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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, February 4, 2014

04022014



Nifty gaped down below PDL. IR formed. Skipped Counter trend breakout of DO/IRH as BRN was above the level. Short on BOF of BRN. Trade did not reach IRL as expected. Covered at a small profit. Range was a Barbed wire around NS RN 5950. Went long on the BPB of Range High/BRN. TP at PDL/PDC area.

Posted by SMART Trader at 3:33 PM



26 comments:



Uday Dave February 4, 2014 at 3:42 PM

Hi ST,
Please see,

<http://i.cubeupload.com/PROJtj.png>

It is in reference to <http://niftynirvana.blogspot.in/2013/10/initial-stops.html> Pic 9.

Isn't it picture perfect?

I could spot it successfully today and traded.

Thanks a lot.

Reply

Anonymous February 4, 2014 at 3:48 PM

Hi ST

Where did you put your SL for your BPB trade?

Thanks
tRaDeR_B

Reply

ANCOOP.AV February 4, 2014 at 3:52 PM

good evening sir ,today i took short position BOF of RH/BRN/DO and booked profit around 2nd flip zone and i avoided BP trade. sir i like your BOF trading method that is more comfortable than BP

Reply



Unknown February 4, 2014 at 3:53 PM

Hi ST

Thanks for the analysis

TBP

Reply



SMART Trader February 4, 2014 at 3:57 PM

tRaDeR_B

My physical stop was below the previous swing low. But I will scratch if the Range high flip did not hold

ST

Reply

▼ Replies



Trekkie May 13, 2014 at 8:37 AM

Hi ST,

Please would you tell what you consider as range high flip "not holding". A close below range flip?



SMART Trader May 16, 2014 at 4:13 PM

S Roy

A resistance once broken should act as support on revisit.

This change in polarity is called a price flip.If this is not happening it is time to suspect the strength of trend

ST

Reply



SMART Trader February 4, 2014 at 4:26 PM

URD

The same situation

While defining ranges always consider a wave (either impulse or corrective) as a probable range

Wide ranges always will have a mid point like Brackets or Barbed wire.It is better to consider your range 1 and 2 as a single range.Otherwise you will end up fiddling with the middle and lose.

<http://i60.tinypic.com/ixcg01.png>

For breakouts you can wait till the latest flip breaks. If your RR permits

ST

Reply

▼ Replies



Trekkie June 16, 2014 at 7:58 AM

Hi ST, in this chart, please could you tell at what point the red and green ranges become a range. I have marked my understanding of when with the yellow arrow (red range) and the purple arrow (green range). Please correct it. <http://i.imgur.com/3Crtuc0.png>



SMART Trader June 16, 2014 at 10:25 AM

S Roy

If price tests each extremes twice , you can consider it as a confirmed one

Once a range extreme happens to be a DP it is a high probability trade location

ST



Trekkie October 6, 2014 at 5:22 PM

Hi ST,

I was just looking thru this image again. <http://i60.tinypic.com/ixcg01.png> What was the reason you have drawn the red range below BRN though price touched BRN, At what point did you bring the red range high down to where it is now? Thanks for your help.



SMART Trader October 6, 2014 at 10:45 PM

I have taken both the trades at DP BRN.

First one BOF of BRN and the second BPB of BRN

I was suspecting a deep pull back to the flip and stayed with the trade. Market proved the exact range after the pullback only. Till then it is just provisional. Lines are always drawn after the market close. I will not attempt a BOF of this provisional range high

ST

Reply



SMART Trader February 4, 2014 at 4:30 PM

Anoop

Stick and focus on what is comfortable. Learn it well and go for the next. Market will be there always

ST

Reply



PA Trader February 4, 2014 at 5:00 PM

Another day which reminded me of your advice on trading a with-trend gap opening. Thanks, I am learning a lot by following your style. I do paper trading through the day and in the evening do bar by bar backtesting of previous months trades. Then I compare my trades with yours and try to learn.

Reply



SMART Trader February 4, 2014 at 5:07 PM

PATrader

Trading is a mental sport.
Remember It demands continuous practice and training.
Do not look at very old charts. My style has evolved over time.

ST

Reply

ANOO.PAV February 4, 2014 at 5:30 PM

sir, i have trapped on more BPB trades and also missed BOF trade chance with it so i am focusing only on BOF trade

Reply

Anonymous February 4, 2014 at 6:48 PM

thanks ST for the post

Reply



Uday Dave February 4, 2014 at 8:34 PM

ST

Thanks for reply. Now please check this
<http://i59.tinypic.com/66yfcL.png>

As market progresses this is how range develops, correct?

Reply



SMART Trader February 4, 2014 at 9:54 PM

URD

I will make a separate post on this later as it requires some explanation. For the time being stick to your own first explanation and Pic9. It will serve the purpose.

ST

Reply



Uday Dave February 4, 2014 at 10:02 PM

ST

Thanks. Will eagerly wait.

Reply



Uday Dave February 5, 2014 at 9:39 AM

Good Morning ST,

I would like to discuss with you my thoughts during market hours like, bias, range, opportunity, etc. if you allow me and it does not bother you in your trading.

Reply



Uday Dave February 5, 2014 at 9:57 AM

ST,
Like this

<http://www.mql5.com/en/charts/1406830/nse-nifty-m3-gci-financial-ltd>

Reply



SMART Trader February 5, 2014 at 10:22 AM

URD

You are getting the thought process right. Just do it.
Live discussions are distractions and will become crutches later. It will lead to other cognitive problems like confirmation bias.

In fact this will make your Decision making process more complicated and inconsistent. Believe me I have gone through it earlier

ST

Reply



Uday Dave February 5, 2014 at 10:27 AM

ST,
Thanks. You are right.

Reply

Anonymous February 5, 2014 at 12:02 PM

ST Sir,

After you made your BPB entry, there was again a pullback to IRH and at least 3 candles closed below BRN before taking off to touch PDL/PDC/TP area. May I know, what prompted you to stay in the trade in this instance.

My query is also in the backdrop of your 10 point answer to SK on the 03022014 chart. Would point #3 about gap closure not apply to this instance.

Regards,
KSG

Reply



SMART Trader February 5, 2014 at 12:49 PM

KSG

Read the first comment by URD

ST

Reply

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