

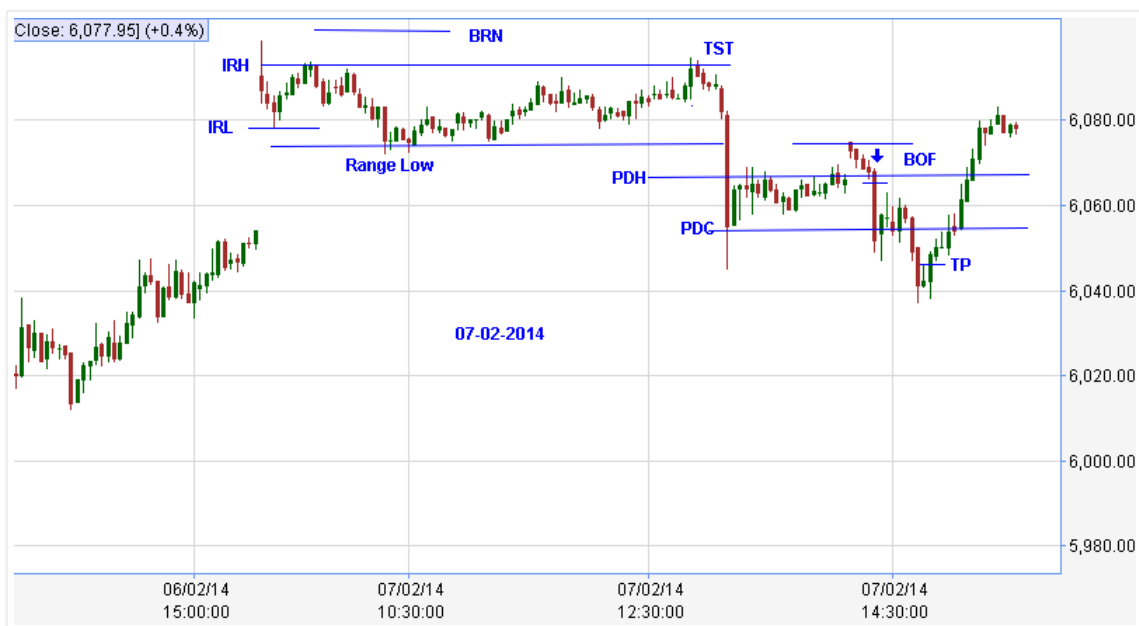


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Friday, February 7, 2014

07022014



Nifty opened above PDH. IR formed. Missed the TST trade at IRH as I did not expect the sudden fall. Went short on BOF of PDH. It made 20 points. Could not trade the last up move as there were too many levels above it. Notice the pull back after the first break of PDH to the range low as explained in the post "Initial Stops" Pic9.

Posted by [SMART Trader](#) at 3:34 PM



27 comments:

Anonymous February 7, 2014 at 3:42 PM

Hi ST,
Could you please let us know your thought process on the exit ?
Do you use any bar by bar exit process ?

rgds
Kishore
Reply

Anonymous February 7, 2014 at 3:46 PM

Sir,
you said "Missed the TST trade at IRH as I did not expect the sudden fall"
can one expect such a fall? how one should anticipate?

Raghu
Reply

ANOO.P.AV February 7, 2014 at 3:50 PM

good evening sir , today I took short position BOF of range high and book profit around RN and again took short BOF of RL and book profit around DL no any other trade today

Reply



SMART Trader February 7, 2014 at 3:51 PM

Raghu

One can expect a fall if it was a BOF. Here price did not trap BO traders. Counter trend TSTs are low probability trades

ST

Reply

ANOO.PAV February 7, 2014 at 3:57 PM

all BOF can make you rich with in one year :- ANOOP.AV thanks sir thanks a lot

Reply



SMART Trader February 7, 2014 at 3:59 PM

Kishore

Usually I exit...

On FTC

At the next DP

If I get very good profit.

Trail behind swing points and flips

ST

Reply



Unknown February 7, 2014 at 4:03 PM

Hi ST

Thanks for mentioning the pointer to 'Initial Stops'. It was almost copy book.

I took the last trade as BOF LOD/RN above RN. Was it correct?

Thanks

TBP

Reply



SMART Trader February 7, 2014 at 4:07 PM

Anoop

You are right

BOF of DPs can make you rich. But you must have the patience to wait wait and wait for the signal.

Read this

<http://niftyinirvana.blogspot.in/2012/05/reading-one-trick-ponies.html>

ST

Reply



Uday Dave February 7, 2014 at 4:12 PM

Hi ST,

Thanks for that Pic9 setup. Few days back similar setup was there on long side and today on short side. It saved me from taking BOF of PDH.

I took BOF of IRL in morning above BO candle as at that point it seemed like it was refusing to go down, but later scratched when TST of IRL happened. My target was at least BRN and there was small SL, below BO candle.

What was your thought process at that time?

Reply



SMART Trader February 7, 2014 at 4:16 PM

TBP

Nothing wrong.

But you must be aware of other areas like MSP, PDH Range low etc.

