

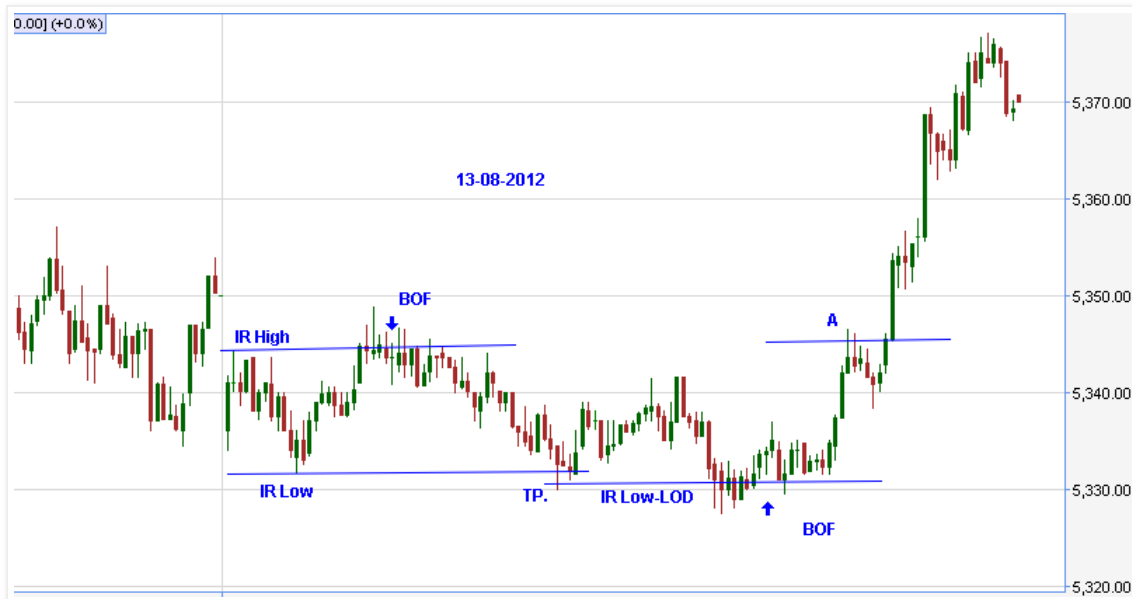


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Monday, August 13, 2012

13082012



Nifty opened within previous day range. BOF of IR high gave a short signal. I was expecting the market to break the other extreme. Covered at a nominal profit. BOF of IR Low/LOD gave a good long signal which moved very well. Notice the area marked A . We will be tempted to cover and reverse the trade here. If the move is originating with a BOF of a range low after a prolonged range move almost always price will break out of the other extreme.

Posted by SMART Trader at 8:05 PM



9 comments:



Smita August 13, 2012 at 9:18 PM

Hi ST ,

I took Long at the test of IRL , where you have mentioned "TP" , and was stopped out after it broke the day low . I did not take any other trade after that .

I have been , looking at 3 mins charts candle by candle of year 2011 , and writing my trades .

Reply



SMART Trader August 13, 2012 at 9:49 PM

Smita

Do not take any real trades now. First you need to have total trust in the method. Analyze as many charts as possible paying attention to DPs and patterns. Notice from where the move has started, where it paused, where it ended etc. You need not analyze each and every candle, just notice how price behaves and patterns develop at DPs. During market hours just watch the price action. Within a few days you will start getting the feel of it.

Survival is the first priority in Markets. You need to become a "Breakeven Trader" very fast so that you can stay in the game indefinitely and hone your trading skills until you slowly start making profit.

All the best

ST

Reply

Ramesh Ramachandran August 13, 2012 at 11:20 PM



I have added a blog post to show the volume based price action at my blog. <http://tradingniftyoptions.blogspot.in/2012/08/august-13th-2012-nifty-future-volume.html>
I have been influenced by your Decision Points but i have my own trading style.

Reply



Raghu R Bhat August 14, 2012 at 8:01 AM

ST - Wasnt there a BOF just after TP ? Any reason for ignoring it, if it was discretionary.
rb

Reply



Piyush Sharda August 14, 2012 at 11:13 AM

at ur tp area 11.55 was there not another bof trade at day's low and then the 3rd bof of initial range low at 1.15 led to breakout.??

Reply



Ramresh Ramchandran August 14, 2012 at 7:50 PM

As per my understanding there are three things

- 1) Failure to Continue: This low volume test of a price extreme
- 2) Re Test: When a move starts with volume. It test the price extreme in the opposite direction for a very short time and low volume before resuming with the move.
- 3) Break out Failure: For break out failure there should be a real attempt at break out with huge volumes. The failure of this attempt and price moving back from where this attempt started is Break out failure. This is a good trade entry in the direction of the failure.
- 4) Failure of Break out Failure: This is a very strong move in the direction of the break outs. Reason being after the first break out failure. Traders with renewed vigor launch another huge attempt at break out.

Please see the 5-min volume based price action chart at <http://tradingniftyoptions.blogspot.in/2012/08/august-13th-2012-nifty-future-volume.html>

You will notice there was only two BOF on 13th August 2012

Reply



SMART Trader August 14, 2012 at 8:14 PM

Rameshji

Thanks. Will go through it.

Every trader need to find his own method to trade.If my rants could give you at least one "Aha moment" for you, I am happy.

ST

Reply



SMART Trader August 14, 2012 at 8:29 PM

@Raghu
@Piyush

You are correct . There was a breakout failure at 11.55. I did not take it because

1. I was already short from IR high BOF and looking for an exit.
2. Usually when a BOF happens at a range extreme most probably the other extreme get broken. I was expecting a break to the down side
3. Closely watch the down move. Kind of choppy. looked like a very narrow channel. I thought it will continue down.

Hope this helps

ST

Reply



Piyush Sharda August 15, 2012 at 12:04 PM

thanx st

Reply

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