



Building a Trading Diary

30 August 2016

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Executive Summary

A trading diary is a necessity to a great trader. This is used to keep a record of all trading throughout a day.



Using a fundamental calendar, a trader can keep track of economic events throughout the week, and how much they will affect the market. Traders use the daily checklist to keep track of technical indicators and fundamentals for each day. Using FXCM snips, their trading log, and adding trade annotations allows the trader to keep track of their statistics. Finishing out the diary is the trading plan. This is the set of rules the trader must follow while trading.

List of Records in Trading Diary

List of the records that should be kept daily in the trading diary:

1. Keep your trading plan in the front of the diary
2. Daily check list covering fundamentals and technicals (moving averages and fibonacci numbers) for both major and minor trends plus your feelings/focus of the day
3. Annotated 5 minute chart at end of trading period
4. FXCM printed report (report generated by dealer on trading action)
5. Excel log and equity curve
6. Partner approved transactions to plan



Trading Binder

Buy a 3 ring binder from your local office supply store.



Also buy Tab Dividers.



Label each tab as a date, and file your work accordingly by date.

McNew prefers daily tabs with each tab having the date labeled clearly

Order of Trading Diary:

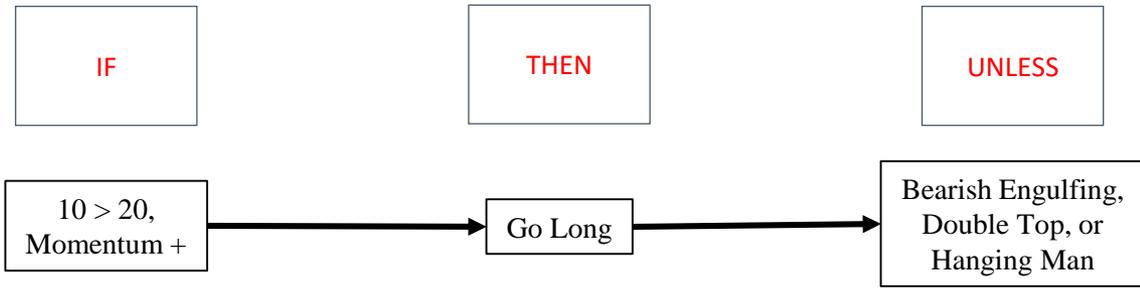
Most recent copy of your Trading Plan goes in the first tab. **Inside each daily tab** place the following pages in this order:

1. Fundamental Weekly Calendar
2. Daily Checklist
3. Trade Annotations
4. FXCM Report Snip
5. Trader's Log and Equity Curve

Trading Plan

A trading plan consists of **IF, THEN, UNLESS** parameters to define when to enter, exit, and not enter a trade.

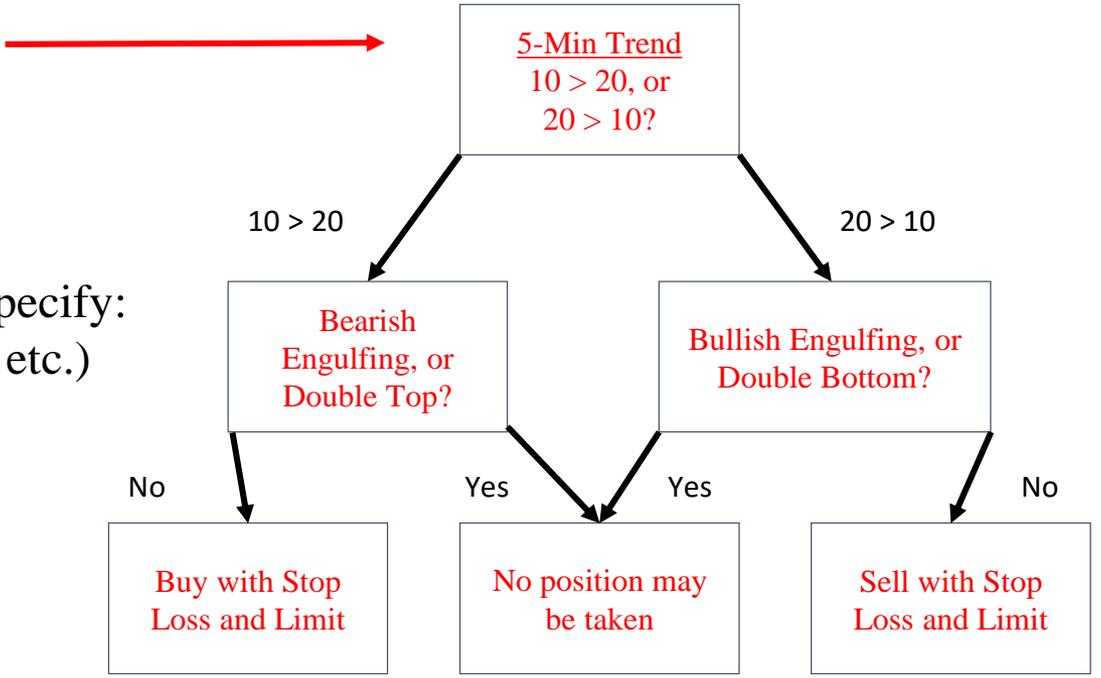
Example:



