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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, February 19, 2015

19022015



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty gaped up above BRN and moved up . NS BRN gave stiff resistance and price could not move above it. After three attempts to move above price broke down. Short below BRN. TP above PDL. Then it was a barbed wire around PDL/RN. Went long on BOF of LOD. TP near HOD

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



45 comments:



[Trader Pai](#) February 19, 2015 at 4:05 PM

Hi ST,
Just took one trade

<http://tradingdecisionpoints.blogspot.in/2015/02/2182015.html>
Please comment on my first trade .

This definitely is a painful progression.
Feels like I am reaching there but somehow not able to cross the line.

I hesitated to take the second trade because for the flip zone (low BW range) .
See what I missed :(
Please comment

I am missing many trades like this .Its like i am missing a train by few seconds ..

thanks n rgds
Kishore
Reply

▼ Replies



[SMART Trader](#) February 19, 2015 at 4:59 PM

You took a CT trade into a flip after price has already moved 30 points and hesitated to take a trade that was a BOF which

trapped a lot of traders with Critical mass short. Aware of the big picture. Look at NF and see what you skipped and what you took in this context. See how well the concepts of space, fluids and critical mass worked
<http://screencast.com/t/uTO7YKpr57>
Now look at NS chart and see how the game was played within option strikes BRN and RN and see what you took and what you skipped within this frame work
<http://screencast.com/t/T3AfCUW9>
Day trading is one of the toughest profession and it takes a long time naturally.

ST



Raju February 19, 2015 at 5:41 PM

Dear ST

Thanks for good inputs
Appreciate your guidance always.

Raju



tRaDeR_B February 19, 2015 at 6:14 PM

Hi ST,

How long did it take for you get the execution consistency? I miss lot of good trades failing to pull the trigger at the right moment. In the end i would be in at a bad price and then a steep pullback gets me out of the trade. Would like to know how you tackled all these issues.



augubhai February 19, 2015 at 7:31 PM

Thanks for explaining with charts. The charts are just wow!!

For me, the charts always become clearer after the fact.



Uday Dave February 19, 2015 at 9:05 PM

And add to it, strong LOL on Nifty spot.

URD



Uday Dave February 19, 2015 at 9:06 PM

Link for the chart,
<https://www.mql5.com/en/charts/3050084/nse-nifty-m3-gci-financial>



SMART Trader February 19, 2015 at 10:14 PM

URD

Nice to have your comment after a long time

TraderB

It took me four years to develop the method and achieve consistency. Method is still evolving especially the entry and exit tactics. I have not tackled all the issues. Still I hesitate to pull the trigger, exit early and get tensed. It will never go away. but the intensity will come down. I am scared to take TST trades without confirmation, I reduce the trade size to a single lot and force me to execute.

ST

Reply



Unknown February 19, 2015 at 4:06 PM

Hi ST

Thanks for the charts...

How did you avoid going long on test of LOD??

Thanks
TBP

Reply

▼ Replies



SMART Trader February 19, 2015 at 4:24 PM

I avoid CT trades on TST. It is better to wait for some confirmation

ST



zen February 19, 2015 at 8:36 PM

I would like to know what is the trend for the day - how you are referring the trend as UP or DOWN, because often you mention about CT (i know the glossary Counter Trend) ?...

Thanks in advance,

Zen

Reply



Trader Pai February 19, 2015 at 4:07 PM

Hi ST,
Was PDC not a concern for your first trade ?

thanks n rgds

Kishore

Reply

▼ Replies



SMART Trader February 19, 2015 at 4:23 PM

I was aware of the PDC and was prepared to deal with the bounce
But I felt it will break easily considering the big picture

ST

Reply



sqlfix February 19, 2015 at 4:44 PM

Hi Sir,

At 13:52 when the price hit the PDL , wasn't it a BOF. Was it a short entry at that time. Or was the short entry not taken since the LOD was close.

Reply

▼ Replies



SMART Trader February 19, 2015 at 10:47 PM

Price was within a Barbed Wire range and chopping around
Avoid such signals.

ST



sqlfix February 19, 2015 at 11:24 PM

Thanks Sir.

