



tinypic

This image is no longer available. visit tinypic.com for more information.

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

Tuesday, November 25, 2014

25112014



Nifty opened near PDC/PDH and sold. IR formed. Shorted below IRL. Covered at BRN as I suspected a bounce from the LOL level. But PDL held. Again shorted below BRN as BPB of BRN/PDL. Covered at 8073 when the down impulse failed. Pulled back to 8490 level. Hesitated and missed the TST there. Missed the down move as I did not want to enter the extended move. A long on BOF of LOD above RN. covered at 20 point profit. Expected a move to 8490 due to the fluid and short covering, but did not work

Posted by [SMART Trader](#) at 3:51 PM



24 comments:



[Unknown](#) November 25, 2014 at 4:14 PM

Hi ST
If TST short taken would you have scratched it or held it till LOD??

Thanks
TBP

Reply

▼ Replies



[SMART Trader](#) November 25, 2014 at 5:12 PM

Usually we used to scratch. Today sitting tight would have given good result. Even a scratch would have given 10 points. If you entered on TST it gave a cool 50 point profit which is sufficient to make good the extra loss that you may make in another 5 or six scratch kind of trades.
One thing is sure.
A TST blind short at 8490 will give peace of mind than a short below the swing low at 8480

ST

[Anonymous](#) November 25, 2014 at 6:04 PM

Question and confusion is how can one ascertain it's going to be a test. From an Elliot count I was expecting markets to rally up to BRN or FTC at BRN. Agree waiting till break of 8480 skews the R:R :(

I was looking at 8470 as the lower range given 3 tests there with 11:00 low being a BOF of range low



Trader Pai November 25, 2014 at 6:05 PM

ST,
If you would have taken the TST trade where will you TP ?
Above RN or at 40 levels ?

rgds
Kishore



SMART Trader November 25, 2014 at 6:37 PM

Impulse or corrective waves of the markets are likely to act as a range.
Most of the time these waves terminate at a DP and this DP acts as range extreme.
Today the range extreme were not DPs and it is very difficult to read. The only clue was the sudden selling at 8490 when price touched it. Market took 30 minutes to retrace that

ST



Trader Pai November 25, 2014 at 9:04 PM

ST
Kindly reply me

thanks
Kishore



SMART Trader November 25, 2014 at 9:34 PM

We can book around RN
Even if you cover at range low @8460 , the natural target, it is a good trade of 30 points
If you take a TT at 8490 level once it moves a little in your favor you can always reduce the risk to 3-4 points and sit very comfortably. read my reply to LVG. You can scale up to any extend on such entries.

ST

Reply



NPA Trader November 25, 2014 at 4:23 PM

As there was a LOL level of PDC and BRN. what was the thought process behind the first entry short? is it a BO trade?

Reply

▼ Replies



SMART Trader November 25, 2014 at 5:46 PM

It was BO of IRL .I was prepared for a bounce from PDL. Yesterday gap up was an exhaustion gap
Price was not able to move above the morning high during the day. In a LOL usually first level will yield and second will hold. So exited at BRN not waiting for the pullback

ST

Reply



manas November 25, 2014 at 5:42 PM

space btwn irlow and pdl is very less then why u shorted on the break of irl

Reply

▼ Replies



SMART Trader November 25, 2014 at 5:48 PM

Space was around 10 points. But I was ready to manage it

ST

Reply



L.V.Gandhi November 25, 2014 at 6:23 PM

Why you did not consider TST of range low above 13:48 bar? If long is taken there where one should exit below 13:51 bar low or entry bar low?

Reply

▼ Replies

SMART Trader November 25, 2014 at 7:47 PM



Better avoid counter trend TST trades. It needs some explanation. may need to make a separate post
 There are two types of TST. With and without confirmation. I am looking for the second type which I call TT (Touch Trades)
 Normal trade- Wait for a confirmation-swing high made at 8474 and enter its break targeting 8490, stop 8459
 You risk 15 points to make 16 points and get tensed if price stays within 8459-74
 Touch trade- If we feel 8462 will hold feed a Limit buy order at 8462 and a SL-M/L order at 8452(marked as 8462 again wrongly in chart). If price falls you will get an entry and SL orders hit with a loss of 10 points. If price bounces you raise your SL to 8459. So your risk is just 3 points for a target of 30 points and there is no tension at all

<http://screencast.com/t/ewONBafRN>

The question is that do we have the conviction and trust in the method and belief in our defined structure

ST



L.V.Gandhi November 25, 2014 at 8:09 PM

Thanks for nice clarification differentiating TST and touch trades.