Every trading plan needs to follow a simple flow chart diagram to make trade decisions. It can be read by anyone and is not discretionary.

In your trading plan, be sure to specify:

- Goal (Pips, number of trades, etc.)
- Relevant markets and charts
- Trading Philosophy
- Stop Loss and Limits
- Descriptions of Entry/Non-Entry/Exit Parameters



NOTE: See How to Write a Simple Trading Plan for a more detailed procedure

Fundamental Calendar

Your Fundamental Calendar should have information regarding events, times, forecasted and actual results, as well as predicted movement from each result.

NOTE: See “Updating the Trading Calendar” for how to make the calendar.

<u>8/1 - 8/5 Fundamental Calendar</u>	<u>Time</u>	<u>Forecast</u>	<u>Actual</u>	<u>Trade (if A > F)</u>	<u>Actual Signal</u>
<u>Monday, 8/1/2016</u>					
EUR French Manufacturing PMI (Jul)	2:50	48.6	48.6	EUR ↑	NONE
EUR German Manufacturing PMI (Jul)	2:55	53.7	53.8	EUR ↑	EUR ↑
EUR Eurozone Manufacturing PMI (Jul)	3:00	51.9	52	EUR ↑	EUR ↑
GBP Manufacturing PMI (Jul)	3:30	49.1	48.2	GBP ↑	GBP ↓
USD Manufacturing PMI (Jul)	8:45	52.9	52.9	USD ↑	NONE

<u>Technicals</u>	<u>4 hr</u>	<u>1 day</u>
EUR	SHORT	SHORT
GBP	LONG	SHORT
CAD	SHORT	LONG
EMAs: 10 > 20 → LONG ; 20 > 10 → SHORT		
<u>Oil</u>		
Recent High	\$50.10	6/23/2016
Recent Low	\$42.95	5/10/2016
Current	\$46.65	7/17/2016

Daily Checklist

Creating a personalized daily checklist is paramount to a traders success. To the right is an example of a daily checklist.

Asset classes such as precious metals, oil, and the dollar index affect the spot currency market and therefore the trader should include these assets in their checklist.

The daily checklist is a document that the trader fills out everyday to track trends in the spot currency market. The 4-hour trend, 5-minute trend, resistance, support, and volatility should be included in a daily checklist.

Any Poll Data headlines coming out that day should be included on the checklist.

PRICE OF:	CLOSE PRICE OF PRIOR DAY	TODAY'S PRICE
DXY ↓	97.28	97.02
S&P 500 ↑	2162.25	2166.25
DOW ↑	18,420	18,430
Crude Oil ↓	43.13	42.52
FTSE ↑	6,656.5	6674.5
Gold ↑	1,327.70	1327.5
Silver ↑	19.647	19.682
VIX ↓	13.05	12.91

Add 1 HR Trend

	4 HR Trend	5 MIN Trend	Resistance Levels	Support Levels	Volatility
EUR/USD	SHORT	SHORT with closing	1.10189 1.1	1.0995	6.76%
GBP/USD	SHORT with closing	LONG	1.32	1.3114 1.31	15.66%
USD/CAD	LONG	LONG	1.32396	1.31926	8.01%

Poll Data/Headlines:

FOMC Tomorrow, market might be slow today

How are you Feeling Today?

