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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, November 21, 2014

21112014



Nifty opened near PDC. Shot up after a small pull back to NS BRN. Consolidated within a 10 point range. I was expecting a TRAP like pattern there. Did not attempt the BO which went to 8499.75. Missed a short there also. There was no reliable pattern. Finally went long on the TST of Range low and bagged 20 odd points. Did not attempt the BOF of BRN as it came very late

Posted by SMART Trader at 3:35 PM



34 comments:



Unknown November 21, 2014 at 3:39 PM

Hi ST

Was there be any way to capture the sudden spurt in price other than keep a tentative order just above PDH??

Thanks
TBP

Reply

▼ Replies



SMART Trader November 21, 2014 at 3:54 PM

No other way. Only BO traders will get it
I considered it as a gap up which we cannot capture

ST



Deven Malhotra November 21, 2014 at 6:15 PM

Hi ST,

I Tried this BO, but nkt jumped my orders ! Even the price & trig were with 1 rs gap! Left the terminal for 1 hr to avoid some mistake in any haste..

Thanks,
Deven Malhotra

Reply



Unknown November 21, 2014 at 3:42 PM

Hi ST,

Today's move looks like not reliable?. Broader market breath and small,mid caps are closed in red. Is it a signal for final leg up and immediate pullback and correction.

Thanks,
Aris.

Reply

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SMART Trader November 21, 2014 at 4:03 PM

I do not worry about all those things. These are all analysts job
My aim is to find some short term demand supply imbalance that can trigger a 20 point move
If you are into short term day trading ignore all these things and focus on your chart

ST



NPA Trader November 21, 2014 at 4:08 PM

That's it. simple. no confusion

Reply



Arvind November 21, 2014 at 3:53 PM

Hi Sir,

I too was looking for a TRAP pattern. But it did not come, finally took a BPB of HOD and had to scratch.
My trade.
<http://screencast.com/t/mVxwa0FP2r>

Thanks
Arvind

Reply

▼ Replies



SMART Trader November 21, 2014 at 4:11 PM

Dont enter into over extended moves.
When you entered price has gone up nearly 100 points from the bottom of the day.
The up leg to which you entered originated from 8470 and had moved 40 points.
Nifty very rarely moves more than 50 points in a leg

ST



Arvind November 21, 2014 at 4:23 PM

Thank you Sir.



Arvind November 21, 2014 at 4:31 PM

Sir, Can we expect any addition in Rants 'n Raves this weekend?



SMART Trader November 21, 2014 at 4:32 PM

Will try

ST



Lisa November 21, 2014 at 5:03 PM

Great. I will look forward to it. Your Rants n Raves are great pieces of wisdom I will also try to add new post under trading insight in my resotrading blog.

Reply



Trader Pai November 21, 2014 at 4:42 PM

Thanks ST
rgds
Kishore

Reply



L.V.Gandhi November 21, 2014 at 5:31 PM

PDH was 8428.9. To avoid trap, I had an order 8432.75 with limit of 8432.25. But tick data went from 8424 to 8437 and order was not filled. I did not take the long like you thinking it will be BW around 8480 because of NS RN.

Reply



SMART Trader November 21, 2014 at 6:46 PM

Deven, L.V.Gandhi,

It happens many times. BO kind of entries on explosive moves will not get filled. Have you watched the Ziad webinar?. He recommends blind entries at proven S/R. Today I missed the big picture and did not attempt the BO. Level was also NS BRN <http://screencast.com/t/ZF5IRBUY>
What about a blind entry at the support. Minimum position with a 5 point SL?
On a range day these type of entries will work well, i feel.

ST

Reply

▼ Replies



L.V.Gandhi November 21, 2014 at 8:04 PM

I watched the webinar. In chrome, video edges were getting cut. Though I heard about blind entries, It needs some more practice to have conviction.



Uday Dave November 21, 2014 at 11:43 PM

Sir

Thanks for the insight. I too feel the possibility of entering at proven S/R is worth exploring, rather than waiting for confirmation, especially if the level is acting as a flip. As you said in this case, NS BRN/RH acted as a flip on PB. Indeed it would prove to be a great entry point in such strong moves. But I fear we may end up looking for the same every time and not wait for confirmation.

Sir, also realized yesterday was a reversal day and 8370-80 proved to be a level for that reversal. So expecting a type 1 trend day was also a possibility.

Thanks

URD



Trekkie November 21, 2014 at 11:52 PM

Hi ST,

For that PB then are we looking at continuation of move from previous day 3:24? Should we ignore the flip (blue line) <http://imgazer.imageshack.com/img540/7441/ExwjMY.png> For blind entries at support probably larger SL is required.



