

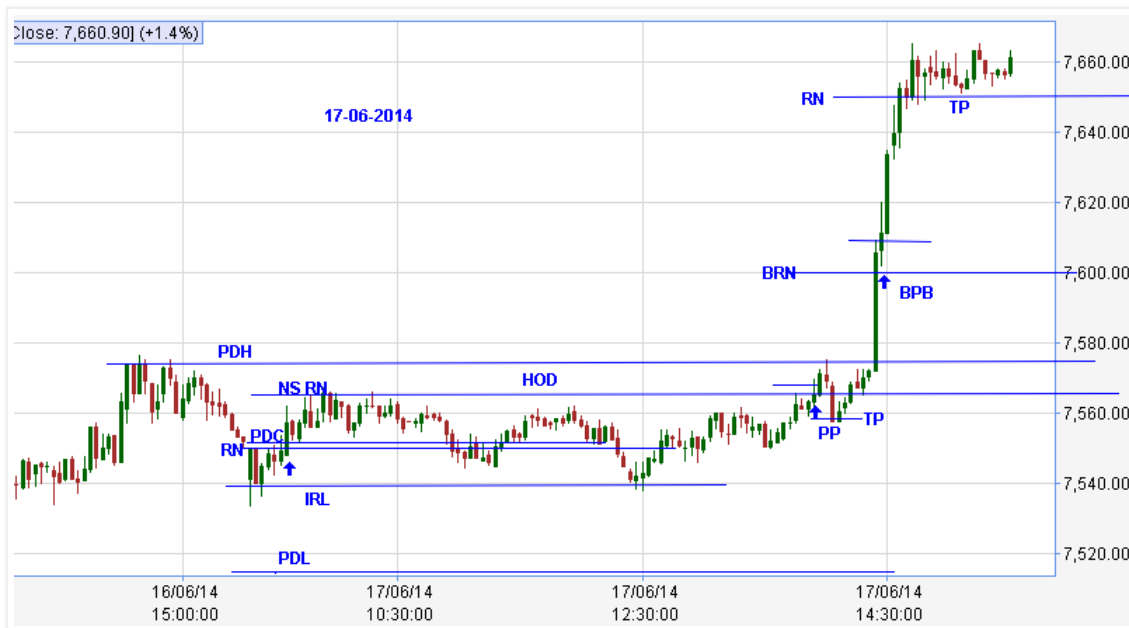


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Tuesday, June 17, 2014

17062014



Nifty opened within previous day range. IR formed within the first MC. Long above IRH/RN/PDC. Expected a move to PDH. But NS RN resisted. Scratched the trade. Nifty made a Barbed wire around PDC/RN/IRH. Went long above HOD. I expected some stops above HOD which can take the price above PDH. But Nifty suddenly reversed and stopped me out. My sell order was the last one got executed, it seems. Hesitated for a while to go long. I could enter the move only when it paused at 7609 with SL below BRN. TP at RN 7650. If you happened to short the BOF of HOD, never keep your SL above PDH especially limit orders. That is at the second level of LOL. Exit above the breakdown bar. Price may jump your stop and you will be in heavy loss within no time

Posted by SMART Trader at 3:42 PM



54 comments:



Unknown June 17, 2014 at 3:49 PM

ST Sir,

Surprisingly good day, Avoided barbed wire & waited to trade extremes as you used to say.. Above PDH nifty zoomed.. captured big move.

TRADE1:

Long at 7553, above IRH, BRN with initial SL 7545 (below recent candle close)  
Moved SL to 7549, below BRN  
Moved SL to 7555, break even  
Trail SL hit; exited trade at cost

TRADE2:

Long at 7575, above PDH with initial SL 7565  
Moved SL to 7571, below low of PDH BO candle  
Moved SL to 7598, below BRN  
Moved SL to 7634, below low of 7650 RN BO candle  
Moved SL to 7645, below swing low  
Moved SL to 7648, below BRN  
Exited trade at 7655 near EOD, with gain of 78 points

Points earned: +78

Reply

▼ Replies



**SMART Trader** June 17, 2014 at 4:06 PM

Nice trades.  
Nifty trapped both day traders and positional shorts

ST

Reply



**Unknown** June 17, 2014 at 4:27 PM

Except for the late afternoon move, whole day nifty was making a grinding move. Missed the afternoon move as I was out. The move looked like as it was to trap the traders.

