

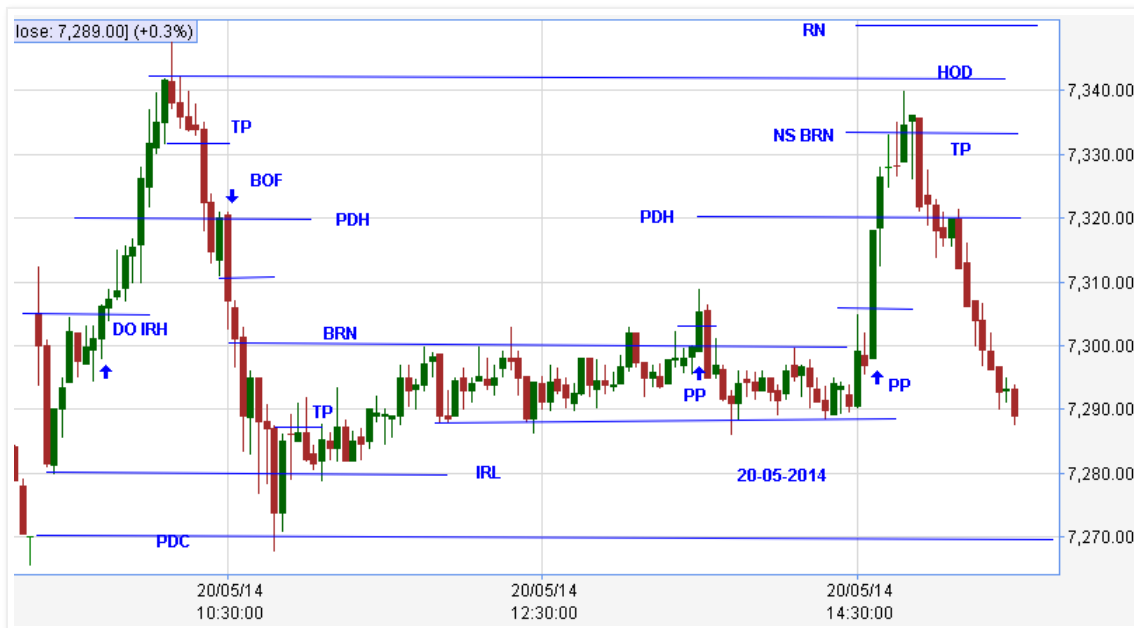


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Tuesday, May 20, 2014

20052014



Nifty opened within previous day range. IR formed. Went long above IRH. I was targeting PDH, but price went near RN 7350. Exited when price started falling. Short on failure of PDH to arrest the fall. TP on BOF of IRL/PDC. Then Nifty traded in a tight range for a long time. Tried a long on break of BRN but had to exit at a loss. Another long on next breakout. Closed when price failed to remain above NS BRN. Hesitated and missed the BOF of PDH short.

Posted by [SMART Trader](#) at 3:36 PM



20 comments:



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

Hi ST
Nice trades
Can the last short be also looked as TST FTC of the whole move from the beginning of the trading day??

Thanks
TBP

Reply

▼ Replies



[SMART Trader](#) May 20, 2014 at 4:10 PM

Yes. It was also a BPB of PDH to the downside.
Notice the smooth moves through 7300-7340 fluid
That too 4 times. Up,down,up, down

ST

Reply



Unknown May 20, 2014 at 4:04 PM

Hi ST

Also, was the PP long trade a limit order trade??

Thanks

TBP

Reply

▼ Replies



SMART Trader May 20, 2014 at 4:12 PM

Yes. It was a SL-Limit order

ST

Reply



Uday Dave May 20, 2014 at 4:08 PM

Hi ST,

Regarding your first trade, there was HOD then as FTA above, then PDH, then NS BRN, and then RN. What was you plan to handle FTA in case price reversed from there? Did NS chart give you confidence to take that trade? I mean NS initial range was big, high of 7318 and low of 7263, and it completely filled the gap.

Thanks

Reply

▼ Replies



SMART Trader May 20, 2014 at 4:29 PM

URD

I was targeting PDH. Extra move was just a free bonus.

The trade was a BPB of BRN. A long above a BO MC

Then HOD was the top of the first candle tail. But candles 5,6,7 and 8 proved the tail was just an overshoot and real IRH is DO.

