Buy and Sale Side

What is Definition of Long and Short?

- Long- We buy first and sale later as a data. We follow this thing.

When a day trader is in a long trade, they have entered a trade by buying a contract (or group of shares, or forex lot), and are hoping that the price will go up. Day traders will often use the terms buy and long interchangeably. Similarly, some trading software will have a trade entry button marked "Buy", where another might have a trade entry button marked "Long". The term long is often used to describe an open position, as in "long the YM", which would indicate that a trader had an active trade where they had bought a contract of the YM (Dow Jones) futures market.

- Short – We selling first then buy to cover later that we call short.

✓ Many investors see short sellers as bears

Buying stocks short is also termed "short selling" or "shorting" and simplified, it means betting on a security such as a company's stock value to decline. To do this, the short seller must borrow the security from their broker on margin and then sell it. The investor later buys it back (hopefully at a lower price) and collects the difference. The opposite of the traditional investing strategy; buying stocks "short" means selling high and buying low. This is why short sellers are viewed as "bearish." This article will tell you how to buy a stock short.
http://www.finra.org/investors/protectyourself/

7 (Seven) Pillars for Professional Trades

1. Fundamental analysis
2. Technical analysis
3. Speed of execution
4. Live data feeds
5. Risk management
6. Psychology
7. Trading plans

I started the positive leg of my trading journey the minute I walked into my local Online Trading Academy center. Just like numerous other graduates of Online Trading Academy, I sat through a Power Trading Workshop and listened intently about the true nature of Global Markets and how the professional traders of this world adapt and weave their way through with consistent profits and few headaches. Looking back, it shocks me when I think about just how much I *thought* I knew about the markets! My perception of trading back then was so very different to the reality I was introduced to and now know of so very well. I was no different from any other hungry novice trader and it was so refreshing to have my eyes opened to a whole new logical approach to trading. One of the key aspects of the presentation which I could really relate to was after our lunch break when we were introduced to the Online Trading Academy's powerful structure of education, called The 7 Pillars of Trading. The 7 Pillars is a unique summary of the tried and tested skill sets which any rookie speculator needs to learn from in order to get the results they are looking for. For this week's article, I would like to run through each of these 7 Pillars making them specific to the world of Forex trading, so we can all fully understand the main requirements and skill sets necessary to make it as a consistently profitable trader in today's financial arena. Let's begin...

- PILLAR 1: MACRO FUNDAMENTALS

It all starts here for any trader, investor or market speculator, no matter what asset you choose to work with. Understanding the main aspects of the Fundamentals will help us to gain a bigger picture understanding of how these factors shape and influence the actions of willing buyers and sellers. Personally, I do not base my trading decisions on the economic factors alone, but that does not mean that I choose to ignore the fundamentals altogether either. It can be of great benefit to any market professional to understand such things and why certain markets have positive and negative correlations with others and why certain news releases have a greater impact on prices than others. I would say that one particular benefit of Forex trading is that it is by far easier to follow the fundamentals as we are focusing more on specific national economies as opposed to a whole variety of individual companies like in stocks. Always use some kind of economic calendar before placing your trades – I call this looking left and right before you cross the street. By far, it's better to be safe than sorry.

- PILLAR 2: TECHNICAL ANALYSIS

Trading Forex without charts is like driving blindfolded. Even if you are the world's greatest fundamental analyst, you still need entry and exit prices when taking positions and this fact alone means that any serious-minded individual needs to understand how to read a basic price and time chart to keep things planned and precise. Taking charting a little deeper we can then start to recognize repeatable patterns in behavior, and as my own mentor Sam Seiden has always said, the chart, in essence, shows us the footprints of the buyers and sellers. The footprints then offer us objective areas for buy and sell opportunities. The art in charting is to develop a simplistic and coherent ability to read the charts without confusion and bias, allowing us be drawn to only the lowest risk and highest potential reward trades available. Think of technical analysis as a means to plan your move ahead of time, rather than as a means to react to the movements of price as and when they are happening. Less is more in charting and don't be baffled into thinking that there is any system which works all of the time as you will be greatly disappointed. Pick your technical tools, get familiar with them and be consistent. In time, the charts will show *you* the entry points instead of you staring so intently that you *create* a high risk trade for yourself which often results in yet another loss.

