How To Trade For A Living

The Quick Start Guide — Everything You Need to Begin

This guide distills the core of a university-level trading course into a fast, actionable read. The strategies, rules, and mindset frameworks inside are the same ones used in live markets with real capital every day.

WHAT'S INSIDE

- ✓ The #1 rule professional traders never break
- ✓ The escalator / elevator concept that changes how you hold positions
- ✓ Moving averages — how to use the most powerful tool in trading
- ✓ Swing trading: how to catch the big moves
- ✓ The three best trading strategies I know
- ✓ Building and automating your own trading models
- ✓ Position sizing: protecting your capital like a professional
- ✓ The psychology of consistent, emotionless trading
- ✓ How to start your trading day the right way
- ✓ The anatomy of a trade — entry, management, and exit

INTRODUCTION

The Opportunity Is Real

Most people spend forty years trading their time for money — a fixed salary, a fixed schedule, a fixed ceiling on what they can earn. Trading offers something completely different: the ability to generate meaningful income from anywhere in the world, on your own schedule, with nothing but a laptop and a proven system.

I have traded from planes, from my car on a three-hour drive, from an island 500 miles from the nearest continent. In one year I made $265,000 on a $100,000 account, trading almost exclusively from a phone. Not a Bloomberg terminal. Not a six-screen trading desk. A phone. The equipment is not the edge. The system is.

This guide is a distillation of the core ideas from a complete, university-level trading course that I built from decades of live trading experience. Everything in here has been used in real markets with real capital. These are not theories. Read it carefully, let the ideas sink in, and by the end you will have a clear picture of what professional trading actually looks like — and exactly what you need to learn to get there.

> *"The market serves up several hundred trading days a year. The opportunity never runs out. The only question is whether you are prepared to take it."*

RULE #1 — NEVER FORGET THIS

The Trend Is Your Friend

If there is one rule you burn into your trading brain above all others, it is this: go with the trend. Not sometimes. Not when it feels right. Always. The trend is the single most powerful force in trading, and fighting it is the single most common reason traders lose money.

The market is like a massive wave. You cannot fight it. If you try, you will get drowned — it is not a matter of if, only when. Your opinion about where price should be is completely irrelevant. Whatever direction price is moving is the correct direction right now. Work with that reality, not against it.

How to Identify the Trend

On a daily chart, look for higher highs and higher lows — each successive peak is higher than the last, and each pullback holds above the previous low. That is an uptrend. Lower highs and lower lows is a downtrend. It really is that visual.

The 200-period Simple Moving Average is your anchor. When price is above the 200 SMA and the average is sloping upward, you are in a bullish environment. Buy pullbacks, not breakouts. When price is below the

200 SMA and the slope is pointing down, the environment is bearish — sell rallies, not dips.

Run through this checklist every morning before you place a single trade:

Check 1: Are the major indexes above the 200-period moving average?

Check 2: Is the 150-period MA above the 200 and sloping upward?

Check 3: Is the 50-period MA above the 200 and sloping upward?

Three yeses and you are in a confirmed up market. Three noes and you are in a confirmed down market. Position yourself accordingly and do not second-guess it.

NQ (Nasdaq 100 Futures) daily chart — two circled buy signals where price pulls back to the rising 200 SMA and bounces into the next leg up.

