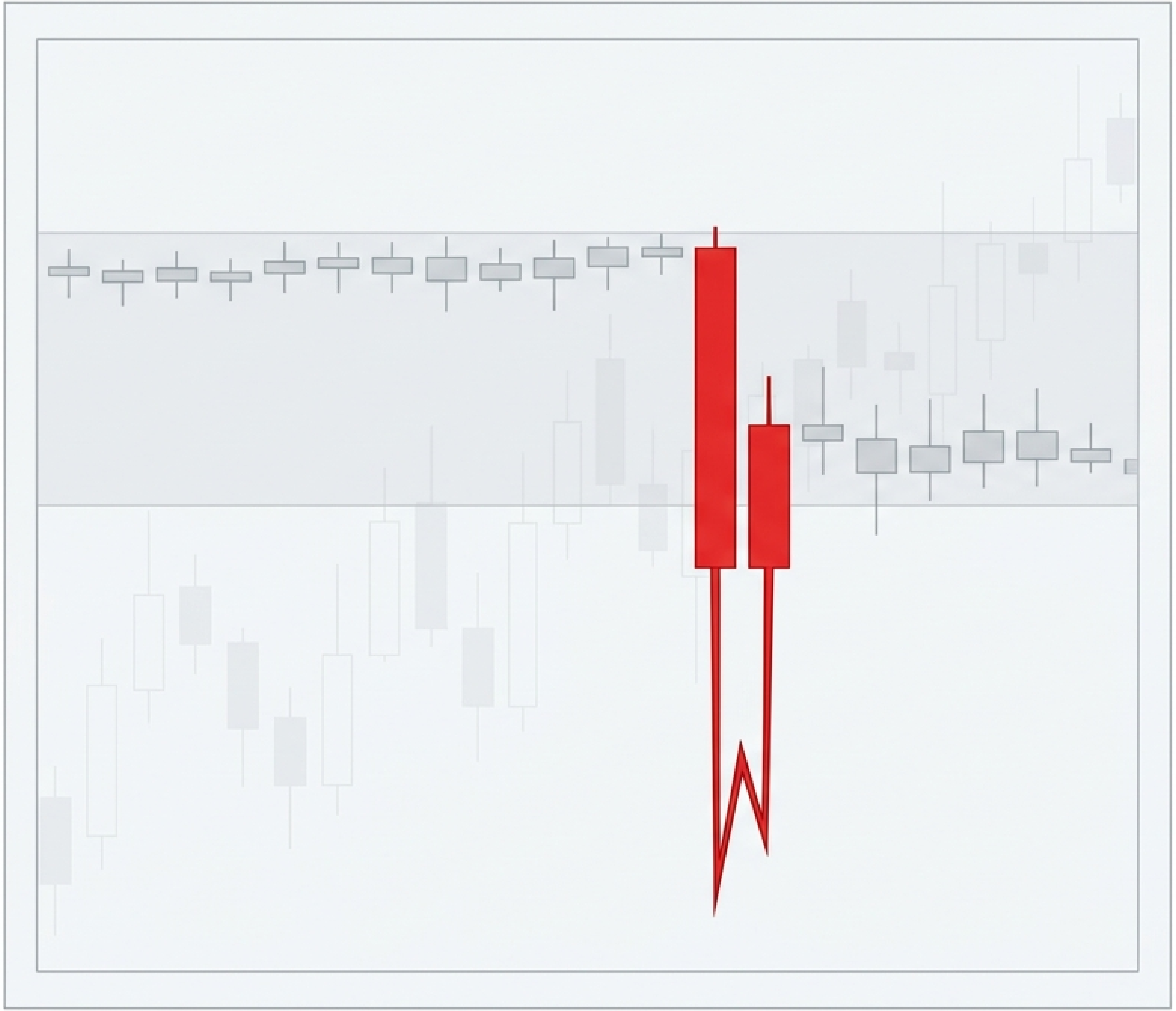
Summer Trading: 3 Survival Rules

A Guide by Alex Gerchik



What does the summer market look like?

June to August is a period of low liquidity. Major players are away on vacation, trading volumes drop, and the market appears calm.

That said, this is exactly where the danger lies, as low trading volumes often lead to sharp false breakouts and chaotic price swings.

“Usually, only 7–8 months of the year deliver my strongest results. The rest tend to be quieter and sometimes merely break even. That’s a normal part of trading.”

– Alex Gerchik

The summer market is more about preserving capital than pushing for aggressive account growth.

