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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, July 13, 2012

## Critical Mass

" Critical Mass" is a widely used term in Nuclear Science.It refers to the minimum mass of fissionable radio active material required to sustain a nuclear fission reaction. In a fission bomb, the fuel must be kept in separate sub critical masses, which will not support fission, to prevent premature detonation.Bringing the sub critical masses together to form a super critical mass to sustain a fission reaction at the time of detonation is a major design challenge

All the [three patterns](#) I trade are reversals. While BOF and TST are directional reversals BPB is a minor reversal of a pull back or counter trend move.For a reversal to succeed there are three conditions.

- 1.Those who entered earlier in the move are in profit now. They fear the reduction in their profit and start booking profits causing a pullback
- 2.Now those who entered late start to panic and starts exiting their position in order to prevent loss. .Physical stop loss orders of many traders start triggering. This further fuels the reversal move.
- 3.A new group of traders expects a reversal and enter. This momentum traders will strengthen the reversal.

This is a chain reaction like the nuclear fission.The greater the number of traders that are positioned in a particular direction , greater the force of reversal.We must ensure that sufficient number of positions are created in the current direction before attempting to trade a reversal.

*Ensure Critical Mass.*

Posted by [SMART Trader](#) at 9:15 PM



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