

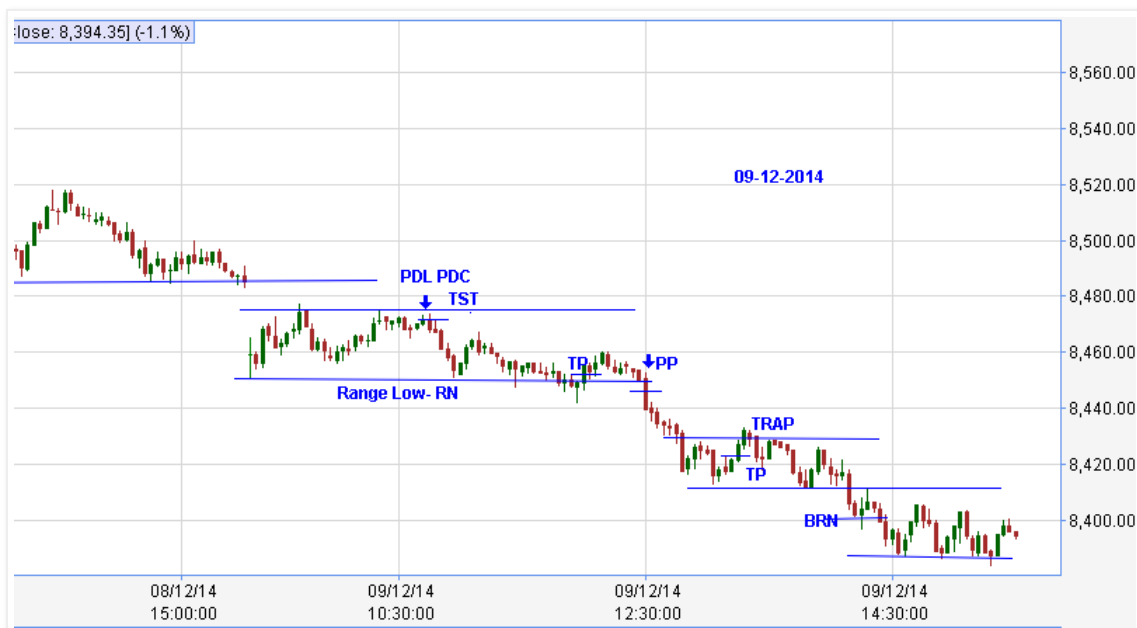


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Tuesday, December 9, 2014

09122014



This is an illustrative example of the concepts being discussed. Markings are just visualizations on historical data in hindsight analysis
Nifty gaped down below PDC/PDL. Price did not pullback to PDL at all. Shorted the TST of range high. Covered when a BOF happened at range low which was also RN. Short below range as PP which was already tested 4 times earlier. Even earlier BOF failed to move price more than 10 points to the upside. Covered on FTC below 8420. Immediately there was a TRAP to go short again. Hesitated to take it and missed. Rest of the day it was a BW around BRN. Can we expect a fall to 8200?

Posted by [SMART Trader](#) at 3:35 PM



34 comments:



[Trader Pai](#) December 9, 2014 at 3:42 PM

Thanks ST

rgds
Kishore
Reply

▼ Replies



[SMART Trader](#) December 9, 2014 at 4:09 PM

Why a long in the morning. Market is selling
Have a look at the Daily chart. Always try to enter when a CT move exhausts
In a down trend sell the highs. BO entries fail even it is with the trend

ST



[Trader Pai](#) December 9, 2014 at 4:49 PM

My thoughts were :-It left like an exhaustion gap .More over XX50 area was a support in the HTF (channel low) .

rgds
Kishore

Reply



zoozoo December 9, 2014 at 3:46 PM

Dear ST,

Where do we enter TRAP pattern....below the swing low?? I re-entered below the swing low 8418 and exited at BRN. I was able to identify TRAP but didn't know where exactly to enter. If this swing low was not there then my entry would have been below previous swing low i.e. 8412??

Reply

▼ Replies



SMART Trader December 9, 2014 at 4:03 PM

On a good trend day, an entry just like a BOF works.
But in an extended move, it may remain within the range without breaking earlier swing point
Risk is always more on BO type entries

ST

Reply



zoozoo December 9, 2014 at 3:49 PM

You entered PP around 8448. Why not at the break of 11:57 candle low? What was your stop at the time of entry...jst above RN??

Reply

▼ Replies



SMART Trader December 9, 2014 at 4:11 PM

I was already short from 8470
Above entry bar high

ST



xrtrader1 December 9, 2014 at 4:15 PM

Same doubt :). .



zoozoo December 9, 2014 at 4:33 PM

Dear ST,

My doubt was regarding your second trade when you shorted below range low/RN.



