VERBONZONE

Rocket Scooter Boot Camp

Pre-Class Primer

Trade the Plan, Trust the Process

The basics to know before your first class · Edition of October 12, 2026

Draft · still being polished

Welcome and How to Use This Book

Welcome! The Rocket Scooter Boot Camp assumes you already know the basics of futures trading. This primer gives you those basics in plain language, so you can spend class time on the Rocket Scooter method instead of catching up on vocabulary.

Read one chapter at a time. Each ends with a **Chapter Review** (a short summary and Key Points to Remember) and a short **quiz**. Answers are in the Answer Key at the back. Finish with the **Ready for Boot Camp Checklist**.

All times are **Central Time (CT)**. When this book says *main textbook*, it means the full Rocket Scooter college textbook from VerbonZone.

Using this book electronically

This book is made to be read on a screen as well as printed.

- **Search:** press **Ctrl+F** (**Cmd+F** on a Mac) in your PDF reader and type any word, such as *VWAP* or *half-gap*.
- **Bookmarks:** open your PDF reader's bookmarks or outline panel to jump to any chapter, review, quiz, the checklist or the answer key.
- **Clickable contents:** every entry on the Contents page is a link.
- **Web edition:** the HTML web edition has a search bar pinned to the top that highlights every match, shows a match count and steps through results with Next and Previous, plus a contents sidebar.

Important

Not financial advice. This primer is for education only. It is not financial, investment or trading advice. Futures trading involves substantial risk of loss and is not right for everyone. You can lose more than you deposit in a personal account. Past results, backtests and stream claims do not guarantee future results. Prop firm rules change; always check your own firm's current rules. Contract specifications were checked against CME Group on October 12, 2026.

Contents

Chapter 1: How Futures Work 5
Chapter 1 Review 8
Chapter 1 Quiz 9
Chapter 2: Reading a Chart 11
Chapter 2 Review 14
Chapter 2 Quiz 15
Chapter 3: Trading Sessions in Central Time 17
Chapter 3 Review 20
Chapter 3 Quiz 21
Chapter 4: Order Types 23
Chapter 4 Review 26
Chapter 4 Quiz 27
Chapter 5: Risk Basics 29
Chapter 5 Review 32
Chapter 5 Quiz 33
Chapter 6: Prop Accounts in General 35
Chapter 6 Review 38
Chapter 6 Quiz 39
Chapter 7: Platform Setup Basics 41
Chapter 7 Review 44
Chapter 7 Quiz 45
Chapter 8: Boot Camp Vocabulary 47
Chapter 8 Review 50
Chapter 8 Quiz 51
Ready for Boot Camp Checklist 53
Answer Key 55

Chapter 1: How Futures Work

What a futures contract is

A **futures contract** is an agreement to buy or sell something at a set price on a future date. The "something" can be a stock index (like the S&P 500), gold, oil, or many other markets. Day traders almost never hold a contract until that date. They buy and sell during the day and are flat (no position) before the session ends. What matters to a day trader is simple: **when the price moves, your account gains or loses a fixed dollar amount per contract.**

Futures trade on an exchange. The ones in this book trade on CME Group exchanges (the CME and COMEX). Every contract has a short **symbol** (ES, NQ, MES and so on) plus a month code, such as ESZ6 for December 2026. Most index contracts roll to a new month four times a year (March, June, September, December).

Long and short

- **Long** means you bought. You make money if price goes **up**.
- **Short** means you sold first. You make money if price goes **down**.

In futures, going short is as easy as going long. You do not need to own anything first.

Ticks and points

- A **tick** is the smallest amount the price can move.
- A **point** is a move of 1.00 in the price.
- On ES and NQ a tick is 0.25, so there are **4 ticks in one point**.

Every contract has a **tick value** (dollars per tick) and a **point value** (dollars per point). Learn these by heart. They are how you turn "price moved 10 points" into "I made or lost $X."

The contracts you will hear about

Symbol	Contract	Tick size	Tick value	Point value
ES	E-mini S&P 500	0.25 point	$12.50	$50
NQ	E-mini Nasdaq-100	0.25 point	$5.00	$20
MES	Micro E-mini S&P 500	0.25 point	$1.25	$5
MNQ	Micro E-mini Nasdaq-100	0.25 point	$0.50	$2
M2K	Micro E-mini Russell 2000	0.10 point	$0.50	$5
MGC	Micro Gold (10 troy ounces)	$0.10 per ounce	$1.00	$10 per $1 move

These values come from CME Group's published contract specifications (checked October 12, 2026). Exchanges can change specs, so check CME Group's site if anything looks different.

Minis and micros

A **micro** is one tenth the size of its "big brother." MES is 1/10 of ES; MNQ is 1/10 of NQ; MGC is 1/10 of the 100-ounce gold contract (GC). Same chart, same price, one tenth the dollars. That is why new traders should start with micros: mistakes cost one tenth as much.

Worked examples

- You buy 1 MES at 5,800.00 and sell at 5,804.00. That is 4 points × $5 = **+$20**.
- You short 2 MNQ at 20,500.00 and buy back at 20,510.00. Price went up 10 points against you: 10 × $2 × 2 contracts = **−$40**.
- You buy 1 MGC at 2,400.0 and sell at 2,403.5. That is $3.50 × $10 = **+$35**.
- You buy 3 M2K and price moves 2.0 points in your favor: 2 × $5 × 3 = **+$30**.