THE MOST IMPORTANT CONCEPT IN PRICE ACTION

The Market Takes an Escalator Up and an Elevator Down

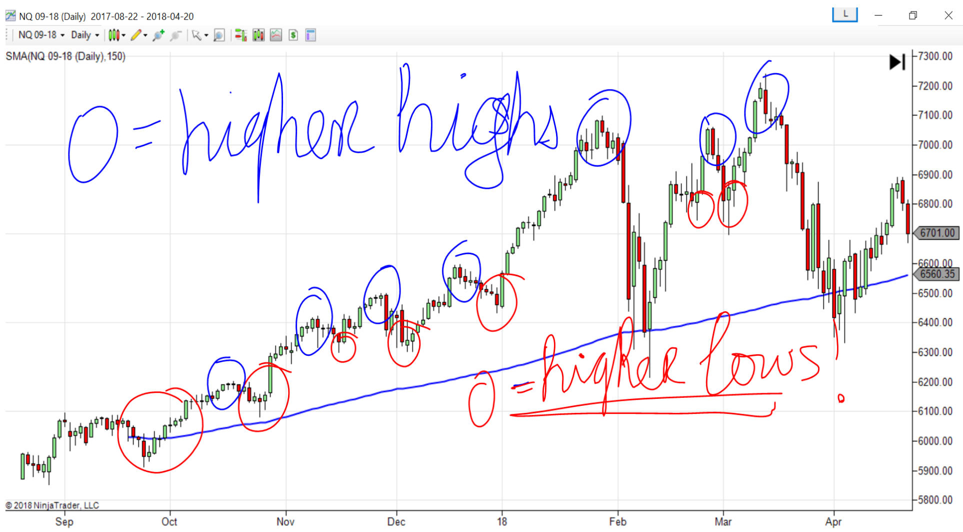
Markets do not go straight up. They meander higher — higher highs and higher lows, with pullbacks along the way — like riding an escalator. The ride is slow, with pauses between floors. But when markets fall, they fall fast. Like an elevator dropping from the fiftieth floor. This asymmetry between how markets rise and fall is one of the most practically useful things you will ever learn about price behavior.

What this means for your trading: in an uptrend, the normal pullbacks are just the escalator pausing between floors. They are not a signal to sell. They are a signal to prepare to buy. The traders who panic out of a position on a 2% pullback in a confirmed uptrend are giving away money to the traders who understand the pattern.

Fear and greed are both extraordinary motivators in markets. When the elevator starts dropping, the emotional response is to bail — and that collective fear accelerates the move down. Understanding this lets you position on both sides: buy the escalator pauses, get out of the way of the elevator.

How to Stay in a Winning Trade

As long as price is making higher highs and higher lows, the uptrend is intact. Stay in the trade. Use a wide trailing stop — tight stops in longer-term trades almost always get you stopped out while the position then does exactly what you wanted, just without you in it. Give the trade room to breathe.



Higher highs (blue circles) and higher lows (red circles) in a confirmed uptrend — stay in the trade until this pattern breaks.

> *"Know when to hold 'em. Know when to fold 'em. Know when to walk away. Know when to run."*

THE CORE TOOL

Moving Averages: The Foundation of Professional Trading

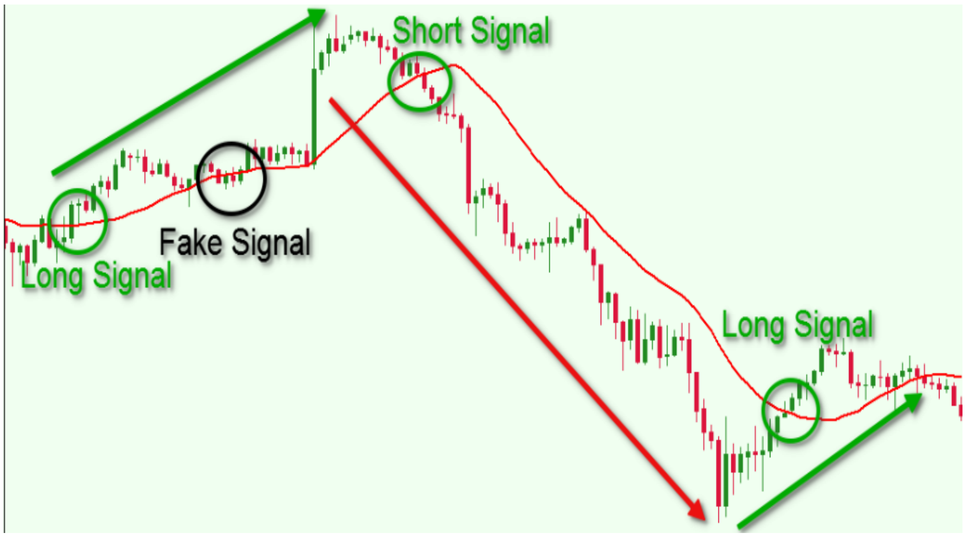
A moving average is the average closing price of an instrument over a set number of periods. It smooths out the noise and shows you the true direction of price. Here is something most retail traders do not understand: professional traders at major institutions are not using exotic indicators. They are using moving averages — and using them extremely well.

