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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

Wednesday, August 5, 2015

05082015



Nifty moved above PDH after open and stayed within a tight range all the day. tried a short on BOF of Range high. Scratched.

Posted by [SMART Trader](#) at 3:52 PM



22 comments:



[xrtrader1](#) August 5, 2015 at 5:08 PM

Hi ST,

a> Was there a BO Trade between 9:45-10:30. When the Bar went above 8600? Reason for not taking BRN is quite strong level, will require lot of order flow to break. So avoid taking BO near BRN is my understanding correct? b> What was the reason for not taking BO trade where you took BOF trade.

Reply

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[SMART Trader](#) August 5, 2015 at 6:38 PM

No I had a buy order above BRN. I waited for more than half an hour for it to trigger because there was no momentum. So cancelled the order and looked for a BPB or a BOF at the lower side of the range.

ST

Reply



[Uday Dave](#) August 5, 2015 at 5:16 PM

Hello ST sir,

I thought someone would ask, let me ask, why did you avoid BO of RH? I thought it took too much time consolidating in the narrow range and my understanding is that if it the range prolongs too much, most likely prices will reverse. So I was looking for BOF of RH and took the trade once it happened. Your thoughts please.

Thanks.

URD

Reply

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SMART Trader August 5, 2015 at 6:48 PM

Usually I prefer two types of BO trades.
1. BO of IR with momentum to board a trend move earlier
2. PP where a lot of traders get trapped.
I skipped morning BO of BRN as there was no momentum. Avoided BO of range high as I felt very few shorts created in market since morning. Price never broke the first swing low for day traders to enter short. Critical mass was not short

ST



xrtrader1 August 5, 2015 at 6:55 PM

Hi Dave,
Similar PA as today. But different result.
<http://niftyinirvana.blogspot.in/2014/01/13012014.html>



SMART Trader August 5, 2015 at 7:16 PM

Market was extremely bullish then. Look at the previous day chart
Price climbed above the last range 6225-40 and failed to stay there. A sell off happened. Next day morning itself price climbed back to this higher area and even a BOF at PDH could not bring price below 6240. Market will give many subtle clues but we fail to read this most of the time
<http://niftyinirvana.blogspot.in/2014/01/10012014.html>

ST



Unknown August 5, 2015 at 7:34 PM

I took CT BOF short around 1020, considering that it failed above 8600 and it was a supply zone you didn't consider this possibility?



xrtrader1 August 5, 2015 at 7:51 PM

Hi ST,
"Price never broke the first swing low"
<http://i.imgur.com/SB6TPK0.png> is my understanding correct.



xrtrader1 August 5, 2015 at 9:18 PM

Thanks ST... Lot to learn.. I should work with historical charts many times



SMART Trader August 5, 2015 at 10:04 PM

Naveen

Your entry was right and it went where it was supposed to go.
Being a discretionary method we will not be able to take all entries. We hesitate second guess and fail to act.
Further we will fail to notice many clues. Perfection is impossible in this game

ST



SMART Trader August 5, 2015 at 10:11 PM

Xrt

Your understanding is correct.
Some people get trapped there. But not enough to trigger a momentum move in the opposite direction
Further people are trading different methods. For example those who entered on BO of BRN may not exit below the BO bar.
They keep SL below 8580 only. They will continue to hold

ST



xrtrader1 August 5, 2015 at 10:30 PM

Thanks so much ST.



Trekkie August 6, 2015 at 8:27 AM

Hi ST,
Good Morning, please can you explain why you thought the 10:20 short by Naveen will not break the lower DP. It was a BOF of BRN, would it not move beyond the lower DP? Thanks for your help.



SMART Trader August 9, 2015 at 9:26 PM

Logical target is the range low. Further move is just a bonus
Price is in rally mode and counter trend moves will fizzle out sooner than we expect

ST



Trekkie August 9, 2015 at 10:32 PM
thanks a lot ST.

Reply



xrtrader1 August 5, 2015 at 5:39 PM

One more question ST on Critical Mass: it is very difficult to consider Critical mass in morning session. How to deal with it? especially during first hour?

Reply

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SMART Trader  August 5, 2015 at 6:52 PM

http://niftyinivana.blogspot.in/2014/11/more-on-critical-mass_22.html
In todays session critical mass was neither short or long. that is why the BOF of Range high and low did not move beyond the other extreme

ST

Reply



Trekkie August 5, 2015 at 5:39 PM

Thanks a lot ST.

Reply



Unknown August 5, 2015 at 5:56 PM

Hi ST,
Was it correct to short just above the BRN? Thanks.

Reply

▼ Replies



SMART Trader  August 5, 2015 at 6:58 PM

Here it can be done as the range high is above BRN.
But better to avoid trades into DPs unless there is sufficient space

ST

Reply



Trekkie August 6, 2015 at 3:57 PM

Hi ST,
please can you let me know if these three trades are correct or wrong(One short and two longs)

Reply



Trekkie August 11, 2015 at 3:41 PM

Hi ST, please post today's chart. Thanks a lot

Reply

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