

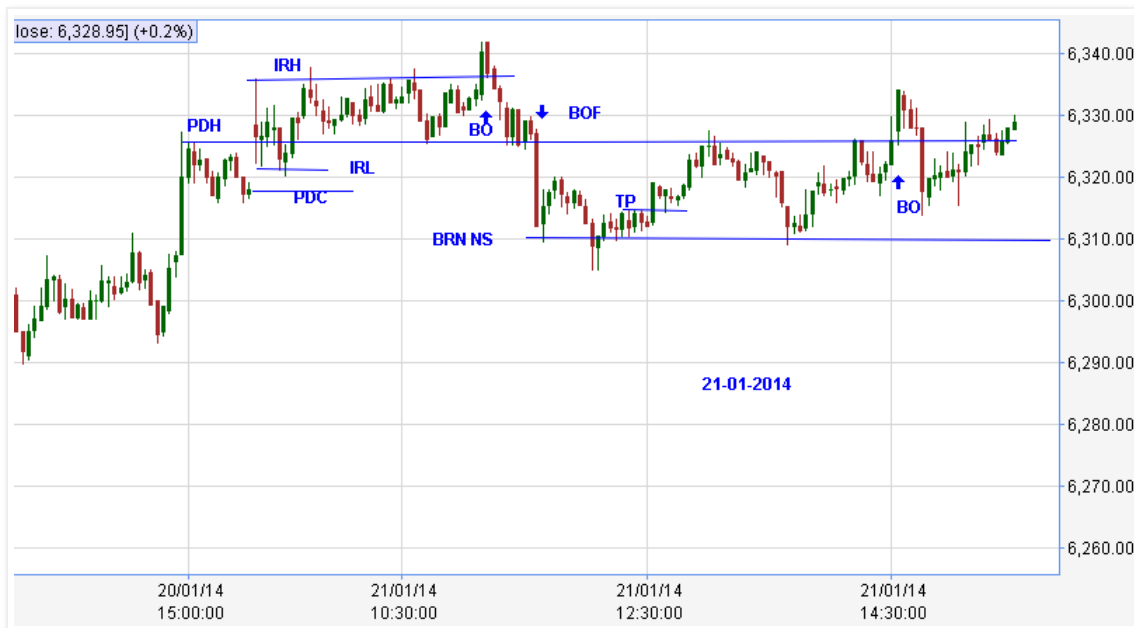


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Tuesday, January 21, 2014

21012014



Nifty opened just above PDH. The first MC candle acted as IR. Attempted a BO trade on break of IRH. BO failed and scratched the trade. Went short below PDH as BOF . BRN of NS stopped the move. Covered when second push down failed. Another long trade on break of PDH. This breakout also failed. Nifty moved in a 30 point range all the day

Posted by SMART Trader at 3:48 PM



32 comments:



Unknown January 21, 2014 at 3:56 PM

Hi ST,

Found that no proper for the trades to move today.

Suspected two TRAPS today?  
Were they?

[Plz Click here](#)

Thanks  
TBP  
Reply

Anonymous January 21, 2014 at 4:00 PM

Hi ST.  
Got another chance to watch live price action because today also im on sick leave.

I have documented my thought processes and trades

<https://www.dropbox.com/s/7fswyf0hz5d7g87/21jantrade.jpg>

<https://www.dropbox.com/s/o3c50488a1r5m/trades%20analysis%2021jan.docx>

I know I am doing many things wrong .But it would be great , if you have time , go through my thoughts and let me know what are basic things i lack .

Coming to your trades :-  
Why to you take the 2nd BOF trades since there IRL and PDC below?  
Same with the last trade IRL and Day high above ...

PS :- Others can just go through my document and know how a novice thinks :)

rgds  
Kishore  
Reply

 **anooop.av** January 21, 2014 at 4:02 PM

sir previous days high was 6332  
Reply

 **Anonymous** January 21, 2014 at 4:31 PM

Hello,

First BO-Scratch

Did you close it immediately after BO halted (during the 1st/2nd red candle) or after break back into IRL or did you let it hit you SL ( below BO candle? )

Thanks  
SS  
Reply



**SMART Trader** January 21, 2014 at 4:37 PM

TBP

They are not TRAP pattern explained by Dave. It happens in a trend.

