
On Profit Taking/Preservation

Posted by chinitosmile - 2008/02/26 13:45

Hey guys!

Just wanna ask how you guys deal with situations in which you have identified a target price and you are just 2-3 fluctuations away from the said target price before it starts pulling back.

I usually use trailing stops to preserve my profits but sometimes my stops are too tight and I get kicked out of the stock prematurely. It's really annoying to get kicked out of a stock only to see it reach the target price later.

Hope to hear from you guys soon!

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Re:On Profit Taking/Preservation

Posted by yeahbah - 2008/02/26 18:18

my trailing stops are set automatically so I don't worry about it. How it is set automatically is done this way:

- * When trade is at 25 point profit, stop is set to break even.
- * When trade reaches 35 points, it will start adjusting the stop as profit increases. Trailing stop will be 35 points less from the current price.

If I where to set stops manually:

- * When trade is at 25 point profit, set stop to break even.
- * when trade is at 35 point profit, keep 10 points.
- * Above 50 points, keep 30.
- * Above 80, keep 50 and so on.

You can also use fibonacci retracements to determine support/resistances. Trailing stops are set just a few points from support/resistance. Try not to set stops in obvious places, because some big players or even your broker will intentionally run stops, sungkit ba.

i don't mind, if ma hit yung stop then later on pumunta sa target mo yung price, profit is profit and aren't you glad you had some? dalawa lang naman pwede mong maramdaman eh.

- * inis kasi na reach target pero stop ka na (ikaw sabi: pak shet, hold ko sana, hindi sana tight stop)
- * nag reverse ng malaki, ngisi kasi out ka na (ikaw sabi: buti na lang, bwahahaha)

my mamera

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