



This image is no longer available. Visit tinypic.com for more information.

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

Friday, December 19, 2014

19122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty gaped up above PDH. Did not attempt the break of IRH as it was below RN. The next big bull candle acted as a MC and became range of the day. There were RN and NS RN in between. Tried a short trade but it did not move well. Scratched. Adapting to the volatility is the main issue with Day trading

Posted by SMART Trader at 3:28 PM



24 comments:



Unknown December 19, 2014 at 3:34 PM

Hi ST
Price deciding which way to go I guess after gap up!!

Thanks
TBP

Reply

▼ Replies



SMART Trader December 19, 2014 at 3:39 PM

I do not expect much decisive movement rest of the month
Fls will be in a holiday mood.

ST



xrtrader1 December 19, 2014 at 9:25 PM

Thanks ST. Last year following weeks became dead boring. Ideal time to take break and get back..

Reply



Trekkie December 19, 2014 at 3:43 PM

Hi ST,
Was there a BOF at rangelow/RN at 11:33, target HOD? Thankyou
Reply

▼ Replies



SMART Trader December 19, 2014 at 4:59 PM

Yes. But it is difficult to take such a trade in live market
Earlier RN gave support for a while and gave way. Then we do not know whether it is going to stop at IRH or LOD
Range established after that up move.

ST

Reply



Trader Pai December 19, 2014 at 4:02 PM

Hi ST,
<http://tradingdecisionpoints.blogspot.in/2014/12/12192014.html>

Please comment

thanks n rgds
Kishore

Reply

▼ Replies



SMART Trader December 19, 2014 at 5:02 PM

First trade was good. Nothing can be done. Market just refused to move
On range days 9 out of 10 BO will fail. No problem in attempting them, but you should have a plan

ST

Reply



z00z00 December 19, 2014 at 5:42 PM

Dear ST,

Short below 12:54 bar with SL above it and target range low. Was this a valid trade?

Reply

▼ Replies



SMART Trader December 19, 2014 at 7:12 PM

It is a valid trade.
But you should sit tight with your initial stop loss
In a range with two prominent levels in between there will be a lot of chop
If you micromanage and try to trail you will get stopped out, In day trading losses can add up fast

ST

Reply



L.V.Gandhi December 19, 2014 at 6:10 PM

There were 4 touches to RH. Even after that, You did not attempt BO at 12:54 which happened after two good green bars. What was your thought process at that time.

Reply

▼ Replies



SMART Trader December 19, 2014 at 7:29 PM

I rarely trade direct breaks. I usually look for a BOF at the range low rather than taking a direct break at the range high
Otherwise I wait for a BPB. Here people were long from the open and prefer BO trapping these traders. In other words critical mass should get trapped in a BO. Here it is not happening.
<http://niftyinirvana.blogspot.in/2013/10/breakout-blues.html>

ST



L.V.Gandhi December 20, 2014 at 7:31 AM

Thanks.

Reply



Bharat December 19, 2014 at 7:02 PM

ST,

What was the reason to avoid . BPB RN above 9.39 PH? was it due to deep pullback of 20 pts?

Secondly .. why not took short below 10.33 third time market failed to go above days high . was it due to RN which we mostly not consider to take trade.. where would we take FTC trade if moved fell suddenly from there?

Thirdly wasn't there a pressure play long trade above days high at 12.54?

In your short trade. why exiting above 14.24 bar.. there was no immediate rejection of the range low.. even we didn't break below it and rejected.

ST a humble request, if possible for you .. why can't we have a meet for dp traders who are regular in this blog.. where we can discuss various issues faced by fellow traders and have some mock sessions. so that the fellow traders can trade the method confidently .i feel it will reduce your burden of giving averagely 25-30 questions per day. and you can spare that time to further refinement of method.

Thanks a lot for endless support.

Thanks and Regards

Bharat

Reply

▼ Replies



SMART Trader December 19, 2014 at 8:18 PM

RN is not considered as a DP and trades are not initiated there. RN is a recent introduction after x50 strikes and is not powerful as BRN. A BPB should move fast after pull back. It took 45 minutes to test the high again. It shows lack of buying interest.

You can take a FTC trade there. But you must be prepared to deal with a bounce from IRL or from LOD. I did not find it attractive. The trade was also CT. Further I would like to see a type C move before attempting FTC.

http://niftyinirvana.blogspot.in/2014/11/more-on-critical-mass_22.html

Read the reply to LVG

Price tested the initial range low and got rejected. Ideally the pull back should not go above the earlier swing low. Flip not holding means not enough selling and possibility of breaking the range low again is not very likely. Entry was delayed on the trade hence this issue.

I do not consider myself as an expert in this method. I am also a work in progress like every reader. The method is still evolving. I have set some performance milestones for myself. We will go for webinars and live discussions for sure later. I am unable to bear more psychological pressure and performance anxiety at this stage.

