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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, February 22, 2013

22022013



Nifty opened near PDL. IR formed. Went long on the TST of IR Low. TP at IRH. BPB of IR high gave a long signal. This trade failed. Missed the final rapid down move.

Posted by SMART Trader at 5:16 PM



7 comments:

Pushpa February 22, 2013 at 6:37 PM

Sir

What made you stay in your first trade TST of PDL/PDC? There were 9 continuous red candles in the pullback. I also took this trade but scratched..hence wanted to know.

Reply



SMART Trader February 22, 2013 at 8:22 PM

Pushpa

I Cant justify this. But I strongly FELT the price is not going to break below PDL.You may call it a gut feeling.I stayed because of the following reasons

- 1.I expected the market to consolidate and move in a range after yesterdays steep fall
- 2.There was no gap down in the morning because there was no follow up for previous day selling.
- 3.Initial move was up that too a WRB which could close above the FTA a swing high. This showed there is buying.
- 4.it took one hour to retrace the 10 minute initial move. No aggressive selling.
- 5.Yesterday a lot of positional traders could be short expecting a gap down. They are disappointed and going to cover due to week end.
- 6.Very rarely you can see a confluence level like this PDC-PDL-DO-IRL-and this later qualified as LOD.
- 7.Did you notice the price level ? 5850. A psychological level even though not as effective as a BRN
- 8.Risk on the trade was very low.

Anyway my read was correct. This level held strongly even at the third attempt during the last 15 minutes

ST

Reply

vishal [February 22, 2013 at 8:33 PM](#)

Sir
what is CT.? Its not in glossary.,
Reply



SMART Trader [February 22, 2013 at 8:42 PM](#)

Vishal

CT means Counter Trend
Trade against the prevailing trend is called a CT trade

ST
Reply

Anurag [February 22, 2013 at 10:29 PM](#)

ST Sir, where could we have got onto the last move downward?? BPB after re-entering the range (weak PB, tried but was not sure of the dim, so din take it) or simply when price re-entered the range after failed breakout?
Reply



SMART Trader [February 22, 2013 at 10:43 PM](#)

Anurag

You can trade it as a BOF of IRL.
Enter when the price re enters the range. need not wait for a pull back after a BOF.
In this situation there is a possibility of price bouncing from 5860 as happened earlier. But you can expect a break of this area as there are two groups of trapped traders. Original BO traders and those who traded the BPB like me

ST
Reply

Pushpa [February 24, 2013 at 7:22 PM](#)

Sir

If only I had couple of reasons more, I would have hold onto my trade. There is so much more than just reading candles. I am a novice in understanding market context. Need to work on that.

Thank you Sir.
Reply

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