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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

Friday, June 5, 2015

05062015



Nifty gaped down below PDC. IRL formed. Went long on BOF of IRL. It was a grinding move up for a long time and finally took off. TP on FTC above momentum up move. I was hoping to go long at PDH on pull back. It quickly broke PDH, PDC, IRH and RN and bounced above these levels equally fast. Long on retest of IRL. Covered on TST of HOD. Final BOF of HOD and TST BRN was at lightning speed and I could not capture it

Posted by [SMART Trader](#) at 4:04 PM



8 comments:



[Unknown](#) June 5, 2015 at 4:29 PM

ST
Nice trades ST. only trade was last downmove could not be executed
Reply

[Anonymous](#) June 5, 2015 at 5:19 PM

Sir,

I wanted to hear from you about two part exit method as explained by Lance Beggs. I have been following another blog of Jagadeesh, he too uses two part exits.

What's your take on two part exit VS single exit.

Personally I feel single entry-exit reduces lot of order management work and cognitive load and saves some brokerage too.

In a trending days two part exits may reduce the profits to half !
In ranging markets two part exits can take some money out of market while single exits may turn into scratches.

My personal preference and psychological comfort is with single entry exit, its simple and works. I am not sure if I am missing something good from two part exits.

Sure every method has some pros and cons, I want to hear your thoughts on this topic.

Thanks,
TradingNoob
Reply

▼ Replies



SMART Trader June 5, 2015 at 6:45 PM

I have not tried partial exits. I trade all in all out.
IMHO, all in all out method is good unless you are trading big volume

ST

Reply



AHGTrader June 5, 2015 at 6:23 PM

Thank you for the chart. Good trading.

1. For the 1st trade, we had PDH / pDC, what made you hold beyond all of that? I was actually thinking BOF entry that area for a short considering the trend of the last two days?
2. Typically for IR fades (BOF) do you consider the trend of the market prev day to decide between BOF Long versus BOF short?
3. For the 2nd trade when you have LOL (PDH, PDC & IRH) is it a good area to do TST entry at the extreme? Only problem was the momo of the down move was little strong from HOD. Was that the reason you waited for the 2nd test?
4. BOF short in the end I always think bullish after such a strong move up & prefer BOF longs on pullback.

Thank you for your help..

Reply

▼ Replies



SMART Trader June 5, 2015 at 7:06 PM

1. I was expecting a bounce from that levels and was ready to exit. Fortunately it went through smoothly without a reaction. In a small range BOF will take price to the other extreme usually. If we are lucky we may get a BO also
2. Sometimes it happens like that. You can view today's morning down move as a pull back consolidation after the previous day up move. Then BOF of pullback low is a signal to long
3. V reversals rarely happens. It is safer to wait for a slow pull back to a SR area for entry. Entries during wild swings can be risky if you are trading with 10 point SL
4. BO or BOF depends on the strength of DP and type of move. Some basics again
<http://niftyinirvana.blogspot.in/2012/09/decision-points.html>
<http://niftyinirvana.blogspot.in/2012/11/make-or-break-levels.html>

ST



AHGTrader June 5, 2015 at 7:27 PM

Thank you for the response. Appreciate it.
When you have LOL, would you put the TST entry limit at the extreme? Today the 2nd slow pb retest got to pDH but never went to IRH. If time permits, would be great if you can write a post on TST entries. Thank you.

Reply



Nagendra June 8, 2015 at 8:46 PM

Dear ST,
Once broken IRH and IRL still valid DP's ?
<https://www.tradingview.com/x/Na8KeAUJ/>
yellow lines are IRH and IRL
Thanks,
Nag...

Reply

▼ Replies



SMART Trader June 10, 2015 at 3:37 PM

These levels will have some influence always. Ignore them if market is not respecting them
If a range forms around these levels, trade range extremes and not these levels. ranges are important and if a DP acts as a range extreme they are very reliable

ST

Reply

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