

“The Trap”

High-Probability Trading Strategy That Most Traders Don't Know About – A Low-Risk, High-Reward Trade Entry You Can Use RIGHT NOW...

Dear Friend,

Think about the word “trapped” for a moment.

What is the FIRST thing that comes to mind...

...someone *financially* trapped?

...someone *emotionally* trapped?

...or perhaps something entirely different?

Whatever images and thoughts the word “trapped” conjures up for you – there will be ONE common element in all of them...

...this common element is **lack of choice**.

So What Does Being “Trapped” Have To Do With Making Profitable Trades?

Glad you asked...

Let's take the case of *someone* being trapped.

When someone is trapped, whether financially or emotionally or otherwise, they are in position or situation that *limits* them... but more specifically – limits their CHOICES.

And in most cases, not only do they have *limited* choice, they typically have NO choice.

So what does this mean for someone who is trapped?...

**Someone Who Is Trapped Usually
Has Only ONE Choice They Can Make...
And It Is ALWAYS A Choice They
Don't Want To Make.**

Someone who is trapped will *think* they have a choice when they don't.

They *think* they have a choice because, to become un-trapped, they can do the thing they don't want to do *now*... or they can do it *later*.

But that's not a choice!

Whether they do that thing now or later – they are still doing that *same* thing.

**Here Is Where We Can Use This
Knowledge To Make Money Now...**

In trading, traders are making choices all the time.

No great revelations there you're probably thinking – and quite rightly so - every trader makes many decisions every day.

But let's take this a little deeper.

Take the scenario where a trader enters a LONG position and it goes against him. The market went down and he is now sitting with a position at a loss.

He now has what, to him, is a "choice"... he can either take a loss *now*... or wait...

- If the market continues down he will – *at some point* – take a bigger loss.
- If the market goes up, he may be able to break-even on the trade, or possibly make a profit.

Let's Take This Deeper Still...

So we have a trader who is in a LONG position that *will* have to exit at some point.

Now, even if you have only spent just 5 minutes looking at the markets, you will be aware that traders are buying and selling *all* the time - every minute the market is open...

Entering... Exiting... Stoplosses getting hit... Take-Profits getting hit... Limit-orders getting filled... Stop-orders getting filled... Adding to positions... and so on.

So, going back to our scenario where our trader went LONG.

We can say, with quite a deal of confidence that **many** traders will have also gone LONG around the same time.

But, and this is *critical*, we can also say, again with a degree of confidence, that **many** traders will also have gone *SHORT* around the same time.

This is the way markets work...

Most Of The Time There Are Just As Many Traders Buying As There Are Traders Selling

...it is only when this is *out-of-balance* that markets start to move in **one** direction and trend.

And here is another natural trait of all markets...

The MAJORITY Of Traders View The Markets Very Similarly

What does this tell us?

Well, we use this knowledge to help us interpret the chart – and more specifically – find The Trap!

For now, keep this thought somewhere in the background, and we'll get back to it in a minute.

So what do we know so far?

- Once a trader is on a position he will have to get out *at some point*
- There will almost certainly be as many traders LONG as there are SHORT at any point in time
- *Most* of the traders going LONG or SHORT will be doing it at *common* price areas

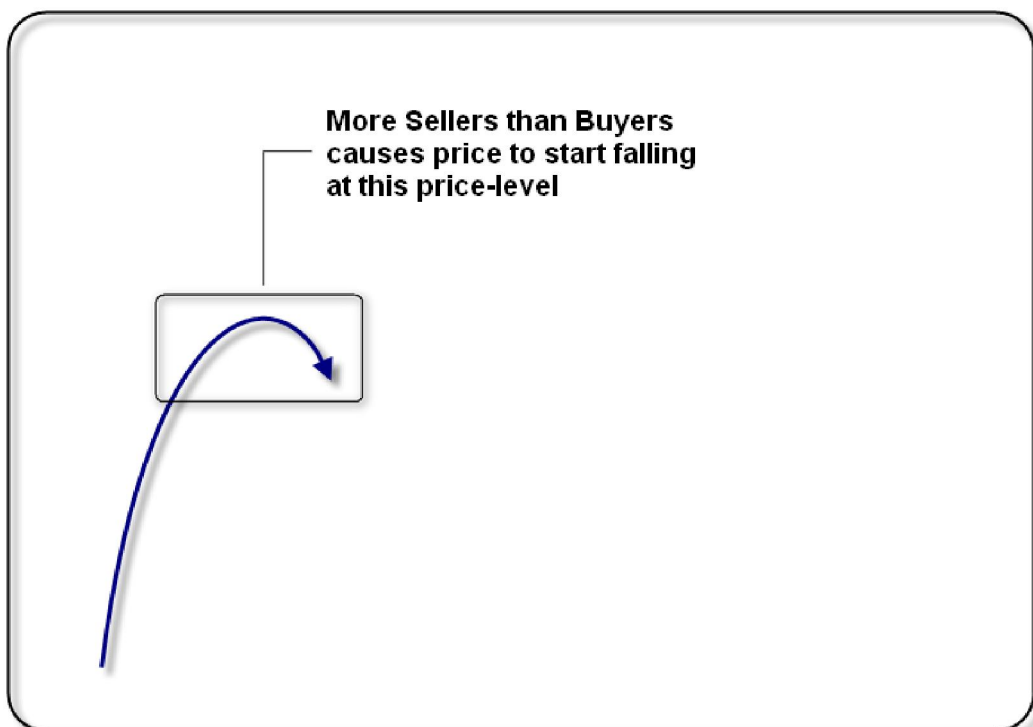
Let's now take these three things and frame them another way...

