

Forex School Online's

7 Rules to a **HIGH PROBABILITY A+ Trade**

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- *"CHECKLIST"*



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===== CHECKLIST =====

7 Rules to a High Probability A+ Trade - CHECKLIST

The checklist is below; Below the checklist is a detailed explanation of each point. You can also download the checklist by itself at the bottom as a PDF to print off and put beside your computer so that before each trade you can quickly run through the checklist and tick off each box one by one.

Make sure you read through to the end of this lesson because I am going to show you how to make your own checklist and the tools you need that easily let you do it.

Is Price at a Major Support or Resistance Level?

Is There a Compelling Price Action Story to Make the Trade?

Is Price at a Swing High or Swing Low?

Is Price in the High Volume Session for this Market or Pair?

Is This Trigger Signal Buying Low & Selling High or Vice Versa?

Is This Trigger Signal Large & Commanding?

Is There Space to Trade Into, and Have You Written Out Your Pre-Trade Plan?

Like everything I do in my trading, my checklist is no different in that it is both simple and effective. The order that I have built it starts at what I class the most important factors for finding a high probability trade.

The reason for that is because if I do not get these really important checks met, then I can just move on. I don't have to go through all the other checks on the list just to waste my time and work out that the setup is a dud anyway. I can get to point one or two and move on.

For example, it is crucial that price forms at a major support or resistance area and that there is a compelling price action story to make the trade. These are points one and two on the list.

If however, I have these down at five and six; for example, and my number one point is "Make Sure The Price Action Trigger is Large and Commanding", then I will find a really great trigger signal that meets all the rules, which is great, but I am not going to work out that it is not at a major level until I have gone through all the other checks and wasted my time. I did not have to even look for a trigger signal.



EXPLANATION

1. Is Price at a Major Daily Support or Resistance Level?

This, and point two, are the most important factors in hunting any trade for me, and so when looking for a high probability A+ trade setup, this is the first check-box I look to get ticked off.

The reason I look for a major daily support or resistance level first, and not the trigger signal, is because where price forms is the key to a really high probability trade setup and price moving in our favor. Whilst the trigger signal is very important to a successful entry, it is only the last candle on a chart that has many candles on it.

Price moves because of supply and demand and major support and resistance levels are huge areas of supply and demand. We want to be trading away from these areas where a lot of order flow is going to be giving price a huge boost. Once we have found a major level on a chart, then we can start looking at other factors.



2. Is There a Compelling Price Action Story to Make the Trade?

Hand in hand with the major daily support or resistance level is the price action story. What exactly is the "Price Action Story"? The price action story is putting the whole price action chart together to read the overall story. Instead of just reading a pattern or instead of just trading the last candle, we are looking at the whole price action story.

What type of things should we look at for the price action story? Basically, everything. You want to look at things such as:

Is the market trending?

What type of market is it? i.e. is price consolidating or ranging? or is price winding up into a tight box with inside bars? This can be super important for not only finding a trade, but trade management.

Is there any Very Big Round Numbers (VBRN's) around?

Is there space for price to trade into when it breaks? Or is there a lot of traffic and minor support and resistance areas?

Where price can and cannot close tells us a lot. I have linked a lesson about this at the bottom in the related lessons, but where price closes is very important.

What has been happening in the recent price action? i.e. has there been a 1,2,3 reversal? Has there been a lot of strong momentum candles? etc.

You can see from the examples above that we are looking at everything and ALL of the price action to put the whole story together.

EXPLANATION



3. Is Price at a Swing High or Low?

This is crucial for all reversal trade setups and one of the biggest mistakes traders make with reversals. I cannot stress how important this point is!

If a reversal is not played from the correct swing point, then nearly almost every time it will always be trading straight into the recent swing support or resistance and the trader will be entering the market just as the big guys are getting out.

This is super important and that is why I go through for you how to make money with reversal trade setups at the correct swing point at:
www.forexschoolonline.com/make-money-trading-reversal-signals/



4. Is Price in the High Volume Session for this Market or Pair?

There are far better times to trade certain markets or Forex pairs than others. This is super important to keep in mind when looking to enter a trade setup, especially on the intraday charts because there is the risk of making a trade and having that trade being taken out with a false break.

There is not one rule or time for all markets because all markets are slanted toward different countries or zones. For example, it would not be advantageous to trade a Forex pair, such as the EURUSD during the Asian session on the intraday charts because both Europe and the US would be closed and asleep and any trade entered during this time would run the risk of being stopped out when the European market opened.

A Forex pair, such as the AUDJPY during the Asian session would be fine to trade however, because both the Aussie and the Japanese trade during this session, and so both are active.



5. Does This Trigger Signal Meet my Basic Criteria?

This check-box seems like a super simple check-box to have in here, but the reason checklists, trading plans, and standard operating procedures work when built and then followed by those organizations who have them is because they create a system to be followed where success starts to be consistent and ingrained.

EXPLANATION

On the other hand, other traders (and other organizations for that matter) are doing things by the fly and the seat of their pants - you have a set system for success. You are not taking a chance that you may accidentally get into a trade that does not meet your rules because in order to put a trade on, you need to have gone through your checklist.



6. Is This Trigger Signal Large & Commanding?

For a reversal to be a high probability A+ trade setup, it needs to be a large, obvious, and a commanding trigger signal. For example, a really obvious pin bar reversal that sticks out and away from all other price or a large engulfing bar.

The best trigger signals stick out like a sore thumb, and as soon as you flick to the chart, they just stand out straight away. You should not have to search for them. If you are searching your chart and really trying to find a trigger signal, you really need to question this checkbox.



7. Is There Space to Trade Into, and is the Pre-trade Plan Written Out?

This is crucial to the success of your trade setup. There have been many, many trades where I have ticked all six previous boxes, and yet because this seventh box cannot be ticked, the trade was not made.

If there is no room to trade into; in other words, if there is a support or resistance in the way or lots of them close by that price is trading into, you need to look at the whole price action story, and if you can tick this box to make the trade.

Part of this check-box is after working out the support and resistance levels and targets, writing out your pre-trade plan. Your pre-trade plan needs to include exactly how you are going to manage your trade, including your targets, your break-even spot, where your stop is going to go, and if you intend on having any trailing stops at all.

Basically, how you are going to manage this trade needs to be put into a mini plan and written out, so all you then need to do is follow the plan. Plan your trade and trade your plan.

HOMEWORK

There are the seven check-box's fully detailed, outlined and explained in-depth for you with how you can use them in your trading and exactly how I use them in my own trading.

You can now download just the checklist by itself here as a clickable PDF checklist:

<http://tinyurl.com/qgacvvgq>



YOUR HOMEWORK TO DO RIGHT NOW

You now need to take this example and make a trade checklist of your own. Using your own trading style, your own trading plan and your own trading rules, you need to come up with an actionable checklist that is simple, easy to follow and that will make sure that before every single trade, you are staying within your trading edge and remaining consistent.

The best software and free app that I literally use everyday of the year that will also be perfect for you to create your checklist is www.TickTick.com. www.TickTick.com allows you to create checklists and all sorts of other lists and reminders that automatically sync between your PC, phones and other applications.

The great thing about this is that you can then print it out and stick it up beside your computer which you need to do so that going through your checklist one by one becomes a habit and ritual. You can also have this checklist on your phone where you literally check each rule off one by one.

If you have any questions about this or anything, please just send me an email as I would love to hear from you!

All the success,

Johnathon



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