

BIG CHARTWORK



The ChartWork Trading Blueprint

A Swing Trader's Rulebook for Consistent Profits

PAGE 1: Strategic Foundation

Goal Setting & Preparation

- Set realistic trading goals based on time, capital, and risk profile.
- Align every trade with your broader market thesis (bullish, bearish, or cash is a position).

Market Research

- Confirm overall market trend via SPY, QQQ, IWM.
- Monitor volatility:
 - - Bullish (VIX falling) — Momentum names, speculative growth
 - - Bearish (VIX rising) — Fundamentals, defensive plays
- Check market and sector correlations
- Multi-timeframe analysis: Monthly, Weekly, Daily (and Intraday only for day trades)

Risk Management

- Maintain a 1:3 risk-to-reward ratio minimum.
- Risk no more than 2% of capital per trade.
- Always use stop-losses.
- Start with smaller sizes to allow flexibility:
 - - Example: \$4000 full position — use \$1000 ($\frac{1}{4}$) or \$2000 ($\frac{1}{2}$) to scale in gradually.
- Avoid emotional re-entry or revenge trading.
- Use leverage cautiously.

PAGE 2: Trade Execution Rules

Planning & Discipline

- Create a documented trade plan: Market environment, setup type, size, risk, exit
- Stick to your strategy (don't improvise)
- Keep a trading journal for review
- Develop multiple strategies (e.g., uptrend, downtrend, sideways)

Entry Rules

- Scale in using $\frac{1}{4}$ to $\frac{1}{2}$ positions
- - Pullbacks for value entries
- - Add to strength (not on gap-ups)
- Use weekly low-limit orders
- Avoid trading right before earnings unless intentional
- Start small: 1-share method is acceptable

In-Trade Management

- Monitor market events, earnings, and sector rotation
- Adjust stops to ATR or daily volatility
- Swing Traders: check charts daily
- Long-term trades: review weekly or bi-weekly
- Scale out on profit targets
- Exit immediately if pattern breaks or setup fails

PAGE 3: Emotional Audit & Post-Trade Review

? Why Didn't This Trade Work?

- Earnings: Did you review the calendar?
- Emotions: Were you hopeful, fearful, greedy?
- Price: Could you have gotten a better entry/exit?
- Chart: Did you read the technicals correctly?
- Sector: Was it showing strength?
- Did you fight against the trend?

🧠 Are You Trading Emotionally?

- Am I chasing or trying to 'make back' losses?
- Did I skip steps in my checklist?
- Did I override the model with instincts?
- Am I acting from anxiety, FOMO, or anger?
- Is this a high-conviction trade or a gamble?

📌 Rules to Exit a Trade

- Take profit when it's available — market is unforgiving
- Exit if trade goes against your pattern or thesis
- Do not hold through broken setups or earnings on hope

PAGE 4: Options Trade Checklist

Options Trade Readiness Checklist

-  Check the Spread: Is the bid-ask spread tight? Avoid illiquid options with wide spreads.
-  Implied Volatility (IV) / IV Rank: Is IV high (sell premium) or low (buy premium)? Compare to historical IV for edge.
-  Time Decay (Theta): How fast will your option lose value? Understand Theta impact per day.
-  Volatility Sensitivity (Vega): Are you exposed to changes in IV? Be cautious around earnings or macro events.
-  Strategy Fit: Does the strategy align with market outlook? Bullish = calls/spreads; Bearish = puts/spreads
-  Greeks & Break-Even: Know Delta, Gamma, Theta, Vega. Calculate break-even price.
-  Trade Size & Max Risk: Confirm risk is capped and fits your portfolio size and risk tolerance.
-  Market Conditions & News: Check earnings dates, Fed news, CPI reports, etc. Align with trend and sentiment.

BONUS MINDSET

- “Flow and Focus”: Your mantra for patience, precision, and sniper-like execution
- “There are always opportunities”: Avoid forcing trades
- Be patient. Stay prepared. Strike with confidence.