The two rules that govern everything:

Buy above the moving average. When price crosses from below to above the moving average and closes above it — that is a buy signal. The trend is shifting bullish.

Sell short below the moving average. When price crosses from above to below and closes below it — that is a sell signal. The trend is shifting bearish.

Always execute on bar close, never on touch. A bar that touches the moving average and then closes on the other side is not a signal. Wait for the close.

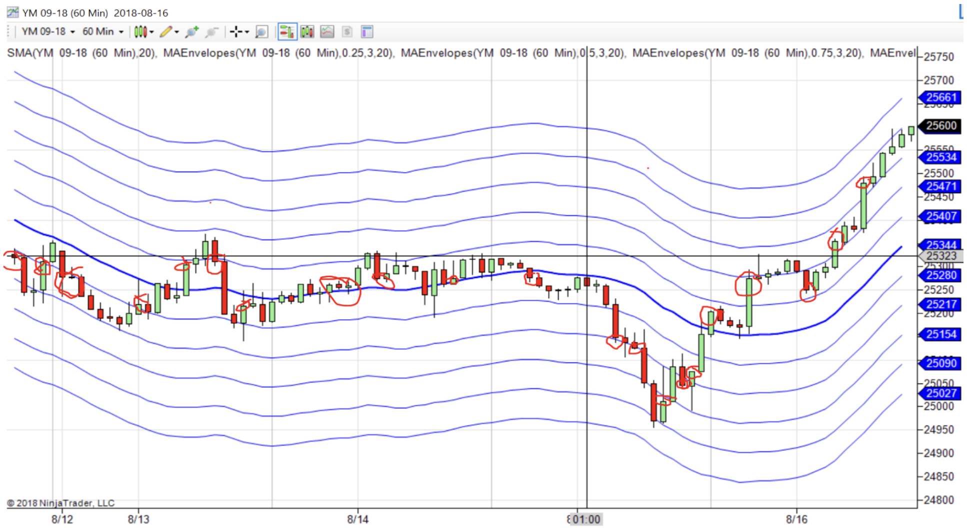


Moving average crossover buy and sell signals — clean, repeatable, and mechanical.

Moving Average Envelopes

Take the moving average and add percentage-based bands above and below it. These are called envelopes. The bands tell you how extended price is from the mean — and markets have a powerful statistical tendency to return to the mean after extreme extensions.

On faster charts (tick charts, 3-minute, 10-minute) I use tight envelopes of 0.25% increments. On daily charts for swing and position trades I use wider offsets — 5%, 7%, 10% depending on the instrument. The Nasdaq (NQ) moves more than the S&P; 500 (ES), so envelope widths need to reflect that. When price stretches to the outer bands, the probability of a mean reversion trade increases significantly. The further it stretches, the stronger the signal.



YM (Dow Futures) 60-minute chart with multiple MA envelope bands — price oscillates between the bands predictably. Each red circle marks a high-probability mean-reversion entry.

