



Short-term Trading Plans

Developing a simple, effective plan for day-trading with Tradespoon

Intraday trading, or day-trading, can net out consistent profits by taking ‘trade often, trade small’ approach. By following a simple set of guidelines, you can essentially remove the psychological pitfalls of chasing the market and move to a more managerial style of trading.

In this guide, we’ll outline the three stages of a plan which you can repeat for both stock and options trades. This plan is designed to incorporate Tradespoon’s **Stock Forecast Toolbox and ActiveTrader service** to define optimal entry, target and stop-loss prices for quick, confident trades.

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Using the ActiveTrader Service

When looking into a stock to initiate a trade, you can begin by opening the current ActiveTrader lists for either stocks or options. This daily-updated list will offer entry prices, target prices and stop-loss prices.

During pre-market hours, or at the market open, access ActiveTrader (stock or options) from the Quick Navigation menu and select the current day's list. Select a recommended stock or option for evaluation.

Make sure to check pre-market news and futures.

You will have one of two strategies to follow depending on the premarket futures of the S&P 500 index.

We're suggesting to follow Strategy A if:

- **ActiveTrader Bulls (Stocks & Options)**
 - Premarket SPX futures are **down more than 0.5%** from the previous day's close
- **ActiveTrader Bears (Stocks & Options)**
 - Premarket SPX futures are **up more than 0.5%** from the previous day's close

We're suggesting to follow Strategy B if:

- **ActiveTrader Bulls (Stocks & Options)**
 - Premarket SPX futures are **not down more than 0.5%** from the previous day's close
- **ActiveTrader Bears (Stocks & Options)**
 - Premarket SPX futures are **not up more than 0.5%** from the previous day's close

If you see a pre-market sell-off that is greater than 0.5%, you can either follow the recommended strategy or use the **Stock Forecast Toolbox's** intraday and 10-day predictions for low/high levels and vector trends to set new parameters. The 10-day forecast is updated every evening for the following day and intraday forecast is updated every 5 minutes.

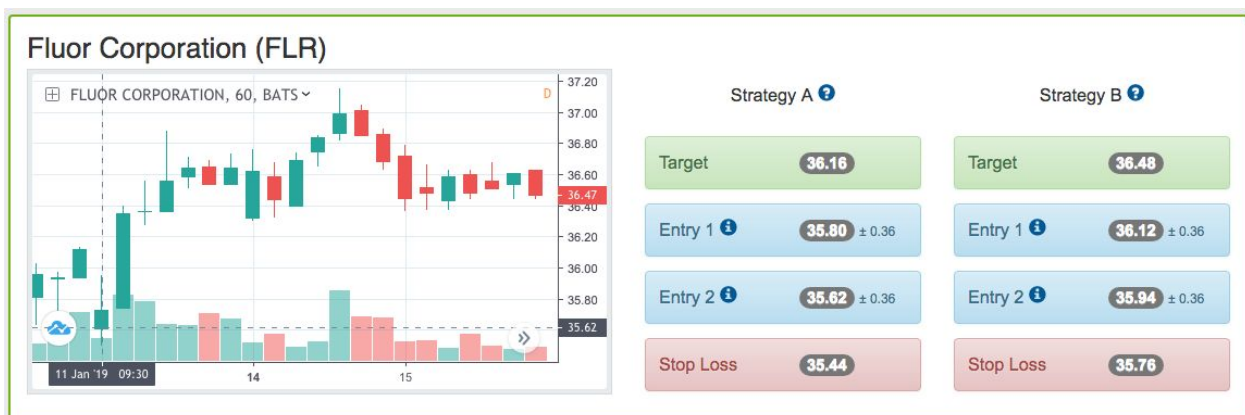


Figure 1- ActiveTrader (Stock/Bulls)



Figure 2- ActiveTrader (Options/Bulls)

Entry Prices

There are two entry prices listed for every trade we recommend in this service. These entry prices are going to be based on our **Stock Forecast Toolbox's** current day predicted Low price for the stock, or underlying asset if using options. You can find these predictions by looking at the **Stock Forecast Toolbox 10-day prediction** for that symbol, finding the current date in the **Predicted Data** table.

The Options entry prices are mapped out from the predicted Low price of the underlying stock. We are typically suggesting Deep In The Money options with a high Delta value (usually 0.80).

