

# Swing Trading Strategies

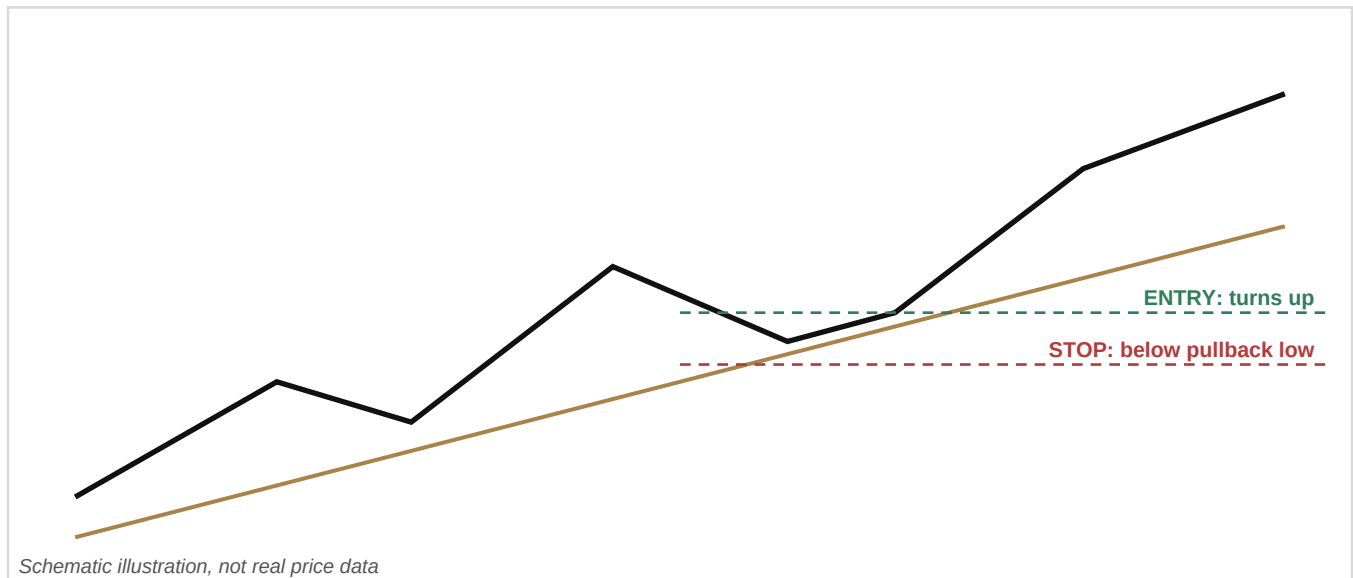
4 setups and a one-page trade plan template

## How to use this guide

- A strategy is a set of rules: **when** to enter, **where** you're wrong, **where** you take profit and **how much** you risk.
- Write the plan **before** the trade, using the template on the last page.
- No setup is high-probability by default. A setup's real odds come from **your own tested record**: track at least 20-30 trades per setup before drawing conclusions.
- Size every position so that hitting your stop is a loss you can accept. Gaps can skip past stops.
- The same setups work in reverse for short trades or put options.

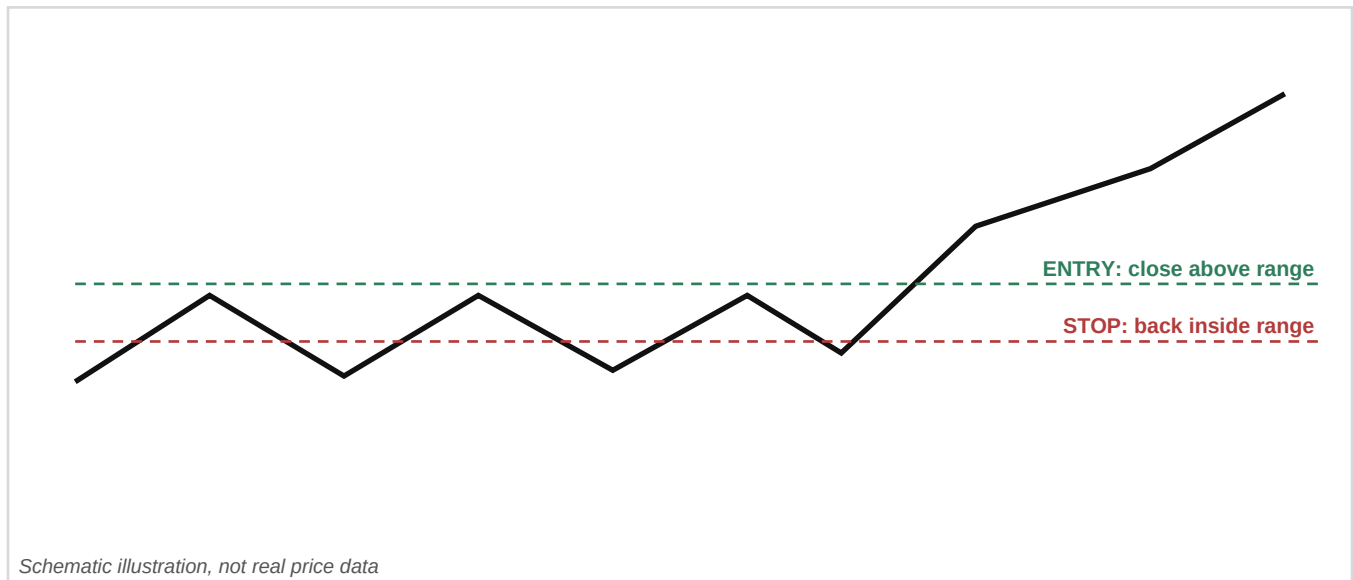
**swingleap.io** — plan each trade, get alerted at your own price levels, and review plan vs actual. SwingLEAP is a planning and record-keeping tool; it does not recommend trades or predict prices.

