

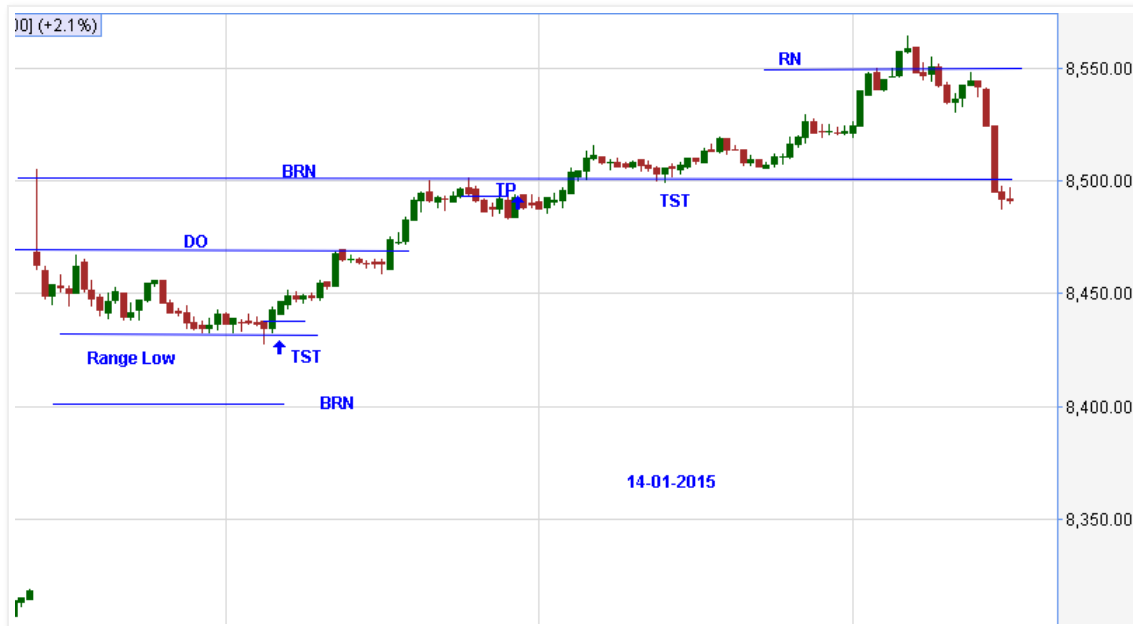


This image is no longer available.  
visit [tinypic.com](http://tinypic.com) for more information.

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

Thursday, January 15, 2015

15012015



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Nifty gaped up above PDH and started sliding. I was looking to go long at a support and went long when it found support at NS BRN area. Price reacted at DO but managed to break it. TP at BRN when second test failed. TST of BRN was another good opportunity to go long. Missed. Failed to capture the final quick fall also.

Posted by [SMART Trader](#) at 3:36 PM



26 comments:



[Unknown](#) January 15, 2015 at 3:40 PM

Hi ST  
Where would have been the entry for TST BRN. On immediate TST or above swing high??

Thanks  
TBP  
Reply

▼ Replies



[SMART Trader](#) January 15, 2015 at 3:46 PM

On a trend day use all the signals to board the train  
You can buy at 8500 with a SL at 8490

ST

Reply



[xrtrader1](#) January 15, 2015 at 3:45 PM

Thanks ST..

Reply



**Homer\_23** January 15, 2015 at 3:58 PM

Hi Rajesh,  
I took an entry at 10 am on 3rd candle, thinking that this is the range extreme. Market soon went further down, I scratched the trade. What was wrong with my entry and thought process. Also, I took 2nd trade where you took and TP at 50 points. Please guide

Reply

▼ Replies



**SMART Trader** January 15, 2015 at 5:51 PM

After such a huge gap up there will always be some imbalance and fluctuations. Signals during these periods cannot be trusted fully. Possibility of a stop out is always high. Your second trade was short I assume. Stay away and avoid CT trades on a trend day. The problem is that people won't change strategy as per the market situation. Trend traders gave back all the money they earned in range-bound markets. Range traders lose all the money they earned fading trends. We need to fade the ranges and trail the trends.

ST

Reply



**Unknown** January 15, 2015 at 4:04 PM

Sir,

1.) First long I missed as I felt a channel was forming... But I did take long above DO and exited at BRN.

2.) I took short where you exited (below 8500) in your first trade. I knew trend was clear up but I considered two factors for short.. First, price got immediately rejected from this level in day's opening bar itself which suggests heavy resistance here... Second, as many people were long from day low, I thought this will provide enough order flow to send price down at least up to level where you marked DO. Please suggest where was I wrong.

3.) You said you missed final quick fall.. But you have mentioned various times earlier on also that you don't initiate trade on round numbers unless they coincide with some DP or range extremes..? Am I missing something here?

Thanks and Regards,

Reply

▼ Replies



**SMART Trader** January 15, 2015 at 6:06 PM

1. It was a good trade. I too suspected a channel. Entered after price went flat for half an hour and a small BOF happened.  
2. Nothing wrong with the thoughts. But this will work only when day traders are in control. Here the rally was triggered by fundamental factors and long-term players in control. They will buy into all dips.  
3. It was a FTC. FTC can happen at any place. We are betting on critical mass of day traders covering at the fag end. I hesitated because market was not in control of day traders.

