

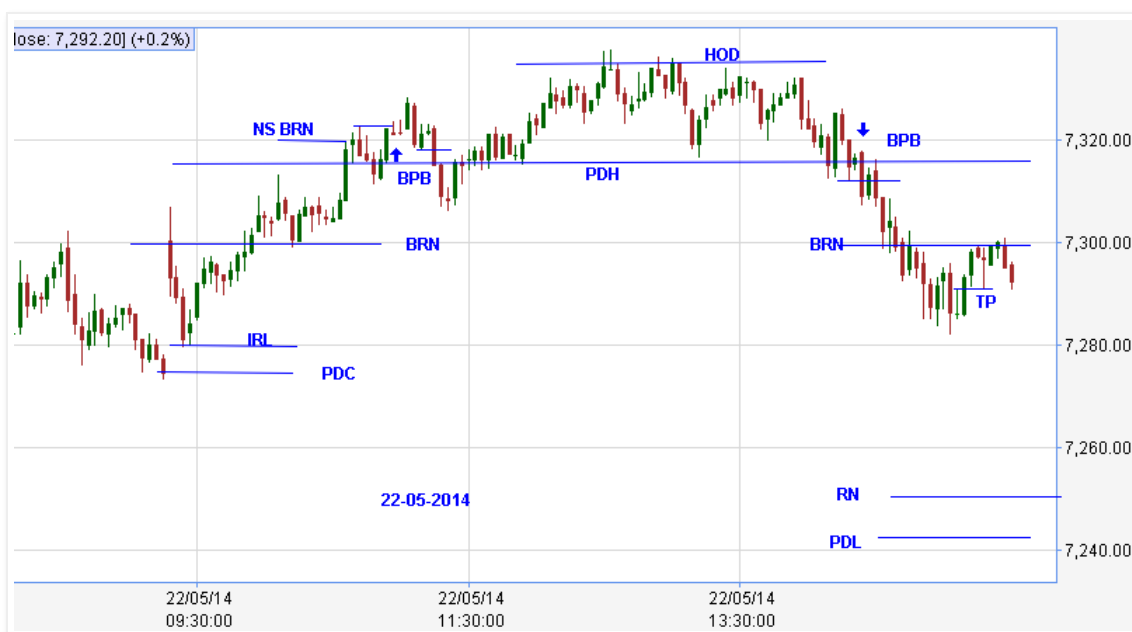


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Thursday, May 22, 2014

22052014



Nifty opened near BRN and sold. IR formed. Avoided long above IRH/BRN as PDH and NS BRN was very close. A long on BPB of IRH over NS BRN. Trade failed. Exited when second push failed. Then there was a TRAP. Avoided as the earlier BPB proved there was no follow up buying. Short on BPB of PDH. When it broke BRN, thought it will reach IRL. Covered at 20 point profit. There is no conviction in the market. Too much overlapping of bars

Posted by SMART Trader at 3:37 PM



41 comments:



xrtrader1 May 22, 2014 at 3:46 PM

Hi ST,
Trade taken after 13:30. There was no room for trade to go.
Reply

▼ Replies



SMART Trader May 22, 2014 at 4:33 PM

xrtrader1

There was a 12 point gap from my entry to BRN, the FTA
Space is just one piece of the puzzle. You have to consider other factors also
People are long from the morning and the break below PDH will shake their confidence.
Critical mass holding the long position will start exiting. I was betting on this. Price stalled at BRN for 3 bar low and I allowed a little room above BRN for the BPB. My target was IRL/LOD

ST

Reply



Uday Dave May 22, 2014 at 3:51 PM

Hi ST

Today, got some confidence to take the trade which you avoided. I tried to consider other factors apart from Space.

<http://charttechnical.blogspot.in/>

Thanks.

Reply

▼ Replies



SMART Trader May 22, 2014 at 4:54 PM

URD

Nice Trades. Why did you miss the TRAP, your own pattern?. It was a BOF of MSP/PDH.
Do not look for certainty and perfection. Take a decision as per available information and execute.
If it is not working exit without serious damage. Survive. Remember time is the most important factor in skill development

ST



Uday Dave May 22, 2014 at 5:12 PM

Thanks ST.

Yes, there was a TRAP but I was not confident. Reason, I felt NS BRN 7300 was resisting the up move and would resist again. It had already moved about 50 points from the low. Also Tuesday's second highest high (7337) from where we had 100 points fall, was not too far. Today actually it exactly stopped there.

You are right and only learned from you, "time is the most important factor in skill development."

Thanks a lot.

Reply



Unknown May 22, 2014 at 3:56 PM

Hi ST

Was it prudent to short at HOD when the second push failed to cross it?
Space an issue??