- PILLAR 3: EXECUTION

Execution is always intrinsic in the grander scheme of things and a trader should be confident and competent in their ability to place orders in real-time and manage their trade. Your broker should offer you a whole plethora of orders like Limits, Market and Stop Limits and especially if you are looking to place longer term set and forget setups, you will need to have access to OCO (Order Cancels Order) and OSO (Order Sends Order) orders, in which you can create multi-bracket orders to not only enter the position and place a stop loss, but also set up profit targets and final exits all ahead of time. This way you are fully protected in your trade at all times, even if the PC breaks down, or should you experience an internet access failure. You should be trading through a Forex dealer who gives you the fastest fills and with a fully-automated execution desk to boot.

- PILLAR 4: LIVE DATA FEEDS

There is simply no excuse for any Forex trader to not have access to live charts. This is the biggest market in the world and we can even get real-time price feeds and charts for Forex pairs and prices for free on the internet sites such dailyForex.com and Forexstreet.com. With this in mind, I would like to reference back to last week's article, A Second Opinion Can Sometimes Help, where I suggested that the complete Forex trader should always use the charts that their broker provides to execute trades, as these prices will match their execution prices. In the case of trading Forex Futures contracts, this becomes a true Direct Access Market, with all volume and trading going straight through the Chicago Mercantile Exchange, giving traders discrete order placement, first-come first-served status on pending orders and true market volume. For the serious Intraday Currency trader, this really is the way to go.

- PILLAR 5: RISK MANAGEMENT

As I have said many times before, trading is not really about making money, but instead it is all about capital preservation. Without money in the account, you can't trade. Always risk small percentages of your account and use decent risk to reward ratios which, in time, will provide you with a buffer to cover the losses that you will endure. Risk rewarding ratios are far more important in the longevity of a trading career than hit rates. I always say to my students that trading is not about how you win, but how you lose. Lose small and win big is the idea and if you are disciplined enough, you can still make good money with as little as a 30% success rate. This is one of the only businesses in the world where we can get paid for being overall losers, but *only* if strict risk management principles are adhered to at all times.

- PILLAR 6: PSYCHOLOGY

To me, the mind is where the biggest battle will ever take place for a trader. In this game, you can easily become your own worst enemy if you don't keep your emotions in check at all times. Some experts would say that after your trading strategy has been defined and the risk management principles are put in place, trading then comes down to as much as 90%

psychology. Only we can stick to our plan of action and remain calm, unemotional and patient during the peaks and troughs the markets have to offer. Money is only at risk when trades are placed, and after a few losers, the fear factor can play funny tricks on your account, just as much as greed can, too. Learn to not follow the herd like a sheep and be decisive in your goals and trading. If you do what everyone else does, then you will typically get what everyone else gets.

- PILLAR 7: THE TRADE PLAN

Someone once said to me that "A goal without a plan is nothing more than a wish." Never a truer word said in Forex trading. This pillar is the culmination of the previous six and becomes the more important piece of the puzzle. Your trading plan should be written to compliment your personal aims for trading as well your own character and make-up. It should be based on the capital you are working with, the style of trading you are looking to carry out and your own tolerance for risk. I like to think of the plan as being my instruction booklet of sorts for my trading. It tells me what to do, what to look for and how to behave in all market scenarios. It is designed to keep me on track and disciplined, to the extent that I should never have to ask myself "what do I do now?" Consistency comes from measurable results and sticking to a detailed plan of action will help a trader to keep track of their performance at all times. Fail to Plan, Plan to Fail...

I hope this was of use to you. If you would like to find out more about the impact and importance of the 7 Pillars, contact your Education Counselor to sign up for one of our many courses.

- **Trade means 4(Four) Deferent Trade**
  - Equity (Stock)
  - Option
  - Force (Currency)
  - Futures (Index)

- **New York Stock Exchange open time 9:30 am to 4:00 pm**
- **Currency Trading 24/5 (Monday to Friday)**

The Primary day is trading rules. There are 3 legs to chair of day trading

- Strategy
- Psychology
- Risk management

http://www.finviz.com

http://www.staralliancecapital.com/dinensiontrading

- **Fear and Greed**

Fear - Fear is the emotion that stops us from doing things that might be too risky. In the right quantity, fear is obviously an emotion that we need, but when fear becomes too great we can be prevented from doing things that might be necessary. In day trading, the main fear a trader has is that they are going to make a losing trade and lose money. This is a rational fear as no trader wants to lose money, but it is irrational if it prevents the trader from taking any trades in the first place. As an example, a trader might make a losing trade, and then be too fearful to make the next trade, which of course turns out to be a winning trade, and would have covered the previous loss. By letting the fear take control, the trader now has a net loss, even though a winning trade was available. The emotion of fear can be overcome by acknowledging that all day traders have losing trades occasionally, but as long as they are less frequent than the winning trades, there is nothing to be afraid of as there will still be a net profit.

