# W 2 J C

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(that's my ham radio call letters)

Some notes for using the Trade Ticket form …

The form was developed after a presentation by Dr. Alex Elder (author: Come Into My Trading Room, and other books) regarding "money management" and how to limit your risk on trades.

It is set up for use with either Longs or Shorts – for Longs, cross out the bottom of each group at the left (so you have Target, Buy, Stop in descending order).  For shorts, cross out the top of each group.

For Date and Time, I use the time when I'm filling out the form.

On the Buy/Short line, enter the number of shares to trade on the left blank line (see notes below); the desired entry price on the right blank.

The form is primarily intended to help calculate the NUMBER OF SHARES you can buy to limit your risk (being stopped out) to a chosen dollar amount.

After selecting your entry price, decide from the chart where your STOP will be placed.  Calculate the difference between your entry price and stop price (subtraction) and enter it in the "per-share Risk" blank.

On the "Nr. shares" line, $max$ = the maximum dollar amount you are willing to risk ($50, $100, $1000, etc.) …  "Risk" is the amount you calculated for "per-share Risk" (above).
Divide  $max$  by  Risk  and  enter the amount in the blank after the  =  sign.  Round off the result and that is the maximum number of shares you should trade in this position.

Select your target (exit) price from the chart and enter it in the blank just underneath "Time" … you can now calculate your "Risk vs Reward Ratio" if you care to …  (difference between stop and entry, vs. difference between entry and target).

At the bottom of the form you can keep track of when you posted the order, when it was filled and when you closed the position.  A little bit of room at the bottom let's you enter notes about why you made the trade, etc.

Then what I do is keep a page-size cardboard near the trading desk, with paper clips along the left and right edges …  when I fill out a 'ticket' I slip it under one of the paper clips and I then have a 'status board' for my pending and open trades.  When a position is closed, I complete the ticket info and file the ticket – this makes a fairly easy way to keep a basic "trader's log" – which all the trainers encourage us to do.



Nothing fancy, but I have found it helps keep things organized and "managed."

Be green – print on scrap paper !!

Last update:  2/7/2009

_____ (ticker)

Date: _____ Time: _____

Target} price:     $ \_\_\_ . \_\_\_
Stop }

Buy } \_\_\_\_ at   $ \_\_\_ . \_\_\_
Short }

Stop }   at   $ \_\_\_ . \_\_\_
Target }

Per-share Risk } $ \_\_ . \_\_\_ [ ] use as trailing stop?
  (diff. btw entry & stop)

Nr shares = $max$ / Risk = \_\_\_\_ / \_\_\_\_ = _____

Order posted at: (date)(time)_____
Order filled   at: (date)(time)_____
Position closed: (date)(time)_____
Notes:

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_____ (ticker)

Date: _____ Time: _____

Target} price:     $ \_\_\_ . \_\_\_
Stop }

Buy } \_\_\_\_ at   $ \_\_\_ . \_\_\_
Short }

Stop }   at   $ \_\_\_ . \_\_\_
Target }

Per-share Risk } $ \_\_ . \_\_\_ [ ] use as trailing stop?
  (diff. btw entry & stop)

Nr shares = $max$ / Risk = \_\_\_\_ / \_\_\_\_ = _____

Order posted at: (date)(time)_____
Order filled   at: (date)(time)_____
Position closed: (date)(time)_____
Notes:

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_____ (ticker)

Date: _____ Time: _____

Target} price:     $ \_\_\_ . \_\_\_
Stop }

Buy } \_\_\_\_ at   $ \_\_\_ . \_\_\_
Short }

Stop }   at   $ \_\_\_ . \_\_\_
Target }

Per-share Risk } $ \_\_ . \_\_\_ [ ] use as trailing stop?
  (diff. btw entry & stop)

Nr shares = $max$ / Risk = \_\_\_\_ / \_\_\_\_ = _____

Order posted at: (date)(time)_____
Order filled   at: (date)(time)_____
Position closed: (date)(time)_____
Notes:

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_____ (ticker)

Date: _____ Time: _____

Target} price:     $ \_\_\_ . \_\_\_
Stop }

Buy } \_\_\_\_ at   $ \_\_\_ . \_\_\_
Short }

Stop }   at   $ \_\_\_ . \_\_\_
Target }

Per-share Risk } $ \_\_ . \_\_\_ [ ] use as trailing stop?
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Order posted at: (date)(time)_____
Order filled   at: (date)(time)_____
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Notes: