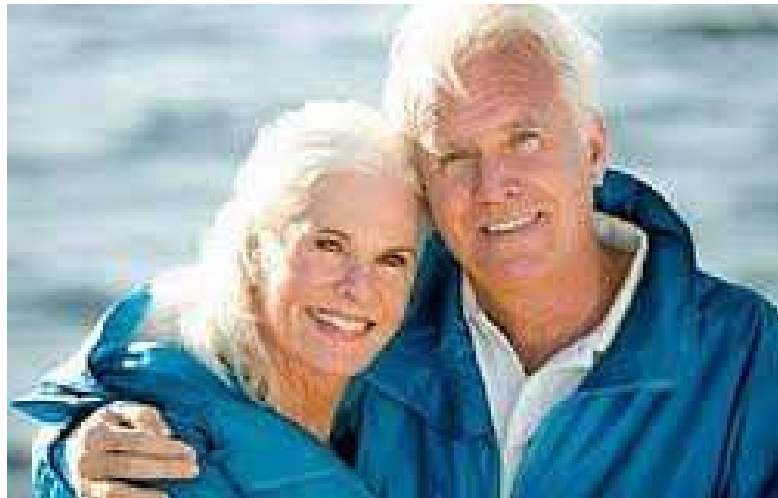
Considerations

Directional trades	15- 30 %
Spreads	5 – 15%
Covered calls	3- 8%
Naked Puts	1- 3% without margin



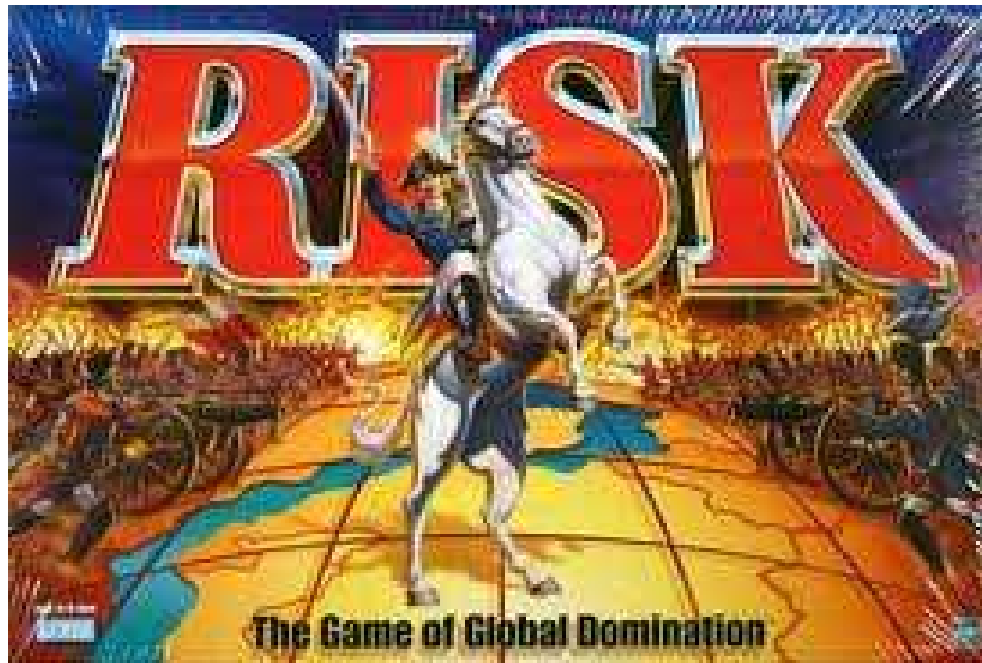
What game are you playing?

Short game and long game are played different



Am I cool with whatever happens?

