

THE POWERX STRATEGY COMPANION GUIDE

 **Rockwell** Trading



Dear Friend,

Welcome to Rockwell Trading!
I'm so glad you're here.

By reading The PowerX Strategy
and downloading this guide, you've
taken critical first steps to own your
future.

You know you need a change.

You're tired of the 9 to 5 grind.
You're ready to take control of your
day and your destiny.

No one gets that more than me.

There's never been a better time
than right now to dive into trading.

Our financial markets are on the
brink of failure, and Social Security
is a bullet train speeding towards
certain disaster.

And who's supporting the little
guys? Certainly not Wall Street
and certainly not the big banks.

Your only option? Take control of
your financial future just like I did.

Welcome to your future!

Markus Heitkoetter



COMPANY HISTORY



In 2002, Markus Heitkoetter arrived in the U.S. from Germany with \$30,000 in his pocket, having quit his job as a director at IBM to pursue a career as a trader.

Once in the U.S., Markus began evolving his trading career, working from home and living the trader's lifestyle. Anyone he talked to about his work was intrigued, and many confessed that they, too, wanted to work from home and, more importantly, work for themselves. Markus was quick to invite anyone and everyone to his home office to show them exactly what he did day after day—in his mind, showing was always better than, simply, telling.

What Markus didn't expect? That visitors would eagerly tell their friends. By 2005, just three years after he arrived in the U.S., Markus was no longer the unknown trader-to-be. Instead he was trading full time and taking his first steps to establish his trading education business. Markus designed a system capable of teaching anyone how to trade in only 15 minutes a day. His strategies and software were simple, strategic and completely streamlined—and, more importantly, they worked.

Today, over 461,752 people in 196 countries have downloaded Markus' book, "The Complete Guide to Day Trading" as a first step in their journey to lasting financial freedom. His next book, "The Simple Strategy," has remained the #1 best selling book in its category for more than four years, a testament to the power of Markus' unique approach to trading.

Seen on many top financial education platforms including NBC, CBS, FOX, ABC, Rockwell is also a proud member of the Better Business Bureau and has maintained an A+ rating for many years.

*As
Seen
On:*



LIVE EVENTS

ROCKWELL LIVE TRADING EVENTS

Experience the very best of Rockwell at our live events. Designed for traders who want to upgrade their skills while learning new strategies to grow their accounts systematically and sustainably, this transformative and fully immersive weekend will give you the clarity and confidence you need to take your trading to the next level—and beyond.

Through these targeted, high energy, high intensity trainings, you'll create critical alignment between you, your trading and your money management, so you can build a trading account that truly provides for you and your family. By positioning you and your fellow traders within an intimate, highly focused setting, you can play out and be 100% focused 100% of the time.

- Learn Rockwell's core, proven trading strategies to help be better positioned in any market condition
- Find the best, lowest-risk option trades with high profit potential
- Discover the secret to trading in just five minutes per day, plus an effective strategy for binary options that uses five-year probabilities to put the odds in your favor
- Choose the right money management approach—the approach that best aligns with you and your goals
- Cut through the clutter and the chaos to eliminate the stress and overwhelm that's holding you back

“ I just wanted to drop a line to say thank you for a great couple of days. I thoroughly enjoyed the Houston Trading Event...I've probably been to a dozen or so trading seminars hosted by shameless snake-oil salesmen that only have one agenda. You certainly don't fit into that group. Thank you for your honesty and genuine interest in your students. I look forward to your next event.”

— Mark Finsen



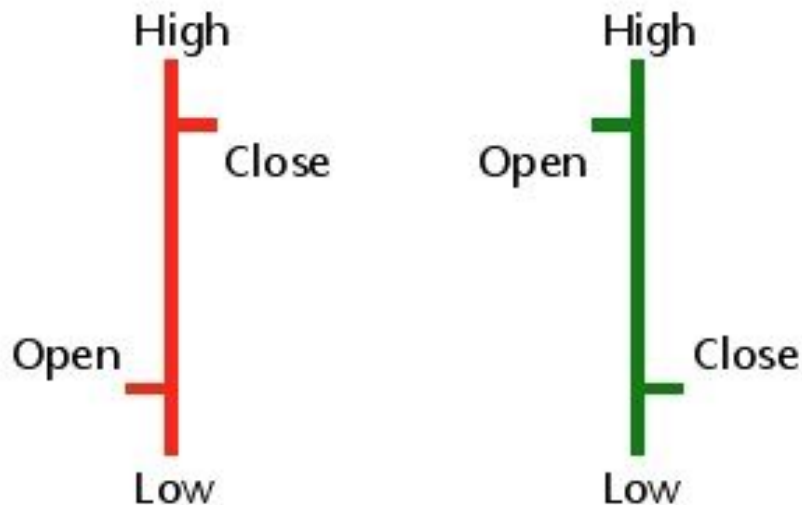
COLOR CHARTS COMPANION

Pg. 47>>> When you load a chart of a symbol, it might look like THIS:

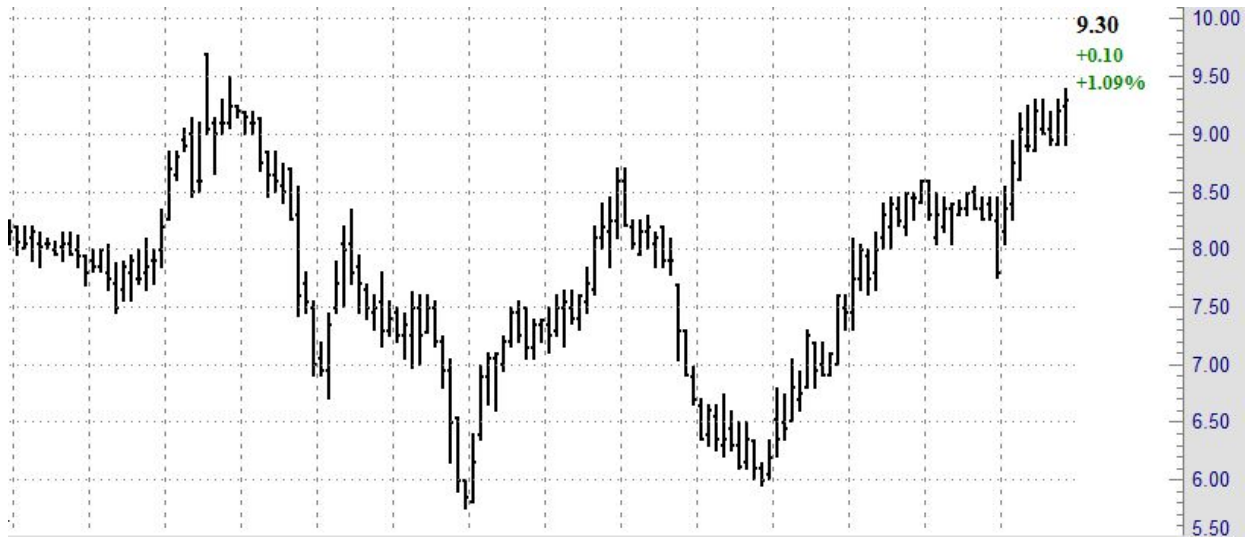


But if you traded this stock according to the PowerX Strategy, you could have made 61.2%. Here's how...

FIRST, we need to change the chart to a so-called "OHLC Chart."



