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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

Wednesday, December 24, 2014

24122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
 Could not trade today and yesterday. My computer is having some memory problems pertaining to old age. The service person is on Xmas leave. So I will be back only on Monday. Today being expiry day market gave two opportunities . Breakdown below RN 8250 and later a BOF of the level. The analysis is on hind sight and is based on option strike levels.

Posted by SMART Trader at 3:59 PM



16 comments:



Trader Pai December 24, 2014 at 4:11 PM

Hi ST,
 Please comment
<http://tradingdecisionpoints.blogspot.in/2014/12/23122014.html>

rgds
 Kishore
 Reply

▼ Replies



SMART Trader December 24, 2014 at 4:25 PM

Good trades. If you are in good profit and the move is maturing you may consider exiting
 You can exit when price hit the previous day BO point. End of Fluid. Consider the time also. After a big move price may consolidate for a while. A decisive move rarely happens during lunch time. 12.30-2.30. Usually the afternoon move starts after 2.30

ST

Reply

Trader Pai December 24, 2014 at 4:17 PM



Hi ST,
Took two trades today..Both failed.
<http://tradingdecisionpoints.blogspot.in/2014/12/12242014.html>

Closed this contract with +71 points .

First Month :- -100
2nd:- -100
3rd :- -60
4th :- +71..

I have positive closure in December but the month was very volatile and gave good moves .So cannot judge on the improvement

Merry Christmas to you and your family and for all the blog visitors

thanks n rgds
Kishore

Reply

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SMART Trader December 24, 2014 at 4:53 PM

Do not go counter trend unless it is a very decisive BOF.
Do not trade into Decisive levels.On expiry RN is an important level
Volatility affects both your profits and losses. Your 10 point stops will be taken out more frequently
Pareto principle is applicable to trading also
http://en.wikipedia.org/wiki/Pareto_principle

ST

Reply



xrtrader1 December 24, 2014 at 5:34 PM

Thanks ST..

Reply



vinayak December 24, 2014 at 5:37 PM

sir i want to know meanings of PDC/PDL/BOF/RN.

Reply

▼ Replies



SMART Trader December 24, 2014 at 7:01 PM

It is there on the front page of the blog. Seek and you will find it

ST

Reply



Lisa December 24, 2014 at 6:36 PM

Looking forward to see you back in action!

Reply



Bhavir December 24, 2014 at 11:53 PM

Thanks ST. I had similar observations with thought process described below. Do you agree with the thought process?
<http://niftytradediary.wordpress.com/2014/12/24/24-dec-2014/>

Yesterdays observation at -
<http://niftytradediary.wordpress.com/2014/12/23/23-dec-2014/>

Reply

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SMART Trader December 25, 2014 at 9:40 AM

Your thought process is right
Core concept is the acceptance and rejection of price at Decision Points
It is a thinking game and you need to develop a story as price action unfolds focusing on the right variable

ST



Bhavir December 25, 2014 at 10:10 AM

you make it sound so simple :)
you have unmatched experience and screen time - enjoying the journey currently.

Merry Christmas!



Bhavir December 26, 2014 at 12:19 AM

btw, 8200 PE option had hit a low of 40 paise .. before markets turn down and it hit Rs. 25+ :)
just an observation ;)



SMART Trader December 26, 2014 at 8:47 AM

Barring some premium eating option strategies, all methods requires directional price move
If you can identify a location and pattern from where a non random directional price move can originate, you will win in this game. Rest is just tactics and risk management

ST

[Reply](#)



Bharat December 25, 2014 at 11:13 AM

ST,

If you were trading today . should we take trade at 2.55 where most of expiry blues start giving both ways movements many times.Also we were in range of 8254 to 8220 at that time.

Thanks and Regards
Bharat

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SMART Trader December 25, 2014 at 11:19 AM

Usually I stay out during announcements and expiry. Method works well when day traders are in control
It is very difficult and disastrous to trade such volatile times with 10 point stop

ST

[Reply](#)



Bhavir December 27, 2014 at 2:00 PM

Hi ST .. terrible day yesterday. But hopefully lessons learnt and mistakes won't be repeated again.

<http://niftytradediary.wordpress.com/2014/12/27/26-dec-2014-how-not-to-trade/>

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