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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

Monday, March 4, 2013

04032013



Nifty opened at PDL and got trapped between PDL and BRN for a while. Shorted when it broke below the MC. Covered the short when price refused to move below Budget day low. Missed this long trade because I hesitated for a while to take this CT trade. Another short below BRN on TST of PDL failed to move. Scratched. BPB of PDL came very late. So skipped.

Posted by [SMART Trader](#) at 8:55 PM



7 comments:

[Anurag](#) March 4, 2013 at 10:20 PM

Hi ST Sir,

You initiated first trade considering first bar between PDL and BRN as MC, does it qualify to be a MC? My understanding of MC is that it should penetrate DP extending on both sides, please correct me.

Also where could we have entered BPB trade? I usually wait for at least one candle in direction of the trade after PB, but the green bar was a WRB considering today's price action OR were you talking about 2nd BPB opportunity thereafter.

Reply



[SMART Trader](#) March 4, 2013 at 10:58 PM

Anurag

Don't be too technical about the definitions.

Yes your understanding is correct. MC should penetrate DP and should extend on both sides. What it means?

MC is considered as a small Range and we are entering the break of a range extreme. Stop is at the other end of this small range.

Why we need MC to extend to both sides of a DP. Because we are keeping the stop on the other side of the bar and we need it on the other side of a DP.

Here I wanted the price to settle below BRN before shorting. Hence the logical level was the break of MC. Our stop is beyond a DP PDL.

Today one can enter the break of the BO bar high considering it as a MC.

ST

Reply

Anurag [March 4, 2013 at 11:31 PM](#)

Alright sir. Actually, I was looking to enter short but couldn't find a reason convincing enough to enter. Considering BO of initial bar did occur, but didn't take the trade as it was not one of our three setups. Frequent losses actually takes a toll on risk taking and normal thinking process. All I was able to manage in the day was a scratched trade, but nonetheless I stuck with the plan and did not make any trading error.

Reply



SMART Trader  [March 5, 2013 at 7:59 PM](#)

Anurag

"Considering BO of initial bar did occur, but didn't take the trade as it was not one of our three setups"

Again you are missing the big picture. That trade was BPB of PDL. Notice I have marked the trade as BPB. Consider the gap as a spike to the downside and we are trading a BPB

ST

Reply

Anurag [March 5, 2013 at 11:14 PM](#)

Right ST Sir, I was actually not able to see the big picture. It was clearly a BPB opportunity.

Reply



SMART Trader  [March 6, 2013 at 8:20 PM](#)

Anurag

Don't worry
Relax for a few days
You just need some incubation
[Read](#)

ST

Reply

Anurag [March 7, 2013 at 1:39 PM](#)

Thanx ST sir, its a good read. Actually a lot of thinking going on all the time, market is always on my mind. Probably incubation is what I need.

Reply

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