

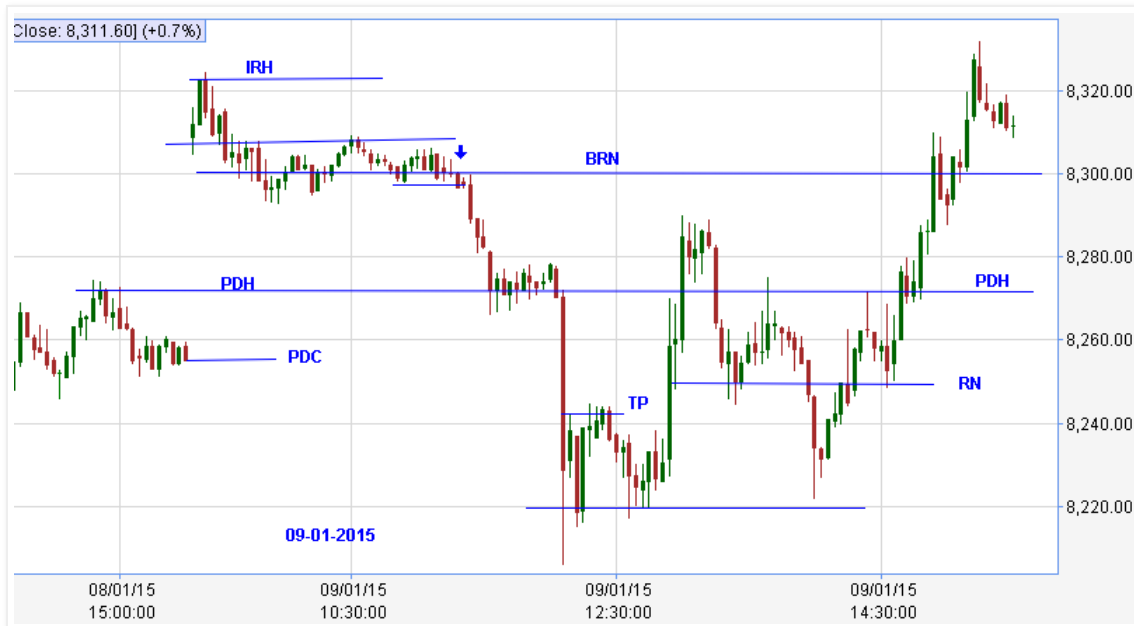


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Friday, January 9, 2015

09012015



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty gaped up above PDH and BRN 8300. Failed to move above NS BRN. Pulled back and stalled at BRN for some time. Went short on the break of BRN. Price stalled at PDH for a while and sold. Did not expect a fall like that. Covered near 8240. Market was very volatile and I was not comfortable with 30-40 point bars. No other trades

Posted by [SMART Trader](#) at 3:37 PM



27 comments:



[Trader Pai](#) January 9, 2015 at 3:42 PM

Hi ST,
Why didnt you take BOF BRN Long in the morning ?
And Why no TP above PDH ?

I took 2 trades
1)BOF Long in the morning
2)BOF PDH long just before that big red bar .
Please comment and advise .

thanks
Kishore
Reply

▼ Replies



[SMART Trader](#) January 9, 2015 at 4:36 PM

My bias was a little bearish as it was an outside trend gap. Waited for the IRL to break
My stop was above the MC high, which did not trigger. Expected a second push down

ST



Trader Pai January 9, 2015 at 5:17 PM

Hi ST,
Were my trades wrong? Please advise

thanks
Kishore



SMART Trader January 9, 2015 at 5:45 PM

For the first trade there will be a confusion always
Second one was premature. Against the bias. BO bar high and nearest round number not broken
Trade the trend. CT entries should always be after confirmation

ST

Reply



nirtos January 9, 2015 at 4:05 PM

Hi ST,
infosys declaring result at noon becomes an event like RBI announcement.

Reply

▼ Replies



xrtrader1 January 9, 2015 at 4:33 PM

Adding to this, Does all companies in Nifty/Sensex have such impact on NIFTY ?



SMART Trader January 9, 2015 at 4:36 PM

Too much volatility

ST

Reply



Unknown January 9, 2015 at 5:57 PM

Hi ST sir,

What is an outside trend gap and why was your bias bearish?

Regards

Himanshu

Reply

▼ Replies



SMART Trader January 9, 2015 at 6:06 PM

Please go through all the important posts listed below the blog
<http://niftyinirvana.blogspot.in/2012/08/gaps.html>

ST

Reply



Trader Pai January 9, 2015 at 8:41 PM

Hi ST,
From where did you get the thought of trading ranges ?
Did you borrow the concept from any other trader ?
Why I am asking this is when you provide link to other traders from whom you have inspired and took some principle I go to their blog and read the posts .I get some more information and it has helped me .
So if you dnt mind can you give some pointers on to the concepts you have borrowed some other fellow traders and their blogs .

