

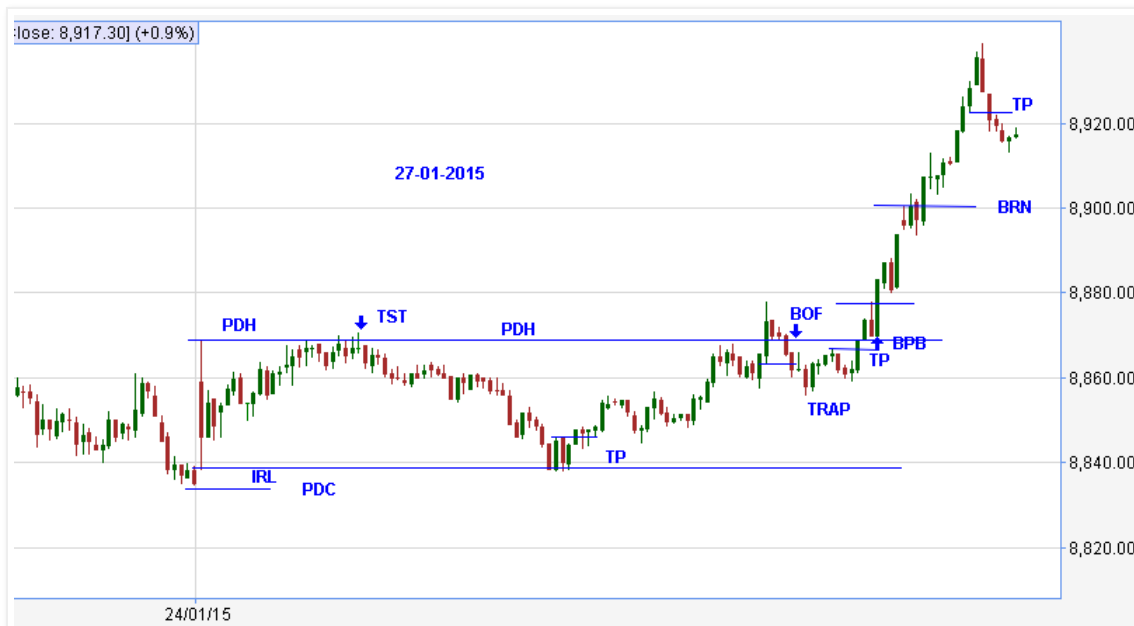


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Tuesday, January 27, 2015

27012015



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty opened within previous day range. First candle became a big MC and acted as IRL. Short on TST of PDH. covered when price bounced from IRL. PDC was just below it. Thought of going long on retest of IRL. But there was no retest. Another short on BOF of PDH failed immediately creating a minor TRAP. Exited at a small loss and went long on BPB of PDH. This moved well beyond my target BRN

Posted by SMART Trader at 5:18 PM



24 comments:



Trekkie January 27, 2015 at 5:25 PM

Thank you ST
Reply



Raju January 27, 2015 at 6:17 PM

Thanks ST
Your last trade was wonderful.
Need your guidance where to consider / not consider the tails while marking lines.
Today your PDH ignored tails, whereas the IRL was marked with tails.
Raju
Reply

▼ Replies



SMART Trader January 27, 2015 at 6:48 PM

Tails are always tricky. We will never know where orders are. Initially I draw lines ignoring tails and adjust later on when retests prove the correct level. Ignoring tails work most of the time. Today also the real level was the original one without tail. I did not change as there was no relevance for that level in my trades
<http://screencast.com/t/TUpKttex2OYG>

ST



L.V.Gandhi January 27, 2015 at 7:37 PM

With your first IRL without tails, 11:45 candle was rebound after test of IRL. Why did you not consider exit above this candle.



SMART Trader January 27, 2015 at 7:59 PM

A bounce is natural and I expected it. My entry was at 8870 with a limit order. Once 11.15 pivot low broke I brought down my stop to 11.39 bar high, above the flip area, which was the BO bar high and protected a profit of 12.50 points. Why should I micro manage and lose a likely fall to PDL?

ST



Trekkie January 27, 2015 at 10:54 PM

Hi ST,
If you had taken the BOF IRL long, would you have exited below 13:36 or somewhere else? Thanks.



