

Trend Jumper

Special Tactics for the YM 5 Minute Chart

Tradeplan Details and Rules (Please note that the YM trades in 1 point increments. The word ‘ticks’ and ‘points’ are used interchangeable in this manual and are both referring to the minimum price movement of the YM)

The Trend Jumper is based on pure price action. This tradeplan and approach uses a very specific Trend Jumper trade setup called “The Crossover Trade.” The Crossover Trade is designed to take advantage of price action turning points.

With this tradeplan, we utilize a concept we teach at Netpicks called the Power of Quitting (poq). This is a dynamic goal setting strategy that allows us to quit with a positive result on most sessions while growing the equity in our accounts on a steady basis. We combine it with sensible tradeplan rules and a limit to the amount of trades we take each session.

The ‘theme’ of this plan is to take between one to four trades per day, with the goal of quitting positive. This is the number one priority. The Trend Jumper has 95% of the ART to Trading built right into it. The other 5% comes from us. To help reduce that down even more, we rely on the rules of this tradeplan as described below.

It is highly recommended that you manually backtest a few months worth of trades prior to trading it live. In fact, as we teach in our typical Trend Jumper Training, we also strongly suggest that you prove you can execute the plan as intended, by making 25 consecutive mistake free trades in a sim account before committing real money. If you can’t do it in a sim account, you’ll never be able to do it in a real account. Prove it to yourself and you will see how effective this very specific Trend Jumper technique is for trading the YM 5 minute chart. The intention with the preliminary step is to practice your executions and decision making. See if you can trade the plan as intended 25 trades in a row without a single mistake. If you make a mistake, start over again.

Mistakes are not losing trades. Mistakes are anything else but a perfectly executed trade according to the rules of the tradeplan. Distractions, poor executions, 'fat fingers,' 2nd guessing, not placing or moving your stops correctly, forgetting, anything that is not a perfectly executed trade is considered a mistake and sends you back to 'Go.' This is such an important exercise because it trains your brain, body and psychology by getting you the repetitions necessary for success. Yet so many traders are too eager or too undisciplined to give themselves this critical 'foundation building' starting point. Don't be that person. Successful trading requires professionalism and it should begin with 'best practices' and the development of good trading habits.

Indicators

- Jumpline (red dashed line)
- Confirmation Line (white solid line)
- 14 EMA
- Trend Jumper YM Calculator

The Crossover Trade (See video for examples)

- The Confirmation Line (white) crosses over the Jumpline (Red dashed)
 - For longs, it crosses over from below to above. The first green bar that also closes above the Jumpline is the Setup bar to go long. Both the Confirmation Line and the Green Price Bar must CLOSE above the Jumpline for the setup to be valid.
 - For shorts, it crosses over from above to below. The first red bar that also closes below the Jumpline is the Setup bar to go short. Both the Confirmation Line and the Red Price Bar must CLOSE below the Jumpline for the setup to be valid.
 - Dojis DO count as setup bars
- The setup is cancelled if the Confirmation Line (CL) closes back, on the opposite side prior to the entry being hit. That means for a long trade, if the CL closes below the Jumpline (JL), then the long trade is cancelled and vice versa for shorts.
- When the entry is hit, the trade is considered live and must be managed to its completion.

- The Entry is 2 ticks above the high of the setup bar for longs and 2 ticks below the setup bar for shorts. We also make key level adjustments to our entries as described below.
- The Stop is 1 tick below the low of the setup bar, plus or minus key level adjustments.

Targets

- Targets are dynamic to the current volatility of the market. Sometimes they will be small, other times they will be larger.
- Because this is designed to be a multi-position approach, even small setups can turn into large gains.
- Below, in the Trade Management Section, it is explained how and when to take profits, as well as activate trade management maneuvers.

Key Level Adjustments

- Making the appropriate Key level adjustments (KLA) is very important and is something we teach in great detail within the Trend Jumper Strategy and training. We use it with this specific tradeplan as well.
- There are two kinds of KLAs: Price levels and chart levels.
- Price levels are broken up into two categories. Minor and Major. We typically apply them to entries and stops. I personally do not apply them to targets but some traders do. For the sake of this tradeplan, we will not apply them to targets except in the most extreme and obvious cases.
- The general rule for the minor KLAs is that we adjust around 5s and 0s. If we get to within 1 point of a minor level, we adjust 1 point beyond. For a long trade, if the price level is a 4 or 5, we adjust to the 6. For example, if the entry is at 14514, we would adjust it to 14516. For shorts we do the opposite. If the entry is at 14516, we adjust it to 14514. The point is to push the entry a little further away and force the price to push through what could be a key level. We do the same thing around 0's. If the entry is at 14519 or 14520, we adjust it to 14521. We do the opposite for shorts.
 - We also adjust our stops further away. If the stop for a long trade is at 14536, we adjust it down to 14534, and so on and so forth.
- Major KLAs work the same way. The major key levels are multiples of 50s and 100s. The only difference is if we get to within 2 points of the major level, we

adjust one point beyond. We don't go long at 14648 or 14698. We adjust to 14651 or 14701. In fact, many traders adjust TWO points beyond the major level, which is ok. I just don't personally like to make a 4 point adjustment unless it is also to get around a 'chart level adjustment.'

