NEW GET STARTED DAY TRADING



Get live trading software on your computer

7	Practice live tradin	g
	Practice live tradin like the pros	

- Understand the costs of day trading
- Find the best way to begin profitable trading



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By John Paul Founder of DayTradeToWin.com



Get Started Day Trading

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http://daytradetowin.com | support@daytradetowin.com | 1-888-607-0008

Have you ever heard of futures or currency trading? Ever considered day trading for part-time or full-time income?

Yes, it is possible to make a living day trading. John Paul, founder and lead educator at Day Trade to Win, knows because he's done just that. By learning how to recognize specific market conditions while minimizing risk, you can become consistently profitable. We will teach you how.

We've helped thousands of people like you who have never day traded. Yes, it will take a little bit of time to learn, but so does anything worthwhile. This guide will get you set up as quickly as possible. If you come up across unfamiliar terms, we recommend using <u>investopedia.com</u> or <u>our FAQ page</u> as a dictionary.



By the end of this guide, you will be up and running with proper day trading software and real, live data for your charts. You see real-time price movement as it plots just like a professional trader. You will also learn three trading methods you can use with your charts. Using these methods you can practice "paper trading," aka placing simulated trades.

Remember, when trading real money, there is substantial risk of financial loss. Only trade with money you can afford to lose. Please read the full disclaimer at the end of this document. Simulated trading is not indicative of live trading results. Past performance is not indicative of real-time or future results.

Part 1 – Day Trading Explained

- When we talk about day trading at Day Trade To Win, we are referring to trading futures and currencies from your personal computer. You sit at your computer looking at charts, waiting for price patterns to occur. By recognizing these specific patterns, also called "setups," you know when and how to place your trades. These are the methods we teach – all based on price patterns. This is also called price action trading. We believe price action trading has benefits over other types of strategies and systems that overcomplicate and confuse traders.
- Trading software, also called a trading platform, is your way to see charts of various markets. Our
 recommended trading software is NinjaTrader. We recommend NinjaTrader because of its efficiency
 and flexibility. In NinjaTrader, markets such as the E-mini S&P and Euro FX are also referred to as
 "instruments."

- Indicators are third-party scripts and programs made by individuals and trading companies. Indicators
 plug into trading platforms and intend to provide traders with greater insight. Indicators can also be
 problematic. Too many indicators can clutter your chart or provide inaccurate advice. Many times,
 traders become too reliant on indicators without understanding the underlying strategy. At Day Trade
 to Win, we make sure you understand how to recognize profitable trading opportunities so you don't
 blindly follow an indicator. Most of our courses come with indicators that can be used as a reference to
 confirm the strategy. Our most popular indicator is called the Atlas Line.
- Using the NinjaTrader software, you place trades in "sim mode" by default. This is paper trading. Paper trading with real-time, live data is the best way to practice because it closely resembles live trading with real money. With either real or simulated trading, NinjaTrader provides a performance history of your trades in the Account Performance tab.
- To trade live with real money, you need to set up an account with a broker. Before trading with real money, we recommend that you practice trading until you are completely confident. Brokerages are separate companies outside of NinjaTrader. The broker will require that you deposit money into the account to trade with. The broker will provide you with a connection to the markets (a data feed)



www.ninjatrader.com

and a user name and password for NinjaTrader. Each broker has specific requirements for leverage and margins. Also, brokers will charge a round-turn fee to handle each trade you make. On average, each trade's round-turn rate is about \$3.90 to \$4.30 per trade depending on the broker. The complete costs for day trading are discussed later on.



A NinjaTrader five-minute chart showing the Atlas Line indicator from Day Trade to Win

Part 2 – Day Trading Requirements

- You will need a computer purchased within the last four years or so. Your computer should have at least 4GB of memory and Windows 7 or 8. NinjaTrader does support XP or Vista, but you are better off with a newer computer. Since you will be potentially placing live trades worth thousands of dollars, it's a good idea to make sure your computer is as fast and reliable as possible. Use an anti-virus / anti-malware program to clean up your computer. Also, reduce the amount of programs that are running simultaneously (to free up memory). A single monitor will suffice since you will be looking at one market in the beginning. You will also need a fast, stable internet connection. A cable, DSL or fiber optic connection will work just fine. Have a technically skilled family member, friend, or a professional help optimize your computer.
- Patience and time to learn. Learning to day trade will take time. We believe the best time to trade is when the market opens. The E-mini S&P 500 opens at 9:30 a.m. US/Eastern and is best for trading until noon US/Eastern. Our methods work outside of these hours, so if you are doing other things during this time, no need to worry. If you are busy all the time, you can practice at your leisure using NinjaTrader's Market Replay. This feature lets you replay market data back so you can practice as though the data is live.
- For live futures trading, you can open an account for as little as \$2,500 depending on the broker. We recommend a minimum account size of \$4,000 to absorb losses. When trading live, we recommend you start with one futures contract and then increase as you learn and become successful. Remember, if you're new to trading, you shouldn't open an account right away. You can paper trade for free.
- A plan. You can't expect to be successful guessing trades. <u>See our day trading courses and software</u> for a variety of strategies that work. You can practice our strategies by paper trading live data.
- Proper support. Use the following websites to answer your questions:

