

The background of the entire image is a blurred photograph of a multi-lane highway, likely taken from a high vantage point. The image is heavily stylized with a green color overlay and diagonal motion blur lines that create a sense of speed and movement. The text is overlaid on this background.

TRADER<sup>ON</sup>THE STREET

# BEATING THE ODDS:

Tips for Conquering Uncertain Volatility

Trading is rarely ever the same from day to day. There are certain patterns that form, but which direction they will head over time is consistently up in the air. That's why, during every session, it's crucial to stay on your toes and wait for the right time to strike. So, you have a better chance of breaking the odds when trades don't go in your favor.

When you're strategic about your placement, and bide your time in crawling back out of a hole, you'll ensure you won't have a losing day. Here, we will discuss the steps needed to trade successfully out of uncertain volatility.



## BE QUICK ON THE DRAW



Whenever there's short-term momentum, it takes a keen eye to note the direction of price action. And when it happens, it's usually sharp and volatile.

So, when presented with the possibility of a breakout, look for the telltale signs. Most of the time, you need to rely on past support or resistance levels.

These allow you to determine where the breakout might pause. Therefore, you can set your stop orders and not let your trades suffer when it breaks against you.

Other times, candlestick patterns come into play. These add validity to the breakouts, essentially serving as a confirmation. For example, an engulfing candle, in which a small candle is followed by a large-body wick, is a good indicator of a reversal breakout.

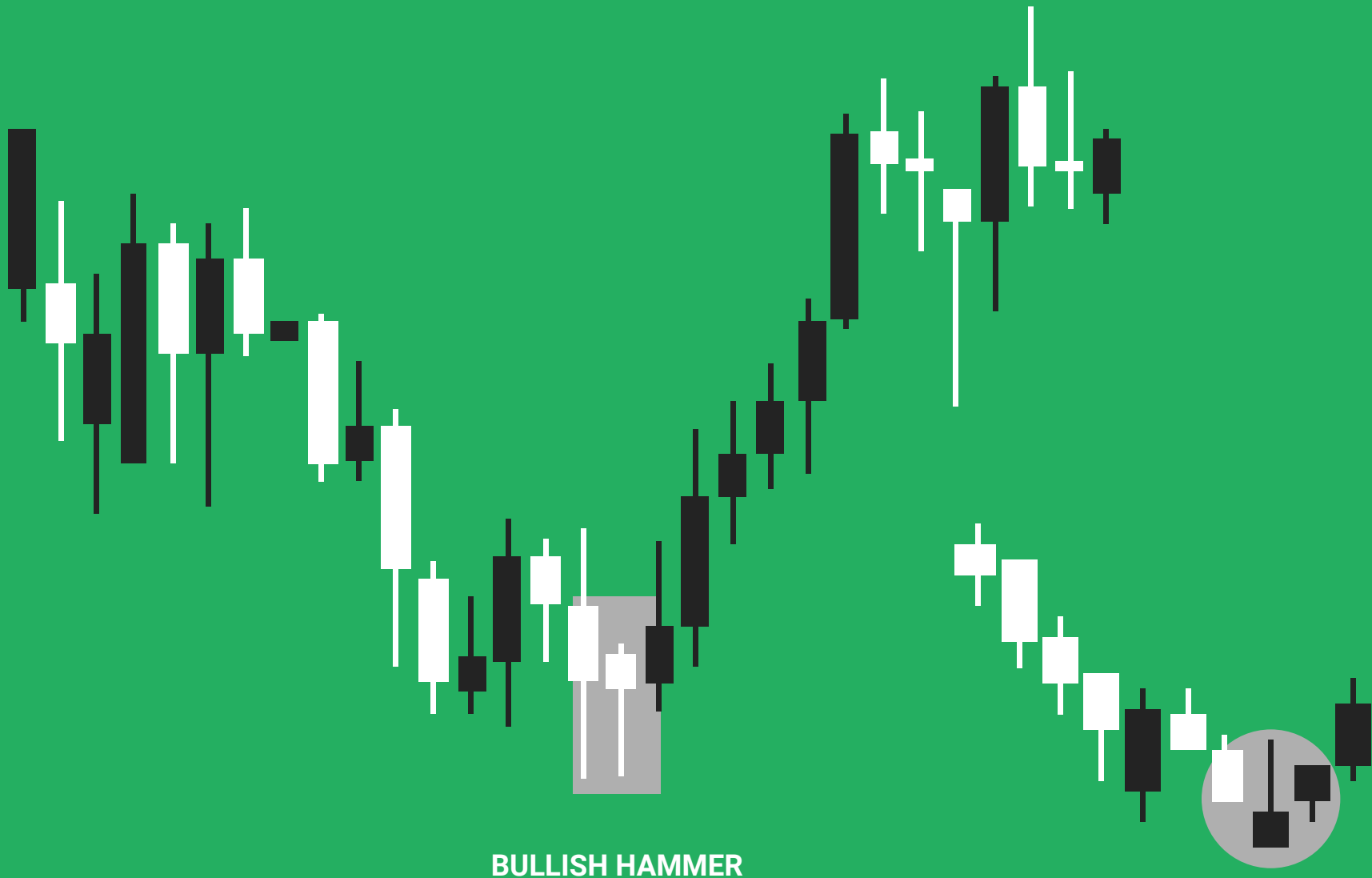
You also have hammer candlesticks. These usually occur after a price decline, usually in an attempt to determine a bottoming out. So when these happen, you will usually see a rise or fall in price followed by a full reversal.

# ENGULFING PATTERNS



**BULLISH ENGULFING**

**BEARISH ENGULFING**



When these or similar patterns take place, you must be quick to place trades. So, you can capitalize on sudden movement that will likely taper off and consolidate.



# PRACTICING PATIENCE



In trading, there are some traits that are absolutely necessary for every successful trader. For one, patience is key. How do elite traders practice patience? First, they realize that the markets will move no matter what you do. So, if trades aren't going your way, your exit strategy will come into play. Then, in order to get back to your preferred market conditions, you must wait for the right time to strike.

It all depends on your particular strategy and whether it merits changing. Often, that is the case. If so, you need to take a step back and reevaluate your current position, which takes time. There are indeed some do's and don'ts with trading. Here is a list:

## DO'S

- Wait for the perfect setup
- Look for chances coming to you
- Stick to the plan



## DON'TS

- Keep losing trades active
- Hesitate at a good opportunity
- Rush into first chances



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