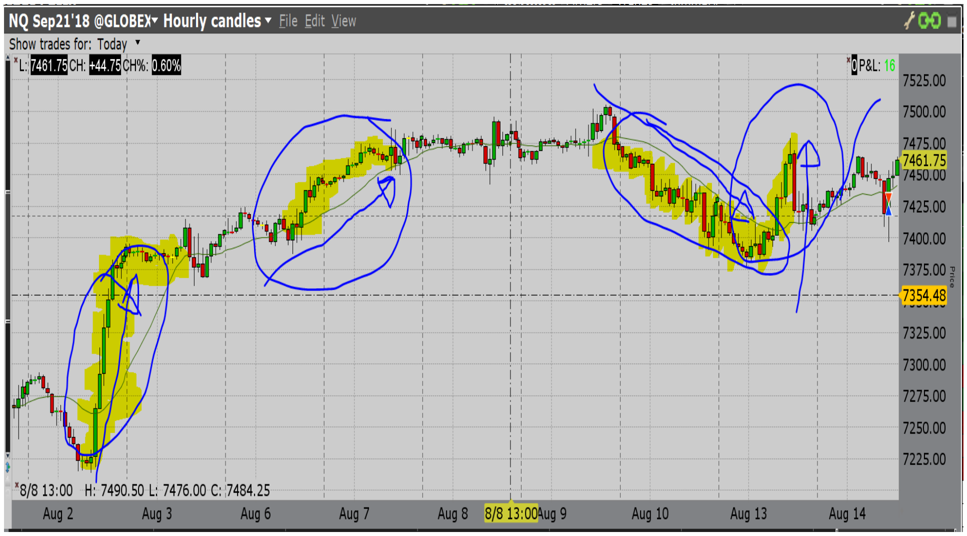
HOW THE PROS MAKE THE BIG MONEY

Swing Trading: Catching the Real Moves

Swing trading is taking a position and holding it for anywhere from one day to a few weeks, with the goal of capturing a real move — not a point or two, but a meaningful directional run. This is one of the most important modules to understand because it is where the large profits live.

Here is a simple, real example of a swing trade setup. The instrument is NQ — Nasdaq 100 E-Mini Futures. The time frame is the 60-minute bar. The indicator is a 20-period Simple Moving Average. The entry rule is: buy when price crosses from below to above the 20 SMA and closes above it.

For position sizing I buy in multiples — three contracts. Here is why that structure matters: take profit on the first contract at 20 points, take profit on the second at 40 points, and let the third run until price crosses back below the 20 SMA. This layered approach locks in profit on the way up while keeping exposure on the table for the full move. You are not guessing when the trend ends — you are letting price tell you.



Swing trade entries on the 60-minute NQ chart — each trade lasting one to four days, with structured scaled exits.

The Three Ingredients of Every Successful Swing Trade

Trend persistence — the market is moving in a definable direction and showing signs of continuing. If the trend is not clear, the trade is not clear.

Range — the instrument has enough daily movement to make the trade worthwhile. A stock that moves 0.1% a day is not worth your time. NQ, ES, and the major futures markets move enough to make swing trading extremely lucrative.

Liquidity — you can get in and out without fighting the market for a fill. The E-mini futures markets are among the most liquid instruments on earth. You will never have trouble getting a fill.

THE PLAYBOOK

The Three Best Trading Strategies I Know

I have used all three of these strategies in live accounts for years. They are tested, validated, and automatable. Study them.

Strategy 1: Price Over Moving Average with Envelopes

This is a price-based moving average crossover strategy layered with envelope bands, calibrated using statistical studies on the expected move of each instrument. Use a 100-period Simple Moving Average with multiple envelope bands above and below. The percentage offset of those bands needs to match the time frame — on a daily chart use full or half percentage point offsets. On faster charts, tighten to 0.25% increments.

The model waits for price to hit the bands and reverse back toward the mean. Multiple entries, multiple exits, clean and repeatable. If it only works with one very specific combination of parameters, it is over-fitted — a good model works across a reasonable range of settings.

Strategy 2: Trading With Thrust

This strategy uses the 60-minute bar with a 20-period SMA and tight upper and lower envelopes, targeting profit increments of 10 to 20 points. Think of a plane before takeoff — before it commits to a direction there is a period of thrust. The engines fire, the plane accelerates, it oscillates on the runway before lifting off cleanly. Markets behave the same way at the beginning of a move. Before a trend establishes itself, prices thrust upward, pull back, thrust again. Each of those thrust points — typically about 1% in a short period — is a tradeable opportunity.

