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TREND TRADING SET-UPS

Entering *and* Exiting Trends
for Maximum Profit

L. A. LITTLE

Foreword by Alan Farley

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Foreword

Top traders rarely call attention to their many accomplishments, content to execute and perfect their market views, free from self-promotion and outside noise. L.A. Little is that type of rare individual, an experienced trader and educator, with unique insights that are simple, profound and highly actionable. For this reason, I'm pleased to introduce readers to his third book *Trend Trading Set-ups*.

In the real world, most traders enter and exit positions without fully understanding the nature of trend. This omission invariably leads to failure, with participants left scratching their heads and wondering why Mr. Market failed to pay off, as expected. It's a real shame because trends in all time frames can be fully deconstructed through the application of logical observational tools.

Enter top trader and respected market educator, L.A. Little. His first two books, *Trade Like the Little Guy* and *Trend Qualification and Trading*, set into place an original framework for reliable trend analysis and trade management. Little now adds and expands to this impressive curriculum with *Trend Trading Set-ups*, a natural progression to the first two volumes.

His latest book brings his outstanding knowledge base down to earth, with concrete examples and step by step instructions for trade excellence, from position choice to profittaking. This is an important contribution in our 24-hour market environment, allowing at-home gamers and professional money managers to compete on a level playing field with omnipresent computer programs.

I've known L.A. Little for many years as a co-contributor at TheStreet.com. We've also spent quality time discussing the complex issues faced by traders in our fractured market system. Above all else, I view him as a kindred spirit that's as obsessed by the ticker tape as I am. That's no mean feat, given the challenges introduced into the market organism in the last twenty years.

L.A.'s long-time focus on trend qualification has honed a set of symbiotic strategies perfectly in tune with today's fast paced derivative-driven

electronic environment. For that reason alone, I expect that readers of *Trend Trading Set-ups* will gain valuable insights that are unavailable through any other market source, online or in print.

Don't be fooled by the apparent simplicity of his systematic approach. Under the hood, he presents a powerful trading system based on classic market principles that work in euphoric bull markets as well as gut-wrenching bear markets. More importantly, these reliable methods are unaffected by the program algorithms we've come to know as high frequency trading (HFT).

This is an amazing accomplishment in a challenging environment that's forced all types of market players to reassess the positive expectancy of their trading systems. Indeed, this resilience offers another advantage in reading this excellent book. Simply stated, it will help your own strategies to overcome the dominance of lightning fast computer trading in the day to day price action.

So, whether you're a new trader just starting out on your journey, or a seasoned veteran looking for fresh insights and a stimulating read to get your performance back on the fast track, I'm proud to recommend *Trend Trading Set-ups*.

Alan Farley

Acknowledgments

As with any endeavor, the twists and turns are what make the journey and for that reason I would like to offer my special thanks to Phillip Campbell and Seth Williams, two avid and knowledgeable traders who took the long and winding road with me serving as sounding boards while spending countless hours proofing and improving the content you hold in your hands.

I would be amiss to overlook the many authors and traders who have offered their contributions over the years, many of which have left indelible footprints in my trading psyche. Names that instantly come to mind are luminaries like Edwards and Magee, Steve Nison, Tom O'Brian, Welles Wilder, Robert Prechter and Alan Farley to name a few. To these and others that have offered their unique insights I offer my sincere gratitude and utmost respect.

Finally to my wife, Nadereh, whose patience over the years has been tested more times than an anchor zone my sincere appreciation for your continued love and thoughtfulness. To my children, Anaheed and Arman, who have had to endure my almost fanatical devotion to research and writing I can only say thank you as well for the love you express each and every day. Without all of you this book, and those that precede it, would never have been realized.

L.A.L.