Reply



**Mahesh** June 17, 2014 at 5:28 PM

Hi Sir,

I am taking correct trades. but after seeing small profits like 5 to 10 nifty points...closing the trades. Pls suggest me sir.

Thanks,

Reddy

Reply

▼ Replies



**SMART Trader** June 17, 2014 at 6:01 PM

Mahesh

80% of the profit will come from 20% of your trades  
If you cut short big moves ,you wont be in profit  
I will try to address this problem in a separate post

ST



**Mahesh** June 17, 2014 at 6:05 PM

Thank you very much sir!

Reply



**PA Trader** June 17, 2014 at 5:35 PM

ST, I have been trading USDINR since the past few days using DPs. I shifted to USDINR primarily because I am better able to manage my positions as per my acceptable max loss per trade. I am now more confident in executing trades as and when they present themselves. I am trying to maintain a blog at <http://patrader101.blogspot.in> . Request you and other visitors to your blog to visit and provide feedback. Thanks !!

Reply

▼ Replies



**SMART Trader** June 17, 2014 at 5:56 PM

PA Trader

Nice blog. Be consistent with your blogging like your trading.  
Please do make a small post about the currency contracts, lot size, Risk you are taking on a trade etc. Many people like me are not aware of it. How well DPs are working on it? Earlier people could trade Mininifty with little risk. As you mentioned NF is too difficult for a novice to trade. I will link to that post. I think many of the readers might be interested

ST



**Unknown** June 17, 2014 at 7:42 PM

Very nice blog PA Trader...!!!! Have bookmarked it already. Hope you would continue to publish the charts daily. It will be a good learning for me.



**PA Trader** June 17, 2014 at 10:10 PM

Thanks ST and Sathish. I will try to be disciplined. This is the fourth time I have started a blog. Other three were non-trading related. None of them made past three or four posts.

Reply

**kishore** June 17, 2014 at 5:56 PM



ST,  
A bit busy at work ... Not able to follow live ...

rgds  
Kishore  
Reply



**Trekkie** June 17, 2014 at 5:59 PM

Hi ST,  
Whee was the correct entry for the last long? I hesitated to enter above body high PDH and entered above \*\*77.85 PDH. The entry was on the running bar, so I think my entry was wrong.

Reply

▼ Replies



**SMART Trader** June 17, 2014 at 6:15 PM

I did not understand what you meant by running bar  
Always trade BO with SL Limit order. Feed the order in advance  
If you are trading the BO of PDH keep your order 2-3 points above it

ST



**Trekkie** June 17, 2014 at 6:59 PM

Hi ST,  
Thank you. By running bar I meant BO without waiting for pull back,. I think today also we had pattern 9 situation. I also took that PP trade and got stopped out. I had messed up in morning's sideways so dived in on breakout of PDH without waiting for pull back because of pattern 9 . Was it correct to enter above wick of PDH (7577.95 + filter) or should I have entered at PDH at body high ( 7574 + filter) ?

Reply



**SMART Trader** June 17, 2014 at 6:04 PM

Dont worry. Markets are for ever.  
I thought you might have landed in UK or US

ST  
Reply

▼ Replies



**kishore** June 17, 2014 at 6:11 PM

nope ST .. fight is on :)

rgds  
Kishore

Reply



**sentu shil** June 17, 2014 at 6:42 PM

Sir,  
As a profession im trading for living for last 1 year.As yesterday i gone to my girlfriend house,her father told me why r u in gambling..i told him i'm not than he told me that he heard from her daughter that i trade for living .But here in my whole life i never bought a single lottery ticket,never bet with my frnd..actually in my family my grandfather gamble lot on horse race,and when my father age is 15 ,he killed himself..we r little known bengali family from north kolkata so from thatday my father struggle with family business and with his determination he succeeded.I never seen my father to buy a lottery ticket and never i did.But,now sir really do i'm really gambling which my family hate so much..do there is no value of market reading,studying..do we r just professional gambler(last one from my would be father in law quotation)...my father never comment anything abt my work..but my father love me lot may be thats why he never told me anything..sir,plz clarify me do i really took gambling as profession...waiting for ur insight,,  
Thank u..

Sentu

Reply

▼ Replies



**The Speculator** June 17, 2014 at 9:16 PM

Hello Sentu...

Trading is NOT gambling for sure.

But please make sure you have other plans too, just in case trading never worked for you...  
or it may take 4 to 5 years of very \*hard work\* to become a mature profitable trader in my opinion.

okay back to your question:

both gambling and trading involves betting. To differentiate gambling from betting...

ask this question: can you control the losses i.e risk ?

