



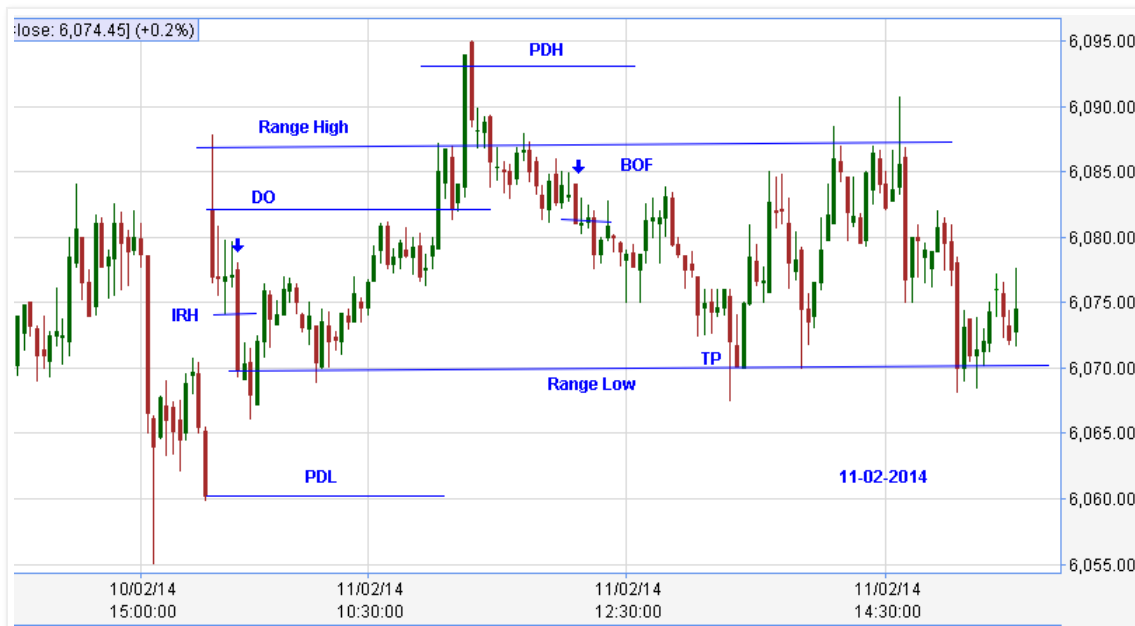
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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Tuesday, February 11, 2014

11022014



Nifty opened within previous day range. IR formed. Short below IRL. Price refused to go below previous day range. Scratched the trade. Shorted on BOF of PDH below day open. This trade also did not move as expected. Covered at range low Rest of the day it chopped within the range. No other trades. Volumes have dried up. 127000 lots today as well as yesterday. Level marked as IRH is really IRL. Sorry. Cant change it now

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



23 comments:



[nifty for bread](#) February 11, 2014 at 4:09 PM

Sir,

I took the first trade with the same result and didn't take any other trade.

I refer to your BOF trade. Where did you keep the initial SL? Where was the SL at 12.48 Noon? Didn't the green candle at 12.48 Noon breach the flipzone?

I think that you didn't move the initial stoploss as the Range was too narrow and just exited as soon as the price reached FTA. Need your guidance on how to play such a narrow range.

Thanks  
S.Karthikeyan  
Reply



[Uday Dave](#) February 11, 2014 at 4:12 PM

Hi ST,  
Took two trades today  
i) BPB of IRH/DO  
<http://i.cubeupload.com/dEv1W0.png>  
ii) BOF of IRH/DO  
<http://i.cubeupload.com/hHjNq5.png>

Though it was very clear to me in the morning that i was fiddling with the middle (DO was the middle of yesterday's range on my chart), took the chance and ended the day with minor loss.

Should it be completely avoided?

Thanks

Reply

Anonymous February 11, 2014 at 4:18 PM

Dear ST,

BOF of range high and short below 2:30 candle. This was not a valid trade because BO did not broke the day high? Please suggest.

Reply



SMART Trader February 11, 2014 at 5:11 PM

SK

My stop was above entry bar high.

at 12.48 stop was same. Risk was 3 points. There is no point in lowering the stop by one point to the lower minor swing high I exit the trade at FTA in such narrow ranges. Price was coming down in a narrow grinding channel. 12.48 bar was a TRAP after which the trend accelerated.

ST

Reply



SMART Trader February 11, 2014 at 5:35 PM

URD

You have not ignored tails for PDH I think. I feel my levels were correct as price reversed on BOF of PDH, before reaching BRN. These tails and overshoots are very tricky. For example yesterday's evening swing high acted as a flip and gave support. But there was a little overshoot. Real level was at 6070. The next four touches confirmed it. If you draw a line accommodating this overshoot you will miss the next signals.

We will not be able to avoid this completely. The only thing we can do is to trade the extremes and give some room for the trade to chop around.

