Price Action Trading Course

-A Key To Your Financial Freedom

YOU BECOME VERY DANGEROUS WHEN YOU LEARN HOW TO READ PRICE ACTION.

@TRADINGWALK
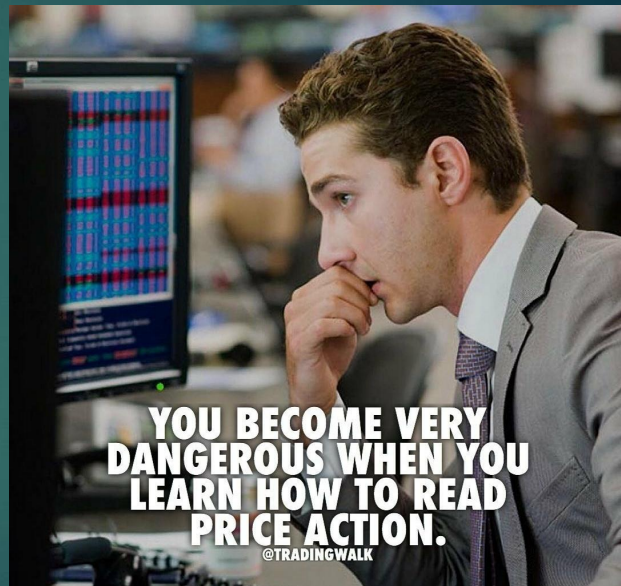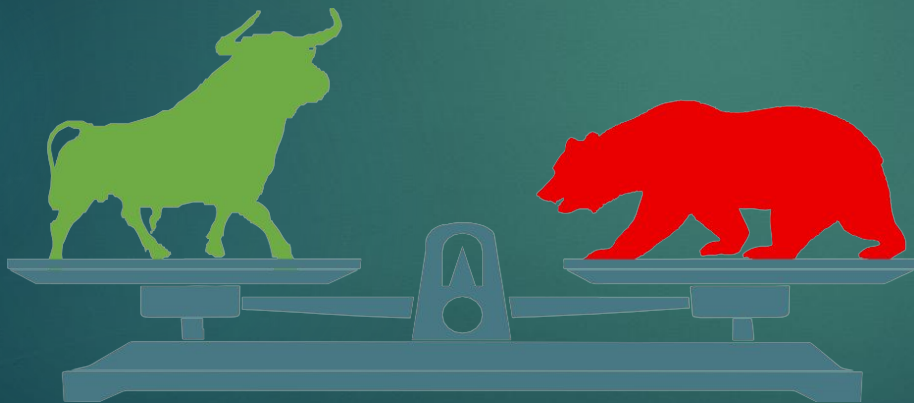
What Is Price Action Trading?

To understand why Price Action Trading, lets first discuss what is Price Action based trading?

Price Action Trading (P.A.T.) is a trading technique under which all the trading decisions are based on the historical and recent price movements. The price is supreme and responsible for all the actions as a trader, as our Gujju friend would say "Bhav Bhagwan Che".

No importance is given to the third-party indicators, news, or the fundamental data. Therefore it is also referred to as "naked trading" as price action traders use "naked price charts" without any technical indicators.

Why Price Action Trading?

Let's compare two charts below, one with all the indicators and another a clean price action bar chart.

So what do we observe?

We can easily find out that in the first chart full of indicators there is very little space left for the price action bars, which diverts all the attention from the raw price action to the other number of variables.

Why Price Action Trading?

- While using this trading technique traders save themselves from "lagging indicators". Lagging indicators such as Moving Averages (MA), Moving Average Convergence Divergence (MACD), RSI, Bollinger Bands, etc. react when the price has already moved and therefore giving a less attractive risk-reward each trade.

- Taking trade based upon the raw price action will not provide any profit guarantee but will help in identifying the trades early and thus increasing odds of trade becoming successful.

- Most of the indicators derive their value from the prices and therefore indicators won't provide any extra information which you require for successful trading rather it will lead to confusion as most of the time these indicators are lagging and contradicting each other.

- Price charts indicate intentions of all the market participants (buyers & sellers) and therefore all your trades can be based upon the movement of the prices. It also gives an edge to the Price Action traders because their decisions are based on the mood of all the other market participants rather than their own predictions. Also, the impact of all the economic events/news is reflected in the prices and therefore no need to follow and track these events to trade the markets successfully.
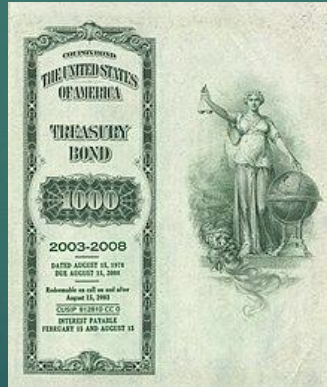
Price Action Trading Strategies

• The most commonly used Price Action **indicator** is candlesticks. These candles form patterns that can be used for developing Price Action Trading strategies.

• By now we have understood that a Price Action trader intent is to read the price movements and accordingly identify price action signals using chart patterns and find out key levels in the chart.

• These price action based signals are combined by the traders and collectively referred to as Price Action Trading strategies. All their trades revolve around these strategies. The most prominent strategies are Support & Resistance Level Trading Strategy; Pin Bar Trading strategy; Inside bars; candlestick patterns such as Harami, Hammer, Shooting star, etc.

Markets in which Price Action Trading Can be Used

- Price Action trading involves the analysis of all the buyers and sellers active in the market and hence it can be used for any financial market including forex, stock, indices, commodities, bonds & even the **crypto** market.

- All these financial instruments prices can be represented on a candlestick chart and therefore a price action strategy can be developed and implemented using it.

Conclusion

Price Action Trading is a very powerful trading technique and used by most of the successful traders across the globe.

Do you wish to incorporate the same in your trading?