Guide #2: Universal Setup Playbook

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UNIVERSAL SETUP PLAYBOOK
(For NQ, ES, CL, GC and more)

Purpose

A simple, repeatable playbook of four "universal" trade setups that work across futures indices and major markets. These setups are designed to be easy to spot, easy to journal, and perfect for AI-assisted review.

Core Chart Setup

Primary Timeframes
- 1-minute: Entry precision and scalps
- 5-minute: Main decision and pattern view
- 15-minute: Intraday trend context
- Daily: Big picture bias and key levels

Core Indicators
- EMA 9 and EMA 21 (fast and slow trend)
- VWAP (Volume-Weighted Average Price)
- Session high/low and prior day high/low
- Volume bars (no fancy volume profile required to start)

Markets Focus
- NQ (Nasdaq futures)
- ES (S&P 500 futures)
- CL (Crude oil futures)
- GC (Gold futures)

Universal Setup #1: EMA Trend & Pullback

Idea
Trade in the direction of the short-term trend using the 9/21 EMA, entering on pullbacks with clear rejection.

Conditions

- EMAs are stacked and angled in one direction:
  - Bullish: EMA 9 above EMA 21, both sloping up
  - Bearish: EMA 9 below EMA 21, both sloping down
- Price pulls back toward EMA 21 but does not show major reversal structure.

Entry (Bullish Example)
- Wait for pullback candle(s) toward EMA 21.
- Enter long when:
  - A bullish candle closes back above EMA 9, or
  - You see a clear rejection wick from EMA 21.
- Stop loss: Below recent swing low or below EMA 21.
- Target: 1.5–2R for base partial, leave a runner if trend is strong.

Notes
- Avoid entries when EMAs are flat or crossed multiple times recently.
- Best used in the first 2–3 hours of the regular trading session.

Universal Setup #2: VWAP Reversion & Break

Idea
Use VWAP as the "fair value" line for intraday price. Trade bounces off VWAP in trend days or breaks from VWAP on strong momentum days.

Conditions
- Clear trend day or range day:
  - Trend day: Price spends most time on one side of VWAP.
  - Range day: Price keeps reverting back to VWAP.
- Volume supports moves away from VWAP (trend) or fades toward it (range).

Entry Type A – VWAP Bounce (Trend Day)
- In an uptrend:
  - Price above VWAP.
  - Pullback into VWAP with a rejection candle or spike in buy volume.
- Enter long near VWAP when a bullish candle closes back above it.
- Stop loss: Just below VWAP or below rejection wick.
- Target: Prior high or next liquidity zone.

Entry Type B – VWAP Break (Range to Trend Shift)
- Price has been chopping around VWAP.
- Strong impulse candle breaks away from VWAP with above-average volume.
- Enter in the direction of the break after a small consolidation or retest.
- Stop loss: On the other side of VWAP.
- Target: 2R or more, or next major support/resistance.

Notes
- Avoid trading VWAP in extremely low-volume midday chop without confirmation.
- Combine with EMA alignment for higher confidence.

Universal Setup #3: Opening Range Breakout (ORB)

Idea
Use the early volatility of the session by defining an "Opening Range" and trading clean breaks from that range.

Opening Range Definition
- Time window: First 5–15 minutes after the regular session open.
- Opening Range High (ORH): Highest price in that window.
- Opening Range Low (ORL): Lowest price in that window.

Bullish ORB Entry
- Wait for price to break AND close above ORH.
- Volume should be equal to or greater than average of first bars.
- Optional: EMAs sloping up, price above VWAP for extra confluence.
- Enter long on close above ORH or retest of ORH as support.
- Stop loss: Below ORH or below most recent minor swing low.
- Target: 1.5–3R or next significant resistance.

Bearish ORB Entry
- Same logic, inverted:
  - Price breaks and closes below ORL.
  - Volume confirms.
- Stop loss: Above ORL or above recent swing high.

Notes
- Avoid trading ORB in extremely wide or news-driven first ranges (huge risk).
- Log every ORB attempt with screenshots for AI analysis.

Universal Setup #4: Flag & Consolidation Break

Idea
Ride continuation moves after a strong impulse leg, using flags or tight consolidations as springboards.

Conditions
- Strong initial move:
  - One or several large same-color candles with rising volume.
- Price then moves sideways or slightly counter-trend in a tight channel.
- EMAs support continuation (price stays on trending side).

Entry (Bullish Example)
- Identify strong up move with high volume.
- Flag: Price drifts down or sideways but holds higher lows near EMAs.
- Draw a simple flag/box around the consolidation.
- Enter long when price breaks and closes above the flag or consolidation high.
- Stop loss: Below flag low or below consolidation range.
- Target: Measured move (length of first leg) or 2R+.

Notes
- Avoid trading flags after extremely extended moves with diverging momentum.
- Best when aligned with higher timeframe trend (15-min and daily).

Risk & Money Management

Per Trade
- Risk a fixed percentage of account per trade (example: 0.25–0.5%).
- Use hard stops and do not widen them without rules.
- Use partial take profits (for example, 50% at 1.5–2R, leave runner).

Per Session
- Daily loss limit: Pre-set max loss, after which trading stops.
- Max trades: For example, 3–5 quality setups, not 20 random scalps.

Journaling & AI Review

After each session:
- Capture screenshots of entries and exits.
- Log:
  - Date and time
  - Market (NQ, ES, CL, GC)
  - Setup type (EMA, VWAP, ORB, Flag)
  - Entry and exit prices
  - Result (R multiple)
  - Emotions, discipline notes
- Feed logs and screenshots to AI for:
  - Pattern recognition
  - Mistake tagging
  - Improvement suggestions

Common Mistakes to Avoid

- Overtrading: Taking setups that don't meet full criteria.
- Chasing: Entering after the move is mostly done.

- Ignoring higher timeframe trend.
- Trading during major news without a specific plan.
- Moving stops emotionally instead of by rule.

Summary

These four universal setups form the backbone of a robust intraday futures playbook. They are easy to learn, easy to review, and highly compatible with AI coaching and automation. Master these first before adding any complex indicators or custom strategies.

Trade less, review more, and let data and discipline do the heavy lifting.