



# Pre-Trade Checklist

Use this checklist before entering any new trades.

## Technical Set Up

- Breakout trade
- Momentum trade
- Moving Average trade
- Divergence trade
- Contrarian trade

## Identify Potential Volatility Events

Check for:

- Earnings
- Fed Meeting
- Special Announcements

## Volatility Analysis

- Is implied volatility overpriced or underpriced? Sell / Short Vega when overpriced. Buy / Long Vega when underpriced.

## Strategy Selection

- Evaluate 2-3 potential strategies and pick the one best suited to the thesis
- Review the greeks and payoff diagram

## Liquidity

- Check Bid-Ask Spread. Should be no more than \$0.20.

## Decision Point

- Set decision point and price alert

## Exit and Adjustment Plan

- Set profit taking parameters
- Have a plan for adjusting if decision point is touched
- Set a final stop loss

## Trade Review

- Review the trade and evaluate decision making. DO NOT focus on the \$ result. Focus on the PROCESS you followed. Did you follow your rules?
- Celebrate wins and learn from mistakes