If the answer is NO then its gambling... you throw a bet roll your dice and nothing you can do to improve the situation.

If you can control the risk, through reducing the position size on losing and increase the position size on winning... or cutting your losses small and letting your profits run bigger... then you are controlling the risk.  
If you can spot an opportunity where rewards are better than risk... then you are managing the risk.

Understanding and managing risk is precisely what you do in trading, its not gambling.  
For instance insurance companies exactly do this... they manage the risk of its policy holders and risk to the company... and at the end they make profit... so does LIC company doing gambling? NOPE

What does a business man do ? he finds an opportunity where he can make loss but if it works out he will be making lots of money. usually business men... fail in first 2 or 3 business before they find their jackpot business...

This is also a type of risk management and we call entrepreneurship.

In trading you do exactly similar things, find trading opportunities with bigger potential for profit with better risk to reward setups... how is this different than business men who are run the country ?

Risk is every where and inevitable... you have chosen a profession where you get paid for managing risk and finding profitable opportunities.

So you are not gambling or doing something immoral... infact you are doing a service to all idiots who don't know anything about risk management... so don't feel bad.

but final caution: risk management is NOT easy, its multidisciplinary study i.e you should know statistics, psychology, have emotional maturity etc etc.... so its not for all.



**PA Trader** June 17, 2014 at 10:06 PM

Is trading gambling? Is setting up a kirana shop, a restaurant, a factory gambling? A factory owner making 2000 shirts is gambling when he does not know how many customers are there in its targeted market area. Its not the factory which is gambling, its the factory owner who is gambling. I hope you got the message.  
But yes, as far as market value goes, trading IS NOT regarded as a profession or as a career and you will have to learn to live with these questions. People still ask poets...good that you write poems, but what do you do for a living? Its not going to end.



**SMART Trader** June 17, 2014 at 10:10 PM

I really wonder what is not trading.  
Every profession/business in this universe is nothing but trading.  
People trade materials, skill or talent. Some people sell their own skill and draw salary  
Some others buy low from them and sell it higher. Those who use leverage earns more surplus and get rich.  
Every business whether it is retailing, manufacturing or service makes money by buying low and selling high



**sentu shil** June 17, 2014 at 10:18 PM

Hi,  
Thank u for ur reply. On my 2 yr trading life i struggle lot on my first year..with lot of struggle, reading, backtesting and sir's advice help me out from my trading problem..And now if someone saying i'm in gambling then it hurt lot..bcos everyday i give my 100%..it take a toll on my mind after every trading session...  
Thank u..



**Unknown** June 18, 2014 at 1:01 PM

This what we are...  
[http://www.youtube.com/watch?feature=player\\_detailpage&v=MwKYjZ\\_8EcE](http://www.youtube.com/watch?feature=player_detailpage&v=MwKYjZ_8EcE)



**Trekkiie** June 18, 2014 at 1:26 PM

nice video :) Thanks for sharing.



**SMART Trader** June 18, 2014 at 1:35 PM

Uday

Thanks  
I had shared this one long back  
<http://niftyinirvana.blogspot.in/2012/03/we-are-traders.html>  
Do not miss their blog  
<http://blog.opentrader.com/>

ST

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Reply



**Allwin** June 17, 2014 at 6:55 PM

Hi ST,  
Where can I find the abbreviations of the markings above.

Thanks,  
Allwin  
Reply

▼ Replies

**SMART Trader** June 17, 2014 at 7:23 PM



Check Important posts below the blog

ST

Reply



A June 17, 2014 at 8:49 PM

Hi ST Sir,

Price yesterday and today till breakout price roams around congestion part and As you said yesterday price brokeout into the fluid. My clarification is If price roams around congestion part for long time shall we expect breakout in future?

Thanks  
Arunkumar

Reply

▼ Replies



SMART Trader June 17, 2014 at 10:15 PM

Arunkumar

Price cannot stay within the range for long.  
It will break out. The question is when? In which direction?

ST

Reply



amber June 17, 2014 at 9:58 PM

Sir good evening ,sir 12.27 pm low can be taken as double bottom ,kindly update thnx

Reply

▼ Replies



SMART Trader June 17, 2014 at 10:19 PM

Yes. It is a double bottom  
But difficult to long with many trouble areas ahead

ST



amber June 17, 2014 at 10:45 PM

Sir thnx

Reply



Trekkie June 18, 2014 at 9:56 AM

Hi ST,  
Today after yesterday's big move, what should we be looking for? IR B/O on both sides look dangerous. Wait for a couple of hours?

