



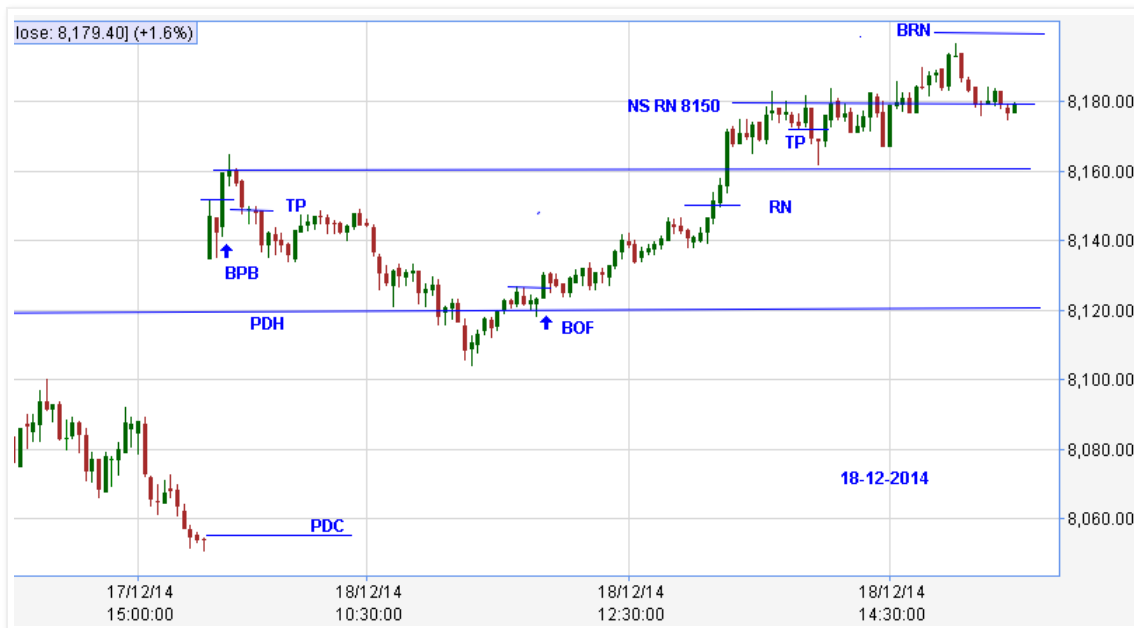
tinypic

This image is no longer available. Visit tinypic.com for more information.

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

Thursday, December 18, 2014

18122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty gaped up above PDH on global cues. Went long on BPB of PDH. Trade failed. exited when it came below RN. I was looking to go long . Price gave a good BOF at PDL. Covered when price stalled at 6180 for a long time. No other trades today.

Posted by SMART Trader at 3:30 PM



44 comments:



Unknown December 18, 2014 at 3:38 PM

Hi ST
Nice trades. Quick first exit. Trade management lesson there. Thanks
Long time I guess to come to 6180 ST.

Thanks
TBP

Reply

▼ Replies



SMART Trader December 18, 2014 at 3:48 PM

In case of BPB, You need not wait for another pullback
We are entering after a pullback and price should move away immediately
ST



NPA Trader December 18, 2014 at 4:38 PM

After a 100 points gap up open, What give you the confidence to go long on BPB?



SMART Trader December 18, 2014 at 5:05 PM

It was a CT outside gap. Usually price moves up or channels after such a spike

I took a chance , but failed

ST

Reply

 **Trader Pai** December 18, 2014 at 3:42 PM

Hi ST,
I took the first trade as yours. But failed to scratch and due to high volatility it hit my daily loss limit of 20 points.
No other trades .

For the BOF long wasn't IRL a concern?
Is it because of the IRL you waiting for a minor pivot rather than going long above
MSP ?

Reply

▼ Replies

 **SMART Trader**  December 18, 2014 at 3:54 PM

If IRL resists , I can always manage it without any loss.
BOF of PDH is a very powerful signal. A correction was overdue and global cues favored long

ST

Reply

 **xrtrader1** December 18, 2014 at 3:54 PM

Hi ST,
For Second Trade, Why you didn't consider LOL ? What was the thought process ?

