



[TRADING RULES FOR THE ES & 6E FUTURES] REVISED + UPDATED

A comprehensive guide to trading the E-mini S&P and Euro Futures including specific setups, defined rules, and methods for developing a winning mindset.

TRADING RULES FOR THE ES & 6E FUTURES

by Tim Racette of
EminiMind.com

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Trading involves risk.

Trading carries a high level of risk, and may not be suitable for all individuals. You must be aware of the risks and be willing to accept them in order to invest in the futures markets. You are subject to lose all or more of your original investment. Do not trade with money you cannot afford to lose or money that if lost, would affect your current lifestyle.

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TRADING RULES FOR THE ES & 6E FUTURES

Trading has taught me the greatest lessons life has to offer.

You've probably found your way to this eBook from my blog, or maybe it was passed along to you by a friend. Either way, I'm glad you're here.

If you often daydream about what your life would be like if you were able to trade for a living, you're not alone. You're also in the right place.

Becoming a successful trader is unlike any endeavor you will experience. The common "paths to success" do not hold true in trading and many who partake on the journey fail in the first 6 months.

The EminiMind blog and this eBook are my way of sharing what I've learned throughout the years, just as other successful traders did for me. I hope that you will take this knowledge and not only apply it to success in trading, but in all aspects of your life.

This eBook is a guide, and its purpose is to do just that – *guide you*. It is not a black box system or get rich quick scheme. The goal is to provide you with a framework for becoming a successful trader and help you achieve a fulfilling life.

To all of my subscribers, followers, and friends out there, thank you for the gift of your support. Believe in yourself and your ability to become successful.

Tim Racette

If at any point while reading this eBook you have questions please don't hesitate to contact me. You can best reach me on Twitter [@EminiMind](#) or on my [Facebook Page](#). Even if you don't have any questions, I'd love for you to come by and say Hi! If you want to reach me in private you can email me at Tim@EminiMind.com.

ABOUT TIM RACETTE



Futures Trader, Blogger, Mountain Biker, Adventure Seeker

Chances are if you're reading this eBook you already know a little bit about me, but for those who do not, allow me introduce myself. My name is Tim Racette. I am a Chicagoland native and futures trader.

I trade the E-mini Futures. I do not claim to be a billionaire, nor do I drive an Aston Martin, or sail the globe trading from a private yacht, but I am consistently profitable month after month.

When I'm not trading, I spent my time mountain biking, cooking, and exploring new places around the globe.

I've been fortunate to learn from some of the industry's top traders and had the pleasure to speak at Trader's Expo in Las Vegas twice and New York City. You can listen in to [My Trader Interview](#) with Tim Bourquin.

Trading has opened a world of opportunity for me. The mindset I have developed carries over in all aspects of my life.

After long conversation with successful entrepreneurs, athletes, and business owners, I am convinced that above all else, it is the mindset that leads to and enables your success in this world.

Trading has played an enormous role in my life's success thus far.

Come say Hi on [Facebook](#), [Twitter](#) and at the [EminiMind blog](#).

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WHAT TRADING CAN DO FOR YOU

Simply put, trading provides flexibility and freedom.

Learning to trade successfully is a skill that once mastered; no one can take away from you.

The market teaches us many of life's greatest lessons. It reveals who we are at the core.

In trading, you are your own boss, no one can fire you, and no one can tell you what to do. This means that you alone are responsible for every decision you make.

THINK SCALEABLE

Trading is a non-linear profession: many try, but only a few succeed.

A trader dedicates the early years to putting in long hours without much reward. In later years, trading becomes effortless and the rewards can be tremendous.

The vast majority of traders spend their career struggling to become consistent winners, only to see their account spiral downward.

A select few have what it takes to succeed in this business, and as a result, reap most of the profits.

BUT I CAUTION YOU!

The road to success is long, and extremely difficult. Then again, the same can be said for all challenges that have the potential for large rewards.

The traders who are consistently profitable did not get there resting on their laurels.

The journey begins with:

- ✓ Late nights in the office, including weekends
- ✓ Analysis of thousands of charts
- ✓ A deep understanding of human behavior
- ✓ And of course years of actual live trading experience.

MAYBE IT'S PASSIVE INCOME YOU'RE LOOKING FOR

If you're looking for a way to escape your 9-5 job, or supplement your

income, then creating a stream of passive income through an online business or franchise may be the answer for you.

Timothy Ferris outlines the steps for spending less time working, and more time doing the things you enjoy in his book [The 4-Hour Work Week](#).

I recommend everyone read this book (or listen to the audio version) regardless if you have the desire to run your own company or not.

The book can really help open your eyes to the possibilities that exist in the world today.

“The hardest challenges offer the biggest rewards”

If trading is still the path you choose to endure, you must know that it is a tough road with many speed bumps.

It's often said that trading is “a hard way to make an easy living,” but if you're committed to becoming a successful trader then let's begin!

DEVELOPING THE RIGHT MINDSET

Detach yourself from the \$\$\$.

“Trading successfully is a result of fully detaching yourself from the instinctive emotions of fear and hope.

Fear that you will lose money, hope that the market will come back and make up for your mistakes, fear of being wrong, hope that you will be positive at the end of the day.”

- Mark Douglas,
Trading in the Zone

ATTITUDE INFLUENCES BEHAVIOR

To last in the game of trading you must fully accept the risk of losing money. This starts with attitude.

