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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, April 11, 2014

11042014



Nifty Gaped down below PDL. Found support at NS RN 6750. IR formed. Bias was bearish. Short on BOF of BRN. Trade did not move beyond IRL. Scratch. Nifty unexpectedly broke BRN, HOD of that time and PDC/PDL. There was no followup buying. Short below the big MC. This one also stalled at IRL. Expected a strong reversal at the last half an hour. Long above BRN. This one also failed.

Posted by [SWART Trader](#) at 3:46 PM



24 comments:



[Unknown](#) April 11, 2014 at 4:18 PM

Hi ST

Thanks for the analysis

TBP

Reply

[Anonymous](#) April 11, 2014 at 4:29 PM

ST Sir,

After MC when price opened below PDC-PDL, I took a short position hoping to get a minimum 10 point move expecting the price to bounce or halt at around BRN. Luckily price breached that level and IRL was my TP.

Though in hindsight it looks as a good trade as I got more than I expected for, was I correct in initiating the trade or should I have waited for BO of BRN?

Thanks

KSG

Reply

Anonymous April 11, 2014 at 4:31 PM

Hi Sir,
I entered above the swing high where you took exit of your second trade considering it as a pic 1 trade of Initial stop placement .I saw the 2nd HOD but could not take a graceful exit. Was my entry correct as per pic 1? If not please guide.

Thanks
Arvind.
Reply



SMART Trader April 11, 2014 at 4:44 PM

KSG

If price opens beyond a DP and pullback to the DP, you can try such trades. This will work well in case of Counter trend outside gaps. Anyway you have to ensure space. Here you were trading into NS RN

ST
Reply



nifty for bread April 11, 2014 at 4:46 PM

Sir,
Please explain, why you expected a strong reversal in the last half an hour.
Thanks
S.Karthikeyan
Reply



nifty for bread April 11, 2014 at 5:00 PM

Sir,
I refer to your second trade. It seems that you had exited as soon as the 1.33 Noon candle(Day Low candle) high was breached.

Normally, when BOF is noticed at a Range extreme, we expect the other Range to break. Normally you wait to see whether the other extreme gets broken in the second attempt, if not in the first attempt. But in this case, you seemed to be quite sure on seeing the 1.33 Noon candle that it is the BOF of IRL and exited early. How did you judge it so correctly and made a quick exit?

I too took that trade and exited bit late.

Thanks
S.Karthikeyan
Reply



SMART Trader April 11, 2014 at 5:02 PM

Arvind

As per understanding you entered on the BOF of IRL above the swing high

Here you can keep your SL under previous swing low. Target for a range trade is always the other range extreme. If price is not getting accepted above the range exit the trade

ST
Reply



SMART Trader April 11, 2014 at 5:33 PM

SK

Price failed to extend beyond the first candle of the day three times and when the fourth one closed inside the range after the break I exited immediately protecting little profit.
I immediately placed a SL short entry order below LOD not to miss the down move if it happened. Nifty was in no mood to go down. I expected some short covering at the end due to holidays

ST
Reply



nifty for bread April 11, 2014 at 5:49 PM

Sir,
Very good analysis and prompt follow up action. Thanks for sharing your wisdom with us. Have a great weekend
S.Karthikeyan
Reply



shree April 11, 2014 at 6:55 PM

Hallo,
Was it not BOF of PDC when price got rejected after touching 6818 and again touching @ 6823??
Was it not BOF of IRL @ 11.30 and 1.33?? If it is then why you not taken long there?
If it is not BOF of IRL what should be labeled it?

Reply



SMART Trader April 11, 2014 at 7:22 PM

Shree

1.Yes. First one I took only on break of BRN. I suspected it may form a range between BRN and PDC. Second one I missed as I was holding a long and exited on BOF.
2.11.30 No. It never broke the low of the first candle of the day to trap traders.
01.33 yes. Here also I was holding a short. I exited on the reversal signal. Not comfortable with SAR entries.
After 01.30 it was a barbed wire around BRN and effectively reduced the space

ST

Reply

Anonymous April 11, 2014 at 9:05 PM

Hi ST,

I took BO trade above pdc-pdl it failed to move. I thought its trap and i exited the trade and waited for short position and took. where price cross BRN but this one also fails.

