

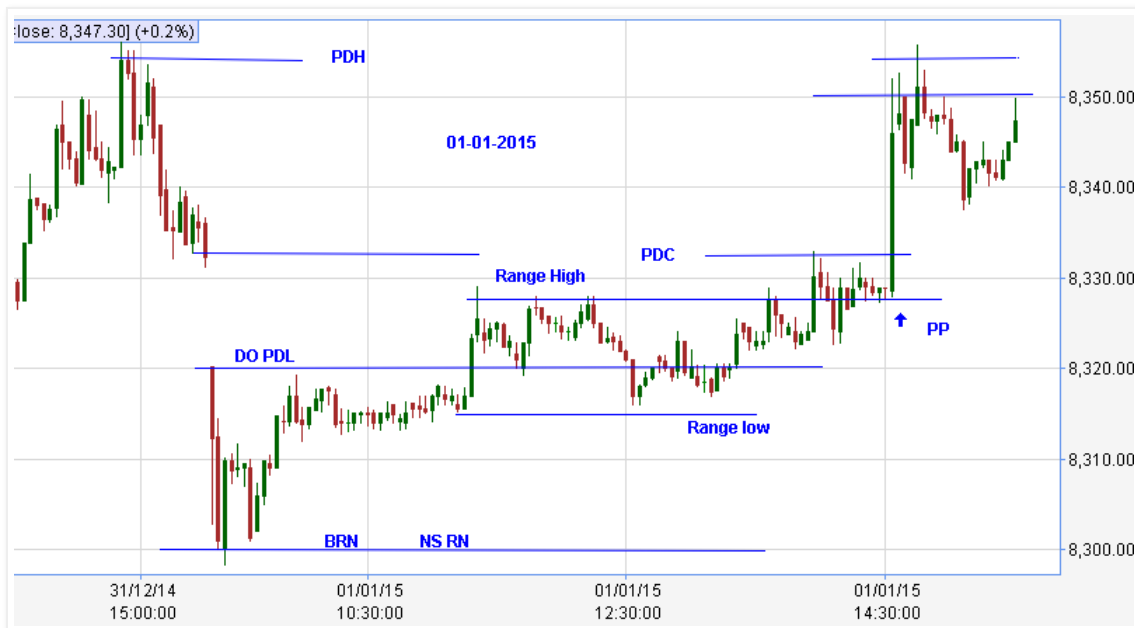


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Thursday, January 1, 2015

01012015



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Market gaped down below PDL and moved down. Stalled at BRN. Later made a BW range around PDL for a long time. Attempted a PP trade . Entry did not trigger. No trades today.

Posted by SMART Trader at 3:35 PM



22 comments:



Trader Pai January 1, 2015 at 3:43 PM

Hi ST,
Why didnt you take BOF PDL
<http://tradingdecisionpoints.blogspot.in/2015/01/112015.html>

rgds
Kishore
Reply

▼ Replies



SMART Trader January 1, 2015 at 5:30 PM

I thought of going long there but did not act
It was a good trade.

ST



Trekkie January 1, 2015 at 5:54 PM

Hi ST,
Happy New Year to you and yours.

If we went long there, we dont have much space, PDC and HOD at that time were less than 10 points away. Was there some

other compelling reason that could overwhelm the barrier of PDC and HOD? Thank you



SMART Trader January 1, 2015 at 7:01 PM

No guarantee at all. FTA and logical target was PDC. That big bar was just stop triggering and not genuine buying. there was no follow up at all. Once price settles above PDL, last DP crack is to the upside and bias turns positive and we look to go long. During live market it never was a great trade. But it moved well.

ST



Trekkie January 1, 2015 at 9:59 PM

Thank you so much ST.

Reply



Unknown January 1, 2015 at 3:48 PM

Good evening ST

Today it was difficult to predict the entry point.

Question

How to mark range high and Range low, (normally I use to take initial range high and low). Today IRH near DO & PDL, and IRL near BRN. Please guide

Raju

Reply

▼ Replies



SMART Trader January 1, 2015 at 5:33 PM

This is basically a method to trade the ranges. Please go through all the important posts <http://nifty nirvana.blogspot.in/2012/05/trading-ranges.html>

ST



Unknown January 1, 2015 at 7:11 PM

Thanks ST for your guidance

Raju

Reply



Trade 4 living January 1, 2015 at 4:03 PM

Rajesh,

On this new year, let me wish you achieve your dreams and realize yourself !

I feel empty when you do not post your daily analysis.

A humble request, post your daily analysis whenever possible, it helps me a lot as I find out my thinking errors.

You are helping me in so many ways that I cannot all pen it down, in short you helping me to manage myself.

