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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

Thursday, March 13, 2014

13032014



Nifty opened above PDC. IR formed between PDH and PDC. Long on the break of PDH. Covered when price failed to stay above NS-RN 6550. Formed a classic Cigarette pattern for two hours. Finally a break down. Cool 50 point trade. TP at PDL.No other trades.

Posted by [SMART Trader](#) at 3:45 PM



39 comments:



[xrtrader1](#) March 13, 2014 at 3:55 PM

Thank you.

Reply

[Anonymous](#) March 13, 2014 at 4:05 PM

Dear ST,

I entered the down move at a stop order below PDC and IRL. You entered just below cigarette, you did not expected them to act as a barrier or just chose to ride till those level and then decide further.

Reply



[Unknown](#) March 13, 2014 at 4:07 PM

Hi ST

Could you tell the reason for taking the direct BO entry as long??

Thanks

TBP

Reply

[Unknown](#) March 13, 2014 at 4:11 PM



Thanks for updates.

Recently started reading your book 'Decision Points'. Can i post my queries related to that book here?

Reply



SMART Trader March 13, 2014 at 4:21 PM

Jhonny

Book contain very little information. Go through the important posts listed below the blog for more information

ST

Reply

Anonymous March 13, 2014 at 4:27 PM

Hi ST

When did you TP for the last trade at PDL ; first attempt or after the pull back ?

AND Wouldnt you have gone long above cigerrate even though HOD was there ..If yes will the entry be above HOD ?

thanks

Kishore

Reply



Unknown March 13, 2014 at 4:31 PM

Thanks ST. not aware of this section..will browse through them and will trouble you for explanations..)

Reply



SMART Trader March 13, 2014 at 4:35 PM

TBP

After open, price went up and got rejected. There was another attempt again which also failed. But strong rejections were not able to push price below PDC/RN. The second round of selling ended up forming a higher high. Expected some stops above the IRH.

ST

Reply

Anonymous March 13, 2014 at 4:41 PM

Hi ST,

I took PDH at pin bar i.e @ 6579.9, is it ok?

Ravi

Reply



SMART Trader March 13, 2014 at 4:52 PM

Anon

Try to enter as early as possible.

I will try to enter on BOF of an extreme rather than the BO of the other extreme. If you feel a BO will work enter early and manage it.

ST

Reply



Uday Dave March 13, 2014 at 4:55 PM

Hi ST

Enjoyed the comments on yesterday's post. I also eagerly await.

Would like to open an a/c. Which online broker would be good?

Thanks

Reply



SMART Trader March 13, 2014 at 5:07 PM

Kishore

When second push after the pullback failed.

Long trade was very tricky with HOD, Highest high and BRN above the level. My order was above HOD

ST

Reply

SMART Trader March 13, 2014 at 5:14 PM



Ravi

I usually ignore tails for calculating levels. Most of the time it works well

ST

Reply



SMART Trader  March 13, 2014 at 5:21 PM

URD

Try TSO

<http://www.tradesmartonline.in/>

Cheaper than zerodha @ less than 100/- for a round trip.

ST

Reply



xrtrader1 March 13, 2014 at 5:33 PM

Hi ST,
FYI..

<http://zerodha.com/z-connect/traders-zone/taxation-for-traders/taxation-simplified>

Has info on Taxation.

Reply



amber March 13, 2014 at 5:47 PM

Sir good evening, sir the BO candle marked in the morning can it be taken as MSP, kindly update thnx

Reply



nifty for bread March 13, 2014 at 5:51 PM

Sir,

Is there a significant critical mass as of now? Tomorrow is Friday. Your guidance will be helpful to manage our trades towards the end of the trading session, tomorrow.

Thanks,

S. Karthikeyan

Reply



PA Trader March 13, 2014 at 7:23 PM

ST, Was there a BOF opportunity at 11:51 and a BPB opportunity at 12:21 candles? And then I also took a TRAP trade at 12:39. By the time I realized that it was a cigarette I got whipsawed multiple times

Reply

Anonymous March 13, 2014 at 7:27 PM

Sir,

In today's trade when you say that your order was above the HOD, then can we place two pending orders in the system at same time?. I mean Buy order above HOD and sell order below Range low and wait for the verdict of cigarette pattern.

Thanks.

