

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

Friday, December 5, 2014

05122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis. Nifty opened within previous day range and sold. The first candle was wide and this MC acted as IR. There were BRN and PDC in between and made it a Barbed wire. I ws looking for a signal at PDH and price turned from DO. Went long on BOF of IRL/LOD. I was waiting for a TRAP and up move like yesterday. The opposite happened. Covered when the break above the early swing highs failed. Missed the short trade. It was a good short below BRN. There was 10 point space below it to FTA ,LOD and a 10 point fluid below that. Many of the positional longs created yesterday covered due to weekend. Yesterdays entire up move retraced

Posted by SMART Trader at 3:46 PM

19 comments:



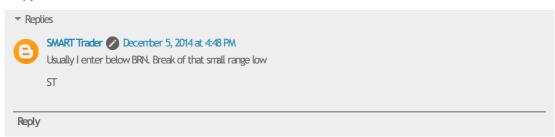
Unknown December 5, 2014 at 3:56 PM

Hi ST

If you would have shorted, after the prior TP, how would have you entered?? A limit order just below BRN?

Thanks TBP

Reply





Reply

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SMART Trader December 5, 2014 at 4:32 PM

I bought at 8591 without confirmation. SL at 8586 @ 5 point risk In a range we try to buy the lows and sell the highs, whether it is IR or BW. Let it reverse from BRN. After the green candle SL moved to 8589, the candle low with 2 point risk

ST



Trekkie December 5, 2014 at 5:11 PM

Thanks a lot ST.



Trekkie December 6, 2014 at 3:01 PM

Hi ST,

Trying to correct my thinking process for entry, exit so I can balance between taking incorrect entries and taking late entries. If we enter without confirmation then we will not have two layers of defense. Under what circumstances would it be ok to not have the two layers of defense that we usually look for? Thanks for your help.



SMART Trader December 6, 2014 at 5:57 PM

We trail a trend and fade a range. Decision should be based on two thinks 1.Strength of the DP 2.Strength of the trend

We have discussed this in earlier posts. If you feel the DP will hold as per your reading of these factors, do not wait for confirmation. Otherwise wait, watch and enter after confirmation

ST



Trekkie December 6, 2014 at 6:16 PM

Thank you ST for reminding me of this again. Somehow I forgot to include this in my analysis except while taking PP. I will add this now, thanks again.

Reply



Unknown December 5, 2014 at 6:56 PM

Hi ST.

Can the pattern in the end (to short below BRN) be considered as TRAP?

Thanks and regards

Reply

Replies



SMART Trader December 5, 2014 at 7:19 PM

Yes. If you look closely market was making lower highs all the day. I was focusing on the range and considered move from LOD as an up move Hence missed it

ст



Bhavir December 6, 2014 at 4:05 PM

Same with me. But I had a late entry above BRN after confirmation .. and did not scratch .. but stayed with my SL of 2 additional points. I think was worth staying given the possibility of upmove. Any thoughts?

http://niftytradediary.wordpress.com/2014/12/06/5-dec-2014-listen-to-the-beast/

Of course the results speak for themselves; ended up on the loosing side :)



SMART Trader December 6, 2014 at 5:51 PM

Ultimately trading success will depend on our ability to read and feel the market This feel will not come unless we continuously pay attention to all these small stuff. We have just started and is on the right track. Hope you might have read http://niftynirvana.blogspot.in/2012/02/chicken-sexing.html

ST



Bhavir December 7, 2014 at 1:59 AM

Indeed I read that article and I agree....

Hope to stay the course on the right path \dots your guidance during this phase is invaluable. Thank you.

Reply



Bharat December 5, 2014 at 7:51 PM

ST,

Can we take direct short in first bar as it was breaking BRN and yesterdays close? i trapped there. Why you avoided short below 12.24.. wasnt that a pressure play at BRN.. mkt traded there for more then two hrs. shouldn't we attempt direct breakout? fluid below it.

Regards Bharat

Reply

Replies



SMART Trader December 5, 2014 at 8:20 PM

I do not enter on first bar. If initial volatility is very high, i stand out till it settles down In a range we buy the lows and sell the highs. Market is coming back to test a solid support for the first time You can expect a bounce from there. Zoom out your chart and draw a line at this range low 8590. See what happened there on last three days

ST



Bharat December 6, 2014 at 9:56 AM

Thanks ST.

Reply



amber December 5, 2014 at 8:17 PM

Sir good evening, sir some days you have updated that when mkt fails to do something twice, it will do the opposite, as since morning price was unable to brk the DO , so the fall from 8610 can become valid on this analysis, kindly update thnx

Reply

▼ Replies



SMART Trader December 5, 2014 at 8:27 PM

It cannot be viewed as a stand alone signal. Double tops and bottoms usually work in markets
We cannot say how far that move can sustain. It works because when market fails second time, some traders lose hope and start exiting

ST



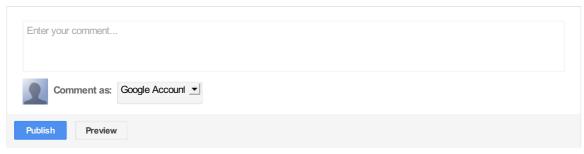
amber December 5, 2014 at 9:57 PM

Sir thnx

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