

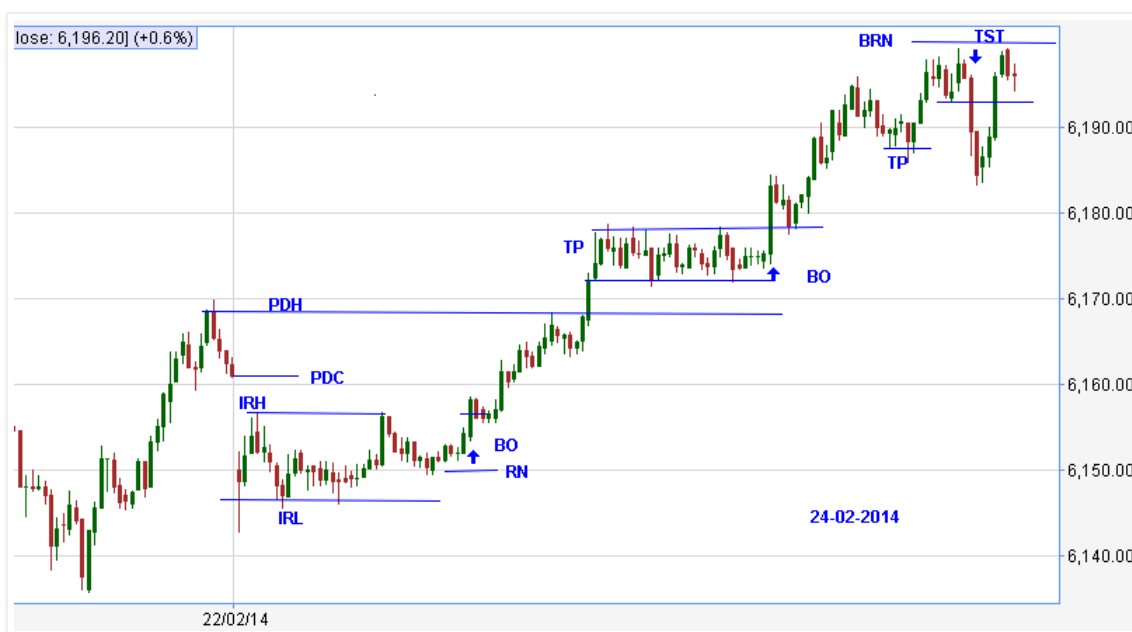


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Monday, February 24, 2014

24022014



Nifty gaped down near RN 6150. IR Formed. Long on break of IRH. My target was PDH. But price went above PDH and traded in a range. TP inside the range. Another long on BO of tight range high. Target was BRN, but shaken out of trade before that. Tried a short trade on TST of BRN. Scratched on TRAP. Ended as a type 1 trend day.

Posted by [SMART Trader](#) at 3:32 PM



20 comments:



[Unknown](#) February 24, 2014 at 3:43 PM

Hi ST

How to trail the position inside the range, particularly if the trade is still in our favour??

Thanks  
TBP

Reply



[PA Trader](#) February 24, 2014 at 3:44 PM

The place where you took the first BO trade, I would have waited for a BPB. However, still, I would not have taken the trade because of PDC and PDH immediately above. What made you ignore these possible resistance areas? I could not identify any trading entry area today.

Reply



[xrtrader1](#) February 24, 2014 at 3:53 PM

ST, what is the average points made on Nifty over 1 year.

Reason for asking: When you started to trade full time, you had a number in mind. Curious to know how much you exceeded above that :).

Reply



**SMART Trader** February 24, 2014 at 3:57 PM

TBP

You can use swing pivots or other prominent levels. RN,IRH.PDC etc on today

ST

Reply



**SMART Trader** February 24, 2014 at 4:19 PM

PAT

If you wait for BPB. There will not be any space.I was not much bothered about PDC as I felt there could be enough stops above IRH to take the price to PDH. My target was PDH, but it went further.

The range above PDH was a great opportunity to go long. Trend was up, price never pulled back to PDH after break. A buy anywhere in the range with stop below PDH was within 10 point risk. It was a MC range where you can go long on break of an extreme with a stop on the other side. Price gave another BPB entry to target BRN.

ST

Reply



**amber** February 24, 2014 at 4:39 PM

Sir good evening ,sir on 21-02-2014 trade in 5 min t/f can 9.35 a.m.candle can be taken as MSP,kindly update thnx

Reply



**SMART Trader** February 24, 2014 at 4:41 PM

xtrader

My target was 10 points a day on an average and I am able to meet this for the last 6 months since I started trading full time.

