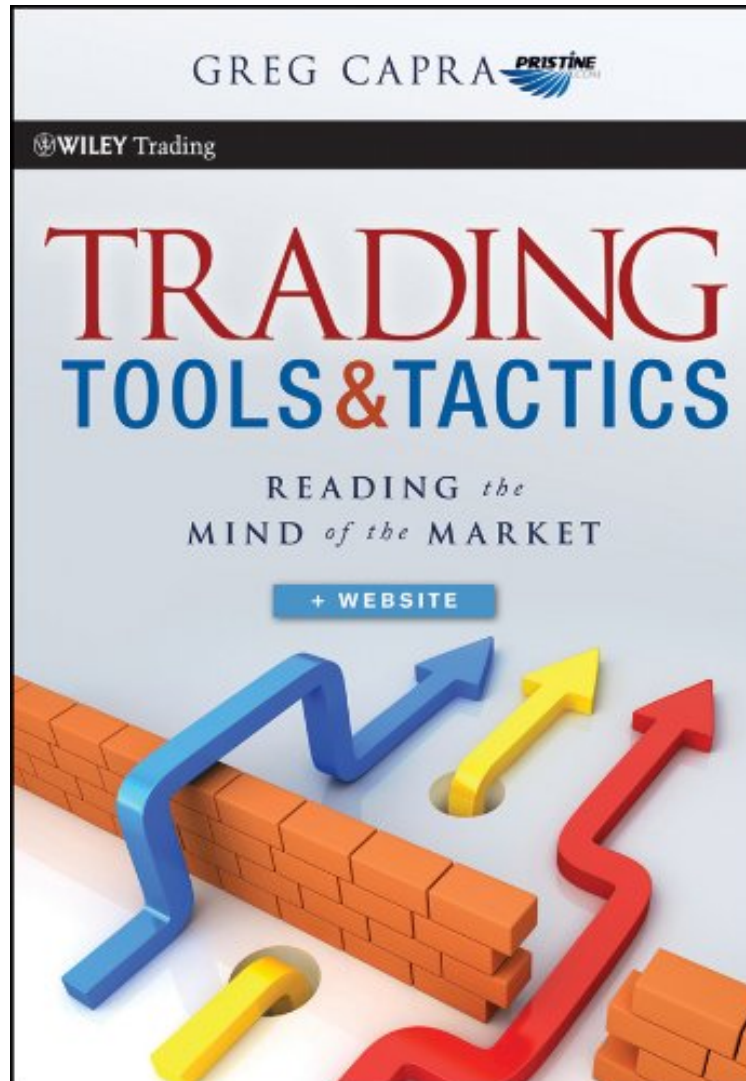


(Free pdf) Trading Tools and Tactics: Reading the Mind of the Market (Wiley Trading)

Trading Tools and Tactics: Reading the Mind of the Market (Wiley Trading)

Greg Capra

ebooks / Download PDF / *ePub / DOC / audiobook



DOWNLOAD



+

READ ONLINE

#926310 in eBooks 2011-06-24 2011-06-24 File Name: B005C777X4 | File size: 33.Mb

Greg Capra : Trading Tools and Tactics: Reading the Mind of the Market (Wiley Trading) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Trading Tools and Tactics: Reading the Mind of the Market (Wiley Trading):

37 of 38 people found the following review helpful. From a Traders Perspective ...By David A. Smith Typically when I buy a book if I pick up just one great idea or strategy I consider it a win. Or, if I gain some clarification or perspective on a previous idea from another book I consider that a win. In this case I think I may have picked up and clarified more than one. I have to admit that I have read the book more than once and it isn't perfect but it certainly clarifies