Reply



vinayak February 19, 2015 at 5:25 PM

sir for first short trade i went below PDC it works well for me. But i went for buy trade around 11.11 when nifty made low 8821.00 and went above RN/PDL level but my S/L hit. I think that is LOL type trade. Then when nifty made new low of 8802 i am thinking for long above PDL/RN again but avoided that and missed good trade. In market closing time i went long at PDC and gain some profit. sir BOF/BPB concepts are not understand properly yet. Also to take position on what candle is difficult. Pl help. Sir can it is possible for few days to update your blog in live market to understand your method properly for new members like me.

Reply

▼ Replies



SMART Trader February 19, 2015 at 10:53 PM

<http://niftynirvana.blogspot.in/2012/04/my-trading-revolves-around-trader.html>

ST

Reply



SpacemanSpiff February 19, 2015 at 5:44 PM

Hello,

1st Trade - What was your plan if it bounced from PDC? If it moved vertically, Would you scratch or take full stop loss above BRN?

2nd Trade - Did you intend to take it on break of pullback bar or was it just few points above DP and pullback bar just happened to stop before it.

If there was no pullback Bar - 1) Would you have waited for BO Bar break? 2) And how would you manage stop position as flip was at 8820. Blind 10 points?

I have just slowly started trading and for some reason recently i am hesitating to take BOF trades without pivots, need to force myself to take trades with good context.

Its harder to maintain focus and thought for 6 hours vs simulator trading 1 hour, making mistakes and then hesitating :)

I also took Long above PDL test as Pressure Play, only later realized that RNSpot (and also mini flip) was just above and we also didnt have any decent 2nd trend leg. Did similar mistake yesterday ...

But still its better than before, i used to try to check bar-by-bar which can be very restless. Now i try to focus on pivots, traps and bigger context

Reply

▼ Replies



SMART Trader February 19, 2015 at 11:12 PM

1.If it bounced vertically , i will exit above entry bar high. If it pull backs and gives another push down I will bring SL to the newly formed pivot high
2.First order was above the BO WRB. When the PB happened I brought it down. Blind 10 points. If there is some logical level I will keep it even if it is 2 or 3 points extra risk. Here 10 point was sufficient
It is very difficult to trade without some reference point. In fact there is no logic in bar highs and lows only pivots count
No point in bar by bar analysis. too much of strain
After a selling climax price rarely make a V reversal. It will move up sell off again from a higher resistance and will retest the low

ST



SpacemanSpiff February 20, 2015 at 8:52 AM

thanks



smarththingsaroundme February 20, 2015 at 12:26 PM

Hi Spaceman
Which tool do you use for simulator trading. Please advise..
Thanks
Vivek



SpacemanSpiff February 20, 2015 at 7:00 PM

Amibroker has it, i think ninjatrade also has it.
You can get historical 1 min data from
<http://www.inditraders.com/data/7318-historic-one-minute-data-nifty-banknifty-spot-futures-india-vix.html>
<http://www.inditraders.com/data/8913-nifty-banknifty-futures-historic-tick-data-ninjatrade-format.html#post196205>



smarththingsaroundme February 21, 2015 at 10:40 AM

Thanks so much Spaceman

Reply



Bharat February 19, 2015 at 5:57 PM

ST,
I have few queries.

- 1.Why not exited anything at 10.51 reversal bars at yesterdays msp range low?
- 2.Was that not a pressure play at 12.39 at RN as critical mass short and we have fluid above
- 3.Is there a short below 12.54 on RN failure?
- 4.You took long after finish of 14.30 bar? where u kept initial sl . this was counter trend trade when mkt moved 30 points from bottom and without any confirmation .Kindly explain your thought process here.I missed complete upmove and exited halfway in down fall:(

Thanks and Regards

Bharat

Reply

▼ Replies



SMART Trader February 20, 2015 at 10:04 AM

- 1.When BRN broke , next support was 8880 low of the previous day closing move. I expected this flip to hold and allowed a pullback
- 2.Pressure play works well on the break of a consolidation range high after multiple tests. Need a lot of stop accumulation above /below a particular level
- 3.Yes it was a place to look for a short. I avoided as it was a lot of chop
- 4.It was a BOF trapping a lot of traders. Entry is not close on any bar. When price pulled back at LOD, I kept an order above it. SL was below PB low. Price pulled back from LOD If there is strong selling price will move down and retest the low. Price immediately reversing and breaking the swing high itself is a confirmation

