KEN LONG

THE 37 STRATEGIES

MODIFIED CORNELL NOTES TORTOISE ON RUZUKU

ptwu 12/22/2021

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Core trading strategies  ─┐
                          │── Core systems
Signals for swing trading │   & Strategies
                          │
Strategies (relaxed)  ────┤
                          │
Continuation patterns     │── Swing systems
                          │   & Strategies      Hybrid
5DDD  CH  OR  551w  WO  TS ┘                     Trading

                                          Common support functions

Signals for day trading  ─┐
                          │── Day systems
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Background on 37 strategies. Sun Tzu wrote 36 strategies on how to turn his principles into action – what specific tactics to do in any situation. For trading, Ken Long calls it his 37 strategies.

7 Swing Systems. Rulesets than can be mechanically and robotically traded: 5 days down (5dd), channeling (CH), over-reaction(OR), 551w, washout (WO),and triplescreen (TS) tied together by a Continuation pattern.

Strategies (relaxed). Relax criteria of the mechanical systems – guides, an approach for discretionary trading

Core trading. Operating on a monthly basis that use fractal techniques.

Hybrid trading. Body of knowledge that integrates core, swing, and day trading strategies each with its own respective body of knowledge. Hybrid trading represents the integrated trading that comes from core, swing, and day trading informed by a common set of principles. For example, Core trading provides useful information for Swing trades. Swing trade patterns can provide useful Tactical Day Trading information for the next 3 to 5 days in terms of strength of directional moves, providing a greater probability of success. The trading techniques are fractal across all timeframes.

Common support functions. Common functions useful in all timeframes such as psychology, health, fitness, documentation, record keeping, organizational theory, systems thinking. Will support all styles of trading.

Self

#0) Your personal Learning Journal: *the most important book on trading that you'll read is the one that you write. The living document that develops your ideas and commits your understanding to writing for further self-study and reflection, and to share with others in collaborative learning*

-- The first strategy is the learning journal. The first step in learning a new craft is to write everything down. Every trade is an opportunity to learn from your learning journal. Then discuss with/ present to others to further enhance your understanding through discussions.

System

Tortoise body of knowledge evolution. Formed with inputs from community of like-minded traders. For example, the MACD histogram four seasons and RLCO came about from discussions with team members on how best to remember the concepts. Another are subgroups that form and then report back their results to further expand the body of knowledge. This style of collaboration is one of the 37 strategies. The core strategies expands with derivative ideas around the core principles to expand the body of knowledge. Examples of coffee talks:

1) Utilizing volatility. Using Bollinger Bands when price moves beyond 2 standard deviations, its an alert that price cannot maintain this stretch forever, and retracement to the BB mean is not surprising. When price stretches to one end, there is no one left to buy(sell) and price snaps back to the mean. The stretch is an abnormal situation, and there are strategies to take advantage of these abnormal conditions.

2) Utilizing MACD. Using MACD(4,30,5) and Bollinger Bands in the subgraph pane. Able to quickly see if MACD is above or below the zero line. Deeply below the zero line is an abnormal condition to take advantage of. Above the zero is normal and price is grinding higher. At the MACD zero line, the price is in a critical state between normal and abnormal. If abnormally high above z2, move stop to 2 bar low or 1% stop to preserve profits. Need to observe slope changes as early indicator on directions. Example given on EWW with a slow slope reversal after MACD fell below zero, indicating a mild recovery.

Markets

Abnormal, above Z2 (Move stop to 1% or 2 bar low to preserve profits.

Normal, +/- Z1

3
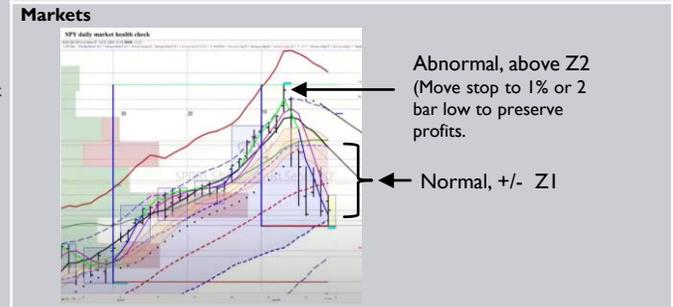
Synthesis

The most important strategy is to have a personal Learning Journal to document and share your lessons learned. The concepts and motivations behind Hybrid trading was described to integrate Core, Swing, and Day trading into a unified systems that leverages on the information between the different timeframes.

Actions

Setup a trading learning journal to support Hybrid trading.

Key Words

#1 Target identification (03:22)

#2 Logic Chain (05:32)

#3 Daily Prep (06:38)

#4 Daily Time Management (07:38)

More targets vs more patterns (09:45)

CRM opportunity (43:33)

Notes

More targets vs more patterns. Is it better to have few targets and multiple patterns, or more targets and fewer patterns ?

Insight: In general, 20 symbols with 5 patterns is better than 100 symbols with 1 pattern or 1 symbol with 100 patterns ?

In practice: Have pool of 50 symbols across markets → Observe which sectors are moving up or down the most →
Within chosen sectors, which of the symbols in the pool are moving the most →
Chose 5-10 symbols that are ready to move (after sideways quiet channel and at critical state
or at extreme high or low beyond) →
Use 5 patterns → Couple of swing patterns & 2-intraday patterns for Hybrid trading

Approach: Start with DIA, EWZ, use the pattern SSC first, then add CD then add SFC , Hybrid Frog, and
continuation patterns, then expand to include 5-10 symbols

SPY daily frame setup

Upside bias
break above z1

Tactical box in blue

Downside bias
break below dragon
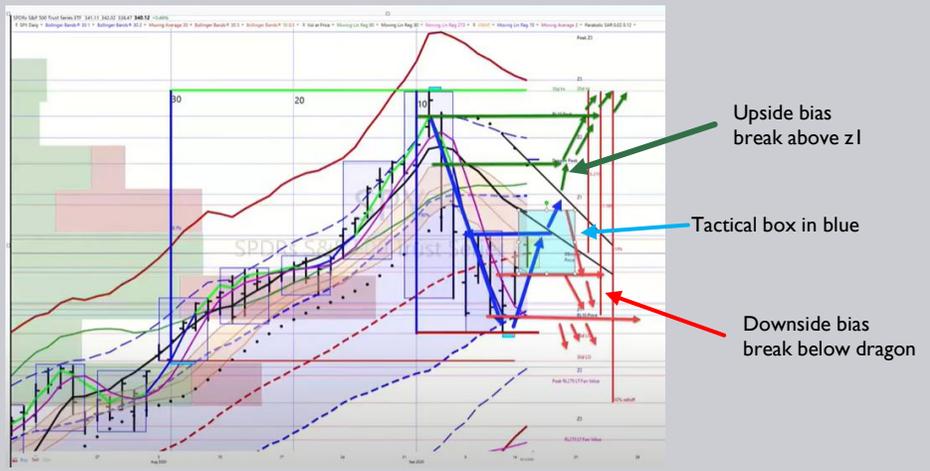
Self

#3) Daily Prep: the process of mental emotional and physical preparation to be ready for the trading day, that support your execution and set you up for the daily after-action review to assess your performance. This is a ritual and a process, so it can be constantly improved and deserve your full attention.

