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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

Sunday, February 12, 2012

Trading and Investing

"When a trade goes bad it becomes Investment"

In reality trading and investing are the same. Actually there is no difference between the two as far as our intention is to profit from the rise or fall in price of a security.

Investors are those who wish to become a part owner of the company and who wants to control the management of the company.

If your intention is to profit from the price move of the security, you are a Trader. Time frame of the trade and the tools used to make the analysis of price can be different. Some use Fundamental analysis others technical indicators or charts of different time frames. Some stay in the trade for a few seconds only and some others stay for months.

Surprisingly when one talks about trading, the person sounds irresponsible and labelled as a gambler although he may be a great risk manager. While if one talks about investing - the person sounds very matured, conservative and risk averse.

Anyway, I am A Trader and I trade 3 minute chart. I day trade and never take an open position home

Posted by [SMART Trader](#) at 8:00 PM



4 comments:



[amit1234](#) July 17, 2012 at 12:40 AM

respected sir, u have done a great job 4 newbies. can u tell me minimum no of points that can be generated by ur system, if properly implemented? plz do reply

Reply



[SMART Trader](#) July 17, 2012 at 9:26 PM

Amit

This is not a System, but a way of thinking. If properly implemented, you won't go broke. That is a great achievement for a newbie.

ST

Reply



[techtrader](#) December 14, 2012 at 10:35 PM

Sir i am from kerala and i tried to learn albrooks reading price charts bar by bar but little difficult for me to grasp the concept, but as i read your blog i find simple explanation of price action trading. Sir shall we use same techniques in other stocks and futures contract?

Regards

Sarath

Reply



[SMART Trader](#) December 15, 2012 at 5:53 PM

Sarath

"Reading price Charts bar by bar" will give you some good insights but you will go nuts trading bar by bar. Trade the price level where market turned earlier. Trade Markets own levels rather than some calculated levels.

I have not traded this method on stocks or other derivatives. So can't say

ST

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