

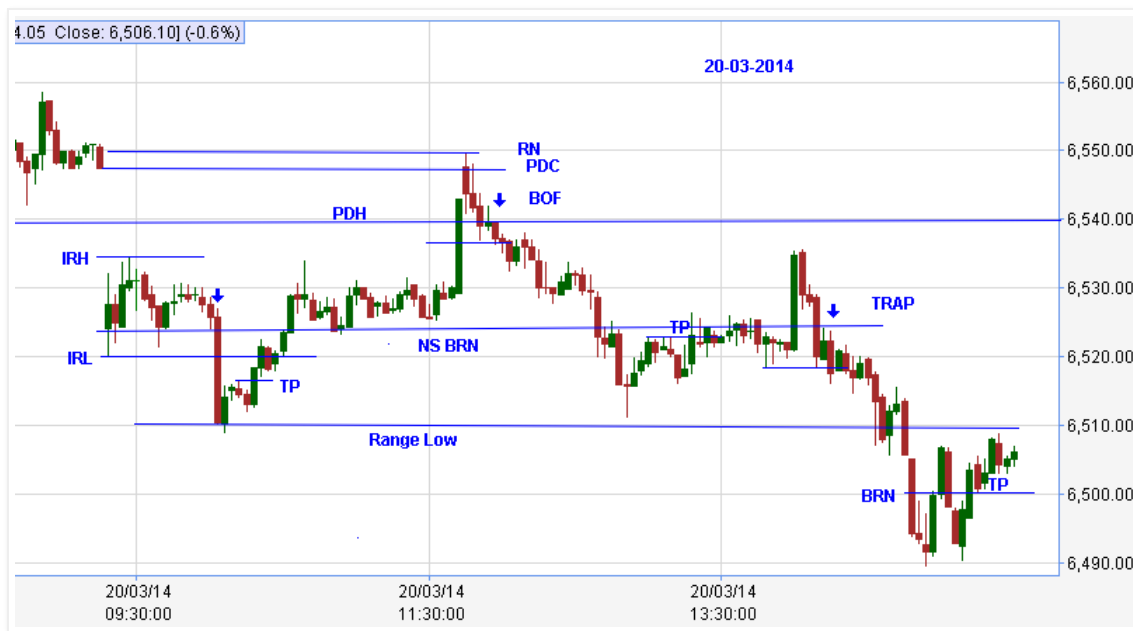


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Thursday, March 20, 2014

20032014



Nifty gaped down below PDL. IRH formed. went short below IRL. Scratched when there was no follow up selling. Avoided BOF of IRL and BO of IRH as there were PDL, PDC and RN above the levels. Short on BOF of PDL/PDC and test of RN. Covered when price moved above NS BRN. Then there was a nice short on a TRAP pattern at NS BRN which has shaken out a lot of shorts and trapped many longs. Trade moved well. TP at BRN. Nifty remained in a Barbed wire around BRN rest of the day.

Posted by [SMART Trader](#) at 3:32 PM



22 comments:



[Uday Dave](#) March 20, 2014 at 3:41 PM

Hi ST

Here is my chart. Good to see a TRAP trade. I missed it.

<http://www.mql5.com/en/charts/1620626/nse-nifty-m3-gci-financial-ltd>

Thanks.

Reply



[Unknown](#) March 20, 2014 at 4:03 PM

Hi ST

Took similar trades.

Can the last short be taken as BOF IRH??

Thanks

TBP

Reply



SMART Trader  March 20, 2014 at 4:04 PM

URD

Second trade you could have entered a little earlier. A powerful BOF + A small fluid area+ 3 layers of protection+Low risk

I wonder how you missed TRAP. It hit IRH and bounced back as if it touched an energized fencing. After all it is your own pattern

ST

Reply



SMART Trader  March 20, 2014 at 4:10 PM

TBP

If you ignore tails, it can be

Today market chopped BO traders nicely

ST

Reply



Uday Dave March 20, 2014 at 4:31 PM

Thanks ST

For second trade, was waiting for more confirmation. Will keep that in mind.

For TRAP, by that time when it happened, there was Barbed Wire around NS BRN/DO. I had the doubt of its success due to that Barb. But no doubt there was a strong rejection. I could not sense it that time.

I am learning a lot from these conversations and this is the main purpose of everyday posting the chart. I hope I am not bothering you.

Thanks again.

Reply



Deven Malhotra March 20, 2014 at 4:38 PM

Hi ST,

"Second trade you could have entered a little earlier. A powerful BOF + A small fluid area+ 3 layers of protection+Low risk"

Now, i am thinking & laughing at myself.. I was Long before it & was expecting a BPB after a big green candle. Got stopped out at its low & changed to Shorts..

Same case happened with me with TRAP. Those Big candles with momentum held me back..

