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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

Friday, September 26, 2014

26092014



Traded October chart. nifty opened within previous day range. Yesterdays final move acted as a range. Short on BOF of PDC/BRN. Closed when price failed to move beyond RN and NS BRN. A BO below PDL reached BRN as expected. Missed the bounce from BRN as there was no reliable trade signal. Another long on BOF of PDL. Entered at 7960 as I wanted price to clear RN and NS BRN. Good move till RN 8050 where I exited

Posted by SMART Trader at 3:43 PM



42 comments:



rocky September 26, 2014 at 3:47 PM

plz check my trades 3 rd trade was valid above 50 . <http://tinypic.com/r/nl7wpe/8>

Reply

▼ Replies



SMART Trader September 26, 2014 at 3:58 PM

You have traded well
Try to get in at the beginning of the move

ST



rocky September 26, 2014 at 4:29 PM

means sir can u explain?



SMART Trader September 26, 2014 at 5:27 PM

Buying after a lot of buying has taken place and selling after a lot of selling are low probability trades. We will not know where the trend is going to end. Try to enter at the beginning of the move
<http://i60.tinypic.com/nl7wpe.jpg>

ST

Reply



Unknown September 26, 2014 at 3:55 PM

Hi ST,

Your long trade is really super. what made you to wait till 8050.

Reply

▼ Replies



SMART Trader September 26, 2014 at 4:05 PM

I was just trailing with SL below PDC and then BRN

ST

Reply



Unknown September 26, 2014 at 3:56 PM

Hi ST

How did you trail when you took long trade??

Thanks

TBP

Reply

▼ Replies



SMART Trader September 26, 2014 at 4:03 PM

Below PDC, then BRN. Finally clicked square off button at RN

ST



mrajguru September 26, 2014 at 4:21 PM

you put a sell limit order or clicked square off button ? If SQ Button then why ?



SMART Trader September 26, 2014 at 4:37 PM

If I feed a limit order earlier it will execute when price reach the level

I was not sure whether it will break and settle above RN. So when it crossed RN and came below it just exited

If it gets accepted above RN I will raise the stop and continue to trail.

ST

Reply



Unknown September 26, 2014 at 4:09 PM

Hi ST,

What is the difference between October chart and Nifty-1M chart? what is the reason behind using October chart instead of Nifty-1M chart.

Thank you,

kiran.

Reply

▼ Replies



SMART Trader September 26, 2014 at 4:16 PM

1M chart uses current contract data. For example Yesterday Sept expired
Today onwards Oct data is added to it. So next day after expiry levels like PDL, PDC, PDH etc will differ with October contract chart

ST



niirtos September 26, 2014 at 4:19 PM

Hi ST,

Actually we can daily trade current month contract. no need to shift to continuous contract. As we mostly need 2 days data and sometime need max 10 day data.



SMART Trader September 26, 2014 at 4:40 PM

Right. Earlier I used to swing trade and wanted to check daily and weekly

So used to keep 1M chart and this continued. Old habits die hard !!!!

ST



Trekkie September 30, 2014 at 9:10 AM

I think change over is tricky, Sometimes the previous contract's PDL/PDH play a role at other times the current contract's. So, on day 1. I usually draw the previous contract's PDL/PDH on the chart as well

Reply



nirtos September 26, 2014 at 4:17 PM

my trades <http://screencast.com/t/Mgk9duhD3Y> A BAD DAY FOR ME . LAST PROFIT BOOKING MESSED UP DUE TO INTERNET DISCONNECTION.

Reply

▼ Replies



SMART Trader September 26, 2014 at 4:53 PM

Always feed a stop loss to protect capital
Internet problems and system breakdown can always happen
Are you using Icharts? Your NS chart is coming as per the right side grid levels
For me I had to refer the left pane for NS and Right for NF

ST



nirtos September 26, 2014 at 5:09 PM

Yes using icharts. But there is data delay of 3 to sometime 10 secs



mrajguru September 26, 2014 at 5:09 PM

ST,

That shadow stands for NS chart ? Did not know that. Always i was thinking what is this shadow effect?



SMART Trader September 26, 2014 at 5:34 PM

I was also referring to that shadow chart. For me the shadow chart levels comes at the left side
In your chart it appears as if it is aligned to the right grid

ST



bhupinder September 26, 2014 at 7:14 PM

ST / Nirtos,
I am also using iCharts, but I do not get any shadow in jCharts(Prem). I also do not see any shadow in charts posted by ST and my charts also look same as posted by ST. How do you get shadow for NS in NF chart ?

Bhupinder



nirtos September 26, 2014 at 9:17 PM

That is by default.



SMART Trader September 26, 2014 at 10:44 PM

You can superimpose NS charts in I charts
<http://screencast.com/t/VHhmc6JM>
But the levels will be on the left of the chart

ST



bhupinder September 27, 2014 at 4:32 PM

Thanks ST, got it. The right side alignment for price for secondary chart, rather both charts, looks better. I have raised query with icharts about it.