The formula is always: **points moved × point value × number of contracts.**

Margin and leverage

You do not pay the full value of a contract. Your broker holds a **margin** deposit, a small fraction of the value. This is **leverage**: a small amount of money controls a large amount of market. Leverage makes gains bigger and losses bigger. One ES contract controls roughly 50 times the S&P 500 index price, which is why a 20-point move is $1,000 per contract. Respect it.

Commissions and fees

Every round trip (in and out) has commissions and exchange fees. On micros these can be a large share of a small profit. Always include them when you judge whether a trade was worth it.

Chapter 1 Review

Summary

A futures contract lets you profit or lose a fixed dollar amount for each tick the price moves. Ticks are the smallest price steps, points are 1.00 moves, and each contract has its own tick and point value. Micros are one tenth the size of their mini versions, which makes them the right place for beginners to start. Leverage magnifies both gains and losses.

Key Points to Remember

- Long profits when price rises; short profits when price falls.
- A tick is the smallest move; on ES and NQ, 4 ticks = 1 point.
- ES = $50/point, NQ = $20/point, MES = $5/point, MNQ = $2/point.
- M2K ticks in 0.10 for $0.50 ($5/point); MGC ticks in $0.10 for $1.00 ($10 per $1 move).
- Micros are 1/10 of their minis: same chart, one tenth the dollars.
- Profit or loss = points moved × point value × contracts.
- Margin is a deposit, not the contract's value. Leverage cuts both ways.
- Count commissions and fees, especially on small micro trades.

Chapter 1 Quiz

1. **How many ticks are in one ES point?**
    1. 2
    2. 4
    3. 10
    4. 25
2. **What is one point worth on MNQ?**
    1. $0.50
    2. $2
    3. $5
    4. $20
3. **You buy 2 MES and price rises 6 points. Your profit before fees is:**
    1. $12
    2. $30
    3. $60
    4. $600
4. **One tick of MGC is worth:**
    1. $0.10
    2. $1.00
    3. $10
    4. $100

5. **A micro contract is what fraction of its mini?**
    1. 1/2
    2. 1/5
    3. 1/10
    4. 1/100
6. **You are short and price goes up. You:**
    1. make money
    2. lose money
    3. break even
    4. are automatically closed

Chapter 2: Reading a Chart

Candlesticks

Each **candle** shows four prices for one slice of time:

- **Open**: the first price of that slice
- **High**: the highest price reached
- **Low**: the lowest price reached
- **Close**: the last price of that slice

The thick part is the **body** (open to close). The thin lines above and below are **wicks** (or shadows) that reach the high and low. A candle that closes higher than it opened is usually drawn green (or white); one that closes lower is red (or black).

Reading wicks: a long lower wick means sellers pushed price down but buyers pushed it back up. A long upper wick means the opposite. Wicks at a level often show that the level is being defended.

Timeframes

The **timeframe** is how much time each candle covers: 1 minute, 5 minutes, 15 minutes, 1 hour, 1 day. The same market looks very different on each.

- **Higher timeframes** (15-minute, hourly, daily) show the big picture: trend and major levels.
- **Lower timeframes** (1-minute, 2-minute, 5-minute) show the details used to time entries.

A common habit is to look at a higher timeframe first for context, then drop to a lower one to plan the entry.

Volume

Volume is how many contracts traded during each candle, usually shown as bars at the bottom of the chart. Volume tells you how much participation sits behind a move.

- A big move on big volume has real participation behind it.
- A move on thin volume can reverse more easily.
- Heavy volume at a price level shows traders care about that price. Much of Boot Camp is about price levels where heavy volume is expected.

Support and Resistance

Support is a price area where buying has tended to stop a fall. **Resistance** is an area where selling has tended to stop a rise. When a level breaks, old resistance often becomes new support (and the other way around). Levels are zones, not laser lines: price often pokes a few ticks past them.

VWAP

VWAP stands for **Volume-Weighted Average Price**. It is the average price paid by everyone since a starting time, weighted by how many contracts traded at each price.

- Price **above** VWAP: buyers have been in control since the start time, on average.
- Price **below** VWAP: sellers have been in control.
- Price often comes back to VWAP, and VWAP often acts as support or resistance.

VWAP has to start somewhere. That start time is called the **anchor**: for example, the 5:00 PM CT futures open or the 8:30 AM CT stock market open. Two charts with different anchors show different VWAPs, so always know which one you are looking at. The main textbook builds a whole toolkit on VWAP (Chapter 3, and the VARIS bands in Chapter 7).

Trend in plain words

- **Uptrend**: higher highs and higher lows.
- **Downtrend**: lower highs and lower lows.
- **Range**: price bouncing between a ceiling and a floor.

You do not need fancy indicators to see these. Zoom out and look.

Chapter 2 Review

Summary

Candles show the open, high, low and close for a slice of time, and wicks show where price was rejected. Higher timeframes give context while lower timeframes help time entries. Volume shows participation, and heavy volume at a price shows traders care about it. VWAP is the volume-weighted average price from an anchor time, and price above or below it tells you who has been in control.

Key Points to Remember

- Each candle = open, high, low, close; body and wicks.
- Long wicks at a level often show that the level is being defended.
- Look at a higher timeframe for context, then a lower one for entries.
- Big moves on big volume carry more weight than moves on thin volume.
- Support and resistance are zones, not exact lines.
- VWAP = volume-weighted average price since an anchor time.
- Above VWAP, buyers have controlled on average; below it, sellers have.
- Always know which anchor your VWAP uses.

