

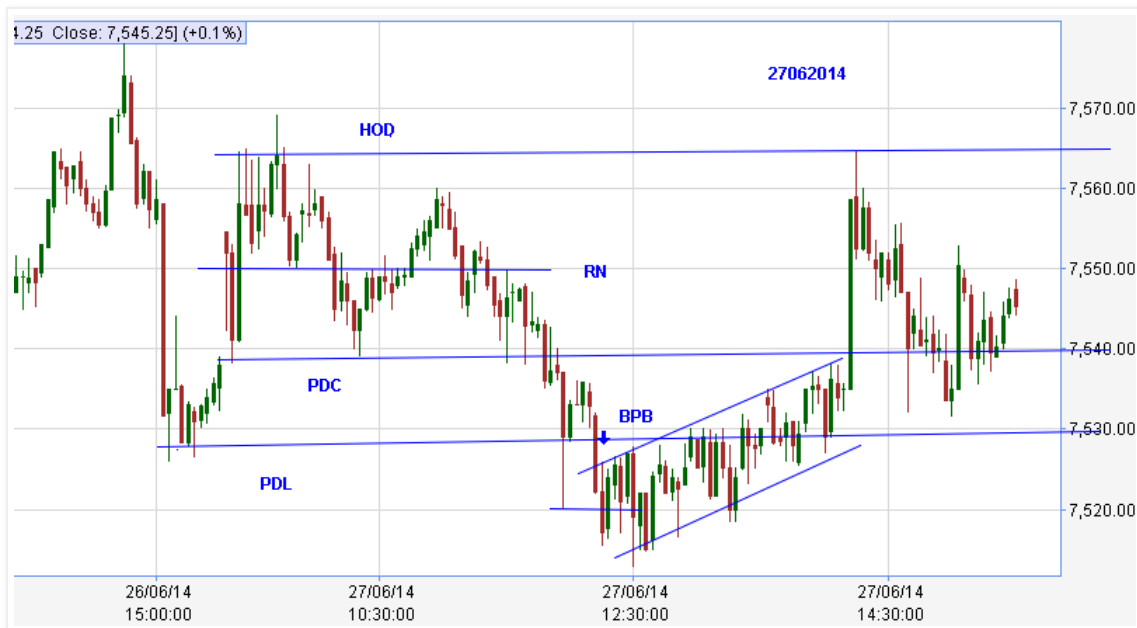


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*There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits*

Friday, June 27, 2014

27062014



Traded the July contract chart. The only trade attempted was the BPB of PDL. Scratched this trade as price did not move. Then it was a channel and chop rest of the day.

Posted by SMART Trader at 6:29 PM



22 comments:



Manish Bharti June 27, 2014 at 6:45 PM

Sir,  
My trades----- please keep a look and please comment.  
<http://i.imgur.com/VrNnLr.png>  
Regards.  
Reply



Manish Bharti June 27, 2014 at 7:11 PM

My first trade went wrong went with a loss of 15 points. I must be adhere to not keeping more then 10 point sl per trade. Other trades went right with expectation. A net 37 points gain, I managed with one lot of nifty. I always keep in mind, and keep repeating the statement of your book "Decision Points" that market remains range bound most of the time. That's why now a gain of 15, 20 point attracts me. One great thing I got from this book that- It is not the channels between which market moves, but frequently it moves between parallel lines. My past years wasted with drawing channels.  
Regards.  
Reply



SMART Trader June 27, 2014 at 7:16 PM

Manish

Pay attention to space. trade need space to move  
Do not trade into a DP like PDL.  
Stay out during chops. you can just avoid the last trade

ST  
Reply

▼ Replies



**SMART Trader** June 27, 2014 at 7:25 PM

In day trading 10 point SL is the maximum.  
Loss will quickly add up.  
2 loss trade means you are negative 24, Even if you win 26 points on the next trade, you wont take anything home  
Do not attempt mediocre trades trade selectively  
Good location+With trend+Good space+Low risk makes money.

ST



**Manish Bharti** June 27, 2014 at 7:46 PM

Sir, I took last trade as I missed last FTC of RN 7550. So I decided to attempt it on a pullback. As Lance Beggs suggests to take trade at retrenchment to DP so I thought that this trade qualifies when it returns back to RN. Also stop loss was 7556. Take profit quickly is now is becoming my habit after your blog.  
Regards..



**SMART Trader** June 27, 2014 at 8:21 PM

Right. Trading is all about decision making.  
If you are well aware of what can go wrong and have plans for these it is Ok

ST

Reply



**amber** June 27, 2014 at 7:17 PM

Sir good evening ,sir sent a mail when time permits kindly check thnx  
Reply



**Unknown** June 27, 2014 at 7:49 PM

Hi ST  
IRL got tested twice. On the third attempt a limit order at 7539 did the trick for 20 points. Will you be comfortable with the set up?  
Please have a look.  
<http://tinypic.com/r/24cxhg1/8>

Thanks  
TBP

Reply

▼ Replies



**SMART Trader** June 27, 2014 at 8:32 PM

TBP

I was not very comfortable with it because NS BRN 7500 was in between  
Further there is something magical about the level 7520 of Nifty Futures  
Zoomout the chart and see

ST



**Unknown** June 27, 2014 at 8:55 PM

Yes ST  
7520 supported many times. That was the reason for my target.  
Was aware of NS BRN but took the trade as NS dipped couple of times below 7500 before.

