

RAJU SIR SAYS CORNERSTONE OF MY WHIMSICAL TRADING

In my interactions with all of you, one question that I keep on getting is about my favourite tool / indicator. All this interaction is centred around probably trying to ascertain if I have any secret ingredient/formula.

Yes, I do have a secret formula and it has got nothing to do with patterns or set ups or indicators or tools.

It is Simply a small Logical Stop Loss.

SMALL IS BEAUTIFUL (SIB) – EASY TO SAY BUT DIFFICULT TO PRACTICE

We have a penchant for everything big. We like to show off big houses, big cars down to even big cell phone screens.

Trading is exactly opposite. Here, **small SL is beautiful**. Psychologically this works out to be difficult for us who have grown up on big is beautiful.

It took me almost 7 years to understand the virtue of small logical SL.

Once I understood, there was no looking back.

It requires patience to wait for a trade till it gets into a SIB zone. I would prefer to let a trade go rather than chasing it if it doesn't fit into SIB zone

I consider trading just like war. In trading I am battling against smart money /sharpest minds. The bullets are costly, and I won't fire a bullet until and unless the enemy is within my firing zone. I

need to control the odds in my favour before firing a bullet and the only way I can **put the odds in my favour is by executing a SIB trade**.

A SIB zone can be

- Previous Support
- Previous Resistance
- SAP values
- Confluence zones (Fibo / Gann)
- Gann / Fibo numbers
- Vibration numbers

A clear-cut trading plan is built around SIB zone

Trading is more about managing your psychological issues rather than your technical skills. Impulse to trade frequently/ impatience to get into a trade etc are psychological issues.

Once you are able to execute the trades only out of SIB, your major psychological issues about trade entry are taken care of.

As they say ***well begun is half done therefore by sticking to SIB trades, you are more than half done***.

Some of my most profitable trades have come out of smallest stop loss zone as that's how nature has intended it.

SIB truly has been the cornerstone of my trading. It has turned my trading journey into a bliss.