Chapter 2 Quiz

1. **The thin lines above and below a candle body are called:**
    1. bars
    2. wicks
    3. bands
    4. gaps
2. **A long lower wick usually means:**
    1. sellers won the candle easily
    2. buyers pushed price back up from the low
    3. there was no volume
    4. the market was closed
3. **VWAP stands for:**
    1. Very Wide Average Price
    2. Volume-Weighted Average Price
    3. Variable Weekly Average Price
    4. Volume With All Prices
4. **Price is trading well below VWAP. On average since the anchor:**
    1. buyers have been in control
    2. sellers have been in control
    3. nothing can be said
    4. the market is closed

5. **Higher highs and higher lows describe:**
    1. an uptrend
    2. a downtrend
    3. a range
    4. a gap
6. **Which timeframe is best for big-picture context?**
    1. 1-minute
    2. 15-minute or higher
    3. tick chart
    4. none

Chapter 3: Trading Sessions in Central Time

All times in this book are **Central Time (CT)**, the time zone used in Chicago, where CME is based. Many streams and websites use **Eastern Time (ET)**, which is one hour later. 9:30 AM ET is 8:30 AM CT. Keep that conversion in your head; you will use it every day.

The futures week

Stock index futures (ES, NQ, MES, MNQ, M2K) and gold (MGC) trade nearly around the clock on CME Globex:

- **Opens:** Sunday at 5:00 PM CT
- **Trades:** almost 24 hours, Sunday evening through Friday afternoon
- **Daily break:** 4:00 PM to 5:00 PM CT, Monday through Thursday
- **Closes for the week:** Friday at 4:00 PM CT

Holidays can shorten or close sessions. Check the exchange holiday calendar.

Globex (the overnight session)

Globex is CME's electronic trading system. Traders use "Globex" or "overnight" to mean the hours outside the regular stock market day: from the 5:00 PM CT reopen through the night until the 8:30 AM CT cash open. Volume overnight is usually lighter, so moves can be choppier or drift quietly. Asia and then Europe trade during these hours. The main textbook covers overnight context in Chapter 12.

The cash open: 8:30 AM CT

The U.S. stock market (the "cash" session) opens at **8:30 AM CT** (9:30 AM ET). Stocks begin trading and volume jumps. This is often the busiest, fastest part of the day. Many Rocket Scooter tools refresh around this time, because fresh options and stock data become available at the open.

Important economic reports often come out at **7:30 AM CT** (8:30 AM ET), before the open. Fast moves around reports can blow through stops. New traders are often wise to stand aside for those minutes.

The day in pieces

Time (CT)	What is happening
5:00 PM	Futures reopen (Globex)
Evening and overnight	Asia, then Europe; lighter volume
7:30 AM	Many U.S. economic reports
8:30 AM	U.S. cash stock market opens
8:30 to about 10:00 AM	First hour or so; usually the most action
Late morning to early afternoon	Often slower, "lunch" chop
3:00 PM	U.S. cash stock market closes
3:00 to 4:00 PM	Futures keep trading for one more hour
4:00 PM	Futures daily break

The close and "the gap"

The stock market closes at **3:00 PM CT**. The next morning it opens at 8:30 AM CT, usually at a different price. The difference between yesterday's close and today's open is the **gap**. Boot Camp spends a lot of time on gaps: the halfway point (**half-gap**) and the return to the prior close (**gap fill**). Note that the futures market has its own small gap at the 4:00 to 5:00 PM break; the main textbook explains which gap is meant where (Chapters 4 and 5).

Why sessions matter

- Levels, VWAP anchors and some tools depend on which session you are in.
- The same move means more when volume is high than in a thin overnight market.
- Prop firm rules often say when you must be flat (out of all trades). Know the time.

Chapter 3 Review

Summary

This book uses Central Time; Eastern is one hour later. Futures trade nearly 24 hours from Sunday 5:00 PM CT to Friday 4:00 PM CT, with a daily break from 4:00 to 5:00 PM CT. The overnight Globex session is thinner; the 8:30 AM CT cash open brings the most activity and fresh data. The stock market closes at 3:00 PM CT, and the difference between that close and the next open is the gap.

Key Points to Remember

- 9:30 AM ET = 8:30 AM CT. Convert every time you hear ET.
- Futures open Sunday 5:00 PM CT and close Friday 4:00 PM CT.
- Daily futures break: 4:00 to 5:00 PM CT.
- Globex/overnight = outside regular stock hours; lighter volume.
- Many economic reports come out at 7:30 AM CT; moves can be violent.
- Cash stocks: 8:30 AM to 3:00 PM CT.
- The gap = prior close to today's open; half-gap is its midpoint.
- Sessions affect levels, VWAP anchors and prop firm 'be flat' rules.

Chapter 3 Quiz

1. **The U.S. cash stock market opens at what time Central?**
    1. 7:30 AM
    2. 8:30 AM
    3. 9:30 AM
    4. 10:30 AM
2. **Equity index futures take a daily break from:**
    1. 3:00 to 4:00 PM CT
    2. 4:00 to 5:00 PM CT
    3. 5:00 to 6:00 PM CT
    4. they never stop
3. **Globex usually refers to:**
    1. only the first hour
    2. the electronic overnight session
    3. a stock exchange in London
    4. an indicator
4. **Futures reopen for the week on:**
    1. Sunday 5:00 PM CT
    2. Monday 8:30 AM CT
    3. Sunday midnight
    4. Monday 5:00 PM CT

5. **The cash stock market closes at:**
    1. 3:00 PM CT
    2. 4:00 PM CT
    3. 5:00 PM CT
    4. 2:00 PM CT

6. **A stream says 'the 10:00 ET report'. In CT that is:**
    1. 8:00 AM
    2. 9:00 AM
    3. 10:00 AM
    4. 11:00 AM

Chapter 4: Order Types

An **order** is your instruction to the broker. Picking the right type is a big part of controlling risk.