# 1. Trend pullback



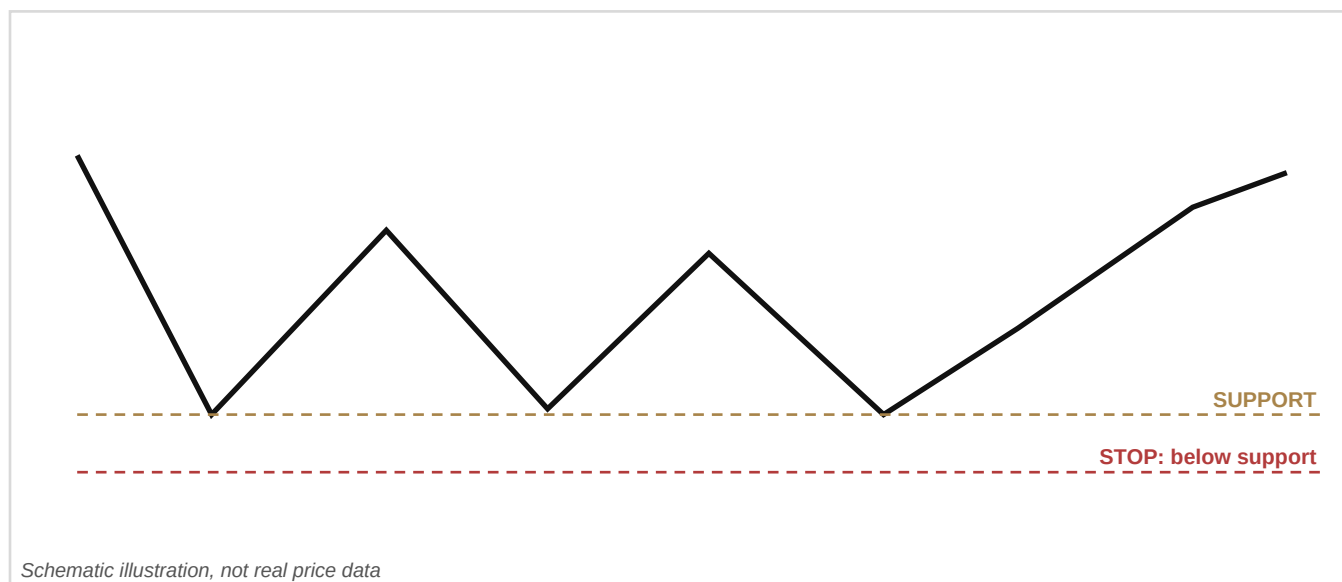
- **When it applies:** the stock is making higher highs and higher lows, above a rising moving average (many traders use the 20- or 50-day).
- **Entry:** after a pullback toward the moving average or a previous breakout level, enter when it turns up again, for example on a close above the prior day's high.
- **Stop:** below the low of the pullback.
- **Target:** the previous high, or a fixed multiple of your risk, such as 2x the distance to your stop.
- **What can go wrong:** the pullback turns into a trend change. That's what the stop is for.