ST



SpacemanSpiff December 20, 2014 at 11:42 PM

Hello, there is a lot of info already in 'Important posts', Daily trades and qna. Every other day there is something new, something I maybe missed or some known concept seen in new way or just reinforced. Your patience in answering questions is remarkable. Please continue at your own pace and avoid burnout. Thank you very much.



SMART Trader December 21, 2014 at 12:14 PM

Thanks

ST

Reply



Unknown December 19, 2014 at 8:02 PM

How do you confirm breakout or breakout failure and which point you take entry . because most of the time when I take entry above dp or below dp then price reverses and got stopped out.

Reply

▼ Replies



SMART Trader December 19, 2014 at 8:52 PM

All these cannot be explained in a comment reply.

The following post will give an idea. Do not trade the method till you have a clear idea about the method.

Go through the important posts and comments on them.

<http://niftyinirvana.blogspot.in/2013/10/initial-stops.html>

ST

Reply

sleepytrader42 December 20, 2014 at 4:02 PM

Hi ST,



1. There was an obvious RH after it was touched the 2nd time (BOF). However, there were then at least another 2-3 FTC/BOF before you entered on a BOF. Were you simply waiting for price to move below 8260? Just trying to understand why you passed on the earlier ones but took the final one. Especially in view of previous discussions regarding the issue of confirmation vs location (i.e., TT).
 2. You mentioned yesterday DP method is just an adaptation of Darvas Boxes. If possible could you elaborate further on this ... either in comments or as separate post. As I think this may be helpful to your readers. Thanks.

Reply

▼ Replies



SMART Trader December 20, 2014 at 11:09 PM

Price action did not favor a reversal
 1.It was an CT outside gap.
<http://niftyinirvana.blogspot.in/2012/08/gaps.html>
 2.Not favoured a FTC trade. It was not a type 3 move
http://niftyinirvana.blogspot.in/2014/11/more-on-critical-mass_22.html
 3.Price never cracked MSP for a reversal trade
<http://niftyinirvana.blogspot.in/2012/12/major-swing-pivots.html>
 4.Expected a chop with too many levels. RN,NSRN,Range Low,MSP and LOD within 25 points
 Finally I lost patience and tried one. Finally intuition plays a great role in entries and exits. It is all about the feel and read of the market. Hope you might have read the art of chicken sexing.
<http://niftyinirvana.blogspot.in/2012/02/chicken-sexing.html>
 It is not an adaptation as you think. It was just this page and I do not find anything else interesting about the method
 I could see this boxes all over the place and buying the low and selling the highs made money. Google it and you will find many articles on the mehod
<http://www.boxcharts.com/darvas-box-theory-explained-3.html>

ST



SMART Trader December 20, 2014 at 11:15 PM

This article will also through some light
<http://traderhq.com/trading-strategies/darvas-box-trading-strategy-explained/>

ST

Reply



amber December 21, 2014 at 1:04 PM

Sir good afternoon,sir on 18th you have mentioned High probability trades always appears at the structural extremes
 Non random directional moves originate from these points,sir i could not understand this,kindly update thnx

Reply

▼ Replies



SMART Trader December 21, 2014 at 10:02 PM

Trade the range extremes. Never trade the middle of the range

ST

Reply



amber December 21, 2014 at 11:45 PM

Sir thnx

Reply

Add comment

Note: Only a member of this blog may post a comment.

Enter your comment...



Comment as: Google Account ▼

Publish

Preview

[Newer Post](#)

[Home](#)

[Older Post](#)

Subscribe to: [Post Comments \(Atom\)](#)

Important Posts

- [Disclaimer](#)
- [Glossary](#)
- [Rants 'n Raves](#)
- [Structure and Patterns](#)

Download E-Books

- [Decision Points](#)
- [Structure and Patterns](#)
- [Rants N Raves](#)
- [TRADE-SCORE](#)
- [Video Promo](#)

[Statcounter](#)

Reciprocal Links

- [Lance Beggs @ YTC](#)
- [URD @ charttechnicals](#)
- [KPL @ vfindirect](#)

Blog Archive

- [2015](#) (100)
- ▼ [2014](#) (274)
 - ▼ [December](#) (22)
 - [Happy New Year](#)
 - [30122014](#)
 - [29122014](#)
 - [24122014](#)
 - [High Low Range](#)
 - [22122014](#)
 - [19122014](#)
 - [18122014](#)
 - [17122014](#)
 - [16122014](#)
 - [Disclaimer](#)
 - [15122014](#)
 - [12122014](#)
 - [11122014](#)
 - [10122014](#)
 - [09122014](#)
 - [08122014](#)
 - [05122014](#)
 - [04122014](#)
 - [03122014](#)
 - [02122014](#)
 - [01122014](#)
 - [November](#) (19)
 - [October](#) (23)
 - [September](#) (22)
 - [August](#) (22)
 - [July](#) (27)
 - [June](#) (26)
 - [May](#) (20)
 - [April](#) (22)
 - [March](#) (24)
 - [February](#) (21)
 - [January](#) (26)
- [2013](#) (299)
- [2012](#) (338)