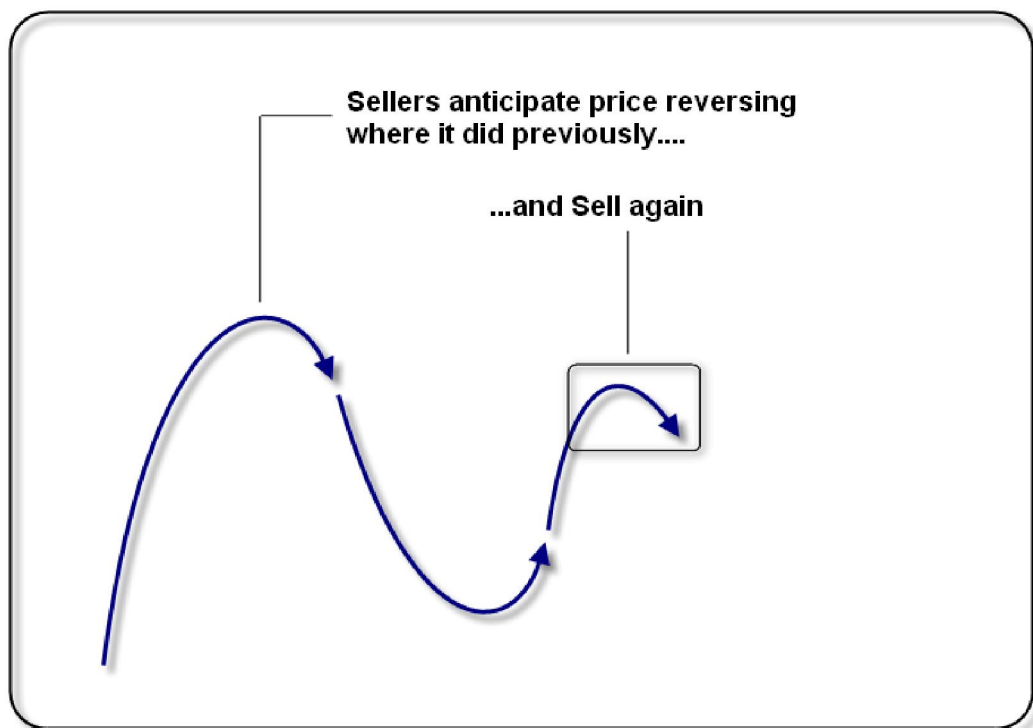
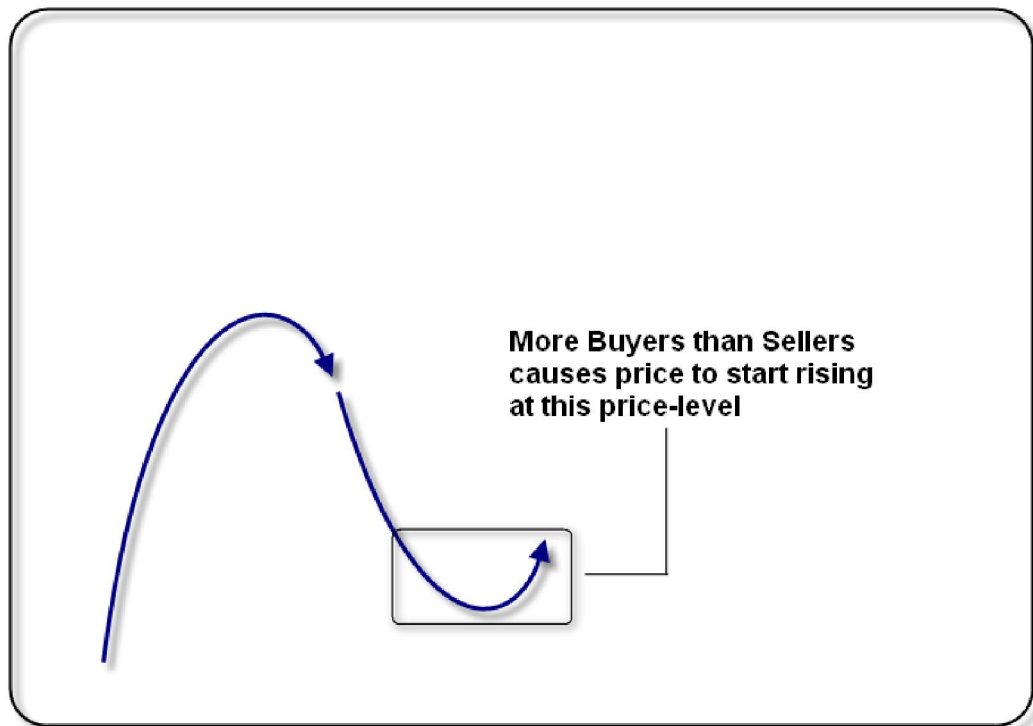
- #1 We are on the look-out for what we call “common” price areas – these are price area where the charts show us that there is a chance of the *majority* of traders looking to go LONG or SHORT.
- #2 We then know that around fifty percent of the traders will be *wrong* when the market moves.
- #3 We know that the traders who are on the wrong side will have to get out of their positions... they have **no choice**.

