Article Side
How to Use Technical Indicators Day Trading by DavidWilson

Article published on February 17th 2012 | Business

Day Trading can be one of the most frustrating things you do. Have you ever had a nice gain in a trade and then have the market completely take back your gains and stop you out? Or have you ever been stopped out only to then have the market go in the direction of your trade without you? There are several market maxims to trade by. One is cut your losses quickly and let your profitable trades run. So how do you know if youâ€™re cutting losses to quickly and letting fear drive your trading? Conversely how do you know when youâ€™re holding profits for too long and running the risk of letting the market take your profits back? In other words when are you being too greedy? This where indicators come in that can help you manage your emotions of fear and greed.

Is the Market Building up or Releasing Energy?

One of the most difficult aspects of Day trading is controlling two of every human beings most powerful emotions, fear and greed. Using technical indicators to provide you with information about the market lets you tie your trading to something fixed instead of the whims of your emotions. My favorite technical indicator for day trading futures is the TTM Squeeze. The TTM squeeze is a combination of two separate indicators: the Bollinger Bands and the Keltner Channels. By combining these two indicators, the squeeze is effective in not only predicting when, but also the direction in which the market will trend through momentum. Momentum in trading is the rate of acceleration of the price in a certain direction. When the price begins to increase, the movement starts slowly and then accelerates. The momentum increases as the change in price accelerates. The squeeze uses a momentum technical indicator to tell the trader the direction of price change. If there is upward momentum, then the squeeze shows upward pointing blue bars. With downward momentum, the squeeze shows downward pointing red bars. If the momentum is accelerating, the bars are one shade of red or blue, and once the momentum starts decelerating, the bars change to a different shade of red or blue. As long as there is accelerating upward momentum there is no reason for a trader day trading futures to sell a long position until the momentum decelerates. The converse is true for a short position. If there is accelerating downward momentum a trader should stay short until the moment decelerates.

Day trading is challenging enough without human emotions, but the fact is human emotions are inseparable from trading. So trading can be made easier when you use technical indicators for entry and exit signals on every trade. The TTM Squeeze indicator described in this article is a starting point to your trading career.

Article Source:
http://www.articleside.com/business-articles/how-to-use-technical-indicators-day-trading.htm - Article Side

DavidWilson - About Author:
To find out more about a day trading futures you can register for a free trial membership at a www.tradethemarkets.com/trial where there is a wealth of information including a daily video newsletter, webinars, and discounts on technical indicators like the TTM Squeeze.

Article Keywords:
Day trading

You can find more free articles on Article Side. Sign up today and share your knowledge to the community! It is completely FREE!