Strategy 3: Correlation Trading

Correlation trading is one of the most powerful and consistently profitable strategies I use. When two instruments move in near-perfect lockstep, understanding the movement of one gives you a highly reliable signal for the other.

The FAANG stocks are highly correlated to the Nasdaq 100. They move in lockstep with the NQ roughly 95-98% of the time. But here is what makes it even more interesting: individual stocks do not just move with the NQ — they move more. When the NQ moves 1%, the individual stocks in the index often move 3-3.5%. That amplification means a confirmed signal on the index produces a larger percentage return when expressed through the component stocks.

> *"Imagine knowing with 95%+ probability the direction a stock is about to move. That is what correlation trading gives you when it is set up correctly."*

FINDING THE TRADE WITHIN THE TREND

Regression Channels: Buy Low, Sell High — Scientifically

A linear regression channel draws a line of best fit through price action and adds upper and lower boundary lines at a set standard deviation above and below. The result is a channel that shows you not just the direction of the trend, but the statistically normal range of price movement within it.

In an uptrending channel, price touches the lower line and bounces upward toward the upper line — repeatedly and predictably. That lower line touch is your buy signal. The upper line is your profit target. When the channel is pointing downward, flip it: sell short when price hits the upper line, cover when it reaches the lower line or the median.

A linear regression channel on the S&P; 500 — Buy Zones at the lower boundary, Sell Zones at the upper boundary. Price oscillates between them with statistical reliability.

Regression channels work across all time frames and all instruments. On a daily chart they define multi-week swing trade entries and exits. On a 60-minute chart they define intraday setups. On a 10-minute chart they define precision entry points within a developing trend. The same principle, applied fractally across every time frame you trade.

THE DESTINATION

Building and Automating Your Own Trading Models

Model building is the process of taking a trading idea, defining it as a precise set of rules, testing it rigorously against historical data, and then automating it so a computer executes it without human intervention. This is what separates traders who grind manually every day from traders who have systems working for them around the clock.

Here is the process. You start with a thesis — a specific, testable idea about how the market behaves. Then you build a testing platform, input parameters, and run the strategy across historical data on multiple time frames. You look for the settings that produce the best profit with the lowest drawdown and the most consistent equity curve. Once found, those settings become the model.

We have researched price movements across index futures, commodity futures, forex, ETFs, global indexes, and individual stocks. The goal is always the same: find rules that work consistently across different market conditions. A model that only works in one very specific environment is fragile. A robust model works across a reasonable range of conditions and parameters.

A Real Example

Here is a model I built and use for trading Nasdaq futures. The setup is simple: a 10-period Simple Moving Average on a 2-hour (120-minute) bar, running 24 hours a day. Buy when price crosses above the SMA and closes above it. Sell short when price crosses below and closes below. The system is designed to catch the thrusting move as price accelerates away from the average.

Test results over the period shown: 93 total trades, 85 winners, 8 losers — roughly 91% accuracy — with $25,500 in simulated profit. In live trading results vary, but the strategy has proven robust and repeatable over time. Simple parameters, defined exits, high win rate, runs itself. That is the anatomy of a well-built model.

PROTECTING YOUR CAPITAL

Position Sizing: The Rule Nobody Talks About

Position sizing is one of the most crucial elements of consistent trading success — and one of the most neglected. Traders spend enormous time studying entries and almost no time thinking about how many contracts or shares to actually buy. That is backwards.

Most traders wing it. They buy as much as their account allows, or size up when they feel confident and size down when they are not. Neither is a system. You should be buying a defined number of contracts based on the expected gain, the risk of loss, the size of your account, and the maximum drawdown you can accept.

I keep my monthly drawdowns to a maximum of 10%. The reason is practical: I can make 10% back in a month. A 20% drawdown means two months of work just to get back to even — and that is before accounting for the psychological cost of climbing out of a hole. When I size positions, I think about all three factors: expectation of gain, downside risk, and what a bad run would do to the account.

How I Actually Do It

I start by building a cushion in the account. I aim to grow the account 20-25% before I increase position size. Once that cushion is in place, I step up. Then I build another 20%+ and step up again. If trades stop working — if I am not stringing together wins — I reduce position size immediately and trade smaller until momentum returns.