Thanks

TBP

Reply

▼ Replies



SMART Trader May 22, 2014 at 5:02 PM

TBP

You can do it. Space is never an issue.
The real issue is whether you are prepared to deal with a bounce from FTA, Here PDH.
You plan your action and go for it

ST

Reply



nifty for bread May 22, 2014 at 3:59 PM

Sir,

I took the first trade at the same location. But I exited only after price started moving below PDH. Should have managed it better like you did.

I refer to your second trade. I skipped that trade, as I thought that the space with Swing pivot (11.21 AM candle) was hardly 6 points. Isn't that swing pivot an FTA?

S. Karthikeyan

Reply

▼ Replies



SMART Trader May 22, 2014 at 5:11 PM

SK

Every swing pivots will have some influence
If we look at each and every one of them, we will not be able to trade
Try to trade DP to DP
ST

nifty for bread May 22, 2014 at 5:25 PM



Sir,
Thanks for your guidance.
S.Karthikeyan



Unknown May 22, 2014 at 6:16 PM

actually that swing pivot is DO. please tell me wen to ignore a DP?



SMART Trader May 22, 2014 at 6:42 PM

Sudarshan
We cannot make simple rules for that. It depend on lot of factors
I have explained some of them in this post
<http://niftyinirvana.blogspot.in/2012/11/make-or-break-levels.html>

ST

Reply



PUCHU_2500 May 22, 2014 at 4:22 PM

Sir,
pls, point out sir where I was wrong and where I missed any opportunity.
http://i61.tinypic.com/21eaw4p_th.png

Reply

▼ Replies



SMART Trader May 22, 2014 at 5:42 PM

Puchu
I do not follow SBI and do not know how it behaves
Book your profit when price fails to move up after a vertical move. Most of the time market will go on a consolidation.
Last trade is a BOF of BRN. Your target was the Earlier MSP flip.(Your understanding of MSP is not correct)
ST



PA Trader May 22, 2014 at 7:34 PM

I see a very interesting statement on this chart..."quick stoploss shifting damage my trade". This point has been a source of immense frustration to me also. When a trade is not moving as per my expectation, for e.g it reverses once I enter or goes into a consolidation, I move my SL to the next logical position in order to minimize my loss. Sometimes this works, sometimes it doesn't. Often my revised SL gets hit and then the trade moves in the anticipated direction leaving me banging my head. And sometimes, my revised SL works like a magic and saves me from a bigger loss. Often time I have seen that if the price reverses immediately after you entered a trade, it will more or less hit your SL. Probably you got caught in a trap. But if the price reverses a bit and consolidates, then probably you need to give it some time to play out. But there is no hard and fast rule. All depends on the traders assessment, which is completely discretionary.

Reply



Trekkie May 22, 2014 at 4:38 PM

If anyone needs free charts, this looks like a good option. My data provider does not provide Nifty Spot data, this helps.
<http://www.bazaartrend.com/nsecharts/intraday-free.php?symbol=NIFTY>

Reply

▼ Replies



SMART Trader May 22, 2014 at 5:45 PM

S Roy

Thanks
Is that live or delayed?

ST



Uday Dave May 22, 2014 at 5:54 PM

Hi S Roy

You can also try MT4 which I am using for future and Google finance chart for nifty spot.

Thanks



Trekkie May 22, 2014 at 6:33 PM

Hi ST,
oh you asked about this chart, I am sorry I mistook (please ignore my previous post), I think it has some delay. I used it today to monitor Nifty Spot movement along with the spot data on zerodha trader. I get a bit confused if I watch only Spot values from Zerodha.

Unknown May 22, 2014 at 6:56 PM



Dear ST,
I was using it and I also posted the same link some 2 months back here. Its updated live, but on only bar by bar. ie, if we take 5m chart, it gets updated on every 5mins. Also charts available of 1m, 5m, etc. No 3m charts.

Dinil



SMART Trader May 22, 2014 at 7:16 PM

Dinil

Yes. Now I remember.
For me it is not necessary. I can open multiple charts with Icharts
ST.

Reply



Unknown May 22, 2014 at 4:41 PM

Hai ST,

I avoided the first trade bcos want to see it stay above nifty spot BRN
1. sold when it came down from BRN 7300 spot and PDH, but my entry was at 7310 and place SL above the red candle 7322, but it triggered. was it a late entry or valid trade?
2. when it breaks the new high, again bought at 7331 but exited at cost to cost
3. when nifty fut breaks 7300, sold and exited at 14 points profit, this one also a late entry? when BRN below why u sold below PDH?
waiting for ur valuable reply
thanks...

