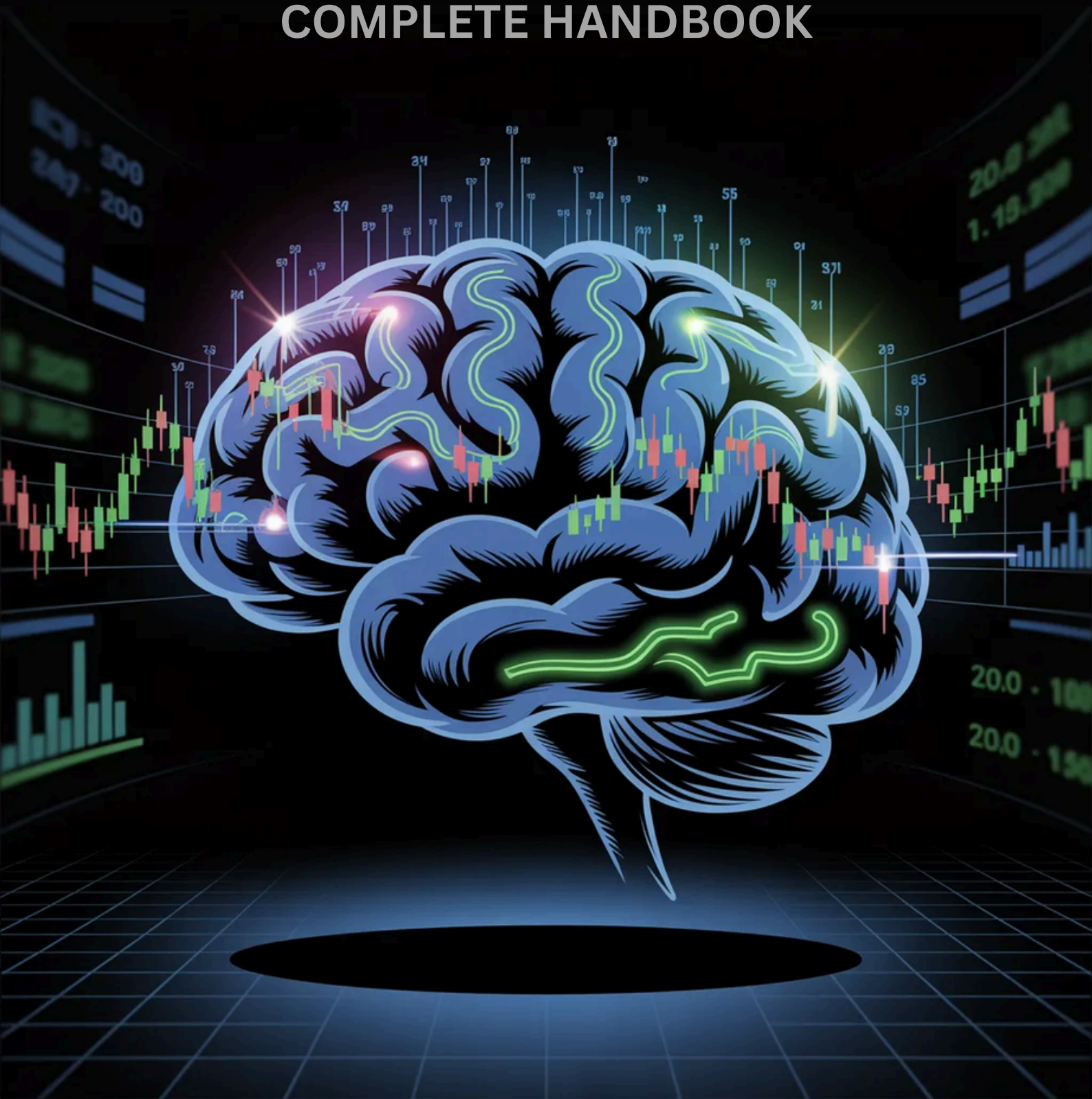


# TRADING PLAN

## Framework

### COMPLETE HANDBOOK



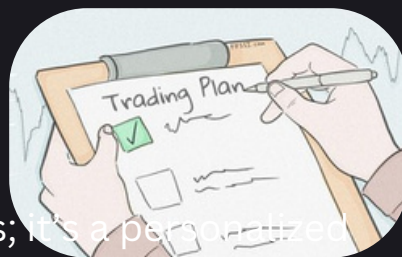
# TRADING PLAN MASTERY: COMPLETE HANDBOOK.

Welcome to "How to Trade XAUUSD: Simplified."

If you ever need support or have questions, feel free to reach out to me on telegram [@gabrielvalor](#) (please note I will never ask you for money first - beware of fake accounts).