-- Energy, will, discipline to go thru the whole trade process end to end, not just the execution

#4) Daily Time management: a rigorous and ruthless budgeting of your time to ensure that you are doing those things that add value and eliminate those that don't add to your bottom line. The only nonrecoverable resource

-- Value chain analysis on what's making a difference, what's contributing to my success

System

#1) Target identification: after you've conducted a thorough estimate of the situation you narrow your focus to a set of targets that align with your systems and strategies and your known strengths in order to exploit a particular opportunity within a given timeframe and within your risk parameters. Your target should have certain characteristics that lend themselves to your style and it's best for you to specialize in a set of targets so you can become intimately familiar with their behavior and the opportunities. This is an edge.

-- Trade framing which give you structured decision frame of reference
-- Consistently measure your reward to risk
-- Knowing your risk tolerances
-- Focusing on the target that is within your skill set

#2) Logic chain: a mental model that shows the relationships that you've identified between the market the sectors and the companies that constitute your target population. This allows you to identify movements and currents within price action that lead to follow-through in a logical chain of connections that help you quickly find the mover and exploit it

-- Narrowing your target focus to a set of tradable within a sector
-- Finding the movers to trade

Markets

Autoframer in Tortoise Market report provides daily opportunities. Trade example: CRM

4:1 Reward/Risk

Critical box

Synthesis

Strategies 1-4 were described: 1) Target identification for focus 2) Logic Chain to find tradable 3) Daily Prep for readiness 4) Daily Time management for success

Actions

Include in your trade plan documents 1) Target identification 2) Logic chain 3) Daily prep 4) Daily Time management

Key Words

Notes

#5 Creating Daily Logic chain

World All Symbols

Your symbols (50-100)

Screener

5-10 tradeable target symbols

Price movement reasons

Stocks
50% due to market,
25% due to sector,
25% due to company itself

ETFs
66% market
34% sector

Spend time to frame market (SPY) direction since it represents 50-66% of the probable price movement

#6 Standard Trade framing

Sample of different sectors, markets, ETFs, asset classes

Screener
- Unusual suspects (eg Frog champions)
- Continuation patterns from yesterday's trades
- New systems or strategies
-   Core (BMR)
-   7 Swing systems (5dd, Chan, etc)
-   Day (Frog, Owl, SSC, CD, etc)
-   Strategies relaxed guides (Autoframer, etc)

Logic chain example : Targets: AAPL, MSFT, TWTR
How is market SPY doing ?   Rising
How is technology sector doing ?   Rising
Which stock is rising the most ?   TWTR
Trade candidate to select ?   TWTR

Net: *Finding alignment between Market, Sector and Targets. Finding the movers.*

Plan	→	Prepare	→	Execute	→	Assess

Plan: To find opportunities to spot and frame, giving choices for action later. Scan ~ 50-100 symbols searching for opportunities.
Prepare: Detailed work on trade frame, entry, exit, execution risk, time of day, targets, stats, trailing stop on 10 symbols to trade
Execute: Enter, move as soon as possible to NL+D42, move stops to preserve profits. All out when stop hit.
Assess: Learning Journal → How well did I plan, how well did I prepare, how well did I execute, how well did I conduct my assessment

Self

System

#6) Standard trade framing (the trading process): *a series of structured questions that cause you to frame the trade in both directions, to establish risk and reward parameters, to identify locations of probable decisions and an opportunity to rehearse the decisions based on the environmental frame prior to execution so that you have visualized and rehearsed all of the routine decisions to be made*

Prepared to trade in either direction (no directional bias)
Do multiple time frames and multiple analytical lenses analysis
(MACD, Pinch & Stretch, RLCO, RLFF, Support & Resistance)

mmrb

Critical state

Long if break above green line
MTFMLA analysis > 2:1 Reward/Risk, move stop to NL+D42 asap

Short if break below red line
MTFMLA analysis > 2:1 Reward/Risk, move stop to NL+D42 asap

Markets

#5) Creating your daily logic chain: *your strategy to respond to observe price behavior in the markets and sectors that takes into account your usual suspects, continuation patterns and any new signals generated by your strategies and systems. This refresher of your basic template refines your daily preparation*

Synthesis

Strategy # 5 Creating your daily logic chain to derive 5-10 tradable targets that are aligned with the market, its sector, and the company itself. Strategy # 6 Standard trade framing process to be prepared to trade in either directions and know the key decision points ahead of the trade.

Actions

Plan and prepare your daily logic chain targets and have framed the tradeable targets ahead of entering any trade.

