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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

Monday, July 29, 2013

29072013



Nifty Opened within previous day range. Broke below PDL and BRN. Avoided the BPB of BRN as there was no momentum to the down side. First trade was the BOF of IRH. shorted below PDL. This trade moved well. Avoided the BOF of Range low as there was no space.

Posted by SMART Trader at 3:56 PM



3 comments:



Deven Malhotra July 29, 2013 at 4:47 PM

Hi,

I also spotted the same trade, but didn't take it as the upward momentum of nifty was too much.

wasn't it a risky one?

Thanks,

Deven

Reply



SMART Trader July 29, 2013 at 6:50 PM

Deven

It was not very risky. My thought process during the trade

1.Wide range bull bar breaks PDL. Stops above PDL starts triggering

2.Another bull candle

3.Next candle breaks HOD, triggering stops. No follow up

4.Breakout fails. Thinking about shorting.

5.FTA is PDL. Strong level . May lend support. As expected it did. Nifty consolidates between PDL and HOD.

6.Now two possibilities. Long above day high or short below PDL

7.Critical mass could be long. Many shorts exited above PDL and IRH and new longs created.

8.Where we can expect these longs to keep their stops. Some below PDL and some below the range low

9.BRN is too close but I am expecting enough stop orders so that Nifty may break BRN

10.Risk is just 3 or 4 points. Shorting below PDL with stop just above PDL.Safe exit if price bounces back from BRN

11.Nifty stalls at BRN for a moment and proceed further. Stalls at Range low.My trade is safe with stop above BRN

11.Range Low breaks. Stop is now above Range low.

12. Another push down. This one fails exited above the WRB
13. Now looking to go long.

Always think order flow, Risk, FTA and stops

ST

Reply



Deven Malhotra July 29, 2013 at 8:12 PM

Hi,

Thanks a lot for great explanation. Your analysis is really good and have cleared my doubts.

Thanks,
Deven

Reply

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