Reply

▼ Replies

 **SMART Trader**  December 18, 2014 at 4:00 PM

If a BOF happens at the first level itself, why should we look at the second level?
I think you are referring to BRN. PDL to BRN is 20 points and NF can trade within it for the whole day

ST

Reply

 **manas** December 18, 2014 at 4:03 PM

hi ST,
why not shorted on bpb of pdh

Reply

▼ Replies

 **SMART Trader**  December 18, 2014 at 4:14 PM

It was not a convincing one. Earlier price tested the level twice and break of this lows did not extend well beyond BO candle.
Then price hanged within that candle for ten minutes. I was looking to go long . Price was continuously falling for 8 days. A pull back is due. Global cues were positive and Asian markets except Shanghai and Seoul were trading at 1.5- 2 % gain on Fed announcement

ST

 **manas** December 18, 2014 at 4:20 PM

i have taken a long on second test of pdh but stopped out then again taken long on bof

Reply

 **manas** December 18, 2014 at 4:12 PM

hi ST,
most of the times u wait for the flip on dp to trade bof sometimes u trade without waiting for flip just above dp when to trade without waiting for flip i.e yesterday bof long tradeand if no flip can the upper tail of candle which broken the dp earlier be considered to initiate trade

Reply

▼ Replies

 **SMART Trader**  December 18, 2014 at 4:21 PM

Many of the entries are now taken without waiting for confirmation
This happened after Ziad Misri's webinar
<http://niftyinirvana.blogspot.in/2014/11/webinar.html>
There was a lot discussion on this in comment session and subsequent days

<https://www.dropbox.com/s/5w2fbs981m403hq/opentrader.txt?dl=0>

St

Reply



Unknown December 18, 2014 at 4:30 PM

Hi ST,
i have attached an image can u plz have a look and answer.
<http://tinypic.com/r/2ica9hq/8>

Reply

▼ Replies



SMART Trader December 18, 2014 at 5:09 PM

RN is not a DP and not used for trade entry unless it qualifies as a range extreme
Further trade was into a level IRL which supported twice. It was counter trend also
Stay with the trend

ST



Unknown December 18, 2014 at 5:15 PM

cool Thanks ST !!

Reply



Lisa December 18, 2014 at 5:42 PM

Your feel of the market and extreme patience to wait for the right set up is just amazing!

Reply

▼ Replies



SMART Trader December 18, 2014 at 8:10 PM

High probability trades always appears at the structural extremes
Non random directional moves originate from these points
ST

Reply



L.V.Gandhi December 18, 2014 at 7:27 PM

Why did you not take short after break of IRL which happened after previous two touch failed after 10:33 candle?

Reply

▼ Replies



SMART Trader December 18, 2014 at 8:33 PM

We can short but target should be PDH. Not an attractive trade.
Why should one short into a strong support like PDH. That too on a day with strong bullish bias
It was a CT outside gap, transition of daily into rally mode. Strong global cues. Market reversing after 8 sessions of continuous fall. Critical mass of positional short in market.
Market gaped up and tried to move higher and failed. Now you expect a pull back to a support and look for a long there. Here the first support was IRL, Long if a BOF happens there. If it is not holding Look for a long at PDH. Bias changes only when price goes below PDH and gets accepted

ST

Reply



manas December 18, 2014 at 9:19 PM

after break of pdh or pdl what levels u consider as a fitz or tgt area is it swing areas of previous days or only btm and rm

Reply



manas December 18, 2014 at 9:23 PM

i have gone through the charts of last 3 yrs available in this blog and noticed tst trades of day range have a success rate of around 70-75% but test trades of pdl pdh have only success rate of 20-25% most of the them give bof opportunity whats ur view on that

Reply

▼ Replies



SMART Trader December 19, 2014 at 8:52 AM

Manas

There are certain issues to be considered before betting on basic probabilities
I will write a detailed reply after market hours

ST



manas December 19, 2014 at 7:46 PM

plz reply



SMART Trader December 19, 2014 at 9:22 PM

After breaking the day range, main areas to look for are
BRN, RN, Major rejection points to the immediate left, Prominent levels in daily
If nothing is there price will stall somewhere and create a new one

