

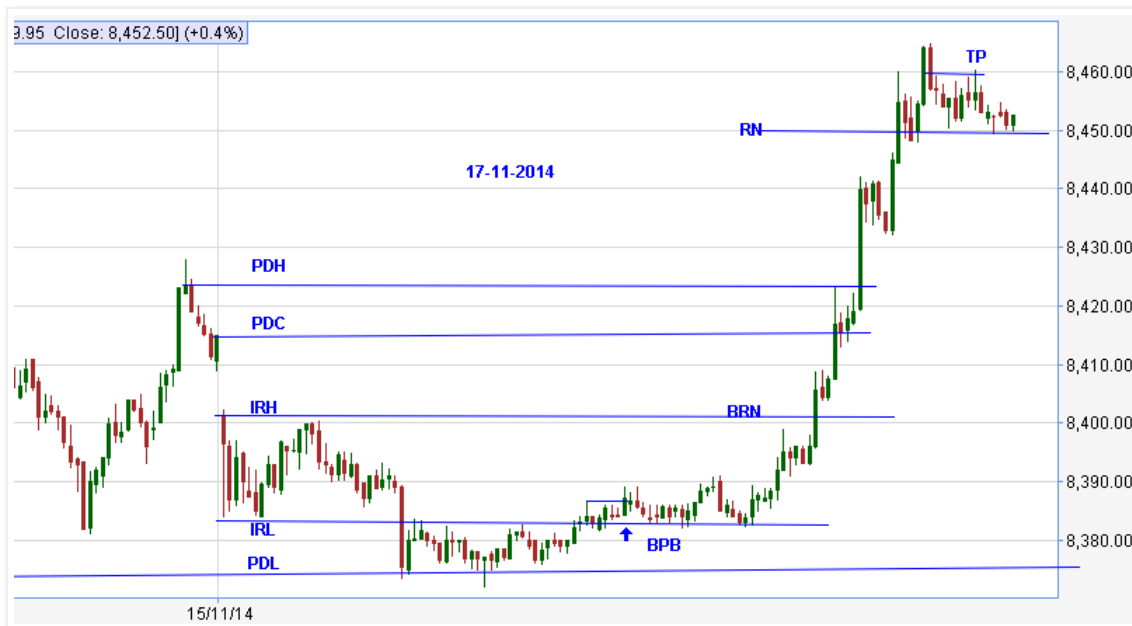


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Monday, November 17, 2014

17112014



Nifty gaped down below PDC. IR formed. Price broke IRL and found support at PDL. There was a BOF at PDL. Avoided long as it was a minor one and IRL was very near. Went long on BPB of IRL. Then it was just trailing till 8460. Both Nifty and NaMo were firing on all cylinders.

Posted by SMART Trader at 3:35 PM



38 comments:



Trekkie November 17, 2014 at 3:45 PM

Hi ST,  
I took long above 10:48 congestion on break of IRL, I guess that was wrong entry, but luckily was able to hold on, got out around 52. Did you exit below round number xx60?

Reply

▼ Replies



SMART Trader November 17, 2014 at 7:41 PM

Exit was around xx60 as Nifty moved almost 100 points from the bottom trade

ST

Reply



DM November 17, 2014 at 3:50 PM

ST,  
1. Trade did not move for more than an hour after entry. Why did you hold on? Did you consider scratching the trade?  
2. Where was your stop at entry and how did you move it?

Thx,

Reply

▼ Replies



**SMART Trader** November 17, 2014 at 7:50 PM

Price never came below IRL and risk was around 8 points. I accepted the risk and stayed with it  
Entry was at 8387 and physical stop at 8379. It was trailed behind swing lows

ST

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Reply



**Lisa** November 17, 2014 at 3:53 PM

Excellent trade. Just one trade and that hit jackpot :)

Reply

▼ Replies



**SMART Trader** November 17, 2014 at 7:51 PM

After the initial fall, it was just trending  
There was no confusion at all

ST

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Reply



**Arvind** November 17, 2014 at 4:02 PM

Hi Sir,  
My trade.  
<http://screencast.com/t/cm8JoQyhayR>

Sir, at the time when you went long, what was your initial stop and target.  
After your entry, there was no momentum, how did you manage that. I mean what is your thought process for the next one hour.

Thanks

Reply

▼ Replies



**SMART Trader** November 17, 2014 at 7:53 PM

Entry at 8387 and stop at 8379  
Trade never got invalidated and price traded above IRL  
FTA was IRH for the trade. so I waited

ST

---

Reply



**Unknown** November 17, 2014 at 4:18 PM

Thanks ST for the charts...

Reply



**Unknown** November 17, 2014 at 4:38 PM

Hi ST,

While considering PDL did you only consider the close of that candle (you didnt consider the spike ?) because the PDL line that you have drawn in todays chart it would not touch that breakout candle if you considred the spike.

<http://tinypic.com/r/vmtygg/8>

Reply

▼ Replies



**SMART Trader** November 17, 2014 at 7:56 PM

I ignore tails usually. Tails are considered on BO type of entries only

ST

---

Reply



**L.V.Gandhi** November 17, 2014 at 5:34 PM

PDL was 8368.25. You have mentioned, it was BOF PDL and IRL. Can you clarify?  
Further there was deep red candle at 13:12 from 8390 as FTC. You did not exit even below that. Can you please share your thought process.  
I tried long above BRN and IRH ie 8409.25 limit and 8409.75. Price jumped to 8415 and missed the trade. In that case what should have been done by me?

Reply

▼ Replies



**SMART Trader** November 17, 2014 at 8:13 PM

I ignore tails while drawing levels. These areas are zones, not exact levels  
There was a BOF of the earlier swing extreme. I did not enter here as it was insignificant and did not trap many  
Scratching below the red bar means exiting at 8383 level. My stop was at 8379. Here extra risk was 4 points.  
What is the point in exiting a valid position with a risk of 4 point and looking for another with 10 point risk?  
It was bad luck. BO kind of entries jumps over the order. Sometimes it happens.