Greed- Greed is the opposite emotion to fear, in that it is the emotion that makes us do things we would not normally do. The right amount of greed is necessary because it gives us the motivation to work at something, but when we are too greedy we will start doing things even when we know that we should not. In day trading, greed can make traders make random trades, or hold on to positions longer than their trading system dictates. For example, if a trader is watching a market moving strongly upwards, the trader might be tempted to make a trade even though their trading system says not to. The trader has allowed the greed to take control, and more often than not in this scenario, they will be buying right at the end of the move and will have a losing trade. The emotion of greed can be overcome by testing and then trusting in your trading system, and knowing that if you follow it correctly, it will make a profit without taking every potential trade.

- **Dow-** Industrial average $ INDU
- **S& P** – 500 worlds top company
- **NASDAG** – commodities market
- **Exp-** AIG insurance company

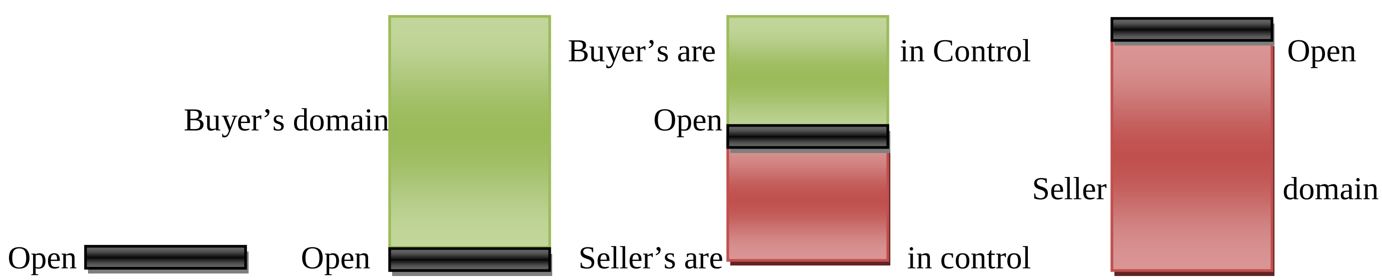
- ❖ **SEARCH –YAHOO FINANCE OR GOOGLE FINANCE,**
- ➢ **Technology-** MSFT, ORCAL, IBM, SPQ, INTC, CSCO, AAPL, VZ, T, YOHOO, BA
- ➢ **Financial –** BSC, JPM, WFC, MS, GS, AXP, C, BK, PNC
- ➢ **Services Group -** WMT.TGT, UPS, FDX, MCD, VVY, M, JCP, CVS, HD, AMZN
- ➢ **Basic material group** – XOM, CVX, BP, SLV, OXY
- ➢ **Consumer's goods** –PG, KO, F, NKE, KFT, PEP
- ➢ **Industrial goods** – CAT, LMT, CMI, X,
- ➢ **Utilities** – SO, MU, GAS, EQT, EIX
- ➢ **Health care** – PFE, JAJ, MRK,
- ➢ **Gold company** – GLD, GG, SLW, AEM

www.marketwatch.com

- ❖ **EARNING CALENDER -**Earning per share (EPS)
- ✓ **The bar by bar battle**

1, 2, 5, 15, 30, 60, daily, weekly, month, yearly,

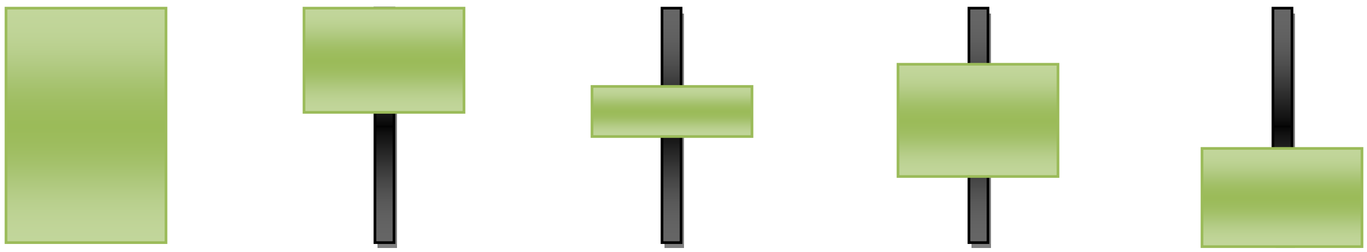
➢ Bulls Win   Bears Win



❖ Winning Candles (**S-Seller, B- Buyer**)

