

The main reason people fail at a new venture is a lack of experience. Entering the world of trading, you are up against the best and brightest minds in the world that have years and year of experience on top of you. The #1 tool that can help speed up the learning curve is the implementation and use of a trading journal.

“Trade to trade well, and the money will follow.”

Whether you journal by hand, on the computer, by audio recording, or through video, there is no right or wrong way. The ideas discussed here are simply a template to get you started. Be creative and adapt them to your own style that what works for you.

Establish the End Goal

The first thing to do before creating a journal, before placing a trade, even before [picking a market](#) to trade is to pull out a piece of paper and write down your answers to the following three questions.

- *If you had an unlimited supply of money, what would you spend your time doing, and who would you spend it with?*
- *What will happen to you 20 years from now if you do not learn the skills necessary to become a successful trader or investor today?*
- *Why trading? Given the four basic ways to make money (employee, self-employed, business owner, and investor) why do you want to be a trader?*

Take some time to think about your answers and reasons behind them. Once you’ve done this you are then ready to create a goal. This trading goal might be something like, “I will make an income of \$10,000/mo.” or “I am a consistently profitable trader month over month.”

Most people and goal setting workshops will tell you to attach a date to your goals and for most goals that is the case, however with major life goals attaching a date will only set you up for disappointment. Not reaching your goal by that date may deter you from moving forward and many will give up. You must commit to doing whatever it takes no matter what or how long it will take. Don’t let anyone discourage you. This concept applies for any major life goal.

Purpose

The purpose of a trading journal is to build confidence in your trading system. When you trade with confidence you are able to trade objectively. By taking detailed notes about your trade setups, emotions as you enter, manage, and exit the trade, accompanying market activity, and profit/loss (to name a few), you are able to break down which things are working and which are not.

3 Types of Journals

There are three categories that trading journals fall into, you can choose to separate these into multiple journals or combine them into one. The three types of journals are learning, trading, and psychological. Brett Steenbarger, Ph.D. is a Clinical Associate Professor of Psychiatry and Behavioral Sciences at SUNY Upstate Medical University and Director of Trader Development for Kingstree Trading, LLC and talks more about these three types of journals on his blog [TraderFeed](#). He also has a few books that give some great insight on the psychology of trading.

- [The Daily Trading Coach](#), 2009
- [Enhancing Trader Performance](#), 2006
- [The Psychology of Trading](#), 2002

My Trading Journal

Now that you have some ideas on how to begin I'd like to share how I organize my trading journal(s). I use handwritten notebooks for my emotional and daily market summaries and excel for the analytics and market analysis. I have attached the excel templates with examples below, feel free to tweak them and make changes as you like, if you have questions go ahead and leave them in the comments section below as often times many share the same question.

- [Trading Log](#)
- [P/L Report](#)
- [Daily Notes](#)
- [Market Analysis](#)

Trading Log:

Date	Total Trades	Net Points	W	L	S	W %	Trade Notes
1/3/2011	5	9.25	3	1	1	60%	2 - 6E/mi, 1 - 15L, 1 - E7/L, 1 - 15S
1/4/2011					✓	#DIV/0!	
1/5/2011					✓	#DIV/0!	
1/6/2011					✓	#DIV/0!	
1/7/2011					✓	#DIV/0!	
Weekly Totals	5	9.25	3	1	1	60%	
1/10/2011					✓	#DIV/0!	
1/11/2011					✓	#DIV/0!	
1/12/2011					✓	#DIV/0!	
1/13/2011					✓	#DIV/0!	
1/14/2011					✓	#DIV/0!	
Weekly Totals	0	0.00	0	0	0	#DIV/0!	
1/17/2011					✓	#DIV/0!	
1/18/2011					✓	#DIV/0!	
1/19/2011					✓	#DIV/0!	
1/20/2011					✓	#DIV/0!	
1/21/2011					✓	#DIV/0!	
Weekly Totals	0	0.00	0	0	0	#DIV/0!	