Adjust number of contracts, stop target, or volatility



Don't bet the farm

Consider 2-5% in a single trade
 $\$10,000 \times (2-5\%) = \$200-500$



Finding and qualifying trades



Too much noise

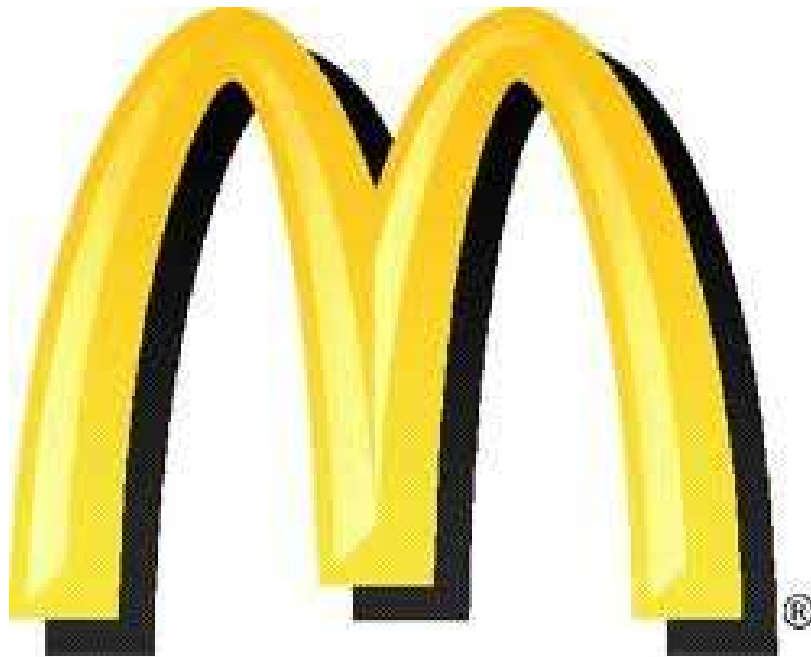


Trade what you know

Chasing the 'hot stock' can burn you



It is the process not the product



Usual suspects

If you could only trade 10 securities for the next 3 months what would they be and why?

Trade millions of shares a day



Set business hours



**Build trades while
the market is closed**



Trading plan

Stock: _____ Price: _____ Date: _____

Bullish or Bearish?

Reason the stock is compelling - Fundamental, Technical, News

EXAMPLE:

If... 'xyz' trades > \$57.20, Then... Buy to Open 3 contracts of _(month)_____. 55 calls. Day Limit Order \$3.90

Sell to Close: GTC 4.40.

Protective Stop Loss - If 'xyz' trades < \$56.10

Sell to Close at the market.



There it is



Begin with the end in mind

Win, lose, or draw - you were right



Funded vs. Non funded



Start with small amounts of money

Learn the lessons when the stakes are manageable



Keep it basic

Up, Sideways, Down



Build the trade

- How to trade

Available money

Anticipated rate of
return

Time frame

Risk

- What to trade

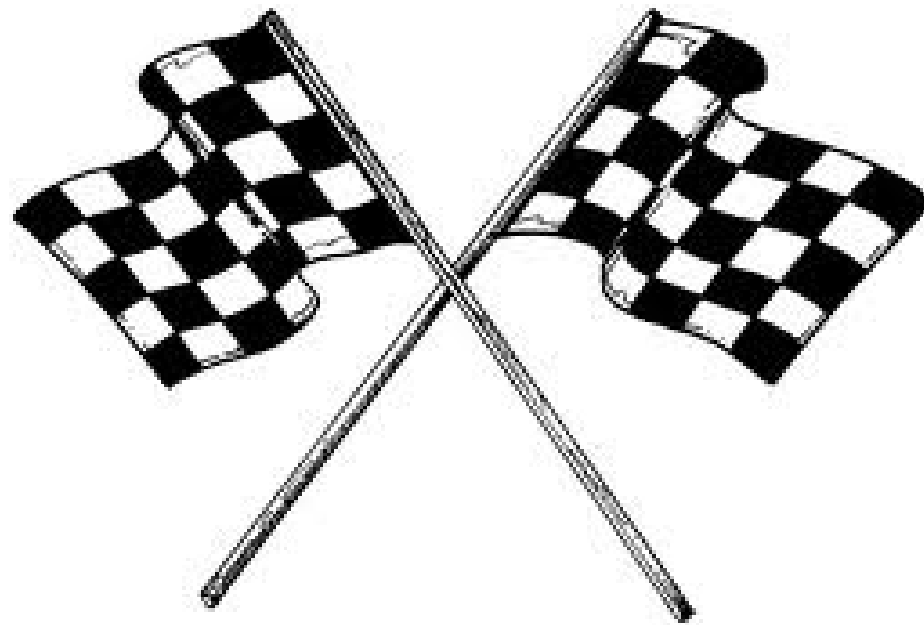
Chart

Option chain

Company



Demonstration start to finish



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