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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*

Wednesday, February 25, 2015

25022015



*This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis*  
Nifty gaped up and moved above PDH. Long on BPB of PDH. Price stalled at 8840, a major flip. Covered below the rejection bar low. Tried a short on TST of range high. Had to cover when price bounced twice from PDH. Hesitated to short into BRN and missed the down move.

Posted by SMART Trader at 3:37 PM



13 comments:



Trader Pai February 25, 2015 at 3:47 PM

Hi ST,  
What gave you confidence to take TST .It was a lot of chop below .  
I was looking for a TRAP long there.

I took the same long as yours but scratched only below IRL

thanks n rgds  
Kishore  
Reply



nifty for bread February 25, 2015 at 4:10 PM

Sir,

I think your TST trade (second trade) was counter trend trade. Normally you don't take Counter trend TST trade. Why did you take TST CT trade today?

Thanks,  
S.Karthikeyan  
Reply

▼ Replies



**SMART Trader** February 25, 2015 at 7:27 PM

I felt strongly that price will not go above 8840 due to the following reasons  
1.8840 was a strong Flip  
2.Tomorrow is expiry and price was taken above BRN 8800. Lifting above 8900 could be very difficult and I felt price will trade between 8800- 8850 for the day. that is why I did not short into 8800 even though there was a fluid below  
3.After 9.30 price was not able to touch 8840 till that TST short.An attempt at 11.36 fizzled out  
4.Price broke this 11.36 high and there was no stop triggering at all..  
5.Critical mass was not short to trigger panic  
6.A BOF at PDH could not take price to the other end of the range for a long time.  
7.Price was moving vertical from 8720 and moved up to 8850 without a meaningful pull back  
8.I had a limit sell order at 8840. But it did not fill. My stop was at 8851

ST



**nifty for bread** February 25, 2015 at 7:46 PM

Sir,

Thanks a lot for the detailed explanation.

S.Karthikeyan



**Unknown** February 25, 2015 at 8:29 PM

Great observation!

Reply



**manas** February 25, 2015 at 10:21 PM

hi st,  
why u didnt taken bof of pdh at 11 am

Reply

▼ Replies



**SMART Trader** February 25, 2015 at 10:25 PM

I expected the 8820 flip to reject initially and another test of PDH. this did not happen

ST

Reply



**Bharat** February 25, 2015 at 10:53 PM

ST,

Yesterdays high doesnt look to be forming range high to you? i avoided that long considering range .and missed the move.

Why not shorted below 10.57 or below yesterdays high in 11.03 bar.. Price was cosolidating below irh giving feel of strong brekdown.

Why not shorting below 11.36 FTC ?Also why avoiding 11.27long strong rejection from range low and in the direction of trend.

Thanks and Regards  
Bharat

Reply

▼ Replies



**SMART Trader** February 26, 2015 at 11:38 AM

I was expecting a range PDH-HOD. that is why I tried to buy the low and sell high. First bar crossed above PDH. Question is whther it will fail or not. Price stayed above PDH and it is a long @11.03 Bias was bullish and I was looking for a long.Look to buy the range low when the bias is bullish. PDH is a level much more powerful than IRH  
I dont trade odd levels. In a range sell the range high. Or you trade a DP 11.36 is not a tradeable signal. I did not find a signal at 11.27

ST

Reply



**Sanjoy Kumar Roy** February 26, 2015 at 12:04 AM

11:33 candle was a Master Candle however there was no BO abv. or below the candle extremes in the immediate vicinity of the candle.  
Please share ur inputs.

Reply

▼ Replies



**SMART Trader** February 26, 2015 at 11:41 AM

There is no relevance for such a candle. please read  
<http://niftynirvana.blogspot.in/2013/01/master-candle.html>

ST



**Sanjoy Kumar Roy** February 27, 2015 at 7:34 PM

Ok. So only if a MC is around a DP then it has relevance.

Reply



**SMART Trader** February 27, 2015 at 3:23 PM

I will be back on Monday. Could not trade today  
Staying away from the budget session

ST

Reply

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