Went long @8310 on the second bounce from 8301 and sold @8350.

My trades are based on qualitative and quantitative analysis where qualitative is first followed quantitative and it helps!

Rajesh,

My heartfelt prayers, wishes for you !

With kind regards,

Reply

▼ Replies



SMART Trader January 1, 2015 at 5:38 PM

Thanks.

8300 was also NS RN 8250 that time. I had a buy order at 8300. Market reversed just before it. I did not chase.

ST



Bharat January 1, 2015 at 5:39 PM

Trade4living,

What was the reason to take trade at 8310? we didn't have breakout failure of BRN. also we had much bearishness in morning we gapped down and sold off in first two bar.

Secondly why not exit below 11.42 or 13.57?

Kindly explain what is qualitative and quantitative analysis. how to spot trades with it and how to trail them?

Thanks and Regards

Bharat



Trade 4 living January 1, 2015 at 10:53 PM

Bharat,

Rajesh explains and uses Quantitative analysis for trades with the help of Decision Point, Order Flowetc.

Please note Quantitative analysis beats hands down Qualitative analysis in all respects before reading further !

I use Quantitative analysis for marking levels, analyse first by Quantitative analysis and then wait for confirmation from Qualitative analysis.

I use Dinapoli MACD (8,3896,17.5185,9.0503),DiNapoli Stochastics(8,3,3) and Bollinger Bands (15,2).

It is extremely tricky to use indicator signals in conjunction with quantitative analysis i.e. when to act or ignore them

I do not have the skill set to explain the rules when to act or ignore them

Rajesh is EXCELLENT !!!

He explains extremely complicated, difficult to understand concepts in extremely simple and easy to understand language !

I went long on second bounce and confirmation was there from indicators !

I waited patiently for the following;

- Market was trading in 5 point range from 10:12 for 60 minutes, which means there might be breakout in either direction as per my experience

- Nifty future premium positive movement was more compared to nifty spot movement

I did not trail my stop loss for the above reasons.

My stop loss was just break even about my buy order till it crossed PDC for the first time and then moved it up just below PDL.

My trailing stop differs each day depending on the market conditions as I learnt hard way of losing big movement.

I prefer to break even than lose big movements as it helps in the long run.

Hope this helps !

With Kind Regards,

Reply



xrtrader1 January 1, 2015 at 4:34 PM

Hi ST,

When you have time, can you write on TT and TST trades please ?

Reply

▼ Replies



SMART Trader January 1, 2015 at 5:35 PM

Yes, Will do it

ST

Reply



manas January 1, 2015 at 5:06 PM

hi ST

sir u say to avoid the tails while considering the pdl and pdh but if we avoid the tails the low and high levels will be changed for diff time frames,i.e it is diff for 3 min and diff for 5 min and 10 minas today if we consider the actual low as pdl it has given a good opportunity to go long also noticed this thing in past.

Reply

▼ Replies



SMART Trader January 1, 2015 at 6:02 PM

Tails are always very tricky. For example take 29122014

If you consider the tail of second bar while drawing IR, there was no BOF at all

You can always adjust the level on second test of the area if required.

ST



Bhavir January 1, 2015 at 9:02 PM

And I think it also comes with more experience since basically rather than drawing a line one is trying to find out if price is getting accepted or rejected in that zone (and not on that line)

Dry day today :) ; observations at -

<http://niftytradediary.wordpress.com/2015/01/01-jan-2015-holiday-mood-continues/>

ST - why do you mark the pressure play where you did. Is it just because to fast furious up move? Before the upmove actually happened in live market was there to identify pressure play developing there?



sleepytrader42 January 1, 2015 at 9:14 PM

Manas brings up an interesting point. If you do not disregard the tails then you will not be looking at the true HOD and LOD levels across different time frames. Therefore (thinking aloud) wouldn't it be make more sense to draw DPs at bar high/low rather than bar close?



SMART Trader January 1, 2015 at 10:59 PM

Bhavir

Market traded 8320-30 range for 3 hours. I expected a lot of stops above PDC. It was like a BPB of that range high Then there was a fluid till PDH. So decided to take a chance. risk was also very low with 6 points

ST

[Reply](#)



SMART Trader January 1, 2015 at 11:31 PM

Sleepy Trader

<http://screencast.com/t/1bQuYP56Qu>

ST

[Reply](#)

▼ Replies



Trekkie January 2, 2015 at 12:23 AM

wow! awesome chart, thanks ST.

[Reply](#)



amber January 2, 2015 at 12:14 PM

Sir good after noon,sir in the above screencast posted by you it is noticed that after a consolidation whenever a overshoot happens with a WRB than from that high all the stop loss shifts away to another 10-15 points more high.kindly update thnx

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