Market order

"Buy (or sell) right now at the best available price."

- **Pro:** you are filled almost for sure.
- **Con:** you do not control the price. In fast markets you may get **slippage**, a worse price than you saw on the screen.

Limit order

"Buy at this price or lower" (or "sell at this price or higher").

- A **buy limit** sits **below** the current price. A **sell limit** sits **above** it.
- **Pro:** you control the price. Good for entering at a planned level and for taking profits.
- **Con:** price may never reach your limit, so you may not be filled. Price can also touch your limit and not fill you if others were ahead in line.

Stop order (stop-market)

"When price reaches this level, send a market order."

- A **sell stop** sits **below** the price. It protects a long position.
- A **buy stop** sits **above** the price. It protects a short position.
- Once triggered it becomes a market order, so it can slip in fast markets, but it **gets you out**.

- A **stop-limit** becomes a limit order instead. It controls price but may not fill at all when you most need to get out. Beginners should use regular stop-market orders for protection.

Bracket and OCO orders

A **bracket** attaches two exit orders to your entry:

- a **stop-loss** (your maximum loss), and
- a **profit target** (a limit order where you take profit).

The two exits are linked as **OCO: One Cancels the Other**. When one fills, the platform cancels the other. Without OCO, you might hit your target and leave a stray stop sitting in the market, which could later open a brand new position you never wanted.

Most platforms, including Tradovate, let you save a default bracket (for example, stop 8 points, target 12 points) so every entry gets protection automatically.

Why every trade needs a stop

- Markets can move further and faster than you think. A news headline can move NQ 50 points in a minute.
- Without a stop, one bad trade can wipe out weeks of gains or blow a prop account in a single day.
- A stop decides your loss **before** emotions do. "I'll get out if it goes against me" usually turns into "I'll wait for it to come back."
- Your stop tells you how many contracts you can trade (Chapter 5). No stop means no way to size correctly.

Put the stop in **when you enter**, not after. Move it only to reduce risk, never to give a losing trade more room.

Common order mistakes

- Placing a buy limit above price (it fills instantly like a market order).

- Forgetting a working order and getting filled later.
- Doubling the size by clicking twice. Check your position after every click.
- Trading the wrong contract month or the mini instead of the micro. Check the symbol.

Chapter 4 Review

Summary

Market orders fill right away but can slip; limit orders control price but may not fill; stop orders get you out once a price is hit. A bracket attaches a stop-loss and a profit target linked as One-Cancels-the-Other. Every trade needs a stop placed at entry, because it caps your loss, keeps emotions out of the exit and tells you how many contracts to trade.

Key Points to Remember

- Market = fast fill, no price control, possible slippage.
- Buy limits sit below price; sell limits sit above price.
- Sell stops protect longs (below price); buy stops protect shorts (above price).
- Beginners should protect with stop-market, not stop-limit, orders.
- A bracket = entry + stop-loss + target, linked OCO.
- OCO means one exit filling cancels the other.
- Place the stop at entry; only move it to reduce risk.
- Check symbol, contract size and position after every click.

Chapter 4 Quiz

1. **Which order guarantees a fill but not a price?**
    1. limit
    2. market
    3. stop-limit
    4. OCO
2. **To protect a long position you use a:**
    1. buy stop above price
    2. sell stop below price
    3. buy limit below price
    4. sell limit above price
3. **OCO stands for:**
    1. Order Closes Out
    2. One Cancels the Other
    3. Open Contract Order
    4. Only Close Once
4. **A buy limit order is placed:**
    1. above the current price
    2. below the current price
    3. at the high of the day
    4. only at the open

5. **When should you place your stop?**
    1. after the trade goes against you
    2. when you enter
    3. only on big trades
    4. at the end of the day
6. **Why can a stop-limit be dangerous for protection?**
    1. it costs more
    2. it may not fill in a fast market
    3. it always slips
    4. it cancels your target

Chapter 5: Risk Basics

Good traders are, first of all, good at losing small. This chapter shows how.

Risk per trade

Risk is how much you lose if your stop is hit:

Risk = stop distance (points) × point value × contracts

Decide your risk in dollars **first**, then work out how many contracts fit.

Position sizing

Contracts = dollars you are willing to risk ÷ (stop distance × point value)

Always round **down**.

Worked micro examples

Example 1: MES. You will risk $50. Your stop is 4 points away. One MES loses 4 × $5 = $20 at the stop. $50 ÷ $20 = 2.5, so trade **2 MES** (risk $40).

Example 2: MNQ. You will risk $100. Your stop is 15 points. One MNQ loses 15 × $2 = $30. $100 ÷ $30 = 3.3, so trade **3 MNQ** (risk $90).

Example 3: MGC. You will risk $60. Your stop is $4.00 away. One MGC loses 4 × $10 = $40. $60 ÷ $40 = 1.5, so trade **1 MGC** (risk $40).

Example 4: M2K. You will risk $75. Your stop is 6 points. One M2K loses 6 × $5 = $30. $75 ÷ $30 = 2.5, so trade **2 M2K** (risk $60).

Example 5: when the answer is zero. You will risk $25, and your MNQ stop must be 20 points ($40 per contract). $25 ÷ $40 = 0.6, which rounds down to **zero**. The trade does not fit your risk. Skip it or find a setup with a tighter, sensible stop. Do not widen your risk to "make it fit."

The 2% rule

A widely used guideline: **never risk more than about 2% of your account on one trade.** Many traders use 1% or less.