Context/Prep

Strategies 07- 11

Notes
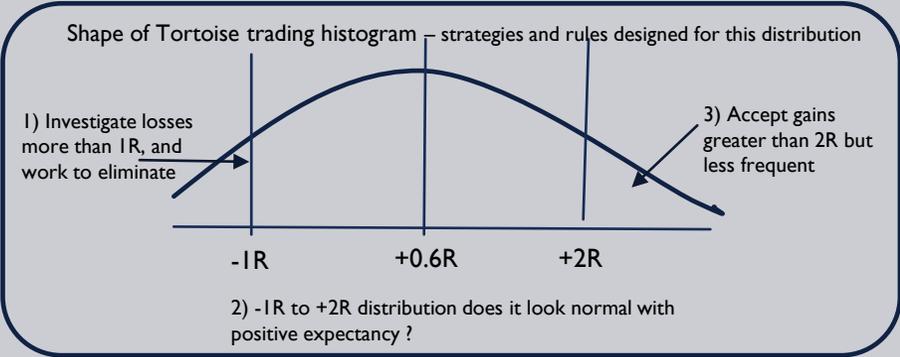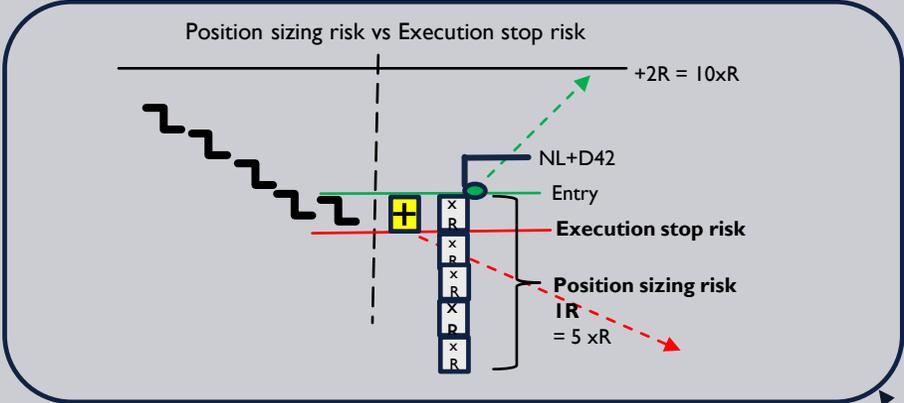
Position sizing risk vs Execution stop risk

+2R = 10xR

NL+D42

Entry

Execution stop risk

Position sizing risk
1R
= 5 xR

Shape of Tortoise trading histogram – strategies and rules designed for this distribution

1) Investigate losses more than 1R, and work to eliminate

3) Accept gains greater than 2R but less frequent

-1R   +0.6R   +2R

2) -1R to +2R distribution does it look normal with positive expectancy ?

Self

#8) Trading as a skill-based activity: *a very important video by Alex McKinnon who described his experience in internalizing the lessons in a personal way and the result of the law of large numbers of trades in the workshop that helped him refine his trading practice.*

- After 650+ trades, smoother equity curve → positive expectancy from practice of ruthless risk management

#9) Know your edge: *an important video to review that describes more than a dozen possible edges that you might have when using this set of tortoise strategies. It's important that you know what adds value to your process so that you can refine it, exploit it and preserve it. You should know when you're approaching an area where you have an edge and what the limits of those edges are to guide your decision making*

- Tortoise: Edge in self control, systems management, do things routinely, analysis, descriptive statistics, production

#11) Know your histogram: *understanding your refinement of your systems and how you trade them which describes the relationship between you and the market in the broadest sense. It accounts for individual variation and provides an overall pattern of risk and reward that you are able to achieve. By understanding your histogram, you understand the effects of your trading decisions over a large data set. This is the shape of the histogram that your decisions to modify rules will affect*

- Build this histogram with a consistent set of rules on several trades to get valid results

System

#7) Position sizing Risk (1R) vs Execution Stop risk *(the price that disproves the hypothesis): a structural approach that ensures you can trade with a calm hand heart and mind. It allows you to normalize the R capture based on position sizing across a number of strategies while helping you to refine the precise execution risks that are driven by the particular context of the trade*

- Trade with Execution stop risk (xR) = 1/5 of what you think is reasonable risk in any trade.
- Your position sizing risk (1R) = 5 x Execution stop risk (xR)
- Trade target = 2R = 10xR

#10) The Tortoise histogram: *the tortoise histogram has three important features: the loss is greater than 1R, a normal distribution between -1 and plus 2R, and the possibility for fat right tales in those circumstances when higher time frames reward our positions. Understanding the shape of that histogram connects you to deep level to the purpose and intention of the collection of trading strategies and systems from the tortoise.*

Markets

Synthesis

Strategy # 7 describes the motivation behind execution risk vs position sizing risk, Strategy #8 on importance of practice of ruthless risk management, Strategy #9 is to know your edge in trading, Strategy #10 describes the Tortoise histogram based on its trading rules, Strategy #11 is to know your trading results histogram for improvement analysis.

Actions

Plan on rigorous risk management using execution risk and corresponding position sizing risk. Document my trading edge and results histogram. Practice, practice, and practice towards a smoother equity curve.

Key Words

#12) Basic descriptive statistics (00:10)

Tortoise statistical measures (15:18)

Notes

Frog Box = Standard Deviation (Range, 30) => SD([High – Low] for the past 30 days)

Rangestat (Rstat) = Maximum reasonable intraday move
= (Average (Range,30) + 1 Frog Box)

Open

Avg Range in past 30 days

In the past 30 days, 5/6 of time the price was within this range

Frog Box

Reward Target
If price moves 1 FB from bottom, this would be the Reasonable Reward potential

1 Frog box

Intraday Reward/Risk trade opportunity if (Reward/FB risk) >=2

Assume in a bull market, and stock fell at Open for 1st 15 min and then started to rise.
Assuming this could be the low of the day.
Note: 90% of the time, the High and Low of the trading day is formed in the 1st hour.
40% of the time, the Open is within the top or bottom 10% of the day.

Trade trend
Term type: Trading concept
The direction you are favoring for your risk: reward favored trade

Trading Template
Term Type: Intraday systems
A trading concept that frames statically "typical" behavior of a stock during the day. The stock may begin with a gap down. Price may continue to decline to the failstat point before reversing up to the high of a rangestat. The final move is a fade from the high of the day to reach the fadestat. The follow thru (real body/the directional portion of the move for the day, the "signal") is the difference between the open and the close.

Self
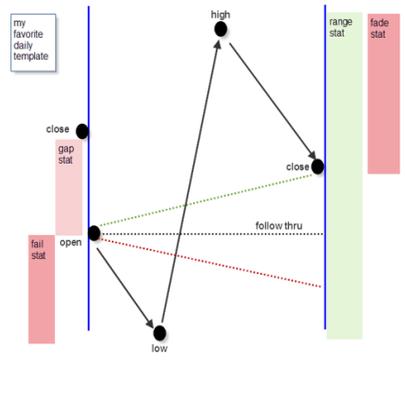
System
#12) Basic descriptive statistics: *descriptive* statistics allow us to describe *normal and abnormal* behavior and allow us to identify *moments in the market* when opportunities occur based on the imbalance between *price action on both sides of the trade*. It helps us estimate the *limits of opportunities* and to prepare for *critical states* and *turning points*. Because it *is math*, it gives us an *edge*. It's important not to extrapolate beyond the region of fit by trying to infer too much causality into what are essentially *descriptions of behavior*

