

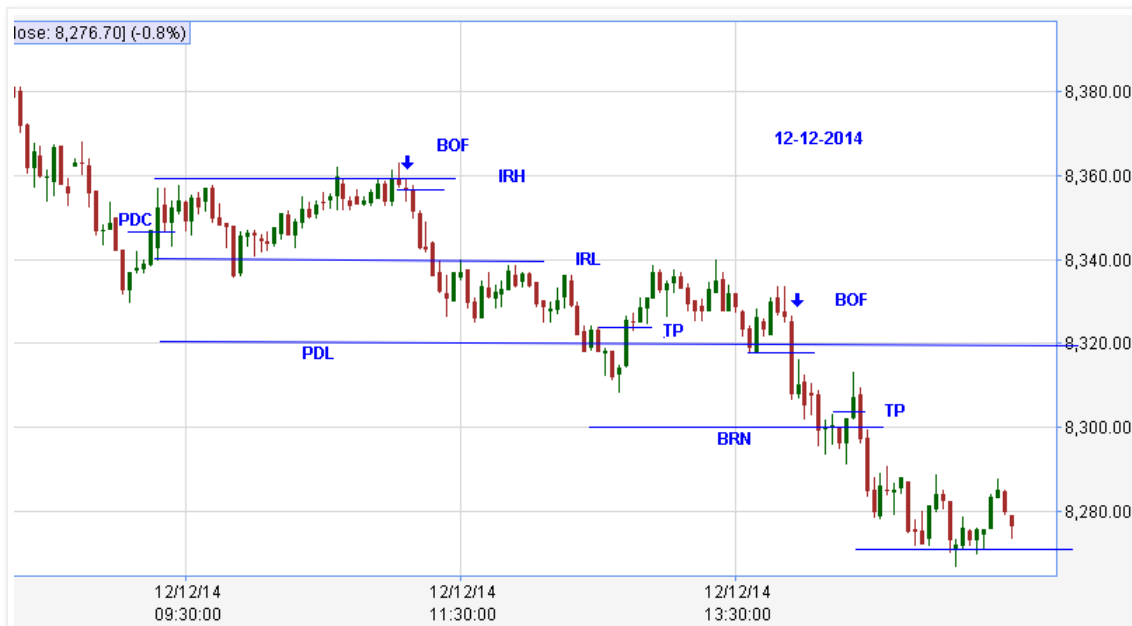


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Friday, December 12, 2014

12122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty opened near PDC. First candle acted as IR. Short when second time price failed to move above IRH. Price got trapped between IRL and PDL for a long time. Covered on BOF of PDL. Strong BOF of PDL could not take price above IRL. I had a buy order above IRL which did not trigger. Shorted the break below PDL. Exited too early when price bounced from BRN and missed the last leg of the down move

Posted by SMART Trader at 4:59 PM



34 comments:



Unknown December 12, 2014 at 5:07 PM

Hi ST
I had a doubt. Why no SAR trade where you TP on your short and instead a order above IRL??
Thanks

TBP
Reply

▼ Replies



SMART Trader December 12, 2014 at 5:28 PM

I do not take such SAR trades
I don't find them comfortable. Very poor in multitasking

ST

Reply



xrtrader1 December 12, 2014 at 5:11 PM

For 2nd Trade
PDL was very strong support(yesterday), but the bounce today was very poor was this the reason to go short ?

Reply

▼ Replies

 **SMART Trader**  December 12, 2014 at 5:59 PM

Bounce was weak. If you notice you can see that price bounced from 8325 many times
There were lot of buying at the area. Once price broke below the area all of them covered fueling further fall
I covered it too early. could have stayed with it

ST

Reply

 **Homer_23** December 12, 2014 at 6:28 PM

PDC was only 10 points away for your first trade, you still went for it, what was the reason, same for your 2nd trade, FTA was only 20 points away, you still entered. Were you not bothered that price did not had much space to move for both trades. In your previous trades there are times that you have not entered due to lack of space for price to move around

