# THE WRITTEN PLAN: FIVE LINES BEFORE ENTRY

Vajgrt Labs - Education - Lesson 30 of 72 - 6 min read - Updated Oct 21, 2026

## TL;DR

- A trade plan is five lines written before entry: the setup (why this trade, in Stage 3's vocabulary), the entry (a price and an order type), the exits (profit target, max-loss exit, time exit), the size (Lesson 2's division, shown), and the invalidation (the observable fact that kills the idea).

- The worked example is a complete plan for a hypothetical SPY share trade on Stage 3's real October map: buy the 766-767 shelf if retested, 11 shares at 768, invalidation a close below 759, target the 779 shelf, five sessions maximum - $99 of planned risk on the $10,000 example account.

- The exits are written in the calm before the trade because the person you become during it is not a reliable author. Stage 0's disposition effect - sell winners early, ride losers - is what an unwritten exit turns into, at market speed.

## THE TAKEAWAYS

- Each line has a job. Setup: the reason, citing Stage 3 evidence - regime, levels, volume - not a feeling about the day. Entry: a price and a limit order (Stage 2: beginners default to limit), with its time-in-force. Exits: three of them - the profit target, the max-loss exit, and the time exit, because trades can fail by going nowhere as well as by going wrong. Size: Lesson 2's division, shown in the plan, not asserted. Invalidation: the observable fact that proves the idea wrong - distinct from the max-loss exit, which is the action you take when you see it.

- The plan is written for a specific reader: you, mid-trade, down money, at speed. It must be readable in ten seconds and leave nothing to improvise - no 'watch it', no 'decide later', no blanks where the hard part goes. If a line can't be written, the trade isn't ready; that is the plan doing its first job before any money moves.

- Plans can change exactly one way: the change and its reason are written in the journal BEFORE the action, and Lesson 6 grades it as a change. Silent edits - the target that quietly moves, the invalidation that quietly softens - are how a plan becomes a diary of excuses while still looking like discipline from the inside.

- 'No plan' is also a plan: the market's. Entry by impulse, size by leftover cash, exit by pain threshold - every account in Stage 0's evidence was built from unplanned trades, each one individually explainable on the day it happened. The five lines are not bureaucracy. They are the whole border between this course and the statistics it opened with.

**RULE: Setup, entry, exits, size, invalidation - written before entry, or there is no trade. The plan is not a prediction; it is a pre-commitment, and its value is precisely that it cannot be renegotiated by the person holding the position.**

## COMMON MISTAKES

- Writing the plan after entry. That is not planning; it is rationalisation with a timestamp problem, and the journal will know.

- A target with no max-loss exit - half a plan, and the missing half is the half that matters on

the bad morning.

- Invalidation as a feeling (’if it looks wrong’) instead of an observable price or fact. A feeling can always be renegotiated; a close below 759 cannot.

- Size stated as a share count with no division behind it. If the arithmetic isn’t in the plan, the size came from somewhere else - leftover cash, or a hunch - and Lesson 2 has names for both.

## DO IT - WRITE A PLAN FOR A TRADE YOU WON’T TAKE

Using this morning’s ten-minute routine (Stage 3, Lesson 6) and the fresh SPY Sheet, write a complete five-line plan in your journal for a hypothetical SPY share trade: your own account figure (or the $10,000 example), your own levels from the real chart, the division shown, all three exits, and the invalidation as an observable fact. Place no order - this plan is an artefact, and it is one third of Stage 4’s gate. Date it. If any line won’t write, write that down instead: it is the most useful sentence in the journal so far.

Education only - not financial advice. Risk figures are arithmetic on the lessons’ labeled example numbers. Drawdown figures: SPY daily closes via Yahoo Finance, cross-checked against Nasdaq data, Oct 15, 2026. Streak probabilities are exact probability arithmetic on stated win rates, not predictions. Vajgrt Labs - Education.