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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, July 16, 2012

16072012



Nifty opened within previous day evening range. I failed to notice this and missed the BOF trade at E. Missed the BOF of PDL at A also. Price spent too much time under PDL. Price action after the BOF was not comfortable to initiate a trade. BOF of HOD was a signal to short which moved well after giving some chop in the middle of the range. Do not try to trade point B as a BOF of PDL, because PDL lost its relevance after breaking from both sides. It is just a normal pullback in the trend. Never go long at point C as TST of LOD. After an accelerated move always wait for a second test as happened at point D.

Posted by SMART Trader at 8:12 PM



4 comments:



Unknown July 17, 2012 at 6:39 AM

sir how to identify that we not have to trade on b and c as in live trading we will definately purchase at c thinking that it turns from lod and for b we think first sell and than think it's failure so again trade . any suggestion in this condition plz

Reply



Unknown July 17, 2012 at 6:41 AM

also sir at point a if price stays like this under pdl is u suggest to trade after that or we have to ignore this setup

Reply



Kranti July 17, 2012 at 12:45 PM

Hi.. In yesterday's post you have mentioned that we need to ensure certain minimum number of positions had been created before attempting to trade a reversal.. How we do this by tracking Volume/ OI? Thanks

Reply

SMART Trader July 17, 2012 at 7:46 PM



Sandeep Jain

Both B and C are Counter trend.
PDL had been broken from both sides already. Now PDL is not a fresh level and a Counter trend trade is a low probability trade.

LOD is a fresh level. I would have gone long if it was a BOF. In case of TST after a momentum move better wait for a retest.

Price remained nearly 45 minutes under PDL as if accepted. There was not an immediate rejection. I play safe

@Kranti

I do not track OI or volume. Once Nifty moves say 20-25 points SLOWLY in one direction you can safely assume a large group of traders are positioned in that direction.
If that move happens in a minute this may not happen.

ST

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