Reply

▼ Replies



SMART Trader June 18, 2014 at 10:18 AM

PDH and NS RN on top. Even Bank Nifty at BRN 15400  
Expect a consolidation after a big move  
Fluid below is mouth watering

ST



Trekkie June 18, 2014 at 10:26 AM

ST  
yea, it is really mouth watering. Fluid above also, 7715 is weekly/all time high. but may that would be greed trade? 2nd bar low is right at that 2:26 bar of yday. Could we consider that a MSP?



Trekkie June 18, 2014 at 10:29 AM

ST,  
Have you found out what is the percentage of times taking NS RN into consideration helps vs hurts?



SMART Trader June 18, 2014 at 11:23 AM

I dont trade such % probabilities

7715 comes after 7675 from where the fall started  
Yesterdays up move was through that fluid

ST



Trekkie June 18, 2014 at 12:04 PM

Thank you ST.



Trekkie June 18, 2014 at 12:18 PM

Hi ST,  
Could you please check if these range markings are correct. Thank you



SMART Trader June 18, 2014 at 12:33 PM

Where is the link?



Trekkie June 18, 2014 at 12:47 PM

Hi ST,  
Sorry I missed posting the link <http://i.imgur.com/9h0vdh.png>



SMART Trader June 18, 2014 at 12:54 PM

Yes they are probable ranges

ST

Reply



Unknown June 18, 2014 at 12:01 PM

Waiting for any of below trade to trigger....

Short at 7639, after BOF of HOD with initial SL 7651

Or

Look for long entry above BRN, after BOF of LOD,IRL

Or

Long at 7674, above HOD with initial SL 7662

Reply



SMART Trader June 18, 2014 at 12:14 PM

What if price makes a Barbed wire between HOD and IRL with DO,PDH,IRH,PDC,RN ,NS RN etc in between?

Reply



Unknown June 18, 2014 at 12:25 PM

ST sir,

Expecting at least 10 points move above HOD as NF consolidating in this zone, if not will scatch the trade  
Below LOD, fluid is there, if not worked.. scratch again

Trading extremes only, as barbed wire is forming and many DP's in congestion zone

Reply



Unknown June 18, 2014 at 12:32 PM

Fluid below LOD,IRL worked... :)

Shorted at 7639, after BOF of HOD with initial SL 7651

Moved SL to 7645, above high of LOD BO bar

Moved SL to 7616, above high of BRN BO bar

Reply



Trekkie June 18, 2014 at 12:53 PM

I jumped in below 12:24 and got out at 7566....there was no exit there, but got out anyway. glad to have caught at least a part of the move.

Reply

▼ Replies



**SMART Trader** June 18, 2014 at 1:00 PM

Nice trade.  
That is the power of fluid

ST



**Trekkie** June 18, 2014 at 1:04 PM

Thank you ST. Its purely because of your coaching.

Reply



**Unknown** June 18, 2014 at 2:34 PM

I wanted to go short below IRL hesitated for a moment and missed the move. How to overcome this ST? I knew that there was a lot of space down below atleast 40 points. But did not take the trade. Morning I took long trade without hesitation and scratched. Why I hesitated? I had even entered the order (SL Limit order) but did not place the order. Failure to execute the plan leading to frustration. Please advise.

Reply

▼ Replies



**SMART Trader** June 18, 2014 at 2:50 PM

Sathish  
It will take time. Time is an important factor in skill development.  
There are no short cuts. This is applicable to any method. But people wont stick.  
They will flirt to some other method. trading consistency will remain elusive for them

ST

Reply



**Unknown** June 18, 2014 at 2:54 PM

Next time I will ensure I stick to the plan.

Reply



**Unknown** June 18, 2014 at 3:09 PM

Actually I wanted to short @ rejection of PDC @ 7658; as it was rejected twice @ 12.09 PM and thought the moment the price pushes down it would trigger the stop below the IRL 7640. Mentally I was ready to scratch the trade if the price bounced back from 7650 without breaking the IRL. I thought it was a low risk entry; but did not enter the trade.

Reply



**Unknown** June 18, 2014 at 3:17 PM

ST I did not hesitate to take short @ 7594 @ 3.05 PM and just trailing my stop loss.

Reply

▼ Replies



**SMART Trader** June 18, 2014 at 3:49 PM

Very good.  
I missed it. I was a little careless

ST

Reply

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