For those seeking a complete step-by-step guide on how to become a successful trader, be sure to check out my other e-books. But for now, enjoy this guide and start your journey toward mastering XAUUSD trading!

## Why Have A Plan?



A trading plan is more than just a set of rules; it's a personalized roadmap to guide your decisions in the financial markets. Without a clear plan, traders are often influenced by emotions like fear and greed, which can lead to inconsistent and impulsive decisions.

### Key Benefits of Having a Trading Plan:

**Clarity and Focus:** A well-defined plan gives you a clear sense of direction. You know exactly what you're aiming for with each trade, reducing confusion and overthinking.

**Consistency in Execution:** The best traders execute their strategies consistently, even during market volatility. A plan helps you avoid emotional decisions and stick to your process.

**Risk Management:** A solid plan includes how much you're willing to risk per trade, protecting you from making decisions that could result in substantial losses. It helps maintain your long-term financial safety.

**Improved Discipline:** With a plan in place, you have defined rules for when to enter and exit trades. This makes it easier to stay disciplined, rather than reacting impulsively to market movements.

**Tracking Progress:** A plan lets you measure your performance over time. By sticking to the same guidelines, you can easily identify what's working and what needs to be adjusted.

## Defining Your Trading Style

Understanding your trading style is essential for developing a successful trading plan. It influences your strategy, risk management, and decision-making process. Here are the primary trading styles to consider:

**Day Trading:** This style involves buying and selling securities within the same trading day, often making multiple trades to capitalize on small price movements. Day traders typically require quick decision-making skills and a lot of market research.

**Swing Trading:** Swing traders hold positions for several days to weeks, aiming to capture price swings. This style suits those who may not have time to trade daily but still want to be active in the market.

**Scalping:** Scalpers make rapid trades to gain small profits on minor price changes. This high-frequency trading style demands quick reflexes and a solid understanding of market dynamics.

Choosing the right trading style aligns your trading activities with your personality, risk tolerance, and lifestyle. Once you identify your style, you can tailor your trading plan to support your approach effectively.

# Choosing Your Market

Selecting the right market is crucial for aligning with your goals and trading style. Focusing on one market helps you build expertise and improve results over time.

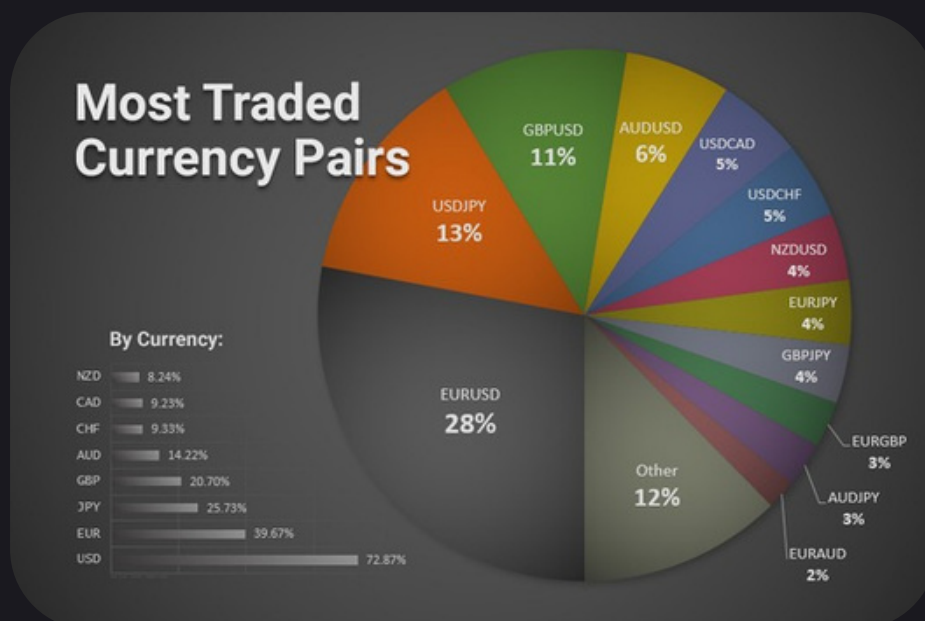
**Focus on One Market:** Specializing in one market, like forex or commodities, lets you develop a deeper understanding and spot opportunities more easily.

**Interest and Strengths:** Choose a market that fits your interests and strengths. Some prefer forex fast pace, while others lean toward the stability of commodities like gold.

**Understand the Drivers:** Each market has its own price influencers (e.g., economic news, central bank decisions, or supply and demand). Study these drivers to make informed decisions.

**Avoid Overtrading:** Stick to one market to avoid spreading yourself too thin, ensuring better performance and clearer trade setups.

Specializing in a single market helps you master its behavior and increases your chances of success.





