

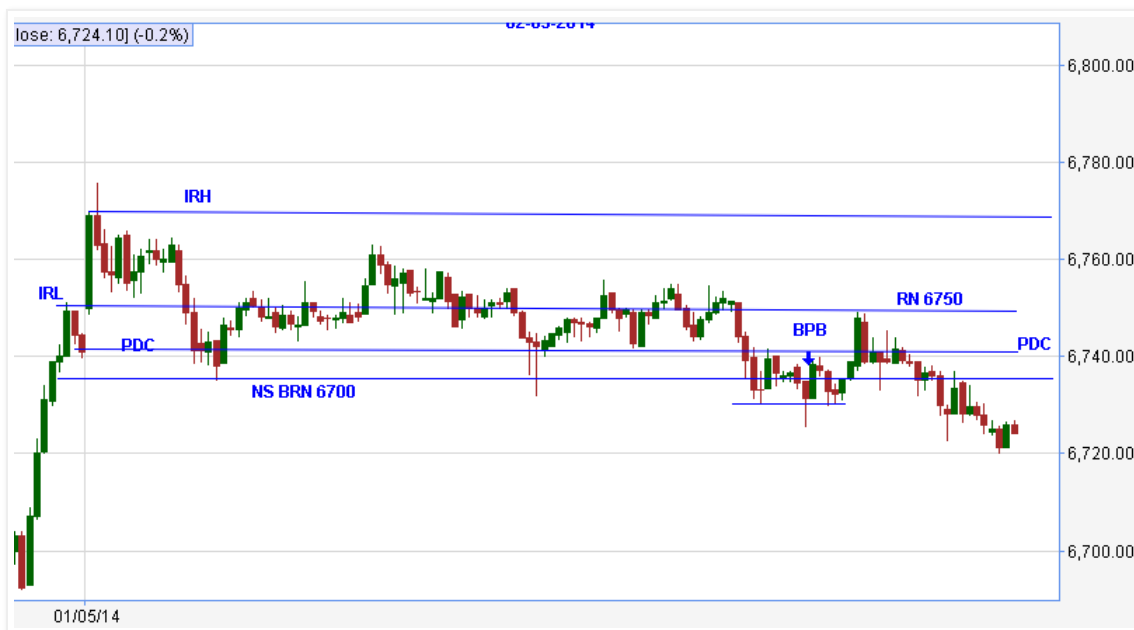


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Friday, May 2, 2014

02052014



Nifty opened above PDC, and chopped around the whole day. Attempted a short trade into the fluid. BOF of PDC/NS BRN Stopped out above PDC. No other trades.

Posted by SMART Trader at 3:44 PM



26 comments:



Unknown May 2, 2014 at 3:56 PM

ST Sir,

I also attempted one trade only today.. but i went long after BOF of PDC (also BRN 6700 NS) with SL as low of breakout candle. exited at cost later.

But i see you used pull back to short, what is the reason made you to short pull back.. rather than buy after BOF? Hope you got my confusion.. pls clarify..

Reply

▼ Replies



SMART Trader May 2, 2014 at 5:04 PM

Rose Mary

One of the main reason people lose money in the market, IMHO is they do not ensure enough space for their trade to move. Traders enter mechanically on patterns and ignore other factors. We need to ensure sufficient order flow in our favor before trading into a barrier. Think about the long on BOF of PDC. For the trade to make profit it need to crack IRL/RN, swing high above it and HOD/IRH. Can we expect sufficient order flow. I doubt. Look at the short trade. There is lot of space. Next logical barrier is BRN 6700. A high probability situation. It may or may not work, that is a different thing. Here it did not work. Cant help. Why not direct breakout trade? As far as possible I don't want to provide liquidity to the whales and sharks. So I wait for a BPB <http://niftynirvana.blogspot.in/2012/12/liquidity-pools.html>

ST

Reply



**kishore** May 2, 2014 at 3:58 PM

Hi ST

Why didnt you attempt to short below NSBRN when there were oppurtuniyies before your trade and there was fluid below

rgds  
kishore

Reply

▼ Replies



**SMART Trader** May 2, 2014 at 4:42 PM

Kishore

Right . There was fluid below the area  
Price went up on the open and traded above PDC. When it broke the DO/IRL all the stops below it could not take price below PDC and I suspected orders below PDC and waited for a BPB and entered when it happened later. There was no patterns such as the BOF of other end or a TRAP to provide order flow

ST

Reply



**Deven Malhotra** May 2, 2014 at 4:31 PM

Hi ST,

Similar query as above comments + one addition-  
IRL was chopped off & was took as a barbered wire. Wasn't a beautiful hammer at PDC/ NS BRN a reliable signal to go long?  
Even a weak Pullback also followed it..

Thanks,  
Deven Malhotra

Reply

▼ Replies



**SMART Trader** May 2, 2014 at 5:58 PM

Deven.

Yes. The twin pin bars gave a nice signal.

Actually I was thinking to go long above the pin bar. Then decided to enter on break of RN/IRL.

There was no momentum. Even after 20 minutes price was not able to move 7 points. So I cancelled the order.

What I do may not be the right thing always. Even if you entered above the pin bar you could have exited on BOF of RN with a small profit

ST

Reply



**NPA Trader** May 2, 2014 at 4:39 PM

Hi ST,

Are you giving equal weight to NF BRN and NS BRN?