Reply

▼ Replies

 **SMART Trader**  December 12, 2014 at 8:18 PM

Decision points are not brick walls. It should be analyzed contextually
<http://niftyinirvana.blogspot.in/2012/11/make-or-break-levels.html>
When a DP gets enveloped, It loses importance
<http://niftyinirvana.blogspot.in/2012/10/brackets-and-envelops.html>
We are basically trading ranges and looking for DPs that act as range extremes
<http://niftyinirvana.blogspot.in/2012/05/trading-ranges.html>
Discard and ignore abused levels. trade the virgin levels
<http://niftyinirvana.blogspot.in/2012/12/love-virgins.html>
Decision is finally made analyzing the seven pillars
<http://niftyinirvana.blogspot.in/2014/10/seven-pillars.html>
Do not look for a pattern at a DP and trade it. It is not going to work
There is much more to look for

ST

 **Homer_23** December 12, 2014 at 9:30 PM

Thank you ST for the detailed explanation. Truly appreciate your help.

 **xrtrader1** December 12, 2014 at 9:34 PM

"Do not look for a pattern at a DP and trade it. It is not going to work
There is much more to look for"
--> Thanks ST...

Reply

 **L.V.Gandhi** December 12, 2014 at 7:26 PM

As a BPB of BRN, where one should short ie below 14:18 bar or 14:24 bar(though it is already 60 points down)?

Reply

▼ Replies

 **SMART Trader**  December 12, 2014 at 8:27 PM

It is always safer with 14.18 because we can only expects stops below this
Ensure that the trade moves quick in our favor. If any bar closes above the entry, better scratch

ST

 **DM** December 13, 2014 at 7:28 AM

A similar "double failure" (price trying at least twice to move up) can be seen on 1112 @ 2:15 and 2:27 bars before price broke down below the DP.

 **L.V.Gandhi** December 13, 2014 at 8:00 AM

Thanks.

Reply

 **Trade 4 living** December 12, 2014 at 7:41 PM

Rajesh,
Thanks for the explanation and the simplified gyan of Price Action Trading Nifty which is giving good returns on Trend days !.
I went short @8360 around 1100 hours waited patiently and covered @8275 around 1445 hours
Thanks once again Rajesh,
With kind regards,

Reply

▼ Replies



SMART Trader December 13, 2014 at 10:53 AM

Good trade

ST

Reply



Unknown December 12, 2014 at 9:49 PM

Dear ST,
Though not posing actively, I have been a regular visitor of your place and benefitted immensely. Please clarify my doubt. Quoting you: "I had a buy order above IRL which did not trigger." I have rarely seen you taking BO trades. What is the thought process behind this one? Support turning resistance?

Reply

▼ Replies



SMART Trader December 13, 2014 at 11:02 AM

8320 was a very strong support in daily and gave support on 11/22/2014. It was a good BOF of PDL. I expected it to move well. I was already on short and covered. I would have gone long where I marked TP, if I was not short. Next best entry point was the BO of IRL. I expected a lot of stops there. I take BO trades, but rarely. <http://niftyinirvana.blogspot.in/2013/05/pressure-plays.html> market was continuously falling and expected a reversal due to short covering on weekend, though market proved me incorrect.

ST

Reply



Trader Pai December 12, 2014 at 10:42 PM

ST,
My trades...
<http://tradingdecisionpoints.blogspot.in/2014/12/12122014.html>

Trade 3:- I knew it was going to fall and also the background of different TFs Ended up taking the BO in fear that I may miss the move. Eventually I missed the move since already 4 trades/day mark was breached ...