When we switch our chart to a bar chart, it looks like this:

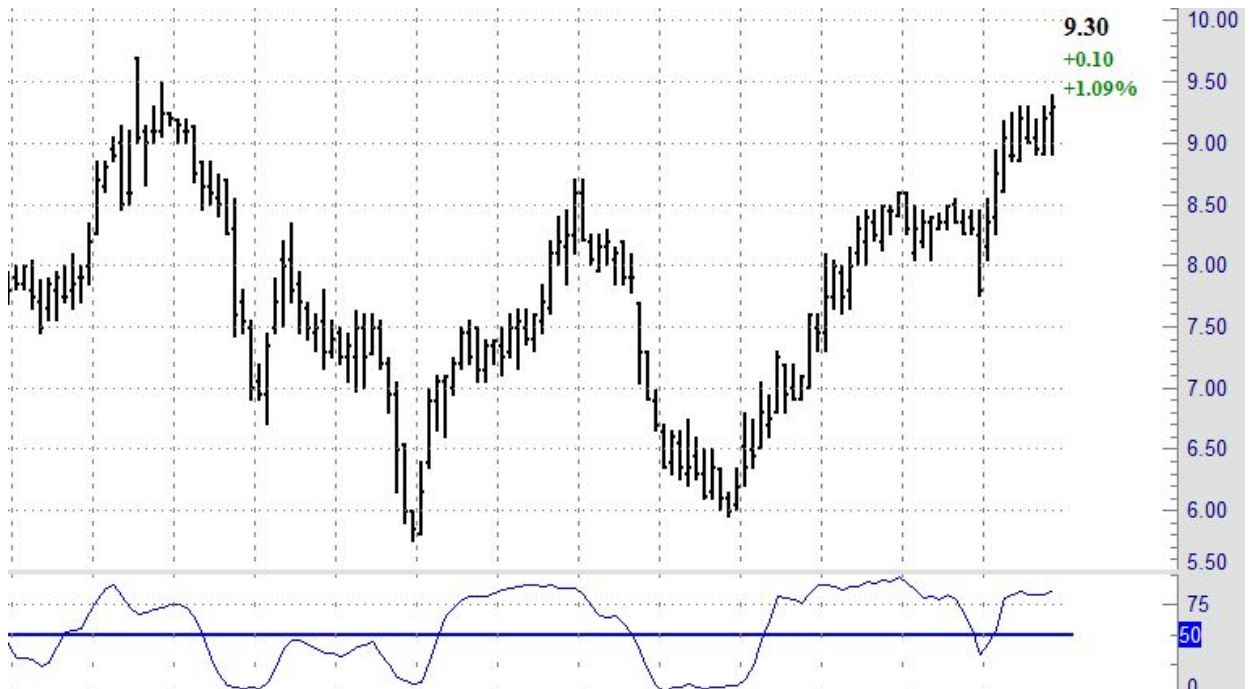


Now it's time to add our indicators.

Pg. 48>>> INDICATOR 1: SLOW STOCHASTIC (STOCHASTIC %K)

We add Stochastic %K with a parameter of **14 and 3** to our chart.

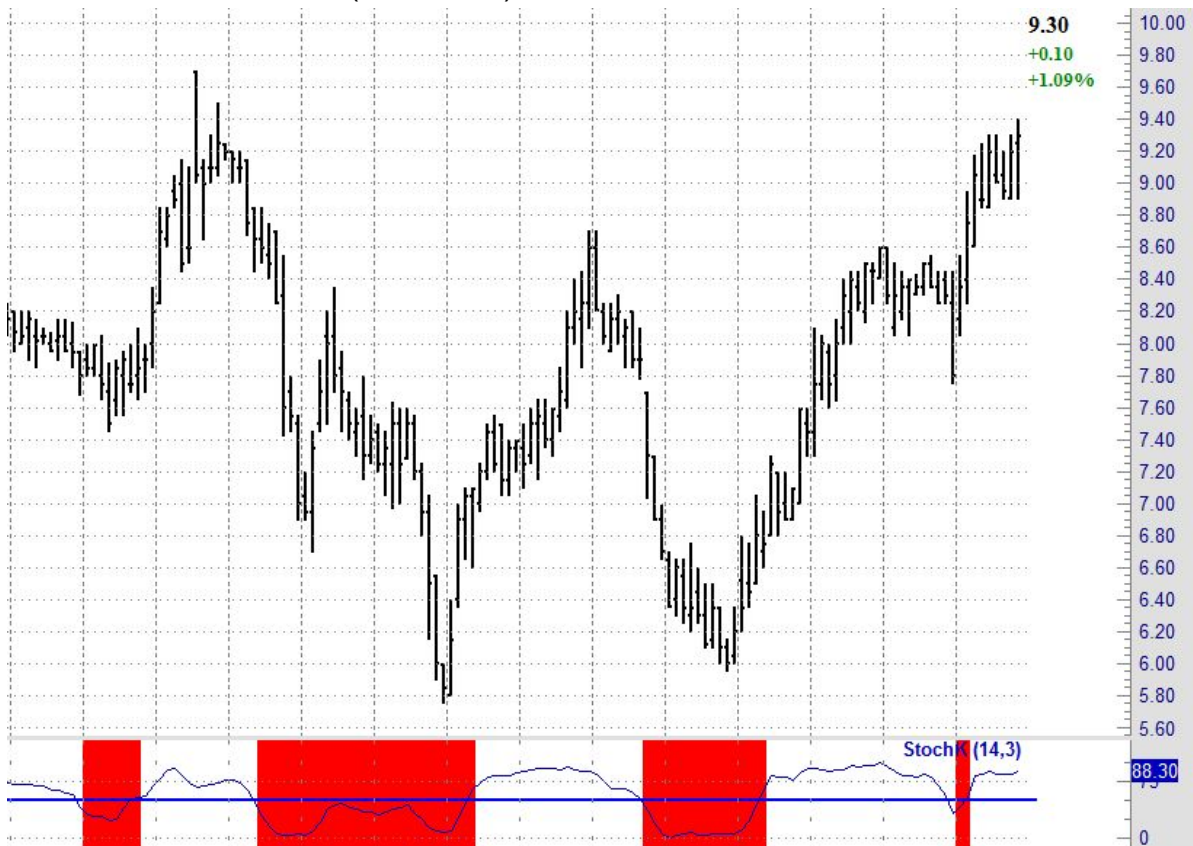
Stochastic K is an oscillator that moves between 0 and 100. We want to pay close attention to the 50 line (marked in blue in the chart).



Pg. 49>>> Whenever the Stochastic %K is ABOVE 50, it's indicating that the stock is in an **uptrend** (see below).

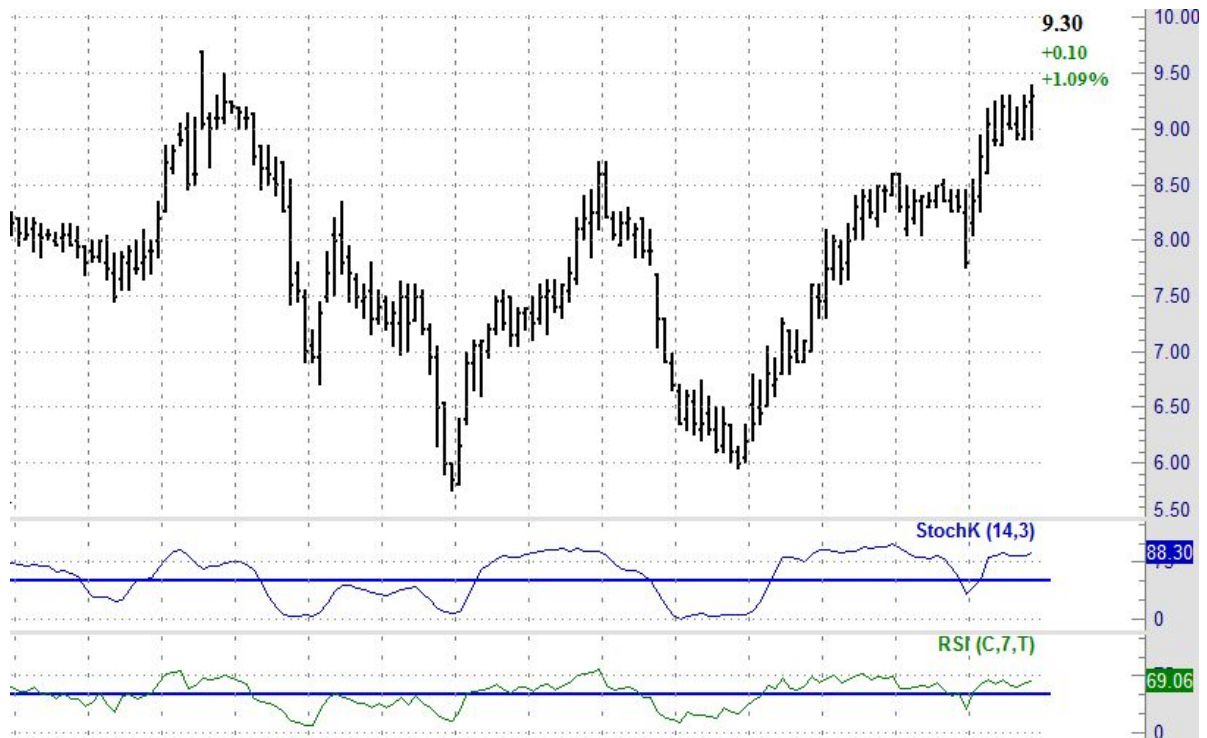


Pg. 50>>> And when the Stochastic %K is BELOW 50, it's indicating that the stock is in a **downtrend** (see below).

