



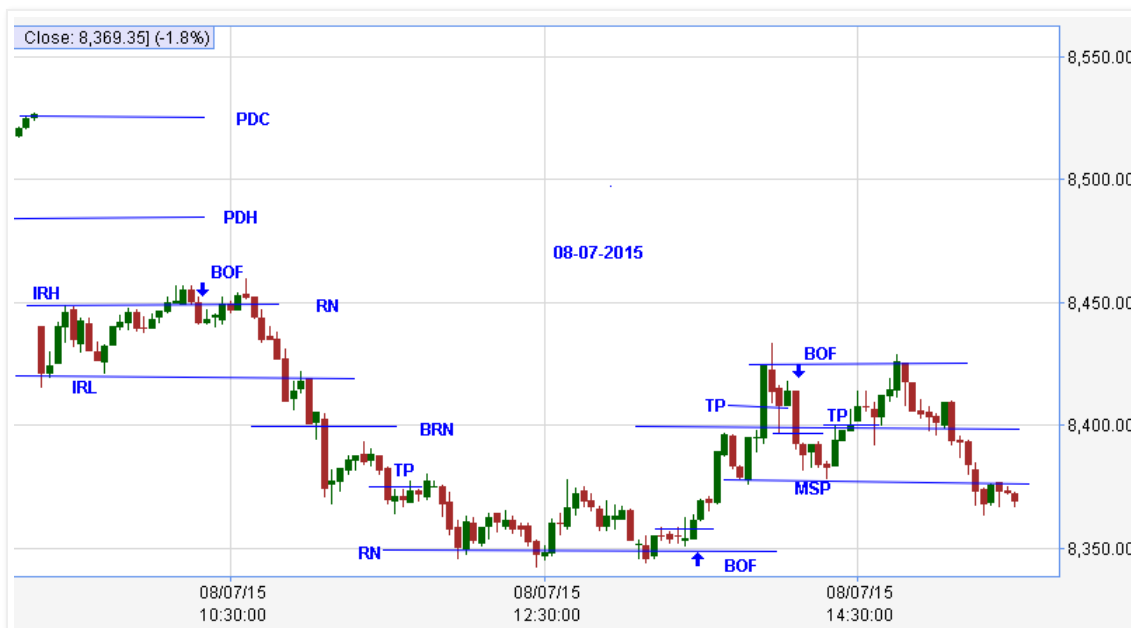
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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Wednesday, July 8, 2015

08072015



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
 Nifty gaped down and refused to go beyond first candle. IR formed. Short on BOF of IRH/RN. Trade moved well. Covered when second attempt at 8370 failed. It fell another 20 points and got supported at 8350. Skipped the first BOF. Second one moved well. Covered on rejection from IRL area after second leg. Short on BOF of BRN failed and bounced from MSP. Stopped out.

Posted by SMART Trader at 3:33 PM



11 comments:



Trekkie July 8, 2015 at 3:40 PM

Hi ST,
 Thanks a lot for the chart. I took the first trade, but got stopped out. Where was your SL, I took a second trade below IRL (I am not sure if I was correct to go for it there) and exited where you exited the first trade. The BOF long was scary to take because of my bias after reading news. I took one more trade below 3.03, I think this may have been wrong entry.

Reply



SMART Trader July 8, 2015 at 3:54 PM

Short at 8449 with SL @ 60.50 beyond round number.
 Try to keep SL beyond a round number if possible without risking too much.
 Nothing wrong in BO as it was with the trend and move started with a BOF
 3.03 is not a wrong one, but a late one at the middle. Right location though is the range high

ST

Reply

▼ Replies



Trekkie July 8, 2015 at 3:58 PM

Thank you so much ST.

Reply



Unknown July 8, 2015 at 5:29 PM

Hi ST,
Can you please elaborate reasons for not taking the first BOF at RN 8350. Also did you took the first trade during the pullback or otherwise.
Thanks.

Reply

▼ Replies



SMART Trader July 8, 2015 at 7:17 PM

Price was making lower highs and market was extremely bearish to go counter trend
Logical place to go long was the break of MSP at 8365 too far from RN. So avoided
No. I entered when price fell below RN
ST



Unknown July 8, 2015 at 8:33 PM

Thanks a lot ST.

Reply



Trekkie July 9, 2015 at 8:25 AM

Hi ST,
Good morning. For the last short, above which bar was SL? Thank you.

Reply

▼ Replies



SMART Trader July 9, 2015 at 9:04 AM

The logic behind the short is that price is not interested to stay above 8400
In other words price is getting rejected. If the reading is right price should not move above DP
Keep a SL where this premise gets invalidated. But give some room for normal fluctuations and overshoots
short was at 8397 and I kept a SL at 8407 which gives sufficient room for normal fluctuations. There is no meaning in candle
highs and lows except they give some psychological comfort. Only swing points and inflection points matter

ST



Trekkie July 9, 2015 at 9:17 AM

Thank you so much ST. What is an inflection point?



SMART Trader July 9, 2015 at 10:25 AM

A point from which the market changed direction

ST

Reply



Trekkie July 9, 2015 at 10:29 AM

Thanks a lot ST.

Reply

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