Arvind

Reply

Anonymous March 13, 2014 at 7:42 PM

Hi ST

My today's trades

<http://tinypic.com/r/jinpqc/8>

Was my exit for the last trade OK (PDL marked wrongly..pls ignore)

I took a wrong trade (2) long over the swing high ...

thanks

kishore

Reply



SMART Trader  March 13, 2014 at 9:36 PM

Xrtrader1

Thanks

Will go through it

ST

Reply



SMART Trader March 13, 2014 at 9:39 PM

Amber

You have not understood the concept of MSP correctly. Please go through the post once again
MSP is a swing pivot. Either a swing high or low. Morning BO bar is not a swing point

ST

Reply



SMART Trader March 13, 2014 at 9:56 PM

SK

These are all just assumptions. The easier way is to look at higher time frame charts. If you look at 30 or 60M charts still the up trend is intact. Today actually it was a BOF of range low. We can safely assume critical mass of higher time frame traders are still long
Once 6500 breaks to the downside, these people will panic, I think. The ideal situation is a morning up move to attract short term longs and a final sell off.

ST

Reply



SMART Trader March 13, 2014 at 10:13 PM

Arvind

You can do it

ST

Reply



SMART Trader March 13, 2014 at 11:15 PM

PATrader

Please do stop trading the method with real money. Paper trade it for a while till you gain confidence
The very basic rule of the method is to initiate trades only at DPs and to HIDE INITIAL STOP BEHIND A DP.
<http://niftynirvana.blogspot.in/search?q=trade+plan>

The problem is you are looking for patterns without paying any attention to the big picture. It is not going to work

ST

Reply



SMART Trader March 13, 2014 at 11:27 PM

Kishore

Yes. You are doing well.

ST

Reply

Anonymous March 13, 2014 at 11:30 PM

thanks ST

Reply



amber March 13, 2014 at 11:42 PM

Sir thnx, sir as a general guideline when price gets rejected for the third time @ resistance we can look for reversal and today it resisted 4 times @ NS RN and reversed sharply , kindly update thnx

Reply



PA Trader March 14, 2014 at 8:39 AM

Thanks ST for your advise. The fact that I still cannot understand why the BOF was not as per rules means I need to work harder at this.
Thanks again.

Reply



SMART Trader March 14, 2014 at 10:42 AM

PA Trader

There was a BOF at PDH. Agreed

But tradeable? IMHO NO. Reason

1.No longs shaken out here and No stops triggered here. Most of the longs entered on the break of IRH. Their stops are below the swing low

2.No body will short the break of PDH. Shorts will be created on break of swing low.

3. There are not many trapped traders.
4. Where one can enter safely? above 11.30 bar high at 6577.55
5. Where is the FTA? 6580 the NS RN. Should we trade for 2 points.
6. Next Resistance? 5887 HOD
7. Next? Highest high 6592
8. Next? BRN 6600
9. Do you think the trade a high probability one?
10. Do not look for patterns inside a narrow range.

ST

6.

Reply

▼ Replies



Trekkie May 29, 2014 at 11:17 PM

Hi ST,
Could you please help me understand your point 2. "No body will short the break of PDH. Shorts will be created on break of swing low".
These are the type of entries I would probably get caught in, why are we waiting for a pivot below PDH and not shorting break of PDH directly?



SMART Trader May 29, 2014 at 11:38 PM

S Roy
Think about how other people trade. Traders might have gone long on the break of PDH
Where are they going to keep their stop? at least few points below PDH. So while shorting there we will not be able to ride stop triggering. After a prolonged sideways move traders shifted their stops below the earlier swing low and triggering of the stops caused the momentum move down. Ensure stop accumulation before a direct BO trade

ST



Trekkie May 29, 2014 at 11:58 PM

Hi ST,
Thank you so much.

Reply



SMART Trader March 14, 2014 at 10:48 AM

Amber
Do not make such rules. Price may test a level 10 times and break it. If you feel it will break enter the trade and control risk

ST

Reply

Anonymous March 14, 2014 at 11:19 AM

Hi Rajesh,

Has any one of your reader are using sasonline.in for trading?

Their pricing is Rs.9/- per trade.
Rs.999/- unlimited trading
Rs.499/- unlimited currency
Trading platform NSE NOW
<http://sasonline.in/lowest-pricing-in-trading.htm> is their pricing plan.

I would like to know their services before I subscribe to them for trading for options.

Wishing a good trading day !

Thanks and Kind Regards,
Siddhartha

Reply



PA Trader March 18, 2014 at 7:04 PM

ST, Thanks for your explanation

Reply



Trekkie May 15, 2014 at 6:22 PM

hi ST,
For the last short entry, was entry below the lowest low in the cigarette pattern or the swing low prior to the break down of price, or some other? Thanks for your help.

Reply

▼ Replies

SMART Trader May 16, 2014 at 6:00 PM



S Roy

Below the lowest low.

ST



Trekkie May 16, 2014 at 6:19 PM

Thanks a lot ST.

Reply

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