- $5,000 account × 2% = **$100** maximum risk per trade.
- At 2%, ten losses in a row still leave you with about 82% of your account. At 10% per trade, the same streak would leave about 35%.

Losing streaks happen to everyone. Small risk keeps you in the game long enough to get good.

Daily loss limit

A **daily loss limit** is the most you allow yourself to lose in one day. When you hit it, **you are done for the day.** No "one more trade."

- A simple personal rule: daily limit = about 3 times your per-trade risk.
- Write it down before the session. Many platforms can enforce it automatically.
- Prop accounts often have a daily limit built in (Chapter 6).

Drawdown

Drawdown is how far your account has fallen from its high point. If your account peaked at $10,500 and is now $9,900, your drawdown is $600.

Losses get harder to recover as they grow:

Loss	Gain needed to get back to even
10%	11%
20%	25%
50%	100%

Reward to risk

Compare what you can make to what you can lose. A target 12 points away with a stop 6 points away is 2 to 1. With 2-to-1 trades, you can be right less than half the time and still come out ahead, before costs.

The emotional side

- **Revenge trading:** trading bigger after a loss to "win it back." It is the fastest way to blow an account.
- **FOMO:** chasing a move you missed. Wait for the next setup.
- **Overtrading:** trading because you are bored. Fewer, better trades usually win.

The main textbook goes deeper on when not to press (Chapter 11) and on how confluence grades size (Chapter 9).

Chapter 5 Review

Summary

Decide your dollar risk first, then size: contracts = dollar risk ÷ (stop points × point value), rounded down. Keep risk per trade around 2% of the account or less, set a daily loss limit and stop when you reach it, and respect drawdown, because bigger losses need much bigger gains to recover. If the trade does not fit your risk, skip it.

Key Points to Remember

- Risk = stop distance × point value × contracts.
- Contracts = dollar risk ÷ (stop × point value), always rounded down.
- If the answer rounds to zero, skip the trade.
- Risk about 2% or less of the account per trade.
- Hit your daily loss limit? You are done for the day.
- Drawdown = drop from the account's high point.
- A 50% loss needs a 100% gain to recover.
- Avoid revenge trading, FOMO and overtrading.

Chapter 5 Quiz

1. **You will risk $60 on MNQ with a 10-point stop. How many contracts?**
    1. 1
    2. 2
    3. 3
    4. 6
2. **You will risk $40 on MES with a 5-point stop. How many contracts?**
    1. 1
    2. 2
    3. 4
    4. 8
3. **Under the 2% rule, the max risk on a $5,000 account is:**
    1. $10
    2. $50
    3. $100
    4. $1,000
4. **After hitting your daily loss limit you should:**
    1. double size to recover
    2. stop trading for the day
    3. switch to another market
    4. remove your stop

5. **To recover from a 20% loss you need a gain of:**
    1. 20%
    2. 25%
    3. 40%
    4. 50%
6. **Trading bigger right after a loss to win it back is called:**
    1. scaling
    2. revenge trading
    3. hedging
    4. confluence

Chapter 6: Prop Accounts in General

A **proprietary (prop) trading firm** lets you trade its money (usually in a simulated or "funded" account) after you pass a test. You pay a fee, follow the rules, and share the profits. Rules differ from firm to firm and change often, so this chapter covers only the general ideas. **Always read the current rules on your own firm's website before you trade.**

Evaluation vs. funded

- **Evaluation** (also called a challenge or combine): you pay a fee and must reach a **profit target** without breaking any rule. It is a test.
- **Funded** (or "live," "performance," or "sim-funded"): you passed. Now profits you make can be withdrawn as **payouts**, split with the firm (for example, you keep 80% or 90%).

Breaking a rule in either stage usually ends that account. You may be able to pay to reset or buy a new one.

Common rules

- **Profit target:** how much you must make to pass.
- **Maximum drawdown:** how far the account may fall before it is closed.
- **Daily loss limit:** the most you may lose in one day. Some firms close the account; others just stop you for the day.
- **Maximum position size:** the most contracts you may hold (for example, 2 minis or 20 micros).

- **Minimum trading days:** you may need to trade on a set number of days.
- **Flat by a set time:** many firms require no open positions at the end of the day or before the weekend.
- **News rules:** some firms restrict trading around major reports.

Three kinds of drawdown

This is the rule that catches most beginners. Learn the difference.

Static drawdown

The loss limit is a **fixed number** that never moves. A $25,000 account with a $1,000 static drawdown is closed if it ever falls to $24,000, even if it once reached $27,000. Simple and forgiving.

End-of-day (EOD) trailing drawdown

The limit **follows your highest end-of-day balance** upward, but only checks at the close. Example: $25,000 account, $1,000 EOD trailing drawdown, starting floor $24,000. You close the day at $25,600. The floor moves up to $24,600. Profits you had in the middle of the day but gave back before the close do not raise the floor. Many firms stop the trailing once the floor reaches the starting balance (or a little above it).

Intraday (real-time) trailing drawdown

The limit **follows your highest balance at any moment, including open profits.** If a trade is up $500 and you let it come back to break-even, your floor has already moved up $500. You lost no money, but you lost $500 of room. This is the strictest kind. With it, taking profits at planned targets matters a lot.

Consistency rules

A **consistency rule** limits how much of your total profit can come from your single best day. Example: with a 40% rule, if you made $2,000 total, no single day can be more than $800. If one big day breaks the rule, you usually just keep trading until the other days catch up. The idea is to reward steady trading over one lucky day.

