

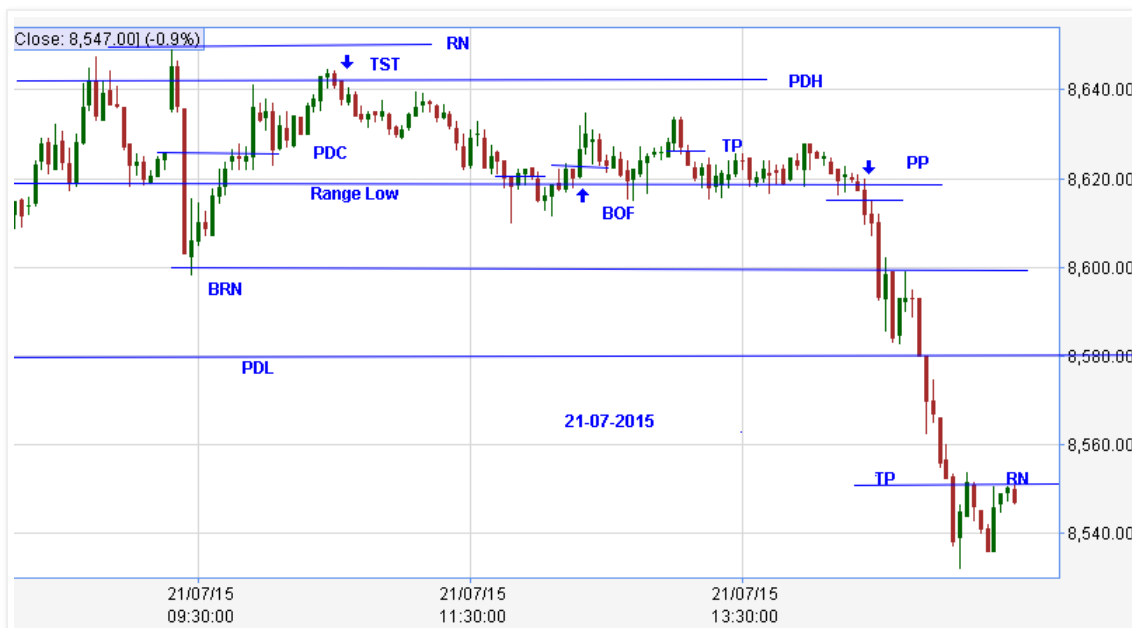


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Tuesday, July 21, 2015

21072015



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Nifty opened within previous day closing range and tried to move above PDH. Rejection was too fast and I could not capture. Hit BRN and climbed back to the range. Did not attempt long. Short at PDH. Covered when rejected at Range low. Tried a long which failed. A PP short gave good points. TP at RN

Posted by SMART Trader at 3:52 PM



17 comments:



xrtrader1 July 21, 2015 at 4:12 PM

ST what was the thought process for taking TST trade?

Reply



SMART Trader July 21, 2015 at 4:41 PM

1. It was PDH. Very strong and prominent DP
2. Early attempt to break it caused a 40 point move. Price just ran away as if it touched an Energised fencing
3. BO bar of PDC acted as a MC. Price traded 30 minutes inside it. No follow up momentum
4. BO of MC to the upside did not cause any price surge. Not even to the early high.
5. A good defense play. Stop behind PDH/HOD and RN with maximum 12 point risk

ST

Reply

▼ Replies



xrtrader1 July 21, 2015 at 4:49 PM

Thanks So much learnt something new.

Reply



Unknown July 21, 2015 at 5:08 PM

Hi ST,  
Thanks for the update. Nice trade as always. I was thinking to take the short PP trade considering it a TTR but hesitated due to NS BRN & BRN below. What all factors did you consider while taking that trade? Was there a TTR or not?

Reply

▼ Replies



SMART Trader July 21, 2015 at 5:17 PM

NS BRN was supporting. It was 19-20 level in NF. I shorted after it broke it. I was prepared for a bounce from BRN. Buying at the level was not able to lift NF much for so long. A break down was inevitable. Nifty advance decline was 15/35 at one time and Index was steady around PDC for a long time

ST



Unknown July 21, 2015 at 8:40 PM

Thanks a lot ST.

Reply



Anand July 21, 2015 at 5:36 PM

Hi ST,  
Can you explain Pressure Play in Today's chart and also what is BO.

Reply

▼ Replies



SMART Trader July 21, 2015 at 6:00 PM

All BO trades are not pressure plays. They are high probability BO trades  
<http://niftyinirvana.blogspot.in/2013/05/pressure-plays.html>

ST

Reply



Suresh July 21, 2015 at 5:42 PM

Hi ST, nice trades.

I took the TST but was stopped out as i was trailing it very closely. When do you recommend to move the stop once you are in the money. Also i would like to know whether you look at level 2s when you enter/exit a trade.

Reply

▼ Replies



SMART Trader July 21, 2015 at 6:10 PM

I do not have level2 and trade looking at the chart.  
Enter TST at boundaries. Here try to enter at 42 or 40 with a SL above RN. When it moves in our favor well bring down the stop to the extreme, the break of which questions our market reading. Usually we are taking a risk of 10 points a trade. What is the point in saving 5 point loss and risk 10 points on another trade if the original reason for the trade is still valid?

ST

Reply



Trekkie July 21, 2015 at 5:44 PM

Hi ST,  
Thanks for the chart. I couldnt trade in the afternoon today.

In terms of trend, what are we seeing in price prior to the final short? Is it a CT PP? Thanks for your help.

Reply

▼ Replies



SMART Trader July 21, 2015 at 6:21 PM

Yes. Theoretically it is a CT PP.  
Price was trading within the previous day closing range which was a higher one  
Any BO trade is a blind trade believing the price will get accepted at the new range( Higher or Lower)  
If not and price fall back to the old range, Exit

ST

Reply



Trekkie July 21, 2015 at 11:31 PM

Thanks a lot ST

Reply



Trekkie July 22, 2015 at 7:31 AM

Thank you so much ST.

Reply



Trekkie July 22, 2015 at 7:58 AM

Hi ST,  
Good morning. When you took that long, what were some of the reasons to go for it. Thanks a lot.

Reply

▼ Replies



SMART Trader July 22, 2015 at 9:08 AM

I was expecting the previous day range to hold first. Overshoot to the down side till BRN changed the situation. Range could be HOD-BRN. Later price refused to go below 8620. So came back to the earlier expectation and bought range low as Bias was still bullish. Again changed the opinion as the up move fizzled out twice. and went short. FTA was BRN. But it ran

ST



Trekkie July 22, 2015 at 11:01 AM

Awesome insight into thought process, thanks so much ST.

Reply

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