- Descriptions of the market to inform when conditions are normal or abnormal, and not to predict
- Not making any claims on future direction, only that its different than other normal situations
- Not saying when its going to correct, simply saying descriptively different from normal and change possible
- Financial markets cannot use inferential statistics to predict because financial markets have memory of recent events (momentum), and financial markets are not independent normally distributed (long fat tails occurs),
- Financial markets are not independent normally distributed due to human factors

- **Tortoise descriptive statistical measures**:
  -- Frog Box = Standard deviation of range of the last 30 days → difference between signal vs noise
  -- Hybrid Frog box = 70% of Frog box
  -- RangeStat = max *normal* intraday move = (Avg range(30) + Frog Box)→ 85% of the time in this range
  -- Regression lines fractal framework as best fit lines for a set of prices RL10, RL30, RL90, RL270
  -- Bollinger Bands(30) plus/minus 1,2,3 standard deviations → how far price has moved from *normal* (+/1 sd)
  -- ATR % description of volatility of market
  -- Gapstat, Gainstat, Fadestat, Failstat measures of how far price gaps from Open over the last 200 days
  -- Slopestat compute RL30 slope vs its average, min, max over past 30 days & Alphastat of instrument vs S&P

Markets

Synthesis
 Strategy #12 descriptive statistics – Tortoise uses descriptive statistics to determine if conditions are normal or abnormal. Descriptive statistics include Frog box, Hybrid Frog, Rangestat, RLFF, Bollinger Bands, ATR%, Gapsat, and others.

Actions
Utilize the Tortoise descriptive statistics as part of trade preparation, planning, and execution.

Key Words

#13) Plan-PREPARE-execute-ASSESS (25:50)

#14) Sustain-Improve-Action (31:20)

#15) RLCO BB (34:20)

#16) Frogbox (39:45)

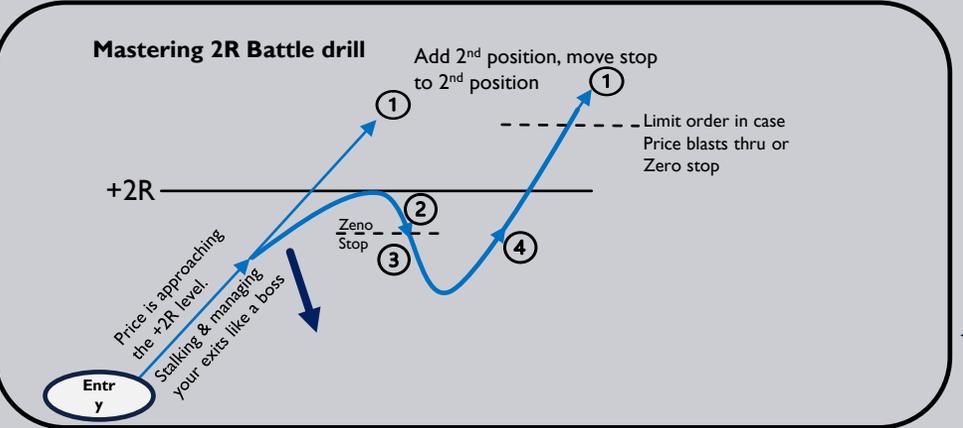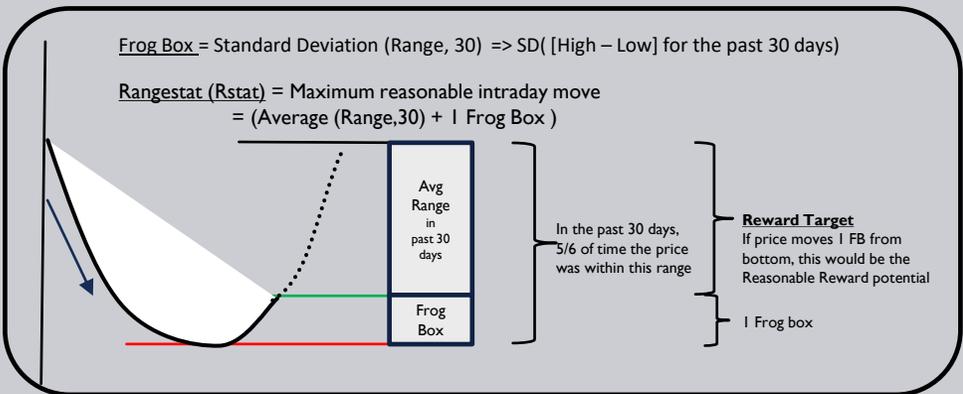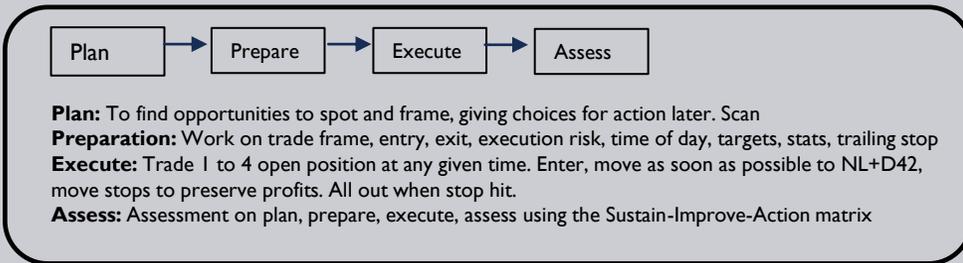#17) MACD 10,30, 5 (43:35)

#18) PSAR (52:10)

#19) Pinch and stretch, Super-pinch (57:00)

#20) Monkey, Owl, Dragon, BabyDragon, Mule, Rhino, Scorpion, Tortoise (1hr 2min)

#21) 1 brick at a time (1hr 10 min)

#22) 2R battle drill (1hr 12 min)

Notes

Plan → Prepare → Execute → Assess

Plan: To find opportunities to spot and frame, giving choices for action later. Scan
Preparation: Work on trade frame, entry, exit, execution risk, time of day, targets, stats, trailing stop
Execute: Trade 1 to 4 open position at any given time. Enter, move as soon as possible to NL+D42, move stops to preserve profits. All out when stop hit.
Assess: Assessment on plan, prepare, execute, assess using the Sustain-Improve-Action matrix

Frog Box = Standard Deviation (Range, 30) => SD([High – Low] for the past 30 days)

Rangestat (Rstat) = Maximum reasonable intraday move
= (Average (Range,30) + 1 Frog Box)

Avg Range in past 30 days

In the past 30 days, 5/6 of time the price was within this range

Reward Target
If price moves 1 FB from bottom, this would be the Reasonable Reward potential

Frog Box

1 Frog box

Mastering 2R Battle drill

Add 2nd position, move stop to 2nd position

① ①

Limit order in case Price blasts thru or Zero stop

+2R

②

Zeno Stop

③ ④

Price is approaching the +2R level.

