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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

Monday, July 21, 2014

21072014



Nifty gaped up above PDH and BRN. Entered long on BPB of BRN. Trade did not move. Stopped out. Another short on BPB of PDH. This one also stopped out. Rest of the day Nifty was in a Barbed Wire around PDH. No other trades

Posted by SMART Trader at 3:40 PM



35 comments:



Unknown July 21, 2014 at 3:43 PM

Hi ST
Did not find space to take any trade.

Thanks
TBP
Reply



NPA Trader July 21, 2014 at 3:46 PM

I have traded with nifty options chart for few reasons. please see my trade here.
<http://nsercxpriceaction.blogspot.in/>

Reply

▼ Replies



SMART Trader July 21, 2014 at 3:55 PM

Option trades, IMHO is very effective while trading the extremes
But so far I have not traded the method through options

ST

Unknown July 21, 2014 at 5:51 PM



hi NPA trader. im thinking to trade options , help me to decide
how is brokerage in options? options move well? what r the advantages and disadvantages of options over NF?



Deven Malhotra July 21, 2014 at 9:23 PM

Hi,

IWO, Challenges in options are - we can't enter with SL orders !! So, options tend to go away few points & if a move is not fast, they tend to loose those points very easily. I find my self manytimes surrounded with such situations. So instead of Ranging days, High Volatility days are good to trade options comfortably as Trailing SL is few points only.

Thanks,
Deven Malhotra



NPA Trader July 21, 2014 at 9:57 PM

Chandra Mouli,
For 1 lot of option it will be 75% lesser brokerage than nifty futures 1 lot. More or less all brokerages charging like the same. Options move well with futures when you buy At the money or In the money options.
Advantages and Disadvantages are,
1.your risk is fixed even if you loose your entire premium(at expiry) when you buy options.
2.More risk when you write(short) options. risk of unlimited loss. you need full margin like nifty futures for writing.
3.Your risk is less if you trade out of the money options when compared to futures.
4.You will loose your premium when there is no movement, range bound days.

Reply



Only Nifty July 21, 2014 at 4:03 PM

ST Sir,

Narrow range session.. attempted 3 trades, ended up with 8 point loss.
Trades [here](#)

Reply

▼ Replies



SMART Trader July 21, 2014 at 6:55 PM

Yes. A tough session to day trade

ST

Reply



Purusharth Mahajan July 21, 2014 at 4:06 PM

Hi Sir,

A new reader of your blog, find it very interesting.

May I pls know the reason of avoiding the BOF of LOD and when the BRN was tested for the third time I took the trade inspite of LOL.
Was this approach correct.

Also I might bug you with question on trades on prev days, Pls bear.
Your service to people is highly appreciated.

Thanks

Reply

▼ Replies



SMART Trader July 21, 2014 at 7:06 PM

Avoided it as it was counter trend and PDL and BRN above
Nothing wrong with the trade. Trade went where it was supposed to go, the other extreme of the range.
My trades are not ideal trades.I do miss a lot and mismanage many trades.Everybody will.
But as we gain experience, we will start making more good decisions than the bad decisions.
Discretionary trading is all about our decisions.

ST

Reply



Guru Krish (Trading Nirvana) July 21, 2014 at 4:17 PM

Hi ST,

Bumpy trades.. Choppy day.. My trades [Here...](#)
Hope we get a break out tom:)

Cheers!
GK

Reply

▼ Replies



SMART Trader July 21, 2014 at 6:53 PM

Yes very choppy
Expected a gap closure when it refused to go up

ST

Reply



Purusharth Mahajan July 21, 2014 at 4:34 PM

Why my comments are not being shown.

Reply

▼ Replies



SMART Trader July 21, 2014 at 6:47 PM

Comments are moderated
Will not appear immediately

ST

Reply



amber July 21, 2014 at 5:19 PM

Sir good evening,sir sent a mail when time permits kindly check thnx

Reply

▼ Replies



SMART Trader July 21, 2014 at 6:47 PM

Right. Will do

ST

Reply



Unknown July 21, 2014 at 5:44 PM

how u avoided PP that is taken by rose?

