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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, September 7, 2012

Reading :Complicated !!

Every day I see new and even experienced traders who try to make trading more complicated that it needs to be, and their P&L suffers because of it. They use multiple monitors, multiple programs, and a half a dozen or more indicators, 99% of which are all based on price and volume.

I don't begrudge those who are successful with complex setups and strategies, but for the vast majority of us who are not running the quant desk at Goldman Sachs, simple is better.

Some of the best traders I know only use one or two monitors at most and focus on price, volume, support/resistance levels, a few core patterns, and perhaps an oscillator thrown in for confirmation. After that it is all about proper sizing and trade management.

If your trading returns are less than you hope for, the first thing you should do is strip down your system to the basics; price and volume. Then look at your indicators and studies to see if you really need them all or if they are just causing you distraction. Check out of all the patterns you trade, and determine which ones show the highest reliability.

Then throw the superfluous things away and keep only what you need and what works.
And remember that the money you make in the markets is no more valuable if you make it in a "complicated" way than if you make it in a "simple" way.

Brian Lund

Read the original post [here](#)

Posted by [SMART Trader](#) at 12:03 AM



1 comment:

Anonymous [September 7, 2012 at 7:34 PM](#)

Lund plus a BC before it :;) Just kidding.

The full article was too good.

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