Stalking & managing your exits like a boss

Entry

Self

#13) Plan-PREPARE-execute-ASSESS: *the routine process that we must manage to be ready to approach the market in a disciplined way every day in the same relaxed stance that allows us to realize our advantages. Preparation is more important than the plan and assessment allows us to get better after each trade if we survive. If we prepare and assess properly the planning simply gives us a reasonable set of opportunities to explore and execution is refined to battle drill and ruthless performance of standard operating procedures.*

#14) Sustain-Improve-Action: *the daily process of assessing that allows us to continue to do the things that add value, to refine the things that don't and to approach all our performance as an object of study for continuous improvement*

#21) 1 brick at a time: *a systematic approach to manufacturing our in such a way that we look for standard performance in standard situations to capture a routine amount of gain against a routine amount of risk and defer totaling up our performance until after the smoke clears and we collect large number of trade data for continuous improvement*

#20) Monkey, Owl, Dragon, BabyDragon, Mule, Rhino, Scorpion, Tortoise: *a menagerie collection of different strategies that take on the personification of various animals which help us as a shorthand to interpret price action and market conditions*
Monkey – Fear and Greed Mule – willing to do the work everyday, Rhino- thick skin Scorpion – stinger if complacent. Tortoise – slow and steady.

System

#15) RLCO BB: *our basic and unique sense making frame of reference that allows us to interpret potential for risk and reward of any systems and strategies, not just our own. It gives us a fractal and continuous sense making framework.* RL10, RL30, RL90,RL270 and Bollinger Bands 30 and +/- z1, z2, z3 standard deviations.

#16) Frogbox: *the standard deviation of 30 days of range which we define as the difference between signal and noise intraday. It gives us a standard statistics-based frame of reference as a unit of risk and allows us to frame intraday trades in a structured, dynamic and adaptive way*

#17) MACD 10,30, 5: *a simplification of the RLCO BB framework, which allows us to establish a directional bias on the basis of the relationship between the signal line in the zero line. The slope of the signal line gives us a four seasons approach to opportunities that is an analogy of agricultural systems of production. A very handy guide for sorting through what can be a noisy RLCO BB*

#18) PSAR: *an adaptive trailing stop which not only gives us an objective measure of where our exit ought to be based on time in the trade, but which can provide Important insights into turning points in our standard RLCO BB framework. After five bars, if your stop isn't near the PSAR, you should have a good reason why. It's an example of how we can fine tune mathematical formula to reflect our own sensibilities and offload some of the cognitive effort to the robot*

#19) Pinch and stretch, Super-pinch: *a conceptual perspective on the tug-of-war between buyers and sellers which describes moments in the elastic nature of that relationship which give us insights into opportunities and turning points. Absolutely essential when thinking about the market as a living breathing organism with behavior patterns and emotions reflected in price action.* +Z3 and –Z3 pinch and stretch. Z3 Super pinch when RL10,30,90,270 are all within Z3 lines anwithin a Frog Box.

#22) 2R battle drill: *a standard approach to making exits at preplanned support and resistance levels. It requires us to have rehearsed most often the most likely and favorable trade conditions which got us into the trade to begin with. The 2R battle drill is a rehearsal of the most important decisions we make about exits reversals and reentries in a package. The video is appropriate for every timeframe and style and is the central idea behind our rigorous approach to capturing profit*

Markets

Synthesis

Strategies #13 Plan-Prepare-Execute-Assess, #14 Sustain-Improve-Action, Strategy #15 RLCO BB, #16 Frogbox, # 17 MACD 10,30,5, #18 PSAR, #19 Pinch & Stretch, # 20Monkey,Owl, Dragon,BabyDragon,Mule,Rhino,Scorpion, #21 1 brick at a time, #22 2R Battle drill.

Actions

Utilize Tortoise Plan-Prepare-Execute-Assess tools and techniques for your trading

Key Words

#23) zero-state (01:35)

#24) time, will, pattern, money (30:32)

#25) gratitude & forgiveness (36:00)

#26) owl meditation (38:00)

#27) RLFF (45:33)

#28) integrated time frames (50:25)

Notes

Psychology of stalking

Not too early or too late in entering or exiting trades

Feeding the tribe
Hunting for large trades
Hunting for smaller trades
Farmer (planning Strategies, growing)
Pick berries (small trades)

Integrated frame-based decision-making: evidence-based context
Past # days High/Low range

Multi-time frame analysis checklist

Self

#23) zero state: a self defined state of awareness and readiness which is your optimal trading state. It will vary between people based on the mindset you need for best performance. My own is the mindset of walking point in enemy territory so that I am mindfully aware and energized and prepared for signals from every direction and yet calm enough to take action with confidence when signal comes. It's a state that can be achieved through intentional effort and the time you can spend in the zero state is the time that you can best perform your trading process and so this is a muscle in a state of consciousness that should be exercised and developed - Where you fit in the grid – ideally within the zero state for trading. Psychology of stalking not too early or too late in entering or exiting a trade. Where you fit in hunting and harvesting trades.

#24) time, will, pattern, money: the four criteria for me to take a successful trade. There must be time left in the trading session at any time frame to allow the typical move to unfold. Will means that I am in the zero state and prepared to trade with the right psychology. Pattern means that I see the set ups and trade frame that I require to execute my systems and strategies. Money means that my asset allocation algorithm provides me capital to make the trades that I want to trade. All four must be present for the trade to happen. Will is the one that is the quickest to disappear and is most vulnerable to psychology -

#25) gratitude & forgiveness: the two important responses of the human to the situation in the opportunity to trade in this life. Gratitude for the opportunity and forgiveness for the intrusion of our ego and our projections into the world. Both are justified because of our good souls and proper purpose and allow us to clear the deck and get on with the next zero state and preparation session. – Mindset of gratitude for the opportunity to trade.

#26) owl meditation: a structured internal meditation that I used to achieve the zero state and longer time frames and whenever I feel agitated or dissatisfied with the web and trading. It allows me to connect back to first causes and primal values in the long-term stream of values that make me who I am at the identity level – To get in proper mindset, on weekly basis write down on 3x5 card thoughts that bother you then burn the card and bury the ashes. Visualize still pond with Owl on tree observing these actions to get back to your zero state.

