

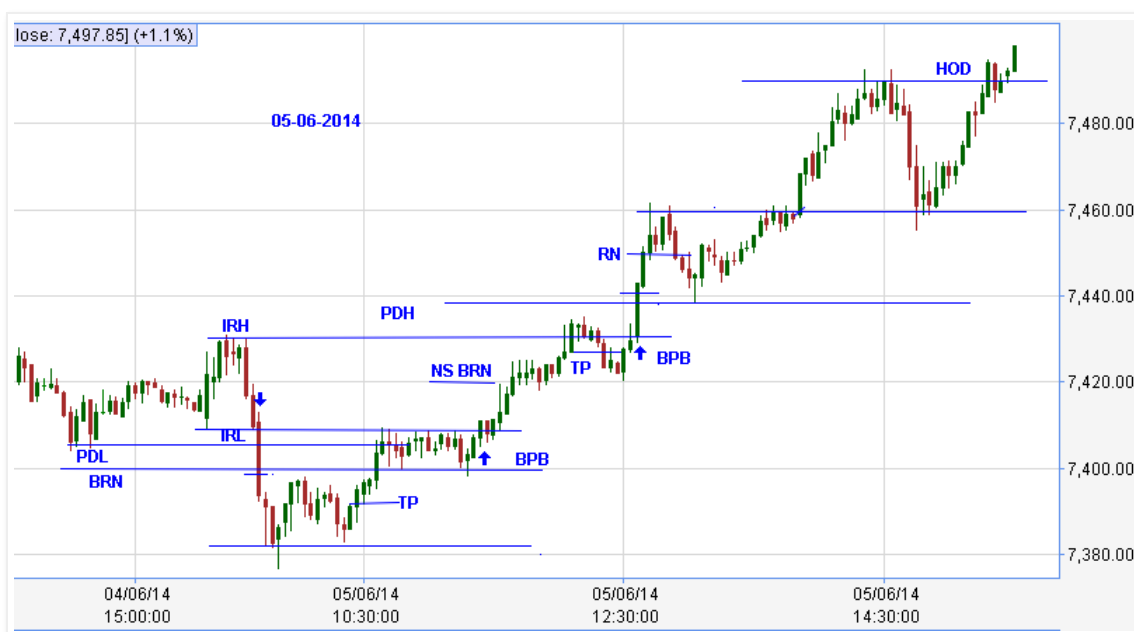


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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Thursday, June 5, 2014

05062014



Nifty opened near PDC . IR formed. Went short below BRN and had to scratch the trade when price was not able to go down. Long on BPB of BRN/PDL on break of IRL. TP when price broke below IRH. Tried another long on break of PDH and exited when it failed to hold above RN. Did not attempt any other trades. Shaken out by the deep pull backs at IRH and RN. If I had not raised the stop below RN, I could have captured the entire 50 point up move

Posted by SMART Trader at 3:43 PM



31 comments:



NPA Trader June 5, 2014 at 3:46 PM

Hi ST,

I have used range bars with MT4 for tatasteel today. Please give me your comments.

<http://nsempriceaction.blogspot.in/>

Reply

▼ Replies



SMART Trader June 5, 2014 at 3:55 PM

Looks good and promising
Filters a lot of noise it seems.

ST



NPA Trader June 5, 2014 at 3:58 PM

Thanks for your comments



Trekkie June 5, 2014 at 4:03 PM

oh no, not range chart againlol



PA Trader June 5, 2014 at 9:20 PM

Agree with ST, the range chart really looks clean.

@S Roy...Why do you say Oh no?



dhananjay June 5, 2014 at 10:12 PM

Though I have been following this blog for quite sometime now but this is the first time I am posting. Really thankful to ST for providing such a wonderful place to learn PAT. I have been searching bout range bars but unable to find an option on my amibroker for same. How do I get 1-range bars. Please suggest. And also suggest some good data provider who's reliable and cost effective. I am using chart provided on now plus these days but find them cumbersome to work with.



