



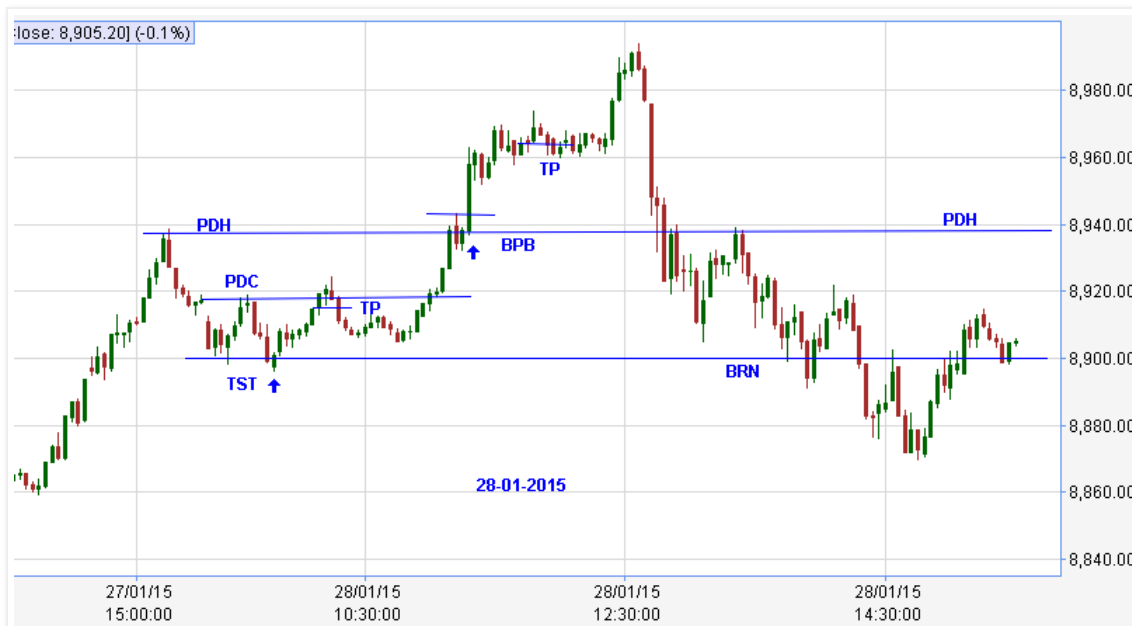
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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Wednesday, January 28, 2015

28012015



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty opened within previous day range. Failed to go below BRN. Went long on second test. Exited on BOF of PDC. Another long on BPB of PDH. TP when price consolidated in a tight trading range. I expected a FTC there. But price broke above the range. I kept a limit sell at BRN 9000. Nifty reversed before that . Missed the down move.

Posted by SMART Trader at 3:53 PM



35 comments:



Unknown January 28, 2015 at 3:59 PM

Hi ST
Where would have been the short trade which you missed??

Thanks
TBP

Reply

▼ Replies



SMART Trader January 28, 2015 at 8:10 PM

I expected an attempt to move above 8970 again and a failure
Thought of going short below 8960 if it happened

ST



Unknown January 29, 2015 at 8:40 AM

But I was expecting a TRAP kind of thing @8960..
wouldn't it be better to stay with a strong trend.. ?



SMART Trader January 29, 2015 at 8:59 AM

That option was also open. I exited after a topping tail bar and it showed resistance
So thought a breakdown is more likely

ST

Reply



Raju January 28, 2015 at 4:33 PM

Good Evening ST
Thanks for the chart.
I didn't enter any trade today, Please comment on my Trading opportunities today.
<http://rajudptrades.blogspot.in/>
Raju

Reply

▼ Replies



SMART Trader January 28, 2015 at 8:15 PM

1 is good. 2 you can go long on BPB of PDH and not at RN. 3 is also good
Avoid the others as there were too many levels and price was kind of channeling down

ST

Reply



Unknown January 28, 2015 at 4:47 PM

ST
i sorted on ist move at PDC as it was gap down closed at when it failed to break days low in 2nd attempt missed long at pdh then again
sorted at pdh was it a valid trade please guide and what made you consider to short at 9000
sunil minz

Reply

▼ Replies



SMART Trader January 28, 2015 at 8:20 PM

Trend was still up and move from PDH to BRN was just a pull back
In an up trend expect supports to hold and resistance to break
9000 is just an intuition and I expect a 20-30 point bounce on first test

ST

Reply



Unknown January 28, 2015 at 4:49 PM

ST
shorted at PDH after the downmove was it valid trade
sunil minz

Reply

▼ Replies



SMART Trader January 28, 2015 at 8:21 PM

Yes

ST

Reply



Unknown January 28, 2015 at 5:04 PM

Sir,

1.) Where you exited in your first trade, was it advisable to take BOF short ?

2.) After vertical fall , bias turned very negative . Why didn't you take TST short @1324 on retest. FTA in the form of BRN was also >20
points away ?

regards,

Reply

▼ Replies



SMART Trader January 28, 2015 at 8:25 PM

No. Stay with the trend
TST came after a BOF of PDC. So was not very confident

ST

Reply



ptk January 28, 2015 at 5:14 PM

Dear ST,

I have some questions:-

1. You exited on BOF of PDC. Why didn't you then went short here? I think its because BRN 8900 was too close. This would have been a scratch trade.
2. Why the BOF long of BRN 8900 not taken. BO happened around 2 pm. This trade would have stopped out.
3. If the above trade wasn't taken due to bearish bias, why the BPB short of BRN 8900 not taken. This trade would have been a small loss trade.

