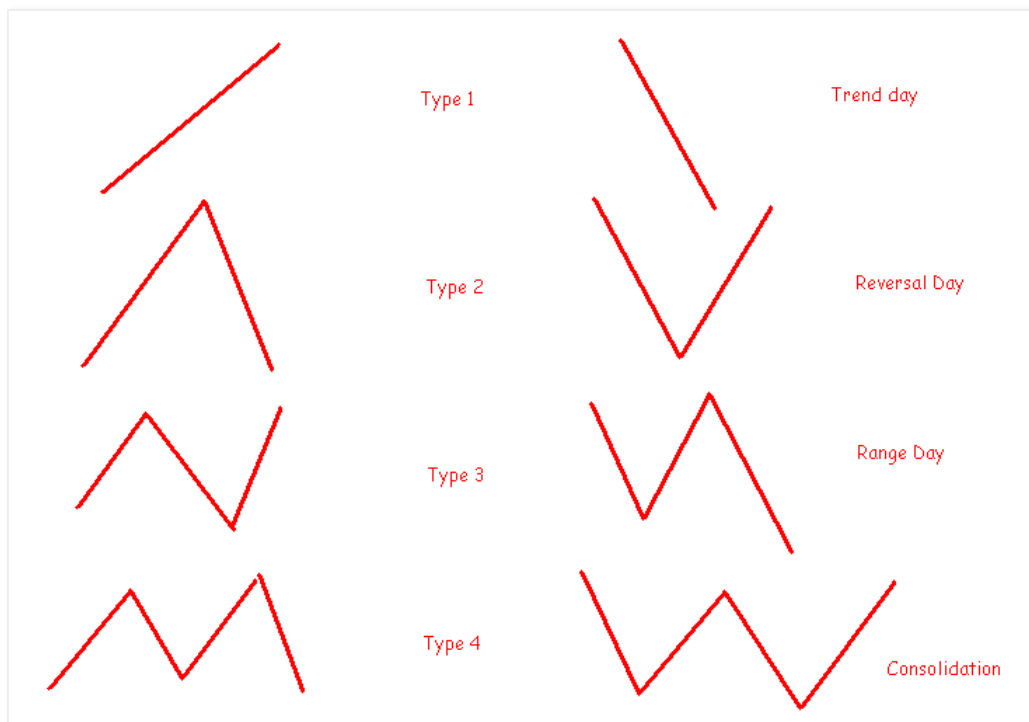




There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Sunday, February 5, 2012

Daily Trading Patterns



Learn to recognize the daily trading patterns. There are four types of trading days

1.Type 1 days are trend days. market trends either up or down during the trading hours. This can happen after a reversal day or any significant news shifts the sentiment to bullish or bearish.More than two trend days in the markets in a row are very rare. Trend days are generally followed by a reversal or consolidation.

2.Type 2 days are reversal days.This happens when a price hits a strong higher time frame decision point during the day and reverses, This will show as hammers or shooting stars on a daily chart.We can expect a trend day after a reversal day

3.Type 3 and 4 days are consolidation or range days.This usually happens after a trend day when the effect of an earlier news dries up and there is no significant events to shift the market sentiment.

More than four swings very rarely happens on a day . try to catch these swings and limit your trades to a maximum of four. Do not over trade.

Posted by SMART Trader at 12:08 PM



6 comments:



KJS Arora February 18, 2012 at 1:15 AM

Very beautifully explained.Love to relearn these structures.

Reply

Anonymous January 6, 2014 at 1:43 PM

Whats the difference between Range day and consolidation day ?

Reply



SMART Trader January 6, 2014 at 2:21 PM

Anon

Sarre I think

ST

Reply



Trekkie May 5, 2014 at 1:36 PM

Hi ST,

This is awesome! I especially like the 4 trades a day limit, amgoing to try to stick to it.

Reply



Unknown September 20, 2014 at 2:57 AM

Well explained. Good to know. Helps me to prepare for the day.

Reply



Charles January 24, 2015 at 12:28 PM

ST Sir, Can we use this method for trading stocks in cash ? I amasking bcoz I cant start trading live on Nifty Futures right away. DP of RN can be used for stocks as well ?. Thanks.

- Charles

Reply

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