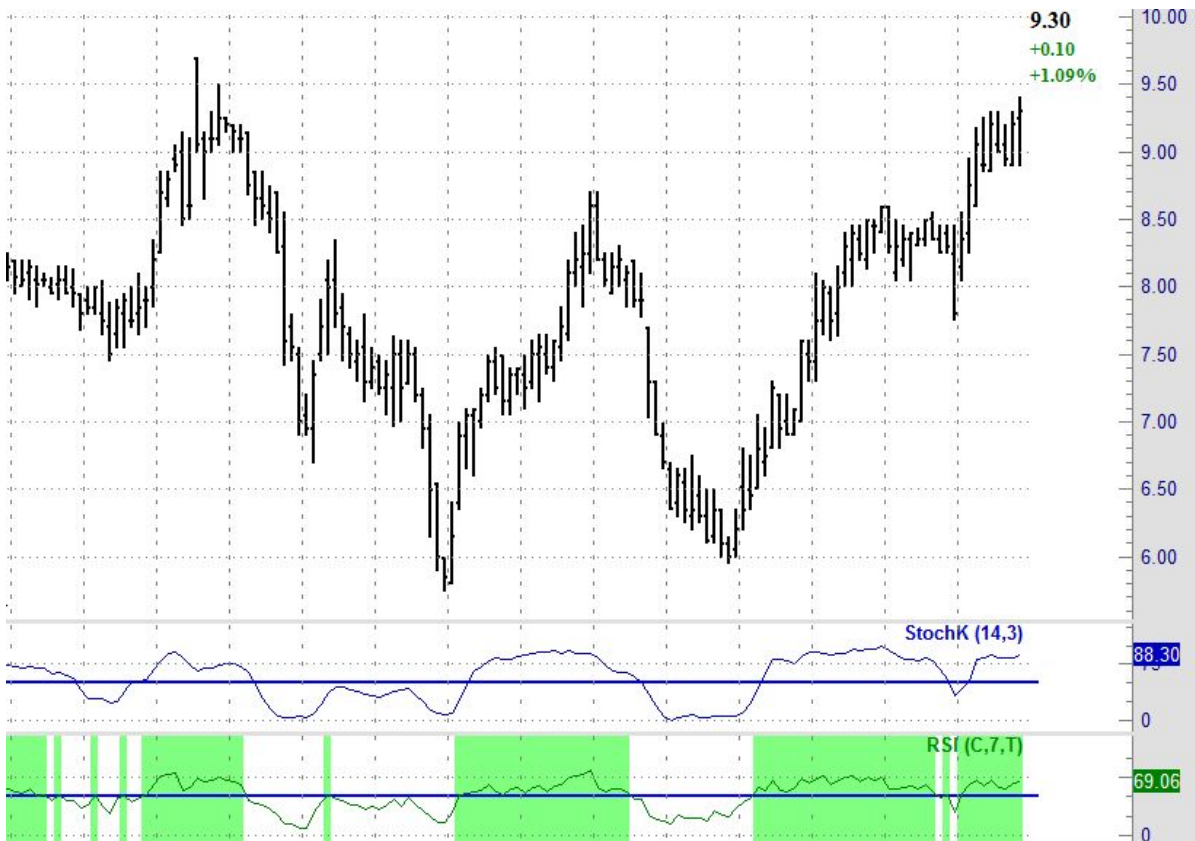


Pg. 51>>> INDICATOR 2: RELATIVE STRENGTH INDEX (RSI)

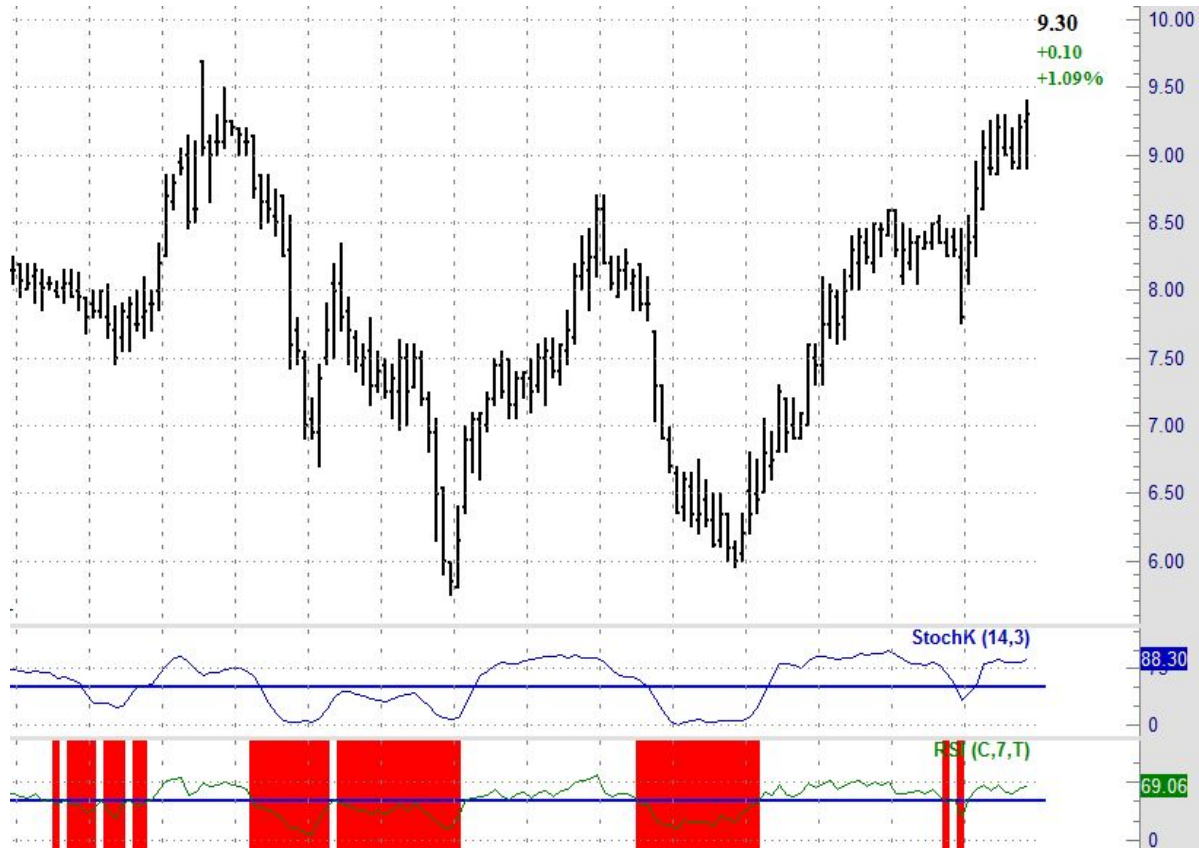
The next indicator is the Relative Strength Index (RSI), and we are using a setting of 7. Same as Stochastic %K, the RSI Indicator oscillates between 0 and 100.



Pg. 52>>> Again we want to pay attention to the 50 line. When the RSI is ABOVE 50, it's indicating that the stock is in an **uptrend** (see below).