System

#27) RLFF: a unique approach to moving regression lines and their fractal nature which allow us to establish low risk ideas based on pinches and stretches and further allow us to estimate potential rewards and risks in every timeframe with minimal indicators on the screen. It's a unique approach to trade framing an opportunity defining that gives us an edge – RL270 (long term fair value), RL90 (health next higher timeframe),RL30 (health of trend), RL10 (price). RL10 to RL270 convergence and divergence provides trading reward to risk opportunities.

#28) integrated time frames: a approach to combining multiple time frames and multiple analytical lenses to give us a mosaic of market opportunities and perspectives on both sides of the trade which guide us in our strategic operational and tactical modes

Markets

Synthesis

Strategy #23 zero state, #24 time, will, pattern money, #25 gratitude & forgiveness, #26 owl meditation, #27 RLFF, #28 integrated time frames.

Actions

Focus on getting to a zero state and ensure strong understanding in the RLFF and integrated time frames.

Key Words	Notes	Self
#29) 123, UE (Universal entry) (00:15) #30) mkt classification (16:07) #31) alphastat: (33:15) #32) NDX: (57:58) #33 Risk-Z (69:00) #34) ruthless risk management (76:42) #35) STRIKE! (80:00) #36) mindfulness and self-talk (83:00) #37) Swing trading one day at a time (86:30) #38) Daily Preparation Process (90:00) #39) Daily time structure (90:50) #40) Multi-time frame, Multi-lens analysis (40:00) #41) D3A: Detect-Decide-Deliver-Assess (94:00) #42) Advice from the sages (96:30) #43) The way of the Bowl, the Way of the Sword, the Way of the Bowl & Sword. (101:45) #44) Standard Trade Frame questions: frame every trade in both directions (105:00) #45) Daily After-Action review (106:00) #46) Willing-Trained-Ready-Aware-Signal = Action (108:00)	**Markets** **#30) Mkt classification:** *a generalized approach to understanding the broader market context in terms of actionable information and helping us select certain strategies or make preferences among targets when we have it too many to engage once. It helps place us inside the broader market context for our tactical decisions.* See Tortoise daily market report. **#31) Alphastat:** *a tortoise unique statistical adaptive measure that identifies the opportunities available unique to the target after filtering out market and sector conditions. It allows us to compare a target's behavior over time and compare relative performance between targets for refining our target selection. It derives from the slopes that and compares the target slope stat to the market's slopestat in order to find the alpha that is available and its performance characteristics over time.* See Market mosaic page on Tortoise daily report. **#32) NDX:** *a tortoise unique indicator which is an excellent case study in understanding how to craft indicators that give you the particular and specific information you need to make decisions in your systems. A nice way to treat standard look back periods in terms of the intuitively satisfying 0 to 100 scale. Helps us identify overbought and oversold conditions similar to Williams %R and RSI.* See Multi-time Frame NDX summary in Tortoise daily report. **#33) Risk-Z:** *a study based on academic research which examines the characteristics of recent volatility in a broader setting and allows us to find opportunities to optimize swing trading based on the season of risk Z. It also helps us anticipate.* Riskz in Tortoise daily report	**#34) Ruthless risk management:** *a psychological stance of a professional which prioritizes ruthless efficiency over wishful thinking. Listen to Kim Anderson story of how this made all the difference in her professional trading approach.* Use of minimum manageable risk box resulting in smoother equity curve, use of zero state, know your edge, repetition. **#35) STRIKE!:** *A connection to the primal hunter nature of our species which makes decisive actions in critical moments on the basis of a Gestalt like feeling of satisfaction and immediacy. Does not require further explanation or justification, when we decide to take what we have and decide to be satisfied with it. Usually seen at key turning points when the PSAR flips or after an exceptional move that is beginning to stall and were satisfied with what we have in hand, and we simply decide to strike!* Exit the position and don't hang on after gains. Watch the 2R battle drill. **#36) Mindfulness and self-talk:** *an examination of our inner cognitive and emotional space where we can monitor our connection to current price action in context and our focus on the professional task and the noises in our head which can either reinforce or distract from the task at hand. Developing quiet mind and an inner knowing that is silent and allows us to focus is essential.* Act without regret. **#38) Daily Preparation Process**; *A structured, systematic disciplined approach to preparing the daily trading plan for both swing and daytrading that begins with forgiveness and gratitude, a review of the daily trade just completed, and the finding new opportunities to prepare, then developing the preparation details, conducting a rehearsal and visualization, followed by a good night's rest and nutrition & exercise and getting after it in the morning by getting your mind and body right, (your zero state) then just trading. Watch the video, study the form, create your own.* **#41) D3A Detect- Decide-Deliver-Assess:** *an operations process memory device that reminds us of the sequence: You must be able to DETECT a target, DECIDE on a [method, system, strategy, technique] to apply, DELIVER the technique by good execution, then ASSESS the results. Strongly related to the Plan-Prepare-Execute-Assess model, but even more tactically oriented.* **#42) Advice from the sages:** *I would rather be OUTSIDE the trade wishing I was in, than INSIDE wishing I was out. They all look the same leaving the station. Don't confuse activity with results. Cost of doing business. Manage your risk. What does the other guy see? Who wants my position? Know your histogram.. Buy your portfolio daily. Let it go. What's your Big 5? Handle your business. Learn to suffer; don't waste misfortune. What was the lesson? How do I make it stick?. Do no unnecessary things. Serve others* **#43) The way of the Bowl, the Way of the Sword, the Way of the Bowl & Sword.** *Bowl: inner process for peace, wisdom, stillness, reflection, identity, values, commitment. The Bowl include appreciation of the Sword and how to forge it into a selfless tool of strength, purpose and right action. Sword: external forged tool for action in service to your principles, vision; We also use the Sword to improve our inner wooden Bowl with and appreciation of that vessel and the wisdom it can hold. Bowl & Sword: the simultaneous mindful holistic unity integration of Bowl &Sword* **#45) Daily After-Action review:** *complete this analysis within 1 hour of the close. You should be able to do this in 15 minutes (use our form, summarized below). For each phase, decide what you needs to be sustained, what needs to be improved, and 1-2 specific things overall you will commit to for tomorrow (shared with your accountability partner). Reviewed as part of your preparation and rehearsal/visualization the next day. Reviewed weekly and monthly for themes and data, and added to your trading process SOP*

System

#29) 123 & UE (Universal entry) : *two particular trade patterns which provide the minimum amount of information to allow us to get in or out of positions at critical stages close to swing highs and lows.*
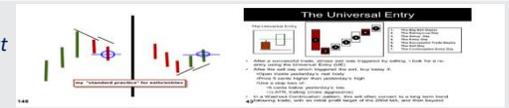

#37) Swing trading one day at a time: *a hybrid approach to combining the strengths and weaknesses of day trading and swing trading to become more efficient and more effective. Let swing trade frames be the "core" positions, let day trading be larger sized tactical trading to earn money intraday with tighter stops, to generate capital to hold swing positions overnight, in order to reduce your risk. Let standard day trades grow into overnight swing positions with a fraction of the gains from intraday paying for the overnight risk with market's money, and grow a series of day trades into what now emerges as a swing trade, funded by market's money. Same relationship can occur between the slow monthly position trading and the faster swing trading. Same principle. Watch the video, study the form, create your own.* Core-Turbo Hybrid trading technique.

