TT101 RESEARCH

Swing Trading for Beginners

A practical field guide to reading price, planning trades, managing risk, and reviewing decisions.

THE APPROACH

Observe the market. Define your setup. Size for uncertainty. Record what happened. Improve the process.

2026 EDITION / FREE MEMBER RESOURCE

START HERE

How to use this guide

A beginner can learn the process before putting capital at risk. Work through the examples with a paper account, then adapt the checklist to your own circumstances.

What you will learn

This guide covers market context, charts, potential setups, entries, exits, position sizing, orders, routines, and the habit of reviewing a trade after it closes.

What this guide cannot do

It cannot tell you which trade will work, what return to expect, or the exact price at which an order will fill. Prices can gap, liquidity changes, and every method has losing periods.

THE CORE QUESTION

Before a trade, can you describe the thesis, the condition that would invalidate it, the amount you could lose, and the action you will take if the market disagrees?

Contents

PRACTICE NOTE

The examples are hypothetical and simplified. They are teaching devices, not recommendations or simulated performance.

FOUNDATIONS

01 / Swing trading in context

Swing trading looks for price moves that may develop over several sessions or weeks. The holding period is an outcome of the plan and market behavior, not a fixed promise.

A trade is a hypothesis

A trader observes a possible opportunity, decides where that idea would be wrong, and plans what to do under several outcomes. A strong narrative does not make the outcome certain.

- **Context**
  Is the broader market supportive, choppy, or under pressure?
- **Instrument**
  Is the stock liquid enough for the intended order size? Are earnings or other events near?
- **Location**
  Is the proposed entry close enough to a logical invalidation point to make the risk acceptable?

HOLDING PERIODS VARY

A swing may last a few days or longer. Overnight news can move the opening price past a planned exit, so a short holding period is not the same as low risk.

PRACTICE NOTE

New traders can rehearse with historical charts and paper trades. Avoid borrowed capital while learning the mechanics.

MARKET STRUCTURE

02 / Reading the chart

Charts organize prices over time. They describe what buyers and sellers have done; they do not identify future prices with certainty.

Candles and time frames

A candle records open, high, low, and close for a chosen interval. Daily candles can frame a swing; a weekly view can reveal nearby supply or a larger trend that a daily view hides.

Trend and range

Higher swing highs and lows may indicate an advance. Lower highs and lows may indicate weakness. Overlapping swings often point to a range. These labels are observations and can change quickly.

Support and resistance

These are areas where price previously reacted, not exact walls. A prior high, base, or moving average may be useful context, but repeated tests can weaken an area.

A SIMPLE CHART READ

Mark the broad direction, recent swing high and low, nearby decision area, and the next scheduled catalyst. If the picture is unclear, passing is a valid decision.

PRACTICE NOTE

Volume and indicators can add context. They are derived from price and trading activity; agreement among them is still not a guarantee.

FIELDWORK

A chart in four questions

Use the same sequence on each candidate. Consistency makes review possible.

- **1 What is the market doing?**
  A stock can be strong while the wider market is deteriorating. Note both.
- **2 Where is price now?**
  An extended move and a pullback near a prior decision area offer different entry risks.
- **3 What changes my mind?**
  Write a price or observable condition before entering. Do not move it just to avoid accepting a loss.
- **4 What can disrupt the plan?**
  Earnings, economic releases, thin trading, and overnight gaps can change the outcome.

OPTIONAL INDICATORS

A moving average smooths past prices. Relative Strength Index (RSI) summarizes recent momentum. Neither supplies an automatic buy or sell instruction; test whether it adds value to your own process.

PRACTICE NOTE

Screening finds candidates. A candidate becomes a trade only when a defined plan fits your risk limits.

RESEARCH

03 / The TT101 research lens

TT101 Research uses a sequence of questions to organize a watchlist. This is a lens for investigation, not a claim that a company or trade will perform well.

- **Hot Theme**
  Is the business tied to a relevant theme that the market is currently recognizing?
- **Hot Company**
  Does it have a differentiated product, durable advantages, or pricing power worth investigating?
- **Hot Financials**
  Are growth, cash generation, margins, and the balance sheet supportive? Verify with current filings.
- **Hot RR**
  Is the proposed location attractive relative to a plausible invalidation and upside scenario? A rising stock can still have poor entry risk.

KEEP RESEARCH AND TIMING SEPARATE

A company you admire may be expensive or technically extended. A chart setup may look attractive while the business or upcoming event makes the risk difficult to assess.

PRACTICE NOTE

Daily Edge and TT Swing can provide research and signal context. Treat a signal as a prompt for your own analysis, not an instruction or assurance.

TRADE PLANNING

04 / From idea to setup

A setup is a set of observable conditions. Define it before the market opens so a price move does not become its own justification.

Example: pullback continuation

Hypothetical stock ABC has advanced, pulled back toward a prior base, and begun to stabilize. A trader might wait for renewed strength above a recent short-term high. A break below the base would challenge the thesis.

