

<p><b>Admin</b> Foundations Q&amp;A 4-10-21</p> <p>April 2021 Weekly Q&amp;A sessions</p>	<p><b>Context/Prep</b></p> <p>First Q&amp;A session for the April 2021 Foundations class.</p>	
<p><b>Key Words</b></p> <p>No lose plus dinner for two (4:59)</p> <p>Position vs Execution risk (18:30)</p> <p>Frog box, Slow Frog, Quick Frog, Leap Frog (24:28)</p> <p>MMRB minimum manageable risk box (37:35)</p> <p>LSMA and Moving Linear Regression (50:45) equivalent</p> <p>Win/Loss ratio, Profit Factor (53:30)</p> <p>Winter/Spring/Summer/Fall (56:55)</p> <p>TC2000 platform (60:21)</p> <p>SSC=&gt;Collapsing Dragon=&gt; Kata 2=&gt; Z3P breakout=&gt; Owl (62:54)</p> <p>Z3 lines (77:47)</p> <p>Pinch quiet move (88:27)</p> <p>Regression Line (RL) (92:31)</p>	<p><b>Notes</b></p> <p>No lose plus dinner for two (4:59) – trade management technique. Define a risk box as the execution risk <math>r</math> that the hypothesis failed, different from position sizing risk <math>p</math>. Dinner for two ~ \$100 – move stop loss after gains to lock in at least a dinner for two (14:37).</p> <p>Position sizing risk vs Execution risk (18:30): Position sizing day trade use Frog boxes, Position sizing swing trade use 2ATR. For day trades, Execution risk <math>r = 0.2 \times</math> Position sizing risk (23:09). Target = <math>2 \times</math> Position size = <math>2 \times 5 r = 10r = 10</math> to 1 trade frame (23:33).</p> <p>Frog box (24:28) is the standard deviation of the last 30 days high-low range ~ <math>\frac{1}{4}</math> ATR. Slow Frog (60 min), Quick Frog (30 min), Leap Frog (day).</p> <p>MMRB minimum manageable risk box (37:35) defined as the risk box less than <math>r</math>, minimum adverse price to discover that the trade is not working.</p> <p>Seek W/L ratio <math>\geq 50\%</math> with Profit Factor <math>\geq 1.5</math>. (53:30)</p> <p>Summer=&gt;Fall=&gt;Summer – always good place to enter/add to a position (58:08)</p> <p>TC2000 bundle containing K Long systems &amp; reports available for purchase (60:21)</p> <p>SSC first, then Collapsing Dragon, then Kata 2, then the Z3P breakout, then the Owl -mechanical swing patterns to identify excellent candidates for large moves on any given day, and those moves can convert to swing trades in a manageable way (62:54)</p> <p>Z3 line is a Bollinger Band with a 30 period look back, and <math>\pm 3</math> standard deviations, representing an extraordinary excursion away from the mean (77:47)</p> <p>Pinch is a moment when volatility is abnormally compressed as measured by the distance between the Z3 lines, Quiet is when the current volatility of the last 30 days is abnormally small compared to the last 180 days (88:27)</p> <p>Regression Line (RL) also known as the least squares moving average. RL10, RL30, RL90, RL270 (92:31)</p>	<p><b>Self</b></p> <p>(71:00) trading is as hard as any other business to make money as a new person in an environment surrounded by seasoned professionals and you should approach it with the same degree of due diligence.</p> <p><b>System</b></p> <p>(73:40) Opportunity to employ capital in a risk reward environment. Frame trades in both directions with manageable risk to reward.</p> <p><b>Markets</b></p>
<p><b>Synthesis</b></p> <p>Problem → strategy → action → learn from the ongoing engagement → improve → → → achieve unconscious competence</p>		<p><b>Actions</b></p> <p>Develop your standard processes and procedures to handle regular transactions the regular way</p>