



This image is no longer available. Visit tinypic.com for more information.

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

Tuesday, October 7, 2014

07102014



Nifty gaped down below PDL. IR formed. Went short on BPB of IRL. trade did not work. Scratched. Then it was a BW move around NS BRN-IRL. Short below the range low. Covered above BRN on break of the BO bar as price was moving down in a channel till then

Posted by SMART Trader at 3:45 PM



30 comments:



Unknown October 7, 2014 at 4:01 PM

Sir, why did u not scratch your second trade when price failed to make further down move , and it was trading above your short level for more than 15 minutes ?

Reply

▼ Replies



SMART Trader October 7, 2014 at 4:15 PM

Bias was bearish.
After breaking below IRL price tried twice to move above IRL and failed
During the first attempt price stayed above IRL/NS BRN for a long time
Second time price could not stay that long. Then there was a BOF. A rejection pin bar.
Next green bar moved up a little. Price was not able to break above this bar for the next 40 minutes
So I kept my SL above the BO bar and did not micro manage

ST



videv October 7, 2014 at 6:50 PM

That's a beautiful explanation. I too kept my initial SL above the BO bar but having had 3 losing trades was too skittish and trailed too quickly to end at a loss, even though it moved in favour later on.

Reply



Arvind October 7, 2014 at 4:10 PM

Hi Sir,
Can we consider the marked area as 'Absorption'.
<http://screencast.com/t/WHyUfEV>

Thanks
Arvind

Reply

▼ Replies



SMART Trader October 7, 2014 at 4:20 PM

Yes. there was selling at the level. Dont look at absorption as a pattern and trade trigger
There was a minor BOF of IRL.I have drawn a line there. You may call it FTC also. I skipped it because of RN

ST

Reply



Unknown October 7, 2014 at 4:25 PM

Hi ST,
Short on BPB of range low on 2:38 bar below 2:24 bar. Was this a valid trade?
Thank you

Reply

▼ Replies



SMART Trader October 7, 2014 at 4:34 PM

Trade is valid.
But BRN was too close. Today it worked well may not always
If you are prepared for a bounce from BRN, no problem

ST

Reply



Josh1 October 7, 2014 at 5:13 PM

Dear Smart Trader,

I feel it will be more beneficial to consider previous day's range also.
For example, yesterday NF was trading between 7970 - 8007 for most part of the day. Today's open was a BO of that range. Thereafter, there was a PB up to PDL. There could be a short at 7955 or below RN of 7950 and cover between 7930-35

Reply

▼ Replies



SMART Trader October 7, 2014 at 8:01 PM

We are doing like that. Every day candle is considered as range
<http://niftyinirvana.blogspot.in/2014/06/daily-dose.html> (Para3)
Further today was an outside day as price opened below PDL
<http://niftyinirvana.blogspot.in/2012/02/inside-and-outside-days.html>
I missed the trade as I waited for the price to touch PDL and reverse.I failed to notice the 30092014 low

ST

Reply



nifty for bread October 7, 2014 at 5:24 PM

Sir,

I shorted BPB of BRN towards the end of the day and scratched. Was it a valid trade?

Thanks,
S.Karthikeyan

Reply

▼ Replies



SMART Trader October 7, 2014 at 8:05 PM

Avoid such late entries. price has already fallen 90+ points.
Critical mass is short and at the fag end there will be profit taking by buying back

ST

nifty for bread October 7, 2014 at 8:29 PM



Sir,

Thanks for the guidance.

S.Karthikeyan

Reply



videv October 7, 2014 at 6:23 PM

Did 5 trades out of which only first worked. I took first short as FTC near PDL, covered earlier than IRL. Took the BPB short of IRL like yours which failed. Also I took last short as you did, but trailed too quickly so ended at 6 pts loss rather than profit. My initial SL was above breakdown bar just like yours. Anyway... it's about the middle of day that I did 2 long trades as BOF of IRL which are total mistake in hindsight. So my question is how to avoid them in future.

First BOF long was 1106 candle. My reasoning was the 2 huge white spike bars after open means a possibility of BOF long may work out. It failed real quick.

Then I took another BOF long at 1142 candle. TSL got hit at 1241 bar.

I think the spike up candles after gap down confused my bias for the intraday. How much weight do you place on initial 2-3 candles price action if they spike up or down?

thanks

Reply

▼ Replies



SMART Trader October 7, 2014 at 8:16 PM

Once you get stopped out of a trade at a DP do not try to trade the same DP again and again. You could be in a BW or channel most of the time. Today it behaved like BW for a long time and move from 7940-7910 was a channel move.

Today it was an outside trend gap which can attract some profit booking. This caused the price to rally for a while <http://niftyinivana.blogspot.in/2012/08/gaps.html>

ST



Trekkie October 7, 2014 at 9:08 PM

Hi ST,

When we get stopped out at DP, could we look for BOF in opp direction? Thanks.



videv October 7, 2014 at 11:45 PM

Thanks ST. I had read the gaps post earlier, but only now able to appreciate that it was profit taking at the open by shorts which caused the initial rise. My first short was actually based on that premise that buying would have exhausted when it reached closed to PDL but reversed, rather than moving above PDL and sustaining there to make it as genuine buying. But I forgot the same when it prices declined back to IRL!

I think if I watch the charts from time to time I do better and take only valid signals, seeing it continuously leads to forced trades.



