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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 8, 2014

08072014



I could not trade today due to some other work. In hindsight market gave some good opportunities to go short. Even if somebody took the BOF long at PDL, market gave so much time to exit without damage. There was some choppiness during budget and here a BO below the then LOD failed

Posted by SMART Trader at 5:32 PM



13 comments:



Only Nifty July 8, 2014 at 5:42 PM

ST Sir,

Managed to hit another century, this time it is hard earned.. as market scared me with complex pull backs! Was lucky in taking 5th trade.. went against my rule of maximum 4 trades per day.. but it paid well, being eventful day.

Trades [here](#)

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SMART Trader July 8, 2014 at 5:50 PM

Stay out during major news events such as budget
You cannot expect the natural flow of markets during these times
Usually once the announcement is over you will get a big move like this

ST

Reply



Unknown July 8, 2014 at 7:17 PM

sir

since 15 days i am following you after reading a blog of rosemary i came to know about this blog place what a decent style and technique of yours today it paid a lot i have read decision points i am convinced. i was trading in past and i have same story like ST i would like to thank again to ROSEMARY and definitely to ST for his unselfish work for trading communities.

Reply

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SMART Trader July 8, 2014 at 7:34 PM

Sunil

Thanks for the visit and comment

Please do read all the important posts given below the blog before committing real money on the method

ST

Reply

Anonymous July 8, 2014 at 7:20 PM

My thought process was " Pay attention to the big picture. Market is in a bull orbit . scaling new peaks day by day
Price tried to go below PDL 2-3 times and got rejected in the area below PDL and came back in the previous day range. Again, the market HAD RECOVERED QUICKLY 30 POINTS from below PDL level, reaffirming my hypothesis that Market indeed is in a bull orbit" i was prepared to go for long trade, AS BOF of BRN (7700) at 7717, but scratched at 6695 (loss of 22 points), and after that never got an opportunity to go long. would like to know what was wrong in my thought process, and what i need to do for overcoming the same.

Thanks,
Shai

Reply

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SMART Trader July 8, 2014 at 7:59 PM

" Pay attention to the big picture. Market is in a bull orbit . scaling new peaks day by day
Price tried to go below PDL 2-3 times and got rejected in the area below PDL and came back in the previous day range. Again, the market HAD RECOVERED QUICKLY 30 POINTS from below PDL level, reaffirming my hypothesis that Market indeed is in a bull orbit" i was prepared to go for long trade"

So far the story is good. What about the rest of the story

The Rail budget is over. Market is in a bull orbit and may break back above PDL where I will go long. Wait price is stalling at PDL unable to move up. Second push also fails. Time to suspect the bull story. Price falling after testing a DP. Where are the stops? below the earlier swing low. There positional shorts will panic and try to exit. QUICK RECOVERY OF 30 POINTS will get negated here. Positions built up in anticipation of rally after Rail budget are being exited. Bias changes here. Price stall at BRN. Need some consolidation for a reversal .Higher probability is another leg of down move
Nothing wrong with the thought process. The problem is you are not changing and re writing the story as new information unfolds. Everybody is having the same problem as you gain experience you will get better with it.

ST



Uday Dave July 8, 2014 at 8:13 PM

Sir

Very good answer. "Nothing wrong with the thought process but need to change it with the new information."

URD

Anonymous July 8, 2014 at 10:42 PM

Thanks.

Perhaps i was thinking rail budget as a minor event, so traded, and considered fiscal budget as major event, and i am not likely to trade on the major event day. FINDING DIFFICULT to "not changing and re writing the story as new information unfolds."
in fact i was not even tracking rail budget event on news channels. do i need to ??
Thanks for guidance.



SMART Trader July 9, 2014 at 8:58 AM

Method work well when day traders are in control of the market
During events markets are driven by news. It is better to stay out during that period
Most of the time we will get a good move after the event.
Almost always some traders get positioned on the wrong side and will need to exit

ST

Reply



Trekkiie July 8, 2014 at 8:29 PM

Hi ST,

If you were trading today, would you have taken the first BOF short? Thank you

Reply

▼ Replies

SMART Trader July 8, 2014 at 9:53 PM



Yes price is within an established range since yesterday morning
FTA will be the range low

ST

Reply



Trade 4 living July 8, 2014 at 10:29 PM

Rajesh,

Thanks for the analysis which elucidates if the the process is right then results will follow, Excellent !

With kind regards,

Reply



Unknown July 9, 2014 at 10:30 AM

hi

when price come to a DP u visualise(along with all other factors) a setup (BO,BOF,BPB,TST) and place a SL order for which ever setup u decided to go with and once it triggered ur on, next step is to manage the trade . right?

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