TWP

TWP STUDENT WORKBOOK

Basic Trade Setup Plan

A step-by-step process for turning what you learned in the TWP courses into repeatable, high-probability trading ideas.

THE PURPOSE OF THIS WORKBOOK

To give a new trader a clear, repeatable process for approaching a market — so that finding a trade becomes a procedure you follow, not a decision you agonize over.

What Is Inside

Part One	**The Importance of Creating a Trading Plan** — why a plan matters far more than a prediction.
Part Two	**The Mini Lessons** — a seven-step process that builds your Basic Trade Plan.
Part Three	**The 20 Security Exercise** — applying the plan in live markets, across a sample size large enough to learn from.

Work through the mini lessons, use your TWP resources, and bring what you find to your coach for validation and support.

This Workbook Belongs To

Name

Coach

Date started

How This Workbook Works

Follow the steps in order. The early steps establish the big picture and the condition of the market. From there, the process moves into building a logical, repeatable routine you can run on every trade.

> **THE COMMON CHALLENGE**
>
> Multiple time frame analysis feels overwhelming when a new trader tries to solve the entire problem at once — weekly, daily, four-hour and one-hour, all in one sitting, on one chart.
>
> **The solution is to break the work into individual steps** so you can focus on a single task at a time. Repeating one step across 20 securities builds efficiency and skill through repetition. Completing all the steps produces trading ideas.
>
> Your goal is to **work on the system** and let the plan produce the ideas.

My Notes

PART ONE

The Importance of Creating a Trading Plan

Before the steps, the reason for them. A plan is what turns trading from a series of emotional decisions into a structured process you can measure and improve.

THE IDEA IN ONE SENTENCE

Your trading plan tells you what you will do before the market gives you a reason to do something else.

Creating a trading plan is one of the most important things a new trader can do, because it turns trading from a series of emotional decisions into a structured decision-making process.

1. It Removes Emotion from the Decision

In a live trade, your brain reacts differently than it does when you are calmly analyzing a chart. Without a plan, it is easy to think:

- Maybe I should hold a little longer.
- I will move my stop just this once.
- I cannot take another loss.
- This trade has to work.
- I will make it back on the next one.

MINI LESSON

A plan establishes your decisions **before** money and emotion are involved. Every one of those thoughts is your brain negotiating with a position it already has on. The time to answer them is while nothing is at stake.

2. It Gives You a Repeatable Process

Do not judge yourself on whether one trade made money. Ask instead: **did I execute my process correctly?**

1. What market will I trade?

2. What time of day will I trade?

3. What setups am I looking for?

4. What conditions must exist before I enter?

5. Where is my stop?

6. Where will I take profits?

7. How much am I willing to risk?

8. When will I stop trading for the day?

> **MINI LESSON**
>
> Answer these eight questions and every trade can be measured against the same standard. That is what makes a review meaningful — you are comparing like with like instead of comparing one good day to one bad day.

3. It Protects Your Risk

A new trader's biggest mistake is focusing on how much they can make instead of how much they can lose. Your plan should define, in this order:

- **Risk per trade → maximum daily loss → maximum number of trades**

> **MINI LESSON**
>
> **For example:** risk $100 per trade, maximum daily loss $300, maximum three trades per day. If you hit the daily loss limit, you are done — not "one more to get it back."
>
> That single rule is what keeps one bad session from becoming a catastrophic one.

4. It Builds Real Confidence

MINI LESSON

Real trading confidence does not come from thinking *I know this trade is going to work*. It comes from knowing **exactly what you will do regardless of what happens**.

That distinction matters, because the first kind of confidence is destroyed by a single loss. The second kind is not. You can lose a trade and still be confident, because you followed your process — and that is a far healthier form of confidence to build on.

5. It Lets You Actually Improve

This is the most overlooked benefit. Take 100 trades without a plan — some win, some lose. What did you learn? Not much.

With a defined setup, entry, stop, target and risk parameters, you can review those same 100 trades and find out:

- Which setups work best for you
- Which market conditions hurt you
- Which times of day are most profitable
- Whether you are entering too early
- Whether your stops are too tight
- Whether you are taking profits too quickly
- Whether you are violating your own rules

MINI LESSON

Now trading becomes an experiment you can learn from, rather than gambling. Same 100 trades — the difference is whether they produced data.

6. It Separates Strategy from Behavior

A profitable strategy can still lose money if the trader does not execute it properly. So you have two separate things to develop:

Trading system	What should I do when X happens?
Trader discipline	Can I actually do it consistently?

> **MINI LESSON**
>
> Your trading plan is the bridge between the two. A strategy you cannot follow is not an edge, and discipline without a defined system has nothing to be disciplined about.

A Simple Way to Think About a Trading Plan

Market	What am I trading?
Setup	What specifically am I looking for?
Entry / Exit	When do I get in, and when do I get out?
Risk	How much can I lose?
Behavior	What rules keep me from sabotaging myself?

