



HUMBLE BULLS

Research Desk

Process over predictions.

A disciplined, bullish-only framework for planning swing trades, sizing risk before entry and reviewing every result honestly.

HUMBLE BULLS STARTER KIT · PART 1 OF 3

The Swing Trading Playbook

A five-stage process for planning,
sizing and reviewing bullish swing trades.

FREE · humblebulls.com

BEFORE YOU START

How to use this playbook

This playbook turns the HUMBLE BULLS Learn guides into one repeatable routine you can follow before, during and after every swing trade.

Swing trading means holding a position for days to a few weeks to capture one clear move. It is not about predicting the market. It is about waiting for conditions you understand, deciding your risk before you enter, and reviewing every result so the next decision is better than the last.

Read it once from start to finish. Then keep the **Swing Trade Checklist** (Part 2) next to your screen and log every trade in the **Trade Journal** (Part 3). The three parts are designed to work together.

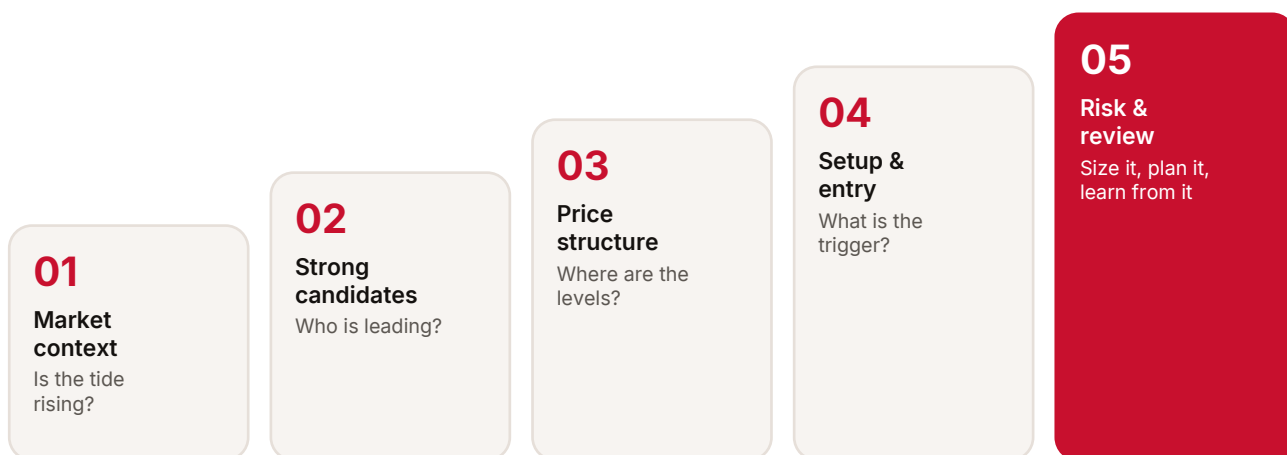
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Important. Education only. HUMBLE BULLS does not sell stock picks, signals or advice, and nothing here is a recommendation to buy or sell any security. All numbers are illustrations. Trading involves risk, including loss of more than your planned amount through gaps and slippage.

CHAPTER 1

The five-stage process

Every trade climbs the same five steps. Skipping a step is the most common reason a good idea becomes a bad trade.



Stage	The question	You are done when
1. Context	Do overall conditions support bullish trades right now?	You can say in one sentence why the market backdrop is supportive, neutral or poor.
2. Candidates	Which stocks are stronger than the market?	You have a short watchlist of liquid leaders, not a long list of hopes.
3. Structure	Where is support, resistance and the base?	You can mark the level where your idea is proven wrong.
4. Setup & entry	Which pattern is this and what exactly triggers entry?	The entry is a price or event written down in advance.
5. Risk & review	How much can I lose and what will I learn?	Position size is calculated and the trade is in the journal.

The order matters. Context comes first because even a perfect chart struggles when the broad market is weak. Risk comes before the order is placed, never after.

Market context and strong candidates

Stage 1: Read the tide

Start with the big picture. You are not forecasting; you are deciding whether conditions favour bullish swing trades, are mixed, or are poor enough to wait.

- **Index trend.** Are the major indexes above their rising 50-day moving averages?
- **Breadth.** Are many stocks participating, or only a handful of giants?
- **Volatility.** Is the market calm enough that normal stops are not hit by noise?
- **Leadership.** Which sectors are making new highs? Strength tends to cluster.
- **Calendar.** Are major events (rate decisions, earnings) close enough to cause gaps?

Simple rule: when two or more of the five look poor, trade smaller or not at all. Waiting is a position.

Stage 2: Find the leaders

Look for stocks that are already acting stronger than the market. Relative strength means a stock holds up better on weak days and moves further on strong days.

- **Liquidity first.** Enough average daily volume that you can enter and exit without moving the price.
- **Relative strength.** Price near its highs while the index is still below its own.
- **A reason for demand.** Earnings growth, a new product or a strong industry trend.
- **Clean charts.** Orderly moves are easier to plan than wild, gappy ones.
- **Keep it short.** A watchlist of 5 to 15 names you can study properly beats 80 you skim.

CHAPTER 4

Reading price structure

Structure tells you where buyers have defended price before and where your idea stops making sense.

Element	What to mark	Why it matters
Support	Prior swing lows and areas where price turned up more than once.	A logical place for the stop: below it, the idea is wrong.
Resistance	Prior highs where price paused or turned back.	A first target, and the level a breakout must clear.
Base	A sideways range of several weeks after an advance.	Supply is absorbed; tight bases often lead the next leg.
Moving averages	The rising 10, 20 and 50-day averages.	Leaders often find support near them during pullbacks.
Volume	Bars where volume is clearly above average.	Rising price on rising volume shows real demand.