L.V.Gandhi January 28, 2015 at 5:37 AM

Thanks for the nice explanation with stoploss bars with time. It clears a lot.



SMART Trader January 28, 2015 at 10:36 AM

I will exit here I went short

ST



Trekkie January 29, 2015 at 12:01 AM

Thank you ST.

Reply



Unknown January 27, 2015 at 6:25 PM

ST
my trades were same as of you only i missed long as i thought space is limited what made you of going long
sunil minz

Reply

▼ Replies



SMART Trader January 27, 2015 at 6:53 PM

FTA was BRN 8900 and it was 20 points away. 20 point is good enough

ST

Reply



xrtrader1 January 27, 2015 at 6:35 PM

Thanks ST..

Reply



nifty for bread January 27, 2015 at 6:40 PM

Sir,

Regarding your first trade - I placed a direct BO Long above PDH after price consolidated for more than half hour. Luckily that order was not filled, thanks to your RN concept. How did you judge that it was Absorption and shorted correctly?

Thanks,
S.Karthikeyan

Reply

▼ Replies



SMART Trader January 27, 2015 at 7:15 PM

There was no momentum to the upside. Market is a living organism and will never allow the order flow to dry up. It will create its own order flow trapping traders. If a trend move stalls at a level usually it will drift down to a lower support level creating a lot of shorts and will reverse forcing all of them to exit. Market will ride these orders to a new high

High probability trades occurs when a CT move stalls and reverses. First short trade stalled at FTA IRL. The reversal moved 100 points. Manage CT trades tightly and allow the trend trades to run. You must focus on reading price action and market bias. Hunting for patterns will never work
<http://carlfutia.blogspot.in/2009/08/here-is-first-of-two-post-by-fellow.html>

ST



Karthikeyan S January 27, 2015 at 8:31 PM

Sir,
Thank you so much for the detailed reply.
S.Karthikeyan



Homer_23 January 28, 2015 at 2:45 AM

thank you for sharing the link, it was very informative and interesting

Reply



trading noob January 27, 2015 at 6:50 PM

hello,

Markets have been trending lately, since yours is day-trading strategy how is it comparing with simply buy and hold trend following?

Reply

▼ Replies



SMART Trader January 27, 2015 at 7:23 PM

The grass is always greener on the other side of the fence.
My method is making a reasonable amount of money in all kind of markets and I am not bothered about what other methods can make.

ST

Reply



Neethi January 27, 2015 at 6:51 PM

ST Sir,
Thanks for the chart. your last trade was excellent. learning each day a lesson from your chart.

Today done following 2 wrong trades.

1) Thought 9:33 bar is previous day's MSP, Entered short at 9:36 bar, exited at 9:42 with minimum loss.
2) after making sure about BOF of PDH entered short at 14:06 exited at 14:15 bar.
please correct me.

Thanks,
Neethi

Reply

▼ Replies



SMART Trader January 27, 2015 at 7:31 PM

MSP is applicable in a trend.
Today 13.33 bar low was MSP. 13.54 bar tried to break this low and failed
it was a TRAP pattern at MSP and showed BOF of PDH is not working. Look for a signal to go long and do not short

ST



Neethi January 27, 2015 at 7:32 PM

understanding the points, thank you sir.

Neethi

Reply



Unknown January 28, 2015 at 1:32 AM

Hi ST,

Did you miss out wap? wap was near 8860 near 3pm. I was planning to book my trades at around 3pm at 8911 but decided to hold 10mins more keeping a small SL at 8903 and managed to book my trade at R3, 8935.65.
No shorts for me today as IRL was not touched.
<http://4.bp.blogspot.com/-SW7YHTtr43YY/VMfqons2BmI/AAAAAAAAAbks/8-dVExTPMmg/s800/20150127.png>

- TSR

Reply

▼ Replies



SMART Trader January 28, 2015 at 9:55 AM

Nice trade.
I did not look at WAP. Simply trailed

ST

Reply



Homer_23 January 28, 2015 at 2:44 AM

Hi Rajesh,

The below link to the blog from Zaid and Gladiator X was very interesting and informative. Thank you for sharing.

<http://cartfutura.blogspot.in/2009/08/here-is-first-of-two-post-by-fellow.html>

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