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

Friday, January 31, 2014

31012014

Nifty gaped up due to premium component. Found support at BRN. Did not long above the IR as BRN of NS was above it. FTC at range high was a short.TP at BRN as price refused to go below BRN.Entered a long on BOF of BRN. HOD was the target. But price reversed earlier. Scratched.This high established as a range high. Shorted the BOF of range high.. TP on LOL BOF of BRN/LOD.Did not enter long here. A 20 point range the entire day.

Posted by SMART Trader at 3:39 PM

---

13 comments:

Anonymous January 31, 2014 at 3:42 PM

Sir the day was like

"What gets us into trouble isn't what we don't know, but what we know for sure that just ain't so!"

- Mark Twain

Small loss.

Raghu

Reply

Unknown January 31, 2014 at 3:51 PM

Hi ST

Took first three candles as range high. Was it too much of waiting?
So for me it almost became a bracket.

thanks

TBP

Reply

SMART Trader ✎ January 31, 2014 at 4:01 PM

TBP

Once a bracket or envelop forms , the new range is considered

ST
Reply

Anonymous January 31, 2014 at 4:49 PM

Hello,
At what point did you consider RangeHigh as tradeable (I took NSBRN area as IFH)

Say If the 2nd move up to range high (after TP) had been a BO above previous high with some reasoable volume, would you consider a BOF trade for it? Or will Range High become tradeable after it proves 2nd time.

Thanks
SS
Reply

ANOOP.AV January 31, 2014 at 7:14 PM

good evening sir , how to identify false break out ....? reply me plssssssss
Reply

Anonymous January 31, 2014 at 7:37 PM

Sir,
I took all the three trades just like you .But I considered 9:29am candle as IRH and short as BOF of IRH.I am still finding it difficult in trading FTC & TST. Could you please throw some light on these .
Thanks
dushmantdas@gmail.com

Reply

SMART Trader ✎ January 31, 2014 at 8:34 PM

Anoop

False breakout is a BOF
If a breakout fails it is a BOF
If price fails to go beyond breakout level it is a false breakout.You cannot identify it early. Only on hindsight you will know

ST
Reply

SMART Trader ✎ January 31, 2014 at 8:37 PM

dushmantdas

Will do it this weekend

ST
Reply

SMART Trader ✎ January 31, 2014 at 8:43 PM

SS

If it was a LOL or at least a TST of HOD, I will take it.Otherwise I will hesitate. After the second test I was much more confident

ST

Reply

sentu January 31, 2014 at 11:36 PM

sir,
if u plz clarify premium theory b/w spot and future price.thank u..its very confusing for me..

Thank u...
Reply

SMART Trader ✎ February 1, 2014 at 8:21 AM

sentu

If you are using charts of continuous current month contracts as provided by Icharts, there will always be a gap up on the first day.
If you are looking at FEB2014 contract charts, you will not find this gap.

This is not a genuine gap but only because of the premium on new contracts getting reflected

ST

Reply

sentu February 1, 2014 at 2:21 PM

sir,
Thank u for ur reply..I use metastock and there i did not get that..and live market lot of people talk about premium by subtract between spot and future price..what is that sir..if possible plz let me know...

Reply

SMART Trader February 1, 2014 at 7:39 PM

Sentu

It depends on how you are charting. Ichart is using continuous current contracts.
For example JAN 2014 contract expires on 30-01-2014. Many people switch to FEB 2014 from 31-01-2014.

But Ichart adds and append FEB 2014 data to the JAN 2014 data.Jan 2014 data expires with no premium and FEB 2014 starts with a premium to spot price. This will show as a gap up in the chart.
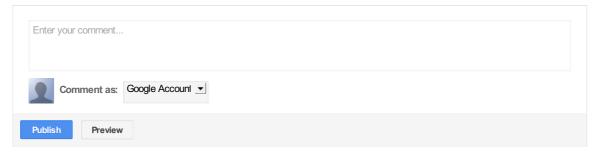
Hope you got the point. Anyway this is not going to affect the trades.Don't worry much about it

ST

Reply

Add comment

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

Enter your comment...

Comment as: Google Account ▾

Publish   Preview

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 @ vfmdirect

Blog Archive

- ► 2015 (100)
- ▼ 2014 (274)
  - ► December (22)
  - ► November (19)
  - ► October (23)
  - ► September (22)
  - ► August (22)
  - ► July (27)
  - ► June (26)
  - ► May (20)
  - ► April (22)
  - ► March (24)
  - ► February (21)
  - ▼ January (26)
    - 31012014
    - 30012014
    - Anniversary
    - 29012014
    - 28012014
    - 27012014
    - 24012014
    - 23012014
    - 22012014
    - 21012014
    - 20012014
    - 17012014
    - 16012014
    - SECRET
    - 15012014
    - 14012014
    - 13012014
    - Tug of War
    - 10012014
    - 08012014
    - 07012014
    - 06012014
    - TRAP
    - 03012014
    - 02012014
    - 01012014
- ► 2013 (299)
- ► 2012 (338)