Bhupinder



Trekkie September 30, 2014 at 9:20 AM

I think icharts can't do this because any two scrips can be laid on top of each other, so the price ranges may be vastly different unlike in the case of NS and NF.

Reply



xrtrader1 September 26, 2014 at 4:55 PM

Hi ST,
for last trade, how did you think about order flow?

Reply

▼ Replies



SMART Trader September 26, 2014 at 5:20 PM

Price was in PDL-BRN range. Price broke below this range and later climbed back. Now price is in a higher range and Bias turned bullish. Then it was a buy at range low. Luckily around that time S&P rating up grade news came and news traders went on a buying spree

ST



Unknown September 27, 2014 at 9:28 AM

Hi ST,

Did you follow any news during trading or it was fortunate that S&P rating upgrade and it favors buying.

Thank you,
Kiran.



SMART Trader September 27, 2014 at 10:01 AM

No I dont follow news.
I was watching the break down below 7960 and expected a CPB/TRAP there to go long
Then market fell again and BOF at PDL happened. So I went long. Came to know the news later only

ST

Reply



MAHESH September 26, 2014 at 5:49 PM

Hi ST,
pls let me know what is BRN, I think PDL = Prev day low.

Reply



SMART Trader September 26, 2014 at 5:54 PM

Please do read the glossary and other important posts
It is all given at the bottom of the blog

ST

Reply



nifty for bread September 26, 2014 at 7:39 PM

Sir,

When there is a vertical fall of 40+ points, getting halted by a BOF, we wait for the price to consolidate, before taking Longs. But price does not seem to consolidate after a similar up move, stopped by a BOF. Please explain, when we can expect consolidation after a vertical up move.

Thanks
S.Karthikeyan

Reply

▼ Replies



SMART Trader September 26, 2014 at 11:04 PM

Ever heard the Wall street phrase "Bulls walk up the stairs but bears jump out the window"?
A similar saying is: "Up a staircase, down an elevator." Markets behave like that. May be due to gravity.
Falls are always swift and furious than climbs. Market climbs a wall of worry

ST



nifty for bread September 27, 2014 at 8:04 AM

Sir,

Thanks for the guidance.

S.Karthikeyan

Reply



amber September 26, 2014 at 8:48 PM

Sir good evening,sir @ TP one can enter long from that point,kindly update thnx

Reply

▼ Replies



SMART Trader September 26, 2014 at 10:47 PM

TP is where I exit my trade. Usually I do not stop and revers
If it is a trade signal in the opposite direction, you can try it

ST

Reply



amber September 26, 2014 at 11:27 PM

Sir thnx very much

Reply



Arvind September 27, 2014 at 9:33 AM

Sir.
Long time ,no addition in Rant 'n Raves.

Thanks

Arvind

Reply

▼ Replies



SMART Trader September 27, 2014 at 9:55 AM

Will do it
Little busy with some other engagements

ST

Reply



Bharat September 27, 2014 at 10:30 AM

ST,

In first trade why u booked over that green bar after strong breakdown bar? we had strong breakdown bar and we havent reached irl or rejected irl to take profit.. what was the thought proces there to book?

Secondly.Why u avoided FTC brn and yesterdays close below 1.45?

Why no longs above 1.27 bpb NS BRN and we have had range brekdown failure and strong move from 7900?20 pts was there for FTA.

My Fourth query is.. for the last long trade u took .. We had FTC BRN 8000 AND yesterdays close.. and sharp decline there why u took directly longs above NS BRN . There was no trap pattern there.. i missed the entire last move.:(

Please enlighten with the thought process.

Thanks and Regards

Bharat

Reply



SMART Trader September 27, 2014 at 12:37 PM

There were four barriers below. NS BRN 7900, RN 7950, LOD and PDL
Felt Price may not be able to break all these levels so fast and may range or bounce back.

After price climbed back to the old range above PDL, bias has turned bullish. Price broke above NS BRN and RN and ranged there. PDC BOF was not an extreme and PDC had been broken earlier both sides. I suspected the consolidation high to act as a FLJP. Below consolidation there were NS BRN and NS. Avoided as I felt it as a low probability CT trade. But this trade met target
I do not trade signals at NS levels and RN usually. They are used to manage a trade. Price was in a range from PDL-BRN. I am not that confident to trade signals in the middle. So usually avoid them and look for signals at range extremes

It was a BOF of a prominent DP PDL. I did not want to trade into RN and NS RN so entered above it. For a BOF why we need a TRAP?. Earlier down move had created a Fluid barring a stall at NS BRN. From my entry there was 30 point space to FTA PDC.

ST

Reply



Trekkie September 30, 2014 at 9:02 AM

ST,
Thanks so much for these great lessons. Thank you Bharat for the questions that resulted in these beautiful teachings

Reply

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