Twitter Thread by Richard Moglen ■■■■

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The Importance of Trading Rules (Quick thread)

Last week I sent out this poll asking if people have a written plan:

https://t.co/ZSlPJOGHG1

> Do you have a written Trading/Investing Plan?
>
> — Richard Moglen \U0001f4fd\ufe0f\U0001f981\U0001f6a2 (@RichardMoglen) March 7, 2021

Over 60% of people said they did not have one.

It's now one of my main goals to get as many people as possible to commit to writing their own rules which codify their goals and methods.

I strongly believe that writing down your strategy especially if you are a new trader/investor will lead to improved and more consistent performance in the stock market.

Trading the markets is a tough business, money is on the line and emotions can run high.

Preparing ahead of time is essential so that in the moment you are just executing your plan.

This is the best way to stay in the game for the long haul



And funnily enough, even though 60% of respondents did not have a written plan, almost 85% believed having one would improve their performance.

That means people need to put in the work. Do it.

https://t.co/XQhpBeShOu

> Do you think written Rules and an Investing/Trading Plan helps improve performance?
>
> — Richard Moglen \U0001f4fd\ufe0f\U0001f981\U0001f6a2 (@RichardMoglen) March 7, 2021

Rules should be personal, based on your own experiences, style, and timeframe.

However, the most important thing is that you have them and update them regularly based on post-analysis of your own trading and studying past winners

In my view, any set of trading rules should cover these main topics at the least:

Determining Market Conditions
Stock Selection
Entry Setups
Stop Loss Management
Position Management/ Sell Rules
Mindset/Psychology
Post Analysis
Routines
Dealing with earnings
Crisis Management

They should also outline your own personal goals when it comes to investing.

Your rules should be granular enough that someone with a similar amount of knowledge could follow your strategy.

Get started this weekend if you haven't already, get something down on paper.

It should take about an hour to get your main thoughts across and it's worth it believe me.

For trading rules guidance, I highly suggest you check out the Youtube Webinar @RayTL_ and I hosted on the @TraderLion_ channel

Ray walks through so many important concepts when it comes to rules and how to write them

#Absorb #Study #Apply #Repeat

https://t.co/Cf3LOB3Zu9