Its very difficult to estimate which trades to take and which trades to avoid :(

Regards

Reply

▼ Replies



SMART Trader January 28, 2015 at 8:44 PM

1. Bias was bullish and don't wanted to go short. BRN was also NS BRN a strong confluence which I thought will not break without strong order flow. BOF of PDC was not enough to trap critical mass and break such a strong level, I felt
2. BOF of BRN was CT and it was making lower lows. So waited for a retest fail
3. After a fall of 100 points against the prevailing trend we cannot expect a further fall without some consolidation. Avoid over extended moves

That is what makes trading difficult and that is why trading opportunities arise. If we get it right we will make money otherwise we lose. As we gain experience we will start making better decisions

ST

Reply



Bharat January 28, 2015 at 5:36 PM

ST,

Many queries today.

1. What made you to take BPB PDH trade when we already moved 40 points from bottom and top of the range and we had yesterday's strong move too.. so today expecting sideways to down day

2. Didn't understand your pdc failure exit. Price never closed below the pdc where u exited .

3. Where will u keep shorts at 9.45 when BRN fails

4. Why no longs at 13.57 high bn, irl failure

5. Also not short below 14.21 BPB lod

Thanks and Regards

Bharat

Reply

▼ Replies



SMART Trader January 28, 2015 at 9:04 PM

1. ATR of Nifty is now at 109 and 40 point is less than half of that. Nifty is in Rally mode and making HH and HL. In a rally mode expect price to break PDH and make a new high
2. Price failed to move above previous peak and fell below PDC. I hate to lose my first trade and even a small win is a psychological boost for me. Well begone half done
3. These are all blind trades, Ziad style. A limit buy order at 8900 and a SL limit order at 8890 with 10 point risk. It is a reverse sniper shot
4. It was all chop up and down 15-20 point candles. I stay away during such volatility. It is very difficult to trade such moves with a 10 point SL
5. Same

ST.

Reply



bhupinder January 28, 2015 at 6:09 PM

At 1309 candle there was BOF of PDC. Then at 1357 candle there was BOF of BRN and DL (both turned out to be Traps eventually). Why you didn't consider going Long at these points.

Reply

▼ Replies



SMART Trader  January 28, 2015 at 9:26 PM

After such sudden sell offs there will be a lot of volatility. Better to stay out during the period. It is disastrous to trade such volatility with a 10 point stop where single candles exceed 15-20 points. Simply looking at patterns won't work. Be well aware of what is happening around. Avoid unfavorable situations.

ST

Reply



xrtrader1 January 28, 2015 at 6:10 PM

Thanks ST.

Question: What is your opinion on Scaling out? Thinking of Experimenting with scale out target especially in CT moves. Any pointers?

Reply

▼ Replies



SMART Trader  January 28, 2015 at 9:28 PM

I have not tried it. It can be considered.

ST

Reply



Trader Pai January 28, 2015 at 6:56 PM

Thanks ST

Reply



Neethi January 28, 2015 at 7:23 PM

ST Sir,

Thanks for the chart.

After rallied upto 8960 area it halted for about 1 hour, then it went upto 8985 after that immediately started drifting down.

ques: when consolidated most of the traders put their "Sell" orders, 8960 to 8985 went for the stop-losses put by the traders? otherwise, it may be drift down from 8960 area itself?

sorry, the real aspect will be something different, let me know yours please?

Thanks,
Neethi

Reply

▼ Replies



SMART Trader  January 28, 2015 at 9:31 PM

Stop loss orders are only a part of the order flow. Fresh buying or selling can also bring order flow. Many times fresh order flow can overwhelm stop orders.

ST



Neethi January 28, 2015 at 9:34 PM

Thanks Sir.

Reply



Gaurav Akash January 28, 2015 at 7:30 PM

Hi there,

Even I took the same trades which you did. Its only the second trade was in opposite direction of yours, you took BPB and I took BOF of PDH. Scratched it before its too late. Was it a wrong trade, if yes then can you explain what went wrong?

Thanks in anticipation
Akash

Reply

▼ Replies



SMART Trader  January 28, 2015 at 9:35 PM

Stay with the trend. Avoid CT trends in strong markets. Price moved up 8 candles without a pull back. Allow a pull back. Further in rally mode always expect the price to break PDH to make a new high.

ST



Gaurav Akash January 28, 2015 at 11:43 PM

Hello sir,

Thank you very much for patiently answering everyone's question. Explanation of today's trading session has solved many of my confusions.

Thank you
Akash

Reply



L.V.Gandhi January 28, 2015 at 7:33 PM

Can you share your thought for not shorting below 13:24 bar after TST of PDH.

Reply

▼ Replies



SMART Trader January 28, 2015 at 9:39 PM

PDC is an area which resisted twice in the morning session. Price fall found support at this flip Then a BOF of PDC happened. I was not confident to short into PDC again.

ST



L.V.Gandhi January 29, 2015 at 7:55 AM

Thanks.

Reply



Trekkie January 29, 2015 at 12:00 AM

Hi ST,
Thanks for all your valuable posts.

Reply



Charles January 29, 2015 at 12:11 AM

Sir You said you placed a limit sell order at 9000; May I know why u placed it ? Just bcoz it was a BRN ? A CT trade without TST can be traded ?

Reply

▼ Replies



SMART Trader January 29, 2015 at 9:12 AM

The move was already over extended. Price was moving in an uncharted area. 9000 is the next strong resistance from where one can expect strong opposing order flow. Price is moving up vertically from 8960 and will get exhausted by the time it reaches 9000 ripe for a correction It was not a trade under the method and do not attempt it.

ST



Charles January 29, 2015 at 9:52 AM

Thanks for the reply sir. I won't attempt any trade that isn't mentioned here. Have lost enough trying to guess tops and bottoms.

Reply



Unknown January 29, 2015 at 4:12 PM

how to know when the main bias and ongoing bias changing or changed?

Reply

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