

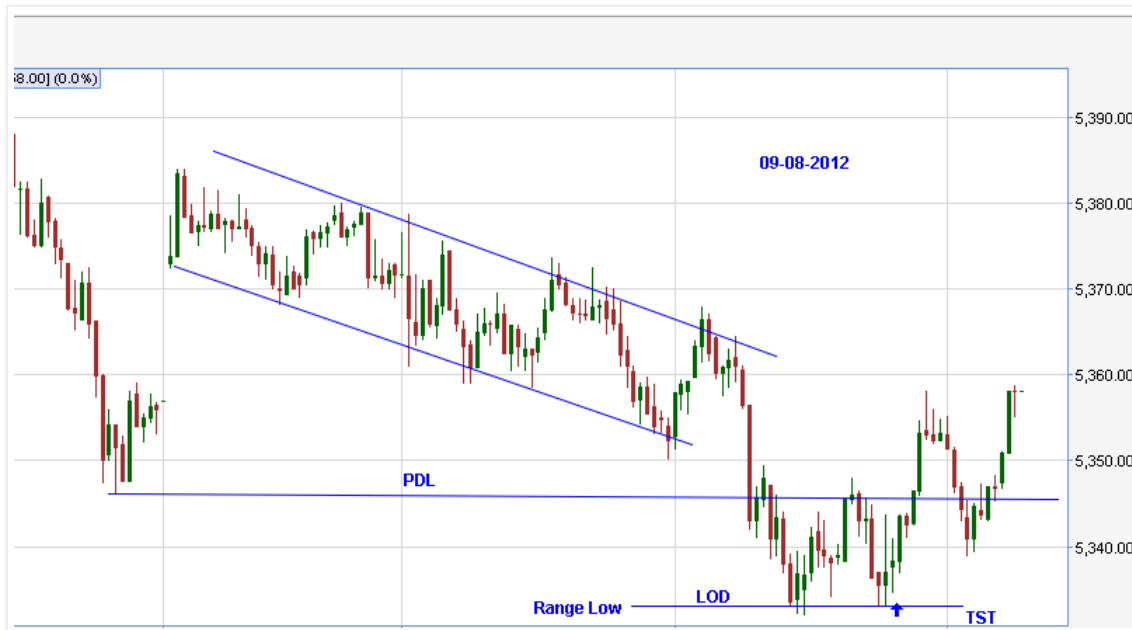


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Thursday, August 9, 2012

09082012



Nifty opened within previous day range. Stayed out till IIP data is out. There was no forceful selling even after disappointing data. Nifty was channeling down. waited till it escaped from the channel. Skipped BPB trade at PDL as I felt there was not much down move left. Long on the TST of LOD added one more lot at the break of range high. Stop kept just below PDL. Later stopped out of the trade. I suspect Nifty is now in a reverse channel.

Posted by [SMART Trader](#) at 3:38 PM



6 comments:



[arki77](#) August 9, 2012 at 6:26 PM

sir can you explain the term "reverse channel". may i assume that market will move up in a channel sir?
Reply



[Raghu R Bhat](#) August 9, 2012 at 8:53 PM

What is meant is probably - "nifty is probably entering a lower range" - rb
Reply



[Raghu R Bhat](#) August 9, 2012 at 8:55 PM

ST - I assumed that at 1pm there was a BOF when it pierced PDC downwards and reversed to fail again at 1:30pm - leading to a scratch trade.

regards

rb

Reply



[SMART Trader](#) August 9, 2012 at 9:38 PM

@arki77

Evening price action looked like a channel in the reverse direction that is all. Tomorrow is another day

@Raghu

I was also thinking to go long , but noticed the channel and stayed out.
Last trade was a disappointment. I thought it will reverse the entire down move.
This method works well when the day trading brigade is in control of the market and they dominate most of the days.

ST

Reply



Raghu R Bhat August 10, 2012 at 6:14 AM

ST - Probably channels represent the step by step grinding down (or reverse) of the market - where balance does not tilt in one direction immediately. Any way a lesson for today - rb

Reply



SMART Trader August 10, 2012 at 9:11 AM

Raghu

What we call a channel is a trend. trend can be a steady trend or an overlapping (or volatile) trend. Volatile trends look like a channel. Very dangerous for our method It is a Diagonal Barbed Wire

ST

Reply

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