Summer Market Behavior Across Asset Classes

FX.	US Stocks.
During the summer, major currency pairs remain range-bound. Trade only clean levels with wider stop-loss orders.	Volumes decline, but tech and healthcare sectors can still experience sharp spikes driven by news catalysts.
Crypto.	**Futures (gold, oil, S&P 500).**
Assets can consolidate for weeks before a sudden, sharp impulse. Keep leverage to an absolute minimum.	Geopolitical factors largely influence these. Wait for alignment between the news catalyst and a high-quality technical level before entering.

Gerchik's tip: Don't get stuck in a stagnant market. Switch to another one. The strategy is effective across all asset classes.

3 Survival Rules

01 Rule 1. Trade only what you see

If there is no clear technical setup on the daily chart, do not look for one on the hourly chart.

Wait it out or switch to a different asset.

5 factors of a strong setup according to Alex Gerchik:

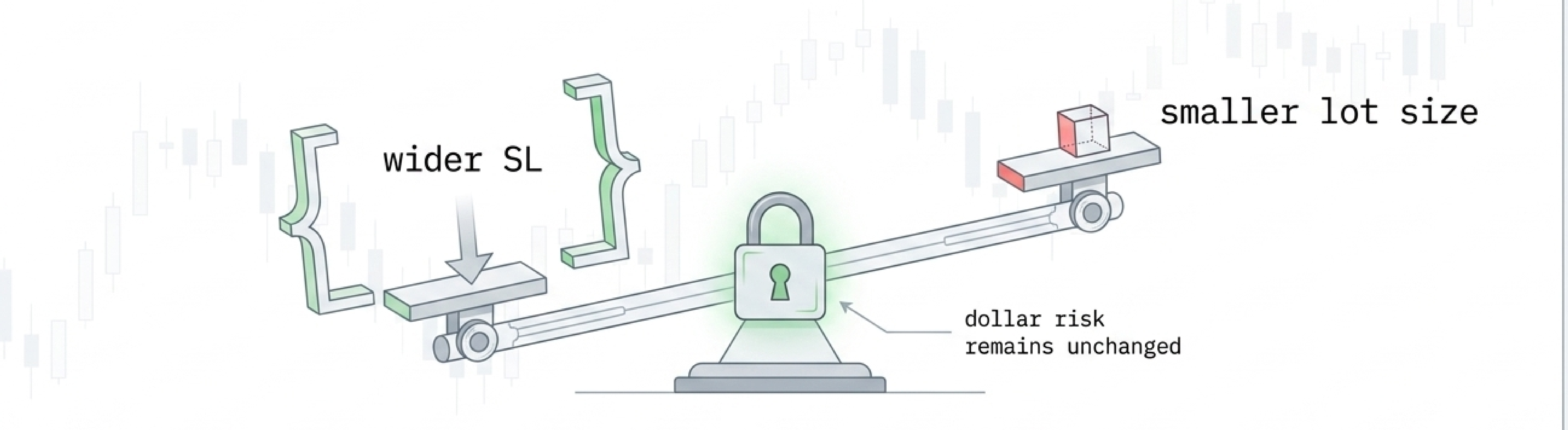
✓	01	A fresh, clean level with no price moving up and down around it (not ‘chopped up.’).
✓	02	Market energy: either a solid consolidation or a powerful counter-trend near the level.
✓	03	The candlestick closes right at the level.
✓	04	Sufficient room for the price to move—the asset has travelled less than 50% of its Average Daily Range (ATR).
✓	05	Volatility has died down at the level; price bars are small.

02 Rule 2. Manage risks

Increasing your lot size to compensate for a slow market is the mistake that can cost you a fortune.

A single sharp move in a low-liquidity environment can instantly wipe out your entire spring profits.