I do not force trades and I do not overtrade. I wait for the right entries and I stick to the systems I know work. That discipline, more than any indicator or strategy, is what keeps the account healthy over time.

> *"Build the cushion. Protect the cushion. Increase size when the numbers justify it. Reduce when they do not. That is the professional approach."*

THE MENTAL GAME

Psychology: The Edge Most Traders Never Develop

You can have the best strategy in the world and still blow up your account. Fear, greed, ego — they are all account killers. The traders who last are the ones who learn to trade mechanically, without emotion, without ego, and without letting a single bad trade define the session.

I spent time at one of the most prestigious aeronautical universities in the country, researching trading psychology specifically with a PhD in the field. I chose that setting deliberately. The best pilots have an extraordinary feel for their aircraft and its limits, and when visibility drops to zero, they stop relying on instinct and trust their instruments completely. That is exactly what a great trader does.

The Five Psychological Tenets

1. Do not get emotionally attached to any position. There is always another trade. The market serves up opportunities every single day. Miss one? No problem. The next one is forming.

2. The market is always right. Whatever direction price is moving is correct right now. Your opinion is irrelevant. Trade the reality.

3. Do not take your losses home. When you close the laptop, close it. Go outside. Make dinner. The position will be exactly where it is whether you check or not.

4. Cut losers fast. Let winners run. Small losses are the cost of doing business. Large losses are disasters. Never confuse the two. Take the small loss without hesitation and move to the next setup.

5. Be mechanical. Follow the rules exactly as written until you understand them deeply enough to know which ones you can modify — and why. Consistency before creativity.

Think about a pilot encountering severe turbulence. They do not panic. They go quiet, go internal, and work through their checklist — step by step, exactly as trained. That is the standard. When the market pulls back 3% and everyone around you is losing their mind, you do not get fearful. You follow the plan. The statistics are on your side. That is all that matters.

> *"You trade, you win — it was expected. You trade, you lose — you close it and find the next setup. Clockwork. Cold. Automatic."*

PUTTING IT ALL TOGETHER

The Anatomy of a Trade

Every trade follows the same sequence. Internalize this and it becomes automatic.

The Setup

You are looking for one of two conditions. First: is price about to cross above or below a moving average, or is it returning toward the mean after an adverse move away from it? Second: is the market in an established uptrend and price is bouncing off the moving average — a retracement setting up a continuation?

If neither condition is present, you do not trade. This is the discipline that separates professionals from amateurs. Professionals do not manufacture setups. They wait for them.

The Entry

When a condition is met, you enter on confirmation — not anticipation. Bar close above the moving average. Not the touch. The close. This single rule eliminates a huge percentage of false signals.

The Exit Plan — Set It Before You Enter

Every trade needs two exits defined the moment you enter. Profit targets first — we use one to four targets per trade, each at a predetermined level. The moment the first target is hit, the stop moves to breakeven. The trade cannot lose from that point forward.

When the second target is reached, the stop moves up to halfway between the entry and the first target. From there it becomes a trailing stop, giving the remaining position room to run while locking in a meaningful gain. The stop sequence protects the capital on every trade.

Once the trade is placed and the stops are set — look for the next trade on another time frame. That is the whole loop. That is what every professional trading day looks like: not exciting, not dramatic, just systematic execution of a proven process, over and over again.

> *"Look for the entry. Buy or sell short. Set the stops and the targets. Find the next trade. Repeat."*

You have seen what is possible.

This guide is the introduction. The full course is the education — 70+ lessons covering every strategy, model, psychology framework, and automation technique in this guide and far beyond. Swing trading, event trading, correlation trading, algorithmic model building, NinjaTrader automation, and the complete professional trading rulebook.

How To Trade For A Living

The Complete Course

$197

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Also ask about the **Trading Boss Alpha Engine** — the proprietary NinjaTrader algorithm that automates everything in this guide. Available exclusively to course graduates at a special graduate rate.

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