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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

Thursday, January 23, 2014

23012014



Nifty gaped down. Failed to go below yesterday's demand zone. Went short on BOF of PDC which was also the gap closure. Covered the trade at a small profit. Avoided the second BOF as price did not go above previous attempt and did not trap BO longs. Price broke PDC and settled above it in a small range. Avoided the BPB as RN, NS RN, PDH above it. Shorted when price broke down below PDC. Got trapped. exited at a small loss. Long Above Range High on BOF of range low. It was a TRAP pattern. TP at PDH. Avoided BOF of PDH as there was very little space. Learn to trade short term ranges

Posted by [SWARTTrader](#) at 3:51 PM



30 comments:



[Unknown](#) January 23, 2014 at 4:09 PM

Hi ST

Thanks for a great explanation of formation of zones...

TBP

Reply



[amber](#) January 23, 2014 at 4:14 PM

Sir good evening, sir can we take 2.15 p.m candle as MSP, thnx

Reply

[ANCOOP.AV](#) January 23, 2014 at 4:28 PM

good evening sir today I took one short position with first break out failure and covered with two point loss and avoid long trade at this level because 6350 was major resistance of NS

Reply

ANOOP.AV January 23, 2014 at 4:33 PM

sir how can take position with fast break out ?

Reply



Deven Malhotra January 23, 2014 at 4:36 PM

Hi,

These Ranges remind me of Darvas Boxes but Colored ones !!
Easy to understand for us!

Thanks..

Deven Malhotra

Reply



nifty for bread January 23, 2014 at 5:27 PM

Sir, There was very good volume at BOF of PDH and I thought that sufficient number of traders were trapped and the resultant momentum will take the price down to PDC at least. But the previous Range or swing pivot blocked the move. What was wrong with my thinking and how I could have avoided this trade?

S.Karthikeyan

Reply



SMART Trader January 23, 2014 at 5:43 PM

Amber

13.12 candle low is MSP
TRAP is the BOF of this MSP

ST

Reply



SMART Trader January 23, 2014 at 5:50 PM

Anoop

Why you made 2 point loss. Trade moved in your direction and very slowly retraced. You had enough time to exit at a small profit

ST

Reply



SMART Trader January 23, 2014 at 5:52 PM

Anoop

Identify the BO location early. Enter a Stop loss limit order and sit tight till breakout happens. If BO fails just get out with minimum damage

ST

Reply



SMART Trader January 23, 2014 at 6:02 PM

Devan

Darvas Boxes are tradeable. He made millions with these boxes. These boxes are nothing but ranges formed between support and resistance

Unfortunately people do not like to use their brain and think. They are in search of AFL to plot PDH and PDL.

ST

Reply



SMART Trader January 23, 2014 at 6:12 PM

SK

The logical target of every trade is FTA. Here it was the range high flip. Price went exactly where it was supposed to go and bounced.

We are acting on the available information. Reality can be different many times. If price is not moving as expected, simply get out without much damage and look for the next opportunity

ST

Reply

Anonymous January 23, 2014 at 6:15 PM

ST,
All my trades matched with urs except one ...
I thought there was a TRAP pattern as the MSP was broken at the second attempt at PDC around 11 30 and went long on the next BO

rgds
Kishore
Reply



nifty for bread January 23, 2014 at 6:17 PM

Sir, I should have observed the price action intensely, as it encountered Range high and swiftly acted to get away with minimum profit or minimum loss. Thanks for the clarification.

Reply



amber January 23, 2014 at 6:34 PM

Sir thnx

Reply



SMART Trader January 23, 2014 at 6:34 PM

SK

Read

<http://niftynirvana.blogspot.in/2013/01/scratch-and-win.html>

<http://niftynirvana.blogspot.in/2013/06/re-read-and-rediscover.html>

ST

Reply

Anonymous January 23, 2014 at 6:57 PM

Sir,

It look like you said "Learn to trade short term ranges" to me.

Lack of focus and space a unproductive combination.

Could not even pull the trigger.

Raghu

Reply

ANOO.PV January 23, 2014 at 7:02 PM

sir,very very thanks for your valuable advice

Reply



Unknown January 23, 2014 at 7:04 PM

Hi ST

Thanks for Scratch and win post.
Need of the hour where no trade is trending

TBP

Reply



nifty for bread January 23, 2014 at 7:25 PM

Sir, Thanks for understanding my position and suggesting the way out. I am really touched by your care.