#39) Daily time structure *for the market: organize the day (or week) into a standard set of time blocks that require you to reset and assess and refocus, and then apply strategies that are appropriate for those time intervals. Watch the video, study the form, create your own*

#40) Multi-time frame, Multi-lens analysis: *A systematic way of working thru a set of time periods from longer to shorter, and through 5 disciplined lens to gain a triangulated appreciation for the trading environment for the days, weeks, months ahead. Reminds you to account for many other perspectives and participants and keep you from getting locked inside your own head. Start with the broad market, then sectors then companies. Watch the video, study the form, create your own. 5 Time frames: Monthly-Weekly-Daily-2hr-30 min 5 Lenses: MACD 4 seasons, RLCO-BB, RLFF, Pinch & Stretch, Support & Resistance*

#44) Standard Trade Frame questions: frame every trade in both directions. *On a trade frame: What do you see ? What could it do? Which way would you enter ? Where would it fail ? Would you stop and reverse ? On a win: Where would it stall ? Where would you preserve ? Where would it then go ? Would you stop and reverse ? Were would you re-enter ?*

#46) Willing-Trained-Ready-Aware-Signal = Action

10

Summary The 37 Strategies

Self

#4) Daily Time management: a rigorous and ruthless budgeting of your time to ensure that you are doing those things that add value and eliminate those that don't add to your bottom line. The only nonrecoverable resource

#13) Plan-PREPARE-execute-ASSESS: the routine process that we must manage to be ready to approach the market in a disciplined way every day in the same relaxed stance that allows us to realize our advantages. Preparation is more important than the plan and assessment allows us to get better after each trade if we survive. If we prepare and assess properly, the planning simply gives us a reasonable set of opportunities to explore, and execution is refined to battle drill and ruthless performance of standard operating procedures.

#25) gratitude & forgiveness: the two important responses of the human to the situation in the opportunity to trade in this life. Gratitude for the opportunity and forgiveness for the intrusion of our ego and our projections into the world.

#26) owl meditation: a structured internal meditation that I used to achieve the zero state and longer time frames and whenever I feel agitated or dissatisfied with the web and trading

#38) Daily Preparation Process; A structured, systematic disciplined approach to preparing the daily trading plan for both swing and day trading that begins with forgiveness and gratitude, a review of the daily trade just completed, and the finding new opportunities to prepare, then developing the preparation details, conducting a rehearsal and visualization, followed by a good night's rest and nutrition & exercise and getting after it in the morning by getting your mind and body right, (your zero state) then just trading.

#3) Daily Prep: the process of mental emotional and physical preparation to be ready for the trading day, that support your execution and set you up for the daily after-action review to assess your performance. This is a ritual and a process, so it can be constantly improved and deserve your full attention.

#21) 1 brick at a time: a systematic approach to manufacturing our in such a way that we look for standard performance in standard situations to capture a routine amount of gain against a routine amount of risk and defer totaling up our performance until after the smoke clears and we collect large number of trade data for continuous improvement

#23) zero state: a self defined state of awareness and readiness which is your optimal trading state. It will vary between people based on the mindset you need for best performance.

#24) time, will, pattern, money: the four criteria for me to take a successful trade. There must be time left in the trading session at any time frame to allow the typical move to unfold. Will means that I am in the zero state and prepared to trade with the right psychology. Pattern means that I see the set ups and trade frame that I require to execute my systems and strategies. Money means that my asset allocation algorithm provides me capital to make the trades that I want to trade.

#42) Advice from the sages: I would rather be OUTSIDE the trade wishing I was in, than INSIDE wishing I was out

#43) The way of the Bowl, the Way of the Sword, the Way of the Bowl & Sword. Bowl & Sword: the simultaneous mindful holistic unity integration of Bowl &Sword

#46) Willing-Trained-Ready-Aware-Signal = Action

#20) Monkey, Owl, Dragon, BabyDragon, Mule, Rhino, Scorpion, Tortoise: a menagerie collection of different strategies that take on the personification of various animals which help us as a shorthand to interpret price action and market conditions

#34) Ruthless risk management: a psychological stance of a professional which prioritizes ruthless efficiency over wishful thinking. Listen to Kim Anderson story of how this made all the difference in her professional trading approach.

#35) STRIKE!: Usually seen at key turning points when the PSAR flips or after an exceptional move that is beginning to stall and were satisfied with what we have in hand, and we simply decide to strike!

#36) Mindfulness and self-talk: an examination of our inner cognitive and emotional space where we can monitor our connection to current price action in context and our focus on the professional task and the noises in our head which can either reinforce or distract from the task at hand. Developing quiet mind and an inner knowing that is silent and allows us to focus is essential.

#41) D3A Detect- Decide-Deliver-Assess: an operations process memory device that reminds us of the sequence: You must be able to DETECT a target, DECIDE on a [method, system, strategy, technique] to apply, DELIVER the technique by good execution, then ASSESS the results.

#0) Your personal Learning Journal: the most important book on trading that you'll read is the one that you write. The living document that develops your ideas and commits your understanding to writing for further self-study and reflection, and to share with others in collaborative learning

#8) Trading as a skill-based activity: a very important video by Alex McKinnon who described his experience in internalizing the lessons in a personal way and the result of the law of large numbers of trades in the workshop that helped him refine his trading practice.

