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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*

Tuesday, August 12, 2014

12082014



Nifty gaped up and traded in a 20 point range for a long time. Went long on BOF of range low. Exited the trade when price failed to stay above the range and broke the BO candle low. Price refused to come down and broke the range high again. Long on BPB of range high. Ignored BRN as waiting for its break will increase risk. TP near RN at the end of the fluid

Posted by SMART Trader at 3:42 PM



40 comments:



Only Nifty August 12, 2014 at 3:47 PM

ST Sir,

Missed up move as i was not sure about long signal. Waited for price action at BRN.. but NF zoomed .

I took 1st candle high as IRH.. Oops, it caused me confusion.. i realized it now after seeing your RH

Also can you tell me if my 1st trade valid?  
Trades [here](#)

Reply

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SMART Trader August 12, 2014 at 3:54 PM

CT BO trade. Better to avoid.  
If a strong BOF happens at the other end you can try such trades

ST



Only Nifty August 12, 2014 at 4:03 PM

Yes, missing these small observations some times.. may be because of narrow range,, keen focus missing.

Thanks for input.

Reply



**Price Action Lab** August 12, 2014 at 4:01 PM

Hi ST,

Your 2nd trade is good, I hesitated to take that because of BRN 7700, what was your thought process while entering BPB?

Regards  
Naveen

Reply

▼ Replies



**SMART Trader** August 12, 2014 at 6:20 PM

Price was escaping out of a 5 hour tight range.  
Risk was favourable with entry at 93 and stop at 84  
It was a fluid above the area. On the way down earlier this BRN did not support  
Even otherwise i will try a long above 7717. Here also risk was favourable

ST

Reply



**Trade 4 living** August 12, 2014 at 4:03 PM

Rajesh,  
Thanks for the post and the explanations !  
Thanks for teaching that price moves in ranges which is the core of trading !  
Thanks for helping to earn my living today and till I cease to exist !  
With Kind Regards

Reply

▼ Replies



**SMART Trader** August 12, 2014 at 6:25 PM

Happy that you could make use of some concepts  
All the best

ST

Reply



**nirtos** August 12, 2014 at 4:23 PM

Hi,  
Why did not you took bof irh. I got confused with 1st bar(data of gfdl), so could not take bo of range. A bad day.  
<http://screencast.com/t/nCuzO7qqSFuX>

Reply

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**SMART Trader** August 12, 2014 at 6:30 PM

There I exited my long. You messed up because of your opening bar which differ from mine  
But why did you skip the BPB above BRN. There was enough space and it was a fluid  
Risk with stop below the pull back low was very favourable

ST

Reply



**xrtrader1** August 12, 2014 at 4:35 PM

ST on first Trade  
What you would have looked for pressure play ? I saw it as BO trade , what was the miss (Strong BOF at the range high ?).

Reply

▼ Replies



**SMART Trader** August 12, 2014 at 6:35 PM

In a range if a BOF happens at a range extreme, because of trapped traders order flow, the other end may break  
If there was a BOF of IRH, I would have tried a direct BO short on break of IRL.

ST

Reply



**Trekkie** August 12, 2014 at 4:48 PM

Hi ST,  
Was IRL at A or B? <http://imgazer.imageshack.com/img911/2861/egcoSn.png> I took a BOF trade there because my IRL was at A. Somehow managed to join the last run, but a bit late above 14:36 pivot, perhaps too late and wasn't a wise decision, but managed to stay in the trade till eod.

Reply



**Unknown** August 12, 2014 at 6:12 PM

are u trading with NRML order?

Reply

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**SMART Trader** August 12, 2014 at 8:22 PM

If I take a trade after 3 pm I go for NRML  
Otherwise MIS

ST

Reply



**rocky** August 12, 2014 at 6:26 PM

<http://i57.tinypic.com/iz6yq1.png> what was missing??

Reply

▼ Replies



**SMART Trader** August 12, 2014 at 8:28 PM

On the first one where you will enter? right location is 12.03 bar high  
Avoid CT breakout trades unless there is some assured order flow like trapped traders or critical mass exiting

ST

Reply

**veer** August 12, 2014 at 6:33 PM

Dear ST

I am getting confusion whether the tail should be included for calculating the initial range? This is repeating. Because, it opened at 7700 which is BRN and failure to hold - I assumed the bias as negative and the narrow range made me to think on that line and I was not prepared for the last move at all because of this bias.