This is definitely a painful progression :).
But last 3 weeks were either positive or break even ...

rgds
Kishore

Reply

▼ Replies



SMART Trader December 13, 2014 at 11:15 AM

Only thing I can tell you is that the method has an edge.
Hope you might have read this
<http://adamhgrimes.com/blog/traders-journey-heros-journey/>

ST



Trader Pai December 13, 2014 at 1:01 PM

No ST,
I haven't read this.
Very nice read, thanks.
Yes, The method with an edge is the prime important part, and the rest can be worked on.
Thanks for providing the method..
And I am ready to face the challenges and temptations :)

rgds
Kishore

Reply



Trekkie December 13, 2014 at 9:23 AM

Hi ST,
For your second trade where you said the exit was too soon, was there any reason (per system) to hold on during that pull back. That exit was the right thing to do at that time, was it not?

Reply

▼ Replies

SMART Trader December 13, 2014 at 11:22 AM



It was the right exit at that time and as per method
If a trade runs more after your exit, don't you feel sad?

ST



Trekkie December 13, 2014 at 6:57 PM

Thanks ST. I think in my case, it is more like "mad" not sad, so I end up taking weird trades after such events. I am working toward better discipline.



SMART Trader December 13, 2014 at 7:38 PM

You are jumping on to a wrong trade at the beginning I think. You will not be able to catch all the moves and it is not necessary. The main issue is that you are not paying attention to the market bias.
For example in the morning there was a BOF of PDC. This was against the bias. You enter at 8351 or on break of IRH and get tensed. You miss the BOF at IRH and cover your trade at a loss. You made a loss and missed a good opportunity.
Then price falls to a lower range. You go long on BOF of PDL and it is a great signal. Trade refuses to move beyond FTA and it is time to scratch and look for a short. You hope and stay with your trade and get stopped out missing another good short opportunity. All the time you enter a wrong trade hope and get stopped out missing the good trade. This is repeating as you are not with the market bias.
Stay with the bias. Manage CT trades tight. Ride the trend. Best opportunity arises when a CT move matures and reverses trapping a lot of traders

ST



Trekkie December 14, 2014 at 11:49 AM

Hi ST,
hehehe lol... What magic is this??? Are you a mind reader? This does happen to me often. I enter late and scratch. I also do weird trades after missing a good move, on such days I end up taking CT trades too soon, then finally miss the CT that does move.

Reply



Bhavir December 13, 2014 at 3:15 PM

Excellent BOF trade in first session ST. I need to work on maintaining different views between intraday and swing positions. Was biased long in first half before PDL was broken and biased short in second half after PDL was violated.

<http://niftytradediary.wordpress.com/2014/12/13/12-dec-2014/>

Reply

▼ Replies



SMART Trader December 13, 2014 at 6:30 PM

Many times opening price action can be continuation of previous day action
Previous day price dropped from 80 to 30.. Nearly 50 points without a pullback
So expect a consolidation or pull back. Trend may resume after that.
Don't be in a hurry to long

ST



Bhavir December 14, 2014 at 12:18 AM

New day, new lesson .. Thank you sir!
Intra-day teaches so many lessons at such a fast pace ...
Beauty is each of those lessons apply in swing trading and positional trades too.



xrtrader1 January 2, 2015 at 1:44 PM

Indeed new lesson thanks..

Reply



sleepytrader42 December 13, 2014 at 10:27 PM

Hi ST,
1. Have you looked trading other markets besides the Nifty?
2. Would you recommend modifying the DP method for futures markets that trade 24 hours such as Crude Oil? Was interested to learn if you would do anything different. Thanks.

Reply

▼ Replies



SMART Trader December 13, 2014 at 10:37 PM

1. No
2. Every contract has its own personality. You may need to make adjustments.
My focus is only on NF and no idea about other contracts

ST

Reply



vinayak December 14, 2014 at 11:35 AM

sir can you provide your method in AFL form

Reply

▼ Replies



SMART Trader December 14, 2014 at 11:50 AM

This is purely a discretionary method and an AFL cannot be made

ST

Reply



Unknown December 14, 2014 at 12:46 PM

Sir, I'm a new visitor to your blog. I don't have any knowledge about your abbreviations used in your blog. Where can I get information about these abbreviation and it's significance.

Reply

▼ Replies



SMART Trader December 14, 2014 at 1:35 PM

Please go through all the important posts given below the blog

ST

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