

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

Tuesday, February 18, 2014

18022014



Nifty opened within previous day range. Broke PDH/PDC/BRN. Went long on the BPB of BRN. TP when Nifty started to range. There was a BOF of range low. Skipped it as the range was very narrow. Shorted on the BOF of RN/HOD on break of the highest range low. This trade did not move. Scratched. There was a trap pattern to go long. This trade did not trigger. Missed the last BOF trade.

Posted by SMART Trader at 3:34 PM

20 comments:



Unknown February 18, 2014 at 3:47 PM

Hi ST

Could u please run through the thought process while taking the BOF trade?? I thought the previous range low was just below. Ami wrong in my thinking??

Thanks

TBP

Reply

Anonymous February 18, 2014 at 3:52 PM

Hi ST,

For me the TRAP long triggered in the highest bar at 15:06.. Where were you planned to enter?

rgds

Kishore

Reply



SMART Trader February 18, 2014 at 4:03 PM

Market was trading in a range 6130-40. Tested 6140 thrice and later broke it. Now this is a strong flip. RN 6150 started resisting. Then I considered as 6140-50 as a new range.

BOF happened at RN. It was short below MSP. But range low was too close. Price gave a small bounce there and later broke the area. I

went short here. But the trade failed.

Reply

Replies



Unknown February 18, 2014 at 11:12 PM

Thanks ST for the elaborate reply

TBP

Reply



SMART Trader February 18, 2014 at 4:23 PM

Kishore

A point above the previous high

Avoid trades in the direction of trend after 3oclock especially market is trending from the morning.

Your trade was at 15.06. From 15.10 onwards most of the brokers will run auto square off of the MIS positions.

Reply



nifty for bread February 18, 2014 at 6:57 PM

Nifty Spot was 60%, when you entered the first BPB trade. Is it not necessary to wait for the BRN Spot to get broken? Thanks

S.Karthikeyan

Reply



SMART Trader February 18, 2014 at 7:20 PM

Previous day Nifty was in a tight trading range and morning it was breaking out of the range. Breaking out of previous day range is a major transition. I was aware of the NS BRN.

Price broke IRH and a very strong level PDH/PDC/BRN confluence very coolly without a pull back usually such moves will not end without a second leg move before consolidation. Further risk was very low. If price break fails just exit and try to buy at BRN.

Level breaks work only on the traded instrument. No body will keep SL or limit orders on spot. The only thing is that we must be well aware of the area and there is a possibility of institutions defending the area.

ST

Reply

Replies



Trekkie October 18, 2014 at 10:52 AM

Please can you explain "If price break fails just exit and try to buy at BRN." Would you have kept SL (if you recall, pls) for the first long below the red bar? IF you were stopped out, what would you expect to happen to buy at BRN? Thanks.



SMART Trader October 18, 2014 at 1:02 PM

It is good to exit below the red bar

Then a long narrow consolidation can happen above BRN and filnally a TRAP like pattern at BRN. If you keep the stop below BRN this TRAP pattern will stop you out and move up without you. Like something happened at 6130 and 6140 consolidations. A BPB should move immediately as the pull back is already over

Otherwise it becomes a FTC after which price can consolidate or reverse

ST

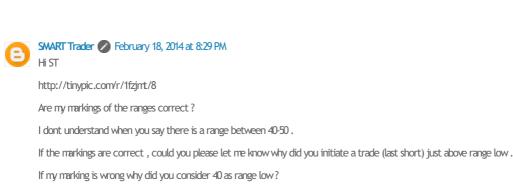
Reply



nifty for bread February 18, 2014 at 7:40 PM

Thanks a lot for explaining in detail. Everyday, I have something to learn from you through my queries or that of others. S.Karthikeyan

Reply



Please help.

thanks n rgds

Kishore

Reply



SMART Trader February 18, 2014 at 8:44 PM

Kishore

What you have drawn now is correct.

But only in hind sight analysis. Your third range established clearly only after the down move where I took a BOF trade.

Till then what was the assumption?

I considered it as a range between 6150 HOD and 6140 the high of previous range which broke and supposed to act as support

Hope it is clear

ST

Reply

Anonymous February 18, 2014 at 8:55 PM

Yes ST .. thanks But then again the low of Range 2 was very near \dots So we don't have to consider previous ranges?

thanks n rgds **Kishore**

Reply

Anonymous February 18, 2014 at 8:57 PM

Why i amasking this is I shorted the MSP considering 6130 - 6150 a single range

Kishore Reply



SMART Trader February 18, 2014 at 9:13 PM

Kishore

I was also shorting the break of MSP.

Generally MSP crack is considered as trend change. Expectation was the break of 6130 low and a quick down move through the fluid

ST

Reply

Anonymous February 19, 2014 at 12:30 PM

I saw your reply to Sunando...I am just curious...What happened to Saint & others?

RK

Reply



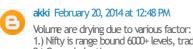
SMART Trader February 19, 2014 at 5:15 PM

I joined these forums long back. At that time there were many people who cared and shared. Later all these teachers had to leave the forum or keep silent. People were more interested to disprove than absorb the knowledge they

shared. They suffered a lot of tension, mental agony, and insult for sharing their knowledge.

ST

Reply



1.) Nifty is range bound 6000+ levels, traders are not confident for either Long/Short.

2.) General elections

3.) Last and very important:
"While Sebi allows brokers to provide margin funding, the customer has to provide an initial margin of 50 per cent"

http://www.business-standard.com/article/markets/margin-funding-sebi-rbi-look-at-rule-loophole-114021500896_1.html Reply



akki February 20, 2014 at 12:49 PM

http://www.business-standard.com/article/markets/margin-funding-sebi-rbi-look-at-rule-loophole-114021500896_1.html



SMART Trader February 20, 2014 at 1:24 PM

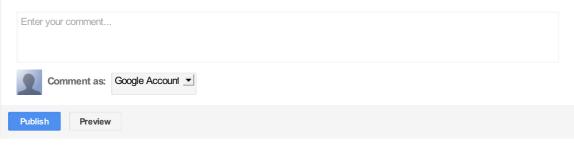
So for 1 lot of NF we may need 150000 as margin?

ST

Reply

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