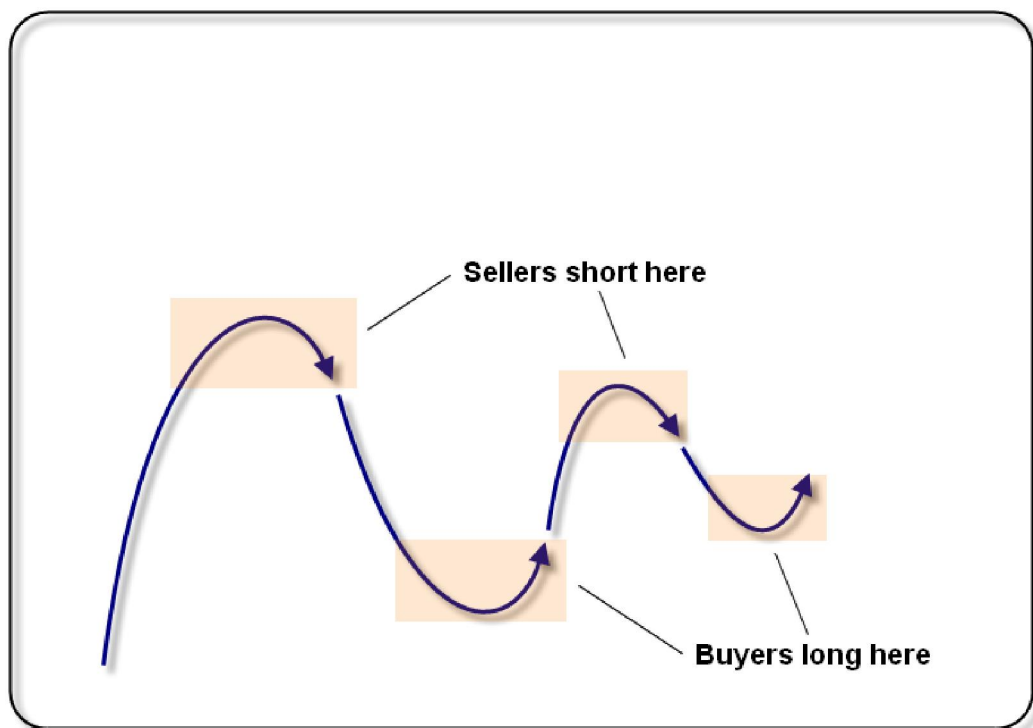
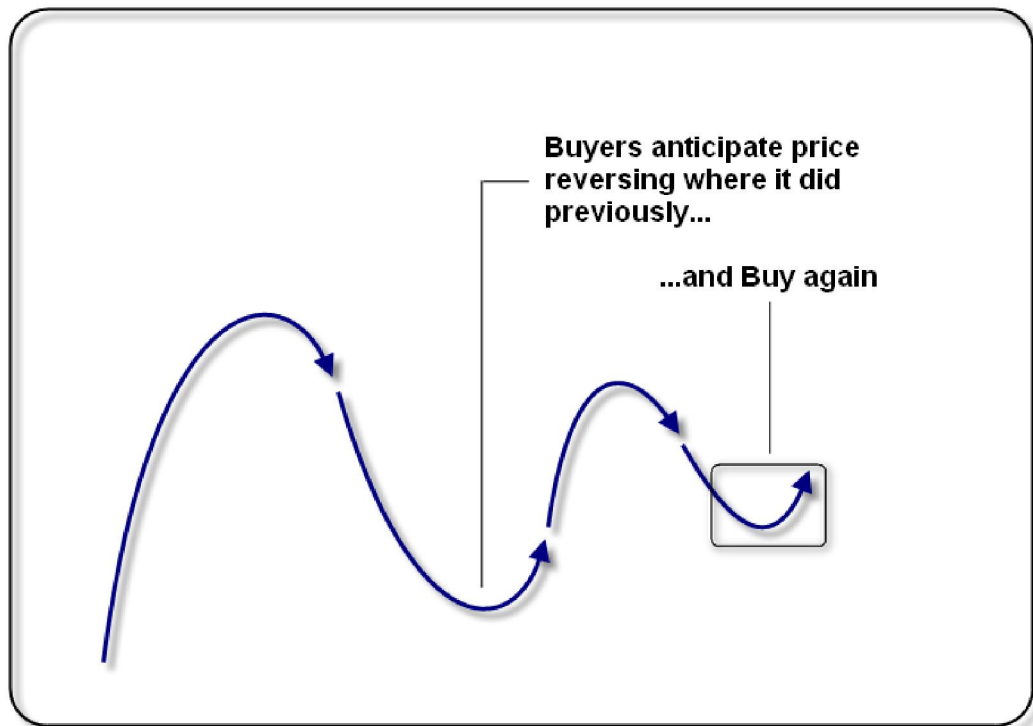
With these last statements in mind...

