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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

Wednesday, February 19, 2014

19022014



Nifty opened within previous day opening range and spent almost all the day there. Only signal was the BOF of range low. I was not trading the afternoon session. I had some other appointments. Just 123000 lot volume today. Volume is drying up day by day. Once it was trading around 6 Lakh contracts a day

Posted by SMART Trader at 4:57 PM



11 comments:



xrtrader1 February 19, 2014 at 5:01 PM

ST, volume drying up is it part of regular market cycle.

Reply



SMART Trader February 19, 2014 at 5:37 PM

Xrtrader1

Market cycles will have some effect.
Main problem is the lack of interest from investing population.

As far as trading is concerned, I think the problem is few traders chasing too many contracts.

Traders shifted to commodos, currency and S&P. Now some VIX contract is coming and a few will shift to that.

End result is no liquidity in all the contracts

ST

Reply

Unknown February 19, 2014 at 6:30 PM



Hi ST
just an offbeat question.
Can we say that only a few traders are and will be loyal to one particular instrument??

TBP
Reply



SMART Trader February 19, 2014 at 6:57 PM

TBP

I think most of the professional Day Traders stick to one instrument. Each contracts has its own personality and behave differently.If you trade nifty, many times the fast and furious moves on Bank Nifty will surprise you.
Many people who traded nifty futures earlier, shifted to commodities and currencies.Many of them now trade options.I am afraid, the trading population is not growing to accommodate newer contracts

ST
Reply



augubhai February 19, 2014 at 7:39 PM

Interesting observation... The volumes have been declining. Volumes were higher in Aug 2013 when volatility was higher.

But the volumes are also a function of movement, i think. whenever there is a big move, even if it's a sudden move, volumes increase since SL's are triggered. Are the declining volumes a result of declining intraday volatility or vice versa? Which is the cause and which is the effect?

Reply

Anonymous February 19, 2014 at 7:50 PM

Hi ST,
Aren't marked circles BOFs ?
<http://tinypic.com/r/1zzahi/8>

thanks n rgds
Kishore
Reply



shub11 February 19, 2014 at 8:34 PM

Hi ST just a couple of questions

1. Why aint you trading multiple lots?
2. Why dont you trade stocks as they are more trending in nature as compared to NF?

Reply



SMART Trader February 19, 2014 at 8:40 PM

Kishore

Yes. If you are going very technically by definition.But I will consider this as a TST only as there is no reasonable crossing to the other side to trap breakout traders.
Check the 30 sec. chart
<http://screencast.com/t/NDAMOOQsENq>

ST
Reply

Anonymous February 19, 2014 at 8:45 PM

thanks ST,
lower TF gave more clarity..

thanks n rgds
Kishore
Reply



SMART Trader February 19, 2014 at 8:54 PM

AuguBai

Volatility is cyclical and let us hope the volumes will return. But after the introduction of XX50 strikes, the playground has shrunk.

ST
Reply



SMART Trader February 19, 2014 at 8:59 PM

Shubh11

1.I have just begun.I will increase the size slowly.
2.I have written a chapter in the E-BOOK about this

ST

Reply

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