Reply

▼ Replies



**SMART Trader** May 2, 2014 at 6:01 PM

PA Trader

NS levels are approximations.  
I am using it for trade management only  
Signals on NF futures are important

ST

Reply



**Unknown** May 2, 2014 at 5:26 PM

Thanks for the reply sir... i understood now.. you took short as R:R favours.. nice.  
Also do i need to consider any thing like.. type of candle formed at BO point... hammer etc..

Reply

▼ Replies

**SMART Trader** May 2, 2014 at 6:33 PM



Rose Mary

The question is whether price is getting accepted or rejected from an area  
For that we need to know the boundaries. Must define a structure or framework that work reasonably well.

Candles patterns are illusions and will differ as per the time frame you use and the settings of your charting program  
<http://niftyinirvana.blogspot.in/2012/05/candles.html>  
<http://niftyinirvana.blogspot.in/2012/02/data-packets.html>  
Even single candles are illusions. you have to watch the candle formation live and understand the inner working  
<https://www.youtube.com/watch?v=enPN5pleGMo>

ST



Unknown May 2, 2014 at 9:05 PM

1. Can we use candles as confluence after understanding them or watching them live.
2. You missed a comment on 30th



SMART Trader May 3, 2014 at 10:46 AM

Manjunath

I have combined some bullish reversals.  
Everything shows rejection from a lower level  
A hammer will be rapid one whereas some others slower.  
A tweezer bottom on 5M will be a hammer on 10M  
I don't search for hammers and hanging men on my charts. I watch price rejection and its quality.  
<http://screencast.com/t/8CFrEYpbnSn>

ST



Trekkie May 5, 2014 at 11:39 AM

Hi ST,  
I have an amibroker afl that plots higher tf candles on same chart, can be used for understanding how addition works..the chart looks like this. <http://images.devs-on.net/Image/rnya5VFjplW1cJj-Region.png> I don't want to post the afl and pollute the purity of price action on this site though.



SMART Trader May 5, 2014 at 12:13 PM

S Roy

Thanks  
<http://jamesclear.com/repetitions>

ST



Trekkie May 5, 2014 at 12:28 PM

Thanks a lot ST. Very nice article. A lot of gems in your posts.

Reply



Uday Dave May 2, 2014 at 6:59 PM

Hi ST,

At last I decided to make a trading journal and record my trades in a proper manner. For this purpose I have used my old blog <http://charttechnical.blogspot.in>. Here I will try to keep a log of the same. I have used your daily charts there for the comparison with the trades so that whenever I review it later I have an idea about your trades on that particular day. Now I realize that I need to have your permission for their usage as I have used them without your permission. Please let me know if I need to remove them. Please have a look and also please give your valuable suggestion for improvement of the journal.

I thank you for your guidance.

Reply

▼ Replies



SMART Trader May 2, 2014 at 7:22 PM

URD

All the best  
I will go through it

ST

Reply



Uday Dave May 3, 2014 at 2:16 PM

Hello ST,

I have made an assessment on my trades that many a times I end up taking wrong trades. Wrong trades are the ones where I not only lose money but decision to take those trades was also wrong. Things which need to be considered before taking the trade were simply not considered, like space, order flow, location etc. May be because of lack of focus or ignorance of the facts. So started thinking like what if I concentrate only on high probability trades. For example trades taken on confluence of DP and Range, like in this picture where bold red line is marked for that confluence.

<http://i59.tinypic.com/2wzlnn.jpg>

So idea is to wait for that confluence, once that happens assess the situation using the space, strength of DP, order flow, critical mass, location. R:R ratio etc. and then pull the trigger. This way I feel I would be able to better focus and keep the emotions under control.

What do you say...

Thanks

Reply

▼ Replies



**SMART Trader**  May 3, 2014 at 3:38 PM

URD

<http://niftynirvana.blogspot.in/2012/05/trading-ranges.html>

Read para 4

ST



**Uday Dave** May 3, 2014 at 4:01 PM

ST

Thanks. That is what I have learned from you and trying to successfully implement it.

I know I need to do that only but problem is not doing it because of other influences during the day.

Reply



**PUCHU\_2500** May 5, 2014 at 3:22 PM

ST sir, pls, see my today's NF chart. Is it complex pull back?

<http://i.imgur.com/Ztz2tEh.png>

Reply



**SMART Trader**  May 5, 2014 at 3:45 PM

Puchu

Yes. it is

One more is above it at RN

ST

Reply



**ONLY TARGETS** May 17, 2014 at 12:41 PM

Hello ST ...

May i know the parameters you use to draw IR?

Reply

▼ Replies



**SMART Trader**  May 17, 2014 at 5:34 PM

OT

<http://niftynirvana.blogspot.in/2012/07/initial-range.html>

Please go through all the important posts listed at the bottom of the blog

ST



**ONLY TARGETS** May 17, 2014 at 7:04 PM

Thanks ST :-)

Reply

**Unknown** October 3, 2014 at 2:10 PM

First of all i would like to thank you for the great and informative entry.I have to admit that I have never heard about this information I



have noticed many new facts for me. Thanks a lot for sharing this useful and attractive information and I will be waiting for other interesting posts from you in the nearest future. keep it up.  
[Indian Stock Market Tips](#)

Reply

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