## 2. Range breakout



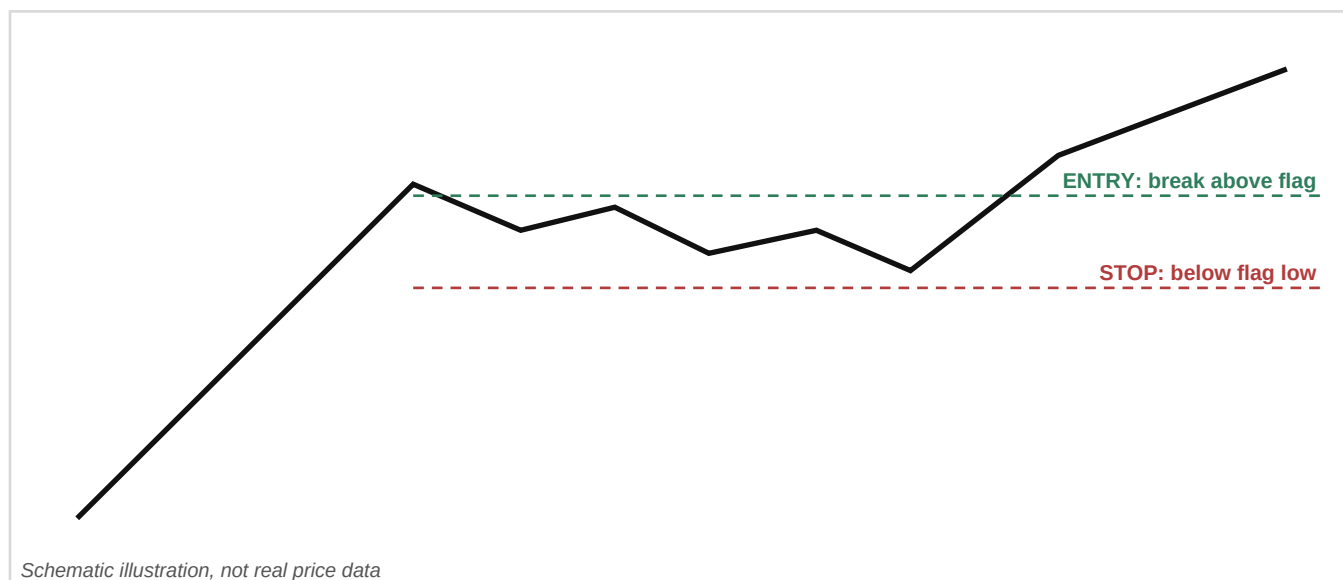
- **When it applies:** the stock has traded sideways in a tight range for several weeks.
- **Entry:** on a close above the top of the range, ideally on higher-than-average volume.
- **Stop:** back inside the range, below the breakout level or the range midpoint.
- **Target:** a measured move (the range height added to the breakout level) or a fixed risk multiple.
- **What can go wrong:** false breakouts are common, so many traders wait for a daily close rather than an intraday move above the level.

### 3. Support bounce



- **When it applies:** price has held a support level several times before.
- **Entry:** when price reaches support and shows a reversal, such as a strong close off the lows.
- **Stop:** clearly below support, where the level has failed.
- **Target:** the middle or top of the recent range, or the next resistance level.
- **What can go wrong:** support tested many times can eventually break, often sharply.

## 4. Flag continuation



- **When it applies:** after a strong, fast move up, the stock drifts sideways or slightly down in a narrow, orderly channel (the flag).
- **Entry:** on a break above the top of the flag.
- **Stop:** below the flag's low.
- **Target:** a fixed risk multiple, or the prior move's length projected from the breakout.
- **What can go wrong:** momentum fades and the flag breaks down instead.

## Using options, and testing what works

- Choose an expiration that leaves time for the trade to work beyond your expected holding period; options lose value as expiration approaches.
- Set your stop and target on the **underlying stock's price**, then note what the option is likely to be worth at those levels.
- Size by the premium you can afford to lose, not by the number of contracts.

### Is it working? Review each setup separately

- **Sample:** at least 20-30 trades per setup.
- **Win rate:** winning trades / all trades.
- **Average win and average loss** in dollars.
- **Expectancy:**  $(\text{win rate} \times \text{average win}) - (\text{loss rate} \times \text{average loss})$ . Keep setups with positive expectancy; drop the rest.
- **Plan adherence:** did results come from following the plan, or from breaking it?

# Trade plan template

Fill this in before every trade.

|                                                                 |  |
|-----------------------------------------------------------------|--|
| <b>Ticker and date</b>                                          |  |
| <b>Setup</b><br>Pullback, breakout, bounce or flag              |  |
| <b>Why now</b><br>Thesis in one sentence                        |  |
| <b>Entry trigger</b>                                            |  |
| <b>Stop</b><br>Price where the idea is wrong                    |  |
| <b>Target(s)</b>                                                |  |
| <b>Size and maximum loss (\$)</b>                               |  |
| <b>Events before exit</b><br>Earnings or news before you exit   |  |
| <b>Options (if used)</b><br>Contract, expiration, premium       |  |
| <b>After the trade</b><br>Did I follow the plan? What happened? |  |