

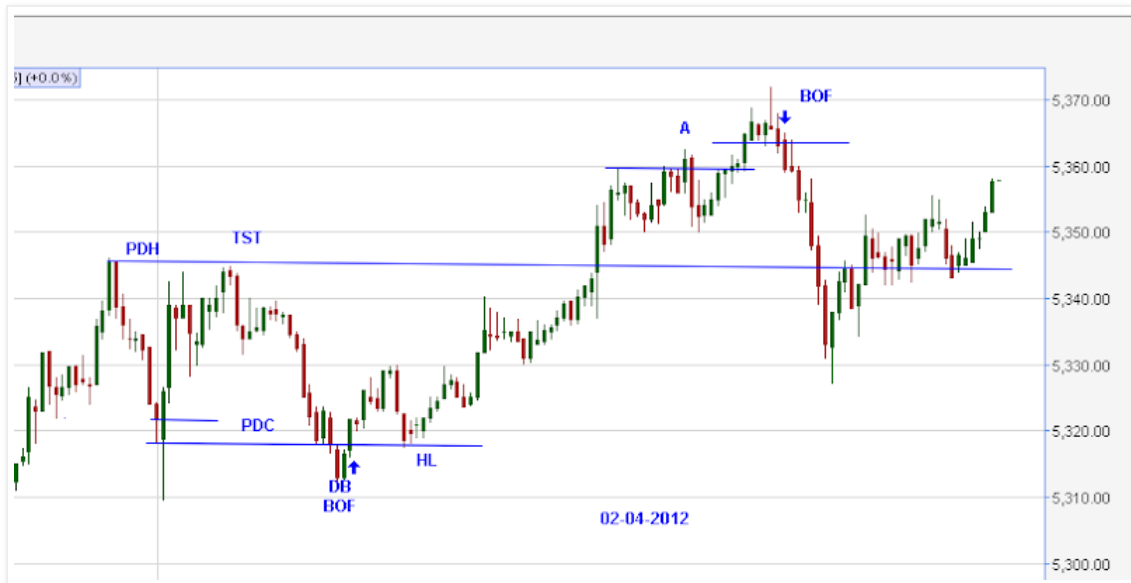


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Monday, April 2, 2012

02042012



Nifty opened just below PDC . Price rejected the low level. FTA is PDH exactly where it stalled. Retest of the PDC and LOD gave a clear long signal. Those who missed it can go long when Nifty made a HL.

BOF at the day high gave a short signal

Avoid trades too close to trouble areas . For example if you try to short at rejection at point "A". FTA is PDH and it is too close and there is no space for the trade to move. Further the trade is CT

Posted by [SMART Trader](#) at 8:22 PM



4 comments:



[oru_indian](#) April 3, 2012 at 7:11 AM

Dear ST,

1. Can I know, why is it not a buy at the point near the label TST as it is a DT and PDH being touched second time? Is it due to FTA ? If so,

2.What are the logical factors that made it a buy at the first buy of day at 'DB & BOF' point ? There also FTA is hardly 10 points away.

I just would like to know your thought process that enables action and inaction at these decision points.

rgds-Ajith

Reply



[SMART Trader](#) April 3, 2012 at 8:37 PM

Ajith

1.It is not a buy until the price breaks PDH convincingly and gets accepted in the new area

2.When price fails to break a decision point it is called TST

When price breaks a level and fails it is a BOF. Unlike a TST a BOF traps many breakout traders and creates a lot of order flow

So BOF is a much more reliable setup and you can safely ignore minor FTA.

I will try to explain these concepts in separate posts

ST

Reply



Raghu R Bhat August 6, 2012 at 10:44 PM

Dear ST - All BOF's are by definition CT's and should be taken when there is room for a move. Point A in real time would have been a BOF, which would have been stopped out by a failure of the BOF.

The last BOF then would have given another chance at a CT trade.

Is this a correct interpretation of when to take BOF (CT) trades?

regards
rb

Reply



SMART Trader August 6, 2012 at 11:38 PM

Raghu

All BOF are not CT trades in my view/My trend definition is a little different. I trade as if price is always in a range.If it is in a higher range, buying the low of the range is with trend and selling the range high is CT. Price might have reached the low of the range cracking a pivot low and might have made a LL/LH. still I trade it as an up trend. The short was taken on only one consideration ie critical mass is long.Any opposing order flow will trigger massive unwinding and it happened.

ST

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