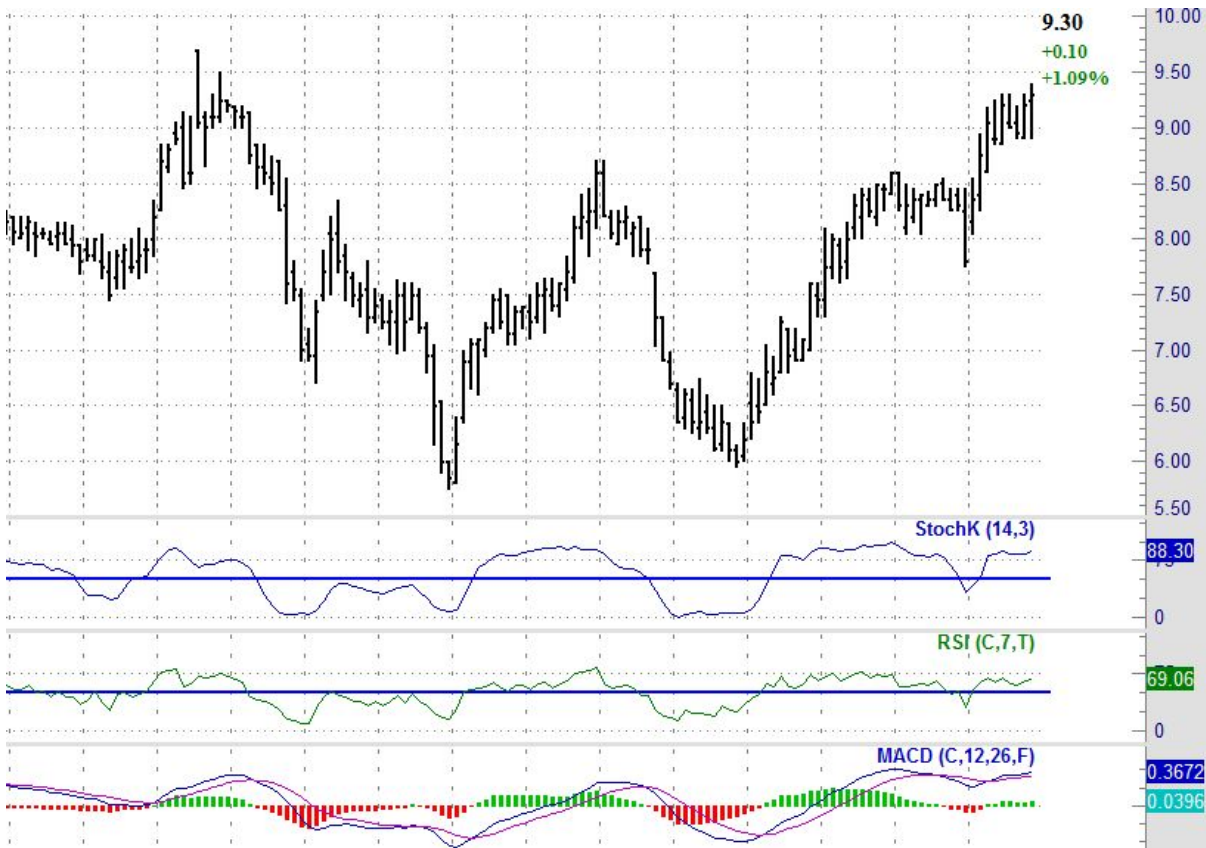


When the RSI is BELOW 50, it's indicating the stock is in a **downtrend** (see below).

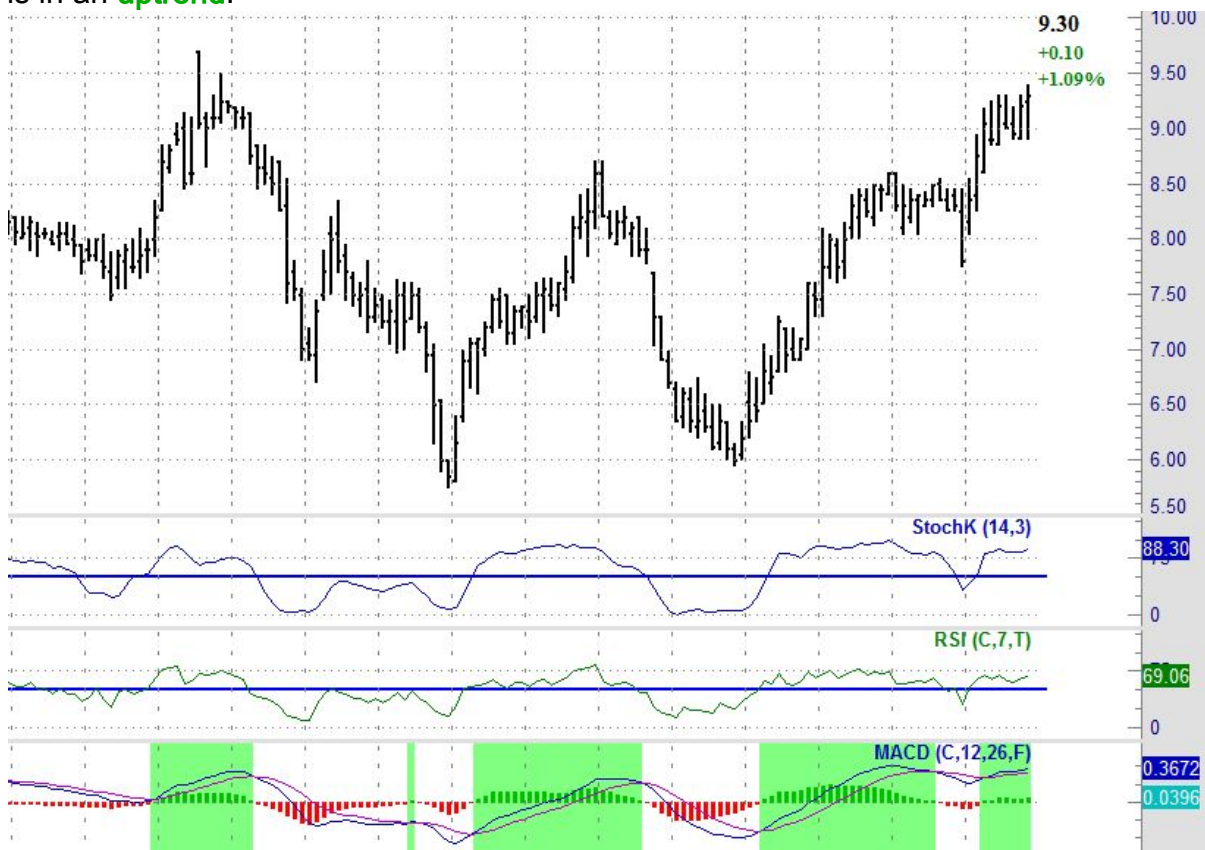


Pg. 53>>> INDICATOR 3: MOVING AVERAGE CONVERGENCE DIVERGENCE

The third indicator that we want to add to the chart is the Moving Average Convergence Divergence (MACD). We use the settings of **MACD (12, 26, 9)**.



Pg. 54>>> When the MACD is ABOVE its Signal Line, it's indicating that the stock is in an **uptrend**.



When the MACD is BELOW its Signal Line, it's indicating that the stock is in a **downtrend**.



Pg. 55>>> Now let's bring this all together. In the chart below you'll see all indicators together:

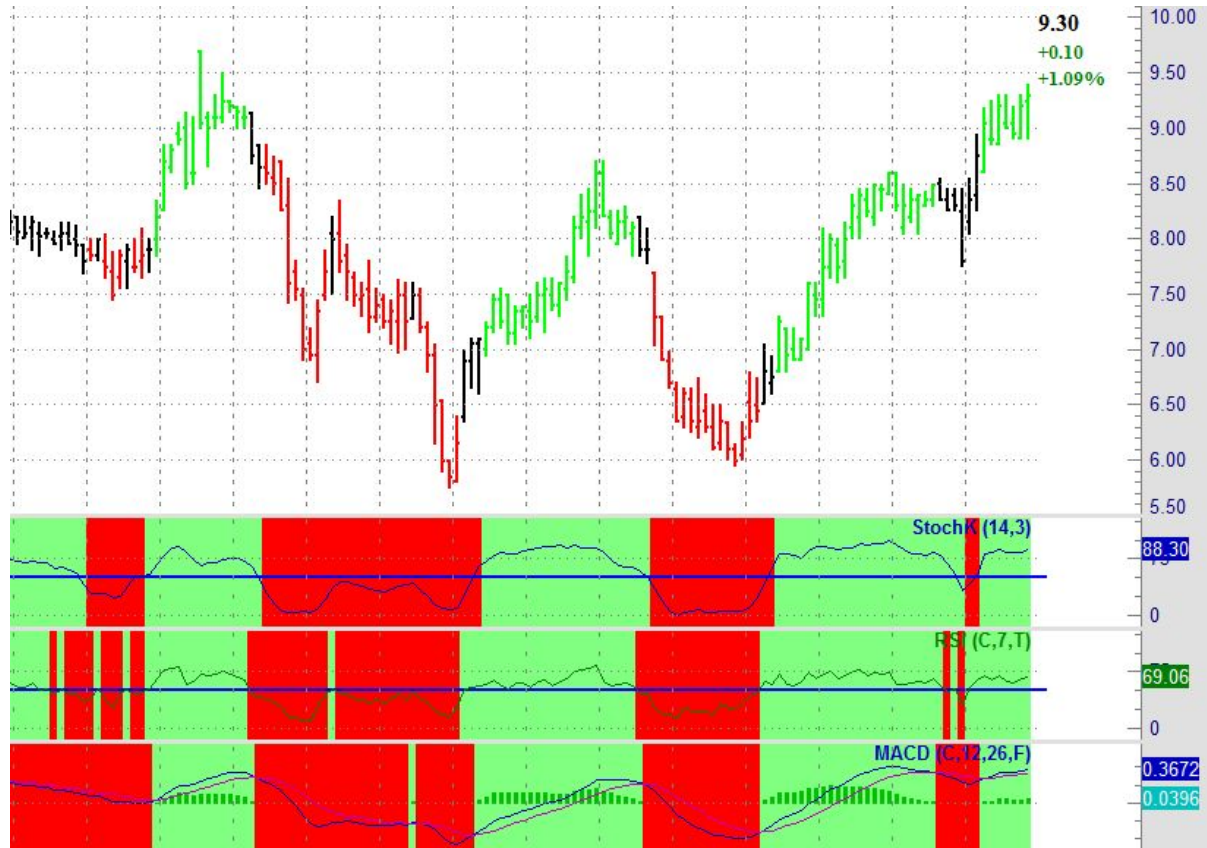
- When all three indicators are “green”, the stock is in an uptrend.
- When all three indicators are “red”, the stock is in a downtrend.



