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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 6, 2015

06012015



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Nifty gaped down below PDH and sold. Shorted when it pulled back to BRN. I was expecting a re test of the low. It went further and broke RN. Covered at RN. Then the last impulse acted as a range. Another short on TST of range high. Multiple attempts to move above RN failed and this gave confidence to short

Posted by SMART Trader at 3:46 PM



13 comments:



xrtrader1 January 6, 2015 at 3:56 PM

Hi ST,  
why can't earlier attempt be considered as TST?  
<http://i.imgur.com/tGgwc5s.png>

Reply

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SMART Trader January 6, 2015 at 4:21 PM

<http://screencast.com/t/hHMtoR4q>

ST



xrtrader1 January 6, 2015 at 4:35 PM

Thanks ST. very clearly explained.  
On these kind of days, (large volume, clearly positional traders are in control.). Why look for long trade?



SMART Trader January 6, 2015 at 4:52 PM

I expected a quick up move shaking out smaller time frame shorts and a final sell of trapping all the new longs

Notice how the game was played yesterday afternoon. Market will seek liquidity and will create order flow on its own  
ST



**L.V.Gandhi** January 6, 2015 at 5:20 PM

After two failed attempts to cross RN, there was BPB above 13:27 bar. Can you share your thoughts why did you not attempt long there?



**SMART Trader** January 6, 2015 at 7:42 PM

RN just gave some confluence.  
I was focusing on the range high, Last impulse high, the MSP  
Trend changes only when price gets accepted above this level  
I considered the trade as TST of range high. Not as BOF of RN

ST



**L.V.Gandhi** January 6, 2015 at 8:08 PM

Thanks.

Reply



**PA Trader** January 6, 2015 at 4:26 PM

My first candle ranged from 8000-8422. Such freak candles disrupt my chart structure and hence my confidence. How to handle such situations? For tomorrow where should I consider my PDH / PDL? Should I ignore the first candle while deciding PDH / PDL?  
I was looking for a pullback to RN at the place where you took TST short. I was targeting it as a RN BOF. But since there was no PB, I missed entry. Probably a basic question, but when looking for a BOF entry, should I wait for a pullback to the DP before initiating a trade? I tend to wait for a pullback. Today, could I have gone short below 13:45 low?

Reply

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**Trekkie** January 6, 2015 at 8:06 PM

The candle was correct but in amibroker, I usually edit out any "big tails" on the first 1 min bar.

Reply



**SMART Trader** January 6, 2015 at 4:44 PM

Price got rejected thrice at RN. Do not wait for more confirmation  
Take PDH as 8350 and PDL as 8150. Both are round numbers.  
I charts always filter out such freak trades.

ST

Reply

▼ Replies



**PA Trader** January 6, 2015 at 6:25 PM

Thanks. I have always found Icharts charts to be very good. I used them earlier.

Reply



**Trader Pai** January 6, 2015 at 6:22 PM

ST,  
I am not able to trade well in these sort of days since the risk is high,  
Tried BOF LOD long and scratched it. No other trades.  
The place where you took your 2nd trade I suspected a BW and if the risk was lower I would have taken it

rgds  
Kishore

Reply



**Bhavir** January 7, 2015 at 12:47 AM

Nice trades ST. Incorrect choice of DP by me today ... I should have played the range high/low  
<http://niftytradediary.wordpress.com/2015/01/07/6-jan-2015-choice-of-decision-points/>

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