

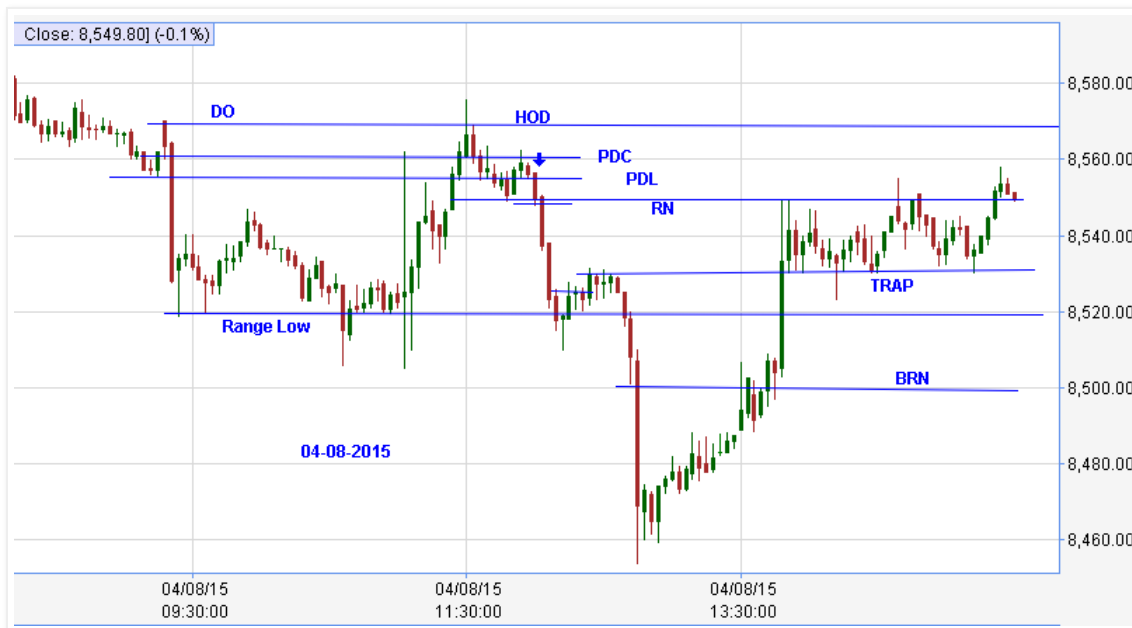


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Tuesday, August 4, 2015

04082015



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Announcement day. Waited till the market stabilized. Short on BOF of PDL/PDC/DO. Shaken out of the trade. Could not get the second leg down. Expected a retest of the bottom and missed the up move. Only one trade

Posted by SMART Trader at 3:35 PM



11 comments:



Trekkie August 4, 2015 at 3:44 PM

Thank you ST.

Reply



xrtrader1 August 4, 2015 at 3:55 PM

Hi ST,

Will you consider short trade if the channel (where you marked TRAP) was broken on down side ?

Reply

▼ Replies



SMART Trader August 4, 2015 at 4:04 PM

Price is not likely to fall below 8520 quickly, I feel  
Price was within 8520-8570 range . Breakdown of this range quickly reversed and price came back to the range  
Now the tendency will be to test the high of the range or a retest of the low

ST

Reply

Unknown August 4, 2015 at 5:24 PM



Thank you sir. What is your opinion on the 8503 to 8450 and 8503 to 8549.95 bar. Coz I am in the position that moment curios to know. All that happened just a few seconds. Please....

Reply

▼ Replies



**SMART Trader** August 4, 2015 at 8:06 PM

when price conquered BRN 8500, the option strike, some follow up buying came in it seems

ST

Reply



**Unknown** August 4, 2015 at 6:36 PM

i was looking for long at the time you shorted seeing the quick reversal above 8550, we have reasons for both long and short here but what worked was shorting.. what reasons you saw for shorting here ?

Reply

▼ Replies



**SMART Trader** August 4, 2015 at 8:03 PM

Long can be taken as a BPB over DO. It was 50 point straight drop from DO. Selling was evident  
Too many barriers on top and a lot of longs already created.

ST

Reply



**Unknown** August 4, 2015 at 9:44 PM

Thanks for your reply.

Here is my analysis after RBI policy @ 11 pm

1. Short below 8550 around 12 pm, long low probability as multiple resistance level, if breaks lower then possible support of 8500 which is 50 point lower.
2. Possible BOF long around 8500 as there was strong buying from here but price went straight through 8500 around 1240 hr.
3. BOF short of 8500 with entry trigger below 1327 candle @ 8487 as longs will be trapped if this level broke but this didnt happen. BPB long also had good R:R here as next level was 8550, 50 points up but i am finding it difficult to be prepared for both long and short.
4. 1345 candle was a strong bull candle and follow up action looked like bull flag, sellers were weak, and upside was limited so no trade now.

Please review my analysis, also share your views on levels which offer good R:R like 8500 around 2 pm, i find it difficult to be ready for both long and short.

Reply

▼ Replies



**SMART Trader** August 5, 2015 at 4:30 PM

This kind of crazy volatility is difficult to trade and our analysis will always go wrong  
No analysis will work when single bars of 50 point prints. Try trades at extremes on such days

ST

Reply



**Lazy Trader** 8 August 5, 2015 at 10:55 AM

Dear ST,

I had taken a BPB of 8500 (around 13.30pm). Was the trade in the correct direction or it should have been avoided?

Reply

▼ Replies



**SMART Trader** August 5, 2015 at 4:32 PM

It was a good trade. Only thing is you have to be careful about the flip above it.

ST

Reply

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