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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

Friday, September 19, 2014

19092014



Nifty opened within previous day range. I was expecting a consolidation after the big up move. Avoided BPB of PDH as I did not expect much up move. Short on BOF of PDH/RN. Did not move as expected. Bounced from LOD. Later took another short BOF of PDH. This one also scratched

Posted by SMART Trader at 3:47 PM



29 comments:



Unknown September 19, 2014 at 4:01 PM

GE Sir ji
<http://i.imgur.com/oxAPw.jpg>
Pls Reply
Reply



SMART Trader September 19, 2014 at 4:24 PM

You are looking at the patterns in isolation. Need to be aware of other factors. After a 170 point up move yesterday market need to consolidate. Trend days generally follows a reversal or consolidation. So avoided going long above PDH. Notice what happened after 16/09/2014 a down trend day
<http://niftyinirvana.blogspot.in/2012/02/daily-trading-patterns.html>

ST
Reply

veer September 19, 2014 at 5:38 PM

Dear ST

Why no long on BOF of PDC and IRL around 10.20 a.m. ? Was it wrong to take at that place.

Regards,
Veer
Reply

▼ Replies



SMART Trader September 19, 2014 at 8:15 PM

After an extended move almost always markets consolidate. Usually the last impulse will act as a range. Look at 18092014 chart. The last impulsive up move was 8120 to HOD. This impulsive wave acted as a range today. It tried to move up but got rejected. After a 170 point up move the possibility of another up move is very low unless there is clear catalyst. So tried to short. I felt yesterdays up move was just short covering, not genuine buying. Look at FII and DII data . Net institutional buying was 75 crores on 18th. Who bought yesterday ?

ST



Unknown September 20, 2014 at 3:00 AM

Dear ST,

where do I see FII and DII data on daily basis.

Thanks,
Aris



SMART Trader September 20, 2014 at 10:17 AM

http://www.moneycontrol.com/stocks/marketstats/fii_dii_activity/
http://www.nseindia.com/content/equities/eq_fii_nse.htm

ST



Unknown September 22, 2014 at 10:07 AM

Thanks ST.



PA Trader September 22, 2014 at 8:34 PM

Why are FII and DII trades generally contrary to each other? When FIIs buy, DIIs sell and vice-versa?



SMART Trader September 22, 2014 at 10:08 PM

That is the funny side of this game
Institutions investing irresponsibly their investors money.
No difference with FII and DII. This is what they are doing
<http://capitalmind.in/2014/09/chipkaofication-when-you-thulp-stocks-on-to-greedy-investors-at-magnified-prices/>

ST

ST

Reply



Bharat September 19, 2014 at 6:32 PM

ST,

I took short below 9.18 on BOF of yesterdays high , yesterdays close and breakout of IRL . it also fail to continue above RN.. and covered above 9.45 why u avoided this.. ? or there we no proper logic in taking that trade. i was expected move up to BRN 8100 after such huge move.

Secondly why u avoided break down failure longs above 9.45... wasnt that a trap pattern if we consider yesterdays strong move.? i took there and exited near days high at that time expecting not much move beyond days high.. how should i have trailed it?

Missed the short below irh.. was looking for clear pivot below irh.. as the upmove today was strong .. why u took agresive entry there.?

Thanks and Regards

Bharat

Reply

▼ Replies



SMART Trader September 19, 2014 at 8:36 PM

When market consolidates, expect last impulse to act as range. FTA was not BRN but 8120 area which gave support twice yesterday. This was the MSP when market closed yesterday. Price went exactly where it was supposed to go and bounced. I never expected price to above RN and NS RN . I was expecting a consolidation and if lucky a breakdown at the fag end. Days high is the logical target for the trade.

Please note that we are trying to trade a 20 point range 8120-40. Charts give an illusion that it is very wide. Entire day barring 30 minutes market was within this range. Trades are taken hoping that the move will break the other end. If it is not breaking scratch and escape.

ST

Reply



videv September 19, 2014 at 7:23 PM

I went long above RN 8150 and not PDH but it failed after showing some promise till 8167, but ultimately TSL hit at 8146.

Didn't take BOF short, the pattern seemed right but PDH was just below so couldn't decide.