many trading idea's and concepts that you must have a firm grasp of to trade successfully. I would characterize the theme of the book as "Objectivity" and how to be objective when trading. I too am frustrated by the use of greyscale for the book and not color but the concepts and strategies outlined within the book are well done and don't necessarily require all the charts to be color. But yes, I certainly would have preferred it. For the record, Steve Nison is considered the foremost authority on Candlestick charting techniques in the US and NONE of his charting books are in color.-----Chapter 1: Subjectivity Doesn't Work in the Market: This chapter has what I believe to be THE most important concept in trading. "The Four Stages of the Markets"! You might already see the market this way but haven't know exactly what to call it or maybe you have never looked at the market this way before but I use the four stages as the basis and is THE first question I ask myself, regardless of time frame, before I take a trade. "What stage is the market in on this time frame"? Once you know what stage the market is in you immediately know what entry strategy I need to pull out of my bag of entry tricks to determine my entry; position size, stop loss and potential exit points. If you don't know the answer to these four questions before you take a trade you should consider NOT taking that trade. The author covers these stages quickly because truthfully they just aren't that hard to see or understand. Recognizing the stages and trading them accurately is a whole different ballgame. When you learn the stages and how they transition you can literally find the specific bar that changes the stage allowing you to be on the right side of the market, with the trend, before anyone else. Chapter 2: Candlestick Analysis: If you use Japanese Candlestick's to trade you probably have the Nison books on your shelf already. Chapter 3: Support Resistance - Price is King. Differentiating between Major and Minor support and realizing that minor support is more important than major support along will both save and make you more money than you can imagine. Support and Resistance traders trying to understand why getting long at Major Support fails most of the time when your larger time frame is in a uptrend your answer may finally be here. Why is minor support stronger than major support and why is it actually minor support that makes the markets work may be that light bulb moment for your trading. I highly recommend you understand this concept. How about understanding when support is supposed to fail so that you aren't long when it does or when resistance is actually going to stop your trade from going higher and when you can actually continue to let your trade run? This is just one of those chapters the author literally could have written a separate book for. Chapter 4: Moving Averaged the Right Way: Visual Aids to Price Action. So if I told you a moving average is NOT a support or resistance area would you believe me? "But it works" you say. Have you considered that perhaps when it does work it's because of something else on the chart your aren't seeing on either your entry time frame OR a larger time frame? This chapter may give you some insight it how to better use those moving averages as a timing mechanism (focal area) verse using them as support and resistance. There's also a great strategy for trading with the trend using both the 20MA and 40MA that if you are patient enough to both find and wait for the proper entry on any time frame is a extremely high probability trade. Chapter 5: Volume is Money: Commitment to Prices. I am primarily a currency trader so accurate and consistent volume is not a luxury I have but for trading instruments where volume is reliable then this chapter be more of a clarification win for you. Chapter 6: Retracement Analysis: Using Retracement Analysis to Continue Your Move: Understanding how and when a stock 'rests' after a strong move and when that pullback after that move is a normal reaction that you should not worry about is another one of the clarification points that you is critical to understanding when not to panic. This chapter dovetails very nicely with the support and resistance concepts from chapter 3. It's difficult to separate these two chapters in terms of importance and how together they can be used to manage your expectations for any of your trades regardless of the time frame you have entered on. This chapter is also one of the first chapters where we start to see multiple time frame analysis and gain some understanding of exactly how important that concept is. Chapter 7: Bar-by-Bar Analysis: For some reason the first thing I thought of when I saw the chapter of this book was "Pub Crawl" but apparently that's not what this chapter is about. This is a short chapter but it does introduce to you the fundamental pattern that you are looking for when trading. Your ability to understand how to take this pattern and 'see' it across multiple time frames is actually one of the most important concepts you can learn as a trader. It may be one of the shortest but the concept is critical. Chapter 8: Market Internals: I am embarrassed to say I have yet to read this chapter. Why? Being a currency trader I use the correlation between the 6 major pairs and the crosses as my market internals. With that said, if you trade some of the SP 500 Mini you may find these market internals very helpful. Chapter 9: Relative Strength. Granted this isn't just a equity trading concept but I have not read this chapter given that in currency trading we look for correlation, which is a form a relative strength, but within the confines of this book it is primarily a equity concept correlated with the market, defined as the Q's or the SPY, so I have yet to read this chapter. Chapter 10: The Trend is Your Friend - There are only three directions: The cliché only makes sense if you can accurately identify the trend and then coordinate that identification of that trend across time frames. Until you can do that you are gonna struggle as a trader. The basic building block of a identifying a trend is a pivot but pivots come in all shapes and sizes and your ability to determine which ones to pay attention to is critical. Here again we see great references back to support and resistance and of course those pesky moving averages. Chapter 11: Shoot the Gap. This chapter is really just a overview of how to trade gaps. Gaps are something you need to understand on a level that this chapter really doesn't do justice. In terms of equity trading he probably needed to mention them because they happen every day to almost every stock but for beginners or as a introduction its

