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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 16, 2014

16012014



Nifty opened above PDH and refused to go beyond the first bar. IR formed. Suspected a Barbed wire around PDH. Short on break of IRL as BOF of PDH. Covered when second attempt to the downside failed. TST of IRL was a good opportunity to short. Missed it as it was a channel move to the upside. Long on BOF of LOD. TP when IRL rejected. Attempted a short when LOL BOF of PDH/IRL . Short was on break of MSP. Stopped out. Entire day Nifty was trading within 30 points.

Posted by [SMART Trader](#) at 3:35 PM



27 comments:

Anonymous January 16, 2014 at 4:17 PM

Hi Sir,

Thanks for your information.

1st traded i took the same place.

@12:30pm, there are 3 red candles..and crossed below LOD..is there no sell signal over there??

Please suggest me..

Thanks,
Mahesh

Reply



Unknown January 16, 2014 at 4:35 PM

Hi ST

I shorted on the second candle today(on my charts) as BOF PDH and got stopped out.
How could have I avoided it?

Thanks
TBP

Reply

Anonymous January 16, 2014 at 5:22 PM

sir,
what is the stop loss for your BOF OF LOD trade?

Reply

Naveen January 16, 2014 at 5:50 PM

Is there any Simulation software that simulate the historical trades bar by bar..?

Reply



SMART Trader January 16, 2014 at 6:29 PM

Mahesh

On range bound days generally Nifty swings wont last more than 25-30 points.
Market was showing any interest to go down. In case of strong selling it should have gone to BRN on the earlier down move after a pull back.

Pullback made two higher highs and higher lows. Longs from 6312 area might have shifted their stops 6318 area. The second leg of the down move was this stops triggering. BO bar of LOD was having lower tails which showed rejection.
Further BPB of LOD was not an orderly one , but just an inside bar

Maximum move that can be expected for a BPB trade was 8 points to BRN. Hence did not enter on BO/BPB

ST

Reply

Anonymous January 16, 2014 at 6:32 PM

@Naveen
Sir with your permission....

As usual amibroker does it!

But nothing will replace your LIVE experience. Seeing the closed bar to watching and observing live bar makes a very big difference.

The funniest thing is I use next bar timer to see whether the current bar is closing above or below the signal candle.

Raghu

Reply

Babu January 16, 2014 at 6:38 PM

I am facing one issue sir,

I am able to identify the decision zones like msp do pdc pdh irl irh and so but could not able to spot the decision points.

babu

Reply

Anonymous January 16, 2014 at 6:41 PM

Hi any one from US on this blog?

Need help towards some buying activity from there.

Please share you email id.

Raghu

Reply



SMART Trader January 16, 2014 at 6:42 PM

TBP

Sometimes we get trapped. It is all in the game

But in this case you could have avoided it. The entire first candle was above PDH. So many traders went long there. Where they will place their stops? Below the first candle or below the previous day swing low?

Now another move up. Where are the stops of longs now? Some below the second candle low a new swing low. These stops helped your second trade
Hope it is clear

ST

Reply

SMART Trader January 16, 2014 at 6:43 PM



Anon

Just below the pin bar which made a higher swing low

ST

Reply



SMART Trader January 16, 2014 at 6:46 PM

Naveen

You can do it in almost all charting soft wares. I was doing it in Amibroker

ST

Reply



SMART Trader January 16, 2014 at 6:58 PM

Babu

These areas are called decision points. They are not exact points but narrow zones. We are trading the three patterns occurring at these zones

ST

Reply



SMART Trader January 16, 2014 at 7:06 PM

Raghu

Right. Nothing can replace the live experience. It is just like watching the tug of war video.

ST

Reply

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Anonymous January 16, 2014 at 7:20 PM

@Babu

If you are facing this issue then just use the line chart for first few weeks or months I learned this DP trading in the same way. Its very use full as it filter some great amount of H-L noise.

Raghu

Reply

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Anonymous January 16, 2014 at 7:37 PM

Hi ST,
I am from ernakulam.
gone through your book.
It was a great read .
Are you member of TSF.
I know vijay chettan ..

Between how many trades per day on an average ?

rgds
kishroe

Reply



Unknown January 16, 2014 at 7:52 PM

Hi ST,

If the stops were placed below the first candle, then I would have got stopped out on my short because the second candle closed below the low of the first. In this case I totally forgot about IRL. Is my thinking right??

TBP

Reply



SMART Trader January 16, 2014 at 8:13 PM

TBP

I am afraid you got it wrong
I was referring to the chart in your blog
Your first short failed because there was no order flow from other traders in your favor. ie no stop triggering
Second trade worked because it triggered the stops below IRL
The right entry was on 12th candle in your chart to take advantage of the stops

ST

Reply



Unknown January 16, 2014 at 8:16 PM

Hi ST
there was a typo from my end
It shud be I wud not have got stopped out...

TBP
Reply



amber January 16, 2014 at 8:57 PM

Sir good evening sir i could not understand this ie no stop triggering as mentioned by you , kindly update thnx
Reply



SMART Trader January 16, 2014 at 9:28 PM

Amber

As far as possible our entry should be in a location where many other traders keep their stop loss.
We need order flow to support our position. Triggering of these stops will create a move in our favour

ST
Reply



amber January 16, 2014 at 9:59 PM

Sir thnx
Reply



SMART Trader January 16, 2014 at 10:22 PM

Kishore

Sorry. I missed your comment.
Yes. I post in forums as Niranjnam
TSF,Tj and Indi. But rarely

I know Vjay through the forums. We have not met personally.
Usually I take 2-4 trades a day

ST
Reply

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Anonymous January 16, 2014 at 10:34 PM

thanks ST

rgds
Kishore
Reply

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Anonymous January 17, 2014 at 10:51 AM

Hi ST Sir,

A small suggestion, hope you won't mind. IMHO, renaming TST as TSR would help to remember and relate to the terminology better.

Regards,
KSG
Reply



SMART Trader January 17, 2014 at 11:24 AM

KSG

I agree TSR is better than TST
But changing will bring in a lot of unwanted and unproductive work for me.
Existing readers will start asking what is TSR and every new reader when going through old charts will ask what is TST

ST
Reply

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adhi narayanan January 17, 2014 at 3:21 PM

my today's trade chart link - <https://www.dropbox.com/s/widbame5j10qew3/NFNIFTY%2030-Jan-2014.jpg>

Reply

SMART Trader January 17, 2014 at 3:40 PM



Adhi

Nice trades

Shows your maturity as a trader.A novice cant identify and reverse a wrong trade so fast

ST

Reply

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