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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

Saturday, April 13, 2013

Conviction

My trading method is built around a few basic assumptions. I have tried to make it as simple as possible, and as close to the reality of the Markets.

- Day traders control the market on a day today basis. Nearly 90% of the volume is generated by these short term traders. They are creatures of habit and we can predict their reactions reasonably well.
- Professionals play by rules and they buy and sell forcefully at certain price levels which I call Decision Points. These are the levels where one can enter with the least amount of risk.
- Price moves as a result of demand and supply imbalance. Successful trading is reading correctly which side is in control and trade in that direction.
- Momentum moves originate when the critical mass get trapped on the wrong side of the move. Nobody can exit a losing trade without creating an order flow against his own position. Enter where traders trading the current move realize they are on the wrong side and enter cash the resultant order flow.

Everything else is tactics. If you have conviction in these ideas, you can make the method work. You should have a process that you believe in. You must have confidence in your ideas. Making money from the market is all about utilizing the opportunity given to you. Market is not a place to procrastinate. Take decisive action to grab the opportunity and try to manage the trade well.

Posted by [SMART Trader](#) at 10:34 PM



3 comments:

[Anurag](#) April 14, 2013 at 11:05 PM

Good one ST sir!!! Bang on target. Have u also been in situations when u failed to pull the trigger at right moments??

Reply

[Murali](#) April 17, 2013 at 7:13 PM

Dear ST. Hope things are great with you. Took a break/vacation for summer :).

Reply



[SMART Trader](#) April 17, 2013 at 9:32 PM

@Anurag

So many times. Still I do hesitate

@Murali

Yes, Will be back on 29th

ST

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