



## Grand Slam Extra Settings & Rules

- We use a combination of Commodity Channel Index (CCI), BigTrends Percent R and Average Directional Movement (ADX) / Directional Movement Index (DMI) to trigger trades on the daily chart.
- We look for all 3 indicators to be confirmed before a trade is placed.
- We use a 30 bar setting on the “BigTrends – Percent R” Indicator and for our “CCI” indicator we use a 20 bar setting for long trades and a 60 bar setting for short trades.
- For ADX/DMI we use a 14 bar setting. Percent R sets up when we get a close above 80 (long) or below 20 (short). The signal is then confirmed when we get a close above the setup bar’s high (long) or below the setup bar’s low (short) within 5 trading days.
- CCI sets up when we get a close above +100 (long) or below -100 (short). The signal is then confirmed when we get a close above the setup bar’s high (long) or below the setup bar’s low (short) within 5 trading days.
- ADX is confirmed when we get a cross above one of the DMI lines after ADX has been below both DMI lines. An ADX cross above DMI+ is bearish and an ADX cross above DMI- is bullish, we also look for DMI+ to be above DMI- for long trades (and the opposite for short trades).
- We only take short signals when the stock is trading below the 200 Day “Simple Moving Average”. There is no 200 SMA filter on long signals.

- **Intraday System:** We use an intraday system with the same indicators and settings on a 60 minute chart.

**Bullish:** We look for the Percent R to cross above 80 and for the CCI to cross above 100 at the same time with a close above the 200 simple moving average. The DMI Plus also needs to be above the DMI Minus while the ADX is greater than 10.

**Bearish:** We look for the Percent R to cross below 20 and for the CCI to cross below -100 at the same time with a close below the 200 simple moving average. The DMI Minus also needs to be above the DMI PLUS while the ADX is greater than 10.

- We use profit targets of +100% on the first half, +200% on the next quarter and +300% on the final quarter position. If a trade hits the +100% target, we will then send out an alert giving the next target at +200% along with a 100% trailing stop that will be there for the remainder of the trade.

- If the value of the purchased option is negative after the first full trading day, (the day after we entered the trade) we will exit the trade. If the trade is positive after the first day, we use a price stop equal to the daily close of the bar that signaled the trade. This stop only goes into effect after 5 trading days of holding the trade without achieving our first profit level.

- We trade Monthly Options with at least 4 weeks until expiration and we only trade options priced at \$1.00 or less.

- If we're holding a trade that hasn't hit a target or triggered a stop then we'll look to exit with two weeks remaining until the option expiration (Friday Afternoon).

- We can hold up to 5 trades at any given time.

- **Special Note:** If we've taken half profits of +100% or better then we can hold through an earnings release (since our risk capital has been recovered and it's essentially a "free" trade). Otherwise, we'll look to exit trades before an earnings release.