

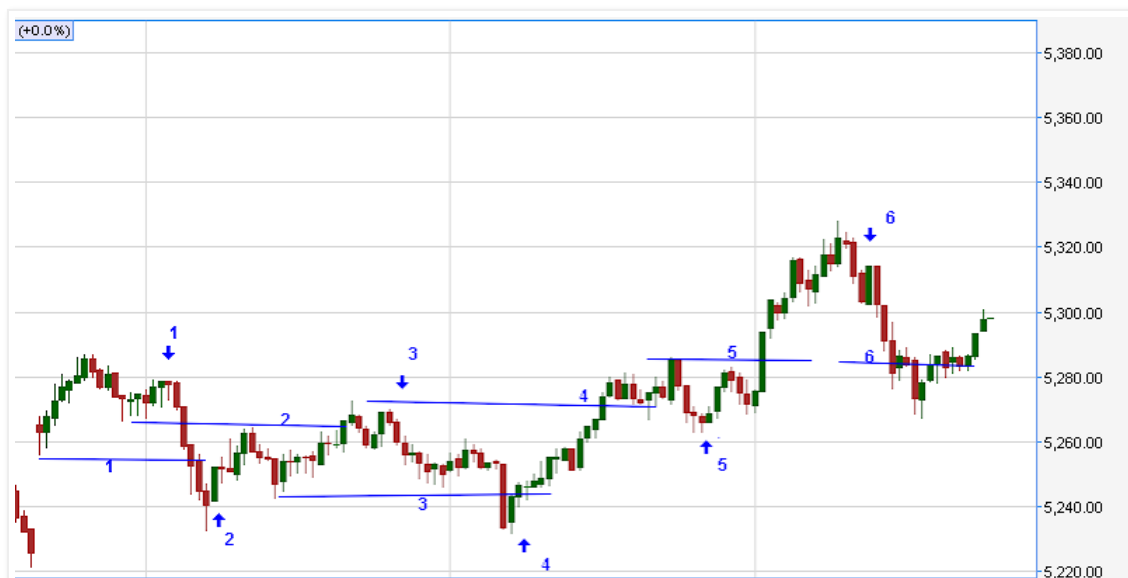


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Friday, March 23, 2012

First Trouble Area



FTA (First Trouble Area) is the first area that price is likely to stop and revers.It is the nearest price level where one can expect some opposing order flow.

We need some space for our trade to move and take our position to profit. Better to ensure that there is some space between our entry and the first point of interest that can give our trade some trouble. Price may not always reverse at FTA. Price often will just stall for a bit before carrying on. It depends on how strong the level it is heading into.Strength of the trend and the price action trigger also matters.If we really think about it, the FTA is also a RR ratio.

FTA could be a recent swing High/Low, a round number, a price flip zone, or a consolidation border. It is best to try to define these areas from situation to situation rather than one such thing.

Pay attention to FTA so that we can be more logical in our trade planning and management.

Posted by [SMART Trader](#) at 9:23 PM



10 comments:

Anonymous January 23, 2014 at 7:35 PM

Hi Sir,

Could you please tel me approximately how much space is required to take a trade???

I was observing, for few trades you are not trading if the space is 10 points and few places you are taking the trade.

Thanks,
Mahesh
Reply



SMART Trader January 23, 2014 at 7:53 PM

Mahesh

Such rules cannot be made.

Your decision should depend on the strength of the move and strength of the FTA

For example a weak FTA against a strong trend will always break. You need not worry about space at all in such cases

ST

Reply

Anonymous January 23, 2014 at 8:10 PM

Hi Sir,

Thnaks for your reply...

Do we need to consider the volume while trading...with DPs.

And also tel me what other things we need to consider..along with our chart?

Thanks,
Mahesh

Reply



SMART Trader January 23, 2014 at 8:41 PM

Mahesh

There are so many things to consider.

I have explained a lot in my 140 posts written over the last two years.

I was working quietly on this the previous three years. This is something that evolved over a long period of time and still evolving.

This cannot be explained or condensed in a comment reply. It may take one or two years hard work to achieve it.

If you are not willing to go through all this, do not waste your time here.

ST

Reply

Anonymous January 23, 2014 at 9:25 PM

Hi Sir,

Thanks for your suggestion.

Thanks, Mahesh

Reply



Sanjoy Kumar Roy February 21, 2015 at 10:30 AM

Dear Niranjan,

FTA and LOL seems similar or am I missing the point?

Thanks.

Reply

▼ Replies



SMART Trader February 21, 2015 at 10:40 AM

FTA is the first barrier for price after a trade entry. This can be a single level

LOL is two trouble areas clustered one after another. This need not be the first one

ST



Sanjoy Kumar Roy February 21, 2015 at 1:13 PM

so can FTA be considered a sub-set of LOL?



SMART Trader February 21, 2015 at 1:51 PM

No. They are different concepts. LOLs are trouble area clusters but may not be FTA

Term FTA does not refer to the first layer of a LOL

http://niftyinirvana.blogspot.in/2012/03/trouble-areas_14.html

<http://niftyinirvana.blogspot.in/2012/03/layer-over-layer.html>

ST

Sanjoy Kumar Roy February 21, 2015 at 9:25 PM



Ok. Thanks.

Reply

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