I have not conducted a detailed study on it. Thanks for sharing your observations. Your observation is of value. We can look for TST at HOD/LOD and for BOF at PDH/PDL for sure and bias towards them. But there is no need to limit TST at day levels and BOF at .PD levels. Success depends on lot of variables such as trend, space, critical mass, time of the day etc. Focus should be on these variables rather than on the basic probability. What I want to make clear is that you should not take blind TST trades at all day levels based on the above probability without considering the context. I had written a post on this earlier
<http://niftynirvana.blogspot.in/2013/10/drug-your-trading.html>

ST

Reply



rocky December 18, 2014 at 9:31 PM

Sir i am not questioning on your method or trades some of fellow traders who closely follow your blog told that you are a EOD trader so to shut their mouth can you plzpost your contract notes or trades oc one week thank you i am really thankful to you to teach a good method

Reply

▼ Replies



SMART Trader December 18, 2014 at 10:39 PM

Why should I shut their mouth?. They are telling the truth. I have written it below the chart

"This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis"

I think you have not gone through the disclaimer given under the blog. here it is

"These simulated results do not represent actual trading and these trades have not been executed in live market with real money"

Rocky, I am not here to prove or disprove anything. That stage in my trading career is way behind now. I am spending a lot of my precious quality time here responding to comments and replying to mails. Due to recent SEBI guidelines, I am actually undecided about the future of the blog. I am afraid distrust from readers will tilt the decision towards a close down

ST



Trekkie December 18, 2014 at 11:47 PM

rocky,

Thanks for the laugh :) I sincerely hope ST would allow those "fellow traders who closely follow your blog " live their delusion out by not posting any contract notes.



Trekkie December 18, 2014 at 11:52 PM

Dear ST,

Please keep the blog. Those of us who trade the method daily and who have benefited so much by your teaching need it. Can't survive in the market without your teachings.



L.V.Gandhi December 19, 2014 at 7:53 AM

Do not close down the thread because of some. Many will feel missing some thing good.

Reply



Trade 4 living December 18, 2014 at 10:57 PM

Rajesh,

I went short @8160 and covered below PDH @ 8120,

went long above PDH @ 8120 and covered @ 8165 as my stop loss got hit.

One question,

I would really appreciate if you would enlighten how do you trail your trailing stop loss.

Thanks a lot Rajesh,

With Kind Regards,

Reply

▼ Replies

 **SMART Trader**  December 19, 2014 at 9:01 AM

You can trail with stops behind swing pivots
In an overextended move, book your profit on FTC above a certain level. Market will usually go sideways there
In this case I exited when price failed to move beyond 80. If you want to hold on to the trade do not place your stop immediately after the swing pivot. A complex pull back or a TRAP will take you out and move away
You can consider an exit when price hits a DP or you find an entry triggers a reversal trade

ST

 **Trade 4 living** December 19, 2014 at 12:07 PM

Rajesh,

Thanks for the reply.

You really have a lot of patience with the market and otherwise.

Reading your blog helps me in understanding the market and human mind.

What I learned here is as follows:

- See market in parallelograms,
- Trade at the extremes,
- Have patience with the market and otherwise as it pays in the long run!
- Introspect, find out your faults and correct!!!

Thanks a lot Rajesh,
With Kind Regards

 **SMART Trader**  December 19, 2014 at 5:11 PM

This is just an adaptation of Darvas Boxes
These boxes or ranges form because of the very basic nature of all auction markets
Change in polarity of S/R. We call it flips. DPs are high probability levels of SR where box extremes are likely to form
Patterns are just upthrust and springs by Wyckoff. If you can identify the structural extremes and act there without hesitation, you will make money. As simple as that. People all over the world are competing to complicate it

ST

 **Trade 4 living** December 19, 2014 at 7:53 PM

Rajesh,

Thanks and I really appreciate your concise reply.

Thanks for the co-relation with Darvas Boxes and Upthrust and Springs by Wyckoff.

Thanks for making me FOCUSED like "Arjun" and learning to ignore noise in the market and the world

Thanks for making me see the market as it happens and without bias!

The above two make a world of difference in my trading and personal life.

Sorry I forgot to mention in the earlier reply.

Thanks again Rajesh!
With Kind Regards,

Reply

 **Homer_23** December 19, 2014 at 1:01 AM

Hi Rajesh,

Your commitment is unquestionable. Readers and followers like us are indebted to your kindness and pain that you take to educate us and repeatedly answer every query. We trust you completely and have unwavering faith in you.