fine. Chapter 12: Frame-by-Frame: The Concept of Multiple Time Frames. Remember those 'stages' I mentioned as being so VERY important from Chapter 2? Well this is where that concept really shines. Once you understand the stages and how to identify them you then need to apply that understanding to multiple time frames. The author refers to the larger time frame as a 'Macro' time frame and the smaller time frame as the 'Micro'. Your goal is simple really. Match the stages across time frames. If the daily (Macro) is in a (Stage 2) uptrend then you need to wait for the 15M (Micro) time frame to also be in a (Stage 2) uptrend. Earlier chapters have already given you the 'pattern' you need to match and/or be looking for to enter the trade. In this chapter he points out "Three Incredible Rules for Trading". The third one, using failure of a smaller time frame, is my favorite. Chapter 13: Making Failure Work for You - Recognizing When Patterns Fail. So here you are, you understand the stages, you understand pivots and trends and you can see those pivots and trends across multiple time frames. Now you want to get into a trade because it as all become so clear and then ... the smaller time frame entry fails! Funny, because that's exactly what I am looking for. This is a great chapter both technically and conceptually. This is a very advanced topic but the concept is pretty basic and very well laid out here for you to build a trading strategy around. This might be my favorite chapter for what that's worth. I personally think you could write a book on how to use the failure of a micro time frame to enter a macro time frame but this author wrote a chapter. There are references throughout the book using this concept to keep a eye out for them. It is a fantastic strategy for entering a trade. Chapter 14: Manage the Trade and the Money - The missing link. I realize it's hyperbole to call each chapter the most important. Invariably it becomes a cliché that when used we don't even really hear anymore. We dismiss it as perhaps some habitual phrase like 'um' that so many people use as a way to think or gather thoughts before they begin speaking again, usually in cliché, about something they feel is important. But this chapter sheds some light on some concepts that if you don't understand and apply you will blow up your account. Your trading or investing career, whether you realize it or not, is predicated on understanding how to treat each trade equally. If you think one trade is better than another then you need to seriously look at that 'other' trade and consider never taking it again. Here again we see a reference to those three pesky questions you better know the answer to before you put your hard earned money on the line; the exact price to enter, the exact price upon which to know when we were wrong, and the approximate area to exit the trade for profit. Yes, I realize and the author realizes that different time frames imply different position sizes for trades ... but do you? How much to risk on a trade is a critical concept that the author does a very nice job of addressing. Chapter 15: Getting Through a Typical Day. This chapter is basically self explanatory and is a summary of how to get your thoughts organized both before and after the trading day. But he touches on a having a 'trading plan' and how to compare your daily trades to your plan so that you can change/improve/modify either your trading plan or your execution. Chapter 16: There is only One Truth in the Markets: Price is King. I think that just about covers it really!-----Is the book perfect? Of course not. It frustrates me that the charts are not in color. I will forever not understand why the charts aren't in color given that when you trade using Japanese Candlesticks the color of the bars are critical. Particularly when daily charts are used as examples, which invariably contain gaps, that without color you can barely determine whether the daily bar is bullish or bearish. Sometimes, but not often, the wording is awkward or difficult to understand. I have a feeling this book was a long time in the making but it probably needed to be better proof read. (I realize you could probably say that about my review as well so here's to the kettle calling the pot black). I realize the Author has a trading school, which is mentioned in the book, so they use some terms that are specific to there way of teaching but in those instances they are usually pretty clear about the concept given that the names really don't matter anyway. I have attended some of the free workshops of the author and been able to ask questions directly about the book. I have both the iPad Kindle version of the book and the Hard copy. The iPad kindle version has all the quirks of a ebook in that sometimes pages that were once on the left are now on the right or charts have 'moved' so I purchased the hard copy as well for whatever that's worth. I am a prop trader but NOT a prop trader for the Author or Pristine. I can't speak to the Wiley site and whether or not that works. 4 of 4 people found the following review helpful. Great Value By R. Yeager I am a pattern day trader and I have studied the subject for many years. This is the first book that has gone so deep into the "why" the markets move the way they do. I also believe this book will give a great headstart to anyone thinking about training to be a trader. The only downside I could find was the charts are shades of gray instead of colored, but it is mostly the pattern that is important anyway, and I downloaded the charts in color from the website for my use. I will read this book many times in the future. 8 of 9 people found the following review helpful. Extremely worthwhile book By Shauna This is definitely the best book on trading that I've found. All other books I've read are to some extent similar to each other in that the same information is explained the same way. This book, however, is so different in that respect. The author approaches technical analysis with common sense and takes the time to explain what is really happening on the chart in terms of buyers and sellers. He explains basic concepts of technical analysis in his unique way, constantly bringing the reader back to support and resistance as the ultimate reference. He has clarified everything for me. I was looking for a book that did more than explain basic technical analysis. I wanted to find tips on trading that I could not find in other books. This book did not disappoint, as the title does represent what you will find in this book - trading tactics. The one thing that really handicaps the reader, unfortunately, is the color of the candles. They are all black! There are places in the beginning of the book where they are black and slightly less black, but for

the most part, every candle on every chart is black. Like another reviewer mentioned, I would gladly pay \$10 to \$20 more to get an edition of this extremely valuable book with colored (or even clear vs. black) candles. It would add so much to this amazing book. I can honestly say that I've learned more from this book than any other book on technical analysis.