# Risk Management (Most Important)

Effective risk management is key to sustaining long-term success in trading. Here are the essentials:

**Position Size:** Limit risk to 0.5-1% of your total account on each trade to safeguard your capital.

**Risk-Reward Ratio:** Aim for a favorable ratio (e.g., 1:3) to ensure profitability over time, even with a lower win rate (see chart below).

**Stop-Loss Orders:** Always set stop-loss orders before entering trades to minimize potential losses and avoid emotional decisions.

**Volatility Awareness:** Adjust position sizes in volatile markets to prevent significant losses. Use smaller lot sizes when trading highly volatile assets.

By mastering these risk management principles, you can protect your account and enhance your chances of long-term success.



	%20	%30	%40	%50	%60
1:1	Not Profitable	Not Profitable	Not Profitable	Break Even	Profitable
2:1	Not Profitable	Not Profitable	Profitable	Profitable	Profitable
3:1	Not Profitable	Profitable	Profitable	Profitable	Profitable
4:1	Break Even	Profitable	Profitable	Profitable	Profitable
5:1	Profitable	Profitable	Profitable	Profitable	Profitable

**EVERY TRADER SHOULD KNOW THIS!**

What is the connection between Win Rate and Risk to Reward? (2024) Trendo. Trendo. Available at: <https://fxtrendo.com/blog/987/win-rate-and-risk-to-reward> (Accessed: 19 October 2024).

**Improved Discipline:** With a plan in place, you have defined rules for when to enter and exit trades. This makes it easier to stay disciplined, rather than reacting impulsively to market movements.

**Tracking Progress:** A plan lets you measure your performance over time. By sticking to the same guidelines, you can easily identify what's working and what needs to be adjusted.

## Setting Goals In Trading

Your trading goals act as the foundation for your plan. Without clear, measurable goals, it's easy to drift aimlessly in the markets. Setting goals gives you direction, keeps you accountable, and helps you track your progress.

### Defining Clear, Measurable Objectives:

**Start with Your "Why":** What do you hope to achieve through trading? Is it financial independence, supplemental income, or simply building a new skill? Understanding your motivation is key to setting realistic goals.

**Set Specific Targets:** Rather than vague goals like "make more money," aim for specific, measurable objectives. For example, "aim for a 3% return per month" or "achieve an average win rate of 60% in the next six months."

### Break Down Long-Term vs. Short-Term Goals:

- **Short-Term:** Focus on building consistency and refining your strategy, e.g., "complete 50 back-tested trades in the next month."
- **Long-Term:** Think bigger picture, like "grow my account by 20% over the next year," or "achieve consistent profitability within 12 months."

**Time Commitment:** Be realistic about how much time you can dedicate to trading. Are you a full-time trader or part-time? This will influence how you set goals and approach the markets.

# Developing Your Strategy

Creating a solid trading strategy is crucial for consistent success. Here are the essential elements to consider:

**Choose Your Approach:** Decide whether you'll focus on technical analysis, fundamental analysis, or a combination of both to make trading decisions.

**Identify Entry and Exit Criteria:** Clearly define the conditions that trigger your entry and exit points. This could include specific price levels, technical indicators, or patterns.

**Timeframes:** Determine which timeframes you will trade on (e.g., hourly, daily, weekly). Your chosen timeframe should align with your trading style.

**Backtesting:** Test your strategy using historical data to evaluate its effectiveness. This helps identify strengths, weaknesses, and potential adjustments before trading live.

**Adjustments and Optimization:** Be open to refining your strategy based on performance and changing market conditions. Continuous optimization is key to adapting and improving your trading results.

A well-defined strategy provides a structured approach to trading, enhancing your ability to make informed decisions and manage risk effectively. I can't tell you which strategy to pick. But look around and see what is working for others.

Once you start testing you will know if it will work for you. Make sure you select a reliable and trustworthy mentor. Don't be afraid to spend money too. But if you want free material, checkout youtube trading courses.

Save the advice on the next page. It's priceless.

# Golden Advice

**DON'T CHANGE YOUR STRATEGY TOO OFTEN:** I see so many traders change their strategy too quickly. The most common reasons are:

- They run into a losing streak
- They see something 'better' on instagram
- They aren't getting results fast enough
- They aren't consistent enough
- They haven't tested enough

We are all guilty of one of these. You need to stick to a strategy for at least 6-12 months to actually learn and understand it. If you still question areas of your strategy when it's playing out - you should **NOT** be trading live.

Get at least 12 months of data on your trading strategy and look at the total losses in a row over those 12 months. This will tell you how long each losing streak will last. Losing 4 times in a row is normal. Don't sweat it. Losing 8 times in a row is a problem. Address it, refine the edge and move on. Do not refine your edge more often than every 3 months. Have a quarterly review and see how it is performing.

Seriously.. don't keep  
doing this.

