

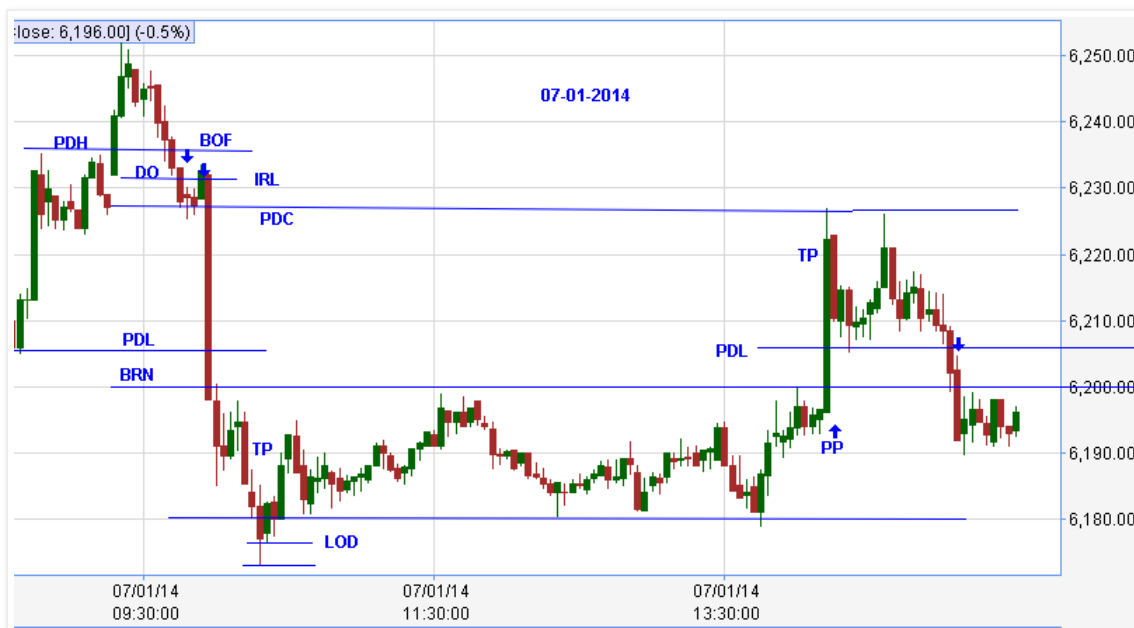


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Tuesday, January 7, 2014

07012014



Nifty opened within Previous day range. Broke above PDH and got rejected. Short on BOF of PDH on break of DO/IRL. Nifty went down quickly breaking PDC,PDL and BRN. TP around 6190. A range move between BRN and LOD for a while. Long on break of BRN as PP. Covered at the end of fluid at PDC. Attempted another short on break of BRN to the down side.Target was LOD. This one did not move as expected and I scratched it.

Notice the LOD. The lower line is the exact low of the day. But I ignore the tails. That is the middle line.. Later market proved these two levels are wrong and 6180 is where the orders are. Notice the four attempts by Nifty to go below this level failed. Last candle that made LOD was an overshoot of the momentum move.Once market gives such clues make slight adjustments to the levels. Do not expect text book patterns and rigid levels. Trade the concepts not patterns.

Posted by [SMART Trader](#) at 3:31 PM



27 comments:



[chandlok](#) January 7, 2014 at 3:52 PM

Dear ST
Warm Greetings!
What is PP...I missed that trade as there was BRN & PDL closely...picked it up above PDL. Today covered all my brokerage & a confident trade:-)
Thanks
Reply



[Unknown](#) January 7, 2014 at 3:52 PM

Hi ST,

Thanks for explaining the concept of LOD. I did not understand what's PP.

Also the trade which u took as long on break of BRN as PP, I took it at 6198 as break of MSP. Is it valid??

[Plz click here](#)

Thanks
TBP
Reply



Sathish January 7, 2014 at 3:54 PM

Very Nice , ST..following your blog for the past few days after reading thru ur e-book...very informative....

have a question..how did you decide to close your longs exactly at PDC? It might have crossed it as it happened for morning shorts...it just broke PDL and BRN...any other aspects do you look at?

Reply



nifty for bread January 7, 2014 at 4:15 PM

Sir,
I placed a SL buy order @ 6200.65 to 6201.15 (above the high of 10.00 AM candle). The order was placed an hour before, the price spiked up above 6200. The price spiked up without executing my order. I informed Zerodha about this and they advise me that I have to keep a SL-M(Market) order to ensure that it gets executed without fail. This has happened thrice in the last fortnight.
I have a doubt. If I keep SL-M order, will I get a fair price?
10.00 AM candle high is 6200.40. Can I keep the trigger @ 6200.35(5 paise less) to ensure the execution of order? Please advise me, what I have to do to fix this issue.

S.Karthikeyan

Reply

Anonymous January 7, 2014 at 4:57 PM

Spectacular!!! First BOF entry and the PP entry both moved like F1 cars in DRS zone :).