In an up trend market makes higher highs and higher lows. When market makes a higher high the previous higher low becomes an MSP. Market tries to break below this low and fails. It is a signal to go with the trend  
ST

Reply



**Unknown** January 21, 2014 at 4:40 PM

hello sir,  
i want to know the full form of words...  
IRL, IRLH ST, BRN NS

Reply



**Unknown** January 21, 2014 at 4:48 PM

Thanks ST  
But how to differentiate??

TBP

Reply

 **Anonymous** January 21, 2014 at 5:58 PM

sir,  
Did you attempted the first BO thinking that it is a cigarette?

Reply

 **sentu** January 21, 2014 at 6:08 PM

sir, if possible plz provide exact entry point of ur first bof of pdh..ur method is great and its working nice..hence on live trade we need to tweak our method as situation demand but in this blog lately lot of people making this method very complicated..may be they r right and sir know better than everyone..but we need to keep this method simple..not another junk of this and that..sorry if i am going overboard..as for me i trade on this method for last 9 month ..every single day full time..9am to 3.30pm..may be sir recognise me..and i am earning enough..plz, dont make it complicated..go for the meat not package..sorry if offend anyone..

Reply



**SMART Trader** January 21, 2014 at 6:10 PM

Kishore

You are not fully familiar with the concepts. The method is traded as if Market is in a range all the time. Decision points become the range extreme most of the time. We are trading the acceptance and rejection at DPS. Whether the price is moving to another range or not is the question. Searching for the patterns at the DP's will not work. Every trade targets either the current range extreme or in anticipation of the current range break. Ranges may overlap and there can be ranges inside ranges.

It will take some time to click. I think you are not in a hurry as you are working  
I have uploaded today's chart. Notice how price shifted to a higher range from previous days range and broke down again to a new lower range  
<http://i44.tinypic.com/4j2tth.png>

ST

Reply



**SMART Trader** January 21, 2014 at 6:16 PM

SS

I exited below the BO bar

I expected the small swing high before the BO to act as a Flip

ST

Reply



**SMART Trader** January 21, 2014 at 6:20 PM

miral

Check Glossary

NS is Nifty Spot

ST

Reply



**SMART Trader** January 21, 2014 at 6:22 PM

Anoop

Sorry. jumbled

PDH is 6327.35

ST

Reply



**SMART Trader** January 21, 2014 at 6:31 PM

TBP

What is there to differentiate.

Check 20012014

Price channeling down LL/LH

Price tried to break above MSP (Here same as BRN). TRAP signal did not work LOD supported.

Price move up HH/HL. Tries to break below MSP and fails. Trade works

(Here also there is BRN)

17012014

Here also TRP worked. MSP same as BRN

ST

Reply

**Anonymous** January 21, 2014 at 6:46 PM

yes ST ...

Not at all in a hurry ...

But in market going through a hell of systems from 2008 ...

A wanna be trader ...

But a salary above average is pulling me down from taking that risk and the support of the family is not there...

I have traded systems with a slight profit ...

But I was wondering that I am sitting with trapped positions most of the time and I join the move only after market has moved so much in a direction ....

Waiting for that trend move ....

But used to get one in a while and it used to take care of the losses (expenses as you say)...

But finally seeing your posts something is making sense ...

At the least I learned to respect market like "Kadalamma" ..

Lets see how this works...

rgds

Kishore

Reply

**Anonymous** January 21, 2014 at 6:50 PM

Sir,

I took last 2 signals just like you . on 3rd buy signal I entered just above PDH @ 6328 and stopped out. I put my SL just below PDC. Did I

put my SL at right position or Should I have put my SL just below BO candle?  
Kindly give your suggestion.