- Chart Level Adjustments help us get around nearby support and resistance levels. You can see them just to the left of your setup bar. My general rule of thumb is that 'if you can't see it, it isn't there.' We look to make very small adjustments. 1 or 2 point adjustments are perfectly fine. 3 points are ok too but try to avoid them. 4 points should be used sparingly. Don't be afraid of the trade. Support and resistance levels are broken all the time. Our purpose is to try to avoid SOME losing setups while not eating away at our overall profit objective while also adding additional risk to the trade. In other words, SMALL adjustments only.
- Small adjustments around the Jumphline and the EMA are also recommended.
- There are some occasions when adjustments are not necessary. I won't make adjustments if the price has already broken through support and resistance and the entry is moving into an open space on the chart. Again, if you don't see it, it's not there.

YM 5 Minute Trade Management Rules

- This trade plan can be traded with one, two or three positions. It was ideally designed to be a THREE position approach. NEVER put more than 2% risk on any given trade. If you have a smaller account, trade one position. Add the other positions as your account grows.
- Take the first position off at the 2nd target if it is 8 points away or greater.
- Take the 2nd position off at the 3rd target.
- If missing the 3rd target by 1 tick, 'trade for profit' and exit this position on a retracement back to the 2nd target.
- Trail the 3rd position.
- For multiple position traders, lock in 1 point once the middle target has been reached AND the price has gone at least 10 points. Also, begin Trailing the EMA 14.

Minimum Trade Size Rule

- The middle target must be 8 points or more (after adjustments) to qualify for taking profits at the target levels. For trade setups where the middle target is less than 8 points, then ignore the targets. Take the first position off at 15 points above the entry. Take the 2nd position off at 25 points above the entry.
- Lock in 1 tick AFTER the price has gained 10 points to make it a risk free trade.

Details

- Chart: @YM or Current Front Month Contract
- Start Time: 8:20 cst
- Use a 14 EMA for filtering and trailing
- End Time: Power of Quitting (see below) or 4 Trades Maximum. Exit open trades prior to the market closing. Do not hold trades past the session close.

Power of Quitting (poq)

- The minimum required winning trade required for poq is a trade where the full 3rd target is reached OR, the middle target was reached, AND, it was 15 points or greater. If this happens on the first trade then you are done for the session. Stop trading and we'll see you tomorrow.
- If not, keep trading up to a maximum of 4 trades per session. 4 trades is the hard stopping point.
- If the first trade is a losing trade, and the 2nd trade hits its full target and gets you to a positive result, you have achieved your goals and you need to quit for the session. If you are still not positive, then take a 3rd and even a 4th trade if necessary.
- Getting to poq is the most important. With time based charts, sometimes setup bars can be quite large. This is fine. But if you are behind in a session, and the next trade has a bigger than usual targets, the 1st target being 15 ticks or more, then take the 1st position off at the 1st target. In fact, as an option, you might have a trade where the 1st target is even larger (30 points or more). You can decide to exit your 1st position at that target if you'd like. This isn't very common but it does happen. At that point you would activate your 1 tick lock in and begin trailing as well, to protect the rest of your position.
- Also, on spike moves, you might see the price accelerate and the intra trade net result has pushed you up to a positive result after a prior loss(es). If that is the case, use one of the faster lines (JL or CL) to manage the trade and get to poq.

Poq is what moves your account positively along on a steady basis so stay focused on it at all times.

Special Cases

- Big spike moves; you have the option of using the JL as your trailer when the price spikes in your favor. If the price has moved double the distance from entry to the 3rd target on larger than usual trades, consider using the JL as your trailer. Especially if coming from behind and trying to get to poq. If the price has spiked and the JL is 20 ticks or more away from the EMA, use the JL as your trailer.
- On big spike bars that over 50 ticks or more, put a stop around the nearest 10 level from the close of the spike bar and lock in your profit. Or just market out.

Getting in Synch – It is ok to get in synch with a trade that triggers in prior to our start time or around news events. As long as the price has not hit the money management level or its stop after triggering in, you can consider the entry still valid and you should take the trade if the price pulls back to the entry.

News Events – Follow the economic calendar on www.ForexFactory.com. Stand down 1 minute or two from red labeled news releases. In fact, you should stand down for orange labeled reports too. Wait a couple minutes and then get back in synch with the current trade setup. Do not chase a market. If it gets away from you before you can get in, just let it go and wait for the next setup.

Watch the training video for greater insight into this tradeplan.

If you want to learn more about the Trend Jumper or you want to invest in the full version as well as the private Member's Club, please visit www.ptuTrendJumper.com for more details.