ST



**L.V.Gandhi** November 17, 2014 at 8:23 PM

Thanks.



**Unknown** November 18, 2014 at 6:34 AM

Hi ST,

I have query on you reply. "BO kind of entries jumps over the order. Sometimes it happens. " Even the stop loss buy order will be skipped?.

Thanks,  
Aris



**SMART Trader** November 18, 2014 at 11:12 AM

It can happen. But rarely  
Under the method, your exits rarely come at such locations

ST

---

Reply



**Nagendra** November 17, 2014 at 6:45 PM

Dear ST,  
Market moved IRH to PDL within the structure. You got nice trade. why you are not exited in between PDC and PDH. trend slowed there. and why you are not considered gap down as bearish sentiment ? you entered trade is a counter trend ?

Thanks,  
Nagendra.

Reply

▼ Replies



**SMART Trader** November 17, 2014 at 8:20 PM

There was no confusion between PDC and PDL. It was just trailing. There was a confusion above PDH where a two legged pullback happened. Once price climbed back to IR sentiment changed. Price moving back to a higher range and breaking a DP to the higher side changes the bias. Kindly go through the important posts regarding trend and bias

ST

---

Reply



**SMART Trader** November 17, 2014 at 8:33 PM

Steve Burns of New trader U has reproduced one of my blog posts in his site.  
<http://newtraderu.com/2014/11/14/guest-post-drag-your-trading/>  
Steve is a well know trader and trading educator with 18K followers on Twitter  
I encourage to check his site frequently

ST

Reply

▼ Replies



**Trekkiie** November 17, 2014 at 9:47 PM

Thank you ST. Nice post!

Thank you again for being such a great teacher and coach, the clarity with which you teach us concepts is out of this world. Without you most of what Ziad said in that seminar would have made no sense to me whatsoever.



**Homer\_23** November 18, 2014 at 3:24 AM

I read the article. It was good, thank you.  
I very recently started to follow your blog and read the book decision points as well. I truly appreciate your drive to help fellow traders.

---

Reply



**tRaDeR\_B** November 17, 2014 at 8:52 PM

Congrats ST..

Yes he is widely followed in Twitter and a great guy. I personally follow him..

<http://www.optionstradingiq.com/top-25-traders-on-twitter-2014-edition/>

Reply

▼ Replies



**PA Trader** November 18, 2014 at 10:52 AM

Do you have a similar list of Indian traders?



**SMART Trader** November 18, 2014 at 11:13 AM

Thanks

ST

Reply



**Trader Pai** November 17, 2014 at 9:45 PM

Hi st

Thanks

Where can I download historical intraday data for amibroker bar replay

Rgds

Kishore

Reply

▼ Replies



**SMART Trader** November 18, 2014 at 11:08 AM

There are a few threads about it in Traderji and Inditraders  
I no longer do it

ST



**Trekkie** November 18, 2014 at 11:16 AM

Here's the link to the traderji data thread <http://www.traderji.com/intraday/95401-nse-futures-1min-ieod-data.html>. It has many years of good data.



**Trader Pai** November 18, 2014 at 11:57 AM

Thanks ST and Roy

rgds

Kishore



**tRaDeR\_B** November 18, 2014 at 4:33 PM

Kishore,

You can get 1 min format data for NIFTY & BANKNIFTY (both spot and futures) from the below link. It has data from 2008. Courtesy some good soul who updates the data daily at EOD. :)

<https://docs.google.com/folderview?id=0B8e3dtbFwQWUJZ1f5dklCMnESM2M>

Reply



**Bhavir** November 18, 2014 at 1:47 AM

Thanks for posting ST!

Here's is my reading of the market

<http://niftytradediary.wordpress.com/2014/11/18/17-nov-2014/>

I used 8382 as initial SL for the BPB of IRL trade. Perhaps too close .. but chose just below the pull back low. What was your reasoning for xx79.5?

Reply



**Homer\_23** November 18, 2014 at 3:22 AM

Thank you, the mentioned post regarding trend and bias, which month would that be? It would be great if you share the link. Thank you Sir.

Reply

▼ Replies



**SMART Trader** November 18, 2014 at 11:11 AM

Check the links below the blog  
Check posts under Structure and patters  
You can download them in E-Book format also

ST

Reply



**Trekkie** November 18, 2014 at 8:35 AM

Hi ST,  
I have a hypothetical question related to DPs and BPB. If using today as an example let's say we are looking for a pullback below PDL to short. If we ignore tails PDL was at 72, if we take tails into account PDL was at 68. Should we wait for pull back below 68 or wait for pull back below 72? What if the distance between tail and body was more, would we think differently then? Thanks for your help.

Reply

▼ Replies



**SMART Trader** November 18, 2014 at 11:46 AM

If tail end is too far , enter on today's extreme.  
If it is 3-4 points enter on break of the tail extreme  
SL of day traders will be always at the days extreme

ST

Reply



**SMART Trader** November 18, 2014 at 11:38 AM

Bhavr

<http://screencast.com/t/QDddAYMXOz>

ST

Reply

▼ Replies



**Bhavr** November 19, 2014 at 1:09 AM

Thanks Sir. Got it. I just got lucky to not be stopped out of the nice up move.  
I would have been a disaster to see market move without me :)

Reply



**Trekkie** November 18, 2014 at 12:51 PM

Hi ST,  
Is today's move cigarette?

Reply

▼ Replies



**SMART Trader** November 18, 2014 at 12:59 PM

Yes. Yesterday last impulse acting as a tight range

ST

Reply

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