



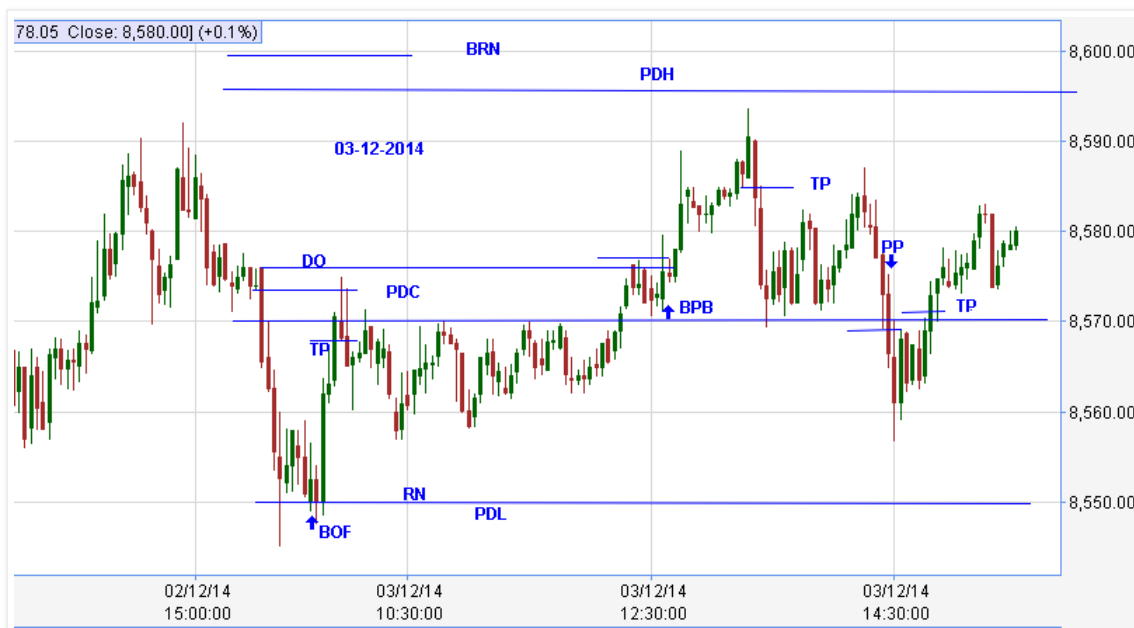
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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Wednesday, December 3, 2014

03122014



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
 Another choppy day. Nifty opened near PDC and sold. Went long on BOF of PDL/RN. It was an entry without confirmation on retest. Covered when price failed to move above PDC. Went long again on the BPB of PDC and DO. Expected a move to PDH. Covered on FTC at 8590. Price fell and found support at the strong flip at 8570. Shorted the break as PP. trade failed to move. Stopped out. No more trades. Nifty within 8550-8600 range for two days. Ripe for a break.

Posted by **SMART Trader** at 3:30 PM



23 comments:



**Trader Pai** December 3, 2014 at 3:37 PM

Hi ST,  
 Just 1 trade .There was issue with the datat provider in the after noon  
<http://tradingdecisionpoints.blogspot.in/2014/12/03122014.html>

and my first TT

rgds  
 Kishore  
 Reply

▼ Replies



**SMART Trader** December 3, 2014 at 3:55 PM

I entered on second test. It was a BOF entry.  
 Did you take it blind against the momentum move down?  
 And you trailed it so long? Nice trade.  
 If we get an entry at the extreme, there is no tension

ST



**Trader Pai** December 3, 2014 at 4:02 PM

no ST. Took on the second move only ..  
I felt PDL RN will hold .So kept my hard stop below RN  
xx40 is a major flip and yesterday price bounced from that level .So felt like its difficult to go down .

thanks  
Kishore



**Bhavir** December 3, 2014 at 8:35 PM

Hi Guys,

I tried an early BOF entry today based on patterns in 1 min time frame but was unfortunately trapped.

ST - time permitting, let me know if I could have read the market any differently today OR if you have any feedback on my today's reading of the market.