> **MINI LESSON**
>
> **The last row matters most.** For example: I will not move my stop farther away. I will not revenge trade. I will not increase size after a loss. I will stop trading once I reach my daily loss limit.
>
> Those are not strategy rules — they are **trader-protection rules**, and they are the ones most often left out of a plan.

THE BIGGER LESSON

A trading plan is not designed to predict the market. It is designed to control the trader.

The market is going to do whatever it is going to do. Your job is to build a framework in which you can take a series of trades while controlling your risk, your behavior and your decision-making.

Start with a **one-page trading plan** rather than a long, complicated document. The goal at the beginning is not the perfect strategy — it is a process you can follow consistently, and then improve with data.

My Notes

PART TWO

The Mini Lessons

Seven steps that build your Basic Trade Plan. Work them in order, and master one step at a time rather than trying to solve every trade at once.

STEP 1

Check the News

GDP • Evaluation of currency • Interest rates

MINI LESSON

You are looking for **risk events that could move the market** — not for trade ideas. Forex Factory does a good job flagging high-impact releases. Do not try to read every news item; you will only confuse yourself.

Even with your stop in a good position, a release can expand the range fast and take you out. Add slippage, and trading the news gets expensive. Use the calendar to decide **where to adjust risk**, or to **stand aside** until the event clears.

On a Fed day, stand aside and let it go where it is going to go. If conditions are favorable after the rate announcement, then look at entering.

STEP 2

View the Weekly Chart — Decide Which Direction the Market Will Move

Look for: Trend • Supply or demand zone • Key levels

MINI LESSON

The weekly chart is your **big picture trend**. Look at a daily on its own and there may be noise or distribution — it looks like the market is going sideways, and you get caught up in it. Back up to the weekly and you can see the market is really in an uptrend and the daily is just retracing.

Also mark **key levels**. On a weekly chart, price often reacts at the same price point for months, sometimes years. If a stock has hit 82 and bounced for three years running, anticipate it doing the same thing. Do not lose common sense.

STEP 3

View the Daily Chart

Look for: Trend • Profit potential • Candlestick patterns • Outside days

MINI LESSON

The daily gives you two things: **trend**, and the **profit potential of a longer-term move**. You want something with a big pocket to it.

There may be fifteen trading opportunities inside one long-term move. You are still trading the same move — risk management and the steps that follow are what turn it into several trades rather than one.

Candlestick patterns tell you something about momentum, but treat them as **odds enhancers**: extras you layer on as your skill grows, not the core of the step. As one student put it, the daily chart is like reading a story. Find the way of describing it that resonates with you — that is what builds a belief system.

STEP 4

Develop a Plan for the Week / Day

Direction — what are you looking for? Where is there confirmation?

MINI LESSON

Two questions drive the plan: **What is the market offering?** and **Where are the obvious setups?**

If the market is offering ten points, do not go looking for twenty. If it is offering two hundred, do not settle for twenty. That is part of the plan, not an afterthought.

Your plan for the week usually will not change during the week — but do not get hung up on your bias always being right. Between your bias and the market, **the market is always right**.

And do not be a one-trick pony. If crude was not moving this week, that is not the market's fault. Look at what else is working; you are after the **easier setups**, not the ones you are loyal to.

STEP 5

Find a Setup

- **Trend up** — you are a buyer. Look for **DBR** (drop-base-rally) and **RBR** (rally-base-rally).
- **Trend down** — you are a seller. Look for **RBD** (rally-base-drop) and **DBD** (drop-base-drop).
- **Zones** — draw every single one.
- **Choose the best zone**, then identify profit targets.

> **MINI LESSON**
>
> Work **daily → 4-hour → 1-hour**, and stop there at first. Below that there is a lot of movement, and it will slow you down. A trend on the 4-hour with a setup on the 1-hour is a perfectly good combination.
>
> **Draw every zone. Disqualify nothing** at this stage — they are all potential. Then choose the best one, and start recording what makes a zone higher probability *for you*. One example: a good zone on the 4-hour that looks even better when you drop to the 1-hour. That tells you that you are onto something.
>
> Profit targets: keep it simple at the start. **3:1 or 2:1 on every trade**, or **level on level** — buy at demand, sell at supply. Positive and negative COG setups come later; ask your coach when you are ready.

STEP 6

Place the Trade

> **MINI LESSON**
>
> If your 20 securities produced six setups, **place all six** — even at one share. The point right now is getting through the mechanics. Repetition is the mother of skill.
>
> Practice on a simulator, but **set the SIM account to the size you will actually fund**. A hundred-thousand-dollar practice account you will never trade for real teaches you nothing, because you will not take it seriously. When the practice size matches the real size, very little changes when you go live.
>
> Enter the stop and the first profit target at the same moment you enter the trade.

STEP 7

Manage the Trade

MINI LESSON

Target 1: exit part of the position near the previous swing high if you are long, or the previous swing low if you are short. Move the stop to breakeven.

Target 2: exit part or all at the opposing resistance if long, or the previous support if short.

Target 3 is optional, for trades better than 3:1. Either exit on key levels and controlling swing points from a higher time frame, or trail a stop — on longs, raise it just below each new higher swing low; on shorts, lower it just above each new lower swing high.