#9) Know your edge: an important video to review that describes more than a dozen possible edges that you might have when using this set of tortoise strategies. It's important that you know what adds value to your process so that you can refine it, exploit it and preserve it. You should know when you're approaching an area where you have an edge and what the limits of those edges are to guide your decision making

#11) Know your histogram: understanding your refinement of your systems and how you trade them which describes the relationship between you and the market in the broadest sense. It accounts for individual variation and provides an overall pattern of risk and reward that you are able to achieve. By understanding your histogram, you understand the effects of your trading decisions over a large data set. This is the shape of the histogram that your decisions to modify rules will affect

#14) Sustain-Improve-Action: the daily process of assessing that allows us to continue to do the things that add value, to refine the things that don't and to approach all our performance as an object of study for continuous improvement

#45) Daily After-Action review: complete this analysis within 1 hour of the close. You should be able to do this in 15 minutes (use our form, summarized below). For each phase, decide what you needs to be sustained, what needs to be improved, and 1-2 specific things overall you will commit to for tomorrow (shared with your accountability partner). Reviewed as part of your preparation and rehearsal/visualization the next day. Reviewed weekly and monthly for themes and data, and added to your trading process SOP

System

#1) Target identification: after you've conducted a thorough estimate of the situation you narrow your focus to a set of targets that align with your systems and strategies and your known strengths in order to exploit a particular opportunity within a given timeframe and within your risk parameters. Your target should have certain characteristics that lend themselves to your style and it's best for you to specialize in a set of targets so you can become intimately familiar with their behavior and the opportunities. This is an edge.

#31) Alphastat: a tortoise unique statistical adaptive measure that identifies the opportunities available unique to the target after filtering out market and sector conditions.. It derives from the slopes that and compares the target slope stat to the market's slopestat in order to find the alpha that is available and its performance characteristics over time

#32) NDX: a tortoise unique indicator which is an excellent case study in understanding how to craft indicators that give you the particular and specific information you need to make decisions in your systems.

#33) Risk-Z: a study based on academic research which examines the characteristics of recent volatility in a broader setting and allows us to find opportunities to optimize swing trading based on the season of risk Z. It also helps us anticipate

#6) Standard trade framing (the trading process): a series of structured questions that cause you to frame the trade in both directions, to establish risk and reward parameters, to identify locations of probable decisions and an opportunity to rehearse the decisions based on the environmental frame prior to execution so that you have visualized and rehearsed all of the routine decisions to be made

#7) Position sizing Risk (1R) vs Execution Stop risk (the price that disproves the hypothesis): a structural approach that ensures you can trade with a calm hand heart and mind. It allows you to normalize the R capture based on position sizing across a number of strategies while helping you to refine the precise execution risks that are driven by the particular context of the trade

#37) Swing trading one day at a time: a hybrid approach to combining the strengths and weaknesses of day trading and swing trading to become more efficient and more effective. Let swing trade frames be the "core" positions, let day trading be larger sized tactical trading to earn money intraday with tighter stops, to generate capital to hold swing positions overnight, in order to reduce your risk.

#15) RLCO BB: our basic and unique sense making frame of reference

#16) Frogbox: the standard deviation of 30 days of range which we define as the difference between signal and noise intraday

#17) MACD 10,30, 5: a simplification of the RLCO BB framework, which allows to establish a directional bias on the basis of the relationship p between the signal line in the zero line

#18) PSAR: an adaptive trailing stop

#19) Pinch and stretch, Super-pinch: a conceptual perspective on the tug-of-war between buyers and sellers

#22) 2R battle drill: a standard approach to making exits at preplanned support and resistance levels

#27) RLFF: a unique approach to moving regression lines and their fractal nature which allow us to establish low risk ideas

#29) 123 & UE (Universal entry): two particular trade patterns which provide the minimum amount of information to allow us to get in or out of positions at critical stages close to swing highs and lows.

#44) Standard Trade Frame questions: frame every trade in both directions. On a trade frame: What do you see ? What could it do? Which way would you enter ? Where would it fail ? Would you stop and reverse ? On a win: Where would it stall ? Where would you preserve ? Where would it then go ? Would you stop and reverse ? Were would you re-enter ?

#10) The Tortoise histogram: the tortoise histogram has three important features: the loss is greater than 1R, a normal distribution between -1 and plus 2R, and the possibility for fat right tales in those circumstances when higher time frames reward our positions. Understanding the shape of that histogram connects you to deep level to the purpose and intention of the collection of trading strategies and systems from the tortoise.

#12) Basic descriptive statistics: descriptive statistics allow us to describe normal and abnormal behavior and allow us to identify moments in the market when opportunities occur based on the imbalance between price action on both sides of the trade. It helps us estimate the limits of opportunities and to prepare for critical states and turning points. Because it is math, it gives us an edge. It's important not to extrapolate beyond the region of fit by trying to infer too much causality into what are essentially descriptions of behavior

#28) integrated time frames: a approach to combining multiple time frames and multiple analytical lenses to give us a mosaic of market opportunities and perspectives on both sides of the trade which guide us in our strategic operational and tactical modes

Markets

#2) Logic chain: a mental model that shows the relationships that you've identified between the market the sectors and the companies that constitute your target population. This allows you to identify movements and currents within price action that lead to follow-through in a logical chain of connections that help you quickly find the mover and exploit it

#30) Mkt classification: a generalized approach to understanding the broader market context in terms of actionable information and helping us select certain strategies or make preferences among targets when we have it too many to engage once. It helps place us inside the broader market context tactical decisions.

#5) Creating your daily logic chain: your strategy to respond to observe price behavior in the markets and sectors that takes into account your usual suspects, continuation patterns and any new signals generated by your strategies and systems. This refresher of your basic template refines your daily preparation

#39) Daily time structure for the market: organize the day (or week) into a standard set of time blocks that require you to reset and assess and refocus, and then apply strategies that are appropriate for those time intervals.

#40) Multi-time frame, Multi-lens analysis: A systematic way of working thru a set of time periods from longer to shorter, and through5 disciplined lens to gain a triangulated appreciation for the trading environment for the days, weeks, months ahead. Reminds you to account for many other perspectives and participants and keep you from getting locked inside your own head. Start with the broad market, then sectors then companies. Watch the video, study the form, create your own. 5 Time frames: Monthly-Weekly-Daily-2hr-30 min 5 Lenses: MACD 4 seasons, RLCO-BB, RLFF, Pinch & Stretch, Support & Resistance

Actions

Plan
To find opportunities to spot and frame, giving choices for action later.

Prepare
Detailed work on trade frame, entry, exit, execution risk, time of day, targets, stats, and trailing stops.

Execute
Trade execution such as the 2R battle drill and ruthless risk management, following standard operating procudures.

Assess
Daily after-action review of each phase Plan-Prepare-Execute-Assess using the Sustain-Improve-Actions template.