

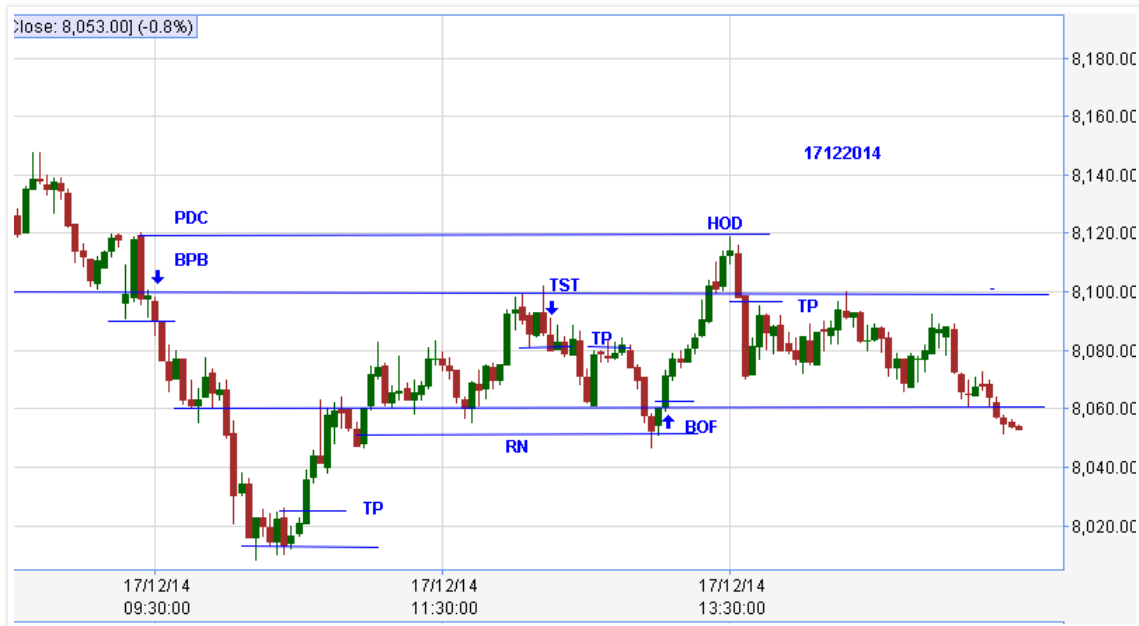


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Wednesday, December 17, 2014

17122014



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Nifty opened below PDL. Tried to go up and got rejected from PDC. Shorted on break of IRL. Covered on FTC at 8020. Could not get the long trade. Tried a short on second test of BRN. Trade did not move as expected. Long on BOF of range Low. Covered when price failed to stay above BRN. Then it was a chop inside the range. Very difficult to manage trades within the risk level due to high volatility

Posted by SMART Trader at 3:34 PM



27 comments:



Unknown December 17, 2014 at 3:37 PM

Sir Today why u no long above near about 11.35 bar ???

Reply



SMART Trader December 17, 2014 at 3:45 PM

I noticed that TRAP kind of pattern. Hesitated as price has already made a 50 point CT move

ST

Reply

▼ Replies



xrtrader1 December 17, 2014 at 4:06 PM

"Hesitated as price has already made a 50 point CT move" Thanks ST. Is this the reason for you to looked for long trades (Deep pullback) ?



SMART Trader December 17, 2014 at 7:37 PM

No price climbed to a new range. Higher one  
So buy low and sell high

ST

Reply



Unknown December 17, 2014 at 3:46 PM

Hi ST

Although the trade did not move as expected, what were the expectations for your second trade?( Short on second TST of BRN)

Thanks

TBP

Reply

▼ Replies



SMART Trader December 17, 2014 at 4:28 PM

Market had retraced the entire down move from DO. I expected the trend may assert. Thought it will break MSP and move to RN. But the bounce established the higher range

ST



L.V.Gandhi December 17, 2014 at 6:46 PM

Normally you wait for breaking BO bar which is 12:27 bar in this case. What was your thought process for not waiting.



SMART Trader December 17, 2014 at 7:48 PM

It was not clear what the market was going to do. I went short assuming a fall that can retrace all the up move. When price bounced from 8060 it became clear that 8060-8100 is going to be the new range. I expected an up move and test of 8100. So there was no point in holding the short hence scratched. But price fell again and gave a BOF long which I took

ST



L.V.Gandhi December 17, 2014 at 8:07 PM

Thanks.