Thanks

Reply



**Unknown** June 27, 2014 at 8:38 PM

ST Sir,

Choppy session.. ended day with 7 point loss.  
Trades [here](#)

Reply

▼ Replies



**SMART Trader** June 27, 2014 at 9:01 PM

Good  
You are managing the risk well. Have you read Phantom of the pits?

<http://niftynirvana.blogspot.in/2013/06/re-read-and-rediscover.html>

ST



Unknown June 27, 2014 at 9:12 PM

No sir... looks like good one.. will finish over this week end. Thanks!

Reply



Unknown June 28, 2014 at 9:41 AM

Dear ST

i am new to this blog and reading since few days i admire your style i have read your e-book good work what is RN please tell

Reply

▼ Replies



SMART Trader June 28, 2014 at 7:43 PM

RN is round number ending in 50, like 7550, 7650, 7750 etc  
These are option strike levels and will have some influence on price

ST

Reply



Unknown June 28, 2014 at 10:45 AM

ST Sir,

I don't find the book much interesting... the way he explain things, going above my head... I loved your e-book more, as it is straight to point :)

Read the Rules part, in book.

RULE 1:

In a losing game such as trading, assume you are wrong until the market proves you are right. Positions established must be reduced and removed until or unless the market proves the position correct. Why is rule one so hard to implement? The answer is that 98 per cent of all traders trade to be right. The rest trade the markets to make money. The fear of being wrong is more often than not a greater motivator than the fear of losing money. Be conscious of it when you are trading.

RULE 2:

Press your winners without exception. By incorporating rule two in your game plan from the start, you will be eliminating the desire to be proud when the market moves in your direction, and to take profits to show you are right. Traders love to be right. This is your enemy - to love to be right. Your motivation must be to love to do the right thing. When you think you are right in the market, this is just the beginning of your trade - not the time to take your profits to say to the world, 'See, I was right!' Who really cares if you were right? You will become the best trader you can be by being wrong small, not right small! Get that in your mind now. You are going to have to press your winners if you really consider yourself to have the ability to make a living or extra income from trading. Otherwise, face the truth that you are only playing to break even. The money will follow the correct action.

But sir, I couldn't relate these two... to our DP trading.

Rule1 says, don't wait for market to prove you wrong... let's say we are long after a BOF of BRN in a good location, we initiate long with SL just below BRN (invalidation point for trade, is price move below BRN again)... in this case, how we don't expect market to prove us wrong? I don't see his rule1 making sense, in our context. Am I missing something?

Rule2 says, add up your position... when you are proven right... again, how we can do this in our DP trading... We trade the movement from one DP to another... I feel if you manage risk well as in Rule1, Rule2 is NOT required... provided trade quantity is always same.

Your thoughts pls!

Reply

▼ Replies



SMART Trader June 28, 2014 at 7:41 PM

Rose Mary

Message is very clear

Rule 1 <http://niftynirvana.blogspot.in/2013/01/scratch-and-win.html>

Rule 2 <http://niftynirvana.blogspot.in/2012/11/win-more-lose-less.html>

ST



vikram June 29, 2014 at 4:25 PM

ST, Regarding Rule 2, we can add position once the FTA is clear. For example, in case of BOF, we can initiate with 1 lot at the low of the candle breaking range high, and add one more lot once FTA is cleared, provided the R:R ratio is favorable even after the FTA. Is this correct?



vikram June 29, 2014 at 4:27 PM

Regarding Rule 1, in last few sessions, I have been right in entering the trade but my close SL closes my position. I have decided now to not move initial SL unless first pullback has occurred if it comes from FTA. Once the FTA is successfully cleared, then I move my initial SL.



SMART Trader June 29, 2014 at 6:25 PM

Vikram

These ideas and concepts can be traded in many ways. Notice how Devan just doubled his puts  
<http://niftyinirvana.blogspot.in/2014/06/26062014.html#comment-form>  
Many people think big money is made trading positional. Wrong  
But we learn it by doing not by reading. There are no shortcuts.

ST

Reply



Unknown June 30, 2014 at 2:34 PM

hi

i have some points in mind, please correct me if im wrong.

1. we always enter and exit at a candle extreme, it may be a MC or may be any candle.
2. Each candle acts as a range, high and low as extremes, and space between high and low as fluid.
3. we hide SL behind a DP or swing pivot or flip, in all cases SL will be at extreme of a candle.
4. we ignore tails of a candle while marking a DP but always enter or exit on break of the tail. we reassess the DP if tail extreme starts acting as support or resistance when price action unfolds.

Reply

▼ Replies



SMART Trader June 30, 2014 at 3:50 PM

1. You need not. If your entry is where you can expect some favourable order flow it is good  
People generally keep their stops at a swing low or a candle extreme
2. Yes. But depends on the time frame. A day candle acts as a range and it is powerful. A 3M candle extremes will have negligible impact. It is not a Fluid PDH to PDL is never a fluid
3. The question is whether price is getting accepted or rejected from a new area. candles are not important. Candle breaks are little confirmations only
4. Yes later you may need to adjust the levels as tails are tricky

ST

Reply

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    - [03/6/2014](#)
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  - [April](#) (22)
  - [March](#) (24)
  - [February](#) (21)
  - [January](#) (26)
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- [2012](#) (338)