How to think about prop accounts

- Treat the drawdown as your whole account. A $50,000 account with a $2,000 drawdown is really a **$2,000 account** for risk purposes.
- Size from the drawdown room you have left, not the account's headline size (Chapter 5).
- Read the fine print: what counts as a trading day, when payouts are allowed, and what instruments are permitted.
- Fees add up. Several failed evaluations can cost more than a small personal account.

Chapter 6 Review

Summary

Prop firms let you trade their capital after passing an evaluation, then share profits from a funded account. The key rules are the profit target, daily loss limit, position size limit and maximum drawdown. Static drawdown never moves; end-of-day trailing follows your best closing balance; intraday trailing follows your best balance including open profits. Consistency rules cap how much profit can come from one day.

Key Points to Remember

- Evaluation = the test; funded = profits can be paid out.
- Breaking a rule usually ends the account.
- Static drawdown: a fixed floor that never moves.
- End-of-day trailing: the floor rises with your best closing balance.
- Intraday trailing: the floor rises with open profits too, the strictest kind.
- Consistency rules cap the share of profit from your best day.
- Treat the drawdown as your real account size.
- Rules change; read your own firm's current rules.

Chapter 6 Quiz

1. **A drawdown floor that never moves is:**
    1. static
    2. end-of-day trailing
    3. intraday trailing
    4. consistency
2. **With intraday trailing drawdown, an open profit that you give back:**
    1. has no effect
    2. still raised your floor
    3. lowers your floor
    4. is refunded
3. **End-of-day trailing drawdown updates:**
    1. every tick
    2. at the end of the day
    3. weekly
    4. never
4. **With a 40% consistency rule and $2,000 total profit, the biggest allowed day is:**
    1. $400
    2. $800
    3. $1,000
    4. $2,000

5. **A $50,000 account with a $2,000 drawdown should be treated like:**
    1. a $50,000 account
    2. a $2,000 account for risk
    3. a $25,000 account
    4. a free account

6. **In the evaluation stage you are trying to:**
    1. withdraw payouts
    2. reach the profit target without breaking rules
    3. trade as big as possible
    4. avoid trading

Chapter 7: Platform Setup Basics

You will usually use two kinds of software:

- a **trading platform** to place orders (Tradovate is a common one), and
- a **charting platform** to study price (TradingView is a common one). Tradovate also has charts, and many traders use both.

The Rocket Scooter platform itself, and how its tables and levels work, is covered in the main textbook (Chapter 2: Platform Setup Essentials). This chapter covers only the general basics you should have working before class.

Tradovate basics

1. **Log in** with the account your broker or prop firm gave you. Make sure you pick the right account (evaluation, funded or simulation) from the account menu.
2. **Open a chart** and type the contract symbol, such as MNQ or MES. Tradovate shows the front (current) month.
3. **Open the DOM** (Depth of Market, also called the price ladder) or the order ticket. This is where you click to buy and sell.
4. **Set your default quantity** to 1 while you are learning.
5. **Set up an ATM / bracket strategy** with a default stop and target, so every entry is protected automatically (Chapter 4).
6. **Practice in simulation (sim) mode** first. Practice placing, moving and canceling orders until it is automatic.
7. Know where the **Positions** and **Orders** panels are, and how to **Exit All / Flatten** in an emergency.

TradingView basics

1. **Create a free account.** Free accounts have limits on indicators and saved layouts; paid plans allow more.
2. **Search the symbol.** Futures symbols look like **ES1!** or **MNQ1!** (the "1!" means the continuous front-month contract). Real-time futures data on TradingView may require a paid data add-on; free data may be delayed.
3. **Set the time zone** to Chicago (CT) in the chart settings (bottom right corner of the chart), so your times match this book.
4. **Choose the timeframe** from the top toolbar (1m, 5m, 15m and so on).

Adding indicators

On TradingView, click **Indicators** on the top toolbar, search by name, and click to add it. Useful starters:

- **VWAP** (Volume Weighted Average Price). Check its settings for the anchor period.
- **Volume** (often on by default).

To change a setting, hover the indicator name on the chart and click the gear. To hide or remove it, use the eye or the X. In Tradovate, use the chart's indicator (**f(x)** or "Add Study") menu.

Boot Camp will add Rocket Scooter levels and community tools on top of these. Don't load your chart with dozens of indicators. Clean charts are easier to read.

A simple chart layout

A good starting layout on one screen:

Panel	Contents
Top left	MNQ or MES, 1-minute chart, VWAP and volume
Top right	Same contract, 5- or 15-minute chart for context
Bottom left	The other index (MES if you trade MNQ), to compare
Bottom right	Order panel / DOM, positions and account balance

Save the layout so it opens the same way every day. Draw the day's key levels as horizontal lines before the session starts.

Pre-class tech checklist

- You can log in to your trading platform and switch to sim.
- You can place, move and cancel a bracket order in sim.
- Your charts are set to Central Time.
- You have VWAP and volume on a 1-minute chart.
- You know how to flatten every position with one click.

Chapter 7 Review

Summary

Most traders use a trading platform like Tradovate to place orders and a charting platform like TradingView to study price. Set charts to Central Time, add VWAP and volume, set a default bracket, and practice in simulation until placing, moving and canceling orders is automatic. Save a clean layout and know how to flatten everything in one click.

Key Points to Remember

- Pick the correct account (sim, evaluation or funded) before trading.
- Start with a default quantity of 1 and a default bracket.
- Practice in sim until order handling is automatic.
- TradingView continuous futures symbols look like MNQ1! and ES1!.
- Set every chart to Central Time.
- Add indicators from the Indicators menu; check VWAP's anchor.
- Keep charts clean; save your layout.
- Know where Flatten / Exit All is.