How I use it

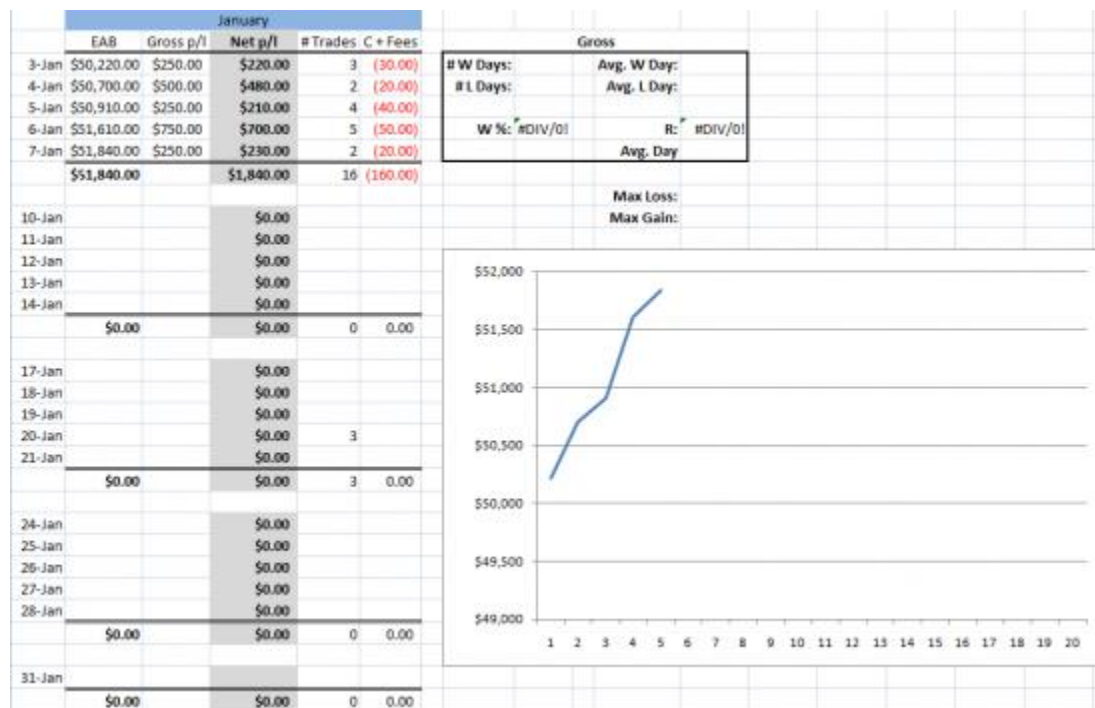
Ideas for Building Your Personal Trading Journal – EminiMind.com

I use this spreadsheet for recording and tracking the effectiveness of my individual setups. I break out the setup and the win percentage to see what setups are working the best.

Things I learned

After a few weeks of inputting trades it was really clear that the micro timeframes I was trading were not as profitable and in some cases the only negative trades I was having for the week. The result, I went back and tweaked my entry for these setups and then reduced the number of contracts I was trading for the setup resulting in decreased losses and increased profits.

P/L Report:



How I use it

Have you made money at the end of the day? This is the bottom line report.

Things I learned

This report keeps the commission expense in check and helped me see that my biggest days were sometimes the days with the fewest number of trades. It also makes it clear that the month is made up of a few big days and a number of average days. On days when the market is providing quality setup after quality setup I continue to trade, days where the market is slow and I have a couple scratch trades I usually lock in gains that I may have and stop trading by 10:30 CST.

Daily Notes:

/ES Daily Notes		01-05	
Previous Day Open: 1264.75 High: 1270.00 Low: 1258.25 Close: 1265.25 Change: 0.00 Range: 11.75 Volume: 1,769,443 Open Int: 2,500,721		Daily Plan This is where I write your daily plan for the day. It remains the same most days except FOMC meetings, and special circumstances.	
Value High: 1266.25 POC: 1265.25 Low: 1261.75 Range: 4.50		News 7:15 AM ADP Employment Report 9:00 AM ISM Non-Mfg Index 9:30 AM EIA Petroleum Status Report	
Pivots Daily: 1264.67 Gap Fill: 1265.75		Trades Trade 1: 7:40, 15L 5.0 PTS ES 1 Very technical market, filled and ripped. Remained patient throughout the trade. Took profit at -23p target.	
Overnight High: 1265.75 Low: 1255.75 HWB: 1260.75 Trend: Down Range: 10.00		Trade 2:	
1st Hour Range High: 1266.50 Low: 1260.75 Trend: Up Range: 5.75 Break: Up 9:00 Vol: 165,000		Trade 3:	
		Trade 4:	
		Trade 5:	
		Trade 6:	

How I use it

This is my go to spreadsheet that I use every day. I began this in a handwritten notebook, but after drawing the same boxes and diagrams day after day I moved it to excel. I have condensed it down over time.

In the beginning I would record the market internals every 30-minutes and this was the sheet that kept track of this. I have since added an indicator in my Thinkorswim platform (my charting package) that tracks this for me.

Things I learned

This spreadsheet acts as a checklist as I fill it out each night for the following day. During the trading day I record my trades on this sheet as well.

