

StockTracker Help File

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Dream, Trade, Grow

Here is a Screenshot of the StockTracker Spreadsheet for reference:

Comms / Share	Max R	Daily Return	Req'd Capital	Batting Avg	R/R Ratio	Total R	\$PnL (00's)					
\$0.01	\$200	0.27%	\$135,459	0.6923	0.74	1.83	3.66					
Average R:							0.14	0.28				
# Shares	Ticker	Stop Placement	Target	Fade / Breakaway	Long / Short	Open	On Open	Close	% Gain	Y/N	Risk Units	PnL
328	MYG	18.11	Day	Fade	S	17.50		17.25	1.45%	Y	0.38	0.75
377	DLTR	28.51	Day	Fade	S	27.98			0.00%	N		
215	VISG	19.06	Day	Fade	S	18.13			0.00%	N		
241	ARBA	8.68	Day	Breakout	L	9.51		9.85	3.58%	Y	0.39	0.77
115	AAPL	72.83	Day	Fade	S	71.09			0.00%	N		
351	ALXN	35.66	Day	Breakdown	S	35.09			0.00%	N		
220	MMM	72.50	Day	Breakout	L	73.41		73.77	0.49%	Y	0.37	0.75
112	HOLX	52.06	Day	Breakdown	S	50.28		51.71	-2.77%	Y	-0.81	-1.63
488	EXPE	19.39	60m Trail	Fade	L	19.80	On Open	20.12	1.62%	Y	0.73	1.46
465	DOX	33.33	32.32	Fade	S	32.90	On Open	33.11	-0.63%	Y	-0.53	-1.07
198	RCL	47.41	Day	Fade	S	46.40	On Open	45.91	1.07%	Y	0.47	0.93
606	TFSM	9.83	8.31	Fade	S	9.50			0.00%	N		
426	AGEN	7.41	5.91	Fade	S	6.94		6.85	1.31%	Y	0.15	0.30
									0.00%			
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163	INTC	19.78	21.28	Fade	L	21.01		20.57	-2.09%	Y	-0.37	-0.75
41	GOOG	374.55	361.51	Fade	S	369.62		366.67	0.80%	Y	0.59	1.19
800	DITC	11.16	Day	Fade	S	10.91		10.56	3.31%	Y	1.32	2.64
541	AAUK	38.25	Day	Fade	S	37.88			0.00%	N		
215	PTEN	28.97	31.98	Fade	L	29.90	On Open	28.97	-3.11%	Y	-1.02	-2.04
1176	CYTC	29.81	29.02	Fade	S	29.64	On Open	29.59	0.17%	Y	0.18	0.35
									0.00%			
									0.00%			
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									0.00%			

- Color Coordination:**

- Cells with **Green Fill** have formulas in them and are not to be edited. If you do wish to make modifications to the cells, you must first unprotect the sheet via Tools→Protection→Unprotect Sheet
- Cells with **Blue Fill** are editable but are assumed to remain relatively stable and should not need to be updated very often

- Cells with No Fill are fully editable and change daily with each set of picks, these are the portions of the spreadsheet that I will post updates for daily when posting my picks so all that should be necessary is that you cut and past the cells into your version of the StockTracker spreadsheet which you can [Download Here](#).
- **Blue Regions:**
 - *Commissions/Share*: I personally use Interactive Brokers which has a \$.005/share commission structure but I like to budget for \$.01/share that way I always get a little upside surprise at the end of each week when I check my PnL statement. Feel free to update this cell to best approximate your current structure. I do apologize, but at this time the spreadsheet does not take price breakpoints or flat-fee pricing into consideration.
 - *Maximum R (risk per share)*: This is the cell where you customize the spreadsheet for your personal risk tolerance. If your trading plan allows for a maximum loss of \$500/share then simply enter 500 in the cell.
 - *Note*: If you fail to enter a number here, then the spreadsheet will be unable to calculate the appropriate position size for each of the picks. Thus this is a very important cell from a risk-management standpoint.
- **White Regions:**
 - *Ticker*: This is simply the column for the ticker symbols for each of the stock picks
 - *Stop Placement*: This is the price at which I will be placing my stop limit when I enter but this by no means indicates that there are not other options. Feel free to adjust this number by your own rules if you have a stop method that you are more comfortable with.
 - Depending on the kind of entry, the stop will usually either be above/below the prior days closing highs/lows
 - Or just beyond an area of prior Daily or Hourly supply/demand
 - *Target*: This is the price at which I will be looking to take profits if all goes according to plan.
 - If there is a price in this cell, then I will likely have a limit order set for that price and only adjust it if something changes to drastically alter the outlook for that particular pick.
 - If it says DAY in the cell, then I will likely have no monetary target in mind but will simply be leaving the position open all day and closing it out in the minute prior to market close
 - Again, this method can be tweaked according to your own style but for monitoring purposes, this is how the results for these picks will documented.
 - The other alternative that will often will be employed will be a Trail Stop, usually on the 60minute timeframe. Trail Stops will be administered according to the following schedule:
 - \$50+ Stocks: \$.07 above the prior hourly bar's close
 - \$30-\$49.99 Stocks: \$.06 above the prior hourly bar's close
 - \$15-\$29.99 Stocks: \$.05 above the prior hourly bar's close
 - \$14.99- Stocks: \$.04 above the prior hourly bar's close
 - *Fade/Breakaway*: This column has to do with the kind of play being made and can only be properly understood in the context of the *Long/Short & Open* columns. For Example:

- Fade positions: are taken in the direction opposite of the current move or gap while Breakaway positions are taken in the direction of the Breakout or Breakdown
- The 4 Possible combinations are as follows, and each has a different meaning:

Fade	L	20.00
Fade	S	20.00
Breakaway	L	20.00
Breakaway	S	20.00

1. If we are going Long via a Fade strategy, this means that the price either gapped down into support or is currently overextending itself to the downside meaning that we will be trying to enter on a quick snap-back to the upside. In this example, the entry price of \$20.00 is what the price needs to break DOWN to before we would initiate an entry. If price gaps down even farther to say \$19.50, all the better since that would mean it has become even more overextended. Entries off of Fades are 100% valid unless the price gaps down below the stop price. (In this case there may still be a profitable play here, but the criteria laid out given our entry criteria would no longer be valid and the play would be scratched)
 2. Conversely, if we are going Short via a Fade strategy, this means that price either gapped up into resistance or is currently overextending itself to the upside meaning that we will be trying to enter on a quick snap-back to the downside. In this example, the entry price of \$20.00 is what the price would need to RISE to before we would enter our short position. Again, the entry would be valid unless the price gaps beyond our stop price pre-market.
 3. Breakaway plays are the more traditional momentum breakout and/or candlestick reversal plays. A breakaway Long would be initiated via a Buy Stop at \$20.00
 4. Conversely a breakaway short play would either be a Candlestick reversal to the downside or a breakdown from a base. In either case, price would currently be above \$20.00 and would need to decrease to the entry price. Thus, the play would be initiated by placing a Stop at \$20.00 to catch the breakdown if it occurs.
- *Long/Short:* Will the play be opened up in the Long or Short direction
 - *Open:* This is the price at which the position should be initiated and can only be properly understood in the context of the *Fade/Breakaway & Open* columns (Please read the 2 sections above for further clarification).
 - *On Open:* If the words “On Open” are written in this column then the position is to be entered: Market on Open in the stated direction.
 - Given the time lag between when I post my Daily Picks and when the market opens, oftentimes price can move significantly away from the stop price before the market opens and thus ruin the Reward/Risk that existed at the time the pick was initially posted. Thus, at the time when the decision is made that entry be initiated via Market on Open, the current price will be posted in the *On Open* column. Thus when the market does in fact open, you will need to use your judgment as to whether or not the price has moved too far away from the stop to

be a viable candidate anymore. Eventually I will try to come up with some rules to clear up the ambiguities that will ultimately arise here, but I'll be playing it more by feel here in the early going myself, so be careful, use your better judgment, and when in doubt, sit it out.

- *Close:* If the entry does in fact trigger, then unless the position has good swing potential, it will be closed out by E.O.D. The price that I close the positions out at will be posted here.

- **Green Regions:**

- *# Shares:* Based upon your Max \$ Risk per share, the spreadsheet will automatically position size your entry so that if you are stopped out at the stated price given the stated entry, then the Max Risk will be realized. Feel free to enter on fewer shares, but be very very careful not to enter with more less you fall into the dangerous double-down trap that has wiped out many a daytrader's capital.
- *% Gain:* Simply the % Gain or Loss that the position realized from open to close
- *Y/N:* Y means that the position did trigger, N means it didn't. This column is mainly used for helping to calculate some of the other formulas.
- *Risk Units:* This is the number of risk units that the position realized. For example, if your Maximum Risk is \$100 and the position made \$100, then you would have realized 1 Risk Unit, or if instead the position were closed out for a \$250 profit, then the Risk Unit # would equal 2.5.
 - Be careful not to have many trades that have a risk unit # of less than -1 as this means that you are not adhering to your stops or are risking more than you have planned for via your stated Max \$ Risk. This is a Cardinal Sin literally; you will burn financial hell if you keep it up.
- *PnL:* Profit n Loss column simply translates your risk unit into a \$ figure. As a personal preference, I state this column in 100 units. So simply multiply it out by \$100 to get to your actual PnL.
- *Total R & Total PnL:* These totals are above their respective columns and calculate the sums of their respective Risk Unit & \$PnL columns below
- *Average R & Average PnL:* Directly underneath the Total columns you'll find the average R-unit return as well as the Average Profit for the day
- *R/R Ratio:* This is the ratio of (Average Win) / (Average Loss)
- *Batting Average:* Is the % of winning trades for a given day
- *Required Capital:* Is how much capital would have been necessary to enter all the positions that were triggered on a given day. This is calculated by multiplying for each position opened, the # Shares by the Open Price and then summing the result.
- *Daily Return:* Is your daily Return on Investment (ROI) calculated by dividing the PnL by the Required Capital

Risk Unit Calculator

In trading there are two ways to make money. Either you can have a low Batting Average but a high payoff on your winning trades (aka: High Reward/Risk Ratio); OR you can have a high Batting Average combined with a low Reward/Risk Ratio. Is it better to have both a high Batting Average and Reward/Risk Ratio? Absolutely, and we will constantly be looking for ways to increase both. But in reality, the two are inversely related and an increase in one will almost invariably be coupled with a decrease in the other.

That being said, each person has their own unique trading style and would be best served by using the trading methodologies that they are most comfortable with instead of trying to fight their psychological makeup. Trading is psychologically draining enough without having to fight another variable.

This calculator is designed to help you determine what Batting Average & Reward/Risk Ratio you need to have in order to achieve a desired Average Return; and vice-versa. So if you were instead to know that you have a system that averages an Average Risk Unit return of .25 given a Batting Average of 72% and an average win of .50 R Units, then the calculator would show you that to achieve this goal you would need to target those trades that have a Reward/Risk Ratio of 1.27 or greater.

It is something that I have found useful in my testing of various trading systems so I thought I would include it with the StockTracker spreadsheet. If you wish feel free to delete or ignore it. But if over time, it helps you to make even one trade better than you would have otherwise taken, then it will have served its purpose.

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