Two rules that never bend: **do not widen a stop**, and **do not add to a loser**.

Risk Management

- **1%** of account maximum risk per trade
- **Two losses in a day:** stop trading
- **10 losses in a row:** stop trading and re-evaluate
- Scale out with multiple profit targets
- One position per market, to avoid being overweighted

MINI LESSON

These rules exist to keep you in the game. The daily loss limit stops revenge trading before it starts. Ten losses in a row is data, not bad luck — either the market has changed character or your execution has slipped. Either way, stop, and bring it to your coach before you risk another dollar.

Profit Management

- **Supply and demand** for the first entry
- **COG** for add-on positions, and for stop management to protect profits

MINI LESSON

Profit targets are harder than finding setups, which is why you keep them simple at the start and add nuance later. Your first entry comes from a supply or demand zone, because that is where the imbalance sits and where your risk is smallest.

Add-on positions are a different job, and COG is the tool for them. It also tells you where to trail your stop so open profit is protected as the move extends. Ask your coach when you are ready for it.

Building Your 20 — Watchlist Selection

MINI LESSON

Use the **Finviz heat map** to pick your 20. Green is strength, red is weakness, and the map gives you the tone of the market. Note that it runs on roughly a **20-minute delay** — the Forex heat map is the one that updates minute by minute.

Spread across sectors. Do not load up on tech; they run like a pack of dogs, and you will be right on all of them or wrong on all of them at once, or find no trades at all.

Be price-aware. If a $645 name is too big for your account, look inside the same area for something similar at a third the cost — you participate without tying up the capital. Never exceed what you have allotted to a single position.

If you trade futures, these five cover a good gamut. But if you are brand new, stick with the stock market and the heat map.

ES S&P 500	**CL** Crude Oil	**EC / 6E** Euro	**DXY** US Dollar	**GC** Gold

Focus on the Process

MINI LESSON

The process produces the profits. Focus on the money instead and you will blow out the account. Profits trigger things in your subconscious that get in the way of following your own steps.

If your strategy does not offer a single trade this week, be annoyed with the **strategy**, not with yourself. If the process has a losing week, that is fine, as long as risk management held. And if it produces big profits, do not break your arm patting yourself on the back — the system produced them. You get the credit for following it.

Practice is what surfaces the gaps in your knowledge, and your relationship with money. Bring both to your coach. The question you ask is what tells them what is missing.

Where This Leads

- **Phase 1** — Learn the curriculum
- **Phase 2** — Master the steps
- **Phase 3** — Fewer, better trades
- **Freedom Day** — when you consistently know how *not to lose*

MINI LESSON

Knowing how not to lose across a collection of trades is what removes the FOMO, the greed and the fear — and that is the doorway to the trader's mindset. From there, respect the risk and the impact of institutions, and communicate honestly: be honest about what you see, honest with yourself, and honest with your coach. It is the fastest way anyone can help you.

Coming later, once the steps are yours: odds enhancers, project-based analysis, psychology, deeper trend work, and order flow — who is in control, who lost control, and where.

TWP **Basic Trade Setup Plan**

Before You Trade — Quick Checklist

- News checked; high-impact release times noted
- Weekly big-picture trend and key levels marked
- Daily agrees with the weekly, and there is real profit potential
- Written plan: what the market is offering, and where the obvious setups are
- Every zone drawn, then the best one chosen
- Reward-to-risk is at least 3:1, or level on level
- Position sized to 1% risk, on an account the size you will actually fund
- Stop and first target entered with the trade

My Notes

PART THREE

The 20 Security Exercise

Where the plan meets a live market. Running one step across twenty securities builds skill through repetition and gives you a sample size worth learning from.

The 20 Security Exercise

Master **one step at a time**, not one trade at a time.

- Build a watchlist of **20 securities**.
- Do **Step 1** on all 20. Then go back to the top and do **Step 2** on all 20. Then Step 3.
- By about Step 3 you will start disqualifying names — 20 becomes 15, and you may finish with **three to five real setups**.
- Place every one of those on a simulator. Do not overthink it.
- Then discuss the experience with your coach.

> MINI LESSON
>
> You never solve a physics problem in one go — you break it into small steps, and each step builds on the one before it. Trading is the same. Try to solve the whole puzzle on every trade and it gets confusing fast.
>
> Right now this is **not about performance**. It is about building a set of steps that make sense to you and that you can follow on every single trade. Keep it simple in the beginning; do not bolt on every tool and idea you hear.

Working the Exercise

Pass 1	Step 1 on all 20 — news and risk events noted.
Pass 2	Step 2 on all 20 — weekly trend, zones and key levels marked.
Pass 3	Step 3 on what is left — daily trend and profit potential. Names start dropping out here.
Pass 4–5	Steps 4 and 5 — write the plan, then find and choose the zone.
Pass 6–7	Steps 6 and 7 — place every qualifying setup on the simulator and manage it to plan.
Debrief	Bring the results, the questions and the mistakes to your coach.

My Notes