

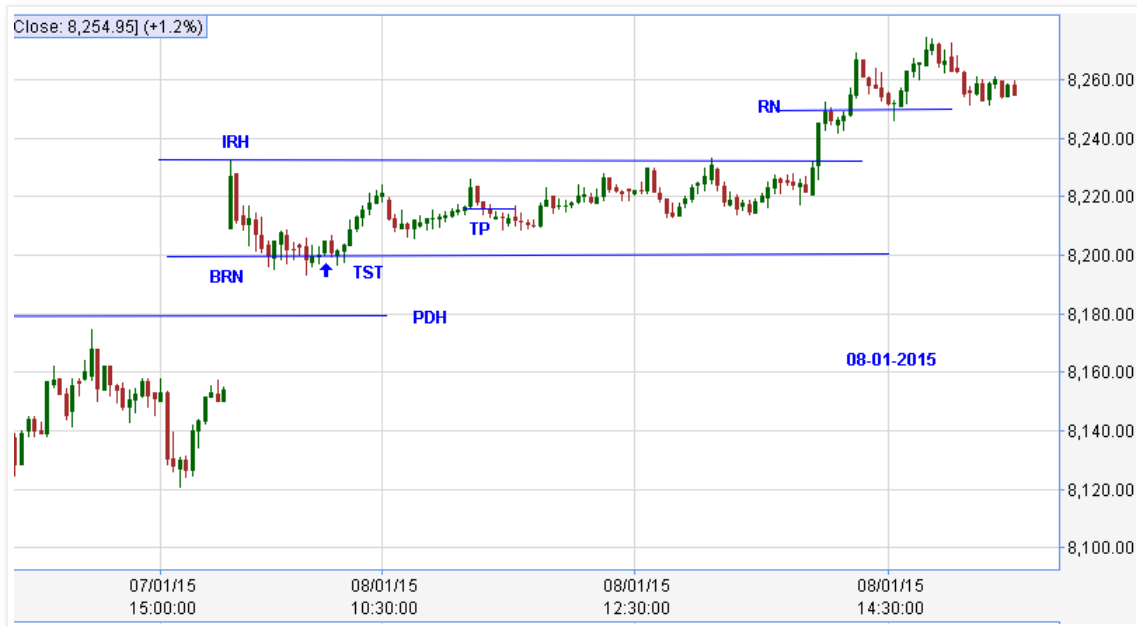


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Thursday, January 8, 2015

08012015



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Nifty gaped up above PDH. Pulled back to BRN. Went long on TST of BRN. Covered when price was not able to scale NS BRN 8200 for 20 points. Then it was a grinding up move. Suspected a channel and did not attempt the BO trade. Missed the best move of the day

Posted by SMART Trader at 3:50 PM



26 comments:



Unknown January 8, 2015 at 3:55 PM

Hi ST  
What was your SL when u TP??  
Reply

▼ Replies



SMART Trader January 8, 2015 at 4:06 PM

After the entry , I allowed a pull back. Then raised my SL below this swing low  
Squared off when price retraced that green WRB  
ST

Reply



menas January 8, 2015 at 3:57 PM

hi st,  
is considering 8260 as msp according to 6 jan is right or not i have taken a bof trade and stopped out .  
Reply

▼ Replies



**SMART Trader** January 8, 2015 at 4:08 PM

No. In an up trend MSP is always a swing low  
When you took short MSP was 8640

ST



**manas** January 8, 2015 at 4:18 PM

so its better to consider msp as per eod charts



**SMART Trader** January 8, 2015 at 4:26 PM

You have not understood the concept correctly, I think  
<http://niftyinirvana.blogspot.in/2012/12/major-swing-pivots.html>

ST



**manas** January 8, 2015 at 4:37 PM

thanks .....is it 8240 u want to say instead of 8640



**SMART Trader** January 8, 2015 at 4:47 PM

Oh sorry. It was a typo. I did not notice  
8240

ST

Reply



**xrtrader1** January 8, 2015 at 3:59 PM

Thanks ST..