Reply



amber November 25, 2014 at 6:30 PM

Sir good evening sir can 9.15 am open can be taken as BOF of PDH as it was only .10 paise difference from PDH ,kindly update thnx

Reply

▼ Replies



SMART Trader November 25, 2014 at 7:49 PM

That is not a convincing BOF

ST

Reply



Lisa November 25, 2014 at 6:34 PM

Excellent trades... Back in form now !

Reply



Trade 4 living November 25, 2014 at 9:56 PM

Hi Rajesh,
 Thanks for the excellent articles and explanation.
 Just one query
 I went short at 8520 with trailing SL 8495 and waited ...covered at 8450....
 Is it ok...
 Please do let me know....
 With kind regards

Reply

▼ Replies



SMART Trader November 26, 2014 at 8:37 AM

On a trend day this strategy will work. Most of the days it may not work
 Average swing in NF @ 3M time frame is 25 points. Market will range within this
 Most of the time price will move to 8495 come back and stop you out at 8520
 You need to trade back and forth in this range

ST

Reply



Bhavi November 26, 2014 at 1:23 AM

I agree .. awesome trades and fantastic observation. Thanks ST.
 My 2 cents at -
<http://niftytradediary.wordpress.com/2014/11/26/25-nov-2014/>

Reply



shub11 November 26, 2014 at 9:11 AM

Regarding Initial range break I am always confused:
 Whether to play the direct break of IR or not. Sometimes like yesterday it can be extremely profitable sometimes it may be losing trade.
 Please throw some light on this.

Reply

▼ Replies

SMART Trader November 26, 2014 at 4:58 PM



BO trades are low probability trades. It is applicable to IR also
<http://nifty nirvana.blogspot.in/2013/10/breakout-blues.html>

ST

Reply

Anonymous November 26, 2014 at 11:18 AM

Sir - today/ movement so far -

IR - 8460-8445 with RN in between losing significance; with PDC above at 8465 extending the day range to 20 points - 8445-8465
Wait for BOF/BPB of IRL OR PDC?

Reply

▼ Replies



SMART Trader November 26, 2014 at 4:56 PM

Range was 8445-72

PDC was 8472 and not 65. Trade the range extremes

Avoid the middle area

ST

Reply

Add comment

Note: Only a member of this blog may post a comment.

Enter your comment...



Comment as: Google Account ▼

Publish

Preview

[Newer Post](#)

[Home](#)

[Older Post](#)

Subscribe to: [Post Comments \(Atom\)](#)

Important Posts

- [Disclaimer](#)
- [Glossary](#)
- [Rants 'n Raves](#)
- [Structure and Patterns](#)

Download E-Books

- [Decision Points](#)
- [Structure and Patterns](#)
- [Rants N Raves](#)
- [TRADE-SCORE](#)
- [Video Promo](#)

[Statcounter](#)

Reciprocal Links

- [Lance Beggs @ YTC](#)
- [URD @ charttechnicals](#)
- [KPL @ vfmindirect](#)

Blog Archive

- [2015](#) (100)
- ▼ [2014](#) (274)
 - [December](#) (22)
 - ▼ [November](#) (19)
 - [More on Structure](#)
 - [28112014](#)
 - [27112014](#)
 - [26112014](#)
 - [25112014](#)
 - [24112014](#)
 - [More on Critical Mass](#)
 - [21112014](#)
 - [20112014](#)
 - [19112014](#)
 - [18112014](#)
 - [17112014](#)
 - [14112014](#)
 - [13112014](#)
 - [12112014](#)
 - [Webinar](#)
 - [11112014](#)
 - [10112014](#)
 - [03112014](#)
 - [October](#) (23)
 - [September](#) (22)
 - [August](#) (22)
 - [July](#) (27)
 - [June](#) (26)
 - [May](#) (20)
 - [April](#) (22)
 - [March](#) (24)
 - [February](#) (21)
 - [January](#) (26)
- [2013](#) (299)
- [2012](#) (338)