Regards

Suresh

Reply



SMART Trader April 11, 2014 at 9:51 PM

Suresh

You are referring to the second BOF I think. The first one met the target. Second one came very late. After 3PM traders will not take new positions generally and trades may not move.Around 3.15 auto squaring of MIS positions will begin. Avoid late signals

ST

Reply



Local April 14, 2014 at 11:35 PM

ST, I hope you continue working on the book if it is still unfinished. Like I said, I haven't read it all yet.

But what I liked was how you detailed the process of learnin - the changes you made as a trader - the methods you discarded and how you found a new level. I think every trader gets stuck and doesn't know what needs to change to move from where they are. It started me thinking and making a bunch of changes that brought me out of a trading analysis paralysis (which was more like fatigue-ennui..)

I'll be following your posts to see what you've come up with lately. All the best!

Reply



Unknown April 15, 2014 at 9:00 AM

Hi ST

Warm Regards on the occasion of Vishu.

May God bless you always!!!

TBP

Reply

Anonymous April 15, 2014 at 4:15 PM

Dear yoda,
I know you are seasonal yet silent trader.
Can you please share some of your day trading experience?

Reply

Rose Mary April 15, 2014 at 5:58 PM

ST Sir,

Basic doubts i have...

Do you use any software during intraday for analysis or 5-min google finance chart is enough?

Also if any write up available, pls do share.. to learn your way of trading.. i see you try to sell at PDH/L/C kind of levels if breakout fail.. and trial as big round number comes.. simple to follow.

Reply

Unknown April 15, 2014 at 6:34 PM



hi to ST and all blog readers
im newbee im curiously asking
how many lots all of you are trading? and how to know there is an announcement today before market open?

Reply



SMART Trader April 15, 2014 at 7:36 PM

Yoda

The basic assumption is very simple. Trading is a skill just like any other skill or performance activity like driving, Soccer, golf and cricket.

To excel in such skills you need to rely on unconscious decision making. All successful traders have developed this skill knowingly or unknowingly through deliberate practice. I am trying to apply this to my trading and believe this is the right way. People may differ.

ST

Reply



SMART Trader April 15, 2014 at 7:44 PM

Rose Mary

I have subscribed to Icharts web based charting. If Google charts provide live charts of Nifty Futures, it is enough. You can use 5M charts if you find it more comfortable. Location is important not time frames.

I think you might have read the E-Book. There are around 130 write ups explaining the method. They are listed under important posts listed below the blog. Do not skip the comments also

ST

Reply



SMART Trader April 15, 2014 at 7:55 PM

Sudheer

You will find news about announcements in all business newspapers and sites like moneycontrol.

Why you are worrying about the lots. Trading is a skill. Focus on skill development. If you want to play Cricket, don't expect to get an entry into the National team. Start playing for the class team. Then for school, District and state. It will be a gradual painful progression.

ST

Reply



SMART Trader April 15, 2014 at 7:57 PM

TBP

Thanks

ST

Reply



Local April 15, 2014 at 10:34 PM

Hi Anonymous,

I'm totally flattered that you remember my seasonal studies around the moon cycle!! Thank you, ty, ty.:D

It really came to nothing as my computer got busted and didn't replace it until a month ago. I tried mobile trading for a few months, which was a disaster since the networks are so fickle and the apps so rudimentary.

Seasonality:

I've watched videos of a couple of seasonal traders - Larry Williams and Jake Bernstein (both torrents on Piratebay) - Bernstein's Fri-Mon method is quite good to trade. But check out this current site on seasonality: <http://www.cobrasmarketview.com/seasonality-by-month-and-day/>

For daytrading:

I'm trying to follow price action methods since I'm so tired of indicators, but I've recently I read an article about finetuning MACD to intraday (down to 18,9,3 or so) to catch divergence and that's been really helpful in the latter half of the day (mostly 20 to 30 pts).

Yoda

Reply

Anonymous April 16, 2014 at 9:08 AM

Dear Yoda, thank you.

Reply

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