- **Entry condition**
  Specify the event that would permit an order, and the highest price you are willing to pay.
- **Invalidation**
  Choose a level or condition tied to the setup. The market may pass through it without a fill at that price.
- **Exit ideas**
  Identify a plausible obstacle, a time-based review point, and how you would respond to a strong or weak continuation.

WRITE THE PLAN

"If ABC meets my entry condition, I may buy within my price limit. If the thesis fails, I will review or exit according to my order plan. If it advances, I will reassess at the next decision area."

PRACTICE NOTE

A setup may never trigger. Missing it is better than rewriting your conditions after a rapid move.

TRADE PLANNING

Reward and risk are estimates

A risk/reward ratio compares an imagined upside scenario with a planned distance to invalidation. It does not estimate the probability of success.

Illustrative arithmetic

Suppose an entry is $50, a thesis level is $47, and an upside scenario is $56. Planned downside distance is $3 per share and scenario upside is $6: a 2:1 ratio before costs. A gap, spread, or delayed execution can make the actual loss larger.

Check the assumptions

Is $56 a plausible area based on the chart, or a number chosen to force a desirable ratio? Is $47 a real invalidation area, or an arbitrary tight stop? Is an earnings release close enough to alter both?

> **NO MAGIC THRESHOLD**
>
> A favorable ratio does not make a trade profitable. Win rate, average realized loss, costs, execution, and discipline all affect outcomes. Compare actual results with the plan over a meaningful sample.

> **PRACTICE NOTE**
>
> A target is a scenario for review. It is not a price the market owes you.

RISK

05 / Size the uncertainty

Decide how much capital can be exposed to the idea before deciding how many shares to buy. Use limits suited to your finances and risk tolerance.

A simple sizing calculation

Hypothetical account: $10,000. Illustrative planned risk budget: $50. Entry at $50 and thesis level at $47 gives a $3 planned distance. $50 divided by $3 is 16 whole shares, for a planned price-distance exposure of $48 before fees and slippage.

Why “planned” matters

If the stock opens at $43 after adverse news, an ordinary stop order may sell far below $47. Sixteen shares exited at $43 would lose about $112 before costs. Position sizing helps manage exposure; it cannot cap a gap loss.

ALSO CHECK TOTAL EXPOSURE

Several stocks in one theme can fall together. Consider correlated positions, cash needs, upcoming events, account rules, and the possibility of losses beyond the planned amount.

PRACTICE NOTE

The $50 budget is an example, not a recommended percentage or promise of maximum loss.

EXECUTION

Know what an order can do

Order mechanics matter most when a market moves quickly. Confirm your broker’s rules and the order details before placing a trade.

- **Market order**
  Seeks prompt execution, but the final price can differ from the last quote.
- **Limit order**
  Sets a minimum sale price or maximum purchase price. It might not fill.
- **Stop order**
  After the stop price is reached, it generally becomes a market order. The execution price is not guaranteed.
- **Stop-limit order**
  Becomes a limit order after triggering. It can remain unfilled while price continues against you.

GAPS AND FAST MARKETS

A stop is a tool for responding to risk, not a guaranteed maximum loss. Trading halts, wide spreads, and thin liquidity can complicate exits. Review the distinction between stop and stop-limit orders with your broker.

PRACTICE NOTE

Source: U.S. SEC Investor.gov, “Stop, Stop-Limit, and Trailing Stop Orders” and “Understanding Order Types.” Links on the resources page.

TRADE MANAGEMENT

06 / Manage what happens

Once in a position, compare new information with the written thesis. Do not judge the quality of a decision solely by whether it made money.

- **Before the open**
  Check relevant news, earnings dates, and any change to the broad market. Note the planned response to a gap.
- **During the trade**
  Track whether the original setup is intact. Avoid adding merely because the price fell or exiting only because of a small fluctuation.
- **At a decision area**
  Review whether the expected move has developed, stalled, or failed. Use the exit rules you chose, while allowing for new material information.
- **After the exit**
  Record the actual fill, costs, reasoning, and what diverged from the plan.

A FLEXIBLE PLAN HAS RULES

You may revise a plan when material facts change. Document the reason in real time; avoid retroactively describing an emotional decision as analysis.

PRACTICE NOTE

Short selling adds borrowing, margin, and potentially substantial loss risks. This introductory guide focuses on long stock examples.

WORKED EXAMPLE

A hypothetical trade diary

This example illustrates a decision process. It is not a real recommendation, backtest, or forecast.

- **Monday / observe**
  ABC is on a research watchlist. The broad market is mixed, and the stock is pulling into a prior trading area. No trade.
- **Tuesday / prepare**
  ABC stabilizes. Write an entry condition, acceptable price, thesis level, event check, and share count. Paper-trade the idea.
- **Wednesday / trigger**
  The condition occurs and the simulated order fills near the planned price. Log the actual fill, not the desired one.
- **Friday / reassess**
  Price stalls before the upside area. The trader reviews the thesis. An exit may be reasonable even without a target being reached.
- **Review / learn**
  Compare process with plan. Would the same decision have been justified if the outcome had been different?