Reply

▼ Replies



SMART Trader May 22, 2014 at 5:54 PM

1. You are trading the break below PDH. If price comes back above this level you should exit
2. We must try to enter a trade at the beginning. Do not enter into a matured trend hoping that it will continue
3. Read reply to xtrader1

ST

Reply



Trekkie May 22, 2014 at 4:42 PM

Hi ST,

The high of your first bar was DO in my chart. If that were the case, would you take the short below PDH still or below DO? My chart looks like this. <http://i.imgur.com/njQMogN.png>

Reply

▼ Replies



Trekkie May 22, 2014 at 6:11 PM

Hi ST,

Thanks for looking at it. That's live chart from GFDL. I looked at IBC chart, that also looks the same.



SMART Trader May 22, 2014 at 6:26 PM

S Roy

Price falling back to the previous day range is a major transition. Critical mass was long also.
DO almost matched with the swing low at 11.21 and I ignored this. I will take the trade but with a little less confidence

ST

Reply



Price Action Lab May 22, 2014 at 4:56 PM

Hi ST,

Why didn't u take BO IRH. Please comment on my trades.
<http://screencast.com/t/uOLD8SqO>

Reply

▼ Replies



SMART Trader May 22, 2014 at 6:33 PM

You have done well
The first 3 candles were bearish candles.
Watching that rejection, I suspected sell orders above IRH
So hesitated a little

ST

Reply



NPA Trader May 22, 2014 at 6:18 PM

<http://www.yourtradingcoach.blogspot.com.au/2011/09/breaking-pattern-mindset.htm>

The chart of above link looks like today's nifty future at HOD.

Reply

▼ Replies



SMART Trader May 22, 2014 at 6:52 PM

Right

Something wrong with the above link. Try this

<http://www.yourtradingcoach.blogspot.in/2011/09/breaking-pattern-mindset.html>

ST

Reply



Trekkie May 22, 2014 at 7:38 PM

Hi ST,

Please help me with this. I took the long entry above BRN in the morning and kept my SL 2 points below PDH after price closed above PDH. I got stopped out. What would be the right place to keep SL in such a situation? Pink line was my exit <http://i.imgur.com/ikAGpqW.png>

Should we wait for price to close back below PDH to move SL?

Reply

▼ Replies



SMART Trader May 22, 2014 at 11:09 PM

S Roy

What you have done is correct

It is all in the game. Embrace uncertainty, Embrace ambiguity.

Read what PA Traders has written above

ST



Trekkie May 23, 2014 at 9:19 AM

Hi ST,

Thanks a lot for all the guidance.

Reply



Unknown May 22, 2014 at 8:44 PM

ST Sir,

How are you.. hope u had good break last week.

Well, I also took a break n started trading again today.

I missed your 2nd trade... I need some clarification on how you took this.

Instead of direct BO of PDH at 2:08 candle.. u waited for pull back and placed SL-L sell order below low of BO candle.. i.e. 7312... after 2 attempts at 2:14, 2:17... sell triggered at 2:23 candle.. probably your initial SL is just above PDH..

I missed short here.. as I hesitated seeing tails below PDH line :)

Am I correct in understanding how you took this 2nd trade?

Reply

▼ Replies



SMART Trader May 22, 2014 at 11:21 PM

Rose Mary

Thanks

I avoided the direct short because in the morning session price dipped below PDH and bounced back giving a TRAP signal. But when the green candle at 14.12 failed to take the price up I was sure that the price was going to break down

ST

Reply



sentu shil May 22, 2014 at 11:11 PM

Sir,

what the actual meaning of tail..what happen there..does there no new buyer or seller come..so price gone to another direction..or same no of buyer seller came..so market run on heavier side..and another thing why on different time frame slightly different tail

formed..sometime on exact time on 1 min chart tail is formed short but on 5 min chart it formed big tail..
Thank u.

Reply

▼ Replies



SMART Trader May 23, 2014 at 8:28 AM

Sendu

There are lots of videos on YTC on the subject
<https://www.youtube.com/user/YourTradingCoach>

ST

Reply



Unknown May 23, 2014 at 2:52 PM

Hi ST

Just sharing:

<http://zerodha.com/z-connect/zerodha-60-day-challenge/winners/10th-std-pass-market-wizard-fromthrissur>

TBP

Reply

▼ Replies



SMART Trader May 23, 2014 at 3:28 PM

TBP

Thanks for the link.
Have to search and locate this neighbour

ST



Trekkie May 23, 2014 at 3:36 PM

Wow! awesome, another genius from Thrissur.



tRaDeR_B May 23, 2014 at 4:13 PM

Hi ST,

What is special about Thrissur and trading? :) So many great traders from that part of Kerala...You,Saint,now Joby and don't know how many more to come....You always stress on trading in good location..By that did you mean the location on charts or the physical location? :) Now i should start thinking of moving from Cochin to Thrissur for trading better :)

Thanks
tRaDeR_B

Reply

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