

Classix,

I appreciate that you took the time to firstly post a chart (especially of a failed trade) but secondly step to the plate and explain why you took the trade. I am a big believer that we learn more and grow more from our failed trades than we do from our winners.

To your point #1 above as I noted while there we increased activity before your entry there was nothing that could be considered UHV that really stands out. Also there was not enough signs of buyers yet. Some new VSA'ers get sucked into the whole strength appears on downbars, weakness on upbars mantra and take it as gospel. While it is true it is not so cut and dry. Every increased volume downbar closing off it's low may contain buyers but are they SM buyers or are they not SM buyers. Absorbtion of buy orders by the SM can and does look very much the same as "hidden buying" SOS. The key as always is the result from the effort / volume / increased activity. One way to filter out getting stuck in a bad trade is to wait for clear sign of buying and I mean actual progress upwards and get in on a retrace while the SM are reloading longs. You may miss some moves completely and you may get in at a price higher up than you would like but you help ensure that you are trading the results of the volume rather than the volume itself. As you get more comfortable reading the charts you can refine this process to start getting in much lower (or higher) in the moves for the best possible prices with the lowest risk. Remember also that trading VSA we are not breakout or GAP traders. While breakouts of key levels can offer re-test entries and GAPS can offer clues to SM behaviors they are not something to be blindly traded. That is what the herd does and we are not here to side with them. We want to ride the SM coat tails and in turn be part of the herd slaughter from the right side of the business.

Our wins should come at the expense of the herds losses.

I might be able to put together a basic trade checklist for the VSA newbies to try and follow. It won't be how I trade but it may help a few get their feet wet.

As for your last comment don't feel ashamed by this loss or any other loss as long as you are able to learn and grow from it. I do stand by my long standing signature but more from the point of view of not going long or short because someone on a forum or signal service said so. If you dont know why a trade is being taken then you have no place taking it. Taking bad or failed trades based on your own plan or analysis is far different.