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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*

Saturday, June 7, 2014

## Daily Dose

I am not a fan of multiple time frame analysis. Markets have no time frames. It produces a continuous stream of data from open to close. We chop it and chart it as per our own convenience. Candles and resultant patterns will differ as per the charting method.

This logic is not applicable to 'Daily' charts in respect of a day market. Here there is no question of chopping. They are for real and all the traders watch the very same levels. That is why levels like PDL, PDH and PDC attracts a lot of order flow. These are simply the High Low and Close of the previous day candle.

Every 'Day candle' is considered as a range. Price breaking out of this range is a major transition. Price moving above PDH and falling below PDL are important events. Breaking the PDH is a bullish event and a break down below PDL is very bearish.

Decision Point method works well when the day traders are in control of the market and fortunately most of the days they do. But it is important to know what the positional and investor side of the market is doing and its impact on our trades. The easier way is to have a look at the daily and see whether it is in a rally mode or in a decline mode. In other words look at the micro trend in Daily chart. ([Read More](#))

When market is in a rally mode, buying range lows can be more rewarding and in a decline mode selling range highs are preferred trades. Be very careful while shorting rallies and buying on declines. Focus on PDL on rallies and monitor PDH on declines. Break of these levels will change the trading mode.

If market trades within a candle for the next few days this will create a Master Candle and this MC may act as a range. Pay attention to the MC extremes also.

Do not forget to take your daily dose. It is very important for your financial health

Posted by [SMART Trader](#) at 1:17 PM



## 17 comments:



[nifty for bread](#) June 7, 2014 at 2:08 PM

Sir,

Thank you so much for this highly informative post.

Which one do you prefer for Day charts - Nifty Spot or Futures? Due to ever changing premium, price may not hit the swing high/low of Nifty Futures and Spot charts at the same time.

S.Karthikeyan

Reply

▼ Replies



[SMART Trader](#) June 7, 2014 at 3:42 PM

SK

Swing highs and lows are not important here.  
The question is whether Nifty daily is in micro trend  
That is each successive daily bars making higher highs and higher lows  
We are not following the normal trend definition of higher/Lower swing Highs/Lows  
Further we are only giving some extra weightage to micro trend in dailies on the decision making process

ST



[nifty for bread](#) June 7, 2014 at 4:15 PM

Sir,  
Thanks for the guidance.  
S.Karthikeyan

Reply



Unknown June 7, 2014 at 2:21 PM

Hi ST

Thanks for the post.

I completely agree that the daily plays an important role for the next day trading.

Along with PDH, PDL and PDC, I also keep an eye at Median for the day. I have found that usually when there a fluid between PDH and PDC, the Median for the day plays the role of a DP which can act as a Flip or can create a double bottom or double top and continue further. It acts like a signal.

Thanks for the post and drawing attention to the use of 'Daily Dose'

[Plz Click to find Election Result Nifty MC](#)

TBP

Reply

▼ Replies



SMART Trader June 7, 2014 at 3:47 PM

MC low gave support. What now  
A BPB or a BOF?

ST



Unknown June 7, 2014 at 4:32 PM

ST

Last week it was a Bearish engulf, this week its Bullish.

So lets see. My guess is if 7400 holds then it can avoid a BOF.

TBP

Reply



A June 7, 2014 at 6:36 PM

Hi ST,

Very informative post. I have been trading Nifty with DP method for past 3 months. I am able to make profits but it has been vanished by consecutive losses. It has been happening again and again. I lost confidence sometime but you people are very successive that made me to stay persistence and get back my confidence to become developed trader. Thank you.

Regards

Arunkumar

Reply

▼ Replies



SMART Trader June 7, 2014 at 10:24 PM

Arun Kumar

Understanding the concepts in principles is not enough.

You will not be able to execute it unless you trust it to the core and live by them

After a string of losses you have lost the trust and confidence in the method. You will not be able to trade the method consistently unless you regain this trust. Analyze the historical charts, Paper trade and simulate till then. Do not commit real money. Alternatively you can try the method on stocks with less risk and position

This is a slippery slope and it will take time. Not three months but much much more. It took me three long years to develop a method. Analysing charts regularly for 3 years. Full time trading for more than 9 months but still a single lot trader.

Give your success time to cook.

<http://jamesclear.com/follow-recipe>

ST



PA Trader June 10, 2014 at 10:58 AM

I was not able to execute trades consistently because of my fear of loss. Even one lot of NF was proving too much to handle. So I have now shifted to USDINR. I have fixed my max loss amount per trade with which I am comfortable, and then I manage my positions accordingly. Minify was such an excellent instrument for serious learners, but SEBI decided to scrap it unfortunately.

Reply



Trekkie June 7, 2014 at 8:34 PM

Awesome post. Thanks so much ST.

Reply

[amber](#) June 7, 2014 at 9:50 PM



Sir good evening and thnx for the write up thnx.  
Reply



**amber** June 8, 2014 at 1:03 PM

Sir good afternoon ,sir,In other words look at the micro trend in Daily chart,kindly update then where is minor and major trend applied  
thnx  
Reply

▼ Replies



**SMART Trader** June 8, 2014 at 1:13 PM

There is no need to go that higher if you are into day trading  
A micro trend in daily itself is a major trend in 3M Charts

ST

Reply



**abi** June 8, 2014 at 2:34 PM

Sir  
How to find median?  
Reply

▼ Replies



**SMART Trader** June 8, 2014 at 2:39 PM

Sorry. I do not know much about it  
Please do ask TBP  
<http://tradingblisspoints.blogspot.in/>

ST

Reply



**amber** June 8, 2014 at 2:37 PM

Sir thnx  
Reply



**amber** June 8, 2014 at 6:30 PM

Sir good evening ,sir today eve sent you a mail when time permits kindly check thnx  
Reply

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