



Common Trading Systems



- Momentum / Trend Following*
- Fundamental Analysis
- Value Trading
- Mean Reversion*
- Seasonal*
- Spreading
- Arbitrage
- Intermarket Analysis*

Common Strategies



Momentum / Trending Following

Let's break down the term Trend Following into its components. The first part is "trend". Every trader needs a trend to make money. If you think about it, no matter what the technique, if there is not a trend after you buy, then you will not be able to sell at higher prices..."Following" is the next part of the term. We use this word because trend followers always wait for the trend to shift first, then "follow" it. ~ Tom Basso. Text from [Trade Your Way to Financial Freedom by Tharp, Van K.](#)

- References

- [Wikipedia](#)
- [Ed Sevkota](#)
- [Clenow Research](#)
- [Michel W. Covel](#) and his [podcasts](#)
- [Forecasting High-Frequency Futures Returns Using Online Langevin Dynamics](#)

Mean Reversion

- Some times also called **band trading**, **range trading** or **swing trading**
- Buy at support
- Sell at resistance
- E.g., Bollinger Bands, Donchian channel, Keltner channel, Pairs Trading etc.
- References
 - Wikipedia on [Bollinger Bands](#)
 - [Swing Trading](#)
 - [Van Tharp](#)

Heating Oil

Seasonal

Intermarket Analysis

- Pairs Trading
- Carry Trade