http://www.daytradetowin.com/faq.php

Our FAQ page with explanations of popular trading terms and tips on how to trade.

http://www.daytradetowin.com/blog

Our Blog with tips and current events that affect trading.

http://www.ninjatrader.com/support/helpGuides/nt7/index.html?video_library.htm Want to learn how to use NinjaTrader? The video library is the place to do it.

http://www.investopedia.com

Want to look up a day trading term? Here's the place.

http://www.cmegroup.com

The official site of the CME (Chicago Mercantile Exchange). Everything you want to know about the Emini and other popular futures.

http://www.wikipedia.org

You have probably used Wikipedia already. It's the largest single site for information.

So you want to eventually trade live – but what are the costs? Here is a summary:

- 1. \$4,000 account with a broker for trading up to two futures contracts with even room for accommodate for losses during the learning process. We recommend that you start trading with one contract and then move to two once you feel comfortable.
- A Live NinjaTrader License. Currently, you can lease NinjaTrader for \$50 a month or own it for \$995. Payment options are available. Note that if you plan to switch brokers, it is good to purchase a Multi-Broker license for more freedom. <u>Click here</u> for all the NinjaTrader purchasing options. Remember, you can paper trade all you want for free – this is discussed later.
- 3. Broker round-turn fee. Expect to pay around \$4.30 per trade per contract. At this rate, if you trade two contracts, each trade will be \$8.60.
- 4. Of course, we recommend having a profitable strategy. The <u>six-month Atlas Line license</u> is a great way to start.
- 5. A reasonably fast, streamlined Windows computer with quick internet access to trade with.

Part 3 – How to Get NinjaTrader and a Live Data Feed

In order to day trade, you will need a trading platform. We've already covered why we use NinjaTader. Remember, everything we will show you here is entirely free. Now let's get to it...

- 1. Download NinjaTrader 7 from this link and save it to a folder that you'll remember: http://www.ninjatrader.com/ninjatrader/nt7/setup.exe
- 2. Run the setup program and follow the instructions to install NinjaTrader. When NinjaTrader is finished installing, you should see two shortcuts on your desktop: NinjaTrader 7 and NinjaTrader 7 (64-bit). The 64-bit version is for computers that using a 64-bit version of Windows. It can take full advantage of computers with 4 GB of memory or higher. We recommend the 64-bit bit version, but the 32-bit will work just fine. Double-click the NinjaTrader shortcut.
- 3. When Ninjatrader opens for the first time, you will be asked for a license key. Use this key: @SIM-F82F-D583-40B1-AE74-B79F-705D-1952
- 4. When NinjaTrader is finished loading, you will see the NinjaTrader Control Center. This is the "home base" that you can open charts from, establish data feed connections, review performance, and so forth.

A word about NinjaTrader and its licensing – it's free to use for simulated trading. You only have to buy a NinjaTrader license when you are ready to trade live. <u>Click here to learn more about NinjaTrader licensing</u>. Currently, you can own the software or lease it for \$50 a month. Once you decide on either owning or leasing, you can decide on purchasing a single-broker or multi-broker license. A single-broker license is great if you only plan on working with one broker who will provide you with all the markets you want to trade. A mult-broker license allows you to have multiple broker connections in NinjaTrader. This is of benefit if you like to switch brokers for trading different markets.