How were you able to time the entry?

I was unable to time it properly.

BTW, how many lots do you normally trade?

Thanks,
Rajiv

Reply

sentu January 7, 2014 at 5:18 PM

Sir,what is PP ?

Reply

Anonymous January 7, 2014 at 6:11 PM

sir,
what is PP?

Reply

Anonymous January 7, 2014 at 6:17 PM

Hello,
Where did you place the breakout entry order for the second trade (BO BRN)? Was it before 6200?

i think it did a gap jump or maybe it was just very fast.

thanks SS

Reply



SMART Trader January 7, 2014 at 6:24 PM

Chandiok

PP is Pressure Play
<http://niftynirvana.blogspot.in/2013/05/pressure-plays.html>

ST

Reply



SMART Trader January 7, 2014 at 6:28 PM

TBP

You can go long on break of MSP
I kept the order beyond BRN the next barrier

ST

Reply



SMART Trader January 7, 2014 at 6:38 PM

Sathish

It may break and go up. But probability was low
1. Counter Bias trade. Price still below PDC and DO
2. Three barriers PDC, IRL/DO and PDH very close
3. PDC is around the BRN option strike of 6200 which may act as stiff resistance

ST

Reply



SMART Trader January 7, 2014 at 6:50 PM

KS

If you miss an entry, no problem but if it happens for your SL then you will be in trouble.

Try to exit and enter a little earlier. If the candle high is 6200.40 enter with a trigger of 6200 or 6200.25 5 paise difference is not enough. keep minimum 50 paise

I do not use SLM order

ST

Reply

▼ Replies



Trekkiie November 10, 2014 at 8:06 AM

Hi ST,

Can you please explain this with an example chart? Are you entering before price crosses the candle high?



SMART Trader November 10, 2014 at 10:51 AM

Answer was related to this particular example.
Here the range high was a little before BRN and you can keep a trigger of BRN not to miss the PP type of entry
Usual entries and exits are on break of extremes only

ST

Reply



SMART Trader January 7, 2014 at 6:57 PM

Rajiv

Execution will improve over time. I am eating, drinking, breathing and sleeping the method for 3 years

I am still a BPL (Below Poverty Line) trader, trading a single lot

ST

Reply



Sathish January 7, 2014 at 7:14 PM

Thanks ST...

Reply



SMART Trader January 7, 2014 at 7:37 PM

SS

It was a limit order for 6200 with a trigger of 6199.50

ST

Reply



nifty for bread January 7, 2014 at 7:40 PM

Enter and exit a little earlier. That is the lesson for today. Thank you Sir.

Reply



SMART Trader January 7, 2014 at 7:46 PM

KS

You have to ensure that there is momentum in your entry direction. Otherwise you will get trapped. BO may not happen at all

ST

Reply



nifty for bread January 7, 2014 at 8:13 PM

Sir,
I am not trading FTC to ensure that my trade doesn't suffer due to lack of momentum.
I think early entry is a must, only when we are expecting Pressure Play. In other conditions, we can enter @ trigger candle high+25paise/low-25 paise keeping a difference of 0.50 paise between limit price and trigger price. Please correct me, if I am wrong.
S.Karthikeyan

Reply



nirtos January 7, 2014 at 9:03 PM

Sir,
missed 1) entry due to power cut, and did 2) ab 6198.5 3) below 6208. But in between I entered short below 1.51 pin bar and got stopped out. All you did not try that trade. I tried it because of short biased. Was I wrong.
Nirmal

Reply



SMART Trader January 7, 2014 at 9:23 PM

nitro
All pin bars are not entry triggers
Location is important. In a range sell the highs and buy the lows. Don't fiddle with the middle

ST

Reply

Anonymous January 7, 2014 at 10:20 PM

Guys, leave it that direct BO trades for ST sir alone. There are a lot of other things to learn before that.
I have tried direct BO many a times and all of them had turned into BO Failures. Just thought to share my experience.

Best of Lucks

Arvind

Reply



chandiok January 7, 2014 at 10:26 PM

ST,
Could you please explain PP in today's context, it will help understand better as the chart is fresh in memory.
Thanks you supporting!

Reply



SMART Trader January 7, 2014 at 10:28 PM

Arvind

You are right. most of the BO fail
<http://niftyinirvana.blogspot.in/2013/10/breakout-blues.html>

ST

Reply



SMART Trader January 8, 2014 at 10:02 AM

Chandiok

Concept is simple Critical mass is short. The shorted the break of DO, PDC and pivot low at 6190. Where you can expect to have their stops. Above 6200. I took advantage of this stop triggering.
But there is a danger. There is a liquidity pool at this levels. Smart money may take advantage of this opportunity. That is why BOF happens
Read the post on Critical mass and Liquidity pools

ST

Reply



chandiok January 8, 2014 at 2:53 PM

Thank You ST!

Reply

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