- You'll want to commit 50% of your trade size using the **Entry 1** price range. This prediction data is created the evening prior and uses the previous trading session's market data.
 - **ActiveTrader Options** will show the option contract premium prices for **Entry** levels (See Figure 2)
- The other 50% of your trade size can be committed at the **Entry 2** price suggestion, if the stock begins to move against you.
 - **ActiveTrader Options** will show Options Premium prices for **Entry** levels (See Figure 2)
- If the stock is down more than 1% at the market open on above average volume, do not rely on the absolute levels of entry, stop-loss and target prices. New information is most likely available and the model needs to adjust. You may adjust the entry price levels based on these changes and refer to the **Stock Forecast Toolbox's** intraday predictions, which are updated every 5 minutes.
- Keep current with market trends and do not trade sectors that are in rotation.
- Consider major political, geopolitical or other events which may have unpredictable effects on markets.

Adjusting Entry prices for Stocks & Options

- **Stocks**
 - If the stock has opened above its Entry 1 price range or Target Gain price at market open, you can consider the following choices:
 - Waiting for an intraday pullback into the Entry 1 or Entry 2 price ranges.
 - Entering at the previous close price. You then can use the listed Target Gain or set a new Target Gain at 1% above your new entry price.
 - Using the Stock Forecast Toolbox Intraday prediction data to determine new direction for the next hour.
 - Intraday outlooks with vector trends that are in one consistent direction for the entire 1-hour outlook provide good signals. Enter near or at the predicted support level and monitor the intraday outlook for a turning point and sell at the predicted resistance levels.

- **Options**
 - If the option is trading above its Entry 1 price range or Target Gain , you can consider the following choices:
 - Waiting for an intraday pullback into the Entry 1 or Entry 2 price ranges.
 - Map out a deep ITM option entry price based on the underlying asset's previous close price. You then can use the listed Target Gain or set a new Target Gain at 1% above your new entry price.
 - Using the Stock Forecast Toolbox Intraday prediction data to determine new direction for the next hour for the underlying asset to map out a new option entry price.
 - Intraday outlooks with vector trends that are in one consistent direction for the entire 1-hour outlook provide the best signals.

Setting a Stop-loss

- Be sure to set a Stop-loss price using guidance from the recommendation. If there is a gap-down between pre-market hours and the open- you can still enter a position, but create a new stop-loss price that is 1% down from your actual entry price.

Setting a Target Gain

- You can enter premarket orders if futures are not down more than 0.5%.
- Double check the Stock Forecast Toolbox for entry price before you trade.
- If creating a new Target Gain, you can set it between 0.5% or 1% from your entry price (stock or option) depending on when you enter during the current trading session.

Exiting the Trade

- Once the stock begins to reach Target Gain level (or an adjusted Target Gain), exit the trade. It is possible to re-enter and perform the same trade more than once.
- If you carry a position overnight, commit only 5% of your capital.
- If the stock is down more than 1% at the market open and you are in a long position, consider closing when the open gap is closed irrelevant of your target.

Video Examples

In this library of specially selected video clips, Watch Vlad Karpel, CEO & Founder of Tradespoon, set up stock and option trades using ActiveTrader:

[Tradespoon Video Snippet Library](#)

Using the Stock Forecast Toolbox

The Stock Forecast Toolbox is Tradespoon's core tool-set. The Toolbox allows you to search equity symbols and generate intraday, 10-day and 6-month predictions. When using this tool for short-term trade ideas, you'll be looking for strong bullish or bearish signals in our outlooks in order to determine entry and exit points based on predicted support and resistance levels.

Finding Confident Prediction Signals

These terms should be familiar when using the toolbox to best apply its forecast results. Your two primary factors in screening analysis results for equities will be our **Vector signals** and our **Model Grade**. We look for specific conditions to indicate our prediction models' most reliable outlooks.

Vector

The Vector is calculated by the comparison of two price averages- showing the change in percentage value from previous real price quotes to each predicted time interval in the future. depending on the time horizon you are viewing. The column shows expected average price movement "Up or Down", in percentages.

Example: In a 10-day forecast- the average of the previous trading session Open, Close, Low and High prices is compared the the average of each future predicted day's Open, Close , Low and High prices. Every day in a 10-day outlook will refer back to the previous trading session. The 10-day outlooks are updated every evening.

