

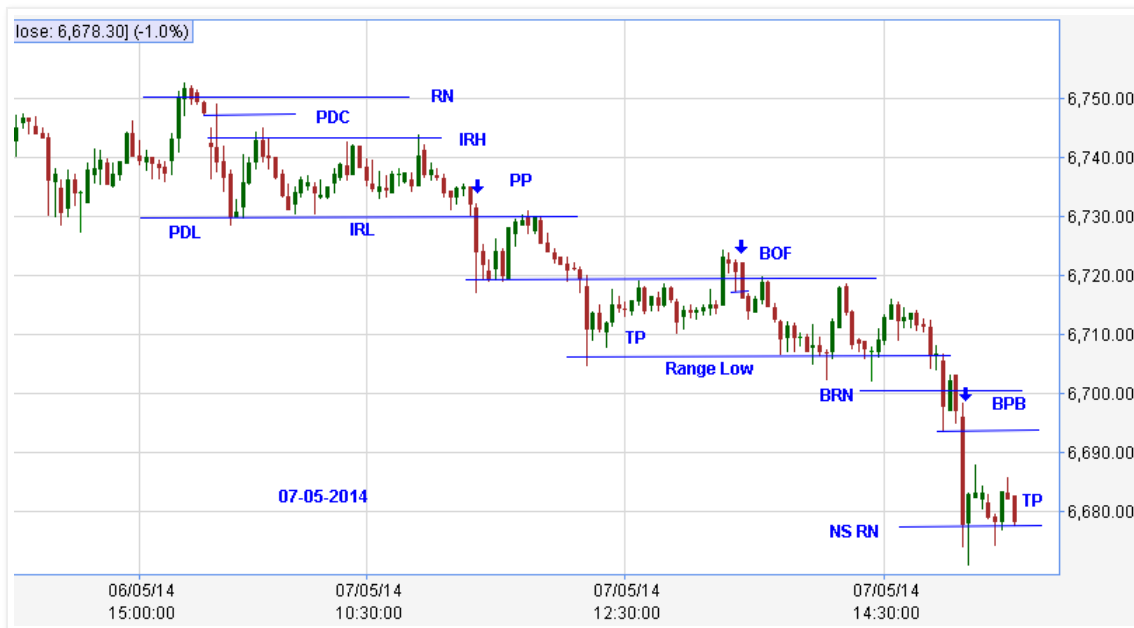


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Wednesday, May 7, 2014

07052014



Nifty opened below PDC. IR formed between PDC and PDL. Went short on the break of PDL. TP around 6710. Then there was a BOF of range high. You may call it a TRAP or a complex pull back. Closed the trade when price refused to go below the range low. I was looking to go long on BOF of BRN 6700, but ended taking a BPB of BRN. TP at NS RN 6650.

Posted by SMART Trader at 3:34 PM



30 comments:



Unknown May 7, 2014 at 3:43 PM

ST Sir,

I also went short on break of IRL/DL/PDL, exited at BRN hoping it turn BOF of BRN (6700 NF).. but it turned BPB short trade.. bad luck i missed it.. needs fast hands to take this kind of trade as it is against plan in mind.

Any ways happy that i am trading cool and making some bucks on my own :)
All credit to you sir.

Reply

▼ Replies



SMART Trader May 7, 2014 at 4:02 PM

Rose Mary

Trading require two things

1. Identifying the trade locations

2. Tactics to trade these locations

Instead of identifying and practicing the trading tactics, people spend their whole life searching for the methods to identify locations. Think about MA, EMA, VW, Gann, MP, Pivots, Fibos, Indies etc. All are used to identify a trade location. Develop your own tactics and methods to trade Markets own levels. Market is not going to respect your calculated levels.

ST

Reply



Unknown May 7, 2014 at 3:49 PM

Hi ST

Excellent trades

In the first trade, the short trade, what was the thought process in TP at 6710??

Thanks

TBP

Reply

▼ Replies



SMART Trader May 7, 2014 at 4:12 PM

TBP

After the break of PDL/IRL, price did not extend beyond BO bar.

The pull back was very deep and it tested the flip. Actually I was scared that the BO is going to fail.

When it moved another leg down I took the profit

ST



Trekkie May 7, 2014 at 10:51 PM

hi ST,

When you take profit, do you get out at market, bar high or some other?



SMART Trader May 7, 2014 at 11:28 PM

S Roy

Once price moves in my favour, i trail behind DPs flips and swing pivots

If I feel price will find it difficult to cross a level, I will click the Square off button and exit

ST



Trekkie May 8, 2014 at 12:01 AM

Hi ST,

Thanks so much. Will you please share some thoughts on when you scratch a trade?