- 5. When NinjaTrader is finished loading, you will see the NinjaTrader Control Center. This is the "home base" that you can open charts from, establish data feed connections, review performance, and so forth.
- 6. To get live data on your charts, email us at <u>support@daytradetowin.com</u> for a live data feed. Currently, we offer a 21 day trial of the CQG data feed. CQG data feed is considered the gold standard among day traders. Many brokers offer this feed. The Vision / Rithmic feed, Zen-Fire feed, and Kinetick feed are also excellent. You will know when it expires because you will get an error when connecting to the feed.
- 7. Once you have your data feed user name and password, go to NinjaTrader's Control Center > Tools > Account Connections > Add...> Next > For the connection name, type in "CQG" without quotes, under provider, select CQG, click Next > Type the user name and password you were provided, check Demo mode and Include index data, click Next > Finish.
- 8. Now we will connect to the data feed. You will need to connect to the data feed every time you open NinjaTrader (unless you clicked the "connect on startup" option when creating the data feed). To connect, go to NinjaTrader's Control Center > File > Connect > CQG. In about a minute, you should see "Connected – CQG" in green in the bottom left of the Control Center. If you do not see this, you will need to check your internet connection or firewall.
- NinjaTrader can now receive live data. You can confirm this without opening a chart. In the Control Center, go to the Orders tab and next to Name, select the drop down item that begins with "ES." <u>Providing the market is not closed</u>, you should then see price changing.

ES is NinjaTrader's symbol for the E-mini S&P 500. To see a full list of symbols, go to NinjaTrader's Control Center > Tools > Instrument Manager > Search using the name or description fields.

The numbers next to the ES represent the contract month. You will always want to trade the correct contract month. The E-mini has four contract months (always the same every year). For example, for 2013, NinjaTrader will use: March (ES 03-13), June (ES 06-13), September (09-13), and December (12-13). Contracts expire / rollover to the next contract on the second Thursday of these months. On the expiration day, you will need to manually switch to the new contract month using NinjaTrader. For information on how to roll over contracts, <u>visit our FAQ page</u>.

Part 4 – Using Charts and Placing Trades

In this example, we will open an E-mini S&P 500 chart.

In NinjaTrader's Control Center, go to File > New > Chart. In the left panel, double click the ES. The ES drops down to the bottom panel. Click on it. In the right panel, notice the Type is set to Minute and the Value is set to 5. This means that NinjaTrader uses a five-minute chart. Right click and click "Set Default..." Our strategies mostly use five-minute charts and this is our recommendation. Keep scrolling down. Under days to load, type in 30. This will load 30 days of price data so you can scroll back and see charts for previous days. For Session template, select Default 24/7. This will make sure you are pulling in overnight data. Click OK at the bottom and then the chart will open. **Congratulations – you now have your first live trading chart open!**

This configuration we have just set is what we recommend for most of our strategies. When you open charts for other markets (those offered in the CQG demo - ES, YM, DX, CL, DAX, etc.) you will need to configure these parameters again. When you purchase our courses, different time frames may be suggested (<u>especially</u> <u>our Trade Scalper course</u>).

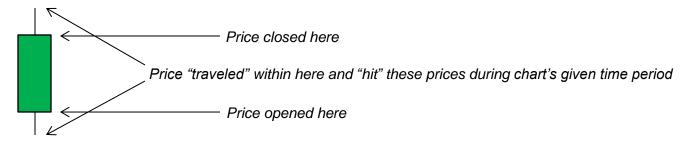
- To navigate between days, drag the scroll bar on the bottom of the chart or hold the Ctrl key while dragging the time axis with your mouse. You can stretch or shrink your view of the time axis by dragging the time axis with your mouse. To navigate up and down on the price axis, hold the Ctrl key while dragging the price axis with your mouse. You can stretch or shrink your view of the price axis by dragging the price axis with your mouse. If you lose sight of the candles, click the small F (focus) button in the upper right corner of the chart. This will "lock" your view to the price bars, allowing you to scroll through history without losing sight of price.
- To easily find the price or time at which a bar plots, click the Pointer / Cross Hair tool and select the Cross Hair. The Global Cross Hair is great if you're managing multiple charts (advanced) and want your cross hair to be consistent throughout.
- You can switch markets by clicking the Market and contract month. Keep in mind that markets are open at different times.
- You can switch time frames. Get a broader look at the market by selecting a day or monthly chart. Most of the time, we trade with 5, 10 or 15 minute charts. When scalping, we will either use 1 minute or tick charts. Scalping focuses on making profit by placing trades in quick succession for short time frames.





We recommend candle (or candlestick) charts. Why? Because they offer an excellent representation of how price behaved. If you are looking at a five minute chart, a single candle represents where price moved within that five minutes.

When a candle's closing price is below its opening price, the candle is colored red. When a candle's closing price is above its opening price, the candle is colored green.



On occasion, you will see "empty" candles that look like this: **†**. These candles are called <u>"dojis"</u> and occur when a candle's opening and closing prices are the same. Be sure to zoom in on your chart to really see if a candle is a doji or not.