Reply

▼ Replies



SMART Trader September 19, 2014 at 8:18 PM

If market moves up after such a single day type 1 move, suspect it.
Always expect a consolidation if there is no clear catalyst

ST



Unknown September 22, 2014 at 10:10 AM

The lesson I learnt from your trade is should tail our STOPLOSS.

Reply



TradeMendi September 19, 2014 at 8:19 PM

How you avoided long over 10.06 bar which was a BOF of PDC and BPB of PDC.

Though FTA was very near as PDH but then it was a with trend trade, so what was your thought process that time

Regards

Abbas

Reply

▼ Replies



SMART Trader September 19, 2014 at 8:43 PM

Please read my earlier replies.
I did not wanted to try a long. I was looking for a short

ST

Reply



Unknown September 19, 2014 at 9:05 PM

Do you no longer consider Initial range in your trades specially early morning ones...

Reply

▼ Replies



SMART Trader September 19, 2014 at 9:37 PM

Yes I do. Any range including IR should be very visible and clear to be effective.
It created a lot of confusion and people took it as Opening range and traded it like ORB
as if entering on the BO of IR is compulsory. Further nobody is paying any attention to Brackets and envelopes which invalidates IR

ST

Reply



kishore September 20, 2014 at 8:48 AM

St

I never thought of going short below brn ...werent in a bull trend ?

Kishore

Reply

▼ Replies



SMART Trader September 20, 2014 at 10:14 AM

This is a very small time frame method. We are basically looking to trade small ranges.
An impulse in 3M chart rarely exceeds 20-25 points. Occasionally we may get a home run that is all
We are betting on some events or occurrences that can create a non random directional move that may last for a few minutes.
These opportunities arise in bull and bear markets alike both in short and long directions

That is why use a different definition for trend. Higher or Lower ranges. We sell the highs and buy the lows of these ranges if other factors are favourable. In a higher range we PREFER buying lows and in a lower range sell highs to stay with the trend. Further we look at daily micro trend. In a rally PREFERENCE is to buy range lows and in a decline selling range highs are

preferred

ST

Reply



kishore September 20, 2014 at 6:23 PM

St..
So preferably long was correct and we are in uptrend ...right st?

Regards

Kishore

Reply

▼ Replies



SMART Trader September 20, 2014 at 9:00 PM

No doubt at all . Daily in Rally mode. Price trading at the highest range.
Trend is up and trend wise long trades are PREFERRED.
But other factors strongly favors a consolidation or a reversal

ST

Reply



kishore September 21, 2014 at 1:49 AM

Got it st
Thanks

Kishore

Reply



amber September 21, 2014 at 1:28 PM

Sir good afternoon, sir i am unable to understand this BPB of PDL, kindly explain this pattern thru a chart thnx
Reply

▼ Replies



SMART Trader September 22, 2014 at 9:34 AM

Where is BPB of PDL?
Did not understand what you are referring to

ST

Reply



goodidea.vishal September 21, 2014 at 5:04 PM

Hii ST sir ,

Is you apply DP on higher time frame , like 30 min. Or 60 min. chart . ??

If we think about 30min./60min. time frame what is about our DP . I means we consider previous day high ,low and close for next trading day is DP . If we trade 30min. chart OR 60min. chart then what we consider for next trading session ??? just think and confused then ask to you .

Reply

▼ Replies



SMART Trader September 22, 2014 at 9:51 AM

DPs are time frame, Indicator independent levels
PDC,PDH,PDL,BRN etc are same for all time frame traders.
This is basically a day trading method and it is very difficult to day trade with hourly charts

ST

Reply



Unknown September 22, 2014 at 10:50 AM

Hi ST SIR
nifty daily is in rally mode and it opened gap down of 50 points
what should be our bias? buying bof of IRL or low of the day or wait for the price to hit BRN or PDL to short

Reply



SMART Trader  September 22, 2014 at 11:33 AM

Rally mode invalidated after break of PDL. Price made a lower low than the previous day
Price trading in a lower range than previous one. Try to buy low and sell high of the range.
Bias is short. Shorts are high probability trades. A short signal at BRN/PDL can be an excellent trade
ST

Reply

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