



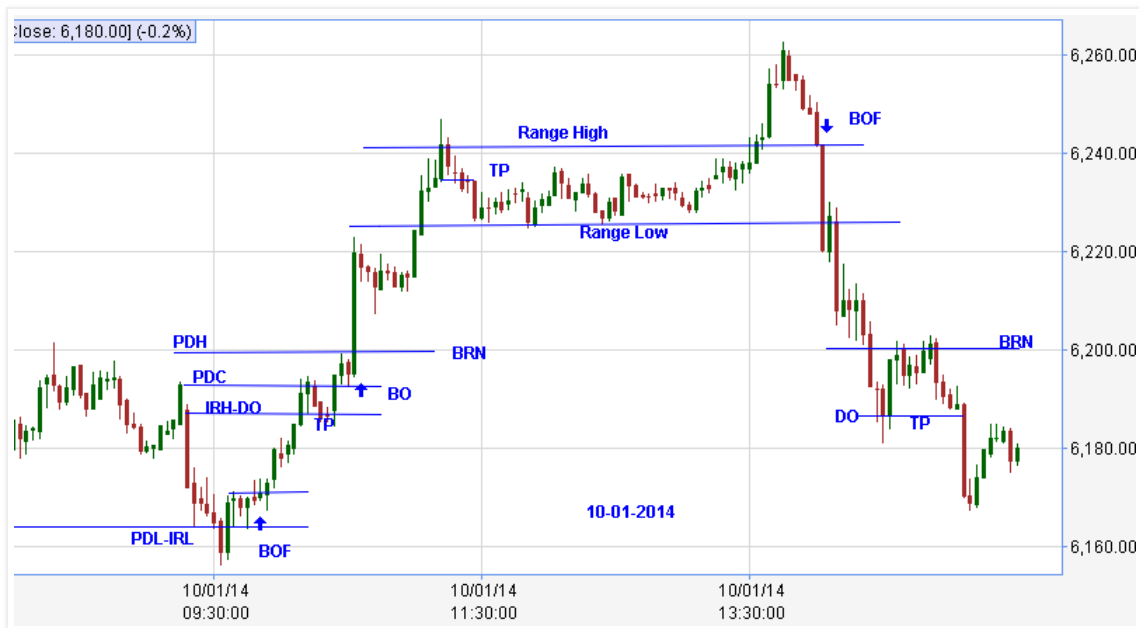
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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Friday, January 10, 2014

10012014



Nifty Opened near PDC and went down. PDL rejected strongly. Went long on BOF of PDL. TP at IRH as there was very strong resistance there. IRH, DO, PDC, PDH and BRN. Price refused to go down. Went long on the break of BRN. We rarely get such confluence of levels to defend our trade. TP around 6230. I was looking to short as critical mass was already long. BOF of Range High/HOD gave a good opportunity to short. TP at DO. Again there was a shorting opportunity on BOF of BRN. Did not take it.

Posted by [SMART Trader](#) at 3:33 PM



35 comments:



Unknown January 10, 2014 at 4:05 PM

Hi ST,
Good to see u back.
Traded BN today.
It got sold off like the nifty in the morning.
But at the end it formed a LOL formation with PDH overhead.
Can it also be taken as BOF IRH?
[Plz click here](#)

Thanks,
TBP
Reply

Anonymous January 10, 2014 at 4:24 PM

Hi Sir,

Please don't mind as i am asking this type of questions..

Last few days i am just trying to locate the positions... and end of the day comparing with your chart...

only 50% i am positioning correctly...

I am using 3min chart in sharekhan...

Could you pls tel me which software you are using for this??

I tried one of the paid service..with out knowing the proper info and lost the money but did not get the 3min chart...

Thanks,
Mahesh

Reply

Anonymous January 10, 2014 at 4:27 PM

Sir, can you explain what you mean by you wanting to short as critical mass was long? Nifty had broken out of a major consolidation and so the bias was long. Thank You,

Nikhil

Reply



Deven Malhotra January 10, 2014 at 4:27 PM

Hi,

Today was one of the easiest trading day, I felt. I took 2 trades - Long & Short.