SMART Trader May 8, 2014 at 9:07 AM

S Roy

Basic concept is the acceptance and rejection of price at DPs

Once price cross to a new area, it should settle beyond DP. If price returns to the early range, scratch

If price is not able to break the FTA, you can consider scratching. It is very difficult to make rules for that.

Price action trading is developing the skill to read the market. Decisions will depend on our feel and read of the market and the result will depend on your skill level.

ST



Trekkie May 17, 2014 at 12:21 AM

Thank you ST.

Reply



Uday Dave May 7, 2014 at 4:02 PM

Hi ST

Took two trades as yours of first and third. One regret, could not cover the first one properly, I think I waited too much.

<http://www.charttechnical.blogspot.in>

Thanks.

Reply

▼ Replies



SMART Trader May 7, 2014 at 4:14 PM

URD

Nice trades

Read my reply to TBP regarding the first one

ST

Reply

Unknown May 7, 2014 at 5:38 PM



Hi ST,

How was taking BPB trade was even possible for you? It was in a flash! I also took BOF trade (yes, I traded futures finally) but TP at 6710 when I saw a double bottom. Also, how to identify BPB? I actually ended up classifying that as BO (of the second range of the day into a 3rd range) and did not take it because the meat was gone already.
Also, when NF moved from 6734 to 6720, why would you not classify it as a new BO?
Price action at 11:30 or so was similar to what happened at about 2:30PM. And there were enough candles at 11:30 to actually persuade me to take a trade (which I didn't), but you could take a BPB trade - what's that you read?

Sorry, too many beginners doubt. I hope I am not annoying you.

Thanks!

Prash

Reply

▼ Replies



SMART Trader May 7, 2014 at 10:00 PM

Prashanth

Nifty traded within the BO MC of BRN 6700 for six minutes. I think it is more than sufficient to enter a sell order. I think you are not familiar with the concepts. Kindly go through all the important posts listed below the blog.

ST

Reply



Unknown May 7, 2014 at 6:07 PM

ST Sir,

I wanted to confirm my understanding of how you trade BPB at BRN today.
You are looking for long trade on BOF of BRN, NF broke 6700 at 14:56 candle making low 6693.

I think you are looking to go long once NF cross high of BO candle i.e. 6706.50, but NF came till 6703 only.. & you enter BPB Short once NF broke 6693 which is low made in BO bar, with SL may be 6702.

Pls confirm if I am correct?

Also I think BOF, BPB trades in direction of trend give nice gain as RR is 1:2

Reply

▼ Replies



SMART Trader May 7, 2014 at 10:13 PM

Rose Mary

I was looking for a long trade. But I will not enter on break of the BO candle. I will wait for the price to cross over to the early range and get accepted.

ST

Reply



kishore May 7, 2014 at 9:27 PM

Hi ST

My trades

<http://tinypic.com/r/2laydc6/8>

Another -20 day for me

Trade 1 :- Exited above minor pivot .
Trade 2 :- I thought there are trapped traders trading complex pull back
Trade 3 :- BOF other range extreme
Trade 4 :- BOF of Range and Critical mass short That's it daily quota over

Please comment ..

I will be sending you a mail please read it at your leisure

thanks n rgds

Kishore

Reply

▼ Replies



SMART Trader May 7, 2014 at 11:14 PM

Kishore

I think you are trying to trade the method mechanically with some rules.
You exited the first trade prematurely.
1. It was the first pull back after a breakout and not an overextended move. You can very well exit like that in an extended move ripe for a reversal.
2. There was no rapid rejection and the bounce was not from a DP

3.Price never crossed back to the earlier range.
 4.Price did not break the entry bar high
 5.Range low broke on the fifth attempt. Will give stiff resistance
 6.It was PDL as well as IRL
 7.Price broke below the previous day range which was a major transition
 Trade2.
 1.Counter trend trade.
 2.CPB trades are always trades in the direction of trend..
 Trade 3
 Your entry was delayed due to the second trade. Otherwise you could have made a small profit.
 Trade4
 It was not a BOF of a DP, but a minor narrow range
 There was no space after your entry
 and it was a CT trade too
 ST



kishore May 7, 2014 at 11:28 PM
 thanks ST



Trekkie May 9, 2014 at 11:19 AM
 Thank you ST, the explanations for not exiting the first trade are very helpful for me as well.

Reply



NPA Trader May 7, 2014 at 10:28 PM
 Hi ST,

I have noticed one thing today. Most of the BO's happened with MC.