Thanks,  
Dushmant

Reply



**SMART Trader** January 21, 2014 at 6:56 PM

Sentu

I am marking my entries and even exits most of the time with a small line  
In other cases I write it. for example today,s trades  
1.BO trade on break of IRL  
2.Went short below PDH  
3.long trade on break of PDH  
Just a point above or below the level  
Happy to not that you are making money with the method

ST

Reply

**Anonymous** January 21, 2014 at 6:56 PM

Sir,  
Today PDC was between PDH and Range Low/LOD. Should we consider PDC as an important DP between 2 DP's while taking position?  
Thanks,  
Dushmant

Reply



**Deven Malhotra** January 21, 2014 at 7:00 PM

Hi ST,

One question about your BO trade- There was no Fluid above the Range, so shouldn't we waited for BPB rather BO?  
I waited for BO follow up/ BPB. Am I Wrong & was just the lucky one?

<http://www.tradewithdeven.blogspot.in/>

Thanks,  
Deven Malhotra

Reply



**nifty for bread** January 21, 2014 at 7:03 PM

Sir,

I refer to your first trade. I assume that you played it as direct BO. I also thought of entering there in the hope that a lot of buy orders may wait there. Then I remembered your recent comment that we have to be careful about the liquidity, in case of direct BO. Here liquidity sold into all the buy orders.

You must have thought about it and had reasons to believe that the opposing order flow may not be sufficient to result in a BOF. Please share those reasons with us. It will be immensely useful for newbies, like me.

S.Karthikeyan

Reply



**SMART Trader** January 21, 2014 at 7:13 PM

Dushmant

Be very selective in trading BO  
Successful breakouts should not fall back into the range. managing the risk is first priority in day trading  
When you are in doubt don't hope just exit  
Suppose you are getting three opportunities today. Commission and slippage will come to 8 points for 3 trades.. First two full stop out. Loss 20 points.Even if you make 28 points on the third one you will go home empty handed

ST

Reply



**SMART Trader** January 21, 2014 at 7:22 PM

Dushmant

DPs are not brick walls  
It may or may not break, There is no way to know it earlier.  
Today we are trading a BOF of Range high. naturally there will be order flow from trapped traders. There will be some stops below PDH.  
The question is whether this order flow will be sufficient to break IRL and PDC. If you think so take the trade and exit if you are not right.  
If your reading is right you will make money.

ST

Reply



**SMART Trader** January 21, 2014 at 7:34 PM

KS

You need not over complicate simple things.  
Here market opened above PDH. Tried to go down but could not. Price trading above previous close and day open. The bias was clearly bullish  
Twice attempted to break above IRH. So we can expect some stops there.  
We take a chance and if it is not working exit the trade. that is all

ST

Reply



**nifty for bread** January 21, 2014 at 7:38 PM

Sir, Thanks for sharing your thought process. I have to develop the habit of focusing on the available information rather than unknown factors.

S.Karthikeyan

Reply



**SMART Trader** January 21, 2014 at 7:39 PM

Deven

PDH was twice tested and there I expected some stops. I expected it to move upto HOD. Market proved me wrong

ST

Reply



**K P Singh** January 21, 2014 at 7:49 PM

Hi ST/ seniors,  
please suggest me any site providing where 3 min chart is available If I get it for mobile too its great one. Kindly help me in finding the same.

Regards

Reply



**SMART Trader** January 21, 2014 at 7:54 PM

K P Singh

I am using Icharts. Don't know about mobile compatibility

ST

Reply



**K P Singh** January 21, 2014 at 8:03 PM

Thanks for reply sir will check on site.

Regards

Reply

**ANOOP.AV** January 21, 2014 at 9:20 PM

sir my name is Anoop from kerala N.paravoor kindly give me your cell no

Reply



**Unknown** January 21, 2014 at 10:05 PM

Good Evening ST,  
Which price do you consider for PDC? LTP or Closing price.  
Are you not considering shadows while considering PDH as PDH of yesterday is 6332 NF?

Thanks

Reply



**SMART Trader** January 22, 2014 at 8:33 AM

Sanjay Dora

I trade What we see on chart. ie LTP  
Usually I ignore tails but later adjust levels little bit when price action unfolds  
Read the post Dynamic levels

ST

Reply



**SMART Trader** January 22, 2014 at 8:37 AM

Anoop

Ask your doubts in blog so that others can also read and understand.If it is something personal mail me.

ST

Reply

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