Thanks,
Deven Malhotra

Reply

Anonymous March 20, 2014 at 6:03 PM

Hi URD,

In Gci nt4 demo nifty chart there is no three minutes chart only 1 min,5min available but i found on ur screenshot. Do u have any suggestion.

Thanks
Arun

Reply

Anonymous March 20, 2014 at 6:04 PM

Hi ST,

Regarding your trade 2:-

I didnt take the trade because IRH was very near.When thought about taking the short below IRH , IRL is very near ..Eventually ended up taking the trade below IRL..

And I was taught not to take trades within the vicinity of a WRB and against it .So didnt even thought of an entry where you took it ..Need to empty my glass I guess...

Regarding second trade I considered the range as Days high - Days low ..So thought taking a trade there is fiddling with the middle Waiting for a BOF at the range low..

I ended up taking no trade today :(

rgds
Kishore

Reply

Anonymous March 20, 2014 at 6:10 PM

Hi URD,

Three minutes Nifty chart not found in GCI MT4 demo. How to fix it. thanks Arun

Reply



Uday Dave March 20, 2014 at 6:37 PM

Hello Arun

Yesterday there was a same query and i replied it.

Anyway, go to this link and follow the instructions there to set up 3 min nifty future chart.

<http://www.marketcalls.in/metatrader/how-to-plot-any-timeframe-in-metatrader-using-period-converter-mql4.html>

Thanks

Reply



SMART Trader March 20, 2014 at 6:49 PM

Kishore

NO buying after a lot of buying has taken place and no selling after a lot of selling has taken place.

Trap is a very powerful pattern and works well. Today the probability of LOD (that time) holding was very low as the move originated as a TRAP. Just imagine how do you feel if you have gone long on that BO

ST

Reply



SMART Trader March 20, 2014 at 7:02 PM

URD

When I read your reply to Arun, I remembered this one.

<https://www.youtube.com/watch?v=U08IAYIdZIE>

ST

Reply



Uday Dave March 20, 2014 at 7:36 PM

ST

Learnt one more lesson..

Thanks.

Reply



Unknown March 20, 2014 at 7:47 PM

Hi ST

Fantastic Video. Thanks a lot.

It teaches a lot.

Life is much more than trading or the usual humdrum!!!

Not to mention Greece is beautiful

Thanks once again

TBP

Reply



SuMa March 20, 2014 at 8:07 PM

Hi, Mr. UR Dave!

Thanks for giving the great idea of using GCI MT4 for nifty chart..

I downloaded it today and got the chart running. But, there is a problem. I can see a difference of 4 to 5 points in the price of GCI MT4 and actual price.

I would be glad if you can tell us how to get actual price chart.

Reply

Anonymous March 20, 2014 at 8:48 PM

Thanks URD & ST

Reply



Uday Dave March 20, 2014 at 10:28 PM

Hi TTZ

4 to 5 points difference between actual price and MT4s price will remain there. It is a spread that these brokers use. If you use GCI MT4,

you will have to develop a habit of adjusting to this difference.

Thanks.

Reply



Trekkie May 3, 2014 at 7:56 AM

Hi ST,
PDL on this chart is marked at 6540, the actual PDL was 6531. Do you ignore the tails while marking PDL/PDH?
Reply

▼ Replies



SMART Trader May 3, 2014 at 9:24 AM

S Roy
Tails are very tricky. We will never know where resting orders are until price retest the area.
I usually ignore tails and consider it as overshoots. May need to adjust and fine tune dynamic levels later
<http://niftyinirvana.blogspot.in/2013/12/dynamic-levels.html>
ST



Trekkie May 3, 2014 at 2:22 PM

Hi ST,
Thank you so much. Another follow up doubt. I have combined the two days chart here <http://images.devson.net/image/bXJNQdS80hOK5RZH-Region.png> While taking the BOF short, do we ignore the red line drawn at the taily low of previous day, also there is IRH from morning in that area? What is the reason we are not taking into account possible support/flip zone type behaviour from that area? I am sorry if the doubt is too silly.



SMART Trader May 3, 2014 at 3:29 PM

S Roy
Price moving out of previous day range is a major transition. Here nifty started trading below PDL (wrongly marked as PDH) and attempted to move into the previous day range and got rejected. Now there are three layers of resistance above price namely PDL, PDC, and RN. Look at 19032014 chart. Where were the orders? twice tested this level 6540. only tails below it. So I ignore the tail. Flip and IRH may hold (here also if you closely observe the real level was 6530). But trade is with the trend and it is a powerful BOF of a major level. So I expect the price to take the path of least resistance. What if it bounces back? I will scratch it
DPs are not brick walls . They are make or break levels. We need to take a decision in an uncertain environment analyzing the available information and manage the trade.
<http://niftyinirvana.blogspot.in/2012/11/make-or-break-levels.html>
ST

Reply



Trekkie May 3, 2014 at 1:44 PM

Thank you ST for the explanation and the link.
Reply

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