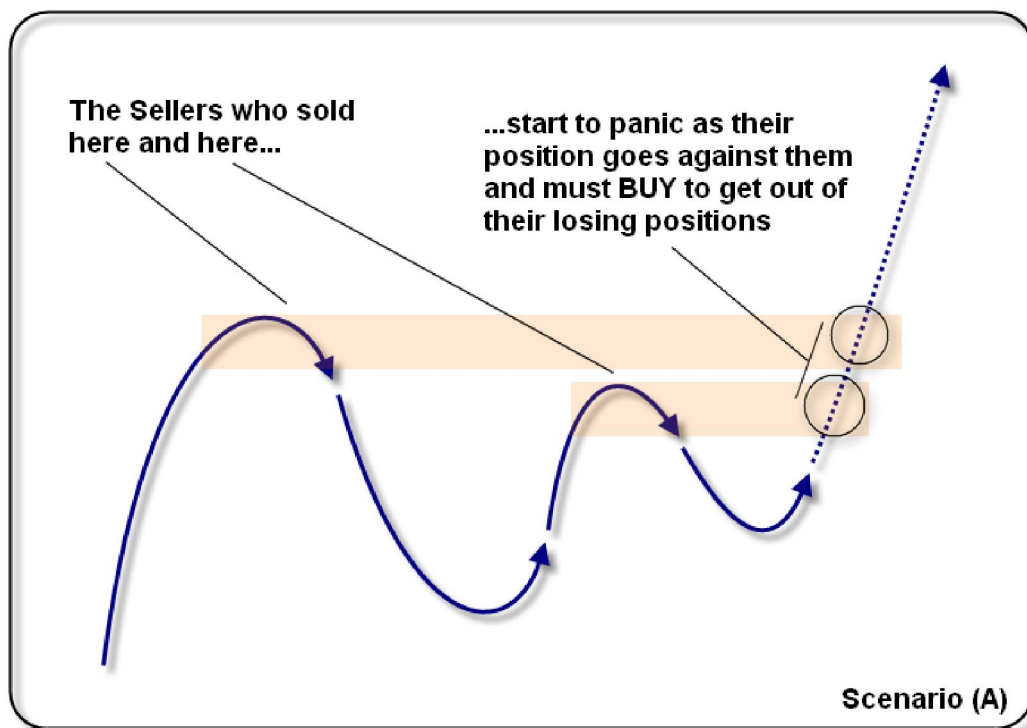
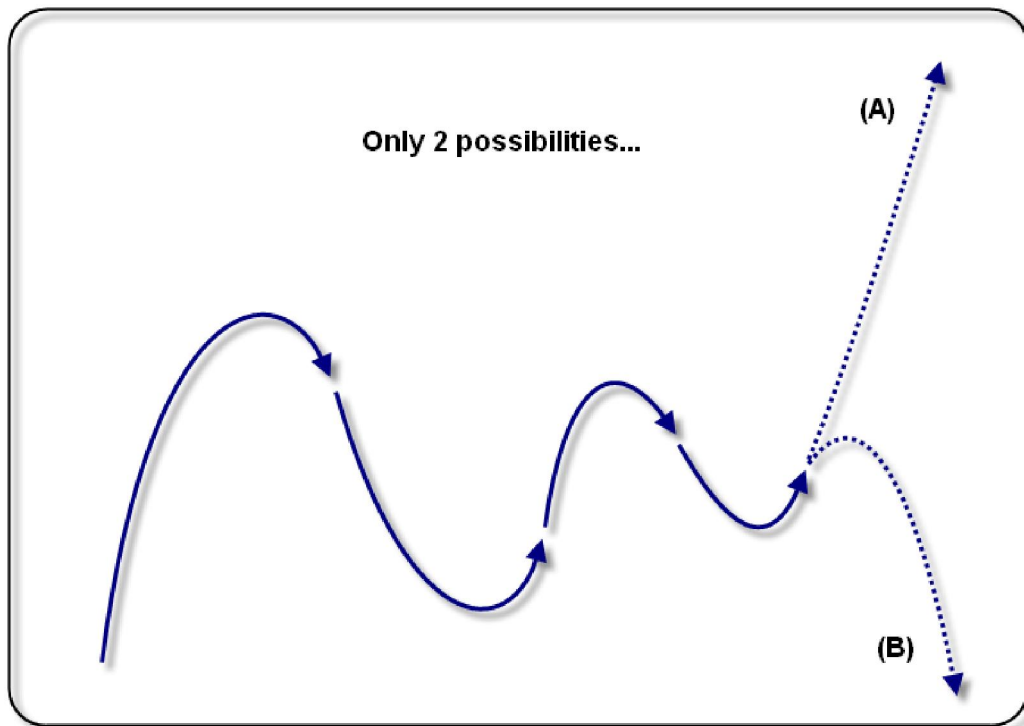
...Let's Get To The Good Stuff