Pretty good, watched Cubs at chasers last night which was fun

The last piece is how the trader is feeling that day

How to Find the Price of Oil

Follow this link to obtain oil data from the last 3 months:
<http://www.livecharts.co.uk/MarketCharts/cru>
[de.php](http://www.livecharts.co.uk/MarketCharts/cru)

OIL AND METAL CHARTS

- Gold chart
- Silver chart
- Copper price chart
- Platinum price chart
- Palladium price chart
- Crude oil chart**
- Brent oil chart
- Natural Gas chart

Next select Crude oil chart.

Click on the "Time Interval" drop down menu on the chart. Choose the 1 day option.

Mouse over the chart to determine the high, low and current prices in a 3-month time frame



Trade Annotations

At the end of every trading day, a trader should take screenshots of their FXCM charts and analyze the trades they made. Use SNIP to take a screen shot

Trade analysis is a key factor to learning why trades are winners or losers, and is one of the biggest influences contributing to trader growth.

The trader should print out the charts in a black and white word document with their analysis.



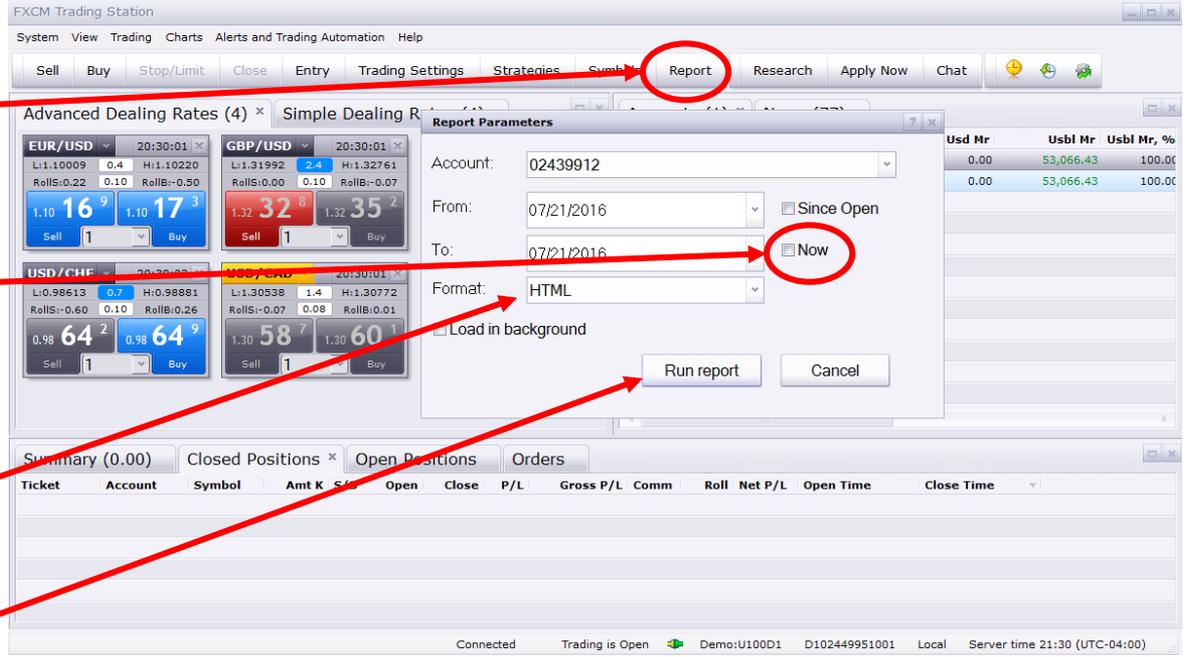
FXCM Report Snip

In FXCM Trading Station, click "Report"

Select the date you want the report generate for, and make sure to **deselect** "Now."

Format it as HTML.

Then click Run report.



Use the snip tool to capture the report, then paste it into a blank Microsoft Word Document, and print.

Index #	Symbol	Volume	Date	Cost	Profit	Gross P/L	Comm	Holdings	Recovery	Avg	Net P/L
100017096	EUR/USD	30,000	7/20/16 7:10 AM	1.09972	1.09967	0.00	-0.00	0.00	0.00	0.00	-0.20
100020210	EUR/USD	30,000	7/20/16 7:18 AM	1.09968	1.09967	0.10	-0.00	0.00	0.00	0.00	-0.70
100020274	USD/CAD	30,000	7/20/16 7:58 AM	1.30810	1.30811	2.74	-1.20	0.00	0.00	0.00	2.34
100020317	EUR/USD	30,000	7/20/16 8:19 AM	1.09962	1.09970	-0.70	-0.00	0.00	0.00	0.00	-1.50
100022360	EUR/USD	30,000	7/20/16 8:18 AM	1.09962	1.09929	-6.70	-0.00	0.00	0.00	0.00	-7.50
100022861	USD/CAD	30,000	7/20/16 8:25 AM	1.30803	1.30806	2.06	-1.20	0.00	0.00	0.00	0.86
100026070	GBP/USD	30,000	7/20/16 8:40 AM	1.31270	1.31687	-29.20	-0.00	0.00	0.00	0.00	-30.00
100039472	GBP/USD	30,000	7/20/16 9:29 AM	1.31750	1.31982	-13.20	-0.00	0.00	0.00	0.00	-14.00
100037866	USD/CAD	30,000	7/20/16 9:25 AM	1.30825	1.30957	2.14	-1.20	0.00	0.00	0.00	0.94
100040525	USD/CAD	30,000	7/20/16 9:30 AM	1.30746	1.30718	2.30	-1.20	0.00	0.00	0.00	1.10
100040609	USD/CAD	30,000	7/20/16 9:32 AM	1.30515	1.30504	4.68	-1.20	0.00	0.00	0.00	3.48
100053711	USD/CAD	30,000	7/20/16 10:00 AM	1.30302	1.30396	-7.21	-1.20	0.00	0.00	0.00	-6.41
100060532	USD/CAD	30,000	7/20/16 10:29 AM	1.30373	1.30461	-6.90	-1.20	0.00	0.00	0.00	-8.10
Total:						-48.29	-13.20	0.00	0.00	0.00	63.99
Posted at statement period of time:						-48.29	-13.20	0.00	0.00	0.00	

Trader’s Log

Traders must keep a log of all of their trades, and record them in Microsoft Excel

Copy and paste your trades from the “Closed Positions” tab on the FXCM Trading Station into your trader’s log in excel.

Make sure to calculate your Cumulative P/L and the Time in Trade so you have all the important statistics for your report.



Ticket	Account	Currency	Amount	Sell/Buy	Open	Close	Net P/L	Time Open	Time Close	Cumulative P/L	Time in Trade
97235121	2439912	EUR/USD	10	S	1.10424	1.10443	-2.7	6/28/2016 10:33	6/28/2016 10:35	\$82.26	0:02:00
97235214	2439912	GBP/USD	10	S	1.33078	1.33128	-5.8	6/28/2016 10:32	6/28/2016 10:35	\$76.46	0:03:00
97236319	2439912	EUR/USD	10	S	1.10447	1.10505	-6.6	6/28/2016 10:02	6/28/2016 10:22	\$69.86	0:20:00
97238359	2439912	USD/CAD	10	B	1.30839	1.30768	-6.63	6/28/2016 9:58	6/28/2016 10:19	\$63.23	0:21:00
97239162	2439912	GBP/USD	10	S	1.33137	1.33278	-14.9	6/28/2016 9:45	6/28/2016 9:47	\$48.33	0:02:00
97241055	2439912	GBP/USD	10	S	1.33586	1.33157	42.1	6/28/2016 9:18	6/28/2016 9:44	\$90.43	0:26:00
97241860	2439912	USD/CAD	10	B	1.30544	1.30637	5.92	6/28/2016 9:09	6/28/2016 9:36	\$96.35	0:27:00
97245297	2439912	EUR/USD	10	S	1.10622	1.10591	2.3	6/28/2016 8:47	6/28/2016 9:16	\$98.65	0:29:00
97246962	2439912	USD/CAD	10	B	1.30567	1.30503	-6.1	6/28/2016 8:36	6/28/2016 8:40	\$92.55	0:04:00
97248572	2439912	EUR/USD	10	S	1.10706	1.10618	8	6/28/2016 8:16	6/28/2016 8:30	\$100.55	0:14:00
97253296	2439912	USD/CAD	10	B	1.30507	1.30549	2.02	6/28/2016 8:04	6/28/2016 8:10	\$102.57	0:06:00
97253354	2439912	GBP/USD	10	B	1.33913	1.33876	-4.5	6/28/2016 8:03	6/28/2016 8:03	\$98.07	0:00:00

Trader's Log

Make sure to include in your printed trader's log and equity report the relevant information:

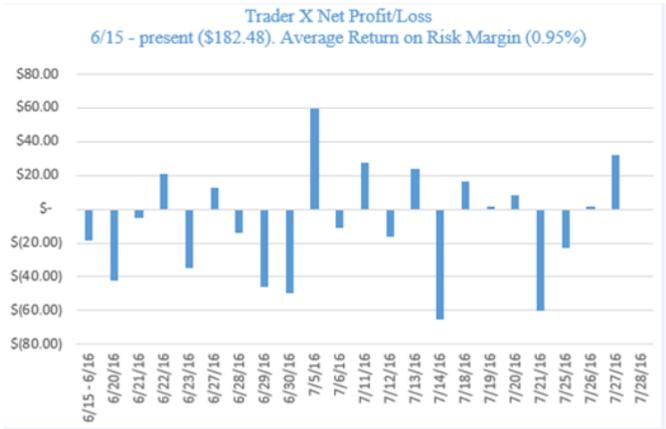
- Net P/L
- Cumulative P/L
- Equity
- Return on Risk Capital

Date	Day of Week	Net P/L	Cumulative P/L	Risk Capital	Return on Risk Capital	Equity
7/11/2016	Monday	\$3.73	\$238.23	\$760.00	0.49%	\$10,238.23
7/12/2016	Tuesday	-\$71.23	\$167.00	\$760.00	-9.37%	\$10,167.00
7/13/2016	Wednesday	\$14.71	\$181.71	\$760.00	1.94%	\$10,181.71
7/14/2016	Thursday	-\$53.52	\$128.19	\$760.00	-7.04%	\$10,128.19
7/18/2016	Monday	\$6.90	\$135.09	\$760.00	0.91%	\$10,135.09
7/19/2016	Tuesday	-\$66.22	\$68.87	\$760.00	-8.71%	\$10,068.87

- Average Hold Time/Trade
- Win/Loss Ratio
- Number of Trades
- P/L by Currency

Avg Hold Time/Day (HH:MM:SS)	Average P/L per Trade	Max P/L per Day	Min P/L per Day	Win/Loss Ratio	# of Trades	EUR P/L	GBP P/L	CAD P/L
0:30:30	\$ 0.93	\$ 12.77	\$ (20.30)	3/1	4	\$ (16.60)	\$ -	\$ 20.33
0:13:45	\$ (17.81)	\$ 11.36	\$ (37.70)	1/3	4	\$ -	\$ (67.20)	\$ (4.03)
0:09:00	\$ 1.63	\$ 7.50	\$ (11.10)	7/2	9	\$ 0.80	\$ 13.00	\$ 0.91
0:31:00	\$ (5.95)	\$ 6.80	\$ (26.50)	5/4	9	\$ (12.50)	\$ (36.10)	\$ (4.92)

Equity Graph →



This is the last page in each tab.

Trader's Log

Be able to manipulate the excel file so that you can find:

1. How many trades per day / How many trades per strategy (currency) ?
2. P/L by strategy (currency) – which currency do you trade the best/worst?
3. P/L by time: do you trade better during certain times of the day?
4. Average P/L per trade. How much money do you make per trade?
5. Average loss per trade. How much money do you lose per trade?
6. What is your daily return on risk capital (return on margin)?
7. What is your cumulative return on risk margin?
8. What is your cumulative return on risk margin per each strategy?
9. Do you make more money in certain weeks of the month?

	Daily P/L	Daily EUR P/L	Daily GBP P/L	Daily CAD P/L	Daily Return on Risk Capital	Daily Win/Loss Ratio	Cumulative P/L	Cumulative Return on Risk Capital
DeMicco	\$ (29.91)	\$ -	\$ (11.70)	\$ (18.21)	-3.94%	0/3	\$ (62.98)	-8.29%
Robinson	\$ (17.00)	\$ (9.00)	\$ (8.00)	\$ -	-2.24%	1/2	\$ 30.98	4.08%
Swanson	\$ (19.74)	\$ 3.80	\$ -	\$ (23.54)	-2.60%	1/2	\$ (243.53)	-32.04%
Team Total	\$ (66.65)	\$ (5.20)	\$ (19.70)	\$ (41.75)			\$ (275.53)	-36.25%

Trader P/L by Currency Pair

