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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, November 2, 2012

02112012



Nifty gaped up above PDL. IR formed. Long on the break of IR high. Scratched the trade later.

Posted by SMART Trader at 7:48 PM



## 5 comments:



Unknown November 2, 2012 at 8:39 PM

whats scratching the trade mean?

Reply



SMART Trader November 2, 2012 at 8:50 PM

Manjunath

Scratching means getting out of a trade at a small profit/breakeven/small loss as you feel the trade is not moving as you expected. You are avoiding a stop out. A scratch trade is often a winning trade because it will get you out of the market before the price turns against you

ST

Reply



augubhai November 2, 2012 at 9:30 PM

ST,

1. When do you decide that a trade needs to be scratched? How much room do you give a trade to play?

2. If a trade goes against you immediately after entry, what do you do? Do you ever consider reentering a scratched trade?

Reply



**SMART Trader** November 2, 2012 at 10:40 PM

Augu Bhai

1.If price fails to break FTA I will consider scratching the trade.Depends on  
a)how strong the rejection from FTA is.  
b) Origin of the move. I will not hurry to scratch in case of a BOF.For TST and FTC I will act fast.  
2.Price reversals rarely happens without testing a trouble area  
I rarely risk more than 10 points.  
Yes, I will enter beyond the latest swing point if RR is still favourable

ST

Reply



**augubhai** November 4, 2012 at 9:40 AM

ST,

Thanks for the clarifications.

Reply

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