I personally like to make this even easier to see, and here's how:

- When all three indicators are green, I color the bars in the chart **green**.
- When all three indicators are red, I color the bars in the chart **red**.
- When only 1 or 2 indicators are green or red, i.e. not all three, then I color the bars in the chart **black**.

Pg. 56>>> This makes it VERY easy for me to see when a stock is in an **uptrend** (green bars), when it is in a **downtrend** (red bars), and when it is only moving **sideways** (black bars).



With these settings, you can now determine in five seconds or less, whether a stock is in an uptrend or a downtrend. Just look at the previous image.

SO...is this stock in an uptrend or in a downtrend?

- The Stochastic %K is at 88.3, i.e. ABOVE 50
- The RSI is at 69.06, i.e. ABOVE 50
- The MACD is above its Signal Line

Since all three indicators are showing an **uptrend**, this stock is in an **uptrend** right now.

Easy enough, isn't it?

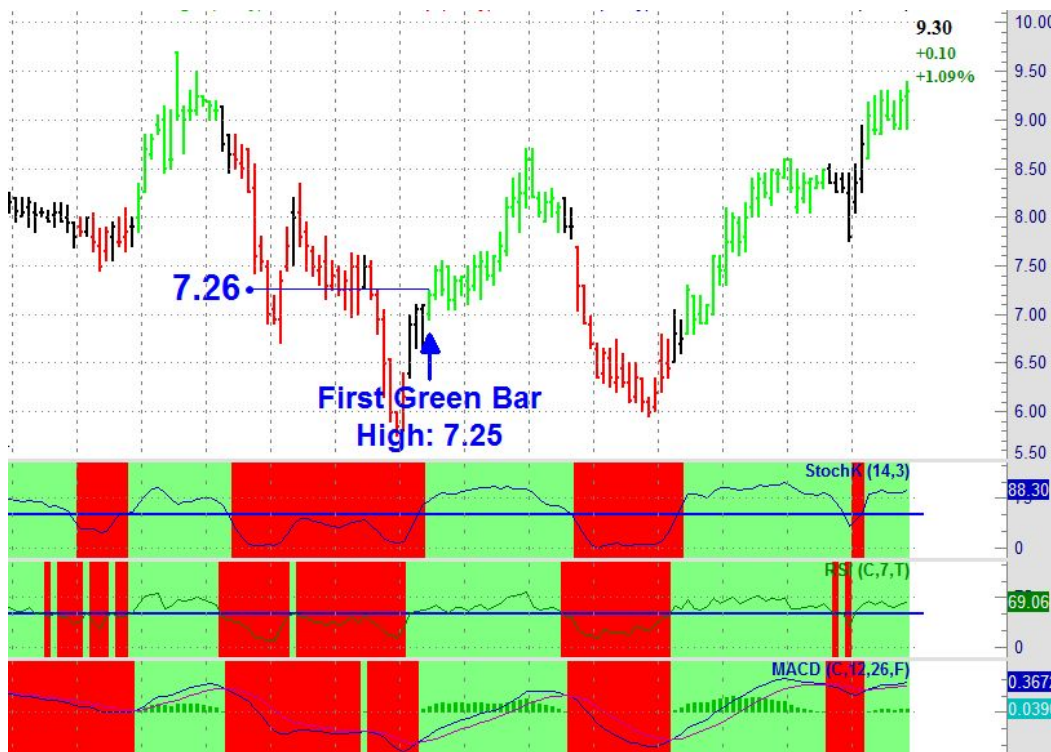
PART 2: WHEN TO ENTER A TRADE

Pg. 58>>> #1. We want to **BUY** a stock \$0.01 above the high of the bar on which all three indicators are green, i.e. the first green bar.



The high of the first green bar is at \$8.35, therefore we want to **BUY** \$0.01 above that high at \$8.36. As you can see, we're getting filled on the next day.

Pg. 59>>> Here's another example:



The high of the first green bar is at \$7.25, therefore we want to **BUY** \$0.01 above that high at \$7.26.

Pg. 60>>> Here's an example where we don't get filled right away:



The high of the first green bar is at \$7.30, therefore we want to **BUY** \$0.01 above that high at \$7.31.

But for the next three days, the stock doesn't move above \$7.30. But since the bars are still green—in other words, all three indicators are still signaling **BUY**—we leave the order in the market. On the 4th day after the signal occurred, the stock finally moves higher and we get filled.

IMPORTANT: If we had gotten a **BLACK** bar, we would have canceled the order and waited for the next green bar.

If you want to **SHORT** a stock, you can use the same logic to **SELL** a stock:

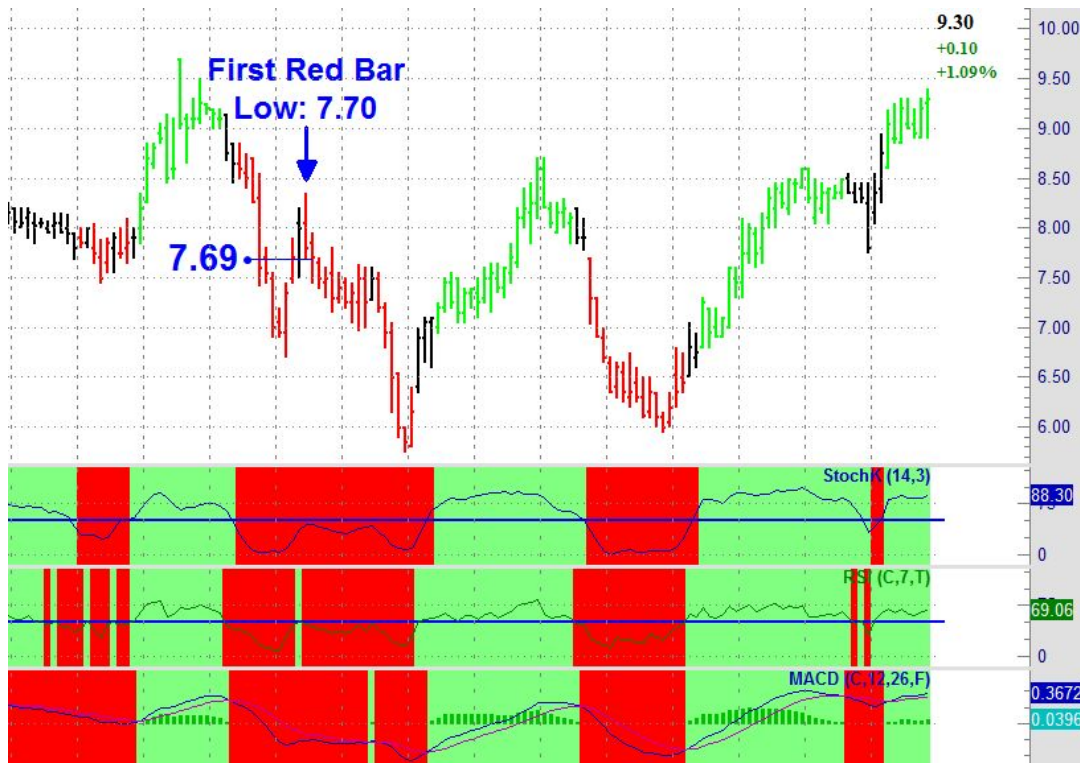
We want to **SELL** a stock \$0.01 below the low of the bar on which all three indicators are red—in other words, below the first red bar.

Pg. 61>>> Here's an example:



The low of the first red bar is at \$8.50, therefore we want to **SELL** \$0.01 below that low at \$8.49.

Pg. 62>>> A few weeks later, we get another signal:



The low of the first red bar is at \$8.50, therefore we want to **SELL** \$0.01 below that low at \$8.49.