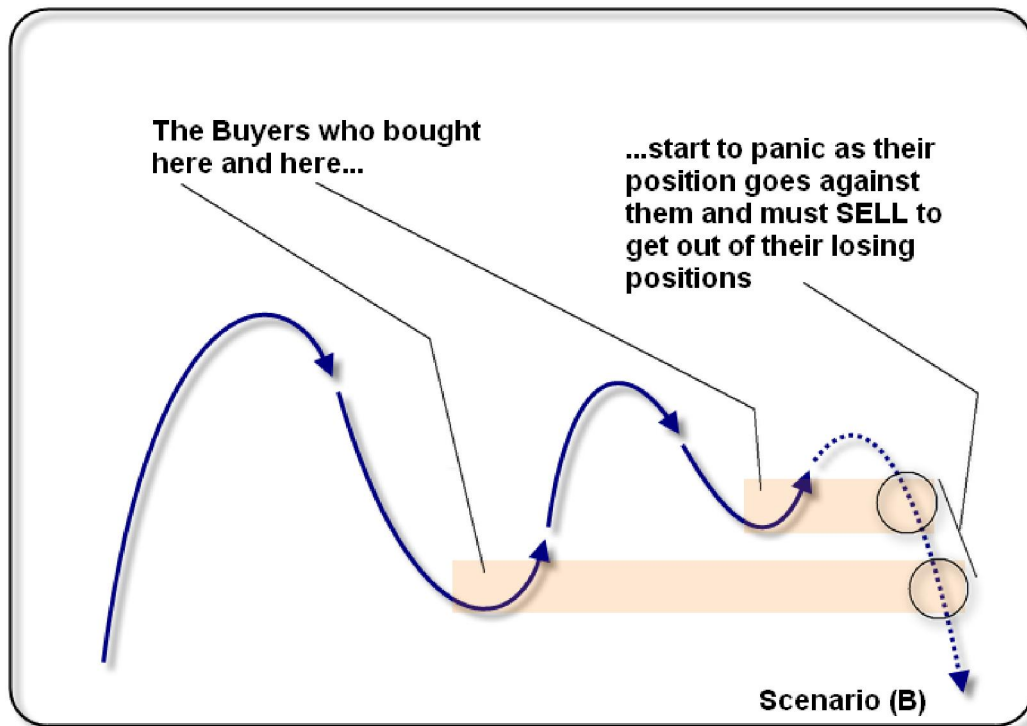
Now that you have the groundwork set down for understanding the strategy – we can get to it and now show you the full-force of The Trap.