Reply

▼ Replies

 **Trekkiie** December 19, 2014 at 9:41 AM

Homer_23,

I agree with you completely. Very well said.

Reply

 **DM** December 19, 2014 at 8:29 AM

Rocky,

ST has always said that this method works for him. It is a discretionary method and may or may not work for you and me. We have to figure out and decide if the method works for us. And it is going to happen in 3-6 months. I think ST has been working on this method for more than 5 years not including the time he spent understanding the market and trying other methods. It has taken me more than a year to get a hang of this method and there is still a long way to go. But I am sure that this method is for me and I am willing to give it what it takes.

ST sharing his contract notes will not help you at all. Doing so might be actually be detrimental to your trading by giving you false confidence in a method not suited to your personality.

In fact I am not interested in his contract notes. All I know is that his insights and the lively discussion in this blog have helped me in my trading. And I sincerely thank him for that.

I believe many people who try trading do not treat it with seriousness. They do not want to work hard (lazy trading) and expect to succeed at it without going through the struggle.

ST,

Your insights have helped me a lot. A sincere thank you for the bottom of my heart for helping me read PA and get behind the chart. Wish you and your family happiness, good health and the power to achieve your dreams.

Thanks,
DM

Reply

▼ Replies



DM December 19, 2014 at 8:53 AM

"...And it is *not* going to happen in 3-6 months..."

Reply



Unknown December 19, 2014 at 9:16 AM

Hi ST

Some dumb morons wanting to have a look at contract notes will never in any way question the commitment that you show day in and day out to make this blog of absolute value. Lazy asses will never know the value of this method until they trade this method and look at their contract notes rather than others.

I am hopeful that NiftyNirvana will never close down.

And I hope you are our guiding light, always!!

Thanks
TBP

Reply



Trekkie December 19, 2014 at 1:56 PM

Today's tug of war. In which direction is price going to escape? <http://imgtizer.imageshack.com/img537/5499/h9JzoW.png>

Reply

▼ Replies



SMART Trader December 19, 2014 at 5:14 PM

Today's MC was one of the most powerful ones I have ever seen

ST



Trekkie December 19, 2014 at 9:51 PM

Hi ST,

Which one? the first 3 bars? Why was it most powerful? (sorry if the question is too dumb)



SMART Trader December 19, 2014 at 10:16 PM

7th candle of 19122014

it acted as a range for the entire day

ST

Reply

Add comment

Note: Only a member of this blog may post a comment.

Enter your comment...



Comment as: Google Account ▼

Publish

Preview

Newer Post

Home

Older Post

Important Posts

- [Disclaimer](#)
- [Glossary](#)
- [Rants 'n Raves](#)
- [Structure and Patterns](#)

Download E-Books

- [Decision Points](#)
- [Structure and Patterns](#)
- [Rants N Raves](#)
- [TRADE-SCORE](#)
- [Video Promo](#)

[Statcounter](#)

Reciprocal Links

- [Lance Beggs @ YTC](#)
- [URD @ charttechnicals](#)
- [KPL @ vfmrdirect](#)

Blog Archive

- [2015](#) (100)
- ▼ [2014](#) (274)
 - ▼ [December](#) (22)
 - [Happy New Year](#)
 - [30122014](#)
 - [29122014](#)
 - [24122014](#)
 - [High Low Range](#)
 - [22122014](#)
 - [19122014](#)
 - [18122014](#)
 - [17122014](#)
 - [16122014](#)
 - [Disclaimer](#)
 - [15122014](#)
 - [12122014](#)
 - [11122014](#)
 - [10122014](#)
 - [09122014](#)
 - [08122014](#)
 - [05122014](#)
 - [04122014](#)
 - [03122014](#)
 - [02122014](#)
 - [01122014](#)
 - [November](#) (19)
 - [October](#) (23)
 - [September](#) (22)
 - [August](#) (22)
 - [July](#) (27)
 - [June](#) (26)
 - [May](#) (20)
 - [April](#) (22)
 - [March](#) (24)
 - [February](#) (21)
 - [January](#) (26)
- [2013](#) (299)
- [2012](#) (338)