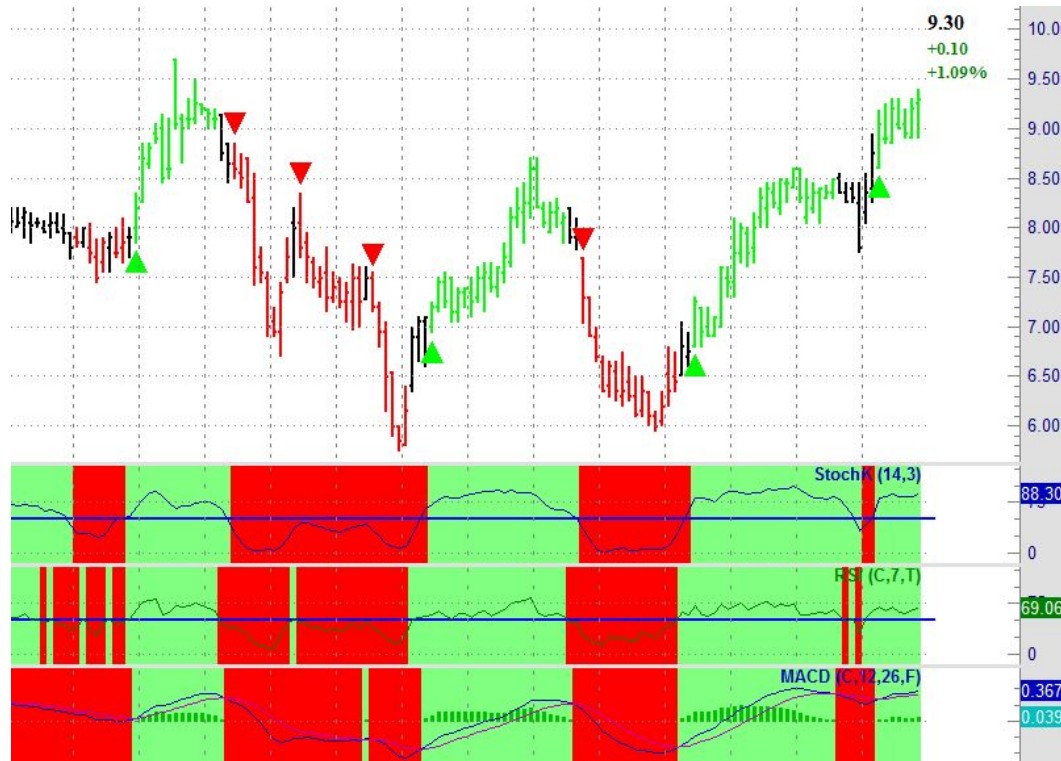
Pg. 63>>> There are two more SHORT signals. Take a look at the image below:



Pg. 64>>> So in total, we get seven trading signals:

- Four **BUY** Signals and
- Three **SELL** SHORT Signals, if you like to **SELL** stocks

Here are all the signals in one chart—note, **GREEN** triangles are **BUY** signals and **RED** triangles are **SELL** signals.



PART 3: WHEN TO EXIT A TRADE

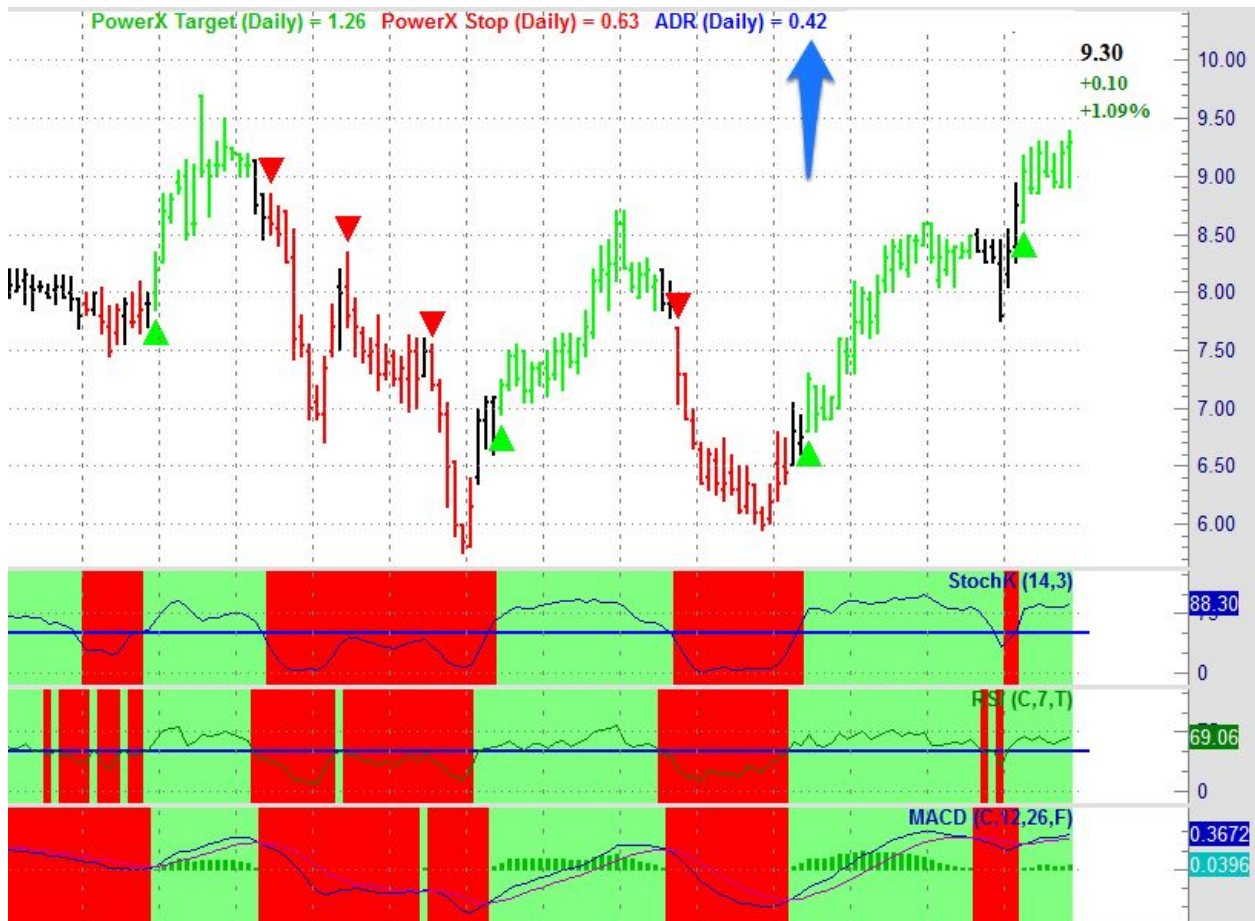
EXIT 1: STOP LOSSES

A stop loss limits your risk by getting you out of a trade if it's moving against you. THIS is the difference between successful traders and unsuccessful traders.

Successful traders use stop losses and liquidate their positions with a small loss if the trade goes against them.

Average Daily Range (ADR) = Moving Average (High of Daily - Low of Daily, 7)

Pg. 67>>> In the example below, the **Average Daily Range** is \$0.42:



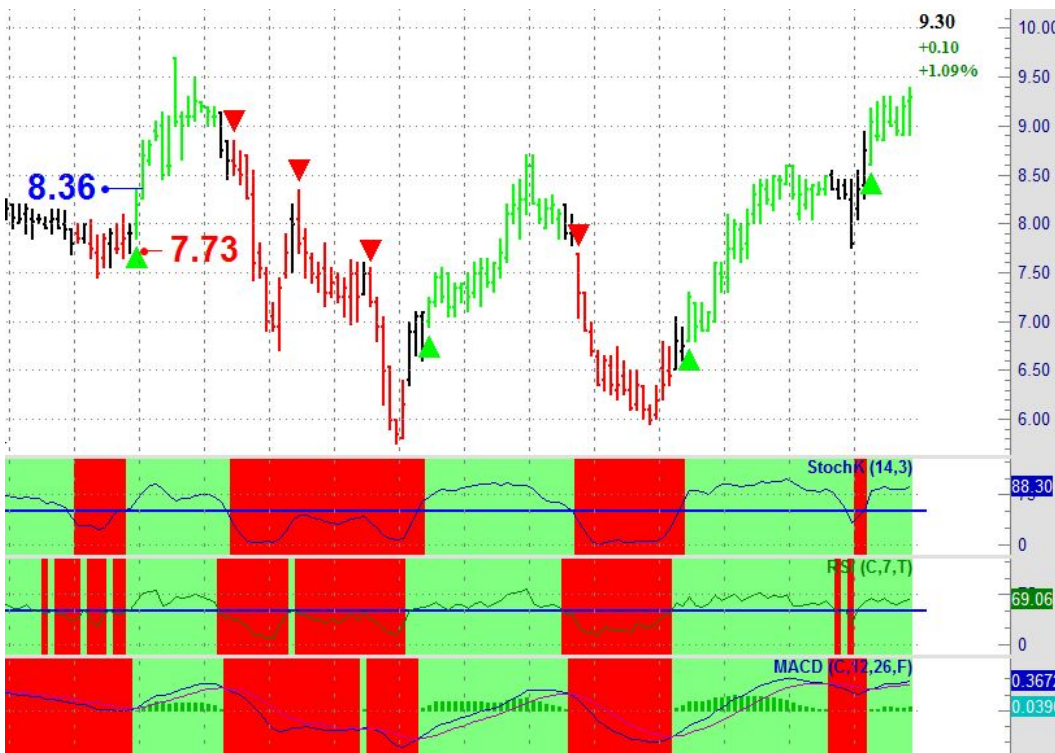
For my stop loss, I like to use 1.5 times the Average Daily Range:

Stop Loss = Average Daily Range * 1.5

Pg. 68>>> In this example, the stop loss is $\$0.42 * 1.5 = \0.63 .



When we enter the trade at \$8.36, we simply subtract \$0.63 from our entry and place our stop loss at \$7.73.



Pg. 69>>> Here's another example. In this scenario, we enter the trade at \$7.26 and simply subtract \$0.63 from our entry and place our stop loss at \$6.63.



As you can see, the stop loss is perfect: If we enter at \$7.26 and prices move down to \$6.63, we know that we are wrong and exit immediately. This way we only risk \$0.63 per share—just \$63 for 100 shares.

EXIT 2: PROFIT TARGET

This is the BETTER way to exit—by taking a PROFIT. For my profit target, I like to use three times the Average Daily Range:

$$\text{Profit Target} = \text{Average Daily Range} * 3$$

Pg. 72>>> In this example, the profit target is $\$0.42 * 3 = \1.26 .



Pg. 73>>> Here's another example. In this scenario, we enter the trade at \$7.26 and simply add \$1.26 to our entry and place our profit target at \$8.52.



Pg. 74>>> Here's another example:

- Entry is at \$7.31
- Stop loss is placed at $\$7.31 - \$0.63 = \$6.68$
- Profit target is placed at $\$7.31 + \$1.26 = \$8.57$



As you can see a few weeks after entering the trade, we hit our profit target—even though we NEVER came close to our stop loss. ***That's the power of SMART exits.***

EXIT 3: BLACK BAR EXIT

This exit is extremely powerful because **it enables you to exit a trade when the stock is going NOWHERE.**

Pg. 76>>> Here's an example:



- Without the “Black Bar Exit”, we would have been stopped out at 7.73 for a **loss of \$0.63 per share** or \$63 for 100 shares.
- With the “Black Bar Exit”, we exit the trade at 8.85 for a **profit of \$0.49 per share** or \$49 for 100 shares.

LEVERAGE YOUR ACCOUNT WITH OPTIONS

Pg. 92>>> Let's run through a quick example to illustrate these points. Below is a stock that gave us an entry signal to **BUY** for \$11.10. Based on the calculations that I gave you in the previous chapter, we place our **stop loss** at \$10.59 and our **profit target** at \$12.12.



As you can see, a few days after entering the trade, the profit target was hit, and we **made \$1.02 per share** or \$102 for 100 shares. **That's 9%** in just a few days!

TRADING OPTIONS with POWERX STRATEGY

Pg. 96>>> Let's start with an example—in this chart, all three indicators are signaling **BUY**. And today, the price of the stock moved above the high of the “signal bar” and if we had traded the stock, we would **BUY** the stock at \$13.96. Based on the stop loss and profit target calculations that you learned earlier, the stop loss for this trade would be at \$13.27 and the profit target is at \$15.34.



But we're not trading the stock. We're trading **OPTIONS**. **So we still have to look at the stock to see what it's doing, since the option is tied to the stock.**

Pg. 100>>> WHEN TO EXIT THE OPTIONS TRADE

After entering an options trade, take a quick look after the markets close to see if the stock gives an exit signal. In this example, the stock is moving up as expected after a few days—but we haven't reached our profit target yet.



In this case, you'd keep monitoring the stock. As soon as either the profit target or the stop loss is hit—or you wind up with a black bar—we exit the options trade. When you think about it all that way, it's very simple, isn't it?

GROW A SMALL ACCOUNT TO A *BIGGER* ONE

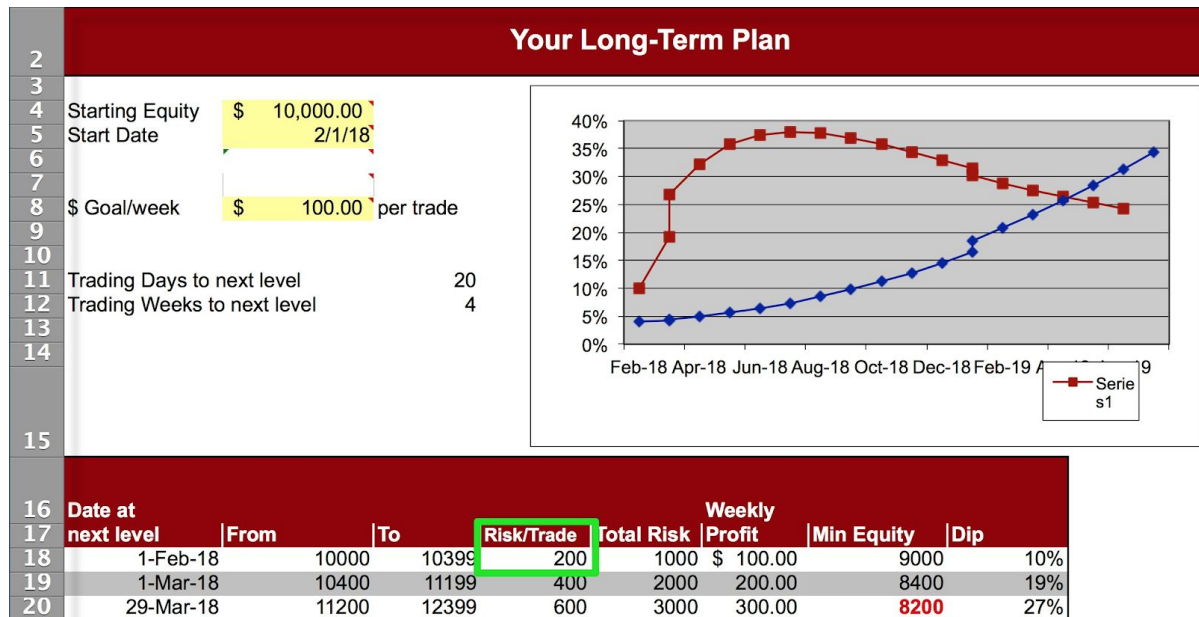
Pg. 110>>> The Best Money Management Approach

Let's assume you start with a \$10,000 account.

And let's say you start on Feb 1st, 2017.

The table below shows you exactly how much you are supposed to risk:

When you start trading, you apply the 2% Rule, i.e. you are allowed to risk 2% of your account. 2% of \$10,000 is \$200 (see Row 18)



And you already know, that when you risk \$200 and you apply the “Golden Rule,” you are trying to make \$400.

You will have some losing trades, and you will have some winning trade. Your goal is to make \$100 per week on a \$10,000 account.