ST

Reply



Allwin February 19, 2015 at 6:17 PM

ST Sir where was your stop loss for the BOF long trade

Thanks,
Allwin

Reply

▼ Replies

 **SMART Trader**  February 20, 2015 at 10:08 AM

8819 pullback low at LOD

ST

Reply

 **L.V.Gandhi** February 19, 2015 at 6:31 PM

At around 10:50, there were two bounces of pin bars above NS RN. What was your SL and thought process to avoid exiting trade above these bars?

Reply

▼ Replies

 **SMART Trader**  February 20, 2015 at 10:13 AM

After BRN, yesterdays final down move low 8880 was support. this is likely to act as a flip
So my stop loss was above this. further after the break of BRN the down move was in a single leg. Usually there will be a second leg or at least an attempt for a second push. V reversals are rare

ST

 **L.V.Gandhi** February 20, 2015 at 12:33 PM

Thanks.

Reply

 **Unknown** February 19, 2015 at 6:44 PM

Hi,
Have you noticed any major affect on volume and volatility in our markets when most asian markets are closed such as today ?

Reply

▼ Replies

 **SMART Trader**  February 20, 2015 at 10:15 AM

I trade what I see on the chart and do not pay attention to all these
Better to approach the market with any such bias,IMHO

ST

Reply

 **xrtrader1** February 19, 2015 at 6:51 PM

Thanks ST..

Reply

 **Nagendra** February 19, 2015 at 7:58 PM

Dear ST,
Your last trade is awesome. I am thinking to take trade in the direction of trend but I hesitated because of NSE advance decline(concept from Ziad Masri) is opposite. is nse advance decline will work on our NIFTY index ?

Thanks,
Nag..change.

Reply

▼ Replies

 **SMART Trader**  February 20, 2015 at 10:20 AM

I have no idea about this. Price is supreme and focus on price

ST

Reply

 **manas** February 19, 2015 at 8:15 PM

hi st,
why u havnt taken bof of pdl near 12:30 it may also be a power play price stalled at pdl for a long time.

Reply

▼ Replies

SMART Trader  February 20, 2015 at 10:27 AM



After a major move, price will chop around and consolidate for a long time. We cannot expect another good move immediately. Better to wait for a clear picture to emerge. Those who missed the move will jump on to some mediocre trade and lose money. Expect two or three good trades a day and go for good ones with very favorable conditions

ST

Reply



Trekkie February 19, 2015 at 10:19 PM

Hi ST, I moved my SL to below 2:51 and had to watch the race from the sidelines after that :) . The reason I moved was the bar was big (19 points) and had almost reached PDC. Please correct my thought process. Thanks for the help.

Reply

▼ Replies



SMART Trader February 20, 2015 at 10:32 AM

Once you get and board a trend give some room. logical stop was below flip 8860
Sometimes you may give back some profit . there are no certainties . these are all part of the game

ST



Trekkie February 20, 2015 at 10:43 AM

Hi ST, you are a one man University and what an awesome university it is! thank you for giving me free admission. Thanks for all the help.

Reply



Suresh February 20, 2015 at 12:32 AM

Hi ST, i am absolutely new to your blog and am unable to follow it. Can you guide me to understand about the terminology and setups please.

Reply

▼ Replies



SMART Trader February 20, 2015 at 10:33 AM

Go through the important posts listed below the blog
Everything is well explained in 150 important posts

ST

Reply



Bhavir February 20, 2015 at 1:16 AM

Thanks for sharing ST. I had similar observations today. Mid session slow upmove appeared to be a channel which resisted at prior swing low support which acted as resistance.

<https://niftytradediary.wordpress.com/2015/02/20/19-feb-2015-elliott-at-work/>

Reply

▼ Replies



SMART Trader February 20, 2015 at 10:39 AM

After a selling climax usually two things can happen
1.A grinding up move which can stall at a resistance and a fall from there that tests the bottom Here you look to sell at a resistance
2.A clear range formation with rapid up and down moves. trade this as a range. A PP can also happen

ST

Reply

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