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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, January 13, 2014

13012014



Nifty opened above BRN 6200 and went up without a pull back . Missed the up move. Short on BOF of PDH. Nifty drifted down to MSP. Covered the trade on BOF of MSP above MC. Did not attempt the long here. The situation was interesting. 40 Point fluid above and below the range. I was wondering which way it is going to break. Finally a BO long. As expected a fluid move till BRN 6300 without a pull back.

Posted by SMART Trader at 3:36 PM



23 comments:



nifty for bread January 13, 2014 at 3:51 PM

Sir,
In the Zerodha 3 minutes chart, the second candle was within the range of first big candle. I considered first candle as MC and entered above the high of first candle and got 20 points. Is this a correct trade?

How did you conclude that another 40 points fluid move is in store towards the end of the day?

S.Karthikeyan

Reply



Unknown January 13, 2014 at 3:59 PM

Hi ST,

What is RN?
Was it WAP today??

Thanks,
TBP

Reply

Anonymous January 13, 2014 at 4:01 PM

Sir dose lance use any of the erras on his chart? I noticed erras on all his YTC charts.

Raghu

Reply

Anonymous January 13, 2014 at 4:06 PM

sir took short at the close of you BOF candle thinking about MC before!

The at the place where you mentioned I went long as it a break of down trend line with 10 point stop (took confirmation of erra cross for up move)and waited as my bias was up in the second half due to the fact that tomorrow the whole list of datas like inflation and all, will be in favor of market,

thanks

Raghu

Reply



SMART Trader January 13, 2014 at 4:17 PM

KS

You can go long as BPB if space and risk is favourable. I did not conclude such a move will happen. There were fluids both sides of the range. after a long consolidation a breakout to a fluid may move well

ST

Reply

Anonymous January 13, 2014 at 4:18 PM

Sir, RN means Round Number like 6150, 6250,6350 and BRN means Big Round Number like 6200,6100,6300 right?

Reply



SMART Trader January 13, 2014 at 4:19 PM

TBP

RN is just Round Number . Here XX50
Not a BRN. There was much difference in VWAP

ST

Reply



Deven Malhotra January 13, 2014 at 4:26 PM

Hi,

I left the last move today. Although, i entered correctly at BOF of Range low, But moving my SL too tightly made me out. Just entering into same Longs, after getting SL hit was challenging today for me. Will improve it..

Thanks,
Deven Malhotra

Reply



SMART Trader January 13, 2014 at 4:28 PM

Raghu

AFALK, Lance is not making use of it.

ST

Reply



SMART Trader January 13, 2014 at 4:37 PM

Deven

As you know I am not a great fan of BO trades.I attempted it because
1.With the trend trade
2.Trade into a fluid
3.Lot of space Next DP BRN
4.Pressure play situation.4 attempts to break PDH earlier.
5.BOF of MSP. TRAP pattern of Kavi

ST

Reply



augubhai January 13, 2014 at 5:13 PM

From ur chart marking, it appears that u went short 5-6 points above 6250. Did u not wait for price to go below 6250 for the short?

Reply

Anonymous January 13, 2014 at 5:34 PM

sir,
can we consider the first candle as the initial range for the day?

Reply



SMART Trader January 13, 2014 at 5:35 PM

Augu Bai

Usually after such a vertical momentum move Nifty consolidate for a while. Most of the time it will form a range between The move extreme and Major swing pivot . ie the last impulse move will act as a range.
Here there is another barrier in between RN 6250. If I wait for the break of 6250, there is no space. Risk with stop above the extreme will be more than the reward. So shorted earlier expecting the RN to break. In fact the RN supported for a while and finally gave way. Further most of the favourable orders in support of our direction will be the stop orders below the swing low where I shorted or at the bottom of the breakout MC and I wanted to ride on that order flow

ST

Reply



SMART Trader January 13, 2014 at 5:42 PM

Anon

NO initial range is the first impulse up move. Here it is the first three candles. You may ignore the tail of last candle

ST

Reply



nifty for bread January 13, 2014 at 9:32 PM

Sir,
Thanks for the clarification.
S.Karthikeyan

Reply

Anonymous January 14, 2014 at 10:35 AM

sir,
As i work on ur method on yes bank, r cap..if u plz clarify how much below of swing low(major/minor) do i put stoploss. I know u only work on nifty future than also if u plz suggest..as ur advice really matter for me...Thank u..

sentu

Reply



SMART Trader January 14, 2014 at 4:38 PM

sentu

Keep SL immediately below/above swing point. Read the post about Initial Stops

ST

Reply

▼ Replies

sentu January 14, 2014 at 10:32 PM

sir, actually i want to know how much low/high of swing point..thank u..

Reply



SMART Trader January 15, 2014 at 11:19 AM

Sentu

Imagine previous swing high is 112
people will be keeping their stop losses above this point, say from 112.05. Once the first lot of stops triggers it will create an imbalance and price will move up setting up further triggering. Price will start to move up.
Suppose you are keeping your SL at 113, the earlier stops may push up price to your level also. In effect you will end up losing more.
You can keep your SL far away. Then how far is far ?. What if it develops as a new trend?
So better get stopped out at 112.05 and reassess the situation and reenter.

ST

Reply

▼ Replies

sentu January 16, 2014 at 9:09 AM

sir, thank u..your explanation cleared my hesitation...really thank u...



Trekkie October 2, 2014 at 5:52 PM

Hi ST,
Do you keep SL 5 paise away as in this case? Do you handle entry and exit differently? With zerodha I find keeping SL .05 ps away often ends up triggering a false move...some times it does not even show in the chart. What has been your experience?
Thanks again for all the help



SMART Trader October 2, 2014 at 8:30 PM

No, I generally keep 50 paise difference. I was just explaining it
"People will be keeping their stop losses above this point, say from 112.05"
NSE site says a SL order gets triggered when LTP reaches or crosses the given trigger price.
http://www.nseindia.com/content/fo/fo_ordercond.htm
I dont think it is correct. SL orders are triggered by Bid and Ask prices. if the bid price reaches the specified stop-loss trigger, the order is executed and the shares are sold

ST



SMART Trader October 2, 2014 at 8:42 PM

Meta Trader defines a Buy Stop as follows
Buy Stop — trade request to buy at the Ask price that is equal to or higher than that specified in the order. The current price level is lower than the value in the order.
As per the above a SL order is triggered when Ask price reaches the trigger level and not LTP

ST

Reply

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