

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

Wednesday June 4 2014

04062014



Nifty opened within previous day range. IR formed. Went long on break of IRH/PDH. Trade failed immediately on the very next bar. Exited at a small loss. Rest of the day Nifty spent within a 20 point range which was also a barbed wire around PDC. Went long on the BOF of IR low. Exited on BOF of PDH

Did not take any other trade as I had some other work

Posted by SMART Trader at 7:35 PM

19 comments:



Unknown June 4, 2014 at 7:42 PM

ST sir,

Flat day.. managed to end day with no profit no loss... Chart here http://imgur.com/UIMPtB7

TRADE1:

Long at 7431, above IRH with initial SL below PDC (7421) Moved SL to 7424, below low of PDH BO bar SL hit; exited trade with loss of 9 points

TRADE2:

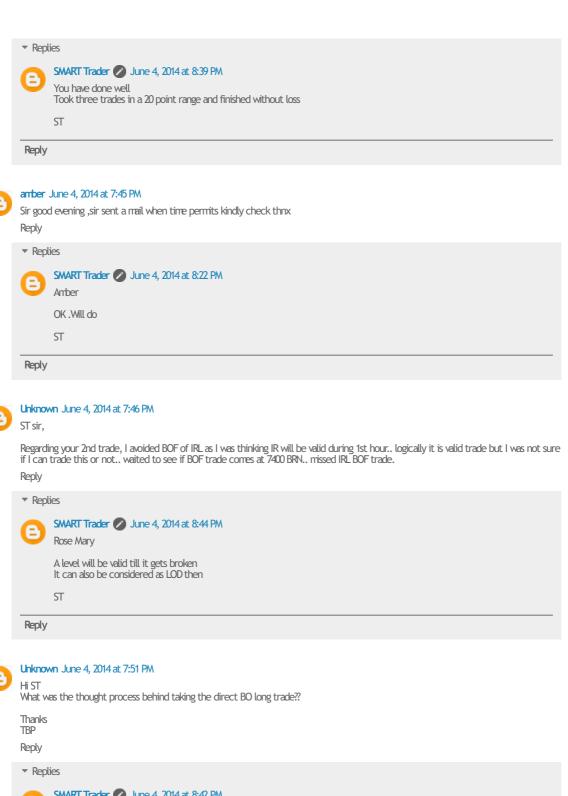
Short at 7424, after BOF of PDH with initial SL 7430 Moved SL to 7424, above PDC Trail SL hit; exited trade with loss of 2 points

TRADE3:

Short at 7426, after BOF of PDH & TST of HOD with initial SL 7437 Exited trade at 7413 near EOD with gain of 11 points

Points earned: 0

Reply





SMART Trader June 4, 2014 at 8:42 PM

I thought my position will be safe with PDH/IRH and PDC/DO below my entry. After watching the first rejection from below PDC I expected it to move up

ST

Reply

veer June 4, 2014 at 7:55 PM

Sir,

Thanks. I have few questions:

1. For IR - should we have to consider the tails also? Because in some charts, I remember you have not taken. Pls suggest. 2. For the long the zone (around 12.38 p.m.) you have taken profit- can we initiate short at the same zone as BOF? Is it valid?

Thanks & Regards

Veer

Reply

Replies

SMART Trader June 4, 2014 at 8:33 PM



Veer

Tails are tricky, we will never know where the orders are. The real level will be known only when price revisits the area. So for direct breakouts I consider tails. When price revisit the area after a long time I ignore tails. Here the top of tails were at PDH and I considered it as IRH. IRL was confirmed below the tail when the next four or five tests reacted there

Yes it is a valid short trade. If you are comfortable doing such SAR trades you can very well make it. But somehow I am not comfortable at SAR and I need to clear my mind after every exit

Reply

veer June 4, 2014 at 9:28 PM

Thanks Sir.

Thanks Ms. Rose Mary for the Chart and Trade sequentials.

Regards,

Veer

Reply



Trekkie June 4, 2014 at 10:20 PM

At what point did PDC cease to be a DP?

Reply

▼ Replies



SMART Trader June 4, 2014 at 10:39 PM

Once a range establishes around a DP avoid trading that DP Trade the new range. http://niftynirvana.blogspot.in/2012/06/barbed-wire.html

http://niftynirvana.blogspot.in/2012/10/brackets-and-envelops.html

Reply



Bharat June 4, 2014 at 10:22 PM

I took Breakdown failure of IRL @ 10.15 and 11.18 candle high.. was 10.15 trade wrong?.. i exited 11.18 long below 11.30 and missed the upmove.. how do you trail sl in such cases and exit if the trade fails with min damage?

Bharat

Reply

Replies



SMART Trader June 4, 2014 at 10:56 PM

First one was not a good BOF. Price should break the low well and bounce back to trap the shorts Further for 45 minutes price got trapped within 7410-20. Your entry was within this range only. If you wait for the break of this range there was no space to upside

You are micro managing trades. Your entry was on BOF of IRL. Price never came below IRL. After your entry, allow a pullback within the DP barrier and once price moves away move the stops to the new swing point

ST

Reply



nirtos June 5, 2014 at 10:11 AM

Hi St, See if this is useful: http://webapps.stackexchange.com/questions/21295/how-do-i-download-all-my-blogger-posts

Reply

Replies



SMART Trader June 5, 2014 at 3:45 PM

nirtos

Will try that



Trekkie December 6, 2014 at 12:04 PM

Hi ST.

I am trying to clean up my entries and exits. Here in this chart, in the second trade, i.e., BOF long, you have waited for some confirmation to go long it appears (i.e., long is not above the break down bar, not above the green bar, but above the two sideways bars), in the third trade, which is BOF short, you have taken a short right below the breakout bar. Can you please help me understand the difference in thought process? Thanks for your help.

Reply

Replies



SMART Trader December 6, 2014 at 6:23 PM

We need to enter as soon as we are convinced about what the market is going to do. In the morning price attempted to move above PDH and failed. Then traded below PDC for an hour

Price could not move to PDH again and a break of PDC failed. A BOF of PDC. Price hit IRL and gave a bounce. We need some confirmation whether it is going to hold or not.

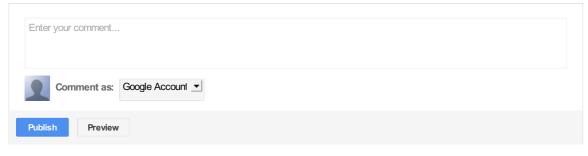
In case of the BOF of PDH, notice what happened during the previous attempt. Should we wait for more confirmation?

ST

Reply

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