Our behavior is a byproduct of our attitude. Confidence is the attitude we are striving to build. You develop a confident attitude by mastering a deep understanding of your setups and trading rules.

A trader must develop a system that fits their risk tolerance and also has a statistical edge. They can then trust

the system created will yield positive returns over a larger series of trades.

As traders, we must train our minds to make quick, decisive decisions. We achieve this through a structured framework of discipline. Repeating the execution process over and over again is the only way to become successful.

If you divert from your plan and trade on feel or impulse, you will fail.

Blink by Malcolm Gladwell is a great book which expands on the concept of these snap judgments.

YOU MUST THINK FOR YOURSELF

No one can predict market direction with certainty. It is in your best interest to interpret the data yourself and draw your own conclusions.

“The average man doesn’t wish to be told that it is a bull or a bear market. What he desires is to be told specifically which particular stock to buy or sell. He wants to get something for nothing. He does not wish to work. He does not even wish to have to think.”

- Jesse Livermore,
Reminiscences of a Stock Operator

THE MARKET REWARDS PATIENCE

Trading less, with scrutiny in your setups, will put more money in your pocket and less in your brokers.

Patiently waiting for your setups can be tedious, but follow your defined rules and you will be rewarded.

“Break your rules, and you will surely fail”

Things rarely go according to plan. However, having a plan in place and following it as best you can will put you in a better position than not having any plan at all.

MIND GAMES

Here are a few mental tricks to help remain objective and focused.

- ✓ Hide your profit/loss while in the trade. Focus on execution.
- ✓ Patience often equals profits. A big winner starts as a small one.
- ✓ Aim for consistency. Track each individual setups performance.
- ✓ Look at the net sum of your last 20 trades, not individually.

THE DEFINITION OF SUCCESSFUL TRADING

To consistently profit from the markets each and every month makes for successful trading.

Profiting on every trade is simply impossible. No system can win 100% of the time and no one is capable of trading without losses. Risks are simply a part of the game. The bulk of success in trading comes not from what you know, but how you think.

BLAME YOURSELF, NOT THE
MARKET

It is never the market that is at fault for the outcome of your trades. You have complete control over how long you hold your winners and how quick you cut your losers.

- ✓ Do not become upset over losses, or ecstatic over winners.
- ✓ Success is achieved from within. Spend time learning about yourself; be meticulous and honest with your criticism.

PRACTICE DOES NOT MAKE PERFECT

Entrepreneurs like Bill Gates, Steve Jobs, and Donald Trump will often say fail fast and fail often; I'd like to add that in trading you must fail small.

- ✓ Develop an attitude that is accepting of losses (small ones) and execute your trades with discipline 100% of the time.
- ✓ It is not practice that makes perfect, but PERFECT practice that makes perfect.

No one can guarantee your success in trading, or in life. However, those who follow a detailed plan will stand the greatest chance for making it as a successful trader.

*“Expect the unexpected,
and whenever possible, be
the unexpected”*

It is not a matter of *if* something goes awry, but *when*. In mastering your setups and trading rules, you will be mentally prepared for the erratic and unexplainable market movements that occur on a daily basis.

PRIVATE MENTORING

If you like to schedule a personal one on one mentoring session with Tim to talk specifically about your trading you can do so.

The mentoring sessions include:

- ✓ 1-hr one on one w/ Tim
- ✓ Personalized Q+A regarding your individual situation
- ✓ Screen sharing capabilities using GoToMeeting
- ✓ Recording of the session

TO SCHEDULE A MENTORING
SESSION PLEASE SEND ME AN
EMAIL AT
TIM@EMINIMIND.COM

[More Details...](#)

HOW TO USE THIS GUIDE

This eBook is a collection of my trading rules and setups that I developed throughout the past 6 years.

I have incorporated bits and pieces from other successful traders and I hope that in reading through this guide you will collect ideas to help form your own trading methodology.

Mastering these rules is only half of the battle. Use them as a framework for creating consistency over time.

- ✓ To succeed, you must detach yourself from the emotions of winning and losing money.
- ✓ Operate in a state of complete objectivity before, during and after your trade takes place.
- ✓ Don't get discouraged if these rules don't click at first. Focus on execution and not on P/L.

Becoming a consistently profitable trader is the result of many years of experience. If you are truly passionate

about trading, keep working to better yourself each and every day.

KEEP IT SIMPLE

Don't over-think it. Simple rules are easier to execute within a system.

“Follow your rules and trade to trade well, not to make money”

While the setups outlined here are specific to the E-mini S&P (ES) and Euro (6E) futures, the general principles can be adapted to fit all markets and time frames.

Shape these rules into your own.

BEFORE YOU START

Let's confirm your grasp of basic market concepts. Make sure you have an understanding of:

- ✓ How the futures market works.
- ✓ Differences in fundamental vs. technical analysis.

I outline what you need to know about the futures markets in my blog post [How Futures Work](#) and you can find out more about technical analysis in the book [Mastering the Trade](#).

TRADING PLATFORMS

You will also want to have a good grasp of your order execution platform and charting package.

I use and recommend...

- ✓ [Thinkorswim](#)
- ✓ [Topstep Trader](#)

There are certainly other options out there, but I prefer these two for trading futures. Both are based out of Chicago, Illinois and service the U.S and many additional countries.

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