thanks
Kishore

Reply

▼ Replies



SMART Trader January 10, 2015 at 5:14 PM

This is not a direct adaptation of any method. I have borrowed so many concepts from different people
Trading the ranges is an adaptation of Nicholas Darvas. Darvas box
I changed the higher time frame SR structure on Lance Beggs with this ranges
Learned importance of PDH/PDL from Joseph James of <http://www.sidewaysmarkets.com/>
Importance of location and concepts like Space/ Traffic from James16 thread of www.forexfactory.com
posts by mbqb1, Ghouse and james16. MC from NickB <https://www.forex4noobs.com>
Demand supply concepts from <http://www.tradingacademy.com/>. Order flow concepts from Darkstar of Forexfactory
Critical mass concept from <https://www.youtube.com/user/REALMarketTrading>. The site no longer exists

Practical application of many concepts of price action from <http://ninetrans.blogspot.in/>
I might have read almost all the results I obtained from googling price action trading. All the knowledge to find an edge in the market is freely available and is in public domain.

ST



Trekkie January 10, 2015 at 5:14 PM

Kishore,
IMHO it is best to stick to the material here on ST's blog.



Trader Pai January 10, 2015 at 6:50 PM

thanks a lot ST,
yes Roy .
But restricted reading and understanding concepts helps me more ..
I am not going to tweak this method which works ..
Knowing the why of things will help

thanks n rgds
Kishore

Reply



Bhavir January 10, 2015 at 5:23 PM

Hi Sir,

Do you think my first short was premature? The trade obviously did not work; but were there signs I could have picked up during live market to it?

<https://niftytradediary.wordpress.com/2015/01/10/9-jan-2015-differentiating-between-positional-and-intraday-trading/>

Reply

▼ Replies



SMART Trader January 10, 2015 at 5:57 PM

Once price hits a DP we need to make a decision there. Take a Decision in the light of available information and act there. If it works well and good. Otherwise just exit and accept responsibility. Always there will be uncertainty and ambiguity and we cannot avoid it. We cannot say the entry was premature. It looks premature in hindsight only. If price dropped earlier you won't call it premature. Next time if you wait for more confirmation price will run away without you and you will feel you should have entered earlier.

The only thing we can do is to manage risk. As we gain more and more experience we will become better in decision making

ST



Bhavir January 10, 2015 at 11:08 PM

Thanks. I own responsibility .. I think fair decision given the market information at that point in time. I was nervous since price bounced back but instead of scratching near cost I prefer to trail stop specially once I got chance to move stop closer just above BRN. Take it in my stride; all in the game.

Reply



sleepytrader42 January 10, 2015 at 8:54 PM

Hi ST,

You have mentioned previously that "your preference is always for trades in the direction of current Market Bias". Yet I could only find a couple of posts indirectly discussing Market Bias. If possible could you possibly expand on how you determine Market Bias before and during the trading day, and its importance in trading the DP method successfully and consistently. Thanks.

Reply

▼ Replies



SMART Trader January 10, 2015 at 9:25 PM

<http://niftyinirvana.blogspot.in/2013/06/trading-plan.html>

ST

Reply



Unknown January 10, 2015 at 11:53 PM

On strong trending days the price will be above or below the VWAP for much of the day. On ranging days the VWAP will run through the middle of the price action, showing the overall sideways direction of the price. This can help retail traders determine what type of strategy they should be utilizing, trending strategies or ranging strategies.

Reply

▼ Replies



SMART Trader January 11, 2015 at 8:52 AM

It is the horse that pulls the cart. Focus on the horse and not on the cart. WAP is a volume weighted moving average and these kind of derivatives always lag

ST

Reply



Coolriverjoe January 11, 2015 at 12:06 AM

Hello ST,

Will your methodology work with other future markets? I live in the USA and would like to follow you. Also, is there a way to trade the Nifty market from the USA?

Thank you

Reply

▼ Replies



SMART Trader January 11, 2015 at 9:17 AM

It should work in all markets. You may need to make some adjustments as every contract will have its own personality. Actually I understood the importance of Inside Outside days from Joseph James who trades US markets. Then I blended it with some other concepts and made my own cocktail. Please do read my reply to Trader Pai above. Here is the link to the post that gave me an important "Aha" moment. My comment made in 2011 is still there <http://www.sidewaysmarkets.com/2011/12/inside-day-trading-strategy-works-in.html>

ST

Reply



vinayak January 11, 2015 at 2:48 PM

sir i want to know how to identify BOF there is any rule for that. Also what is TP is there any fix points targets.

Reply

▼ Replies



SMART Trader January 11, 2015 at 2:57 PM

Please go through all the important posts listed below the blog. Everything is well explained already.

ST

Reply



Trekkiie August 2, 2015 at 6:59 PM

Hi ST,

In this chart price gapped up and was hanging above BRN for many bars, so can we take it as acceptance and go long at BRN with SL 10 points below. If we did that, where should we scratch the trade and look for shorts? Thanks for your help.

Reply

▼ Replies



SMART Trader August 2, 2015 at 7:14 PM

Price fell below IRL and DO. It was struggling to move above. NS BRN might be another barrier. Other factors like kind of gap. Trend maturity etc need to be considered

ST



Trekkiie August 2, 2015 at 7:15 PM

Thank you ST.

Reply

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