Use zones, not lines

Price rarely respects an exact number. Draw support and resistance as zones a little wider than one day's normal range. Your stop goes beyond the zone, not inside it.

Check more than one timeframe

Use the weekly chart to confirm the main trend is up, the daily chart to plan the trade, and an intraday chart only to fine-tune the entry. When the weekly and daily agree, the setup has a stronger foundation.

CHAPTER 5

Six core bullish setups

You do not need many patterns. You need a few you understand deeply, with the entry and the invalidation defined for each one.

Setup	What it looks like	Typical entry	Idea is wrong if
Trend pullback	A strong uptrend eases back in an orderly way toward support.	Buyers return: a strong up day off support.	Price closes below the swing low.
Breakout	Tight sideways action just under a clear resistance level.	Price clears resistance on expanding volume.	Price falls back inside the range.
Base breakout	A multi-week base after an advance, with tightening ranges.	Price leaves the base through the pivot high.	Price drops back below the pivot.
MA support	A leader dips to its rising 20 or 50-day average.	A high-volume bounce from the average.	A decisive close below the average.
Bull flag	A sharp advance, then a short, shallow drift on lighter volume.	Price breaks above the top of the flag.	Price breaks below the flag low.
Volatility contraction	Each pullback inside a base is smaller than the last.	Price clears the final, tightest range.	Price undercuts the last contraction low.

Same discipline for every setup. The pattern only tells you *where* to act. It never tells you *how much* to risk. That comes next.

The HUMBLE BULLS guide to bullish chart patterns at humblebulls.com/bullish-chart-patterns/ shows each one step by step with animated diagrams.

CHAPTER 6

Risk, sizing and the trade plan

Decide how much you can lose before you decide how much you could make. This one habit protects your account more than any pattern.

The position size formula

Shares = Money at risk ÷ (Entry price – Stop price)

Money at risk = Account size × Risk per trade %

A worked example (illustration only)

\$10,000	0.5%	\$50	\$2.00	25 shares
Account size	Risk per trade	Money at risk	Entry \$50 – stop \$48	\$50 ÷ \$2

With a first target near resistance at \$56, the potential reward is \$6 per share against \$2 of risk: a planned reward-to-risk of 3 to 1. That ratio describes the plan, not a likely outcome. Fees, slippage and overnight gaps can make a real loss larger than planned.

Write the plan before you enter

Plan item	Write down
Setup	Which of the six, and why it qualifies.
Entry trigger	The exact price or event that opens the trade.
Stop	The level that proves the idea wrong, beyond the support zone.
Size	Shares from the formula above. Round down, never up.
Targets	First target near resistance; how you will handle the rest.
Time limit	How long you give the idea to work before you step aside.

Try the free Position Size Calculator at humblebulls.com/position-size-calculator/.

CHAPTER 7

Managing the open trade

Once the order is filled, your job is to follow the plan you wrote when you were calm.

- **The stop is not negotiable.** If price reaches it, the trade is over. Moving a stop further away to avoid a loss turns a small, planned loss into a large, unplanned one.
- **Know the order type.** A stop-market order becomes a market order when triggered and can fill at a worse price in a fast market or a gap. A stop-limit order controls price but may not fill at all.
- **Raise the stop, never lower it.** As the trade progresses and a new higher low forms, you may raise your stop to protect part of the gain.
- **Take partial profits by plan.** Many traders sell part of the position at the first target and let the rest follow the trend with a trailing stop.
- **Respect the time limit.** A setup that goes nowhere for many days is tying up capital and attention.
- **Mind the calendar.** Decide before earnings whether you will hold through them, at what size, or step aside.

When it does not go as planned. A stopped-out trade that followed the plan is a good trade with a bad result. A trade that broke the plan is a bad trade, even if it made money. The journal is where you learn to tell them apart.

CHAPTER 8

Review and the journal habit

Improvement does not come from more trades. It comes from honest review of the trades you already took.

After every trade, record

- Setup, entry, stop, size and exit, straight from your written plan.
- The result in **R**: profit or loss divided by the money you planned to risk. A \$100 gain on \$50 of risk is +2R; a full stop-out is -1R.
- Whether you followed the plan, scored honestly: yes, partly or no.
- A one-line lesson and a screenshot of the chart at entry and exit.

Every month, ask

- Which setup produced my best average R? Which produced my worst?
- How often did I follow my plan, and how did those trades compare with the rest?
- Are my losses close to -1R, or are some much larger because of moved stops or gaps?
- What is one rule I will add, remove or tighten next month?

Part 3 of this kit, the HUMBLE BULLS Trade Journal, does the R maths, the win rate and the average per setup for you.

CHAPTERS 9 AND 10

The mindset rules, and where to go next

Rule	Why
Trade the plan, not the feeling.	Fear and excitement both shout loudest at the worst moment.
Small, planned losses are a cost of business.	They keep you in the game long enough to improve.
No plan, no trade.	If you cannot write the stop, you do not understand the setup yet.
Fewer, better trades.	Quality comes from patience, not activity.
Review before you add size.	Earn bigger positions with a record, not with confidence.
Protect your attention.	Tips, hype and social media noise are not a process.

Keep learning with HUMBLE BULLS

- **How to Swing Trade:** humblebulls.com/how-to-swing-trade/
- **Swing Trading Risk Management:** humblebulls.com/swing-trading-risk-management/
- **Bullish Chart Patterns:** humblebulls.com/bullish-chart-patterns/
- **Trading Psychology:** humblebulls.com/trading-psychology/
- **Swing Trading Glossary:** humblebulls.com/swing-trading-glossary/
- **The weekly newsletter:** process lessons and worked examples every week.

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