You will **NEVER** make it!





# Journaling Your Trades (Testing)

Maintaining a trade journal is essential for any serious trader, as it helps track progress and refine strategies over time. I use Google Sheets for my journaling, which provides an organized way to document each trade.

In my journal, I record the following key elements:

- **Entry Log:** The date and time of each trade, allowing you to see trading frequency.
- **Position Size:** The capital allocated to each trade, crucial for risk management.
- **Open Price:** The price at which you entered the trade, aiding in entry strategy analysis.
- **Close Price:** The exit price for assessing profit or loss.
- **Hold Time:** How long you held each position.
- **Total Profit/Loss:** The final outcome of each trade to evaluate overall performance.
- **Screenshots Before Trade:** Charts and setups before entering to document your analysis.
- **Screenshots After Trade:** The final state of charts post-trade to review successes and mistakes.
- **Emotions Felt:** Reflection on your emotional state during the trade—fear, greed, confidence, or uncertainty—to identify triggers.
- **Notes:** Additional observations or lessons learned, including market conditions and strategy adjustments.

By consistently journaling in this way, I can review and identify areas for improvement, continually evolving as a trader. This practice enhances my skills and boosts confidence by providing a structured method for performance analysis.

# Creating A Trading Routine

Do you want to know the BEST trading routine, or routine in general...

It's **the one you can stick to** the easiest. That's it.

Please don't try to do 3 ice baths before 6AM whilst meditating and reading 2 books. It is not sustainable!!

Establishing a consistent trading routine helps maintain discipline and improve performance. Here are key components to consider:

**Pre-Market Preparation:** Start your day by reviewing relevant news, economic events, and market conditions. Prepare your watchlist of potential trades based on your strategy.

**Set a Trading Schedule:** Designate specific times for trading activities, such as market analysis, placing trades, and reviewing performance. Stick to this schedule to build consistency.

**Daily Journaling:** Keep a trading journal to document trades, strategies, and emotions. Regularly reviewing this journal helps identify patterns and areas for improvement.

**Post-Market Review:** After the trading session, analyze your trades to evaluate performance. Consider what worked, what didn't, and how you can adjust your approach moving forward.

**Self-Care:** Incorporate self-care practices into your routine to manage stress and maintain focus. This could include exercise, meditation, or other activities that promote mental well-being.

A structured trading routine fosters discipline, enhances focus, and ultimately contributes to better trading results.

# Trading Day Routine:

I'm originally from the United Kingdom, but after becoming a profitable trader, I relocated to Thailand in 2022. Here's a look at how I structure my trading day (Thailand Time):

- 08:00-10:00: Morning walk/beach and coffee.
- 10:00-12:00: Hit the gym and grab breakfast.
- 12:00-13:00: Relax by the pool before getting into work.
- 13:00-14:00: Pre-market analysis and admin tasks.
- 14:00-17:00: Focused trading during the London session.
- 17:00-19:00: Dinner or a sunset drink.
- 19:00-21:00: Trade New York session (If I want) or reflect on the trading day by journaling or testing/refining my edge.
- 21:00-23:00: Relax and wind down.

That's pretty much it. Simple, but that's exactly how I prefer it.

Back when I was in the UK, things were different. I'd wake up around 04:00-05:00 AM to hit the gym before the markets opened. It wasn't easy, but I knew that moving to Thailand would offer me better lifestyle perks—not to mention the amazing weather and pace of life.

**My advice:** Hit the gym before you start trading. It wakes you up and clears the rest of your day once trading is done. Try it for a week and see how it feels!





**This is how a typical day looks**

**Use it for motivation!**



# Finalising Your Trading Plan:

Once you've developed the key elements of your trading plan, it's time to finalise it. Here's what to focus on:

**Document Everything:** Write down every detail of your trading plan, from your strategy and risk management rules to your daily routine. A written plan helps you stay consistent and accountable.

**Test in a Demo Account:** Before trading live, use a demo account to test your plan. This allows you to practice without risking real money and see how your plan performs in real market conditions.

**Stay Disciplined:** Once your plan is in place, stick to it. Trading outside your plan increases the likelihood of mistakes and emotional decisions.

**Review and Adjust:** Periodically revisit your plan to assess its effectiveness. Make adjustments as needed based on your performance and changes in market conditions.

Finalising your plan is the last step before live trading, so ensure that every aspect has been tested and thought through carefully.





# Conclusion:

Developing a trading plan offers a clear framework for success by combining structure, discipline, and consistency. A well-crafted plan helps you manage emotions, control risk, and make informed decisions in the market.

However, success doesn't just come from having a plan—it comes from consistently following it, reviewing your performance, and adapting when necessary. Managing risk, staying disciplined, and keeping your strategy aligned with your goals are key.