<http://niftytradediary.wordpress.com/2014/12/03/3-dec-2014/>



**SMART Trader** December 3, 2014 at 10:22 PM

If you want to try 1M charts. Use swing points on it  
If you use candle highs and lows, you will be shaken out

ST



**Bhavir** December 3, 2014 at 11:11 PM

Thanks. Assuming in your experience candle patterns don't work in 1 min TF. Lesson noted. Thanks again.



**SMART Trader** December 4, 2014 at 3:54 PM

Candle patterns rarely work on small time frames. It wont work in 3M also  
Locations work not candle patterns

ST

Reply



**z00z00** December 3, 2014 at 3:43 PM

Dear ST,

You did not consider going long between 13:30-13:40 as BOF of PDC. 13:30 bar went below swing low of 12:30 bar and reversed. Kindly let us know your reading of price action around that time.

Regards

Reply

▼ Replies



**SMART Trader** December 3, 2014 at 4:15 PM

Price had moved up almost 50 points from bottom.  
Then there was a FTC and MSP also cracked. I was looking for a short.  
There was a TRAP pattern at 8580. My short was late so had to lose a little

ST

Reply



**xrtrader1** December 3, 2014 at 3:48 PM

Thanks ST,  
What was your entry price for 1st trade ?

Reply

▼ Replies



**SMART Trader** December 3, 2014 at 4:07 PM

8550. After the BOF of PDL, I expected a retest of the level.  
Entered two orders and waited  
Sell SL-Limit @ 8544 with trigger 8545  
Buy Limit @ 8550. Risk was 6 points. Buy order got executed and sell remained my SL which I trailed later  
I thought NSE will block two margins for these orders. But it did not

ST

Reply

**Unknown** December 3, 2014 at 3:50 PM



Hi ST

Can we say the formation from 10.30 to around 12.30 as PP??

Thanks

TBP

Reply

▼ Replies



**SMART Trader**  December 3, 2014 at 3:57 PM

Yes. It was a PP type formation. Avoided it because of PDC and DO above it

ST

Reply



**TSK** December 3, 2014 at 4:02 PM

Dear Trader Pai,

In Which Time Frame do you trade ?

Thanks & Regards

TSK

Reply

▼ Replies



**Trader Pai** December 3, 2014 at 4:45 PM

I trade NF 3 minute TF

rgds  
Kishore

Reply



**TSK** December 3, 2014 at 4:05 PM

Dear Trader Pai,

Which Charting Tool do you use ?

Thanks & Regards

TSK

Reply

▼ Replies



**Trader Pai** December 3, 2014 at 4:45 PM

investbulls.com

rgds  
Kishore

Reply



**PA Trader** December 3, 2014 at 8:02 PM

ST, How did you identify the exit location for your second trade?

Reply

▼ Replies



**SMART Trader**  December 3, 2014 at 10:29 PM

BO above the previous swing high failed. It was an area from where price rejected twice  
Exited when the flip did not hold. exited below that minor pull back inside bar low

ST

Reply



**Lisa** December 3, 2014 at 8:16 PM

Excellent trades. It was not an easy day for the day traders to make money today.

Reply



**Mendi Trader** December 3, 2014 at 9:06 PM

Dear ST,

Was there trap at 2.15 bar .  
<http://i.imgur.com/5wqrmOk.jpg>

Regards

MT

Reply

▼ Replies



**SMART Trader** December 3, 2014 at 10:32 PM

Yes. It was a TRAP. BOF of an early swing point

ST

Reply



**AHGTrader** December 3, 2014 at 9:33 PM

ST,

Good chart. Thanks.

1. Where you took TP in the first trade, we also had a BOF / FTC of PDC. No short because BOF of PDL expected to go to PDH?
2. Swing High from yesterday + Round number at 8590, would you consider this confluence as a DP for a BOF trade near where you took profit on your 2nd trade? Or you skipped it because it was too close to PDH?
3. Whenever you get a chance do you mind commenting on a question I posted here <http://nifty nirvana.blogspot.in/2012/09/location.html>

Thank you & regards

R

Reply

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  - [June](#) (26)
  - [May](#) (20)
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