SMART Trader November 22, 2014 at 9:11 AM

That Flip can hold and price may bounce back. We have to manage it. Price has moved up to a new range and got accepted. How far will it go nobody knows. There won't be a quick move like today also. There can also be a BOF of PDC PDH. Just discussing different tactics. There will be always conflicting signals.

ST



Deven Malhotra November 22, 2014 at 12:52 PM

Hi ST,

I checked out few more Ziad videos & material. For his blind entry, he also considers some Tick (Dow/ forex) & Advance Decline line for confirmation.

Yeah, I agree with you that Blind entry can be taken in Tight ranges. Layer on Layer DP will be an added advantage.

Also, with his method, we can even identify the Blind Trade entry 1 day before (if touched this DP/ level, will buy/sell scenario). A pre-market discussion may or may not be fruitful for Intraday, but we can see for few days.. What say?

Thanks,

Deven Malhotra



SMART Trader November 22, 2014 at 1:58 PM

I am not recommending total blind entries.

Lately we are taking less and less of TST entries. Reason is we are waiting for a pivot to form and wait for its break. Most of the time then there won't be sufficient space. We have missed 4-5 TST trades for the last 2 days waiting for confirmation. If we attempt selected ones with a risk of 5 points many of them are giving 20 points on an average. If we are trading regularly with 200 Nifty, Why not try this with 50 Nos? If we get stopped out, then it is either a BOF or a BPB. Then enter as usual.

ST

Trekkie November 23, 2014 at 12:15 PM



Hi ST,
What type of DPs would work best with TST? Should we use any additional criteria in taking such touch trades?



SMART Trader November 23, 2014 at 2:01 PM

Range extremes
DP confluence
With the trend
Not in extended moves
Feel of the market and ability to read price action is very important. May take a lot of experience

ST



DM March 21, 2015 at 5:53 PM

Had queried URD about his comment about 20/11 being a reversal day in another place. Posting it here as well for the benefit of other readers.

My query to URD: You referred to 20 Nov '14 as reversal day. Why did you term it a reversal day? What criteria did you use?

URD's reply: There was a good pin bar (reversal) on 20th on daily chart. Also it reversed from the 5 day low in a very good uptrend. Whenever price reverses from the higher time frame S/R and if it is supported by other factors like overall trend, its strength, we can presume the type 1 trend day the very next day after the reversal day.

Reply



Lisa November 21, 2014 at 6:57 PM

As I use SL-M, my order got filled around 8430 levels and it was really important for me to cover and go long as I was positionally short. Obviously, using SL-M has its cons as well.

Reply

▼ Replies



SMART Trader November 21, 2014 at 7:28 PM

It is OK for positional trades. While playing within a risk of 10 points 3-4 point is big

ST

Reply



Bhavir November 22, 2014 at 12:51 AM

Thanks ST. I had the range low marked slightly lower so missed the TST Long trade.

My reading of the market at

<http://niftytradediary.wordpress.com/2014/11/22/21-nov-2014/>

Reply

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SMART Trader November 22, 2014 at 9:17 AM

Nice Blog.
justnifty became a private paid site ?

ST



Bhavir November 22, 2014 at 11:32 AM

Private; not paid - you have to request Ilango sir for access.

Reply



Unknown November 22, 2014 at 10:21 AM

Hello ST,

Just came across this blog. I also trade on similar things (not exactly the same though:)

Please look at the scenario from yday (zoomed). Till the 3rd bar, it looked as if it is rejection of PDC and trade (red arrow) triggered. I see you have NS BRN marked in ur chart but somewhere I also see that at times you take entries even if NS BRN is around. How can we avoid situation like this plz ?

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

Reply

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SMART Trader November 22, 2014 at 12:17 PM

Trading NF looking at NS levels wont work
I exercise caution at these levels and avoid trading into those levels
I wait NF to form a pivot there. Then action will be based on that level

ST

Reply



amber November 22, 2014 at 11:17 AM

Sir good morning,sir justnifty is not the paid one till yet as the readers keep on putting and writing the heaviest trouble in blog ,so now its only on invitation only thnx

Reply



Lisa November 22, 2014 at 1:06 PM

Dear ST,

I have added two new pages ('khujli Trader' and 'Trading for a living') under Trading insights in my resotrading blog. I hope you and your readers like it. If anybody faces access problem, please email me at resotrading@gmail.com

Thanks

Reply



Unknown November 22, 2014 at 6:38 PM

can u please write a detailed post on big picture i mean how to read big picture ,wat all to consider etc etc...

Reply

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 - [June](#) (26)
 - [May](#) (20)
 - [April](#) (22)
 - [March](#) (24)
 - [February](#) (21)
 - [January](#) (26)
- [2013](#) (299)
- [2012](#) (338)