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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

Friday, March 1, 2013

01032013



Nifty opened within previous day range. Narrow IR formed. Went long on the strong rejection of price below IRL. Closed the trade when price fell below IRH.. Another long trade on TST of Range low. TP at range high.. Short on BOF of HOD. I was expecting this trade to move well. It did not.

Posted by [SMART Trader](#) at 4:43 PM



9 comments:



[akshay](#) March 1, 2013 at 8:02 PM

hi sir

What made you to go long on tst of ir low..price was not strongly rejected .It was hanging around that level for 3 bars..And with bm and pdc below were you not expecting a tst of that atleast..?

Reply

[Anurag](#) March 1, 2013 at 8:26 PM

Hi ST sir,

Your first trade was a blinder , only a pro like u or a total novice will have taken that trade :)

Reply



[SMART Trader](#) March 1, 2013 at 9:52 PM

Alshay

I am not clear whether you are refering to the first BOF or the second TST of IRL

First BOF

"And with bm and pdc below were you not expecting a tst of that atleast..?"

Yes I was. So were you and so many others. People were expecting at least a gap closure, a cool 20 point trade. So what they did ? They

shorted the break of IR low (Notice the hammer and its volume)

This BOF trapped many and they started exiting changing the net order flow to buy side.

I was anticipating a move to 5760, a prominent swing high. But it did not.

Second TST

Second trade was a little risky one. In fact I was also not much confident. I took the trade because

1. The candle which penetrated the IRL was a MC. Price broke the high of this MC

2. Price went above the Flip zone 5720, the previous swing low and two candles traded above this level

I was having doubt whether it can break the previous swing high

ST

Reply



SMART Trader March 1, 2013 at 10:18 PM

Anurag

There were solid reasons behind that trade. Please do read my answer to Akshay.

I believe Market will provide us very subtle clues well before any move. My effort is to identify, isolate and train my mind to pay selective attention to them. I hope I can achieve automaticity and become consistently profitable.

I am not a pro. We are all work in progress. Maybe I am running a lap ahead of you in this race. That is all

ST

Reply



akshay March 1, 2013 at 10:57 PM

hi sir

I was referring to second trade. But I agree that with Anurag that your first trade was a blinder. In real time taking that trade is really tough because market had not clearly formed any range.

Reply

Anurag March 1, 2013 at 11:32 PM

In the hindsight first trade seems to be tradeable but in live trading was not able to even perceive it as an opportunity. Probably was skeptical after yesterday's post-budget fall, waiting for price to settle in a range.

And sir, you are definitely many laps ahead of us (and accelerating :)), though with all your guidance and support we aim to catch up fast. I know it's a marathon and continuous learning process.

When you take trades, apart from BOF, BPB, TST at DPs and range BOs, a lot of thinking goes in. Sir, I request you to please mention your thought process behind trades taken, more frequently. If possible, for at least one trade everyday.

Reply



SMART Trader March 2, 2013 at 9:34 AM

Anurag

The three setups around DPs are my bread and butter trades. Others are just scalps. Considering the high commission and slippages these traders are not attractive.

ST

Reply

Anurag March 2, 2013 at 12:59 PM

My bad ST sir, actually I was referring to the thought process going behind taking trades based on these three setups and BOs i.e. your reading of prior price pattern, your understanding of trapped traders, critical mass etc.

Reply



goodidea.vishal August 15, 2014 at 9:18 AM

Hi ST sir,

I am reading your blog one by one article, the question of Anurag is still awaiting for answer, now I am also lots of time confused about your word and behind that word thinking process about it, likeORDER FLOW, CRITICAL MASS, trapped trader.

Sir, it's a long way of process to get all these things to know ...but any clues for that.

Sir many times you say in your post.

1) Order Flow on other side

2) Critical Mass on Buy / Sell side

3) Traders on Buying side / selling side ...

What is thought process behind this type of thought, I also think like that ...but lot of times market react opposite side on thinking ...that's why I stop this type of thinking ...is it essential for trading?

OR only see on chart ...what says chart that only do ...don't think other than that ...


Please guide sir

Thank you

Reply

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