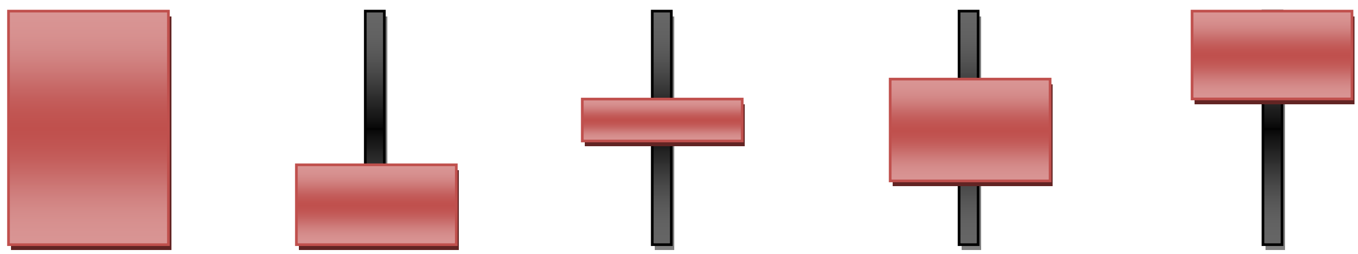
➢Bulls Win

Most Bullish, S-10%, B-90% | 2nd Most Bullish, S70%, B-30% | Most Neutral S-45%, B- 55% | 2nd Most Neutral, S-60%, B-40% | Least Bullish, S- 45%, B-55%



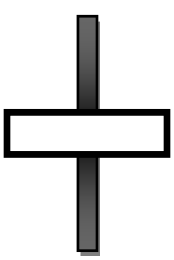
➢Bears Win

Most Bearish, B-10%, S-90% | 2nd Most Bearish, B70%, S-30% | Most Neutral B-45%, S- 55% | 2nd Most Neutral, B-60%, S-40% | Least Bearish, B- 45%, S-55%

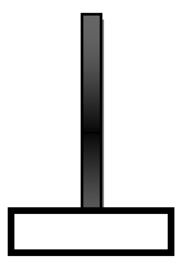


➢Neutral Candle (No one Win)

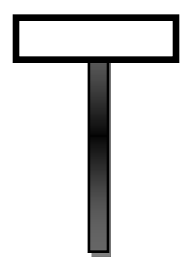
Draw



Green was lost

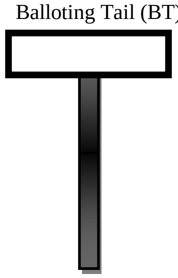


Red was lost



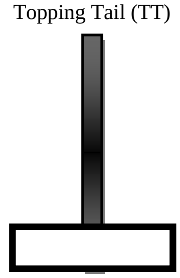
Buyer's dominate

Balloting Tail (BT)



Seller dominate

Topping Tail (TT)



- ## Element of three Major time frames 20 moving average (20MA)
    - 15 Minutes chart- this time frame will be used permanently for trade analysis and support and resistance reference points.
    - 5 minutes char- This time frame is the element trades‘s number one staple.
    - 2 minutes chart- This fast morning chart is a god send when the market is not producing clear signals on the other two frames.
- ## Element of three Minor time frames
    - Daily chart- This time frame is Key to determining which stocks have upside biases and which have downside biases for the following day.
    - 60 minutes chart – This time is almost never used for trading, but like its smaller 15 minutes brother.
    - 1 minute’s chart- This super fast moving time frame becomes a major focus when the ultimate level of precession is required.

- ## Element moving average power The powerful 20 MA (20 moving average)

1. 20 periods simple moving averages (20MA). The 20MA is so important to element trades that no chart is ever studied or viewed without it. That’s because its power and reliability are unrivaled. No chat is a chart unless it is accompanied by this all important technical indicator.
    a. Trade with the 20MA- most of your trader should be in sync with the 20 MA
    b. Use a support & resistance- if and when the 20MA is rising (R20MA) it will serve as a strong support.
    c. Use as a median line - when a stock is consolidating in a sideways pattern, the 20 MA will in the middle of the sideways trend.
    d. Use a magnet- stock cannot remain extended too far above or below the 20 MA.