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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, May 19, 2014

19052014



Nifty Gaped up above BRN within previous day closing range. Missed the BOF short of BRN. It was a neat 60 point down move to PDL. Went long on break of RN 7250 as BOF of PDC/PDL. TP when price failed to remain above BRN 7300

Posted by SMART Trader at 4:00 PM



32 comments:



Unknown May 19, 2014 at 4:13 PM

Hi ST

The large range move of Friday of 430 points created a median for Nifty and most of the stocks. The median for Nifty was 7311, just above BRN. So it was double confirmation for a short. Similarly, the median for Tata steel (which I traded) was at 460. It went up till that point after BOF IRL/PDC. At 460 there was a BOF.

[Plz Click here](#)

The reason for mentioning about the median is that usually Median gets converted into MSP. ( The post by URD where he illustrated about TRAP)

Another reason was, last night I was wondering where would Nifty possibly give an opportunity to act after a 430 point range day. So the answer was just above BRN/7300 and at median 7311. It worked like magic as if the whole trader fraternity knew it.

The beauty of DP trading never ceases to entrall me.  
Thanks a lot for coming out with this method in the open.

TBP

Reply

▼ Replies



SMART Trader May 19, 2014 at 4:23 PM

Yes. It worked well  
Nice trade in Tata Steel

ST



**Trekkie** May 20, 2014 at 10:09 AM

TBP,  
In ST's method we are trading decision points that are visible to all. Since median is just a calculated number like daily pivot, and r1, r2, etc. though in this case it seems to have worked beautifully, could there have been other things at play here like in the case of Nifty the last attempt to cross 300 which was around 2:30 pm on Friday was quite visible to all?

---

Reply



**Trekkie** May 19, 2014 at 4:24 PM

Hi ST, today's google doodle is rubik's cube :)

Reply

▼ Replies



**SMART Trader**  May 19, 2014 at 4:38 PM

Nice one.  
I was one among the very few who could solve this from Kerala

ST



**Trekkie** May 19, 2014 at 11:03 PM

Hi ST,  
I had read about it in one of your earlier posts, today google reminded me of it. :)

---

Reply



**Uday Dave** May 19, 2014 at 4:25 PM

Hi ST,

One query, please have a look on the pic

<http://i61.tinypic.com/54t844.png>

Thanks

Reply

▼ Replies



**SMART Trader**  May 19, 2014 at 4:51 PM

URD

My stop was below the BO candle of BRN  
12th candle to the left of that micro swing low.  
It was acting as a MC. So I did not raise the stop.  
The candle you marked was a micro TRAP it seems

ST

---

Reply



**Uday Dave** May 19, 2014 at 4:34 PM

Hi ST,

One query, please have a look on the pic

<http://i61.tinypic.com/54t844.png>

Thanks

Reply

▼ Replies



**SMART Trader**  May 19, 2014 at 4:54 PM

Same one ???

ST

---

Reply



**PA Trader** May 19, 2014 at 5:10 PM

ST,  
One query. The BOF trade that you took. Was there a possibility of it turning into a TRAP setup short? A lot of times such BOF trades have a possibility of turning into TRAP trades.

Thanks !!

Reply

▼ Replies



**SMART Trader** May 19, 2014 at 7:18 PM

PA Trader

It can happen. But generally price take the path of least resistance  
With RN,PDC,PDL below the entry it is likely that price will move up to the next resistance BRN than breaking down.  
If it breaks down close that trade and go short  
ST

Reply



**athshree** May 19, 2014 at 6:04 PM

Hallo,  
PDL was below 7200 I think.....and today's low is 7216.....am I right?

Reply

▼ Replies



**SMART Trader** May 19, 2014 at 7:09 PM

PDL was 7225. I ignore tails of candles  
Today's Low is 7217

ST



**amber** May 19, 2014 at 9:53 PM

Sir good evening sir 16/5/2014 low was 7159/90 as per nseindia thnx

Reply



**Deven Malhotra** May 19, 2014 at 7:18 PM

Hi ST,

In these volatile markets, are you using SL-M orders to enter & exit or a Fix price SL order? Because price is jumping without hitting few levels. I am facing this problem, so was keen to know some solution..

Thanks,  
Deven Malhotra

Reply

▼ Replies



**SMART Trader** May 19, 2014 at 7:38 PM

Even if we miss an entry, no problem. But SL orders will create problem when price moves a hundred points in a minute.  
I am still using SL Limit orders. I am giving little more gap between trigger and limit. 3 or 4 points. Exiting a little earlier. For example if the extreme is 6661, I enter trigger one or two points earlier so that my order triggers earlier than other traders.  
SL-M orders will always get the worst execution. Exchanges always give priority to SL-Limit orders

ST

Reply



**Unknown** May 19, 2014 at 9:02 PM

Hai ST,

I took my second trade today was, when it crossed 7300 BRN for the first time from today's low, I considered it as a BOF of BRN 7300 and placed SL above that red high candle, is it a valid trade?

Reply

▼ Replies



**SMART Trader** May 19, 2014 at 10:15 PM

Abhishek

Price did not break the BO candle low. There was no momentum to the down move  
If there is a LOL. Price will try to test the second layer most of the time. Further while attempting a trade against a strong euphoric trend, be very careful

ST

Reply



**nifty for bread** May 19, 2014 at 9:24 PM

Sir,  
Why didn't you short at the BOF of BRN?  
S.Karthikeyan

Reply

▼ Replies



**SMART Trader** May 19, 2014 at 10:03 PM

I exited my long on BOF of BRN.  
There was no momentum to the downside. It was trading above MSP and I suspected a Barbed Wire

ST

Reply



**Trekkie** May 19, 2014 at 10:35 PM

Hi ST,  
Was there an exit below 1:30/1:33 bars? Is it a failure bar at BRN 300? It was also at DO and perhaps Body High of day at that time. Thanks for your help.

Reply

▼ Replies



**SMART Trader** May 19, 2014 at 10:45 PM

I exited when price cracked the 13.30 bar low @ 13.48  
Marked as TP

ST



**Trekkie** May 19, 2014 at 10:55 PM

Hi ST, thanks, sorry that was a typo on my part. I meant the 13:00/13:03 bar low.

Also please can you tell where your initial SL was for the long entry. Thanks so much.



**SMART Trader** May 20, 2014 at 12:00 PM

S Roy

Market was strong and bullish. Just consolidating within the result day range  
I expected it to break above HOD and waited with my stop below BO bar low

ST



**Trekkie** May 20, 2014 at 12:12 PM

Hi ST, awesome, thank you.

Reply



**nifty for bread** May 19, 2014 at 10:38 PM

Sir,  
Thank you very much for the guidance.  
S.Karthikeyan

Reply



**amber** May 19, 2014 at 11:09 PM

Sir kindly update in today's trade which one is BO candle and MSP thnx

Reply

▼ Replies



**SMART Trader** May 20, 2014 at 9:12 AM

Amber

BO candle 12.48  
MSP 13.24

ST

Reply

**amber** May 20, 2014 at 9:48 AM



Sir good morning and thnx very much  
Reply



Trekkie May 20, 2014 at 10:11 AM

Hi ST,  
I have a doubt about BRN or RN. When we are in trade and price is nearing RN/BRN, what actions should we take. Do we move to a tighter sl, how should we manage trade at that point?  
Reply

▼ Replies



SMART Trader  May 20, 2014 at 11:53 AM

Trade the acceptance or rejection of levels. Price action can unfold in million ways  
Every occurrence is unique. It is very difficult to make clear cut rules  
<http://niftynirvana.blogspot.in/2014/01/tug-of-war.html>

ST

Reply

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