Reply



**Trader Pai** January 8, 2015 at 4:03 PM

Hi ST,  
Would you have taken BOF RN short at around 2:30 if market had given a chance , since critical mass was long?  
rgds  
Kishore

Reply

▼ Replies



**SMART Trader** January 8, 2015 at 4:13 PM

No. Last impulse may act as a range.  
I will wait for the MSP to crack as it is very near

ST



**Trader Pai** January 8, 2015 at 4:24 PM

Hi ST,  
So did you place a short order below MSP near RN ?

thanks  
Kishore

Reply



**SMART Trader** January 8, 2015 at 4:45 PM

No. Price will take support at IRH.  
Why should one look to short here. Price was consolidating till 2 PM and has just broken out  
Daily has made a HH and HL and changed into Rally mode.  
Daily in rally mode  
Price above PDC  
Price above DO  
Price in a higher range  
Price making HH and HL  
Last DP crack is to the upside  
MSP did not crack.  
Trade not at a DP  
Open was a CT outside gap  
There is no space  
Cant say critical mass long. Most of them might have entered on IRH break  
Favorable order flow can only be expected below 8220  
Logical SL is 25 point away  
Any of these observations favor a short?

ST

Reply

▼ Replies



**Trader Pai** January 8, 2015 at 5:25 PM

thanks ST

rgds  
Kishore



**Trade 4 living** January 8, 2015 at 11:20 PM

Rajesh,  
Thanks for the simple detailed explanation !  
Long @8200  
Excruciating wait from 10:18 to 13:54 with SL 8205  
Covered @8270  
Thanks Rajesh for all the market gyan !  
With Kind Regards

Reply



**Ravi** January 8, 2015 at 4:58 PM

Sir,  
Please clear following point  
[IMG]<http://i61.tinypic.com/21dlf95.png>[/IMG]

Reply

▼ Replies



**SMART Trader** January 8, 2015 at 5:10 PM

It was not a convincing BOF. A BOF should trap many BO traders  
Price never broke the days first candle high to trap BO traders  
Read the above reply to Pai. Nothing favours a short. Dont look for patterns in isolation  
Stay with the market Bias

ST



**PA Trader** January 8, 2015 at 8:58 PM

I too took this short. After gap up, price was lacking momentum to break out over IRH. Multiple attempts at IRH failed, So I decided to go short. However on hindsight, it indeed was not a very favorable trade. Price was making HH, HL although in a grinding manner. And as ST, also pointed out, the high of the first bar was not broken.

Reply



**Gaurav Akash** January 8, 2015 at 6:27 PM

Hi there,

I took the trade the moment it got reversed at BRN 8200, it got filled at 8204. I put stop loss of 10 points. It made a barbed wire pattern and I got stopped out on 09:51 candle. My question is what made you wait till the second TST and what was your initial stop loss? If possible tell me what was my mistake?

Thanks in anticipation  
Akash

Reply



**SMART Trader** January 8, 2015 at 10:21 PM

It is always better to wait for a second test for such TST trades  
TST trades will not have trapped traders order flow like a BOF  
There is nothing wrong with your entry or exit. It may happen many times  
Try to enter as close as the level possible so that you get maximum room  
If you could enter at 8200 with a SL at 8190, you may not get shaken out  
Please note the price action. 13 candles traded at 8200 and that is 45 minutes

ST

Reply

▼ Replies



**xrtrader1** January 9, 2015 at 7:46 AM

Hi ST,  
Please note the price action. 13 candles traded at 8200 and that is 45 minutes" --> Can elaborate this please. Do you mean number of Trapped traders are more with this ?



**SMART Trader** January 9, 2015 at 9:36 AM

Nothing related to trapped traders. Just telling all these 13 candles provided an opportunity for a better entry. If you reading is that a particular level is going to hold, try to get an entry as close as possible.

ST

Reply



**athshree** January 8, 2015 at 11:28 PM

Hallo, ST,  
After long there are 8 green candles and 2 red and next one though green but with inverted hammer. My question what you made to stop from taking an exit from your long position at this moment? You have squared off your position with what logic?  
Thanks.

Reply

▼ Replies



**SMART Trader** January 9, 2015 at 10:09 AM

I do not pay much attention to these candles. I allowed a pull back and when price failed to move above the earlier swing high which was also NS BRN, I exited. There is another reason which you may not find rational and in fact some what ridiculous. A profit in the first trade of the day gives a psychological boost and comfort. well begun is half done.

ST

Reply



**Bhavir** January 9, 2015 at 1:15 AM

Hi St. I choose to stay out today. Out in first session because there were too many whipsaws around BRN. Wasn't around during second half but I doubt if BO Long orders would have executed given speed of upmove. There certainly wasn't any PB .. wasn't the second half trade a BO?

<https://niftytradediary.wordpress.com/2015/01/09/8-jan-2015/>

Reply

▼ Replies



**SMART Trader** January 9, 2015 at 10:10 AM

I was suspecting a channel and stayed out.

ST

Reply

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