From the founder of the leading online trading education company Pristine.com, a simple technical method to trade or invest. Many trading books present esoteric trading concepts and complicated indicators that may look good on paper when viewing the past, but prove ineffective in the real world. *Trading Tools and Tactics: Reading the Mind of the Market* doesn't just make investing look easy; it makes trading easy by teaching you not only how to identify price moves, but by helping you understand why prices move the way they do. Covers managing trades and setting entries and stops, and helps you view how failed trades or chart patterns of the past can become new opportunities. Describes how to identify and understand supply and demand as it relates to resistance and support, as well as how to combine and read multiple time frames that offer the best opportunity to take profits. Details both concepts and practical tools to use for life, not just the current market. Investing is all about finding the right price patterns to profit from by understanding support, resistance, trends, and volume—as well as identifying the best time frames to trade. *Trading Tools* shows you how to do just this.

From the Inside Flap. Most instructional texts on investment training present complicated concepts and indicators that look great on paper but are difficult to put into practice in the real world. As the founder and CEO of the leading online trading education program in the country, Greg Capra understands exactly what you need to know in order to maximize your chances of success in the trading market, and *Trading Tools and Tactics: Reading the Mind of the Market* presents this information in a concise, accessible manner that will get you up to speed right away. *Trading Tools and Tactics* doesn't just make investing look easy; it actually makes trading more simple by teaching you how to identify price moves as well as the conceptual foundations that explain why prices move the way they do.

Understanding support, resistance, and volume, and then identifying the best times to trade are the essential elements of investment success. Price movement and level are the only truths in the markets, and this book teaches you how to interpret what the prices are telling you. From concept to practical execution, this book covers everything from setting entries, stops, and managing trades, to knowing how to read others' mistakes and turn them into profits. New and experienced traders alike will find invaluable information on how to accurately identify trends, candle patterns, support and resistance, and other events that can be put to good use by following a few simple steps.

From the Back Cover. Practical trading advice from the father of trading education. "Right from the start, Capra hits the nail on the head when he says that the markets are not subjective. 'The market is not a matter of opinion,' he states definitively. *Trading Tools and Tactics* debunks following the latest guru in the marketplace and using fundamental analysis to make trading decisions. It then explains how you fall into these traps and how to avoid them. This book is a well-written, interesting read that continually reinforces the importance of objectivity in trading the markets. The thing that I like best about this book is that Capra is forthright and uncannily accurate in his analysis." —SUNNY J. HARRIS, author of *TradeStation Made Easy!* "In Greg Capra's new book, *Trading Tools and Tactics*, he lays out the requirements for knowing what is important to a winning strategy and makes it understandable to a person just starting their career. The seasoned trader will also find value in his book because it clarifies where a trader can improve his technique. Greg guides you with simple language to demystify the everyday buzzwords of the trading language. These understandings will give a trader confidence by having logic behind their theory for why their strategy will produce profits. Over the years, I have worked with Pristine traders on building their success with the psychology of trading and found them to be some of the best trained traders in the industry." —ADRIENNE TOGHRAIE, founder of *TradingOnTarget.com*

About the Author. Greg Capra is president and CEO of Pristine Capital Holdings, Inc., the nation's leading educational service for self-directed traders. He has 15 years of experience as a day trader and swing trader. Many years ago, Capra realized how to collect valuable intra-day information from stock quotes and store them into an orderly computerized system. He utilized a program called SuperTic to track and evaluate this information, which led him to his pursuit of intra-day trading tactics. In those days, free online stock charts and quotes were not widely available, and institutional traders had a great advantage over the individual trader. Today, the playing field is more level. Capra saw an opportunity to build an educational and research firm for self-directed, independent traders. This meant that ordinary people could now possess a sophisticated level of research on par with institutional traders and hedge funds. Capra developed *The Pristine Swing Trader*, an advisory newsletter with over 60,000 subscribers, and is co-author of the book, *Tools and Tactics for the Master Day Trader* (McGraw-Hill, 2000). Pristine.com was founded in 1994 and combines publication-based education with seminars and education services aimed at helping traders gain an intuitive understanding of the markets. Over 400 seminars are conducted each year around the world. Before founding Pristine, Capra spent 15 years running his own business. Since founding Pristine.com, his desire has been to educate the individual investor in quantitative analysis of market movements.