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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, September 4, 2014

04092014



Nifty opened near PDL and sold. Went short on the BPB of PDL. Covered when the second attempt to go below BRN failed. Range move for a long period. Long on the BOF of LOD/BRN. I was not very confident as PDL was very near and the BOF did not go below the tail extreme. As expected there was some short covering. Price broke PDL and DO/HOD. Nifty is now in decline mode making lower low and lower high in daily chart.

Posted by [SMART Trader](#) at 3:57 PM



36 comments:



[Unknown](#) September 4, 2014 at 4:35 PM

Hello ST Sir,

Please send me your contact number.. need to talk to you.

Thanks!

Reply

▼ Replies



[SMART Trader](#) September 4, 2014 at 10:04 PM

Sorry.
I would like to interact either through blog comments or through mail.

ST

Reply



[Unknown](#) September 4, 2014 at 5:28 PM

Hi ST

are you referring to the tail extreme of the candle where you TP in the first trade??

Thanks

TBP

Reply

▼ Replies



SMART Trader September 4, 2014 at 10:05 PM

Yes. The last BOF did not break that level

ST

Reply



L.V.Gandhi September 4, 2014 at 5:48 PM

Dear ST

Below 09:27 candle, space was only 7 points to BRN, But Risk You took was more than 14 Points. Will you please explain your thought before taking that trade and allowing another PB just near previous TOP.

Reply

▼ Replies



SMART Trader September 4, 2014 at 10:11 PM

Break below PDL is a major transition. Market is likely to shift to reverse gear after a long time. That is daily chart making a lower low and entering decline mode. Further price got accepted below NS BRN 8100 So took a chance.

ST



L.V.Gandhi September 5, 2014 at 6:15 AM

Thanks for the nice explanation.

Reply



rocky September 4, 2014 at 6:01 PM

<http://i59.tinypic.com/e7ie03.png> i have two question one is related to exit of trade as we close back in range of BRN after breakout and second one is related to pp entry at 14

Reply

▼ Replies



SMART Trader September 4, 2014 at 10:20 PM

First trade was a good one. Breakout entries are low probability ones. Most of them will fail. I avoid them as far as possible. Attempt only trend BO or with a BOF of other side.

ST

Reply



videv September 4, 2014 at 6:23 PM

About the BOF LOD/BRN trade, I didn't take it since I saw it as a TST of LOD rather than a clean BOF. PDL being close was another concern.

However when it broke above PDL in 1457 candle and next candle was a small one, I thought of it as BPB long PDL and tried to go long using buy limit SL order above 8121.8, but couldn't because it ran away within seconds while I was figuring out how to put limit SL order! (I haven't used them yet).

My question is: would it be valid to go long as BPB of PDL at that level above PDL? I was aware of FTA HOD being close but based on high volume on breakout bar thought it could be good for 12 pts or more.

Reply

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SMART Trader September 4, 2014 at 10:27 PM

It was just a short covering rally. Many day traders were short and they waited for a sell off which did not happen. We cannot say how long the move will last. Safer to enter at the beginning of the move

ST

Reply

Unknown September 4, 2014 at 7:56 PM



Isn't it too early to call NIFTY in decline mode on the daily TF?

Reply

▼ Replies



SMART Trader September 4, 2014 at 10:39 PM

Decline mode does not mean the market is going to fall or daily in down trend.
Today's candle in daily chart made a lower high and lower low.
Rally and decline refers to the Micro trend in day time frame which is the lowest level trend
<http://niftyinirvana.blogspot.in/2012/12/major-swing-pivots.html>

ST

Reply



Kishore September 4, 2014 at 10:52 PM

Hi ST,
Took 2 shorts..Both failed and reached my daily quota of loss.
Please advice
<http://tinypic.com/r/2rqdhhl/8>

Did nt take BPB PDL since BRN was near .
Second trade I took because of TRAP.

thanks n rgds
Kishore

Reply

▼ Replies



SMART Trader September 5, 2014 at 9:07 AM

Both the trades were BO trades.
Even if you consider the TRAP. It never broke the earlier extreme for an entry

ST



Kishore September 5, 2014 at 2:03 PM

Thanks ST
Moving forward I will take only BOF trades and BPB trade only if there is a BOF in the other side .
Happy Onam
Kishore

Reply



Unknown September 5, 2014 at 8:55 AM

Thanks ST

Happy Teacher's day to you!!!
Thanks for being there!!

TBP

Reply

▼ Replies



SMART Trader September 5, 2014 at 9:13 AM

Thanks.
I salute all those wise men/women from whom I stole and borrowed

ST

Reply



Unknown September 5, 2014 at 9:20 AM

im using nest i have only limit , market and SL orders. how to place SL market order

Reply

▼ Replies



SMART Trader September 5, 2014 at 9:59 AM

I am using Zerodha Trader
4 types of orders are available in it
Limit,Market,SL,SLM

ST



Reply



Your teaching is simple and consistent, you guide us daily and pay attention to each individual in the most amazing way, such teaching is nowhere on the net and can hardly be found even in the real world. You are a teacher, guide, mentor all rolled into one for us here. You are like the teacher Bruce Lee talked about...in Lee's words, A true teacher is never a giver of truth; he is a guide, a pointer to the truth that each student must find for himself. You are simply an awesome teacher ST. You have also ^{****}honestly** shared the knowledge and trading wisdom you have gained through your hard work which is super awesome. Thanks again a LOT.

▼ Replies



ST

Reply



Reply

▼ Replies



ST

Reply



Reply

▼ Replies



ST

Reply



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▼ Replies



ST



Trekkie September 5, 2014 at 12:09 PM

Thank you ST.

Reply



Trekkie October 26, 2014 at 12:28 PM

Hi ST,
In this chart, why are we not taking the BRN as range low <http://imgazer.imageshack.com/img538/2606/s3bbZo.png> At what point did you decide that it is not the BRN (red line) but the LOD (your blue line) that is more significant? Thanks a lot for your help.

Reply

▼ Replies



SMART Trader  October 26, 2014 at 6:57 PM

I considered it as a zone rather than two different levels.
This is a clear case of absorption which held the whole day . There were tons of resting buy orders just below BRN
<http://niftyinirvana.blogspot.in/2012/02/absorption.html>

ST



Trekkie October 26, 2014 at 7:29 PM

ST,
Thanks a lot. How to avoid going for BOF earlier than the last trade?



SMART Trader  October 26, 2014 at 8:54 PM

The range looks wide in chart.
It was actually a 20 point one with IRL as a clear mid point
Critical mass was short and I entered expecting some reversal at fag end
Otherwise go for a BO or BPB of the range high

ST



Trekkie October 27, 2014 at 9:06 AM

Thank you ST. Friday's price action looks some what similar around BRN, doesn't it?



SMART Trader  October 27, 2014 at 9:13 AM

Yes

ST

Reply

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