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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, January 14, 2014

14012014



Nifty opened at the middle of previous day closing range. Went short on the break of IRL. Target was the range low. But nifty bounced from the flip area and hit my Trailing S before reaching the target. Long on BOF of RN 6250, the range low. Closed when price failed to go above IRL.

Posted by SMART Trader at 4:06 PM



12 comments:



Deven Malhotra January 14, 2014 at 4:15 PM

Hi ST,

If a wouldn't have taken first BO trade, wasn't it a candidate for BOF Long, I am asking because I took it giving my SL.. Similarly, last fast move - I considered it as a BOF short, where you took TP.

Thanks,
Deven Malhotra

Reply



SMART Trader January 14, 2014 at 4:36 PM

Deven

It was a BOF of IRL.
But you have to consider Bias and space. Bias was down due to gap down and there was no space to IRH ,the FTA
Last one can be traded as BOF

ST
Reply

Anonymous January 14, 2014 at 4:54 PM

sir,
what are the trouble areas for the BOF trade of today?
Reply



Unknown January 14, 2014 at 5:16 PM

Hi ST
Was there an opportunity for BOF IRH today?

Thanks
TBP
Reply

Anonymous January 14, 2014 at 6:45 PM

Sir,
I considered from 11:38am to 01:02pm as ABSORPTION because of higher lows in 3m chart and short @6256 and covered @6245.
I took a short trade at your last TP and covered @6245 because i considered it as BOF of MSP High @12:59pm Candle and bias was down.
Kindly give your suggestion on those trades.
Thanks,
Dushmant
Reply



SMART Trader January 14, 2014 at 7:31 PM

Anon

FTA is the previous two swing lows (Below my previous TP) acting as a Flip. But I thought the previous quick down fall will act as a fluid and take price there triggering another set of stops

ST
Reply



SMART Trader January 14, 2014 at 7:37 PM

TBP

At that time we cannot say it was a BOF as we do not know where exactly is the IRH due to the upper tail.
Ideally a BOF should trap a lot of traders. It was not a level to attract BO traders.

ST
Reply

Anonymous January 14, 2014 at 7:48 PM

sir,
after the flip area the other trouble areas are IR low, IR high, high of the day, and then BRN 6300. is my thinking in the right direction?
Reply



SMART Trader January 14, 2014 at 7:51 PM

Dushmant

It cannot be classified as Absorption. You may call it a flag. In absorption top side will be flat.

Second trade is OK

ST
Reply



SMART Trader January 14, 2014 at 7:57 PM

Anon

You are right.
Trouble areas are places where we expect opposing order flow.
DPs and Trouble areas are not brick walls. They may hold or not. We have to make an appropriate decision at these areas reading the price behavior.
Price action trading is not pattern trading. Context within which the pattern appears is more important.

ST
Reply

Anonymous January 14, 2014 at 8:05 PM

sir,
thank you.
Reply

Unknown January 14, 2014 at 9:23 PM



Thanks ST

Reply

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