

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

Sunday, May 27, 2012

Buy Low, Sell High



Money is made by buying low and selling high. It is a universal truth. Trading cannot be different.

The problem is many traders do not know where exactly the lows and the highs are. You need a slight change in perspective to know this.

Markets move in short term ranges. A trend is a series of range breakouts. When the Markets break to new highs, it is always in the lower end of the range above. Once you become comfortable with this reality, you can always trade whether it is trending or ranging.

If you are not comfortable trading counter trend, stay with the trend. If the current price range is above the previous one, the trend is up, and try to buy the range low. If we are in a lower price range only attempt to sell the range highs

Many "Gurus" advise to trade trends and stay out when markets range. I do not subscribe to this view.

Do not miss my earlier post. Click to read

Learn to trade sideways markets so that you can trade all the markets

Posted by SMART Trader at 3:36 PM

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