A bit of understanding of price is also helpful in learning about the formation of candles. In the E-mini S&P, the smallest amount price can move is .25. On E-mini charts, you will always see the price in multiples of .25. This .25 is called the tick size. In other words, each tick is worth \$12.50 per contract traded. Four ticks are considered one point. Our methods at Day Trade to Win focus on winning you two to four points (\$100 to \$200) each day, per contract. If you trade 10 contracts with consistent success, you can make quite a living! Each market has its own tick size, so be sure to check with your broker or the exchange for price details.

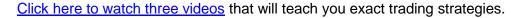
Now that we have a chart open, how do we place trades? There are a couple of different ways you can place orders, or trades, referencing your chart. The first way is to use NinjaTrader's Chart trader. After clicking the Chart trader button, you will see a panel slide out on the right of the chart. While this feature is handy, we recommend using a Dynamic SuperDOM for placing orders instead. We refer to the Dynamic SuperDOM as the "DOM." Think of the DOM as a remote controller for interacting with the market. In other trading platforms, the DOM is called a price ladder or matrix. Open a DOM via NinjaTrader's Control Center > File > New Dynamic SuperDOM. The DOM window should say "Sim101" on top to indicate that you are trading with NinjaTrader's simulation account. Click the Instrument drop-down box and select the market that you have open in your chart. You should see price moving on the chart with a number of BUY and SELL orders on each side.

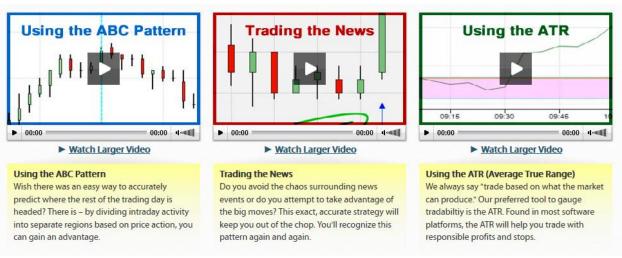
Now, perhaps the most difficult part of trading is understanding the different types of orders and how to place them using the DOM. We highly recommend that you watch the <u>SuperDOM training videos</u> in the NinjaTrader video library. Click the "+" next to SuperDOM and then see each video. Be sure to check out the videos under the "Submitting Orders" heading. NinjaTrader also conducts <u>webinars to teach SuperDOM basics</u>. We also recommend <u>reading this article on Investopedia</u>.

As a side note, when you close NinjaTrader, you will be asked to save your workspace. A workspace is all of the charts and windows that you currently have up. If you choose to save your workspace, the next time NinjaTrader loads, all of the same windows will load up again. It's a great time saver!

Part 5 – Learn These Money-Making Strategies

Now that you are comfortable placing simulated trades with your real-time data feed, you need to learn a strategy that stands a good chance of making you money. Remember, you need to practice the strategy with simulated data first before opening an account with a broker.





Three free training videos on the Day Trade to Win website

At Day Trade to Win, we teach traders how to be consistently successful. Take a look at <u>our day trading</u> <u>courses</u> to find out more. The most common question we get is, "what course is right for me?"

Most beginner traders prefer to start off with our <u>Six-Month Atlas Line</u> or our <u>Power Price Action Course</u>. Many traders like to enroll in the <u>Group Mentorship Program</u> so they can learn everything we offer through eight weeks of live training with John Paul.



<u>Our Mentorship Program</u> places you with John Paul in a virtual training room where you can learn his methods by looking at his daily charts. He fully explains the rules for every trade: how and when to enter, where your profit target and stop loss should be, what to do if a trade goes against you, and much more. In total, about 11 unique strategies are taught. By the end of the eight weeks of training, you know exactly how to handle any trading situation, take profit and minimize risk.

All of our courses and software are included with Mentorship plus many others that are Mentorship-only

- INCLUDED WITH PRIVATE MENTORSHIP -Eight weeks of personal training with John Paul Price Action Scalping Course with lifetime software Atlas Line® software with lifetime license ABC Pattern Roadmap Trade with lifetime software How to Filter Trades Blueprint Trade (Power Price Action method) How to Trade the News The X-5 Trade (Floor Trader Secrets method) How to Set Up Your Charts At the Open (ATO) Course with lifetime software How Manipulation Works Trade Scalper Course with lifetime software ...plus much more! Each training session is recorded – play back lessons for review! Free support and access to training videos is provided after program completion.

Watch the many video testimonials from our students.

To register for the Mentorship Program or inquire about costs, email us at <u>support@daytradetowin.com</u> or call us at 888-607-0008.

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