

## Title:

Recognise 'The Force' and Trade the Trend

## Word Count:

461

## Summary:

You may have heard the saying 'A Trend is your Friend until it Bends'. Technical Analysis helps us to identify a trend so we can jump on and ride it until it changes. Since the Forex market has very strong trends, technical analysis is a very effective technique...

## Keywords:

Forex, Forex Trading, Technical Analysis, Mini Account, Trading, Leverage, Rapid, RapidForex, Investment, Business, Online, Charts, Trend, Charting

## Article Body:

You may have heard the saying 'A Trend is your Friend until it Bends'. Technical Analysis helps us to identify a trend so we can jump on and ride it until it changes. Since the Forex market has very strong trends, technical analysis is a very effective technique.

Some traders still persist on trading against the trend, they argue with it even though price movements are obviously in a trend. Buying when the currency is in a basic downtrend or selling when it's in an uptrend, instead of buying.

Our primary purpose is to identify the major trend, intermediate trend and the short term trends and place trades in that direction. We then hold position until our calculations suggest otherwise.

Here's a quote from Jesse Livermore, a tenacious, flamboyant and profitable Forex trader,

"We know that prices move up and down. They always have and they always will. My theory is that behind these major movements is an irresistible force. That is all one needs to know. It is not well to be too curious about all the reasons behind price movements.

You risk the danger of clouding your mind with non-essentials. Just recognize that the movement is there and take advantage of it by steering your speculative ship along with the tide. Do not argue with the condition, and most of all, do not try to combat it."

There's gold in these words. If the market action shows your analysis to be correct, the successful traders stay with the market and maximize profit according to his or her equity management rules.

If the market turns, the smart trader will get out and collect profits.

Watch the market and listen to what it tells you about upcoming trends and most importantly don't ask for reasons for what it does, focus on the essentials.

There are often repeating patterns in price changes. Once established. They become the most probable way to predict price changes.

These can be categorized into two types of markets, trending and trend-less. Trending markets have up and down trends; these are typically less than 45° and are steady movers with occasional pauses or profit-taking periods.

Trend-less markets have very steep movement of more than 45° that most often can't be sustained. Although price movements can shift a considerable number of pips in a short time period they often don't produce much net profit.

Choppy markets often produce stop outs and the sideways market, with minimal price movements makes it very difficult to predict which way the price will move.

For these reasons, our objective is to get into a trending market and meet our trading objectives.

The underlying message here is, "Be a good friend to the trend", a simple concept but powerful indeed.