

**DIAGONAL CONDOR TRADING PLAN**

**Overview**

This trading plan is designed to help improve overall trading results by setting rules and guidelines to follow at all times.

**Objectives**

* Complement our Iron Condor trades
* Aim to have the underlying expire within one of the two profit tents
* To keep a trading diary and review it weekly
* To avoid large losses

**Selecting a Market**

Trade the following instruments:

* RUT, SPX, NDX

**Capital Allocation**

* $25,000

**Selecting a Trading Style**

Trading will focus on Diagonal Condor trades with between 20 and 45 days left to expiry.

**Entry Guidelines**

* Delta of short strikes around 8-10
* Back month strikes same as front month strikes
* Ratio of 40% back month options (i.e. 5 credit spreads – 3 longs in front month, 2 in back month)
* Aim to enter sold strikes below recent support and above recent resistance

**Exit Guidelines**

* Profit Target $750
* Stop Loss $750

**Adjustment Guidelines**

When determining when to adjust, we will monitor the following

* Distance To Short Strike
	+ If underlying gets within 3% of your short strike
* Delta Dollar Exposure
	+ If delta dollar exposure reaches +/- $25,000
* Greek ratios
	+ Keep within the following ratios
	+ Delta / Theta Ratio less than 25%
	+ Theta / Vega ratio less than 200%