Active Trend Trading System

Target Shooting Entries Objectively

"It doesn't happen every time, but it does happen all the time" ~~ Yogi-ism (Mike T.)

Disclaimer

- **U.S. Government Required Disclaimer – Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets. Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed in this training. The past performance of any trading system or methodology is not necessarily indicative of future results.**

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- **All Materials presented are for training purposes only. Traders should paper trade any new method prior to risk of personal capital.**

Target Shooting Entries—Second Chance Entries

Very few things are more frustrating than waiting for a trigger and missing the trade!

How can traders objectively plan entries when it appears they have missed the first trigger?

Apply Back to the "8"

"Vision is the art of Seeing Things Invisible!"
~~ Jonathan Swift

"People Only See What They are Prepared to See"
~~ Ralph Waldo Emerson

"Observe things how they are;
See things how they can be!"
~~ DWW

The Set Up

If the initial move is missed either up or down

Prerequisites: 8 period EMA crosses the 20 period EMA

1. *Target Pullbacks to the 8 period moving average*
2. *Establish Stop Losses*
3. *Establish Profit Targets*
4. *Establish when to move Stops*

Rules

The initial 8 Period EMA Trigger has fired

1. **Wait for a 8-20 cross**
2. **Define value of 8 period EMA & where it will be**
3. **Place Conditional Order at defined level**
4. **Stop Loss 2% on Intraday Triggers; 4% on Daily Triggers**
   - **Once up by 2% Intraday or 4% Daily—move stop to close below/above 8 period EMA or B.E. but choose one!**
5. **Profit Targets: T1 = Intraday 2-5%; Daily 5-15%**
   - **Options take profits at 30% & 50%; use close below/above 8 day as trailing stop on remaining contracts**

Use simple spreadsheet to calculate parameters

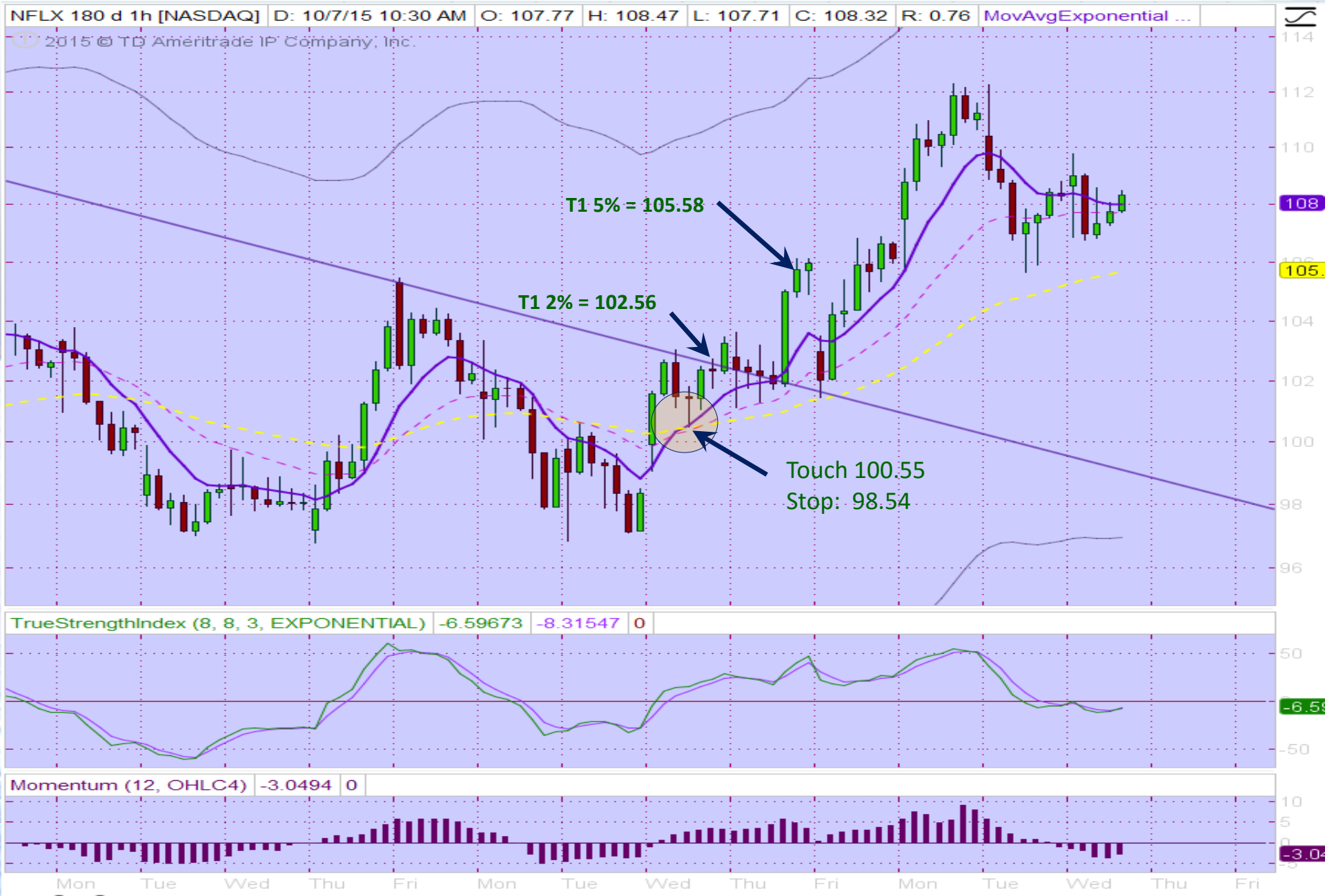
Stock/ETF	XXX
Entry	25.00
Stop 4%	24.00
Target 5%	26.25
Target 10%	27.50
Target 15%	28.75

Intraday	
Stock/ETF	XXX
Entry	25
Stop 2%	24.5
Target 2%	25.5
Target 5%	26.25

Examples—Daily

Examples—Daily

Examples—Intraday



Examples—Intraday

Other Considerations

1. **How much to fade? Fudge Factor**
2. **Position Size?**
3. **Whipsaw?**
4. **What if the initial signal wasn't missed?**