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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

Wednesday, June 11, 2014

11062014



Nifty opened within previous day range. Went long on the break of PDH. TP at BRN. Nifty again moved up above BRN and almost touched NS BRN. Short on BOF of BRN. Target was PDH. But it touched IRL and RN where I exited. I was looking to go long after the selling climax. But nifty fell suddenly below RN. Tried a long on BOF of RN/IRL above MC. Stopped out. Shorted below the then LOD as it was a TRAP. TP when second push down failed around NS BRN 7600 area. Market is going to correct it seems. Selling is evident on every rise. But daily chart is still in rally mode. Today also Nifty made HH and HL.

Posted by SMART Trader at 3:43 PM



35 comments:



Unknown June 11, 2014 at 3:52 PM

Hello ST Sir,

How are you... i am back after 2 days rest.

Managed to fetch 30 points in today's volatile session.

I think TRADE5 is not correct (because i used morning low as SL, after it had breached already), your opinion pls..

Chart here <http://imgur.com/yB11XMD>

TRADE1:

Long at 7676 (above PDC & IRL) with initial SL 7271
SL hit; trade exited with loss of 7 points loss

TRADE2:

Short at 7671, after BOF of PDH with initial SL 7682
Moved SL to 7676, as IRL seems to be holding
Trail SL hit; exited trade with loss of 7 points

TRADE3:

Long above HOD, at 7683 with initial SL 7674 (below PDC)
Moved SL to 7677 (below PDH)
Moved SL to 7696, below low of BO of BRN (6700) candle
Trail SL hit; exited trade with gain of 11 points

TRADE4:

Short at 7696, after BOF of BRN with initial SL 7704
Moved SL to 7682, high of PDC BO candle
Moved SL to 7677, above two tails
Moved SL to 7652, once NF breaks LOD
Trail SL hit; exited trade with gain of 42 points

TRADE5:

Long at 7652, as BOF of BRN with initial SL 7645 (below earlier LOD)
SL hit; exited trade with loss of 9 points
Reply

▼ Replies



SMART Trader June 11, 2014 at 4:14 PM

1 and 2. Not enough space and not enough order flow from stop accumulation
Highest High was above PDH and for short target can be IRL.
3,4 is OK. and 5 a CT trade against momentum move down. After two good moves expect some consolidation. Don't be in a hurry. Better to skip low probability trades. Trade good signals at good locations with space

ST

Reply



Unknown June 11, 2014 at 4:02 PM

Hi ST
When u shorted below the then LOD, did you TP as a limit order?

Thanks
TBP

Reply

▼ Replies



SMART Trader June 11, 2014 at 4:29 PM

TBP
No Most of my exits are by clicking square off button
I will have a physical stop always and if I feel price is stalling or refusing to move I exit pressing square off button and immediately cancel the stop order. There will always be one or two point difference in actual execution from where I marked on the chart.

ST



tRaDeR_B June 11, 2014 at 5:07 PM

ST,

When you exit using square off option, does the order execute as a market order?



SMART Trader June 11, 2014 at 7:11 PM

Yes It is executed as market order

ST

Reply



NPA Trader June 11, 2014 at 4:11 PM

Hi ST,

I have marked IRL ignoring the lower tail of the candle. So my trades are differ from you. please see my charts and comment on it.
<http://nsemcpriceaction.blogspot.in/>

thank you

Reply

▼ Replies



SMART Trader June 11, 2014 at 4:44 PM

Trade no 2 and 3 you did very well especially the TRAP
You were able to enter early and capture most of the move.
First one is always risky. Bias was up. You cant expect orderflow from trapped traders in these kind of BOF

People might have gone long on break of first candle+ on break of PDH
Where you can expect stops. Only below IRL. If IR is narrow enter only on the BO of other end

ST



NPA Trader June 11, 2014 at 4:54 PM

Space was there for a 15 to 20 point move, when i enter my 1st trade. I know the bias was up. But some times unable to control the greed. But now a days i am able to control fear. Because of small stops in this excellent method. thanks ST.

Reply



tRaDeR_B June 11, 2014 at 5:05 PM

Hi ST,

My trades were similar to yours except that i did not take that BOF trade in the morning. For the third trade(BOF) where was your exit?

Reply

▼ Replies



SMART Trader June 11, 2014 at 7:13 PM

Just below RN.
The trade was a BOF of RN/IRL
Once price falls below the level trade is invalid

ST

Reply



Unknown June 11, 2014 at 5:57 PM

Thanks for comment sir.. let me get my understanding more clear pls!

1st Trade: - Agree its low probability trade, as PDH is very near... Should have avoided.

2nd Trade: - I shorted below IRH after BOF of PDH, PDC (Or should I call FTC as it just touched these DP's and reversed)... with minimum target of IRL, RN... with 20 points gap, space is not an issue here..right?

