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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*

Monday, May 20, 2013

20052013



Nifty opened above PDH. IR formed. I was expecting a Spike and Channel. Went long on the break of IRH. BO of IRH failed . Scratched the long trade. Later Nifty broke the low of the tight trading range and made another lower range. BOF of range high gave a short. I was prepared to exit at PDH, BRN or PDC. These level failed to stop the fall. Finally covered at PDL.

Posted by SMART Trader at 10:25 PM



3 comments:

adhi narayanan May 21, 2013 at 9:34 AM

I have also noticed the 2.27pm BOF formation. But hesitated to take position because of PDH, PDC, BRN was nearby. How did you taken the position here?

Reply



SMART Trader May 21, 2013 at 8:29 PM

Adhi

Well. You noticed the trouble areas.

You need not skip a trade if a trouble area is very close. Consider other background information and take a decision

a) Bias was little bearish

1. BO failed above IRH

2. More than 50 candles traded within a tight trading range. No attempt to test the HOD

3. Break down to a lower range.

4. BOF of range high. Trapped traders order flow

b) BOF was very strong and price may move down to PDH( LOD at that time) there could be a lot of stops here. If these orders trigger price will move down further.

c) There is a swing high just above PDH. This is the FTA There could be stops here also

d) There is a potential of 10 point move even if price bounces from FTA

enough distance to scratch trade

e) if price manage to break any of these levels. these levels will act as flips and protect our position.

Considering all these, will you take the trade ?

Reply

adhi narayanan May 22, 2013 at 9:40 AM

sure, Lot of price action reading required along with the decision points. thanks  
Reply

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