

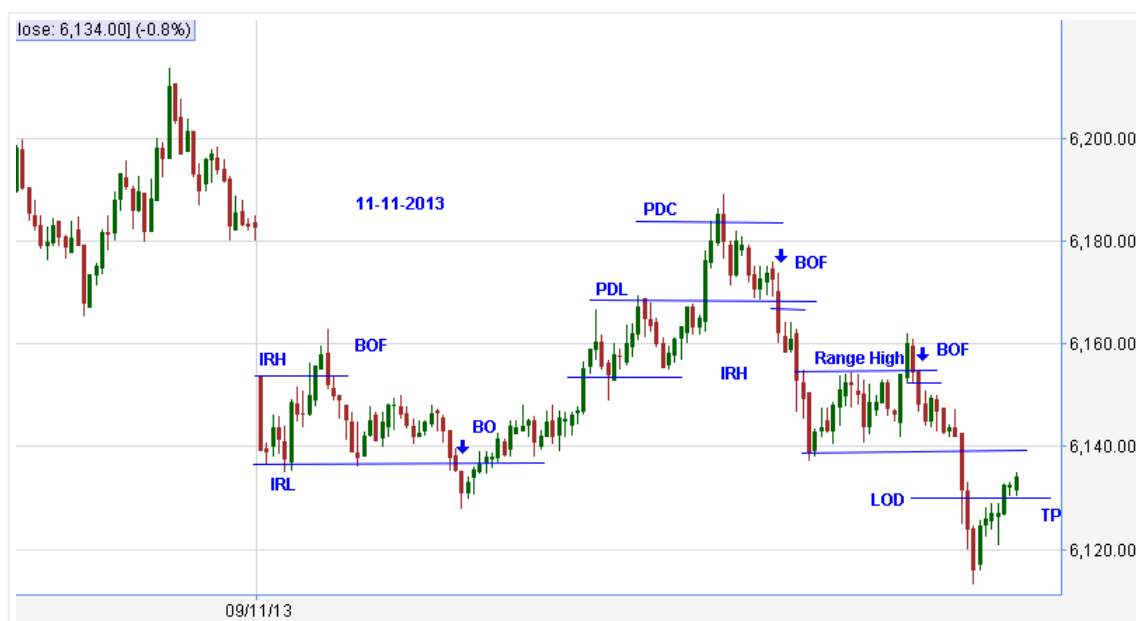


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Monday, November 11, 2013

11112013



Nifty gaped down below PDL. Totally messed up the morning session. Hesitated to short on BOF of IRH. Bias was bearish so went short on break of IRL. Got stopped out and missed the long trade. Went short on BOF of PDC-PDL. closed the trade near IRL. Another short on BOF of range high. Covered at LOD

Posted by [SMART Trader](#) at 3:34 PM



9 comments:

Anonymous [November 11, 2013 at 4:35 PM](#)

Dear ST

Please throw some more light on ranges. Today u took BOF of 'range high', I was not at all able to see that as a trading opportunity, not even in hindsight.

*When do we decide that a range has been formed?

*Can Range lows/Range highs be treated as reliable decision points?

Reply



[xrtrader1](#) [November 11, 2013 at 5:25 PM](#)

Thanks ST, This is my first visit, very impressed. Count me as regular visitor from here on..

Reply



[SMART Trader](#) [November 11, 2013 at 5:31 PM](#)

Anon

It is very difficult to define everything.

Once price gets trapped between two horizontal price levels a range is formed. Once price escapes from that range, price is in a new probable range.

All range extremes are trade able, but we stick to high probability range extremes. preferably DPs

Please do read

Trends And Ranges

Trading the Ranges

Buy Low, Sell High

Trends

I wonder why cant you identify the ranges in today,s price action.

Range 1 the IR

Range 2.between IRH and PDL

Range 3. between PDL and PDC

Range 4. again between IRH and IRL

Range 6.between IRL and Extreme low of the day (probable)

Now buy the lows and sell the highs of ranges. We do not take all the trades. We select trades based on other factors like trend and SCORE

ST

Reply



SMART Trader November 11, 2013 at 5:35 PM

xrtrader1

Thanks.

You are welcome

ST

Reply

Anonymous November 11, 2013 at 8:28 PM

Please start Nifty Live calls/Advisory

Reply



SMART Trader November 11, 2013 at 8:33 PM

Anon

Sorry. Can't take responsibility of other peoples money

ST

Reply

Anonymous November 11, 2013 at 9:09 PM

Though I could identify the ranges in today, The difference was 20 points or less, not encouraged to take trade. e.g. unlike you, i have not gone short on BOF of PDC-PDL, as i considered space is not adequate as IRH was just about 12-14 points away ? whether my assumption is wrong, or should i have ignored the preceding opening range ?

Shai

Reply

Anonymous November 11, 2013 at 9:11 PM

likewise BOF of range high , i have not taken, as next dp, range low, was less than 15 point away (space ?).

shai

Reply



SMART Trader November 11, 2013 at 10:32 PM

Shai

You will never find a trade where everything is aligned perfect in your favour. You have to weigh the pros and cons and take a decision. That is how discretionary trading works.

For example take the BOF of PDL/PDC

Price hits PDC. gap closure. There will be selling. Swing low forms. No space to PDL. MSP is further down. But critical mass is long. where are their stops. below PDL, MSP and IRH. So once PDL cracks there could be a chain reaction. We can expect till IRL or further down. Now what is the risk. There can be a bounce from IRH. Can exit above PDL with maximum 300/- risk.

Should we take a chance of it weighing these possibilities ?

Now the next trade. Critical mass is short. Longs exited below PDL, MSP and IRH and new shorts came. Now where are the stops. Above Range high. Should we long above it. No PDL very close. Price got rejected from previous day range. Let us wait. Price break range high and fails. Now what else price can do. Move down. BOF of a range extreme may lead to the BO of other extreme. There will be more shorts below range low. Price may go down to LOD or further. Risk very low. Should we take this ?

Price action trading is a thinking game. Not just pattern trading.

ST

Reply

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