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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

Monday, September 22, 2014

22092014



Nifty Gapped down below PDL. As expected some consolidation. Formed a Cigarette pattern and finally broke the upside. Went long on BPB of PDL as price entered back into the previous day range. When price bounced from PDC I thought trade will fail and raised the stop to BO bar low. But escaped from stop out. Then it was just trailing till the BPB of PDH failed. Only one trade today

Posted by SMART Trader at 3:32 PM



18 comments:



Unknown September 22, 2014 at 3:40 PM

Hi ST

Thanks for the analysis.

TBP

Reply



NPA Trader September 22, 2014 at 4:12 PM

When i was looking for exit on a BOF of PDH. You were exited on a BPB failure. SMART exit...

Reply



Kishore September 22, 2014 at 4:36 PM

Hi ST,

Took two trades .Both stopped out .

Since it was CT gap I thought of going short thinking the longs will panic and exit.

Trade 1:- Short below first bar as BPB .Failed

Trade 2 :- BOF of IRH .

:(

Please advice

thanks n rgds

Kishore

Reply

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SMART Trader September 22, 2014 at 8:45 PM

If price gaps or spike nearly 50 points, that is the difference of option strikes, always anticipate a consolidation. It could also be a channel after a spike or a FTC. Here it was a FTC
<http://niftynirvana.blogspot.in/2014/02/failure-to-continue.html>
Prefer trade signals at DPs. I was looking for a BOF of BRN or a LOL of BRN/PDL

ST



kishore September 22, 2014 at 9:22 PM

thanks ST
So whr was your short after 2 hrs of trading ?

rgds
kishore



SMART Trader September 22, 2014 at 9:36 PM

After a minor BOF of range high, I entered a short order at 8079
Later cancelled it as there was no momentum

ST



kishore September 22, 2014 at 10:54 PM

thanks ST

Reply



Bharat September 22, 2014 at 5:34 PM

ST,

Why u avoided shorts below 11.30 it was not able to move above LRH third time and then range low broken. What was the thought process there. ?

Wasnt yesterdays close FTA for u when u took entry after strong move?... which seemed to be loosing momentum with small bars having wicks above them? What gave u confidence to enter there.

Thanks and Regards

Bharat

Reply

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SMART Trader September 22, 2014 at 9:08 PM

The range was very narrow. Just 10 points. When did the range low break?
Range low was 8th bar low. Flip of 2nd bar pivot high which never break. FTA LOD was very close also
Pay attention to round numbers also. <http://niftynirvana.blogspot.in/2012/09/round-numbers.html>
My order was below the flip and round number 8080

Price climbing back to the previous day range is a major transition. An outside day is changing to an inside day
<http://niftynirvana.blogspot.in/2012/02/inside-and-outside-days.html>

ST

Reply



amber September 22, 2014 at 6:27 PM

Sir good evening sir this was mentioned in your comment on 18/9/14 We expect a down move.Wait for a BOF of range high BRN or a BPB of PDL,sir i am unable to understand the BPB of PDL,kindly explain thru a chart thnx

Reply

▼ Replies



SMART Trader September 22, 2014 at 9:16 PM

We have to pay attention to the DP above and below current price.
If you bias is down. Look for a BOF of higher DP or BPB of lower DP to go short
BO of lower DP is not preferred

ST



amber September 22, 2014 at 9:31 PM

Sir thnx very much

Reply



Unknown September 22, 2014 at 6:47 PM

i have visited ur blog in feb .i have studied ur all posts and all ur old trades in march and april.
in may started paper trading and training my mind.
may, june, july paper traded and prepared initial trade plan and in aug , september till date trading only BOF and BPB with bais, space with 1 lot, simultaneously identifying other setups and review all, and improving my initial trade plan based on mistakes and taking up every step or a concept every week to study and include in the plan.
currently imworking on bias(a part of trade plan) in my mind and how to change it fastly when price unfolds
here is my bias thoughts today. please review and give feedback
i have devided biases as main bias , initial bias, main ongoing bias,present ongoing bias ,future bias(future price direction)
1 before open, main bias was up
2 after open main bias down,initial bias down,
3 after price moved up IR , main bias down, initial bias down (not relevent since initial move over) .main ongoing bias up
4 after price makes a range above IR, main bias no change, main ongoing bias up, present ongoing bias sideways, future price movement may be up or down(watch for it and look for trades at extremes with other factors score)
5 after breakout and went above PDL all my bias are up, now look for long with all other factors .

Reply

▼ Replies



SMART Trader September 22, 2014 at 9:32 PM

Your reading is right. Do not complicate too much. Look where the price is trading. This will give a clue about current trend in trading time frame.
Current range above or below the previous range?
Last DP crack. Upside or Downside?
Further you look at Micro trend in daily. If it matches with trading time frame trend expect the trade to move well. Otherwise suspect the move and manage the trade tight.

ST



Unknown September 23, 2014 at 11:16 AM

yes its look like complicated but my mind developed the schemæ for that step. knowing whether to look for long or short before other factors(SCORE) is half done.
first main bias is up or down(rally or decline mode), i change it only wen ongoing price moves above PDH or below PDL
second initial bias , just open(gap up or down /outside gap or inside/CT or with trend), i look for trade , if both bias are same with score its high probability trade, if both are not same with score den low probability trade(manage tight), if no score den wait .
third after price moves i discard initial bias in my process loop and look for main ongoing bias(includes present price movement)
for ongoing bias i see last DP break and range up or down,if ongoing bias and present move are same, main ongoing bias is strong, if ongoing bias and present move not same with score den weak signal,if no SCORE skip
if both main bias and main ongoing bias are same its high prob.. trade, i visualise future probable price direction with SCORE , if both bias not same with score its low prob trade(manage tight), if no score den skip and wait for other signals.
like that i can manage risk by managing SL tight or skip trade or increase or decrease position size in future(now 1 lot only)
if bias changing (break of MSP), present bias changes and den main ongoing bias changes and den main bias changes on break of PDH /PDL



SMART Trader September 23, 2014 at 11:44 AM

What you learned is enough. Start executing. Focus on repetitions
You will make a lot of mistake and regret after each and every trade
But somewhere it will click
<http://jamesclear.com/repetitions>

ST

Reply



Trekkie September 23, 2014 at 10:01 AM

Hi all,
I have often gone around in circles looking for free historic data for backtesting. Some times its wild goose chase, at other times its corrupted data. radiosilk at traderji has provided a whole lot of data here and it is clean as far as I can tell
<http://www.traderji.com/intraday/95401-nse-futures-1min-ieod-data.html> I am not sure if years old data will help, but all of it is there and you can pull out just what you need and use it with Amibroker.

Reply

▼ Replies



SMART Trader September 23, 2014 at 10:34 AM

Thanks

ST

Reply

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