But before the BOF of day's high, mkt went too high (20 pts), Also the upmove momentum was also good. so, First I was hesitant as i generally expect BOF within 10-15 mins.. but finally took it..

Thanks,
Deven Malhotra

Reply

Anonymous January 10, 2014 at 4:42 PM

sir,
when you enter the BOF of previous days low, what is the expectation for that trade? I mean the potential profit taking area. and please explain the with trend and counter trend trades in day trading.

The BOF of PDL and BOF of HOD were all counter trend trades and it is advised not to trade against the trend. please explain sir.

Reply



nifty for bread January 10, 2014 at 4:43 PM

Sir,
I entered and exited the first trade, same like you. Didn't take the second trade, despite of the huge volume there, due to some confusion.

In the Zerodha 3 minutes chart, second candle after the day high candle was also having a tail, though smaller in length. Sometimes, when we see 2 or 3 tails at a DP, that BOF fails. So, I did not take that trade.

How do you deal, if you see more than one tail at a DP? Can we trust the BOF, if the length of second tail is less than 50% of the first tail?

S.Karthikeyan

Reply



Rajib January 10, 2014 at 5:03 PM

Hi ST,

@13:30 when there was a pin bar with an indication of FTC, why didn't you short? Specially, when you were looking for an opportunity w.r.t. critical mass consideration?

Regards,
Rajib

Reply



nifty for bread January 10, 2014 at 5:52 PM

Sir,
Why are you using icharts and not Zerodha charts?
S.Karthikeyan

Reply



SMART Trader January 10, 2014 at 5:54 PM

TBP

You can short below IRH.
It is also a BOF of HOD if you ignore tails

ST

Reply



SMART Trader ✓ January 10, 2014 at 5:55 PM

Mahesh

I am using Icharts web based charting

ST

Reply



SMART Trader ✓ January 10, 2014 at 6:01 PM

Nikhil

I was looking for a short rather than a long at that time.
<http://niftyinirvana.blogspot.in/2012/07/critical-mass.html>

ST

Reply



SMART Trader ✓ January 10, 2014 at 6:10 PM

Deven

Most of the short term players / swing traders were short. Being last day of the week they started exiting once price went above PDH. On the way creating new longs.
The final BOF created the panic in their camps triggering a sell off. Think about the motive. Are traders creating new positions or exiting the current ones?

ST

Reply



SMART Trader ✓ January 10, 2014 at 6:19 PM

Anon

I am afraid you are not familiar with the concepts of DP trading. BOF are a way to trade CT trades.

Please do read all the posts given under Important posts and the comments MANY TIMES till you become familiar with the method. If you have any doubts feel free to ask

ST

Reply



SMART Trader ✓ January 10, 2014 at 6:40 PM

KS

Leave alone heads and tails.

The question is whether price is getting accepted at the new area or getting rejected. Every moment in the market is unique and price action will unfold in a million ways.
Don't waste the time measuring tails

ST

Reply



SMART Trader ✓ January 10, 2014 at 6:49 PM

Rajib

We are trading the acceptance and rejection of Decision Points and not pin bars.

Price did not get rejected there. Being a counter trend trade we need a strong BOF there. Here price not even closed below the pin bar low

ST

Reply



SMART Trader ✓ January 10, 2014 at 6:57 PM

KS

I am using Ichart for the last 5 years and like it. Further I have accounts with TSO currently trading through TSO using NOW.

ST

Reply

Anonymous January 10, 2014 at 7:16 PM

Sir,

In your last Short trade, you shorted after the candle closed below Range low. Then where was your SL?

Thanks.

Dushmant

Reply

Anonymous January 10, 2014 at 7:19 PM

sir,
In a range we expect the BOF of range low to take us towards the range high. Likewise can we expect the BOF OF PDL to take us towards the PDH?

Reply



SMART Trader January 10, 2014 at 7:33 PM

Dushrant

I shorted at 6239. My SL was above the previous bar high. If BOF is working rarely it goes above HOD again.

ST

Reply



SMART Trader January 10, 2014 at 7:37 PM

Anon

No. We can't expect price to go to PDH on BOF of PDL. We expect the price to move to the nearest DP.

ST

Reply



Rajib January 10, 2014 at 8:06 PM

Hi ST,

I'm just trying to put a hypothetical scenario at that bar ...

