

MARKETS

INDICES

TRADING

FINANCIALS

shares

stocks

How to Enter and Exit Trades

Presented by:
Dale Wheatley

Targeting Your Financial Goal

Learn to use a financial calculator and determine

- What \$ amount you are starting with
- The \$ amount you are aiming for
- The realistic % you can expect from each trade.

Figuring the Number of Trades

- **Solve for the number of trades you need to make to achieve you goals.**

(Example: Start with \$1,000(PV on Calculator keys). You want to end up with \$250,000(FV) and you expect to make at least 50% on each trade(%i). Input zero for PMT since you are not making ongoing payments and then solve for (N)= approx 13.6 trades). Just 1 cent @ 100% for 30 trades= \$10,737,418(yes, dollars).

- **Have patience to wait for the right patterns!**

Key Steps 1

- **Learn to Specialize in one or two stocks/indexes(indices)**
- **Locate clearly defined double tops/bottoms on the stocks charts**
- **Determine whether or not there is a strong divergence between the second top/bottom and the MACD Indicator.**

Key Steps 2

- **MACD should have already crossed the signal line and then also show a divergence from the stock/index price.**
- **If you see a divergence on a longer term chart(daily, weekly, monthly) confirm the divergence with the next shorter time chart to be certain it is turning in same direction**

Key Steps 3

- **You can wait for this confirmation before entering any trades because you want to get the best possible price(lowest) when you buy options.**

Key Steps 4

- **Exiting Trades - You can feel comfortable about exiting your trades when the momentum dies on the chart of the next shorter time frame (same chart that you waited on before buying).**

Key Steps 5

- **Example: If you see strong divergence on weekly chart, then wait for the daily chart to move in same direction before entering trade and also watch the daily chart for signs of a loss of momentum or turning back the opposite direction. That is usually the signal to sell!**

Key Steps 6

- **You should print all of the associated charts different time frames having to do with your chosen stock/index and make written notes on the charts about your reason for buying your chosen options and also print out all of the real-time options quotes or end of day quotes, if after market close, so that you have real information to learn from if you make mistakes along the way.**

Key Steps 7

- **Also print out the options prices again after your expected move takes place. This process will make you feel much more comfortable with your decisions.**
- **Remember, that the more you specialize on one or two stocks or indexes, the better prepared you are for the moves that will come and the more likely you are to make your original goal.**