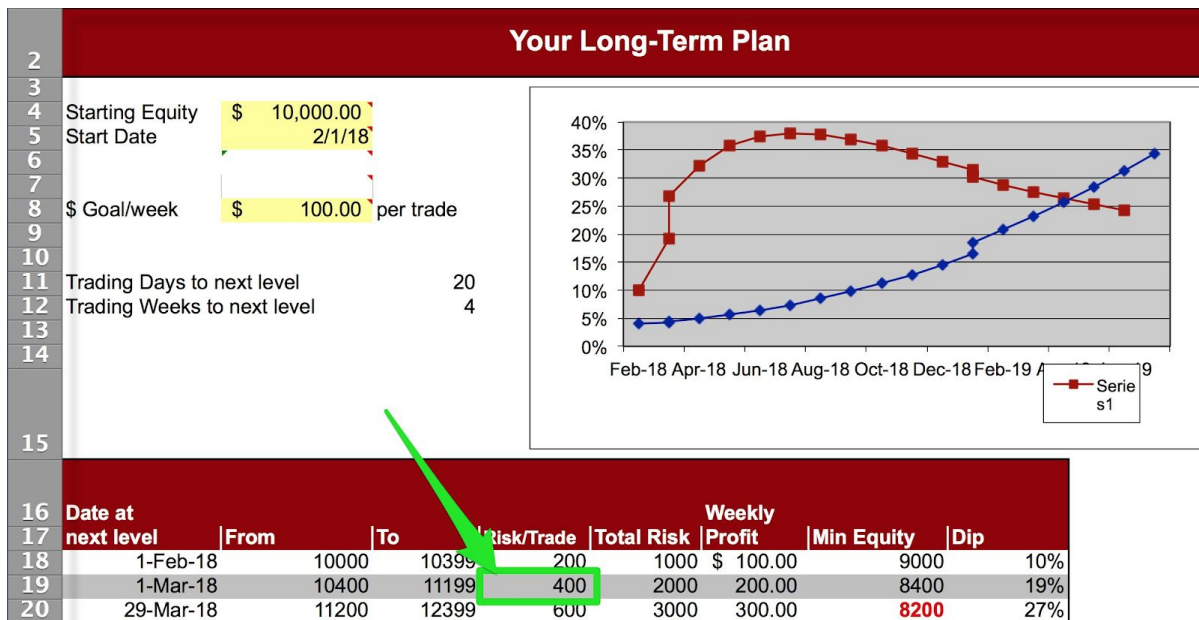
Do you believe that THIS is a realistic goal? - Of course it is.

So if you are trying to make \$100 per week, you will make \$400 within 4 weeks and your account grows from \$10,000 to \$10,400.

And that's when the magic happens:

Pg. 111>>> If you were able to make \$100 per week consistently for 4 weeks in a row, you have now earned the right to risk more.

As soon as your account is at \$10,400, you are now allowed to risk \$400 on every trade:



And since you are now risking \$400, you are trying to make \$800 per trade.

If you achieve your goal of making \$200 per week consistently for the next 4 weeks, your account will grow by \$800.

So now your account grows from \$10,400 to \$11,200.

Now you are allowed to increase your risk again from \$400 to \$600 per trade:



Since you are now risking \$600 per trade and you apply the “Golden Rule”, your profit target is now \$1,200. Therefore you no longer try to make \$200 per week, you are now trying to make \$300 per week.

And after you prove to yourself that you can make \$300 per week for the next 4 weeks, your account will grow by \$1,200 (4 weeks * \$300).

So your account grows from \$11,200 to \$12,400 by April 26, 2018.

As soon as there’s more than \$12,400 in your account, you are allowed to increase your risk again from \$600 to \$800.

And you increase your profit target from \$1,200 to \$1,600 since you are applying the “Golden Rule:” You risk \$800 and try to make \$1,600.

Pg. 114>>> The table below shows when exactly you should increase your risk, and therefore your profit target:

Date at next level	From	To	Risk/Trade	Total Risk	Weekly Profit	Min Equity	Dip
1-Feb-18	10000	10399	200	1000	\$ 100.00	9000	10%
1-Mar-18	10400	11199	400	2000	200.00	8400	19%
29-Mar-18	11200	12399	600	3000	300.00	8200	27%
26-Apr-18	12400	13999	800	4000	400.00	8400	32%
24-May-18	14000	15999	1000	5000	500.00	9000	36%
21-Jun-18	16000	18399	1200	6000	600.00	10000	38%
19-Jul-18	18400	21199	1400	7000	700.00	11400	38%
16-Aug-18	21200	24399	1600	8000	800.00	13200	38%
13-Sep-18	24400	27999	1800	9000	900.00	15400	37%
11-Oct-18	28000	31999	2000	10000	1,000.00	18000	36%
8-Nov-18	32000	36399	2200	11000	1,100.00	21000	34%
6-Dec-18	36400	41199	2400	12000	1,200.00	24400	33%
3-Jan-19	41200	46399	2600	13000	1,300.00	28200	32%
31-Jan-19	46400	51999	2800	14000	1,400.00	32400	30%
28-Feb-19	52000	57999	3000	15000	1,500.00	37000	29%
28-Mar-19	58000	64399	3200	16000	1,600.00	42000	28%
25-Apr-19	64400	71199	3400	17000	1,700.00	47400	26%
23-May-19	71200	78399	3600	18000	1,800.00	53200	25%
20-Jun-19	78400	85999	3800	19000	1,900.00	59400	24%

As you can see, after 1 year of trading, you could potentially grow a \$10,000 into \$46,400 on Feb 28, 2019!!!

And within 18 months, you could grow your account to \$86,000!

MY TRADING PLAN

I want to make \$ _____ per year

\$ _____ per month

\$ _____ per week

My Account Size \$ _____ I am willing to risk \$ _____

I will trade the following market(s): _____

Long Entry Signal: _____

Short Entry Signal: _____

Profit Target Exit: _____

Stop Loss Exit: _____

Other Rules: _____

“ The Rockwell LIVE event was soooo worth 2 long days of flying for 4 days in Texas. Trading is going great for me after being at Rockwell LIVE, so I am really glad I got to be there. ”

— Shannon Weum

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COACHING & MENTORING

Rockwell Trading anchors its processes in comprehensive one-on-one coaching and mentoring. Your Rockwell Trading Success Coach will mentor you directly to help you eliminate the negative habits holding you back while, at the same time, pushing you to refine your goals and map out a path from here to there. Because once you're there, there's no limit.

- Focus on clarifying your goals and ambitions, so you can strategize a meaningful path from point A to point B
- Learn to eliminate negative habits—the habits standing between you and long-term success
- Gain the skills, resources and know-how to eliminate challenges along the way, and keep yourself moving forward

Every trader and every trading path are different—different account sizes, trading styles, personality, time constraints and prior knowledge. So why should you follow a training plan built for someone else? Through ongoing coaching and mentoring, you'll construct an execution plan that makes sense for you and your trading right now—not for someone else, not for some other day, not for some other set of circumstances. Just YOU.

“*Markus is an enthusiastic, supportive and positive person and these qualities are present in his daily interaction with employees, contractors and the public...And if you are up to taking a challenge, he will provide you the opportunity to get out of your comfort zone and support you in learning new skills. Markus is constantly providing creative solutions that will inspire you to be the best possible. You will be asked to think outside the box and the best part is that he will value your opinion.*”

— Denise Geihm

POWERX SOFTWARE

Analyze over 15,000 stocks, options and ETFs in minutes with the PowerX Software, and leverage expert insights and real-time intel to place smarter, more strategic trades.

- Find stocks with the highest profit potential
- Know exactly when to enter the trade
- The software determines the best way to exit the trade based on the stock's unique characteristic
- PLUS: A powerful options module that selects the best option to trade as **gives you exact entry and exit signals.**

As a BONUS, you'll get instant access to a 35 minute video designed to teach you to trade like Markus using PowerX signals. This is one of the best ways for new and even experienced traders to get a big boost.

**SCHEDULE YOUR FREE SOFTWARE DEMO
AT [HTTPS://POWERXSTRATEGY.COM/GIFT](https://powerxstrategy.com/gift)**

“*When I first met Markus, I knew right away that Markus' trading knowledge and experience were just what I needed to be a successful day trader. Markus has become my 'Mentor' and I firmly believe that by following his complete day trading program I will become a successful trader as well as having the opportunity to network with a community of like minded traders.*”

— Ken Kowalchuk

WHAT'S NEXT?

Ready to dig in and take that next step with Markus & Mark? Ready to kickstart your trading career? Ready to push yourself to finally achieve and maintain true financial freedom?

Then let's get started...
Next Step:



YOUR one-on-one session with your Success Coach or, even, with Markus or Mark. It's all possible—and it's all possible RIGHT NOW.

Your customized strategy and coaching session paired with the skills, insights and know-how you've achieved can help position you for better understanding and better success now and in the future.

If you're ready, so are we—and we want to help you excel. Schedule your strategy session now by meeting with one of our Success Coaches and make the most out of this powerhouse weekend.

SCHEDULE YOUR FREE TRADING PLAN SESSION AT [HTTPS://POWERXSTRATEGY.COM/GIFT](https://powerxstrategy.com/gift)

Markus Heitkoetter is a dynamic intense motivator, an all around good guy and the expert for Trader Training. His company, Rockwell Trading is top notch. Too bad I didn't find him until I was past 50, but perhaps I couldn't have handled this much success earlier in life and it will mean more to me now."

— Mike Pope



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