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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, February 5, 2014

Daily Chart



Posted by [SMART Trader](#) at 9:01 AM



17 comments:

Anonymous [February 5, 2014 at 11:14 AM](#)

who asked you all these questions all over on a day chart:-)

Reply



SMART Trader [February 5, 2014 at 11:39 AM](#)

In 1973,Marty, a young engineer fromMotorola asked.
"Why is it that when we want to call and talk to a person, we have to call a place?"
.....and came what we now call a "Mobile Phone"

ST

Reply

Anonymous [February 5, 2014 at 11:47 AM](#)

now a day all bloggers are like skilled politicians:-)

Reply



SMART Trader [February 5, 2014 at 11:57 AM](#)

Anon

It is because many readers are Dumb ass like the voters

ST

Reply

Anonymous February 5, 2014 at 12:02 PM

if 10 out 10 candidates are dumbest asses what a voter can do:-) she will just vote to one ass to finish her duty

Reply



SMART Trader February 5, 2014 at 12:37 PM

Anon

If these asses think voting is compulsory and not aware of the NOTA option what we can do?

Reply

Anonymous February 5, 2014 at 12:40 PM

NOTA only on books:-)

Reply



Rajaramtz February 5, 2014 at 2:30 PM

Hi Sir,

Could you please update the glossary, I'm new and I was able to follow only the terms that are available in the glossary.

Ex: you can mentioned RN in this post but I couldn't understand it.

Regards

Rajaram

Reply



SMART Trader February 5, 2014 at 2:48 PM

Rajaram

RN is round number
usually used to mark x50 levels Nifty. It is there in the Glossary

ST

Reply



SMART Trader February 5, 2014 at 5:02 PM

Anon

"NOTA only on books:-)"

No. It is also on EVM

ST

Reply

Anonymous February 5, 2014 at 9:12 PM

Too happy to see EOD Chart.

Should not it will be advisable in this case to Wait till price retraces beyond the BO candle ?

Shai

Reply



Unknown February 5, 2014 at 9:27 PM

Should we continue this post in positive way....?

Regards

Reply



SMART Trader February 5, 2014 at 9:56 PM

Sanjaya

I did not understand your post.

If you are referring to the earlier comments. It was just a time pass

ST

Reply

SMART Trader February 5, 2014 at 9:59 PM



Shai

It is the right way.
But the risk is too much if you keep SL below the BO candle

ST

Reply

Anonymous February 5, 2014 at 10:35 PM

is risk is too much, compared to possible reward? in day trading you risk 1 to 1 but in this case is it different?

Reply



SMART Trader February 6, 2014 at 9:06 AM

Anon

I wrote risk is too much considering other factors like time involved and opportunity cost. Let us assume we are profitable traders.

In this example we are risking 80 points to shoot for 400 points. Very favourable RR. For one lot, risk is 4000 (80*50) and at 1% capital required is 400000. On an average it takes 10 trading days to complete the trade. We will make a profit of 20000/-
Now consider day trading DP method. Our risk is same as 1% that is 4000. For 10 point risk we can take a position with 400 Nifty (8 Lots). 10 point win will make 4000 and it may take 5 trades to earn 20000/- and we have 10 trading days to take 5 trades. Some times a single trade can make 50 points

Which one you prefer?. Waiting for a 400 point move for 10 trading days or looking for 10 point moves that last 10 minutes? It depends on your personality. I will prefer the second one.

Now think about the opportunities. There were only 4 opportunities on day charts during the last four months whereas you will get 200 on a 3M chart.

If we are losing all the trades we can stay in the market for 100 trades that is 8 years with a daily chart where as we can file for bankruptcy in 3 months with 3M charts.

Some people find the first option less risky. Buy I will prefer the second one.

ST

Reply

Anonymous February 6, 2014 at 9:55 AM

it also depend upon skill-set one have as you said personality too, people who want to make less decisions may opt the first one, in the second method you have to be with good time dedication & focus and accuracy in terms of good decision making should very fine, people who tend to make more mistakes should prefer less number of trades by keeping time and market movement on there side.

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