ST

Reply



**Trader Pai** January 15, 2015 at 4:08 PM

Hi ST,  
The place where you took long looked to me as a channel.  
And why didn't you take BOF IRL long before your entry?  
I took a BOF long around 10 o'clock and got stopped out.

thanks n rgds  
Kishore

Reply

▼ Replies



**SMART Trader** January 15, 2015 at 5:12 PM

It was a soft trend down. I expected the fall to get arrested at NS BRN or BRN. I waited till the slide stopped and found a minor BOF after trading flat for half an hour.

ST



**Trader Pai** January 15, 2015 at 5:22 PM

ST,  
What is a soft trend and the difference between a soft trend and a channel?

thanks  
Kishore



**SMART Trader** January 15, 2015 at 5:57 PM

Channel is a soft trend where price do not respect flips

ST



**Bhavir** January 16, 2015 at 12:40 AM

I was even worse .. took 3 attempts to finally get it right on such a brilliant trend day :( <https://niftytradediary.wordpress.com/2015/01/16/15-jan-2015-were-not-good-enough-to-be-disappointed-were-bad-enough-to-get-to-work/>



**Bhavir** January 16, 2015 at 10:07 AM

Sir - any tips on how to manage such times when bias is high and multiple BOF looking signals fail :( [they even made new swing highs enticing me to enter :)]



**SMART Trader** January 16, 2015 at 1:41 PM

The only way to avoid this is to wait and find the exact level that acts as S/R. Buy or sell at the level and keep your stop beyond noise. Pre accept your risk and stay with the trade . Tighten the stop only after price moves in favour a reasonable distance. But psychologically difficult to execute.

Today your third trade worked. It can also fail . No guarantee. It is better to pre accept the risk and stay. For that entry should be at the exact level or near. What matters is your ability to identify the levels and the ability to read price action at the level. This will improve if we do it for a long period, I believe

ST

Reply



**tRaDeR\_B** January 15, 2015 at 4:20 PM

Hi ST,

Check out a EURCHF chart online. A big fall

Reply

▼ Replies



**SMART Trader** January 15, 2015 at 5:01 PM

Swiss franc is appreciating against all currencies. Swiss shares have fallen 10 % and entire Europe is in red

ST

Reply



**Trekkie** January 15, 2015 at 5:38 PM

Thanks ST. I got in above 10:55, was it too late?

Reply

▼ Replies



**SMART Trader** January 15, 2015 at 5:56 PM

You can enter above 10.54 MC high

ST



**Trekkie** January 15, 2015 at 6:16 PM

Thank you ST

Reply



**athshree** January 15, 2015 at 6:13 PM

<http://www.bloomberg.com/news/2015-01-15/snb-unexpectedly-gives-up-cap-on-franc-lowers-deposit-rate.html>  
this is the reason for europe

Reply

▼ Replies



**SMART Trader** January 15, 2015 at 6:31 PM

Thanks.  
Do not know how it is going to affect world markets.  
No worries at all. No positions and no plans for a Swiss vacation

ST

Reply



Trader Pai January 15, 2015 at 8:14 PM

ST,  
Presently the trend is down right ?

thanks n rgds  
Kishore

Reply

▼ Replies



SMART Trader January 16, 2015 at 8:52 AM

No.As of now bias is positive. Down fall was just a correction of the up move  
Bias will depend on the open. If it gaps down below and gets accepted below BRN bias will change to negative  
If it opens and climbs above BRN bias will remain bullish as price remains in yesterday closing range 8500-8550  
Bias depends on whether price is trading in a higher/lower range and the last DP crack  
A gap down is probable due to global cues

ST



SMART Trader January 16, 2015 at 9:36 AM

Now price has settled in a lower range. Bias bearish. But Daily still in rally mode  
Buying likely to emerge as price move down and approach PDL. If price moves above BRN and gets accepted bias will change positive

ST



Trekkie January 16, 2015 at 9:41 AM

awesome, thank you ST.

Reply



Trader Pai January 16, 2015 at 3:52 PM

thanks ST

Reply

Add comment

Note: Only a member of this blog may post a comment.

Enter your comment...



Comment as: Google Account ▼

Publish

Preview

[Newer Post](#)

[Home](#)

[Older Post](#)

Subscribe to: [Post Comments \(Atom\)](#)

#### Important Posts

- [Disclaimer](#)
- [Glossary](#)
- [Rants 'n Raves](#)
- [Structure and Patterns](#)

#### Download E-Books

- [Decision Points](#)
- [Structure and Patterns](#)
- [Rants N Raves](#)
- [TRADE-SCORE](#)
- [Video Promo](#)

[Statcounter](#)

#### Reciprocal Links

- [Lance Beggs @ YTC](#)
- [URD @ charttechnicals](#)
- [KPL @ vfmindirect](#)

#### Blog Archive

- ▼ [2015](#) (100)
  - [August](#) (7)
  - [July](#) (17)
  - [June](#) (13)
  - [May](#) (10)
  - [April](#) (11)
  - [March](#) (11)
  - [February](#) (10)
- ▼ [January](#) (21)
  - [30/01/2015](#)
  - [Anniversary](#)
  - [29/01/2015](#)
  - [28/01/2015](#)
  - [27/01/2015](#)
  - [23/01/2015](#)
  - [22/01/2015](#)
  - [21/01/2015](#)
  - [19/01/2015](#)
  - [16/01/2015](#)
  - [15/01/2015](#)
  - [14/01/2015](#)
  - [13/01/2015](#)
  - [12/01/2015](#)
  - [09/01/2015](#)
  - [08/01/2015](#)
  - [07/01/2015](#)
  - [06/01/2015](#)
  - [05/01/2015](#)
  - [02/01/2015](#)
  - [01/01/2015](#)
- [2014](#) (274)
- [2013](#) (299)
- [2012](#) (338)