

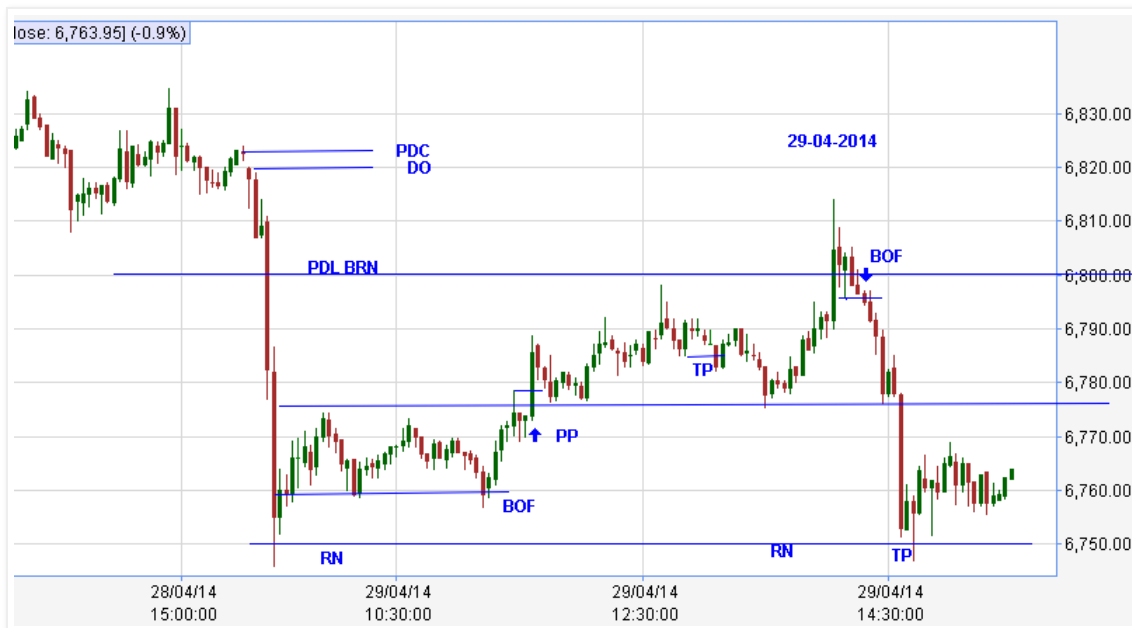


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Tuesday, April 29, 2014

29042014



Nifty opened within previous day range. 70 point down fall was too quick and unexpected. Could not capture it. Went long on the BO of range High. Could have entered long on the BOF of Range Low Exited at a small profit. Entered short on BOF of BRN 6800. Nifty retraced the entire up move quickly. TP at RN 6750. Did not attempt any other trade.

Posted by SMART Trader at 3:30 PM



21 comments:



kishore April 29, 2014 at 3:49 PM

Hi ST
Today's trades :- <http://tinypic.com/r/2ikw2lz/8>
Just 2 points

Trade 1:- PP in to fluid ,BO trade ,scratched it (-8 points)
Trade 2:- took BPB in the same location .(breakeven)
Trade 3 :- TRAP . exit below BO Master candle (-2 points)
Trade 4 :- BOF below MC (24 points)
Trade 5 :- BOF RN (-12 points)

Please comment on my trades ,if possible individually .

thanks n rgds
Kishore

Reply

▼ Replies



SMART Trader April 29, 2014 at 4:25 PM

1.May happen
2.Earlier trade proved there were not much orders above the area. I made the same mistake
3.TRAP was a good trade. Mismanaged. 6810 was a strong flip which gave support yesterday. Origin of today's fall. 20 point profit gave back and made a loss. Could have exited at least with 10 point profit below BRN.
4.Entry delayed due to earlier trade. Could have made another 10 points here.Delayed exit. Two legs already over.Second push

at RN failed. Exit at RN. Another 10 points gave back.
5.Nifty already made 3 good moves 60 points down up and again down. Cant expect a fourth move at the fag end. That too counter trend.

ST



Kishore April 29, 2014 at 5:57 PM

Thanks ST,
Regarding the BOF trade at BRN .Shouldn't we respect MC .
You seem to have taken trade in the vicinity of MC .
thanks
Kishore



SMART Trader April 29, 2014 at 6:41 PM

Kishore

The core concept is the acceptance and rejection of price at decision points.
Here price got rejected from the previous day range in the morning and tried to climb back into it.The BO of PDL/BRN failed and price fell back. MC is just a thumb rule to make decision easier..A reasonable sized MC at the DP will usually work well.
Your trade 1 and 2 were within the vicinity of a MC where a BOF of RN happened. So was the last trade.Trade the core concepts not the patterns and candles.

ST



Kishore April 29, 2014 at 7:09 PM

yes they were :)

Reply



zoozoo April 29, 2014 at 4:28 PM

Dear ST,

What was your initial SL for BOF of BRN (2nd trade)??

