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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, March 14, 2014

14032014



Nifty gaped down below PDL and BRN. A touch trade of BRN was the right trade with stop above BRN and PDL. Went short on break of IRL. This trade did not move. Scratched. BOF of IRL gave another short signal. Another scratch. Finally there was a BOF of range low. This consolidated below NS RN/IRL for a while and moved. Long on the break of BRN/IRH. Stop triggering helped to break PDL, PDC and NS BRN. Covered at a 40 point profit.

Posted by SMART Trader at 3:52 PM



22 comments:



Unknown March 14, 2014 at 4:09 PM

Hi ST

Missed the last trade as my terminal froze.  
Can we trade the last long as PP??

Thanks  
TBP

Reply



Uday Dave March 14, 2014 at 4:26 PM

Hi ST,

Thanks for your reply to my yesterday's query.

Since i started understanding ranges, i have been trying to enter in the trade on BOF of range extreme in the direction of trend. I wait patiently for those ranges to develop. I feel more comfortable with them than DP's alone. For example, took first trade on BOF BRN/IRH on break of 7th candle, as i expected break of IRL and a range below it. I made a plan before entering to scratch if IRL does not get broken with SL above PDL. Similarly took the second trade as same as yours. And finally third one on BPB of IRL/NS BRN. Thought of entering on BOF of LOD but given the very narrow range waited for the break of other extreme.

Please correct me if i am going in the wrong direction.

Thanks  
Reply

Anonymous March 14, 2014 at 4:34 PM

Hi ST,  
Took 3 trades today  
<http://tinypic.com/r/zo17ap/8>

Couldn't survive to take the long ..Already -20 crossed.. :(

rgds  
Kishore  
Reply



SMART Trader March 14, 2014 at 4:34 PM

TBP

You can trade it as a PP above the previous BOF high from where you can anticipate a chain stop triggering action

ST  
Reply



nirtos March 14, 2014 at 4:55 PM

Hi ST,  
today I tried to follow ur method. I entered long on 12.05 candle (thought of pp), scratched as it was not moving. shorted below 12.14 candle scratched it took support at lod . finally went long above 1.56 bar at 6572 as bof (I was expecting lot of stop hit), then moved sl at cost and took profit at 6502 , where u entered . I thought of trailing as previous two trades not moved So I took profit. Was I wrong in last trade.

Reply



SMART Trader March 14, 2014 at 5:09 PM

URD

<http://screencast.com/t/xSz7rtVW>

Most of the time DPs will act as range extremes. These range extremes ,you can trade without confirmation. Other range extremes require a second test

ST  
Reply



SMART Trader March 14, 2014 at 5:19 PM

Kishore

You got trapped in the third trade. Otherwise you could have made profit.

Usually a BOF will cause the other side of the range to break. Your second trade was a good BOF which failed to break the range low. It means there is solid buying below the range low. Do not take a direct break of such levels . Wait for BPB

ST  
Reply



SMART Trader March 14, 2014 at 5:53 PM

nitros

Third trade broke BRN and PDL and never came down below these levels. Once price break a DP trail below the DP

ST  
Reply

Anonymous March 14, 2014 at 6:58 PM

thanks ST  
yes if i wouldnt have taken the last trade i definetly would have taken the long trade....

Once your daily maximum loss is hit you shouldn't take another trade , even if that trade is of the top most quality , right ?

rgds  
Kishore  
Reply



Rohit March 14, 2014 at 7:50 PM

ST,  
In your 3rd trade, you went long on break above BRN/IRH. But the breakout of PDL was a Topping Tail green candle and the next one is a

red Topping Tail candle and the third candle moved down a little below the 2nd red candle.

So my question is even after getting signs of reversal, what made you not to take profit at this level?

Or how do you decide when or where to take profit?

Rgds,  
Rohit

Reply



**SMART Trader** March 14, 2014 at 7:57 PM

Kishore

It is always good to fix some limits.

Some traders limit the number of trades.Two trades a day so that you avoid mediocre ones and attempt only A+ signals

ST

Reply



**SMART Trader** March 14, 2014 at 8:10 PM

Rohit

I do not look or monitor candle patterns.Concept is the acceptance or rejection of levels.

Price crossed BRN and PDL. The question is whether price is getting rejected. Here price refused to fall below PDL and BRN.

ST

Reply



**Uday Dave** March 14, 2014 at 8:14 PM

ST,

Thanks. Yes, no wonder, most of the time price stops around DP and make it range extreme. I was paying attention more towards ranges that develop horizontally and not the ranges that develop when the price trends or channels.

I tell you something about me. When i first started, like others i was making a mistake of only looking at patterns at DPs, not paying attention to location, strength of DP, earlier price action, order flow, etc., and failed. Then slowly and gradually started learning these important factors. I found trading easier in afternoon session than morning session. Maybe because in afternoon session i had the feel of price movement and ranges started developing. I started concentrating more on BOFs and found BOFs were more successful than BPBs. To gauge the strength of PDH, PDL I focused on price action around them, not just put them on chart. How many times it was tested, once or more. How the price reacted. Your example of glass and ball helped me a lot to understand that concept. Once i started getting the trades correct, realized booking profits at appropriate level is equally important.

The learning process is still going on and will go on forever, but no doubt your concepts, your knowledge, the way you teach them are making a big difference. I thank God to make me reach to you. I am sure other blog readers are also benefiting like me tremendously from you. Thanks a lot.

Reply



**amber** March 14, 2014 at 8:42 PM

Sir good evening and thnx

Reply



**SMART Trader** March 14, 2014 at 9:33 PM

URD

Time is important. Generally there will not be decisive moves during mid session.Reason is very simple. Traders need to take lunch and rest for a while

Happy that I could show you some realities

<http://niftynirvana.blogspot.in/2012/11/trading-illusions.html>

ST

Reply

**Anonymous** March 15, 2014 at 12:24 PM

I completely agree with each and every word of Mr UR DAVE.

The example of glass and ball helped me too to attempt 3rd trade of ST Sir.

In my early days when I visited this blog I too started trading the patterns mechanically, but now I have entered in the phase of feeling the market which took sometime.

Sometimes I feel there is no one called ST sir or Mr Rajesh.This blog comes directly from heaven as a helping hand for struggling traders.

Thanks.  
Arvind

Reply

**A** March 24, 2014 at 6:17 AM



How to Check order flow before entering trade?

Thanks  
Arun  
Reply



**SMART Trader**  March 24, 2014 at 9:07 AM

Arun

<http://niftyinirvana.blogspot.in/2013/08/order-flow-trading.html>

ST  
Reply



**Trekkie** October 19, 2014 at 10:27 PM

Hi ST,  
At what point would you have decided to take the last long above BRN?  
Reply

▼ Replies



**SMART Trader** October 20, 2014 at 9:55 AM

I dont remember exactly  
That big move could be a slow one  
or it could be an order I entered during the earlier break of mid point of the range which I forgot to cancel  
I was considering the last impulse down as a range and IRL as mid point

ST



**Trekkie** October 20, 2014 at 10:32 AM

Thank you ST. Where would have been the SL after that entry triggered?



**SMART Trader** October 20, 2014 at 10:56 AM

There are two layers of defense. PDL and IRH/BRN  
SL can be below BRN

ST

Reply

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