Regarding IRL I am going through old charts. First directional move of the day is important it seems

ST

Reply



SMART Trader February 11, 2014 at 5:46 PM

Anon

It was a valid signal and a short below 2.30 candle and trade hit the target. But notice how market was chopping around since 12.30. Very dangerous to trade this chop. So stayed out

ST

Reply

Anonymous February 11, 2014 at 5:51 PM

ST Sir,

I presume you have mentioned IRL near your first trade on the chart instead of IRL. Please clarify.

Regards,

KSG

Reply



SMART Trader February 11, 2014 at 5:58 PM

KSG

You are right.

It is IRL. sorry

ST

Reply



nifty for bread February 11, 2014 at 9:11 PM

Sir,

You kept the risk at just 3 points. We have to learn a lot from you in accurately judging the invalidation point. If I had taken that trade, I had to keep the Range High as initial SL, inflating the risk. That is the reason, why I didn't take that trade.

I would like to make a request to you. Please consider marking the initial stop loss also in the charts, at least for a month. It will help newbies like me on how to judge the correct invalidation point with least risk exposure.

Thanks for the nice explanation.

S.Karthikeyan

Reply



Uday Dave February 11, 2014 at 9:30 PM

Hi ST,

Thanks for reply. I was not ignoring tails for PDH, PDL till now, but now onwards i would certainly try to experiment with adjusting tails.

Regarding IR, i thank you for your attention and helping me out.

Reply



Unknown February 11, 2014 at 9:45 PM

Good Evening ST,

Just sharing a thought...

As BOF happens more than BO at BRN, what if we do counter trend trade between XX90to XX99 or vice-versa without waiting for BOF signal. SL shall be BO of BRN. 50% success is enough with RR of 1:2.

I am thinking to do paper trade it for 2-3 months before next course of action...what is your view....

Sorry if I had raised any out of content question, as no technicals behind it...

Regards

Reply

Anonymous February 12, 2014 at 2:13 AM

Sir,

I have been following your trades for a while, learning a lot from you, and trying to trade using 3m candles. However, I keep struggling with focussing on what is going on: three minutes are too long and boring. The 1m candles, on the other hand, are just too fast for me. I just wonder what you are doing during those 3 min, until the next candle appears to keep your attention and motivation, especially for a longer period of time with no chance to act?

Thanks, Zoltan

Reply



SMART Trader February 12, 2014 at 8:40 AM

Zoltan

I do not stare at the screen and analyse each and every candle. Monitor closely when price approaches a DP. If you find 1M charts comfortable you can very well trade the method on it. DPs are same for all.

ST

Reply



SMART Trader February 12, 2014 at 9:58 AM

Sanjaya

You are on the right track. Real professionals trade like this. But requires a lot of confidence. There are many situations where you can try this

<http://screencast.com/t/7Sa957NZY1W>

Enter as close to the level as possible and leave space beyond the level.

Kindly share the results with us

ST

Reply



SMART Trader February 12, 2014 at 10:14 AM

Sanjaya

Just now did a touch trade on PDH.

<http://screencast.com/t/EeEjZiSDrMgH>

Do not try to do it on BRN and rely on statistics. Do it on DPs including BRN if other factors are favourable. I ignored the BRN because market has broken out of consolidation after two days and a trend can be expected.

ST

Reply



Uday Dave February 12, 2014 at 10:59 AM

Hi ST,

Nice to see your touch trade. Did you really book it? If yes, why did you book so early, especially after a BO of two days range, and not

trailed it.

Reply



**SMART Trader** February 12, 2014 at 11:14 AM

URD

I am still on board  
will exit if 6120 flip crack

ST

Reply



**Uday Dave** February 12, 2014 at 11:28 AM

Thanks ST

Exit on flip crack, why?

Reason

- i) Trend seems to be maturing as there are upper wicks at top (top three candles).
- ii) Almost 30 pts up move without any consolidation.
- iii) Critical mass is long, will book at first signal (flip crack).
- iv) It seems like it completed three impulsive waves.

Correct?

Reply



**SMART Trader** February 12, 2014 at 11:48 AM

URD

ALL the three

Plus the last impulse may develop as a range. Range between MSP and HOD. Waiting for the next signal. Will we get a TRAP?

ST

Reply



**Uday Dave** February 12, 2014 at 12:06 PM

Thanks ST

Yes, range is there now, seems MSP is holding. What about touch trade at MSP?  
Look at the support blue line is giving at MSP.

<http://www.mql5.com/en/charts/1442110/nse-nifty-m3-gci-financial-ltd>

Reply

**Anonymous** February 12, 2014 at 4:14 PM

Dear ST,

thanks for the great advice. I will follow it. Good luck with your trading. I will certainly follow your great blog.

Zoltan

Reply



**SMART Trader** February 12, 2014 at 5:06 PM

Dave

"If you have a new hammer, you tend to see every problem as a nail"

ST

Reply



**Unknown** February 12, 2014 at 10:13 PM

Good Evening ST,  
Thanks for encouragement....Almost everyday price goes to retest DP (Mostly BRN, LOD & HOD)...& a good opportunity lies there with low risk.

I will try to do some selective TT trades as per situation....

Regards

Reply

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