Regards,

Veer

Reply

▼ Replies



**SMART Trader** August 12, 2014 at 8:34 PM

Data feeds and charting differs sometimes.  
We cant help. Trade what you see on the chart.  
Usually I avoid tails . But later make some adjustments after subsequent tests  
There will be always some confusion in case of tails  
<http://niftyinirvana.blogspot.in/2013/12/dynamic-levels.html>

ST

Reply



**SMART Trader** August 12, 2014 at 6:58 PM

Where is space for such a trade. Hardly 9 points to the earlier swing high  
The BOF itself was not convincing. Less than 2 points overshoot.  
Let the scouting party survey a little deep before making a decision  
<http://niftyinirvana.blogspot.in/2012/05/scouting-party.html>  
Funny. You are calling the second trade unwise. It was the real DP trade BPB of BRN and it went where it was supposed to go. End of the fluid, the next option strike RN 7750

ST

Reply

▼ Replies

**Trekkie** August 12, 2014 at 7:53 PM



Thanks a lot ST for the scouting party link. I seem to be always failing to note/missing some point or the other. About the second trade, I thought it was wrong because it was 18 points above DP. I still took it because it was the first time some move was happening on the long side after 3 gap ups, so was expecting positional shorts covering, so risked it. Is it ok to take 18 points away from DP?



**SMART Trader** August 12, 2014 at 8:21 PM

No problem in taking a trade 18 point away  
The question is Risk and Space. Here you keep stop below the swing low not behind DP as usual

ST



**Trekkie** August 12, 2014 at 9:32 PM

Thanks you very much ST.

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Reply



**Unknown** August 12, 2014 at 7:07 PM

Hi ST,

I've entered short as BO of Range low at 12:50 Candle and price hit my SL. Pls tell me what was wrong in that trade?

Thank you,

Kiran.

Reply

▼ Replies



**rocky** August 12, 2014 at 8:21 PM

Even i also mark same



**SMART Trader** August 12, 2014 at 8:36 PM

Avoid counter trend BO trades. Most of the time you are going to get trapped  
<http://niftyinirvana.blogspot.in/2013/10/breakout-blues.html>

ST

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Reply



**Unknown** August 12, 2014 at 7:41 PM

hi st sir  
im new to market but really thankfull to tour support.  
is this mmethod also usefull in commodity(mcx) market?  
any blogs for same.....

Reply

▼ Replies



**SMART Trader** August 12, 2014 at 8:39 PM

I have not tried in commodities  
Few people are trading it

ST

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Reply



**amber** August 12, 2014 at 10:19 PM

Sir good evening,sir in your comment There was enough space and it was a fluid, kindly update which fluid is taken here thnx

Reply

▼ Replies



**SMART Trader** August 13, 2014 at 8:53 AM

Fluid created by the 07082014 down fall

ST



**amber** August 13, 2014 at 9:46 AM

Sir good morning and thnx

---

Reply



**sleepytrader42** August 12, 2014 at 10:23 PM

Hi ST,

Were there any reasons you did not take the two BOF - IRL that occurred earlier in the day? Yet took the third BOF - IRL.  
Thanks.

Reply

▼ Replies



**SMART Trader** August 13, 2014 at 8:55 AM

The BOF itself was not convincing. Less than 2 points overshoot.  
A BOF should go deep and trap a lot of BO traders  
Let the scouting party survey a little deep before making a decision  
<http://niftyminerva.blogspot.in/2012/05/scouting-party.html>

ST



**sleepytrader42** August 13, 2014 at 11:18 AM

Thanks ST. Are you specifically looking for a bar to close on the other side of the DP or does it not matter?



**SMART Trader** August 13, 2014 at 12:01 PM

Bar closing is not that relevant.  
The question is whether price is getting accepted or rejected from the new area

ST

Reply



**Unknown** August 13, 2014 at 8:41 AM

Good morning sir,  
Can u pls send the links to learn about CT trade and criticalmass ?  
thanks & Regards  
radha

Reply

▼ Replies



**SMART Trader** August 13, 2014 at 8:56 AM

Go through all the important posts listed below the blog  
You can also download them in PDF

ST

Reply



**Trekkie** August 13, 2014 at 9:13 AM

Hi ST,  
Please can you tell where is the MSP for the last upmove? Thanks.

Reply

▼ Replies



**SMART Trader** August 13, 2014 at 9:54 AM

There are no meaningful pull backs on the last up move  
So 7707 level can only be taken as MSP.No use with that  
Leave it and focus on new range being made on top IRL-PDH

ST



**Trekkie** August 13, 2014 at 10:34 AM

Thank you so much ST.

Reply



**Unknown** August 13, 2014 at 9:32 AM

thank you very much sir

Reply

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