Market Analysis:

Ideas for Building Your Personal Trading Journal – EminiMind.com

NASDAQ								VIX	Commodities		Put Call Ratio	Unfilled Gaps	SPDR ETFs	
NASDAQ	%	Volume	%	Breadth Ratio	% Bullish	A/D Line	\$Trin		Spot Gold	Crude Futures			Strongest	Weakest
\$2,691.52		1,941,304		3.9 :1	79%	1407 A	0.81	17.61	n/a	\$91.55	0.65	\$1,254.25	XLF XLY	XLU XLP
\$2,681.25	-0.4%	2,027,676	4.4%	1.1 :1	47%	-954 d	0.52	17.38	\$1,388.50	\$89.38	0.65		XLU XLK	XLB XLE
\$2,702.20	0.8%	2,101,997	3.7%	2.3 :1	69%	1105 A	1.03	17.02	\$1,368.00	\$90.30	0.71		XLF XLY	XLP XLU
\$2,709.89	0.3%	2,105,373	0.2%	1.4 :1	58%	-317 d	0.55	17.40	\$1,368.50	\$88.38	0.75		XLK XLV	XLF XLE
\$2,703.17	-0.2%	1,981,044	-5.9%	1.5 :1	61%	-674 d	0.91	17.14	\$1,367.00	\$88.03	0.69		XLE XLU	XLP XLF
\$2,707.80	0.2%	1,878,368	-5.2%	1.4 :1	58%	268 a	0.87	17.54	\$1,368.25	\$89.25	0.78		XLI XLB	XLE XLU
\$2,716.83	0.3%	1,905,107	1.4%	1.4 :1	57%	682 a	1.24	16.89	\$1,374.00	\$91.11	0.84		XLE XLB	XLP XLK
\$2,737.30	0.8%	1,884,076	-1.1%	1.3 :1	75%	939 a	0.66	16.24	\$1,378.75	\$91.86	0.82		XLF XLE	XLU XLY
\$2,735.29	-0.1%	1,940,113	3.0%	1.3 :1	51%	-315 d	0.73	16.39	\$1,381.50	\$91.40	0.72		XLP XLI	XLV XLB
\$2,755.30	0.7%	2,043,478	5.3%	2.0 :1	66%	748 a	0.88	15.46	\$1,367.00	\$91.54	0.57		XLF XLE	XLV XLP
holiday									\$1,360.50					
\$2,765.85	0.4%	2,036,873	-0.3%	1.5 :1	60%	-69 d	0.63	15.87	\$1,369.50	\$91.38	0.73		XLI XLE	XLP XLF
\$2,164.35	-21.7%	2,137,419	4.9%	5.5 :1	15%	-1742 D	1.19	17.31	\$1,372.00	\$90.86	0.84		XLP XLU	XLF XLB
\$2,704.29	24.9%	2,349,505	9.9%	3.0 :1	25%	-1190 D	1.13	17.99	\$1,345.50	\$88.86	0.93		XLF XLI	XLY XLK
\$2,689.54	-0.5%	1,935,234	-17.6%	1.7 :1	36%	-476 d	1.20	18.47	\$1,343.50	\$89.11	0.79		XLI XLF	XLB XLK
#####			-100.0%											
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How I use it

I record all my market data on this spreadsheet. It may be a little overwhelming at first, but after years of recording this data each night it becomes pretty easy to spot patterns and trend changes.

Things I learned

I look to the internals each day to really gauge the strength or weakness of the market. This spreadsheet has helped me uncover very interesting patterns and occurrences that may only happen every few months, but result in big trend changes in the markets. These indicators are talked about in the book [Mastering the Trade](#) by John Carter.

End of Day Questions:

At the end of the day assess your trading by asking yourself these questions.

- Did I follow my rules?
- Did I take all the valid setups?
- Did I hold to my targets?

Review the setups for the day and congratulate yourself if you followed your rules, took all the valid setups, and held to your targets. If you do this the money will follow, as I can personally attest to. Since incorporating these journals into my routine back in 2007 I have been able to increase the efficiency of my strategy and continue to become more profitable each year.

Ideas for Building Your Personal Trading Journal – EminiMind.com

Being disciplined and keeping a methodical approach has really helped me trade consistently over the years. If you're interested in more reading on the subject of trading for a living check out [Trade Your Way to Financial Freedom](#) by Van Tharp.

If you're not into keeping hand written journals here are some other options.

- [TraderSync](#) An electronic, **Web Based** trading journal
- [Trading Spreadsheets](#) Easy to use, **Performance-Tracking** tools

I hope by sharing my trading journal you have uncovered a number of ideas to create and build your own. If you have more ideas (as I'm sure I haven't touched on them all) please share them in the comments section for everyone to enjoy. Thank You!

Resources from this article:

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- [The Psychology of Trading](#), 2002
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My Trading Journal Excel Spreadsheets

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For more detailed information on Trading Futures visit the [Getting Started](#) Page.