- i. above BRN?
- ii. above 14:12 candle?
- iii. above MC?

Reply

▼ Replies



SMART Trader April 29, 2014 at 4:42 PM

Zoozoo

Above 14.12 bar high
ST

Reply



goodidea.vishal April 29, 2014 at 4:39 PM

ST sir nice explanation ...i am silent reader here..

thank you

Reply



Unknown April 29, 2014 at 7:02 PM

ST Sir,

I have one doubt in how u initiate trade in BO scenarios.

For example.. u took long once BO happen on IRH... means u wait for 3 min close above IRH or once IRH crossed with small SL say.. 4-5 points.

Also u skipped BO of BRN (6800 nf)...how you did that?

One more thing.. if SL for BOF of BRN is high of that green candle.. SL is huge right, almost 20 points.. or u planned to scratch d trade once NF moves 3-4 points abv BRN

I am asking these, because i feel these are my doubts in paper trading in live market.. i couldnt get answers in theory knowledge..

Reply

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SMART Trader April 29, 2014 at 9:18 PM

Rose Mary

I never traded breakouts earlier. most of the traders are losing money trying to trade trends and breakouts. I started trading

BO selectively as I felt I was missing some good moves due to that.

<http://niftyinirvana.blogspot.in/2013/10/breakout-blues.html>

IR is a range like any range. BO of the range means price should move out of the current range and get accepted at a higher level. When price fall back into a range the BO is considered as failed. The core concept is the acceptance or rejection from the new area. Every occurrence will be unique and we cannot make hard and fast rules. It depends on your feel and read of the market and the tactics you adopt. you can exit at a logical level when price falls back into the range, when BO bar extreme gets broken. Wait for a swing pivot to form and keep SL below it etc. Entries are always on break of a range extreme. You are referring to the evening BO of BRN I think. The decision is very discretionary and depends on other factors like Space, critical mass, order flow, risk, earlier behavior of DP, current bias, and current range. Please read the answer to earlier comments regarding SL and why I skipped BO

ST

Reply



athshree April 29, 2014 at 8:44 PM

Dear ST,

I know you dont consider average close of NF. But keeping eye can help to initiate trade sometimes. How???

Just see....Yday average close of NF was 6820. Today open 6822.70 and high was same. So at opening it was BOF of PDC. One could have initiated trade on this data. (I didn't as I was late in front of my PC. I am not claiming this on mere today's price action but so many times it has happened.). Your comment please.

Another point is..have you tried same PRICE ACTION trading in equity? Excellent results are there. I am doing it practically. ACC, AIXS, RELIANCE, HUL, BOI, all these scrips given nice results,

Reply

▼ Replies



SMART Trader April 29, 2014 at 9:40 PM

A th Shree

Thanks. I was not monitoring the average close. Will notice hereafter.

Yes. many of the readers are trading equities, currencies and commodities very successfully. I have not tried them. Will be doing it slowly. DPs like PDC, PDL, PDH, DO, HOD, LOD, and BRN(option strikes) will work on any liquid instrument. These are all time frame, indicator independent price levels where traders act.

ST



PA Trader April 30, 2014 at 3:25 PM

I started trying this method on USDINR since past 3-4 days. Not very encouraging till now. But since you say that few more readers are trading currencies, I will keep working on it.



SMART Trader April 30, 2014 at 4:02 PM

PATrader

Paper trade it before committing money.

I have not done it only on NF.

ST



PA Trader April 30, 2014 at 7:00 PM

Yes...I am paper trading only.

Reply



zen April 30, 2014 at 8:58 AM

I'm a silent reader here...thanks ST for your blog.

Reply



Trekkie April 30, 2014 at 2:23 PM

Dear ST,

Do you look at lower tf for entry, i.e., are your entries based purely on 3 min or do you also look at 1 min or higher tf charts?

Reply

▼ Replies



SMART Trader April 30, 2014 at 4:07 PM

S Roy

I do not look at any other time frame charts.

Some of the readers are looking at 1M charts to fine tune entries

Try it. If you find it useful nothing wrong in it

ST

Reply



Trekkie April 30, 2014 at 4:13 PM

Dear ST,
Thank you. I was just looking through your book. Its great, thanks. By "major swing pivot" do you mean a higher tf swing pivot.

Reply

▼ Replies



SMART Trader April 30, 2014 at 4:24 PM

Roy

MSP is the pivot low immediately preceding the highest high in an up trend and the pivot high immediately preceding the lowest low in down trend. Crack of MSP is considered as trend change
<http://nifty nirvana.blogspot.in/2012/12/major-swing-pivots.html>
BOF of MSP will create a TRAP Pattern
<http://nifty nirvana.blogspot.in/2014/01/trap.html>

ST



Trekkie April 30, 2014 at 4:47 PM

Dear ST,
Thank you so much.

Reply

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