If I enter on break of the first candle top there was no space to PDH. So decided to enter on the BO of IRH as it gave 15-16 point space. Further if it moves a little my stop will be some what safe behind IRH/DO/BRN and risk was also within limits.

ST



Uday Dave May 20, 2014 at 5:08 PM

Thanks ST. I got your point.

But I feel somewhat uncomfortable taking the trade when DPs are very close, one after another. Also there is a question where to enter. Regarding your first trade, dilemma was to where to enter after a valid signal. Enter where you entered or enter above HOD or above PDH. Where? Likewise in second trade, after your entry there was DO/IRH very close, then BRN again very close. I can see there is space between BRN and IRL and it is in the fluid, but again dilemma is about the entry. Enter where you entered or enter below DO/IRH, or below BRN.

I hope i could convey my query properly. Please guide.

Thanks



SMART Trader May 20, 2014 at 9:50 PM

URD

The problem is you are focusing only on space and not giving due weightage to other factors like Critical mass, Order flow and risk. For example take the second trade. When price broke IRH, lot of people entered long. When it crossed PDH another group entered. Price is breaking out of a long consolidation started on result day afternoon. Momentum buyers joined. A vertical up move. Critical mass is long now.

Price pulls back. Everybody thought it was a pull back in a trend. Price drops back to previous range without giving a logical point to exit. Then a pullback. Now stops are below this. Once it triggered a momentum move down happened through the fluid. Higher probability is the break of DP

ST



Uday Dave May 20, 2014 at 10:07 PM

Thanks ST. You addressed it correctly. Understood where I was going wrong.



Trekkie May 20, 2014 at 10:28 PM

Thank you very much for that beautiful explanation ST. Though I took that trade, I had missed some of the reasoning behind it.

Reply



Trekkie May 20, 2014 at 4:45 PM

Hi ST,

I took the first and fourth trades exactly where you have taken. First exit was bar low of the bar prior to the one you exited below, Trade

4 I exited around 328. I took a short after your long failed (perhaps this was a wrong entry, please confirm). I missed the second trade, was in profit preservation mode ..lol :D Thank you for all the coaching ST, these trades are purely yours.

Reply

▼ Replies



SMART Trader May 20, 2014 at 5:04 PM

S Roy

It was not a wrong entry. It went where it is supposed to go.
But failed to break the other extreme as you expected. That is all
<http://www.kirkreport.com/2014/05/19/eliminate-all-hero-worship/#sthash.bgcGB80w.dpbs>

ST



Trekkie May 20, 2014 at 5:15 PM

Hi ST,

Thank you so much, but credit has to be given where credit is due :) and its yours.

Also, I wasnt asking about your long trade(trade3), I meant to ask if my short entry (below 1:36) was wrong. Was it?



Uday Dave May 20, 2014 at 5:19 PM

ST,

Very good article. We need to eliminate hero worship from our process.

Thanks.



SMART Trader May 20, 2014 at 9:31 PM

S Roy

I was talking about your short entry.
It was a BOF of a range high. Logical target is the other extreme of the range.
If you are lucky it may break the other extreme and run. It did not happen. price bounced from FTA
Nothing wrong with the entry.
ST

ST



Trekkie May 20, 2014 at 10:16 PM

Thanks a lot ST.

Reply



Unknown May 20, 2014 at 9:59 PM

Hai ST,

1. My first trade, went short below PDH and booked near BRN 7300, why u waited till IRL?
2. Second trade, buy, when it hold above PDC and booked near BRN 7300, any wrong in this trade?
3. Third one, same happend, bought when breaks range but i placed SL below that particular green candle and it trigered, shoud i place SL below that range low?

Reply

▼ Replies



SMART Trader May 20, 2014 at 10:14 PM

1. Why should one exit?. BRN did not give support. Let your trade run. Trail it
2. Nothing wrong. I waited because after two big moves price may consolidate for a while
3. No your exit is the right one. Cut losses short

ST

Reply



Unknown May 20, 2014 at 11:51 PM

Whats PP

Reply



SMART Trader May 21, 2014 at 8:45 AM

Check Glossary

<http://niftynirvana.blogspot.in/2013/05/pressure-plays.html>

ST

Reply

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