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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*

Sunday, March 17, 2013

## Fluids

Price does not travel in a straight line. Even during strong trends, price cycles up and down with overlapping bars and consolidations. It is the basic character of all auction markets.

There are times market will move from one price area to another without much gyration. This happens when there is no (or very little) opposing order flow. This could be opening gaps, wide range bars or swift moves with relatively equal closings and openings of bars.

Many things can trigger such moves which is called "Fluids". Over night sentiment changes, news announcements and significant stop triggering can create fluids in markets. Usually price travels fast through such areas later as these are areas where a demand supply imbalance existed earlier. We can predict with some certainty that there will be a lack of balance when price come back to this area again.

Always pay attention to "Fluids". If you are trading into a fluid, don't be in a hurry to exit. It is always prudent to book your profits when you reach the end of a fluid area.

The concept of "Fluids" can be very helpful in managing your trades.

[12032013](#) is a good example of Fluid in action.

Posted by [SMART Trader](#) at 11:47 AM



## 4 comments:



[augubhai](#) March 19, 2013 at 3:56 PM

Just wanted to let you know about this disclaimer

<http://www.traderji.com/trading-diary/77732-augubhais-notes-smarts-guts-luck-111.html#post787879>

Reply



[SMART Trader](#) March 19, 2013 at 8:32 PM

Augu Bhai

You can freely share or use anything and everything you find in Nifty Nirvana because I do not own this. I have borrowed and stolen many concepts from many people and mixed my own thing. I am happy if anyone find something useful.

ST

Reply



[Unknown](#) December 18, 2013 at 3:48 PM

Hi ST,

Could you please post some more charts on this concept on fluid.

Thanks,  
Gaurav

Reply



[SMART Trader](#) December 18, 2013 at 4:09 PM

Gaurav

Just flip through old charts. you will find so many  
0410,0710,2410,3110,0511,071113....

ST

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