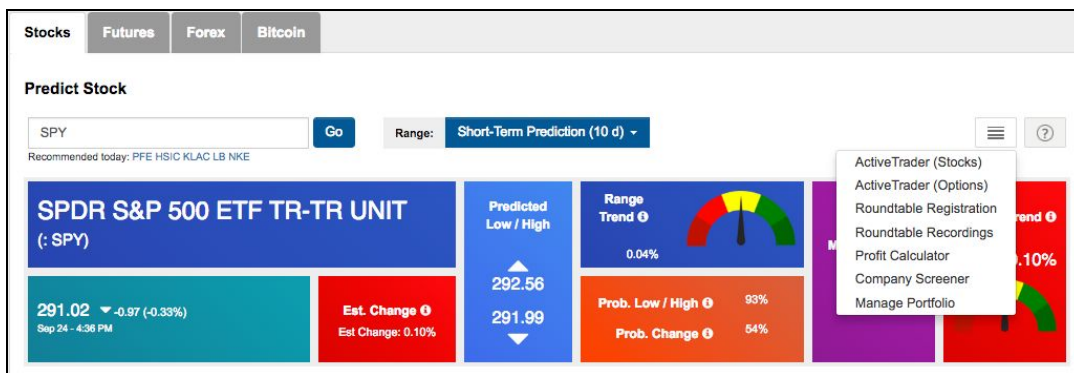
The same condition applies to the intraday and long-term predictions, where you're seeing comparisons of price averages for 5 minute intervals and one month intervals, respectively. The higher the value of the Vector, the higher its momentum. These figures should not be looked at as absolutes, but rather a guideline as to how a particular stock or ETF is predicted to move, relative to the current conditions.

Model Grade:

The Accuracy Model Grade is representative of the next day only, and is a relative score compared to our entire data universe of ~3000 symbols.. An **A grade** indicates the top 10%, a **B grade** is the top 25%, and a **C grade** is 50%. Occasionally you will see **N/A**, which indicates there is not enough market data to determine accuracy. This grade is showing our models' accuracy in predicting near-term support and resistance levels based on backtest results. Model Grades are typically assigned to symbols with high volume and high liquidity, as they offer adequate amounts of market data to create the relative rank.

An **Accuracy Model Grade of **A** or **B**, coupled with a consistent **Vector** over **1%**, indicates a very high likelihood that stock will close under predicted resistance, or above predicted support levels. Based on backtests results, there is a 75% likelihood of an equity to close between predicted low and high prices for the current and next trading session.*

The Stock Forecast Toolbox includes a **Company Screener suite** with two daily-updated lists showing strong bullish and bearish near-term signals. You can locate these screeners by using our drop-down menu located in the upper-right corner of the user interface.



Company Screeners

If you do not already have a stock or ETF in mind to research for a trade, you can use the **Short-term Forecast List** and **Stocks & ETF's with Model Grade A or B Lists** in the **Company Screener** feature. This screener will produce a daily-updated list of stocks ranked by their vector values, paired with a Confidence Level which reflects accuracy within our prediction models.

Step 1- There are two ideal criteria to look for: a **Vector** closest to or above **1%**, and a relatively higher **Confidence Level**.

Symbol	Level	Vector
ABBY	91.72%	00.53%
LNC	69.87%	00.47%
ARRY	79.10%	00.28%
IYR	77.57%	00.22%

Step 2- By selecting a stock, you will be brought to the **Stock Forecast Toolbox** with that stock selected for analysis.

Step 3- Generate a 10-day Prediction and look for a **Vector** trajectory toward and above 1%, remaining throughout the prediction window.

Step 4- Check the Headlines tab, at the top of the candlestick chart window, this is a list of recent news mentions of that particular stock. Make sure there is no overnight or premarket news that may cause the stock to trade outside of the predictions.

Setting an Entry Price

- Once you select a stock or ETF with a consistent **Vector** at or above +1%, determine where to enter the position by looking at the predicted '**Low**' price for the current trading session.
 - Once you're ready to enter, switch to the **Intraday forecast** to find an optimal entry point within the next hour.
- You'll want to commit 50% of your trade size at the original determined entry price.
- The other 50% of your trade size can be committed if the stock moves 0.5-0.8% against you.
- If the stock is down more than 1% at the market open on above average volume, do not rely on the absolute levels of predicted lows and highs. New information is most likely available and the model needs to adjust.

Setting a Stop-loss

- Be sure to set a Stop-loss price that is 1% down from your actual entry price.
 - **For an options trade-** multiply the stock price change by its delta value to determine the option price change. You should typically use options with a delta value greater than 0.8.

Setting a Target Gain

- We recommend setting a target gain of 0.5% of the stock price.
 - **For an options trade-** multiply the stock price change by its delta value to determine the option price change. You should typically use options with a delta value greater than 0.8.

Exiting the Trade

- Sell at the predicted high with a vector around -1%.
- Consider closing all positions by 11 A.M. EST/ 10 A.M. CST
- If you carry a position overnight, commit only 5% of your capital
- If the stock is down more than 1% at the market open and you are in a long position, consider closing when the open gap is closed irrelevant of your target.

Please let us know if you have any thoughts or questions by contacting our dedicated support team at support@tradespoon.com!

Tradespoon offers private 1-on-1 coaching for self-directed traders who want to build a master trading plan or improve upon existing strategies. [Apply to our 1-on-1 Coaching Program](#)

You can also schedule a quick call with a Product Specialist to review our tools and services at any time. [Schedule a call](#).

To your success,

The Tradespoon Team