Reply



Trader Pai December 17, 2014 at 3:50 PM

Hi ST,

My trades

<http://tradingdecisionpoints.blogspot.in/2014/12/12172014.html>

Missed BOF range low long since I was already short.

thanks

Kishore

Reply

▼ Replies



SMART Trader December 17, 2014 at 4:37 PM

Nice trades. Well managed. I think now you are able to see the structure well during live market and where to look for trades. Execution consistency may take time

ST

Reply



Homer\_23 December 17, 2014 at 4:06 PM

Sir, in an earlier posts, you had mentioned that you are a single lot trader. What does that mean?

Reply

▼ Replies



SMART Trader December 17, 2014 at 4:30 PM

Nifty futures are traded in market lots. It was 50 earlier and now 25

ST



Homer\_23 December 17, 2014 at 6:46 PM

Do you mean you trade in just one lot, for each of your trades



**SMART Trader** December 17, 2014 at 7:52 PM

I was trading one old lot. 50 Nifty.  
Now most of the time taking positions with 4 lots that is 100 Nos

ST

Reply



**Trekkie** December 17, 2014 at 4:11 PM

Hi ST,  
Do you plan to trade next week?

Reply

▼ Replies



**SMART Trader** December 17, 2014 at 4:31 PM

Yes. No holiday plans as of now

ST



**Trekkie** December 17, 2014 at 7:50 PM

Thank you ST

Reply



**Bharat** December 17, 2014 at 5:06 PM

ST,

I mostly miss bpb yesterdays low./high trades. when earlier days have more than 120 points move. what to consider for taking or not taking it?

Why not shoretd below 11.06 , 11.09 or 11.18 bar last msp trap? with 50 point move retraced yesterday we shorted with trap pattern. how it is different today?

Secondly why not allowing pullback for trailing at 13.33 exit? how do we trail . such strong move.. normally we allow small pullback and then move sl to pvt low there .. what was the reson to exit here in 3rd trade.. ?

Thanks and Regards

Bharat

Reply

▼ Replies



**SMART Trader** December 17, 2014 at 8:39 PM

It is very difficult to make rules for all these. When market ranges, trade ranges. When it trends trail the trend  
If there is panic or euphoria , trade it. Price action trading is very discretionary and trade will depend on the traders feel and read of the market at the time. There are only thumb rules and broad guidelines.

Yesterday it was a jump from the bottom and there was no follow up. Then it gave a good location to short within the risk. Today market was making HH and HL and looked like a trend up. So I waited .Did not get any logical location to short also. Further we have to pay attention to the kind of price action. Compare the charts of yesterday and today. Today it was chop with lot of tails and overshoots where as it was neat and clean yesterday

Why should one trail at 13.33. It is an exit signal. Price tested HOD, PDC and failed to break it. It was a BOF of DO and BRN 8100. It is a short signal as per the method. As I was holding a long, I exited. You have forgotten the very basics of the method. Basically the method is a range trading system. When you see a strong trend you trail it

ST

Reply



**Trader Pai** December 17, 2014 at 6:15 PM

Yes ST,  
Mind has started separating the different blocks in the chart .  
Price movement is not random any more.  
Thanks to you for the structure .

thanks  
Kishore

Reply



xrtrader1 December 17, 2014 at 9:10 PM

Hi ST, Question marked on chart  
<http://i.imgur.com/r4we8R8.png>

Reply

▼ Replies



SMART Trader December 17, 2014 at 10:52 PM

RN and BRN are not dynamic DPs like other levels. They are option strikes and will always have some influence  
TST at MSP is a short, but you have to see other factors. 8060 was a strong flip which held well  
Price may fall and find support at BRN and move up again. Trade is risky

ST

Reply



Trader Pai December 17, 2014 at 10:00 PM

ST,  
Why no short below 10:39 bar as BOF RN?

thanks  
Kishore

Reply

▼ Replies



SMART Trader December 17, 2014 at 10:59 PM

I do not consider RN as DP and do not initiate trades there unless it doubles as a range extreme  
These levels are used only to manage trades

ST

Reply



manas December 18, 2014 at 10:29 AM

where to initiate a short trade in absorption pattern

Reply

▼ Replies



SMART Trader December 18, 2014 at 3:34 PM

It cannot be traded as a pattern. If it happens at a DP or range high, it will appear as TST or FTC

ST

Reply

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  - [April](#) (22)
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