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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

Wednesday, February 15, 2012

Bucking the Trend

When I did a postmortem of my losing trades, I was surprised to see that most of them were counter trend trades. Why has one of the most effective trading techniques fallen by the wayside?

"Trend is your friend" is the first rule I learned when I started this journey. Since then I might have read it thousands of times. Why I am disregarding this old rule and lately trying to trade counter trend and lose money.

Nothing I know about trading is more effective than trading in the same direction the market is moving. Still I do the opposite many times. Is it because counter trend setups looks more juicy and with the trend set ups looks difficult? I don't know.

Once the market establishes direction, it generally maintains that direction for a period of time.

There is really no need to buck the trend.

Posted by [SWART Trader](#) at 12:36 PM



2 comments:



[SuMa](#) May 6, 2015 at 9:06 PM

Thanks. Enjoyed your writing. :-)

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[Trekkie](#) June 19, 2015 at 8:01 AM

A nice one ST. Thanks. I think I have been in this boat a long time.

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