

# Trading Checklist

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- Before Buying
  - Check the markets and trade in the direction of the prevailing market trend.
  - Check the industry - are the stocks showing signs of topping out or bottoming?
  - Make sure the industry is top ranked.
  - Look at the weekly scale for any threatening chart patterns.
  - Find another chart pattern in the same stock and see how it performed in the past.
  - Check the indicators.
  - Check how this industry is doing compared to others.
  - Wait for price to turn up before buying.
  - Get a quote before trading.
  - If the stock is up too much intraday, skip the trade.
  - Look for overhead resistance.
  - Look for underlying support.
  - Avoid any stock showing a dead-cat bounce within the last six months.
- When to Sell
  - The stock is about to hit your stop.
  - A bearish chart pattern has broken out downward.
  - The stock has closed below an up-sloping trendline.
  - Price has hit the target.
  - Stocks in the industry are topping out.
  - The market is up but the stock is down.
  - Indicators are diverging from price.