



Lesson 9 NOTES

# **ALT FINS** **Education**

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CRYPTO TECHNICAL ANALYSIS (TA) AND  
TRADING USING ALTFINS PLATFORM

Lesson 9 NOTES

# Lesson 9:

## **Basic risk management**

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Trading is probabilistic.

To achieve 65-75% success rates, you need to do lots of small trades so that the probability statistics play out.

Keep your losses under control – stay in the game for long term!!

**Keep a journal for your trades**

- use “Edit notes” in altFINS
- connect altFINS with your exchange account via API

# Lesson 9:

# Basic risk management

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## Proper position sizing (small trades)

- Don't risk more than 1-2% of the portfolio equity
- How to calculate an appropriate position size

## Risk-reward-ratio (RRR) – min 1:2

- Always determine the downside (risk) and upside (reward) of a trade

## Gradual entry for breakouts

- Buy  $\frac{1}{2}$  of position on breakout and  $\frac{1}{2}$  on confirmation of breakout

## Gradual exit of trades

- Sell  $\frac{1}{2}$  of position when it reaches 50% of your target and the  $\frac{1}{2}$  at your target

## Use of stop loss orders

- Depends on the strategy.
- Could be placed just below the last swing low.
- Could be placed just below nearest support level.
- Could be based on Target Price and RRR ratio of 1:2 (minimum)

# Lesson 9: Position Sizing & RRR

## Proper position sizing

- Don't risk more than 1-2% of the portfolio equity
- Calculate an appropriate position size

## Risk-reward-ratio (RRR) – min 1:2

- Determine the downside (risk) and upside (reward) of a trade
- Downside risk = Entry Price – Stop Loss Price
- Target price – often the next resistance level

Download the risk mngt excel table [here](#).

(values in \$)

Portfolio value 19,000

Risk per trade 1.00%

Risk per trade 190

Target RRR 1/2

Symbol LTC

Entry price 265

Target price 340

Stop loss price 228

Stop loss distance -14%

Trade size \$ 1,343

Trade units 5.1

# Lesson 9: Stop Loss

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(values in \$)

Portfolio value 19,000

Risk per trade 1.00%

Risk per trade 190

Target RRR 1/2

Symbol LTC

Entry price 265

Target price 340

Calculated based on RRR but  
could be set higher based on  
nearest support or swing low.

Stop loss price 228

Stop loss distance -14%

Trade size \$ 1,343

Trade units 5.1

Download the risk mngt excel table [here](#).

# Lesson 9: Stop Loss

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## Lesson 2: Trading MA Crossover:

- Enter then EMA 12 crosses above EMA 50
- Exit then EMA 12 crosses below EMA 50
- No Stop Loss, No Target Price

## Lesson 3: Pullback in Uptrend (“buy dip”):

- Enter near Support
- Exit near next Resistance (Target Price)
- Stop Loss: use RRR ratio (1:2)

## Lesson 4: Momentum & Uptrend:

- Trade with trend
- Enter when MACD crossed above Signal line
- Exit when MACD crossed below Signal line
- Target Price:  $\frac{1}{2}$  at next resistance and  $\frac{1}{2}$  when MACD crossed below Signal line
- Stop Loss: just below last swing low or nearest support or use RRR ratio (1:2)

## Lesson 5: Oversold at Support:

- Enter near Support
- Exit near next Resistance (Target Price)
- Stop Loss = use RRR ratio (1:2)

## Lesson 6: Trading Ranges:

- Enter near Support
- Exit near next Resistance (Target Price)
- Stop Loss: use RRR ratio (1:2)

## Lesson 7: Trading Key Levels:

- **Breakouts:** Enter on resistance breakout –  $\frac{1}{2}$  position and  $\frac{1}{2}$  at confirmation of breakout
- **Approaches:** Enter after bounce from Support
- Exit near next Resistance (Target Price)
- Stop Loss: use RRR ratio (1:2)

## Lesson 8: Trading Patterns

- Enter on breakout -  $\frac{1}{2}$  position and  $\frac{1}{2}$  at confirmation of breakout
- Exit near next Resistance (Target Price)
- Stop Loss: just below last swing low or nearest support or use RRR ratio (1:2)

# Lesson 9: Stop Loss

## Lesson 3: Pullback in Uptrend (“buy dip”): NU (NyCypher)

- Enter near Support
- Exit near next Resistance (Target Price)
- Stop Loss: use RRR ratio (1:2)



(values in \$)

Portfolio value 19,000

Risk per trade 2.00%

Risk per trade 380

Target RRR 1/2

Symbol NU

Entry price 1.135

Target price 2.000

Stop loss price 0.703

Stop loss distance -38%

Trade size \$ 997

Trade units 878.6

# Lesson 9: Stop Loss

## Lesson 3: Pullback in Uptrend (“buy dip”): CELO

- Enter near Support
- Exit near next Resistance (Target Price)
- Stop Loss: use RRR ratio (1:2) or swing low



(values in \$)

Portfolio value	19,000
Risk per trade	2.00%
Risk per trade	380
Target RRR	1/2
Symbol	CELO
Entry price	6.083
Target price	8.000
Stop loss price	5.125
Stop loss distance	-16%
Trade size \$	2,412
Trade units	396.5

# Lesson 9: Stop Loss

## Lesson 8: Trading Patterns - Approaching Ascending Triangle: NULS

- Enter on breakout -  $\frac{1}{2}$  position and  $\frac{1}{2}$  at confirmation of breakout
- Exit near next Resistance (Target Price)
- Stop Loss: just below last swing low or nearest support or use RRR ratio (1:2)



(values in \$)

Portfolio value 19,000

Risk per trade 2.00%

Risk per trade 380

Target RRR 1/2

Symbol NULS

Entry price 0.575

Target price 0.700

Stop loss price 0.513

Stop loss distance -11%

Trade size \$ 3,496

Trade units 6,080.0

*"Technical Analysis is the only way to measure the emotional component of the market. We know that many times an ounce of emotion can be worth a pound of facts. How else to explain a sudden shift in the market without a change in the fundamentals?"*

- STEVEN NISON

credited for bringing Japanese techniques to the western world

# Instructor

## Richard Fetyko, CEO and Founder, altFINS

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Mr. Fetyko spent 14 years on Wall Street as an equity research analyst at investment banks like Janney Montgomery Scott, covering Internet and Tech sectors, and then 6 years as a portfolio manager at a family fund Twin Capital.

During his Wall Street career, Mr. Fetyko was ranked among top analysts for his coverage of Internet:

[Ranked No. 2](#) by StarMine Analyst Awards in 2010 for ratings performance in Internet Software & Services industry

Ranked No. 4 and No. 2 by The Wall Street Journal's "Best of the Street" Analyst Survey in Advertising and Publishing sector in 2008 and 2007, respectively.