If there were no such prominent BOF and next bar price closed below the low of the pin bar, would you have called it FTC?

While near the DP, price either gets immediately accepted / rejected or takes long time to decide (when we get whipsawed). So as per you, how many bars / points should be there to decide DP has finally taken the direction?

Regards,

Rajib

Reply

Anonymous January 10, 2014 at 8:14 PM

Hi ST,

What's TSO?

Broker?

tRaDer_B

Reply



SMART Trader January 10, 2014 at 8:43 PM

Rajib

No it will not be a trade signal. There is no space for the trade to move. You are trading into an established range low. Need some strong order flow to break such a barrier. No body is getting trapped to create such a strong move against a strong trend. Such rules cannot be made. It all depends upon the "feel" and "Read" of the market action in real time which takes a long time and experience to develop. Price action trading is not pattern trading and can never be automated. You take a decision considering the concepts like trend, space, order flow, critical mass, risk, earlier behavior at the area, etc. If the market proves you wrong exit the trade and look for the next opportunity.

ST

Reply



SMART Trader January 10, 2014 at 8:46 PM

Trader B

<http://www.tradesmartonline.in/>

ST

Reply

Anonymous January 10, 2014 at 9:19 PM

Thanks ST...

How are they in terms of service and brokerage..Do you rate them above Zerodha? Just checking for some good broker options for Nifty futures..

Thanks
tRaDeR_B
Reply



SMART Trader January 10, 2014 at 9:28 PM

tRaDeR_B

Platform is NOW.I never had a problem so far. It is cheaper than Zerodha @ Rs 95/- for a round trip for one lot of NF

ST
Reply

adhi narayanan January 11, 2014 at 12:46 PM

For the traders who are confused in deciding which charting platform to use. here are my opinion.

1. icharts
2. investbulls.com(real time java charts). this is slightly cheaper service than icharts. but candles looks like the same.
3. sharekhan's trade tiger.(basic version charts are same as icharts candles. advanced version candles are slightly different.)

I am using sharekhan basic version. because i don't need to pay for charts. i am trading with sas. cheaper than zerodha.

Reply

Anonymous January 11, 2014 at 4:28 PM

sir did you seen <http://www.sasonline.in/rs999unlimitedtradingplan.htm>

they are little more simpler than TSO I believe

please share your feedback.

thanks
raghu
Reply



SMART Trader January 11, 2014 at 5:56 PM

Raghu

Are you using SAS?

On an average I take 60 trades a month. This may give a saving of 1000 PM. With NOW there will not be any software issues as it connects directly to NSE servers

ST
Reply



nifty for bread January 12, 2014 at 5:36 PM

Sir,
Thanks for the clarification.
S.Karthikeyan

Reply

Anonymous January 12, 2014 at 10:59 PM

Sir, sorry I saw your question now.

I am using SAS since last 22 days on an assumption that money at trading account with SAS is as safe as with ZERODHA and all that BIG (I used to take more number of trades) savings in a year will go some of the insurance as planned.

Yes sir its NOW and there is no in between things.

Thanks
Raghu
Reply



chandlok January 14, 2014 at 6:39 AM

Hello ST,
Your Quote ' On an average I take 60 trades a month. This may give a saving of 1000 PM. With NOW there will not be any software issues as it connects directly to NSE servers'

Hence would a monthly plan of Rs1899 be more suitable.

Thanks for your inputs.

Regards

Reply



Trekkie May 15, 2014 at 2:10 PM

Hi ST,
My charts look very different. If the chart were like mine, where would you take the last short? Please check <http://images.devson.net/Image/hxi652PoYMchE8Cg-Region.png>

Reply

▼ Replies



SMART Trader May 16, 2014 at 5:43 PM

S Roy

All these candle sticks and resultant patterns are only illusions
Trade the levels. Here price tried to cross the then HOD and RN 6250 but failed. A BOF
You can short anywhere once price reenter the old area "convincingly". You can short below your BO candle low.
ST



Trekkie May 16, 2014 at 6:20 PM

ok, thank you so much ST. Sorry about the multiple questions. Thanks for your patience.

Reply

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