Reply

▼ Replies



SMART Trader July 21, 2014 at 6:49 PM

My order did not trigger
As the earlier two BO attempts failed I kept the trigger little away @ 7705

ST

Reply



Purusharth Mahajan July 21, 2014 at 7:28 PM

Pardon me for my wrong username "Micheal Richard". It was made to serve a different purpose (poker). Have corrected it now. Waiting for your clarification on my query.

Thanks,
Purusharth

Reply

▼ Replies



SMART Trader July 21, 2014 at 7:37 PM

I have already replied to your query

ST



Purusharth Mahajan July 21, 2014 at 8:36 PM

Thanks for the reply sir.
For the third test of BRN later in the day. What should be our thinking like?
Should we look for a trend move as the short term trend was down or should we try to trade the BO as the critical mass was short. Today the BO trade was also triggered.

Thanks



SMART Trader July 21, 2014 at 8:56 PM

Buying the low and selling the highs are always the preferred trade
<http://niftyinirvana.blogspot.in/2012/05/buy-low-sell-high.html>
Other trades are always low probability ones and involve higher risk
Here buying the BOF of LOD is a better trade than buying a BO of BRN

ST

Reply



Unknown July 21, 2014 at 7:55 PM

Hi Chandra Mouli,
Read your comments. Hope I do not offend by sharing what I feel trading options.
I am great fan of options. Esply Nifty options. Great liquidity and great bang for the buck.

Few pointers:

- 1) Dont trade options looking at NF. In this case you cant enter Limit orders on option trades.
 - 2) Be very swift if you want to scratch your position. With the swiftness of options one may not find a chance to do it.
- I would suggest, just look at the price movement for a week or so. How much options move vis a vis NF.

All said and then ,you will enjoy the options trading journey

TBP

Reply



goodidea.vishal July 22, 2014 at 8:00 AM

@chandra mouli

regarding option , if you are new to option trading then please avoid it , simply there is standard rule , if future price increases then CE Will also increase and PE will decrease , BUT 30-40% OF time there is mis-pricing even in Nifty/Banknifty ATM / ITM Option , mostly rangebound market and month start and ...end of the month they will behave like MAD , they have own personality of option .

Sir , you have knowledge about option intrinsic value , option time value ...etc . then its good ,but it is not sufficient plss try to grasp on screen /practical knowledge .

there is TIME decay is more effective in this instrument , cause of it has limited life (one ...two...three month) , end of the month it will expire.

Reply



Trekkie July 22, 2014 at 11:21 AM

Hi ST,
If long, what would be the ideal place for SL now?

Reply

▼ Replies



SMART Trader July 22, 2014 at 12:20 PM

Look at the left side of the chart. What happened at 7750 level
So isnt it better to exit the trade near that level and wait for the next signal

ST



Trekkie July 22, 2014 at 1:28 PM

Hi ST,
I am totally lost now :D what do we need to happen for entry. Looks like price is in channel and no DPs nearby. Please could you share your thoughts? Thanks a lot.



Trekkie July 22, 2014 at 2:04 PM

Nice spike and channel, hindsight is beautiful :)



SMART Trader July 22, 2014 at 3:05 PM

S Roy
What channel?
It is all horizontal levels working well

ST



Trekkie July 22, 2014 at 5:51 PM

Hi ST,
I thought there was a spike and channel today (22nd) as price moved toward 7750
<http://imgazer.imageshack.com/img673/9765/cc8618.png> prior to 1:30 Am I seeing this wrong?



SMART Trader July 22, 2014 at 9:04 PM

You are searching for patterns on charts. Then you will see many
Once we get stopped out at a DP suspect a channel and stand out. That is all
I can show you many more channels
<http://screencast.com/t/elqnZTR8OX7j>

ST



Trekkie July 22, 2014 at 9:59 PM

Dear ST,
In that one response you have taught me sooooo many things. Thank you, this is why I like to keep asking you questions.
Thanks again.

Reply



Unknown July 22, 2014 at 1:40 PM

my order T- 7720.20 , L 7721 not triggered. any ticks to get order fills ? and ur order xxxx.50 any specific reason for .50

Reply

▼ Replies



SMART Trader July 22, 2014 at 3:03 PM

Very rarely it happened to me
Usually 50 paise difference get filled

ST

Reply



Unknown August 6, 2014 at 4:19 PM

Its a good technical analysis to invest in the market and good opportunity to send a best part in the trade.
[Free Stock Market Tips on Mobile](#)

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