#### TRADING THE



By Cousin Vinny

FEB 2012

## DISCLAIMER

- The following is not an investment or trading recommendation.
- The losses in investing and trading can be very real, and depending on your investment vehicle, can exceed your initial investment.
- I am not a licensed trading or investment adviser, or financial planner.
- You should make your own trading and investment decisions based off your own research, and tolerance for risk.
- What follows are just some tips which hopefully you will find useful.

### - SETUP -

MBT CHARTS w/ 3, 10, 30, 65, 130, ST, MT, LT

Set the QQQ with QQV underneath so you can watch them both

The combination of the 10, 65, MT will show the channel.

Look for the WEEK to match up with the 65

#### "OFF THE TOP"

Look at MT (week) – off the Top – follow the trend - buy puts

On the bounce – buy calls

ENTRY: the direction of the 65 w/ angle & sep. (Strong Trend)

Look for 10 to roll over then 3 to roll over w/

Angle & sep.

Don't go in first ½ hour

Look for 12 – 15 cents on an option

If you have the 65, you can take any 3, 10 off the top (advanced)

#### **Particulars**

- 1 trade per day
- 100 contracts
- 12 cent move
- 2 cents for your broker
- 10 cents for you
- Risk/Reward stop @ 6 cents 2/1 R/R
- % stopped out is small
- Sweet spot is 72 delta, front mo., ITM
- If it's moving, should be out in 5-10 min.

# ANCHOR LITE

This is the lite that contains the amount of ATR you are looking for.

If you need a 20 cent move, you will need to use the 65 anchor, or *maybe* the 30.

Some days, QQQ will go all day w/o a setup.

PATIENCE!

With a \$28k acct., you can afford to do (2) trades a day w/ 100 contracts in the QQQ and double your account in a month.

(OR GO BROKE)

#### IT'S ALL IN THE CHARTS

USE MT, 65m, 10m

The QQV is the volatility index for the Q's It should be a mirror image of the QQQ.

If they don't line up, it's not a strong move.

The Q's have a 55 cents move priced in every day with the QQV at 18.00

### BUILDING A STRONG TREND BUT

# NEED TO WATCH S/R LEVELS IN ALL YOUR TIME FRAMES

- Look for an entry to make 12 cents
- KNOW YOUR DAILY ATR
- No need to hold overnight
- You need a 30 to bounce twice to get a 65
- Low risk is playing w/ a 30 and a 65
- QQQ & QQV should be a mirror image
- If they don't line up, it's not a STRONG move
- Use ITM puts/calls for day/active
- ATM can work coming off of good tops
- Look for the 72 delta sweet spot
- You are constantly monitoring the 10, 65, MT
- Compare volume to previous
- Know your S/R levels in all time frames (log)
- Take screen shots of good days
- Have a plan and use it.

# GOOD LUCK GOOD TRADING

THE END