

# MPX Checklist

## Question 1: Should I Be In or Out of the Stock Market?

Look at the Price Chart of SPY with exponential moving averages

If the 70 EMA is above the 161 EMA on the SPY price chart then go to "GREEN LIGHT MODE." There is a high probability that our money will be protected and grow IN the stock market.

Follow this system weekly until the market goes into Red Light Mode. If you don't want to check the price chart weekly or even monthly, set a 10% trailing stop loss trigger.

If the 70 EMA is below the 161 EMA on the SPY price chart then go to "RED LIGHT MODE." There is a low probability that our money will be protected and grow in the stock market.

Follow this system daily until the market goes into Green Light Mode.

*If you don't have your price chart set up, see system below: How to Set Up Price Charts*

## GREEN LIGHT MODE

If you're already fully invested in the market and continuing to invest more money and the market is in green light mode, continue to buy funds according to your allocation percentages. Ex. If you're 100% in IVV (S & P 500 with dividends re-invested), then you'd continue to buy IVV.

If you're not invested in the market yet or this buy is from a signal change (we recently switched from red light mode to green light mode), dollar-cost average into the market:

### First Time Buyers & Signal Change:

Day #1	Buy 1st 33%	Date: _____
Day #21	Buy 2nd 33%	Date: _____
Day #42	Buy 3rd 33%	Date: _____

## RED LIGHT MODE

If the 70 EMA just crossed below the 161 EMA then pay attention and wait to see if the “1% Rule” and / or “20% Rule” gets triggered.

During Red Light Mode, it's recommended to check daily (or set a trailing stop loss to alert you of a possible trigger).

### 1% Rule

If the 70 EMA is 1% or more below the 161 EMA, then sell 25% of position.

Check to see if the 70 EMA is below the 161 EMA:

$$161 \text{ EMA Price} \times .99 > 70 \text{ EMA Price}$$

Write down today's 161 EMA Price \_\_\_\_ and multiply by .99 = \_\_\_\_

Write down today's 70 EMA Price \_\_\_\_\_. Is it below the number above?

If YES, then sell first 25% of position AND write down the sell price and make a note in your calendar to check again in 30 days.

Today's Date: \_\_\_\_\_

Date in 30 Days: \_\_\_\_\_

Sell Price: \_\_\_\_\_

If NO, then wait and check again once at the end of each day.

### Still 1% Rule

If 30 days later, the 70 EMA is *still* 1% or more below the 161 EMA, AND the current price is below the sell price for the first 25%, then sell another 25% of position.

Write down today's 161 EMA Price \_\_\_\_ and multiply by .99 = \_\_\_\_

Write down today's 70 EMA Price \_\_\_\_\_. Is it below the number above?

Is Today's Price Lower than Previous Sell Price?

If YES and YES, then sell second 25% of position.

If NO, then wait and check again once at the end of each day.

## 20% Rule

If SPY is down 20% or more from 1 year high, then sell 25% of position.

Check to see if today's price is 20% below the 1 year high:

$$1 \text{ Year High Price} \times .80 > \text{Today's Price}$$

Write down price of 1 year high \_\_\_\_\_ and multiply by .80 = \_\_\_\_\_.

Write down today's SPY price \_\_\_\_\_. Is it below the number above?

If YES, then sell 25% of position AND make a note in your calendar to check again in 30 days.

Today's Date: \_\_\_\_\_

Date in 30 Days: \_\_\_\_\_

If NO, then wait and check again once at the end of each day.

## Still 20% Rule

If 30 days later, SPY is *still* down 20% or more from 1 year high, then sell another 25% of position.

Write down price of 1 year high \_\_\_\_\_ and multiply by .80 = \_\_\_\_\_.

Write down today's SPY price \_\_\_\_\_. Is it below the number above?

If YES, then sell another 25% of position.

If NO, then wait and check again once at the end of each day.

# How to Set Up Price Charts

Go to Stock Charts: [stockcharts.com](http://stockcharts.com)

Select Type of Chart: SharpChart

Type symbol **SPY** in appropriate field (this is an S & P 500 index tracking fund with dividends re-invested)

Hit Return

Update Chart Attributes (Below Price Chart):

Period:	Daily		
Range:	3 Years	6 Months	0 Days
Type:	Solid Line		
Size:	Landscape		
Color Scheme:	Default		
Up Color:	Black or Grey		
Down Color:	Black or Grey (Same as Up Color)		
Volume:	Off		
Overlays:	Exp. Moving Average	70	Blue
	Exp. Moving Average	161	Red
Indicators:	None		

Click the "Update" Button

Towards the top of the screen, click "Save As"

Save As: Daily Absolute - SPY

Click "Permalink" (Below Price Chart)

Paste URL Here: <http://schrts.co/cYATyTSi>

Bookmark URL for quick & easy reference