<http://nsemcpriceaction.blogspot.in/>

Reply

▼ Replies



SMART Trader May 7, 2014 at 11:22 PM
 PA Trader
 Master Candles work well if they are at good locations
 ST

Reply



athshree May 8, 2014 at 12:57 AM

Hallo,
 PDC was 6746.7.... DO was below PDC ..was it not enough to treat is as BOF of PDC? and second candle proved it too.....I am not saying it because this candle proved it..(not WISE AFTER EVENT...) but as I said in earlier post regarding average close and actual close....this points is also worth considering.....DO below PDC should be treated as BOF of PDC....of course with proper vigilance.....
 you didn't consider this point or space was upto PDL----just 10/15 points ---- so ignored?
today....ACC....BOF of PDC done well...of course first signal BO of PDC was whipsaw..but managed after breaking PDC....got 11 points.....AXIS....BOF of PDL.....gone more than 20 points.....(not traded as was in three trades already....watched only).....HUL....first whipsaw of BO of PDC..but again BOF of PDC gave 4 points.....TATA STEEL.....BO of PDC...gave 3 points.....BANK OF INDIA....BOF of PDC gave 2 points.....again BOF of PDC traded...was in profit but cannot book ..ws away...SL hit....but still in profit in this counter as SL was modified to TRADE PRICE...this just to share....
 anybody doing it in EQUITY?

Reply



A May 8, 2014 at 5:21 AM

Hi ST,

You have been trading profitably for long period but still trading with one lot. So my query is when should we think about multiple lot to trade for living.

Thanks
 Arun

Reply

▼ Replies



SMART Trader May 8, 2014 at 8:46 AM
 Arun
 I have started trading 2 lots selectively on BOF and first BPB of the day
 ST

Unknown May 8, 2014 at 1:25 PM



Hi ST,

This is news to me. This explains why you can execute your trades fearlessly and profitably. But, if I am not wrong, you are a full time trader now. Even at an avg of 30 points a day, you make 1500/- per day with 1 lot. Is that enough to manage your lifestyle? And do you have other sources of income?



zen May 8, 2014 at 1:58 PM

Hi Prashanth
haha... even I wonder how is he doing 1 lot so patiently , that too full time... & how he manages...
But you voiced out the question ?



SMART Trader May 8, 2014 at 4:41 PM

Prashanth, Senthil

Rome was not built in a day.
I approach trading very seriously. I am slowly and steadily progressing step by step and not in a hurry
<http://niftynirvana.blogspot.in/2012/02/trading-for-living.html>
It took me three long years to find a method with an enduring edge. I tested it on hundreds of historical charts and I am doing it for the last two years in public. I have set aside one full year to perfect my execution. Still a few more months left.
This blog I am writing and the book I have written are all part of the plan. This has helped me to network with a lot of "Real Traders" (Not the ones you find on forums congratulating and consoling each other) from India and abroad which I never thought possible.
Trading requires a good method and sufficient training to execute the method. Time is an important factor in skill development. It takes time to get your brain hard wired. If you are not giving enough time, you are not going to make it. This training can't be avoided and it is important to see that our financial as well as psychological capital is not getting eroded.

ST



Unknown May 8, 2014 at 6:17 PM

Hi ST,

Sorry, I did not mean to ask that question in a derogatory way. Even with 20 lots, tons of people will not be able to replicate your profits (let alone discipline, and if they survive over three years, that in itself is an achievement). Even I aspire to trade for a living at some point of time - so, this question was towards trying to get some insights into if this is even possible and to look at how much risk of capital exposure does that involve. I confess that with options, I trade larger size but over a period of a year, my results for taking such huge risk is not proportional (purely in %ge terms, it is WAY off). And I'm pretty sure when I give up my job, I won't take large risks. So, I was just curious how does someone who already does (and brilliantly at that) what I want to do at some point of time looks at this.

Also, as I digest slowly the truckload of info that you have shared, I was so curious how can you execute your trades so flawlessly (even scratching the trades at right points). My heart rate at times jumps when I enter a trade, and exit it at first sign of resistance or when a small loss shows up. But when I have tried over last two days (one trade per day) with small size, I could clearly think, and I was profitable - although I still have to digest so much of info yet.

I'm in.

Prashanth



SMART Trader May 9, 2014 at 12:17 AM

Prasanth

Nothing derogatory or offensive in your comments. It was a genuine doubt.
I have committed all the mistakes and blunders one can do in the market and learned a lot from them. Trading is something you learn by doing and doing it big while learning will ruin your financial and emotional capital. Under trade till you achieve execution consistency. Once you achieve execution consistency, you will be able to scale up.
Currently I am trading to achieve execution consistency and not to make money

ST

Reply



kishore May 8, 2014 at 6:54 PM

Hi ST
-15 points

<http://tinypic.com/r/2ia5zd/8>

I identified the barbed wire but took long thinking PP.
I think I didn't notice MSP .
Please comment

thanks n rgds

Kishore

Reply

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