Am I getting wrong something here? Please clarify...

5th Trade: - Agree, CT and low probability one as well... Took the risk out of profits made in trade 3 and 4... expected some short covering in 3rd attempt to scale above 7650.

Reply

▼ Replies



SMART Trader June 11, 2014 at 7:42 PM

Rose Mary
For trade 2 I do not find 20 point range
Earliest entry is below 4th bar low that is 7672.
Logical target of a Range extreme is the other extreme of the range
We cannot consider tails as we do not know where the orders really are. So safely assume IRL as 7660
So effectively it is around 12 points only. Further RN 7650 is just below this and NS RN in between.
BOF trades are high probability trades because of trapped traders order flow. You cant expect orderflow from trapped traders in this BOF. Sure. People might have gone long on break of first candle+ on break of PDH
Where you can expect their stops. Only below IRL including tail that is at 7652.50. Till then you cannot expect stops to trigger.
In a bullish market we cannot expect such a minor BOF to break NS RN, IRL, RN and the previous day last breakout flip. I will prefer a short below RN

ST

Reply



athshree June 11, 2014 at 8:00 PM

Hallo,
Why didn't you consider BOF of PDC in morning session? tgt would have IRL.....what forced you to avoid short @7672/70 level with SL of actual y/day's high 7680 (which was in early morning session/day)...? and one more....why didn't you trade BOF of BRN...which given 20 points...

Reply



athshree June 11, 2014 at 8:03 PM

actually some part is discussed in answer to Rose Mary...but still more clarification if any...please....

Reply



Price Action Lab June 11, 2014 at 8:16 PM

Hi ST,

Is it right to sell as BOF at BRN, where u took profit.?

Reply

▼ Replies



SMART Trader June 11, 2014 at 10:25 PM

Between BRN and PDH there was the highest High of NF made till date.
I expected this level to give support. Further you have to think about order flow.
Stops will be below MSP at that time which was very near to PDH.
Your entry should be at a location where you can expect some favourable order flow

ST

Reply



athshree June 11, 2014 at 10:18 PM

ST,
I am asking BOF of BRN trade @ 7600....

Reply

▼ Replies



SMART Trader June 11, 2014 at 10:34 PM

Nifty Futures did not touch BRN 7600
I think you are referring to the BOF of LOD
I was already short and exited the trade there. I do not do Stop and Reverse trades

ST

Reply



sentu shil June 11, 2014 at 10:41 PM

sir, what is HH..

Reply



sentu shil June 11, 2014 at 10:42 PM

does it mean higher high and higher low

Reply



SMART Trader June 11, 2014 at 10:48 PM

Sendu

HH marked on chart is the Highest High of NF
In the comment I meant higher high higher low

ST

Reply



athshree June 11, 2014 at 11:11 PM

ST,
Don't you consider SPOT NIFTY BRN??

Reply

▼ Replies



SMART Trader June 11, 2014 at 11:38 PM

Yes. While manage a trade
Not to initiate a trade. Because NS levels on NF are approximations

ST

Reply



zen June 12, 2014 at 8:55 AM

Hi ST,
Please take care of my old request. I'm not able to figure out the first candle, since it is a running chart.
-Senthil

Reply

▼ Replies

SMART Trader June 12, 2014 at 11:48 AM



OK
ST



Trekkie June 12, 2014 at 1:58 PM

Hi SM,
You can compare with previous day's chart posted here, then you will know which is the first candle of the day.

Reply



amber June 12, 2014 at 11:32 AM

Sir good morning ,sir kindly update how can i attach a chart here for your kind review thnx

Reply



SMART Trader June 12, 2014 at 11:49 AM

Upload to some sites like
<http://tinypic.com/>
and post the link

ST
Reply



amber June 12, 2014 at 11:51 AM

Sir thnx

Reply



amber June 12, 2014 at 12:03 PM

<http://tinypic.com/view.php?pic=2a5ynnrf&s=8#.U5UEX1KSp8>
Sir in the chart i have drawn simple trend lines to avoid whipsaws ,sir your guidance needed to further refine it thnx

Reply

▼ Replies



SMART Trader June 12, 2014 at 12:19 PM

Amber
If you find trend lines useful, you can use it
The method should be comfortable to you and you have to find your own method
For example Deven has combined Bollinger Bands and DP method very well
Even my method is a modification of Lance Beggs. Experiment and select something that suits your personality and become an expert in it.

ST

Reply



amber June 12, 2014 at 12:26 PM

Sir thnx very much

Reply



amber June 12, 2014 at 2:55 PM

Sir in 3M t/f can double top can be above the prev. top by 2-3 points,kindly update thnx

Reply

▼ Replies



SMART Trader June 12, 2014 at 4:21 PM

Yes. Second top can exceed the early one by 2-3 points

ST

Reply

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