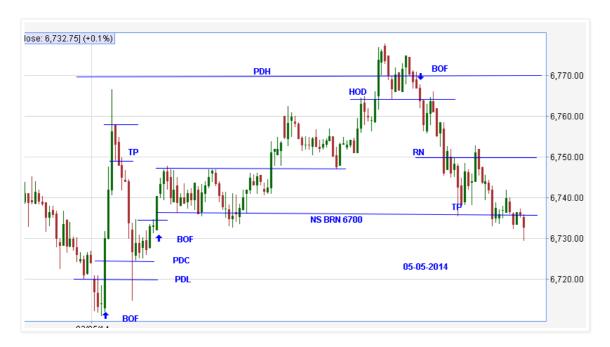*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Monday, May 5, 2014

05052014

Nifty opened near PDL and attempted to move down. BOF of PDL gave a long signal. Long on break of PDC. TP when price broke below RN. Then nifty came down unexpectedly and gave another long trade. BOF of PDC/PDL. This trade did not move as expected. covered at a 10 point profit when second push to RN failed. Could not capture the rest of the up move. Short on BOF of PDH on break of HOD. TP at 6735, NS BRN area.

Posted by SMART Trader at 3:37 PM   M🅱 t 🟦 f ⊘

28 comments:

NPA Trader May 5, 2014 at 3:45 PM
Dear ST,

My entries today were exactly matching with you. But missed the first one.

http://nsemcxpriceaction.blogspot.in/
Reply

▼ Replies

SMART Trader ✏ May 5, 2014 at 4:08 PM
PA Trader

Good trades.
Unless you enter the order earlier, you wont be able to capture the first one

ST

Reply

Unknown May 5, 2014 at 3:49 PM

Hi ST

Was the first BOF PDL long on break of PDC a limit order entry?

Thanks
TBP

Reply

▼ Replies

SMART Trader 🖊 May 5, 2014 at 4:12 PM

TBP

Yes. It was a SL limit order.
As far as I know a limit order always gets priority
ST

Reply

Unknown May 5, 2014 at 3:51 PM

I traded BOF of PDC & BOF of PDH... made 50+
Thanks for this simple system sir.. i can see improvement.. though very early to say :)

Anyways.. let me come back to Q's.

I went long on BOF of PDC at 6725 with SL as low of day 6714.. low of Break down bar.
I went short on BOF of PDH at 6770 with SL as high of day 6779.. high of break out bar.

10 point SL in both cases.. but i am curious how you manage SL initially.. i mean just after entering trade.
Reply

▼ Replies

SMART Trader 🖊 May 5, 2014 at 4:55 PM

Rose Mary

Stop depends on the situation. For example the BOF of HOD
I did not short on the first break as I suspected a bounce from HOD. If I shorted there my stop will be above the extreme.Here
I shorted the swing low at HOD. My hard stop was above the lower swing high.but I will scratch if price goes above the DP.We
are trading acceptance and rejection of DPs. Everything else is just tactics.

ST

Reply

Trekkie May 5, 2014 at 3:54 PM

Hi ST,
Where was your SL when you took the first trade. Thanks.
Reply

▼ Replies

SMART Trader 🖊 May 5, 2014 at 4:24 PM

S Roy

Initial stop was just below PDL. at 6719
When it crossed RN I changed to 6748
Look at the tail when price came back to PDC. It was just an overshoot.
Orders were at PDC. Next 4 candles proved it. That is why I ignore tails

ST

Reply

PUCHU_2500 May 5, 2014 at 4:28 PM

ST sir, pls, see my chart. sir, is it CPB ? pls, explain shortly about this setup.
http://i.imgur.com/O1wI6EK.png
Reply

SMART Trader 🖊 May 5, 2014 at 4:58 PM

Pichu

I have already answered it in the earlier post
Check it

ST

Reply

Unknown May 5, 2014 at 6:27 PM

ST sir, basic question: should one watch the level of NS or levels of NF while trading NF?
Since NF reacts based on NS with a premium / discount, shouldn't we watch NS for trading NF?
I do see sometimes a 2-4 points of deviation in premium, but then it reverts back to average. Kindly suggest how should I approach.