ALTERNATE PATH

ABC gaps below the thesis level on earnings news. The planned risk estimate fails to describe the actual outcome. Record the gap and consider whether future event exposure should be avoided or sized differently.

PRACTICE

07 / A repeatable routine

A short routine can reduce impulsive decisions. The time required depends on the number of candidates and how much research you do.

- **Weekly / scan**
  Review market conditions, themes, company news, and the dates of major events. Build a small candidate list.
- **Daily / prepare**
  Update chart levels and written conditions. Remove candidates whose assumptions no longer hold.
- **At an entry / verify**
  Check price, size, order type, liquidity, open positions, and the maximum loss scenario you can tolerate.
- **At an exit / record**
  Capture the fill, reason, costs, and whether you followed your stated process.

START WITH PAPER PRACTICE

Record at least several examples across different market conditions. Paper results do not reproduce emotion or live execution, but the exercise reveals gaps in a plan.

PRACTICE NOTE

There is no deadline for placing a first live trade. A completed checklist can also lead to “no trade.”

WORKSHEET

The one-page trade card

Copy this template into a journal. Fill it before entering and complete the outcome fields afterward.

Candidate / date

Business or fund; date and time of analysis

Market / catalyst

Broad context; earnings or scheduled event

Thesis / setup

What is observable? Why now?

Entry / order

Trigger, acceptable price, order type

Invalidation / exit

What would change the thesis? How will you act?

Size / exposure

Shares, planned price-distance risk, correlated holdings

Upside / review

Potential decision area and reassessment date

Outcome / lesson

Actual fills, costs, process grade, next adjustment

REVIEW

Common beginner errors

Most mistakes become visible in a journal before they become visible in a summary return.

- **Chasing a move**
  An exciting chart is not automatically an attractive entry. Recalculate the risk from the current price.
- **Moving the exit**
  Widening a stop solely to avoid a loss changes the risk after the position is open.
- **Oversizing**
  A small planned distance can create a large share count and exposure to a large overnight gap.
- **Treating signals as facts**
  A screen or indicator describes conditions. It cannot certify the next move.
- **Ignoring costs and taxes**
  Frequent trading may incur spreads, fees, and tax consequences that vary by jurisdiction.
- **Changing rules after each loss**
  Review enough observations and distinguish a flawed process from normal variation.

> **PROCESS SCORE**
>
> Ask: Did I know the risk? Did I follow my entry and exit rules? Did I record the actual result? A profitable trade can still receive a poor process score.

REFERENCE

08 / Glossary and next steps

Keep these terms handy when reading TT101 Research reports or a broker order ticket.

- **Watchlist**
  A research list, not a set of instructions to buy.
- **Setup**
  Defined market conditions that may justify a plan.
- **Signal**
  An observation or rule-based alert that warrants further review.
- **Invalidation**
  A condition that weakens the original trade thesis.
- **Risk/reward**
  Comparison of a potential upside scenario and a planned downside distance.
- **Slippage**
  Difference between an expected price and the actual execution price.
- **Gap**
  A move between trading sessions that skips intermediate prices.
- **Liquidity**
  Ease of trading an instrument near a quoted price without undue impact.

A USEFUL NEXT STEP

Choose one historical chart. Write a trade card without looking ahead. Advance the chart one session at a time and record what your rules would have done.

FREE MEMBER RESOURCE

Continue with TT101 Research

This guide provides the foundation. Use the live research pages to examine current context and apply your own plan.

- **Daily Edge**
  Review the day's market regime, candidates, entry windows, positions, and actionable context.
- **Daily Intelligence**
  Read the market and company research behind the watchlist.
- **TT Swing**
  Review dated signal updates as trade-management context. A signal is not a guaranteed result.
- **Core Research List**
  Explore businesses followed for long-term research, then judge current price and risk separately.

JOIN THE FREE TT101 RESEARCH COMMUNITY

Visit tt101research.com and choose the free signup path to access member resources and updates. Check the current membership terms on the site before subscribing.

One principle to remember

Prepare for multiple outcomes. A repeatable decision process can be learned and reviewed even when the next price move cannot be known.

ABOUT THIS GUIDE

Sources and important information

TT101 Research | Swing Trading for Beginners | 2026 edition

Further reading

U.S. SEC Investor.gov: Stop, Stop-Limit, and Trailing Stop Orders
www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-15

U.S. SEC Investor.gov: Understanding Order Types
www.investor.gov/introduction-investing/general-resources/news-alerts/alerts-bulletins/investor-bulletins-14

FINRA: Stop Orders - Factors to Consider During Volatile Markets
www.finra.org/investors/insights/stop-orders-factors-consider-during-volatile-markets

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Publication note

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