Chapter 7 Quiz

1. **On TradingView, 'MNQ1!' means:**
    1. a single expired contract
    2. the continuous front-month MNQ
    3. a stock
    4. an indicator
2. **Before class you should set your charts to:**
    1. UTC
    2. Eastern
    3. Central Time
    4. your phone's time
3. **Where should you practice placing orders first?**
    1. funded account
    2. simulation
    3. a friend's account
    4. nowhere
4. **A good default quantity while learning is:**
    1. 1
    2. 5
    3. 10
    4. max allowed

5. **Which two indicators are good starters?**
    1. VWAP and volume
    2. 20 oscillators
    3. none
    4. only moving averages
6. **In an emergency you should know how to:**
    1. restart the computer
    2. flatten / exit all positions
    3. change the theme
    4. add indicators

Chapter 8: Boot Camp Vocabulary

These plain-language definitions follow the main textbook's own glossary and chapters. Rocket Scooter calculates several of these numbers itself and does not publish the formulas, so this primer does not try to explain how they are calculated. **Do not invent your own versions.** Pull each day's numbers fresh from the platform. The chapter in brackets tells you where the main textbook teaches the term.

Levels and pivots

Level. A price where traders expect a reaction: a bounce, a stall, or a breakout. Rocket Scooter publishes several families of levels each day. A level gives you *where* to look; other tools tell you *whether* and *how big* to trade. [Main textbook Ch. 1, Ch. 9]

HV level / Rocket level / "yellow" line. A predicted **high-volume (HV)** pivot published by Rocket Scooter. These are the yellow lines on the chart. On a rough day, the yellows and half-gaps alone can still be traded as plain support and resistance. [Ch. 8]

HP (Hedge Pressure). A family of related pivot levels (weekly, dynamic and overnight versions) based on where options dealers are estimated to be hedging. [Ch. 8]

MHP (Monthly Hedge Pressure). The monthly hedge-pressure line. Treated as a strong, "big" planned pivot in Boot Camp examples. Stream claims of about 75% success alone and 90% with confluence are the speaker's own framing, not a guarantee. Check that it refreshed for today; a stale value from the wrong day is a known pitfall. [Ch. 8]

WHP (Weekly Hedge Pressure). The weekly member of the HP family. [Ch. 8]

Dynamic HP (Dynamic Hedge Pressure). Rocket Scooter's **overnight** hedge-pressure level: an estimate of dealer positioning while the options market is closed. At **9:30 AM ET (8:30 AM CT)**, when fresh options data arrives, it is replaced by the new MHP/WHP calculation. Overnight MHP and day MHP are related but not the same mark; know which one you are trading. [Ch. 8, Ch. 12]

Risk interval and bands

RI (Risk Interval). A distance in points, published per instrument and refreshed each day, based on CME-margin-style math. It is not a standard deviation. Think of it as a "rubber band": moves of about one RI from a reference are big moves. Shown in the platform's RI (RARI) column. [Ch. 6]

DD band. Static daily pivots one RI above and below the prior close, set at the end of the session. "Static" means they do not move during the day. [Ch. 6, Ch. 7]

VARIS. Dynamic RI bands drawn around **VWAP**: half an RI (inner) and a full RI (outer) above and below. They move as VWAP moves. Compare with DD bands, which stay fixed. Community tools plot them using today's RI. [Ch. 7]

Gaps

Gap. The space between the prior close and the session open. [Ch. 4]

Half-gap. The midpoint between the prior close and the session open. For a new week it is the midpoint from Friday's close to Sunday's open. A frequent reaction point. [Ch. 4]

Gap fill. Price returning to the prior close (the gap reference), "closing" the opening gap. In resilience talk, the gap meant is the stock-market (equities) gap from the 3:00 PM CT close to the 8:30 AM CT open. [Ch. 5]

Strength and confirmation tools

ARB. A confluence and scalping tell. It compares where futures trade now with an "implied value" that assumes stocks that have started moving finish their calculated move. Because it reads a move that has not happened yet, the streams call it a leading indicator. When ARB and price disagree, reassess. [Ch. 13]

Resilience. A strength and polarity reading: above zero points up, below zero points down. Called a "gap-fill predictor" on stream. It is a reading to weigh, not a guarantee. [Ch. 5, Ch. 13]

Confluence. Agreement among independent reads: a level, plus which side of VWAP price is on, plus ARB or resilience, and so on. More agreement means more confidence and possibly more size; mixed confluence means small size or skip. Confluence grades size; it does not replace a stop. [Ch. 9]

Other words you will hear

Invalidation. The price that proves your idea wrong, often beyond VWAP or through the level. Your stop goes there. [Ch. 10]

Honda, Lambo, yacht, retirement. Community nicknames for VARIS trades of increasing reach: one band-to-band zone (Honda), up to four zones (retirement). [Ch. 7]

Size ladder. Normal, medium, small, sit out, stepping down as confluence quality fades. [Ch. 9]

Chapter 8 Review

Summary

Boot Camp uses Rocket Scooter levels (HV/yellow lines and the HP family, including MHP, WHP and the overnight Dynamic HP), the daily Risk Interval and its DD and VARIS bands, gap tools (half-gap and gap fill), and strength reads (ARB and resilience). Confluence, the agreement of independent reads, grades how big to trade. These numbers come from the platform; pull them fresh every day.

