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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, August 28, 2012

28082012



Nifty opened just above PDL. and immediately sold. Did not get a proper pull back to short. Initial range formed and the retest of IR low was a long signal, but skipped it as the trade was against the market bias. Went short at the test of PDL. This trade moved well. Went long when the break of the LOD failed. This trade also moved.

Posted by SMART Trader at 3:42 PM



9 comments:



Unknown August 28, 2012 at 4:19 PM

At what point you decide that LOD has been formed? In a falling market, new lows will be formed regularly (and vice-versa - highs - in rising market). For example, today when NF first hit 5330, why that is not LOD?

Reply



Sunil Saranjame August 28, 2012 at 6:00 PM

Yes, there was no proper pullback and I thought I will miss a trade so I went short just after the small green candle.

Normally I use a time stop of 30 minutes but I was expecting a big move today so I hung on to my trade right upto the BOF at 5321 and closed around 5332.

Do you use time stops ST?

Thanks,

Reply



ratnakar August 28, 2012 at 7:46 PM

Kyaa baat hai... let me also nurture the vision to catch such trades... hahaha

Reply

SMART Trader August 28, 2012 at 10:02 PM



Nifty Baz

Yes, You are correct. We will never know for sure where exactly LOD and HOD are. We can only anticipate. I went long here because of the following.

1. Market was in free fall yesterday
 2. Today the fall is continuing
 3. Critical mass is short now and they are going to book profits on the sign of slight opposing order flow.
 4. Long tailed bar which fell below 5330 clocked heavy volume and closed above 5330, looked like a selling climax
 5. Waited for a retest of the low as the trade was CT.
 6. Two pushes to break below the previous rejection bar failed.
 7. Risk was very low.
 8. Expected a move to IR Low at least
- Hope this helps

ST

Reply



SMART Trader  August 28, 2012 at 10:27 PM

SS

There is nothing wrong in going short when the green candle failed. Reason

1. Bias is bearish
 2. Broke a major DP to the down side and price got accepted.
 3. Risk is acceptable
 4. Two DPs to protect the trade. PDL and HOD.
- Yesterday also it happened. BPB of BRN was not picture perfect.
Generally I do not use time stops. But I exit when an opposite directional trade triggers. Today the retest of IR low.

ST

Reply



SMART Trader  August 28, 2012 at 10:49 PM

ratnakar

You can , only if you persist.

I am sure 95% will not. They will flirt from method to method and from indicator to indicator. Finally they will get drowned in an indicator soup.

ST

Reply



Sunil Saranjame August 28, 2012 at 10:51 PM

Thank you ST.

Regards,

Reply



Unknown August 29, 2012 at 10:27 AM

Thanks ST. Your posts and replies help a lot. I have started day trading using your methods with 1 Mini and slowly learning. All credit to you.

Reply



SMART Trader  August 29, 2012 at 9:41 PM

Nifty Baz

All the best.

Never chase trades. Let them come to you. Only trade good signals occurring at good locations

ST

Reply

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