Today it worked well because of week end. Critical mass who were short were exiting driving prices higher.

ST

Reply

ANOO.PAV February 7, 2014 at 4:18 PM

sir yesterday I have been decided to trade on stock with your decision point method and i took long position on HINDALCO BOF of 105 option strike price and booked profit at PH 106.50

Reply



SMART Trader February 7, 2014 at 4:28 PM

URD

My focus was on first candle tail. I thought there will be a BOF at HOD or BRN. In hind sight I feel the TST was tradeable. Short below the TST MC. It was an extreme and a DT ST

Reply



nifty for bread February 7, 2014 at 4:43 PM

Sir,
If there was a BOF in IRH, would you have gone short? I decided against shorting even if BOF is noticed at IRH, as we had LOL - BRN was closely located. I would like to know, how you would have played it, if there was BOF in IRH.

Another question - If IRL was broken, would you have entered short immediately? RN-Spot(6050) was located just 7 points below IRL (till the big fall) Would you have considered this too as LOL and waited till RN-Spot is also broken?

Thanks
S.Karthikeyan

Reply



Unknown February 7, 2014 at 4:48 PM

Thanks ST for the advice
took the trade as critical mass was short and last moments of trade!!

Reply



SMART Trader February 7, 2014 at 6:29 PM

SK

I would have gone short if it was a BOF. The target is always the other end of the range. Here we are assuming that Trapped traders exit will take price to that time LOD where we can expect a lot of stops to trigger. This stop triggering will take price lower. I will not short the BO of IRL. The bias was bullish and there was no order flow from trapped traders.

ST

Reply



nifty for bread February 7, 2014 at 7:26 PM

Sir,
On 04/02/2014, there was a similar setup. BRN was located above IRH. I shorted BOF of IRH, ignoring LOL setup under the influence of huge volume of BOF and was stopped out.

Today also, we had a similar situation. Today, one has to short on BOF, ignoring LOL setup. I don't understand when I have to give due importance to LOL and when we can ignore LOL (like today)?

What are the factors that call for giving due importance to LOL on 4/2/14 and ignoring the same today?

Thanks
S.Karthikeyan

Reply



PA Trader February 7, 2014 at 8:27 PM

I took the first BO of IRL. After the gap up, price tried to go up thrice, but was pulled down. So I assumed a bearish stance hoping long traders from yesterday would book profits and the gap to be filled. That failed and then I took a BOF of IRL hoping for 6100. This went upto 6095 and started to fall with increasing momentum. I reversed my long position again and went short with target PDC. Next trade was the BOF of PDH but I did not manage that trade well and exited with a small profit.

Reply

Anonymous February 7, 2014 at 8:36 PM

Hi ST,

How do you think one should keep learning? Do you any book/blog recommendation?

Like to hear from you as it can help all the readers of this blog.

Karthik

Reply



SMART Trader February 7, 2014 at 8:42 PM

SK

I do not remember what exactly I was thinking then. But there is one difference.

On that day you cannot expect any stops below NS RN the first trouble area. Stops were below IRL. I took the second BOF of BRN and scratched it.

Today stops were below FTA and the stop triggering caused the second layer to break

ST

Reply



SMART Trader February 7, 2014 at 8:55 PM

Karthik

There are many blogs worth reading

<http://www.yourtradingcoach.com/>
<http://ninetrans.blogspot.in/>
<http://lessons.tradingacademy.com/>
<http://adanthgrimes.com/TAAS/wp-login.php?action=register>
<http://traderfeed.blogspot.in/>

ST

Reply



nifty for bread February 7, 2014 at 9:20 PM

Sir,
Thanks for the clarification.
S.Karthikeyan

Reply



Unknown February 7, 2014 at 9:35 PM

Hi ST
thanks for sharing the blog list
I was reading a bit of Dr Brett Steenbarger some days back.
did not know that he has a blog which was shut for 4 years.
was amazed to see the response

thanks once again for sharing

TBP

Reply



SMART Trader February 7, 2014 at 10:02 PM

TBP

Brett will start blogging again after a gap of 4 years
Cadver of ninetrans is a person of Indian origin. He is Mr. Bharath Rao. He writes in Spanish also.

ST

Reply



Unknown February 7, 2014 at 10:40 PM

That's nice ST
could make out Cadaver's Spanish comments as response
what is his style of trading?
and y the pic so eerie?

Reply

Anonymous February 8, 2014 at 9:19 AM

ST,
Pivot @2.30pm can be considered as true MSP.....and can long trade be initiated there.

Regards
Abbas

Reply



SMART Trader February 8, 2014 at 9:52 AM

Abbas

Yes 2.30 pivot high is MSP
Now 3M Chart is in uptrend.
MSP act as a DP. You can trade BO, BOF, BPB and TST of BPB provided other factors are favourable.

ST
Reply



Uday Dave February 8, 2014 at 1:58 PM

Hi ST,
Sent you a mail on niftynirvana@gmail.com. Please have a look at your convenience.
Thanks
Reply

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