The method is still evolving and I am actually experimenting with some other patterns and entry techniques.

ST

Reply



**SMART Trader** February 24, 2014 at 4:47 PM

Amber

No.It is not an MSP

ST

Reply



**PA Trader** February 24, 2014 at 5:12 PM

ST,

When you talk about ensuring sufficient space for the trade to move (reference to your SCORE blog post), typically how do you make the decision? Is there a fixed point such as 10-15 that is the minimum required? Or other criteria such as positions of existing SLs etc. If R:R is good, even if FTA is not too far away, would you enter?

Thanks,

Amit

Reply



**amber** February 24, 2014 at 6:24 PM

Sir thnx very much

Reply



**SMART Trader** February 24, 2014 at 6:42 PM

PATrader

Price action trading is neither pattern trading nor rule based trading. There are many ways to deal with FTA

[http://niftyinirvana.blogspot.in/2012/03/trouble-areas\\_14.html](http://niftyinirvana.blogspot.in/2012/03/trouble-areas_14.html)

Decision is depended on the strength of DP/trouble area.

<http://niftyinirvana.blogspot.in/2012/09/decision-points.html>

Nature of trend also matters

<http://niftyinirvana.blogspot.in/2012/11/make-or-break-levels.html>

You have to make a decision as per your assessment of the available information. It all depend on your feel and read of the market.

ST

Reply

Anonymous [February 24, 2014 at 7:03 PM](#)

Rajesh,

Nice blog,

Summary of your trading logic

1. Identify decision zones (support / resistance zones) where there is high chances of good trade entry (good Risk to Reward Ratio) with stop loss taking into account PDH, PDL, PDC, IR, Pivots, BRN etc.

2. Identify decision zones (support / resistance zones) for exiting the above trade for getting the reward estimated earlier

3. Good trade exists at the extremes

We do not know which trade would work which would not and hence should follow the process for each / every identified situations as described above

As anything can happen any time in markets not withstanding our reading of the market....

Thanks and Regards,

Rahul

Reply

Anonymous [February 24, 2014 at 7:05 PM](#)

ST,

Would you trade a break out downwards below today's tight range ?

thanks n rgds

Kishore

Reply



SMART Trader [February 24, 2014 at 7:41 PM](#)

Kishore

It depends

1. I won't trade a direct break of range low but will prefer an entry below the PDH

2. If the break of range low happens after a BOF of range high, I will short the break of range low

ST

Reply



SMART Trader [February 24, 2014 at 8:01 PM](#)

Rahul

1. Decision points are not support or resistance. They are price levels where market takes a decision about the future move. Our action will depend on the market's decision.

2. DPs are time frame, indicator independent levels which is visible and obvious to all the traders.

3. The core concept is the price acceptance and rejection of Decision Points. Everything else is tactics

4. Our duty is to take all good RR opportunities and manage the trade as efficient as possible

ST

Reply

Anonymous [February 24, 2014 at 8:18 PM](#)

thanks ST

clear

Reply

Anonymous [February 24, 2014 at 8:54 PM](#)

Rajesh,

Thanks for the feedback.

I normally draw my decision points (especially for trading days) based on previous days and also when the market had traded in those ranges in earlier days. It helps to understand where the market most likely to pause / accelerate.

You may check it out for yourself.

Does not confirm with your trading logic ....

Sometime I do additional confirmation based on volume but since your blog is restricted to price action and do not want to create confusion with your readers.

I read Lance regularly and got blog details from his site and had adapted his book to nifty.

The path to market success are many but select a process and follow it diligently for you never know which trade clicks !

The path to atma are many select one and follow it diligently for you never know when you would get moksha as the return ticket is booked but the date and time is not known...

Keep up the good work !

Thanks and Regards,  
Rahul

Reply



**amber** February 24, 2014 at 11:12 PM

Sir good evening sir i am unable to understand from your write up of micro,minor and major trend of MSP and how they can be judged,kindly update when time permits thnx

Reply



**SMART Trader** February 25, 2014 at 8:30 AM

Amber

Don't confuse yourself with all these trend definitions

MSP is the pivot low immediately preceding the highest high in an up trend and the pivot high immediately preceding the lowest low in down trend.Crack of MSP is considered as trend change

ST

Reply



**amber** February 25, 2014 at 11:51 AM

Sir good morning and thnx very much

Reply

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