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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*

Saturday, February 9, 2013

@Mohit Sharma



MOHIT SHARMA said...<http://oi48.tinypic.com/2di505v.jpg> ( 07-02-2013)

Hi Sir,

I wanted to ask some doubts;

1. My data shows the DO different from your chart. Please tell if the IRH is marked correctly.

Don't be too technical in your approach. Everything should be obvious and every trader must notice the levels. No secret levels will work. We need a lot of people to act here. I will take the yellow box as IR

2. Whether the first trade is valid as BPB of IRH or Master candle over PDL?

I will consider this as a direct BO of IR High/PDL without a pull back. In our scheme MC should break the DP. It should be a BO candle

3. Whether the points marked with black lines could be taken as BOF of respective decision points.

Here again too technical. Wait for the break of a flip zone and swing point for a reversal trade

4. Can the fourth black line be taken as a BOF of IRL?

It is a BOF . But No entry triggered. For a CT trade it should at least break the nearest flip zone

5. If suppose we take the IRL BOF trades on 4th or 5th black line; will u scratch the trade if the price closes below IRL?

My original stop will be always beyond the extreme. If FTA is too close, I will enter after this area only. In such cases if it comes back I may scratch

6. Please give some direction for profit-booking and trailing stops, I only know about using pivots/flips zones for trailing stops which is a trend-following method. Since your style is that of range trading, do we use some different methods like fixed profit points/price action at FTA, etc.?

Same is applicable here . On the long side trail stops behind swing lows in the beginning. When the trend matures exit when it breaks the flip zone not to give back earned profits.

When a matured trend hits a prominent DP exit the trade. If you are sitting on an undeserved profit, exit and re-assess the situation. You can always reenter. Everything can not be quantified and brought under written rules. There is no substitute for screen time.

Posted by SMART Trader at 9:43 PM



2 comments:



**MOHIT SHARMA** February 9, 2013 at 10:35 PM

Dear Sir,  
Thanks a lot for taking out time to write such an elaborate reply.

I read about trading BOF trades in this manner - enter below the low of the failed breakout bar, got clear on that.  
Please elaborate on the last trade also, I am of the view that we can go long over some consolidation after the BOF in case there is no flip zone nearby in such V-shape reversal cases.

Reply



**MOHT SHARMA** February 9, 2013 at 10:37 PM

Dear Sir,  
Please ignore the lase lines of my reply, I got the reason, i.e. long over the swing high.

Reply

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