Reply

▼ Replies

    SMART Trader ✎ May 5, 2014 at 7:12 PM

    Unknown

    Trade NF levels and monitor NS option strikes to manage trades.
    We cant say NS leads always. Many times it happens the other way.It was discussed here long back
    http://niftynirvana.blogspot.in/2012/10/nifty-levels.html
    We can think about making use of the divergence between NS and NF

    ST

    Reply

kishore May 5, 2014 at 8:57 PM

Hi ST,
Regarding your trade 1 :-
I did not take this trade because NS BRN was just above PDC at that time .
So can we say likr this if We have sufficient trapped traders we can ignore NS levels ?

My trades :-
http://tinypic.com/view.php?pic=10db0ar&s=8#.U2esTXbTq6I

+25 points today
Trade 1 :- BOF RN
Trade 2:- BOF
Trade 3:- BO RN (due to BOF of the range low) ..Pic 9 in your post TP at PDH
Trade 4 :- BOF PDH .But covered when the price bounced from MSP and crossed the flip .ST, How to scratch the trade at flips ..A close above the flip zone ?

Please comment especially on the last trade

rgds
Kishore

Reply

SMART Trader ✎ May 5, 2014 at 9:59 PM

Kishore

A BOF, Two layers of protection PDL and PDC. 5 point risk if you keep SL a point below PDL
Should we avoid this trade because of NS BRN?
Trade1. Very low probability. Still NS BRN was there.against a momentum up move.
Trade 2 Managed well
Trade3 Nice one.
Trade 4 Expect a bounce from MSP. Enter SL above the DP. Exit only when price move above flip and settles above it
Manage the trade considering other factors. Here BOF of PDH. Critical mass is long and getting trapped.

ST

Reply

▼ Replies

    kishore May 5, 2014 at 10:13 PM

    Yes ST,
    Critical mass was long.I got that .
    But was that a CT trade?.So was looking to scratch above flip.
    Or for us the trend is UP when the price moves above previous days range.

    rgds
    Kishore

    kishore May 5, 2014 at 10:14 PM

    Yes ST
    But Wasn't that a CT trade ?
    Or for us the trend is up when the price moves above previous days high

    regards

Kishore

SMART Trader 🖉 May 5, 2014 at 11:10 PM

Kishore

All BOF trades where critical mass get trapped are counter trend trades.
You are micromanaging the trades. If you closely observe, price never broke the flip convincingly . You have drawn the line at the extreme of the tail. Real flip was a little higher. The bottom of next three bars. Price never broke the high of your entry bar also.
Market is a place where tens of thousands of people execute countless strategies. Expect some overlap and overshoots. Manage the trades with this in mind. Trade the core concept . acceptance and rejection of price at DPs. Here price did not get accepted above PDH. Trade get invalidated only when price moves above PDH.We are using some thumb rules to avoid full stop outs. that is all. Here I never felt the price to go back above PDH

ST

kishore May 6, 2014 at 12:08 AM

thanks st

Reply

amber May 5, 2014 at 10:10 PM

Sir good evening ,sir kindly update on this Yes. It was a SL limit order.? thnx

Reply

▼ Replies

SMART Trader 🖉 May 5, 2014 at 10:36 PM

Amber

My entry was with a SL limit order. These orders are made in advance.
For example a SL order with a trigger of 6601 with a limit of 6602
Once price reaches 6601 this will trigger. But execution only within 6602

ST

Reply

amber May 5, 2014 at 11:12 PM

Sir thnx

Reply

Unknown May 5, 2014 at 11:54 PM

Smart Sir, You are doing a great job. Not many people help others this much for years, now don't say you are doing it to make a journal and help yourself. Again, Hats off, my Head off, my Brain off!

Manju

Reply

▼ Replies

SMART Trader 🖉 May 6, 2014 at 9:16 AM

Manjunath

Who told it is free?
I think you are from Gangavathi, the rice bowl of Karnataka
When I visit Hampi,I will let you know
You have to be my host

ST

Unknown May 6, 2014 at 11:00 AM

Sure boss. Btw, how come u know that i am from here. Anyways, even if you r in B'lore anytime, let me know. And u r from chennai, right?

Thanks
Manju

SMART Trader 🖉 May 6, 2014 at 1:13 PM

Manjunath

No. Iam from Thrissur, Kerala
http://www.fest300.com/festivals/thrissur-pooram-elephant-festival

ST

Reply

Unknown May 6, 2014 at 9:20 AM

Thanks ST

TBP
Reply

Trekkie June 28, 2014 at 12:05 AM

Hi ST,
How to avoid keeping SL below 10:48 a.m.

Reply

▼ Replies

SMART Trader ✏ June 28, 2014 at 10:21 PM

Read the new post
Trend Traps. same reason

ST

Reply

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