Formula: Risk (in $) ÷ Stop-loss Order = Lot

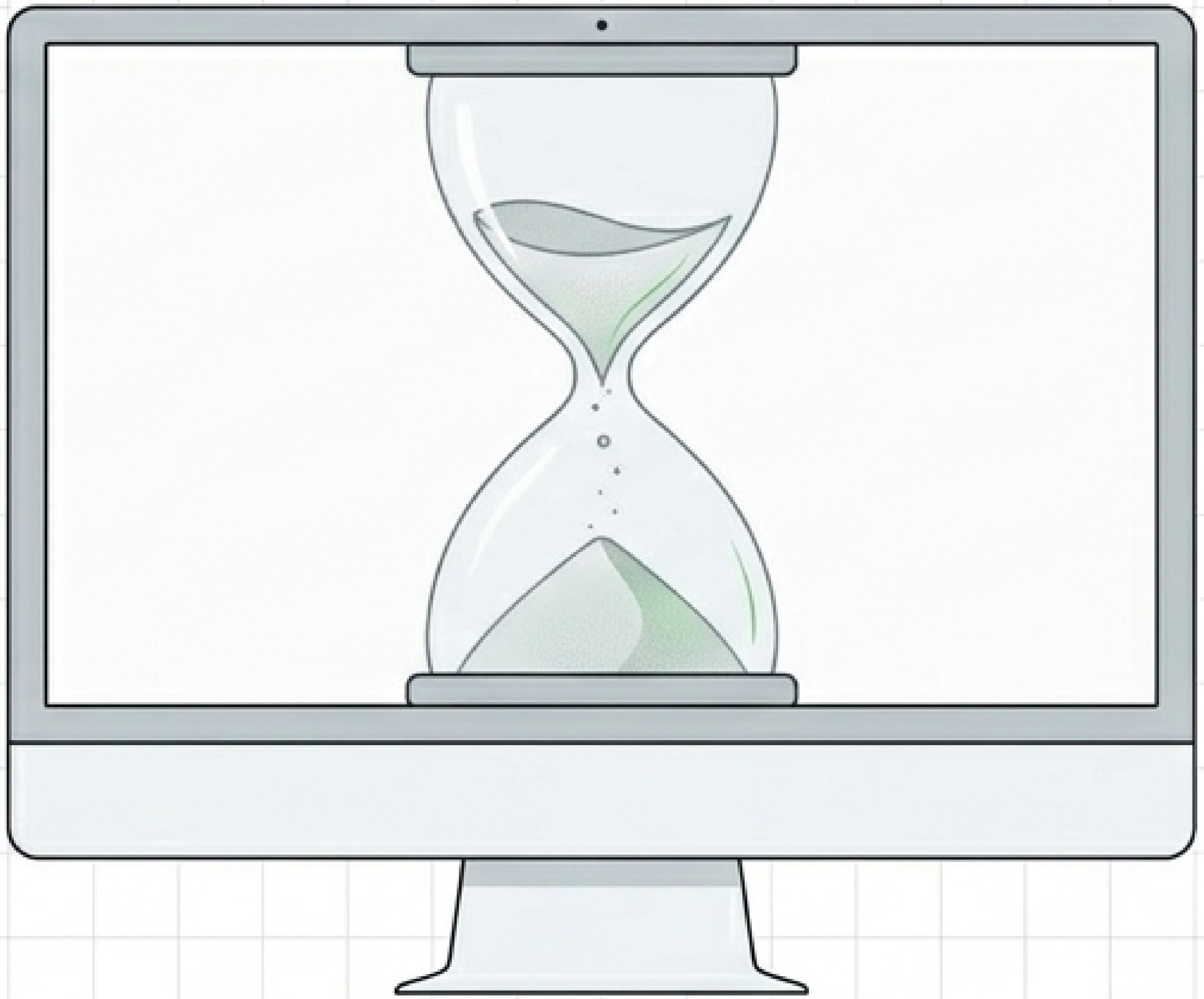


In the summer, SLs must be wider → lot size must be smaller. Your dollar risk (1–2% of your account balance) remains strictly unchanged. If volatility around the level becomes excessive, it’s best to stay out of the trade.

03 Rule 3. Know when not to trade

Boredom during a flat market typically forces traders into low-probability setups. If there is no signal, do not open any trades.

Use the quieter summer period wisely by updating stats, reviewing past mistakes, and preparing for the fall season. Traders who preserve their capital during the summer often enter the high-volume months with a major edge.



How to maintain summer trading statistics:

Take screenshots across 3 distinct phases: before entry, at the exact moment of entry with the stop-loss order visible, and after exiting the trade.

Document the broader market context: range-bound flat, false breakout, or news-driven noise.

Calculate your performance in `R-multiples` (units of risk) rather than dollar values to remove emotional bias.

Include a `‘Trading Plan Compliance’` column with a Yes or No answer. A losing trade that follows your plan is still a good trade. A profitable trade made out of boredom is a mistake.

Daily Routine Algorithm

Morning (15–20 min): Analyze the daily charts of 3–5 assets → Check key levels → Evaluate current volatility → If there's a clean setup, calculate the lot size and place a limit order → If there's no setup, exit the trading platform.

During the day: Do not open the trading platform without a valid reason. Never adjust a stop-loss order impulsively. Avoid revenge trading.

Evening (10 min): Log the trade into your stats journal. Document the root cause of the error if your SL was triggered.

Spend Your Summer Productively for Your Trading Account

When quality setups are hard to find, focus on becoming a better trader. The knowledge and discipline built during the summer can create significant opportunities when market activity fullz resumes in the fall.

Reboot Course by Alex Gerchik.

This is a hands-on training course based on live market charts, covering levels, entry points, risk management, and in-depth trade analysis.

Available as a bonus when you top up your trading account with Gerchik & Co.