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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, December 7, 2012

Enduring Edge

Anyone can win a few trades randomly. Tipsters can always show you some big winners and conveniently hide their losers. Luck is not an edge in the market. Edge is all about finding trades after trades that are profitable and pulling out money from the Market day after day.

The first step to trading consistency is to find an edge in the Market. If you want to be a successful trader, you need to build an "Enduring edge". An enduring edge is something permanent and will not change over time. In other words, it is structural and is based on some fundamental understanding of how Market works. It is rooted in the behavior of the Market.

The easier way is to build your trading method around some proven behavior of the Market. There are so many [Market Anomalies](#) on which you can work. These are thoroughly researched and statistically proven concepts. All the profitable methods are developed around these proven anomalies. Focus on something that is applicable to your time frame and work on it.

My trading method is built around [Price Flips](#) which is a very basic character of all the Auction Markets. An understanding of price flips will enable an enterprising person to formulate any number of satisfactory trading tactics on this.

Do not make the mistake of ignoring this topic and running behind the new indicator . Take a New Years resolution **NOW** to work on a proven market anomaly and to find an Enduring Edge.

Posted by [SMART Trader](#) at 12:24 PM



5 comments:

[adhi narayanan](#) December 7, 2012 at 6:37 PM

Very well said. thanks for your valuable posting's...

Reply



[SMART Trader](#) December 7, 2012 at 11:20 PM

Adhi

Thanks

ST

Reply

[Anonymous](#) December 10, 2012 at 6:06 PM

Speaking about "market anomalies"

One of the simplest market anomaly is demand/supply mismatch. That is where trends originate. I am surprised why majority miss this important point. I think many are busy in watching indicators, patterns etc. and that is why they miss it

R. S. Iyer

Reply

[Anonymous](#) March 3, 2013 at 7:15 PM

Dear Sir,

Can you elaborate how to use price flips while trading your method, viz., during entries/exits, trade management?

Reply



[SMART Trader](#) March 3, 2013 at 7:41 PM

Anon

All support/Resistance zones are probable flips. DPs are major zones.

For example consider a BPB of PDH. Once price breaks the level, we anticipate the level to act as support on the way down and try to

buy the pullback to this zone.
While we are in a trade we trail our stop behind minor flips to protect our profit

ST

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