



# High Stakes Trading

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# Weekly Outline

Zen (Week 4)

**Science (Week 5)**

Electrification (Week 6)

Battle Armor (Bonus Week)



# Week Five - Science

- Theory
- Experiment
- Proof
- Conclusion

# Experiment

- Objective
- Assumptions
- Criteria

# Objective

- Write your main objective
- List any other objectives
- Be objective

# General equation

$$( \text{Position Size} ) \times ( \text{Trade style} ) \times ( \text{Stock} ) = \text{ROI}$$

# Set Variables Constant

Position Sizing – 20% of account balance

Position Management – 30% targets

Position Selection – Systematic



# General equation

$$( 20\% ) \times ( 30\% \text{ targets} ) \times ( \text{Stock} ) = >100\%$$



# Assumptions

- It takes less than 4 minutes to place one round trip trade
- Trades can be made on Friday between 3:30 & 4:00 PM EST
- Fill prices are near daily close prices



# Grading Criteria (KPI's)

- Return on Investment (ROI)
- Hold time
- Reward to risk ratio
- Win rate



# Final Written Experiment

**Objective:** Disprove or prove that you can make > 100% ROI with one round trip trade a week

**Actions taken:** One round trip trade per week;  
One manual buy order, one automated sell order



# Final Written Experiment (cont.)

Position Sizing: **20% position sizing**

Position Management: **30% targets, 15% stops\***

\*Stop prices based on daily close prices



# Action Item

Finish forming your own market  
experiment

*Master your  
market actions*

