

# Martin Radlak - Trading business plan

## I. 12 Golden Trading rules

1. Cut losses
2. Let profits run
3. Don't overtrade
4. Anything can happen so be prepared to act accordingly
5. Decrease size when in loss or when trading poorly
6. Act according to what is currently going on - not what should be going on
7. Be patient and wait for the market to come to me
8. Act in my best interest
9. Control emotions
10. Think positively
11. Focus on upside target (what you think about is what you get)
12. Be confident, that I will always recognize good opportunity

## II. Trading setups

### 1. Entries:

- i. Trading with the trend
  - enter on retracement (prev. broken level, Fibonacci)
  - enter on break-out from significant level
- ii. When trend reversing, enter on breakout from channel/trend line
- iii. Hunting for stop-losses (usually around significant levels or swing highs/lows)
- iv. Bounces of the significant levels
- v. Significant economic news with understandable influence on bund

### 2. Exits/partial profit taking

- i. Take 1 lot after 3-5 ticks on site
- ii. Take 1 lot when approaching known level (only if resistance build)
- iii. Let last lot run until definite sign of reversal (i.e. breaks Fibs, prev. levels)
- iv. Exit when violent move run out of steam and virtually stops for a moment

### 3. Exits/taking a loss

- i. Take a loss after 3 ticks max
- ii. Take 1/3 of a position after 1-2 ticks offsite to reduce risk
- iii. Close the remaining position for a loss

### 4. Adding to a position

- i. Only if in profit and market is trending, add on Fibonacci retracement

## III. Money Management

1. Never lose more than 1/3 of my maximum daily reach
  - i. If I made my target soon, then try to practice other strategy
    - Enter on retracements and hold it until the level
    - Bounces of the level

2. If lost  $\frac{1}{3}$  of the daily maximum, keep trading but only basic strategy. Never get to the point where my profit is less than transaction costs
3. If started day down, come back to flat (incl. roundtrips) and keep going if trading well

#### IV. Day schedule

1. 06:30-7:00 Pre-open preparation
  - i. Hardware and software setup (XTrader, CQG, XStudy, ZDreCroder)
  - ii. Charts review
    - 15 Minutes prev. day and curr. day (Close/Open)
    - Daily (TA formations, Significant rejections levels, trend lines)
    - Market Profile (vacuums and other levels)
    - Other Markets overview
  - iii. News review
    - Websites: Bloomberg.com, ft.com
    - FT Printed edition
  - iv. Economic calendar review (eco data, auctions)
  - v. Analyst reports (KBC, Mizuho, FXStreet, RANSquawk)
2. 07:00-08:30 Post-open observation (trading only if significant levels broken)
3. 8:30-10:30 Core trading time I
4. 10:30-11:15 Auctions observations and possible trading
5. 11:15-12:00 Lunch time
6. 12:00-13:15 Watch for possible trading signals, prepare for data
7. 13:15-16:45 Core trading time II
  - i. Extra awareness around US open
  - ii. Extra awareness around US auctions
8. 16:45-17:15 Wrap-up, summary and conclusions for the day

#### V. Understanding how bids and offers work

##### 1. Bid/Ask Volume

- i. When Bid Volume rising, but price is falling -> bigger supply than demand (people expecting price to drop or closing some longs)
- ii. When Bid Volume rising and price rising -> bigger demand than supply (people expecting price to go up opening long and closing shorts)
- iii. When Ask Volume rising, but prices rising -> bigger demand than supply (people are expecting rise or covering some shorts)
- iv. When Ask Volume rising, and price falling -> bigger supply than demand (people expecting price to drop, opening shorts and closing longs)

##### 2. Bids/Asks

- i. Closing long/opening short position create supply driving prices down
- ii. Closing short/opening long position create demand driving prices up