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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

Thursday, February 21, 2013

21022013



Type 1 trending day. Nifty was drifting down the whole day after a gap down below PDL. A counter trend outside gap open where all the positional longs got trapped.. BPB of BRN was the only signal as per my method and this gave good profit

Posted by SMART Trader at 8:23 PM



9 comments:

vishal February 21, 2013 at 8:31 PM

Again there was a huge gap between WAP and LTP late afternoon(2.30 p.m),around 35 points..!

Reply



SMART Trader February 21, 2013 at 8:54 PM

vishal

Yes, WAP strategy will work well

ST

Reply

Anurag February 21, 2013 at 9:20 PM

Hi ST sir,

Today was a gap down, NF opened and immediately sold, why didn't you went short with SL at DO??

Reply

vishal February 21, 2013 at 9:32 PM

By the way excellent blog sir,i envy your writing skills., :)

i wish i had found ur blog 3 months back when i started trading,anyway better late than never,thank you for ur guidance sir.,

Reply



SMART Trader February 21, 2013 at 10:00 PM

Anurag

DO is considered as a DP when price revisits the level. Otherwise always you may need to initiate a trade at the open in the direction of initial move.

ST

Reply

Mohit February 27, 2013 at 12:06 PM

Hi Sir,

In case of CT outside gaps:

1. Can we initiate trade at the first bar high/low?

2. At swing high/low cracks?

3. At the day open itself in the direction of initial move - you wrote in your comment, so that means if you follow this entry method, you have to initiate trades in all the CT outside gaps at the DO.

Please comment.

Reply



SMART Trader February 27, 2013 at 1:08 PM

Mohit

In case of CT outside gaps. I feel there is no harm in entering the break of first bar or First swing pivot provided

1. Your stop is safe behind DO

2. There is space for the trade to move

I will always prefer the break of swing pivot than a bar

I am afraid you got my earlier reply wrong. I mean that you cannot treat DO as a DP immediately after open. Suppose Nifty opens at 5605 and moves to 5608 do not enter the trade with a SL below DO. Let the market trade and reveal its intention. Never chase the price

ST

Reply

Mohit February 28, 2013 at 10:38 AM

Hi Sir,

Is it possible to make a living trading only one pattern, i.e. BPB since,

1. Most of the money is made during trends.

2. You said that the most of your losers were CT trades.

3. Can I focus only on BPB pattern as a beginner and include others as I gain screen time and experience.

Reply



SMART Trader February 28, 2013 at 11:21 AM

Mohit

A trend trade need not be a BPB. It could be a TST or BOF. In fact you can capture more of a trend trading TST and BPB.

My trend definition is different from conventional approach.

Please do read

Trends/Buy low Sell high/Trading the ranges under Structure and Patterns

ST

Reply

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