

There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Monday December 15, 2014

15122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis. Nifty gaped down and refused to go below the first bar. Nifty Spot touched 8200 the earlier flip and bounced. I thought it may reverse today. But it did not happen. Last down impulse held as a range. Took two BOF shorts of PDC/PDL LOL levels. Covered them when it bounced from RN. Skipped the last one as I was not confident as price has started making higher lows

Posted by SMART Trader at 3:59 PM

22 comments:



Trader Pai December 15, 2014 at 4:06 PM

Hi ST

Please comment on my trades

http://tradingdecisionpoints.blogspot.in/2014/12/12152014.html

rgds Kishore

Reply





SMART Trader December 15, 2014 at 4:53 PM

First trade was taken in a hurry, last one is the third trade from the same location More than 4 swings rarely happens http://niftynirvana.blogspot.in/2012/02/daily-trading-patterns.html

ST



Bharat December 15, 2014 at 5:34 PM

ST,

I also took first trade like kishore. and trapped.. what was wrong with IRH bpb trade.. we had exhaustive good gap and bullish

bar. market trying to reverse. What factor do we consider to take this type or trade..?

Secondly i also took the last trade as Kishore took.. looking to third attempt to go up failed.. and trapped. Wasn't this a type of broad channel ,where third attmpt to go up fails resumes the bigger down trend? What should be the thought process there.

Thanks and Regards Bharat



SMART Trader December 15, 2014 at 5:47 PM

I do not find any BPB of IRH here. You can try a long PDL as target.

Market rarely move more than 4 swings in a day. After that it can be a chop

Can be considered as a broad upward channel. Then short should only be below 8250 swing low

ST

Reply



rrrajguru December 15, 2014 at 4:24 PM

why you did not take a BPB trade at approx 12.10 pm?

[IMG]http://i59.tinypic.com/2ccwivn.png[/IMG] Reply

Replies



SMART Trader December 15, 2014 at 4:58 PM

Price should cross the earlier extreme and pull back Price never broke PDC, The earlier extreme .

ST

Reply



Homer_23 December 15, 2014 at 5:14 PM

Hi Rajesh,

When do you consider tail of candle as DP and when do you consider body of candle as DP. I'm referring to PDL taken today. also, I did not consider PDL as a DP today as that level was tested - basis your guidance on Friday's trade. Was I right in my approach. My only trade was the one that you had taken.

Reply

Replies



SMART Trader December 15, 2014 at 5:26 PM

I always avoid tails. May adjust the level a little bit on next test. Previous day test is not counted. PDL is a fresh level for the day. Levels get invalidated if broken fromboth sides or a range forms around it

ST

Trekkie December 15, 2014 at 8:51 PM

Hi ST,

Can I say today PDL/PDC did not get invalidated because price move was only to the downside of PDL/PDC? Thanks.

₿

SMART Trader December 15, 2014 at 10:08 PM

Still in force. They have not broken Convincingly even though there were overshoots

ST



Homer_23 December 15, 2014 at 10:27 PM

Thank you Rajesh for the explanation.



Homer_23 December 16, 2014 at 1:21 AM

Thank you Rajesh for your help and explanation

Reply



L.V.Gandhi December 15, 2014 at 7:13 PM

In your first trade, Price went above PDL after your entry. What conditions would have made you think it as failure, ie going above 10:42 bar or 10:45 bar, and exit the trade

Replies



SMART Trader December 15, 2014 at 10:13 PM

In a LOL BOF it may happen. The focus is always on the second level. This has happened even in the original example given http://niftynirvana.blogspot.in/2012/03/layer-over-layer.html



DM December 15, 2014 at 10:52 PM

How about TT at the 2nd level? Today it would have also been a trend trade. Have noticed that LOL "generally" reverses from 2nd or 3rd level. On 0212 it was PDL-PDC-BRN LOL and price reversed from BRN. DM



SMART Trader December 16, 2014 at 9:14 AM

You can try it. As you know there are no certainties only probabilities

Reply



Trade 4 living December 15, 2014 at 7:14 PM

Rajesh, My observations: IR - 8230 to 8255 Traded in the range 8255 to 8275 You wrote the following: 1. Trade ranges and trade at the extreme 2. Buy at low and sell at high when market is going up 3. Sell at high and but at low when market is going down Are my observation correct and revise if wrong? With Kind Regards,

Reply

Replies



SMART Trader December 15, 2014 at 10:25 PM

What is the difference between 2 and 3?. You have not understood the concepts well These cannot be explained in a comment reply. Please go through the important posts http://niftynirvana.blogspot.in/2012/05/trading-ranges.html http://niftynirvana.blogspot.in/2012/05/buy-low-sell-high.html http://www.niftynirvana.blogspot.in/2012/06/trends.html http://niftynirvana.blogspot.in/2014/06/daily-dose.html http://niftynirvana.blogspot.in/2014/06/trend-traps.html http://niftynirvana.blogspot.in/2014/08/taming-trend.html http://niftynirvana.blogspot.in/2014/11/more-on-structure.html

Reply



Trade 4 living December 16, 2014 at 6:27 AM

Rajesh,

I have complied all your posts not related to trading analysis into a word document and read about more than ten times.

I wrote the following : That IR was 8230 to 8255 and the market traded in the ranges 8255 to 8275..8280. Are these observations correct?

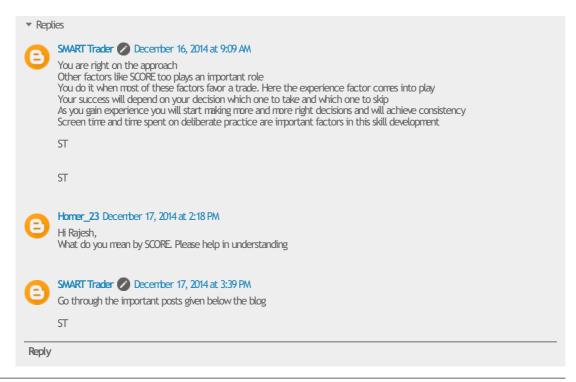
I traded the above market based on the theory.... Market moves in ranges. 2. Always trade at the extremes of the range 3. Buy at low and sell at high of the range or Sell at high and buy at low of the range.

I bought around 8255 and sold 8275 when the market went up Sold around 8275 and bought around 8255 when the market went down bought around 8255 and sold around 8275 when the market went up sold again around 8275 and bought again around 8255.

Instead of writing the above so many times. I wrote the following: 1.Trade ranges and trade at the extreme 2. Buy at low and sell at high when market is going up 3. Sell at high and but at low when market is going down

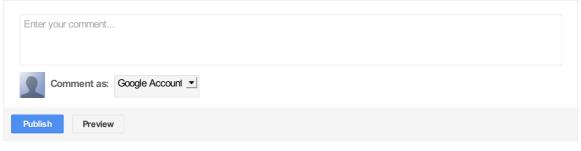
Now am I right? With kind regards,

Reply



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