Key Points to Remember

- Levels tell you where; confluence tells you whether and how big.
- HV / rocket / yellow lines = predicted high-volume pivots.
- MHP = monthly hedge pressure, a big planned pivot. Check it refreshed.
- Dynamic HP is overnight; it is replaced at 9:30 ET by the new MHP/WHP.
- RI = daily risk distance per instrument, not a standard deviation.
- DD bands are static; VARIS bands move with VWAP.
- Half-gap = midpoint of prior close to open; gap fill = return to prior close.
- ARB and resilience are strength reads, not guarantees.

Chapter 8 Quiz

1. **Dynamic HP is best described as:**
    1. a monthly level
    2. an overnight hedge-pressure level
    3. a moving average
    4. a profit target
2. **At 9:30 AM ET (8:30 AM CT), Dynamic HP is:**
    1. unchanged all day
    2. replaced by the new MHP/WHP calculation
    3. doubled
    4. deleted forever
3. **The half-gap is:**
    1. half the RI
    2. the midpoint between prior close and the open
    3. the overnight low
    4. VWAP minus 1 RI
4. **Which bands move with VWAP?**
    1. DD bands
    2. VARIS bands
    3. HV levels
    4. MHP

5. **Confluence mainly helps you decide:**
    1. the time zone
    2. whether and how big to trade
    3. your broker
    4. the tick value
6. **Yellow lines on a Rocket Scooter chart are:**
    1. HV / rocket levels
    2. VWAP
    3. stops
    4. news times

Ready for Boot Camp Checklist

Tick every box before your first class. If you can't tick one, reread the chapter it comes from.

Futures

- [ ] I can say the tick and point value of MES, MNQ, M2K and MGC from memory.
- [ ] I can figure profit or loss: points × point value × contracts.
- [ ] I understand why micros are the place to start.

Charts

- [ ] I can read a candle's open, high, low and close.
- [ ] I have VWAP and volume on a 1-minute chart and know its anchor.
- [ ] I can spot support, resistance and trend.

Time

- [ ] My charts are set to Central Time.
- [ ] I can convert ET to CT without thinking.
- [ ] I know the 5:00 PM CT reopen, 7:30 AM CT reports, 8:30 AM CT open and 3:00 PM CT close.

Orders

- [ ] I can place, move and cancel a bracket order in sim.
- [ ] I have a default bracket (stop and target) set up.

- [ ] I know how to flatten everything with one click.

Risk

- [ ] I have written down my risk per trade in dollars.
- [ ] I have written down my daily loss limit, and I will stop when I hit it.
- [ ] I can size a micro trade from my stop distance.

Prop accounts (if using one)

- [ ] I have read my firm's current rules today.
- [ ] I know which drawdown type my account uses and where my floor is.
- [ ] I know any daily limit, size limit, consistency rule and flat-by time.

Vocabulary

- [ ] I can explain levels, HV lines, HP, MHP and Dynamic HP in my own words.
- [ ] I know what RI, DD bands and VARIS bands are.
- [ ] I know the half-gap, gap fill, ARB, resilience and confluence.

Mindset

- [ ] I will start small and trade the plan, not my feelings.
- [ ] I have a notebook or journal ready for class.

Answer Key

Chapter 1 Quiz

1. **B**. 4 *(ES ticks are 0.25 points.)*
2. **B**. $2 *(MNQ is $2 per point; a tick is $0.50.)*
3. **C**. $60 *(6 × $5 × 2 = $60.)*
4. **B**. $1.00 *(MGC ticks $0.10 per ounce on 10 ounces = $1.00.)*
5. **C**. 1/10 *(Micros are one tenth size.)*
6. **B**. lose money *(Shorts lose when price rises.)*

Chapter 2 Quiz

1. **B**. wicks *(Wicks (shadows) mark the high and low.)*
2. **B**. buyers pushed price back up from the low *(Price went down and was bought back.)*
3. **B**. Volume-Weighted Average Price
4. **B**. sellers have been in control
5. **A**. an uptrend
6. **B**. 15-minute or higher

Chapter 3 Quiz

1. **B**. 8:30 AM
2. **B**. 4:00 to 5:00 PM CT
3. **B**. the electronic overnight session
4. **A**. Sunday 5:00 PM CT
5. **A**. 3:00 PM CT *(4:00 PM ET = 3:00 PM CT.)*

6. **B**. 9:00 AM *(Subtract one hour.)*

Chapter 4 Quiz

1. **B**. market
2. **B**. sell stop below price
3. **B**. One Cancels the Other
4. **B**. below the current price
5. **B**. when you enter
6. **B**. it may not fill in a fast market

Chapter 5 Quiz

1. **C**. 3 *(10 × $2 = $20 each; $60 ÷ $20 = 3.)*
2. **A**. 1 *(5 × $5 = $25 each; $40 ÷ $25 = 1.6, round down to 1.)*
3. **C**. $100
4. **B**. stop trading for the day
5. **B**. 25% *(0.8 × 1.25 = 1.0.)*
6. **B**. revenge trading

Chapter 6 Quiz

1. **A**. static
2. **B**. still raised your floor
3. **B**. at the end of the day
4. **B**. $800 *(40% × $2,000.)*
5. **B**. a $2,000 account for risk
6. **B**. reach the profit target without breaking rules

Chapter 7 Quiz

1. **B**. the continuous front-month MNQ
2. **C**. Central Time *(This book and Boot Camp sessions use CT here.)*
3. **B**. simulation

4. **A**. 1
5. **A**. VWAP and volume
6. **B**. flatten / exit all positions

Chapter 8 Quiz

1. **B**. an overnight hedge-pressure level
2. **B**. replaced by the new MHP/WHP calculation
3. **B**. the midpoint between prior close and the open
4. **B**. VARIS bands
5. **B**. whether and how big to trade
6. **A**. HV / rocket levels