It's not complicated – but is *ruthlessly* effective when observed and acted upon.

That is the CORE of The Trap... but there is a little more you *need* to know before you go running off to trade it.

There are variations of The Trap – but what is critical is that you understand exactly what is happening at every stage.

Panic Causes Momentum...

We can see that, whether it is scenario (A) or (B) which occurs, there is a *momentum* move as the traders who are on the “wrong” side of the market panic and are forced to get out.

The move, as it starts to gather momentum, will also be fuelled by *more* traders jumping on-board hoping that the move will continue...

...This Is How THE TRAP Can Be The Starting Point Of Many Large Moves

We'll now go through some *actual* market examples to see The Trap in action.

We've not annotated these charts too much. Now that you know the theory and how the market works to produce these scenarios you should be able to interpret what is happening yourself.

On the following charts there are clues for you to *really* master The Trap. Watch the price levels...

...Watch WHERE The Trap Occurs On The Charts

We're not going to give you too much on this – but only because we want you to discover the “magic” of watching **where** The Trap occurs.







We hope you've now gained some insight into how markets operate.

We used the E-mini S&P 500 in the above examples – but markets are markets and The Trap will work in *any* market.

We could have made the publication around 3-pages long and just showed you the price-pattern of The Trap and you could have gone and used it.

However, we at REAL Market Trading know that to become a professional traders you must understand the markets on a professional level.

If You Understand What Is Causing The Current Movement In The Market – You Will Be Able To Anticipate The NEXT Move

This is why we have produced this free publication for you.

We wanted to show you that trading the markets professionally is about UNDERSTANDING the markets you are trading.

You must view the markets how the professionals view them.

We hope you have a better understanding of the markets and how they operate after learning 'The Trap'.

The Trap is just a single price-pattern.

Other traders may call the same pattern by another name.

But how many traders FULLY understand what is ACTUALLY happening in the market when The Trap occurs?

Our guess is not too many.

You are now one of the traders that DO understand what is happening.

In fact, you will now have a better understanding of the markets than most – from what you have just read alone.

The Trap Is Just The Beginning...

...a way of *viewing* the markets.

It is a way for the professionals to watch what the amateurs are doing – and profit from it.

We have produced another publication dedicated entirely to this subject – the various ways traders get trapped – and how to profit from it.

'Trapped Traders – Trading Tactics of The Professionals' is an eBook we give away free with our Course that goes into nearly every way traders can get trapped and HOW to profit from it.

If you like what you have just read in this publication then our information-packed Course, **'REAL Trading - How Professional Traders REALLY Operate'** is going to *blow your mind!*

We update our site, www.realmarkettrading.com regularly with free strategies and "other" information you will not find anywhere else.

Your friends,

The REAL Market Traders

The REAL Market Traders

Feedback

If you have any questions, comments or feedback you can fill in the Contact Form on the 'Contact' page of our website:

www.REALMarketTrading.com

... Or email us directly at:

support@realmarkettrading.com

Disclaimer

This communication has been prepared solely for information and data purposes and is not intended as an Invitation or Inducement with respect to the purchase or sale of any financial instrument. This communication should not be regarded as a substitute for the exercise by the recipient of its own judgement. Any reliance placed on the communication is at the reader's risk. Information and opinions have been obtained from sources believed to be reliable but no representation is made to their accuracy.

© 2010 REAL Market Trading. No copy can be taken without prior written permission. Charts © Trading Technologies International Inc. All rights reserved worldwide.