



## Sunday Night Trader Settings & Rules

- We use a 7 bar setting for the Donchian Channels (on a Daily Chart)
- We use a 200 bar setting for the Simple Moving Average (on a Daily Chart)
- We use Friday's daily chart candle as our signal bar for new trades.
- We like to see the price action reversing off of the Donchian Channel bands...
  - o Bullish: We look for a green bar on Friday (close above open) and the LOW of Friday's trading action must have touched the Donchian Channel Low from the Day Before.
  - o Bearish: We look for a red bar on Friday (close below open) and the HIGH of Friday's trading action must have touched the Donchian Channel High from the Day Before.
- We only take long signals when the stock is trading above the Daily 200 bar Simple Moving Average, and we only take short signals when the stock is trading below the Daily 200 bar Simple Moving Average. We enter trades on Monday Morning.
- We select monthly options with at least 2 weeks until expiration, and we choose the option priced most closely to the Daily 20 Period Average True Range x 4.
- We use a -50% stop based on the entry price of the option and we use a +25% profit target based on the entry price of the option.
- Time-Stop: We exit trades after 5 trading days if they are still open.