I will read, grasp, follow and become a better trader. No words to express my gratitude.

S.Karthikeyan

Reply



Sunil Saranjame January 23, 2014 at 10:49 PM

Congrats ST! I'm really happy that your hard work is helping out so many new traders. Fantastic job!

One suggestion - please see if you can put a link to important posts so that you you don't have to do it every now and then.

Thanks and regards,

suinl.saranjame

Reply

ANOOP.AV January 23, 2014 at 11:38 PM

sir, why you don't trading on commodity with this technical tools

Reply

ANOOP.AV January 23, 2014 at 11:43 PM

sir, kindly publish today open-high-low and close with chart

Reply



SMART Trader January 24, 2014 at 8:47 AM

SS

Thanks

I have listed all the important posts at the bottom All important posts are separated and given under sub headings "Rants and Raves" and "Structure and Patterns"

ST

Reply



SMART Trader January 24, 2014 at 8:54 AM

Anoop

I do not care about these numbers at all other than BRN. While trading I remove even the grids. For me trading is a visual process just like playing a video game

Life is not trading alone. I can't sit in front of the computer till midnight

ST

Reply

Anonymous January 24, 2014 at 9:20 AM

Hi ST,

now a days too many discretion's

you are using new words like trap to cover the draw back of the system as you said no static hedge

GV

Reply



SMART Trader January 24, 2014 at 11:50 AM

GV

Thanks for the comment

1.This is a pure discretionary method of trading. Trading methods evolve over time and many tweaks to correct the weakness may be required.How many is too many?

2.The method has its own weaknesses and drawbacks. I am well aware of them and I never wanted to cover it up. So many times I have openly admitted about the inability to deal with Barbed Wires and Channels.

3.For your information trap is not a word but a pattern called TRend Acceleration Pattern(Called TRAP in short)[Click to read](#)

4.TRAP is not my brain child. It was a contribution from a serious follower of the blog MR.U R Dave.He made a guest post here to get some feedback.Go through the comments and find out if there is any worthy contribution from the readers side.

5.I have introduced a tactics called Sniper Shots to solve the problem of price bouncing from FTA.

[Click to read](#)

Notice the feedback from readers.

6.If I can develop a method up to this level from zero, I am confident that I can refine it further and solve the drawbacks on my own

7.I am under no compulsion to share my observations here. I have not collected any money from anybody. Just a mouse click is enough for Nifty Nirvana to vanish from public domain.

8.So much of my quality time is being spent on answering comments and replying for mails.If you can't appreciate it, no problem I am internally motivated.

9.I never claimed to be a great trader.Time and again I have made it clear that I am still a single lot trader and a work in progress. But I trust the method and have quit a cushy well paid job I could have continued for another 11 years to chase my dreams.

10.The method has holes in it and I am trying to plug them one by one. There will be more and more discretion.If you can't tolerate it, you are under no compulsion to follow this.

ST

Reply



Unknown January 24, 2014 at 1:06 PM

Hi ST,

I am writing this comment as a supporter of DP trading.

I have been trading this method from the past 2 months.

I have found that DPT makes one less anxious. Even before getting into the trade one can know the SL and the first target.

Initially looking at ur charts, I thought I would trade without any indicators.(I used MACD).

Now I don't use any indicator and to good effect.I love my charts to be clean now only with appropriate horizontal lines.

Never ever did I think that DPs would make so much of sense.

DPs work like charm and the only one to sabotage that working is we ourselves.

Even with DP trading I have made mistakes while trading which I could have avoided but the cost now is very less.

I dont think I amgoing to leave this method as long as I amgoing to trade.

A BIG THANK YOU for your work and devoting ur precious time towards trader development.

May GOD BLESS YOU always!!!

TBP

Reply



SMART Trader January 24, 2014 at 1:43 PM

TBP

People preach not to search for the Holy Grail but go on doing the same.
If anybody could find such a method ,he will own the entire planet in no time.It just cant happen as it is against the laws of the universe.

ST

Reply

Anonymous January 24, 2014 at 2:56 PM

@GV

Just based on DP method now I am holding short from 6330.

That's the magic

You were talking about present discretion's but some of my own!

Raghu

Reply

Anonymous January 24, 2014 at 5:41 PM

trolls will be trolls.

thanks for taking time to reply so many questions.

If it ever becomes too much please consider replying only to some questions / reducing post frequency rather than stopping altogether

SS

Reply

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