SMART Trader October 8, 2014 at 8:51 AM

Vivdev

Analyzing price action bar by bar is a waste of time and energy. This will lead to information overload and impatience. Watch price action around DP and see whether price is getting accepted or rejected. All these concepts are not rules. If people are selling no profit booking can cause a pullback. Price will run away.

S Roy

It depend on the situation. For example

A move exhaustion. Price has moved a lot in one direction. A BPB fails. You can look for a trade in the opposite direction. Another situation is where this happens in a CT move. We can expect the trend assertion in the original direction

ST

Reply



TSK October 7, 2014 at 9:14 PM

Dear ST,

<http://www.tribhuwankirola.in/2014/10/07-october-2014.html#more>

Sir Its honor to invite you on my first day of trading journal. As I believe that there is no any meaning to achieve some thing alone. We always need other's help. We live in a community and we have the responsibility to make it better. So, your kind help, expertise, guidance will be required.

Thank you,
Tribhuwan Kirola
(tribhuwankirola.in)

Reply

▼ Replies



SMART Trader October 8, 2014 at 8:55 AM

Thanks
All the best
"We are all experts in something. Teach everything you know. Knowledge is squandered unless it is shared. Don't die with your greatest lessons still inside of you"-James Clear
<http://jamesclear.com/keystrokes>

ST

Reply



Unknown October 8, 2014 at 12:06 AM

Today did not give much opportunity to trade. Before opening I had set my mind that market will move decisively on one direction. But entire day look like a channel move expect last 30 mins. It seems no strong sellers nor buyers. How do we trade on days like this.

Reply

▼ Replies



SMART Trader October 8, 2014 at 8:58 AM

Usually after a big gap this happens. Market will consolidate for a long time
Very easy to lose money on such days due to impatience and boredom
Just sit tight and attempt with the trend signals

ST

Reply



Bhavir October 8, 2014 at 12:24 AM

Hi ST - I spoke with Zerodha today and they mentioned that their NEST terminal provide 3 min intraday charting. Is that true and if yes do I really need iCharts?

Reply

▼ Replies



SMART Trader October 8, 2014 at 9:01 AM

As far as I know there are issues to these charts.
I have not tried it as I am a subscriber of iCharts for years
Try it. If it is good no problem you can use it

ST



Trekkie October 8, 2014 at 10:54 AM

Bhavir,
The chart exists, but it is not userfriendly.

Reply



Trekkie October 8, 2014 at 1:24 PM

Hi ST,
At this point has PDL become enveloped and therefore irrelevant?

Reply

▼ Replies



SMART Trader October 8, 2014 at 1:56 PM

IR is acting as a range LOD-BRN
It is a BW with PDC and PDL in between. There were two signals
BPB of BRN which failed and with trend BOF of BRN which was also a pattern failure

ST



Trekkie October 8, 2014 at 1:59 PM

Thanks ST.

Reply



xrtrader1 October 8, 2014 at 2:19 PM

Great inspiration...
<http://www.rediff.com/news/special/a-tribute-to-mp-anil-kumar-fighter-pilot-and-chairborne-warrior/20141008.htm>

Reply



xrtrader1 October 8, 2014 at 2:20 PM

Just to add to previous note... based on previous posts I thought you will be interested, hence the link.

Reply

▼ Replies



SMART Trader  October 8, 2014 at 2:50 PM

Thanks.
He used to write a blog earlier
<http://chairbornewarrior.wordpress.com/>

ST

Reply

Add comment

Note: Only a member of this blog may post a comment.

Enter your comment...



Comment as: Google Account ▼

Publish

Preview

[Newer Post](#)

[Home](#)

[Older Post](#)

Subscribe to: [Post Comments \(Atom\)](#)

Important Posts

- [Disclaimer](#)
- [Glossary](#)
- [Rants 'n Raves](#)
- [Structure and Patterns](#)

Download E-Books

- [Decision Points](#)
- [Structure and Patterns](#)
- [Rants N Raves](#)
- [TRADE-SCORE](#)
- [Video Promo](#)

[Statcounter](#)

Reciprocal Links

- [Lance Beggs @ YTC](#)
- [URD @ charttechnicals](#)
- [KPL @ vfmtdirect](#)

Blog Archive

- [2015](#) (100)
- ▼ [2014](#) (274)
 - [December](#) (22)
 - [November](#) (19)
 - ▼ [October](#) (23)
 - [31102014](#)
 - [30102014](#)
 - [29102014](#)
 - [28102014](#)
 - [27102014](#)
 - [Seven Pillars](#)
 - [Trading Journey](#)
 - [22102014](#)
 - [Ache Din Aane Wale Hain](#)
 - [21102014](#)
 - [20102014](#)
 - [17102014](#)
 - [16102014](#)
 - [14102014](#)
 - [13102014](#)
 - [Connect the Dots](#)
 - [10102014](#)
 - [09102014](#)
 - [08102014](#)
 - [07102014](#)
 - [Feedback Please](#)
 - [01102014](#)
 - [Good News](#)
 - [September](#) (22)
 - [August](#) (22)
 - [July](#) (27)
 - [June](#) (26)
 - [May](#) (20)
 - [April](#) (22)
 - [March](#) (24)
 - [February](#) (21)
 - [January](#) (26)
- [2013](#) (299)
- [2012](#) (338)