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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

Tuesday, December 16, 2014

16122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
 Nifty gaped down below PDL against expectation. Went short on BPB of PDL. BRN was a concern. But after a while it gave way. Covered when price came back above RN. Then price got resisted at MSP. Another short when price failed to move above this high. Again covered above RN. Nifty gave another short signal at range high. BOF of range high. Covered when price bounced from BRN. Then tried a long and stopped out quickly

Posted by [SMART Trader](#) at 3:44 PM



18 comments:



[Unknown](#) December 16, 2014 at 3:49 PM

Hi ST

Nice trades!!
 Can double tops and the consequent price decline be termed as FTC?
 Your second trade (which you have marked as TST), can it be considered as FTC?

Thanks
 TBP

Reply

▼ Replies



[SMART Trader](#) December 16, 2014 at 4:04 PM

Most of the time a counter trend move will stall at a major area. It could be a DP, MSP, or a major SR area. If price fails to move beyond this point usually trend will assert. This point will become a range extreme. You may call it FTC or TST of a probable range. In short it is the termination of a CT move and exhaustion of a corrective wave

ST

Reply



L.V.Gandhi December 16, 2014 at 4:42 PM

You have written for first trade BRN was concern. After 4 bar stalling, price went up. Still you did not exit. Can You explain your thought process here?

Reply

▼ Replies



SMART Trader December 16, 2014 at 5:11 PM

It was a CT outside gap as yesterday it showed signs of reversal when momentum slowed down I brought down my stop to Break even above 7th bar high Price could not retrace above this bar for the next 10 bars and finally broke down

ST



L.V.Gandhi December 16, 2014 at 7:23 PM

Thanks. You have written that BPB of PDL. It never crossed PDL. Can you explain your statement.



SMART Trader December 16, 2014 at 8:36 PM

A Gap is a move just like a momentum move or a WRB creating a fluid Consider the gap as today's opening move. It broke below PDL and pulled back Hope it is clear.

ST



L.V.Gandhi December 17, 2014 at 7:42 AM

Thanks.

Reply



Price Action Lab December 16, 2014 at 5:04 PM

Hi ST,

Super trades.....!

I started trading Yesbank & please review my trades.

http://bomtotrade.weebly.com/blog/16122014_yesbank

Reply

▼ Replies



SMART Trader December 16, 2014 at 8:39 PM

I have not followed Yes bank and do not know how it moves So there is no point in reviewing the trade.Ensure it is respecting DPs well

ST

Reply



xrtrader1 December 16, 2014 at 5:32 PM

Hi ST,

Super ST.

For 3rd Trade(BOF @8180). Wasn't the NIFTY showing signs of Reversal(with channel and higher high). What was your thought process during third trade.

Reply

▼ Replies



SMART Trader December 16, 2014 at 8:43 PM

It was a BOF and trapped many BO longs Target was 40 area . Extra move was just a bonus For a BOF in trend direction, no second thoughts at all Just execute and manage

ST

Reply



Lisa December 16, 2014 at 6:22 PM

Amazing first three trades (not just entry but exit as well)!

Reply



Bharat December 16, 2014 at 7:03 PM

ST,

Why shorted bpb pdl.. we had large gap at open and yesterdays was sideways day.. what make you not to wait for IR formation and short below irtl bpb?

Secondly how you trailed the first trade.? generally we wait for last swing high to break.also didnt understand your booking in second trade .

Thanks and Regards

Bharat

Reply

▼ Replies



SMART Trader December 16, 2014 at 9:03 PM

Yesterday was sideways and today gap down. What it means?. Trend resumes after consolidation
Further today is a counter trend outside gap day.Most of the time price will move in the direction of impulse
<http://nifty nirvana.blogspot.in/2012/08/gaps.html>
RN 8150 was also NS BRN 8100. First two trades were covered when price failed to stay below the level.
I do not trail behind swing points alone. I Book profit on FTC, At trouble areas, Failure to stay beyond a prominent level, On break of a major flip. Sometimes if I get a reasonable profit. No trader can perfect his exits and we will regret almost after every other trade

ST

Reply



trading noob December 16, 2014 at 9:27 PM

I have slightly out of topic question,
whats your idea about MCX crudeoil trading? It seems very profitable and flexible timings... but hugely volatile too.

Reply

▼ Replies



SMART Trader December 16, 2014 at 10:40 PM

Sorry .I have no idea
I don't want to sit in front of the computer till 11-11.30 pm
So not interested in commodities at all

ST

Reply



Trekkie December 17, 2014 at 10:30 AM

Hi ST,

A different and nice way of calculating profits found at <http://blog.opentrader.com/are-you-making-this-fatal-hidden-trading-mistake/>

Picture a long line of dots. Each dot is a trade. And this current trade is only one in that long line of similar trades. Since the line is so long you don't care about the results of any specific dot. You just care about putting as many of these good dots on the line as possible.

And now you have the chance to put another good dot on the line. So just pull the trigger and feel good about it. Who cares if the market goes against you for a loss? You're an aspiring pro trader. Think like one. And then go count the overall profits from the long line of dots.

Reply

▼ Replies



SMART Trader December 17, 2014 at 3:41 PM

Thanks

ST

Reply

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