SMART Trader December 9, 2014 at 4:40 PM

Sorry. I think you are referring to this entry
<http://screencast.com/t/3bMSjlzeO>

ST

Reply



Lisa December 9, 2014 at 3:56 PM

Excellent trades (especially the first one)! I wish it falls to 8200 :-)

Reply

▼ Replies



SMART Trader December 9, 2014 at 4:13 PM

Major support FLIP in daily is at 8200
May all your wishes come true

ST

Reply



Trader Pai December 9, 2014 at 3:59 PM

Hi ST,
Please comment on my trades
<http://tradingdecisionpoints.blogspot.in/2014/12/09122014.html>

rgds
Kishore

Reply

▼ Replies



SMART Trader December 9, 2014 at 4:18 PM

Stay with the trend. Instead of going for a BO look for exhaustion at the other end
Try to capture A to B
<http://www.niftyinirvana.blogspot.in/2012/06/trends.html>

ST



Trader Pai December 9, 2014 at 4:46 PM

thanks ST
What is the difference between yours and mine 2nd trades .
A minor TRAP ?

rgds
Kishore



SMART Trader December 9, 2014 at 4:56 PM

Not much difference
Today I was lucky, you were not

ST

Reply



xrtrader1 December 9, 2014 at 4:22 PM

What would have made take CT trade at around 14:30 ?

Reply

▼ Replies



SMART Trader December 9, 2014 at 4:48 PM

Do not go CT on these kind of trend days.
You can go CT on days where day traders are in control
Here massive selling is going on by positional traders
Short covering by the day traders will not have an impact
Yesterday BOF of BRN 8500 did not work

ST



Bharat December 9, 2014 at 5:42 PM

ST,

How can we differentiate between positional selling and intraday selling?

Regards
Bharat



SMART Trader December 9, 2014 at 7:40 PM

Look at the daily chart. price falling breaking the pivot low
Price has started correcting

ST



Trader Pai December 9, 2014 at 8:20 PM

ST,
Why doesnt this reflect in the volumes.
When positional traders are active there should be some difference in volumes right .
If I go through the historical charts I cannot identify those .

rgds
Kishore



SMART Trader December 9, 2014 at 8:32 PM

May not be broad based selling.
Infy is more responsible it seems

ST

Reply



Bharat December 9, 2014 at 5:30 PM

ST,

After almost 100 pts fall yesterday and 50 pts fall day before yesterday you didn't expect range day today ... we also had gap down opening too. Why were you looking to short at test of range high in range day? The second trade where you enter considering pressure play wasn't the look like a channel to you. I missed the entire move today looking to above thought process. Kindly enlighten me

Thanks and regards

Reply

▼ Replies



SMART Trader December 9, 2014 at 7:57 PM

We sell the range highs whether it is a trend day or a range day. Expectation was a range. As price action unfolds we have to change the bias. The level was very strong RN+ NS BRN 8400 that is why it held for a long time

ST

Reply



L.V.Gandhi December 9, 2014 at 6:22 PM

What was your thought process for not considering TST around 11:00 as TP?

Reply

▼ Replies



SMART Trader December 9, 2014 at 8:08 PM

It was only a TST. It bounced quickly more than I expected. There was no point in covering it around 63 for such a small gain. So decided to stay with it.

ST



L.V.Gandhi December 10, 2014 at 7:59 AM

Thanks.

Reply



Price Action Lab December 9, 2014 at 6:46 PM

Hi ST,

What was your initial SL for TT trade?

Reply

▼ Replies



SMART Trader December 9, 2014 at 8:10 PM

Sold at 8470 with SL at 80. Then brought down to 72.

ST

Reply



Trade 4 living December 9, 2014 at 7:35 PM

Rajesh,

Thanks for your explanation.

I went short @8470 around 10:42 and waited patiently by not booking profits and covered @8395.

With kind regards

Reply

▼ Replies



SMART Trader December 9, 2014 at 8:14 PM

On a trend day, try to stay with the trend. 80% of profit will come from 20% of the trades.

ST

Reply

Trekkie December 10, 2014 at 9:45 AM

Hi ST,



. If one did not take the TST short where you took, we will go for entry below 11 or 11:27 which would have failed though entries were below xx50. Then to take the short below 11:57 would be tougher because it would look like a BW around xx50. Would you please explain how we should be look for entries if we did not take the TST short that you took.

Also, how do we differentiate between a BW and a PP? Thanks for your help.

Reply

▼ Replies



SMART Trader December 10, 2014 at 4:12 PM

BW is a range formed around a DP. Here there was no DP and hence no BW
RN and NR BRN was giving support there. Here price did not make a range at all
Price was sliding by making lower highs. No way to know which attempt is going to break
Wait for two three attempts and go for it
How to distinguish between a BW and a DP? Dont know.
BW is a kind of range and PP an entry tactics. A PP can be used on a BW also

ST

Reply



Bhavir December 10, 2014 at 10:16 AM

I goofed up like many others .. long at BPB of IRH. no screen time rest of the day. But lessons learnt from all the above comments and your responses. Thanks ST.
<http://niftytradediary.wordpress.com/2014/12/10/9-dec-2014/>

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