SMART Trader June 5, 2014 at 10:22 PM

Dhananjay
Thanks for writing
I have no idea about range bars and I do not use data feeds
I hope somebody else will help you out

ST



Trekkie June 5, 2014 at 10:47 PM

PA trader, I was using range charts at some point, also tried volume bars. Eventually one will realize there are issues there too, only of a different kind. Grass is always greener on the other side :)

dhanajay if you really want to try that, in Ami tools/preferences/intraday/ under custom n-tick from pull down menu choose r-range. Ninja Trader is better for range charts though. That being said, my sincere suggestion is, please dont switch from chart to chart/method to method, stick to ST's DP method and master it first, in the long run, you will be happy you did.



Unknown June 7, 2014 at 1:19 PM

Dear Dhananjay,
For RT feed for ami, globaldatafeeds is really good in quality and u will get updated by each seconds. Drawback is high cost and cost will increase with no of scripts, and no NS. I prefer investbulls, which is low cost (Rs.800 / month) with around 80 scripts which contains cash as well as futures and also NS chart. Drawback is chart will get updated by each 5 or 10 seconds. But its ok as we are trading 3m charts.

For, GDF you can avail special discounts, if you are a zerodha customer. http://www.globaldatafeeds.in/trading_partners.html

For IB, you can contact them at sales@investbulls.com

Regards,
Dinil

Reply



Unknown June 5, 2014 at 3:47 PM

ST Sir,

Missed the up move above PDH as i hesitated after 4 trades... TRADE3 should have managed better i guess. Also, for TRADE2... below 7400 i don't have DP till 7350 (RN), i was confused how to handle this situation better.. your thoughts pls!

Chart here <http://imgur.com/8jMbZYt>

Below are trades executed for today.

TRADE1:

Long at 7427, as BO of IRH with initial SL below PDC (7415)
Moved SL to 7419, low of BO candle of IRH, PDO
Trail SL hit; exited trade with loss of 10 points

TRADE2:

Short at 7419, as BOF of PDO, IRH with initial SL 7429
Moved SL to 7420, high of BO candle of PDC
Moved SL to 7414, high of BO candle of PDL
Moved SL to 7402, above BRN
Trail SL hit; exited trade with 15 points gain

TRADE3:

Long at 7406, after BOF of BRN into fluid with initial SL 7394
Moved SL to 7398, as trade not moving as expected
Moved SL to 7416, below PDC
Moved SL to 7424, below PDO
Moved SL to 7430, as nifty struggling to sustain above HOD
Trail SL hit; exited trade with gain of 22 points

TRADE4:

Short at 7430, as BOF of HOD with initial SL above PDH (7438)
Moved SL to 7432, as trade not moving as expected
Trail SL hit; exited trade with loss of 4 points

Points earned: +23

Reply

▼ Replies



SMART Trader June 5, 2014 at 4:11 PM

IR not right. just one inside bar wont make the first candle IR. First three candles made the IR trade what is obvious in the chart. Don,t be too technical in definitions

ST



Trekkie June 6, 2014 at 12:12 AM

Hi ST,
Was the 4th trade valid? I also took that short, but on hindsight, it looks bad. If one were not watching NS BRN, please can you tell what was wrong with that entry? Should the entry have been below the congestion to the left?



SMART Trader June 6, 2014 at 10:15 AM

S Roy

It is situation 9 of
<http://niftyinirvana.blogspot.in/2013/10/initial-stops.html>
The pull back was little deeper like a reversal
Yes one have paid attention to NS BRN

ST

Reply



Uday Dave June 5, 2014 at 4:10 PM

Sir,

Regarding deep pull backs, my experience so far has been that, I may be wrong, we need to allow space for the first pull back after the entry. Today, after entering above PDH, I kept the SL at BO candle, at 9 points. Then it broke RN. I expected it to react at RN and allowed the first pull back. I waited with my original SL. Once that deep pull back was over, I shifted SL to that pull back low. So far this way trades are working well for me. However, there are chances that our profit may vanish but that is the price we pay. I thought about sharing my experience.

Thanks
UR Dave

Reply

▼ Replies



SMART Trader June 5, 2014 at 4:40 PM

URD

I too give some room for pull back
But when price moves well above a level , I expect the level to hold on pull back
If price hits a level and pull back I stay with it and wait for a pull back. Depends on other factors also

I have noticed some other pattern recently. WOW (Wall of Worry). It happened twice today. But could not define it properly. Have a look leisurely

1. Market in uptrend in daily chart
2. Market in rally mode
3. Sudden selling tilts the balance and triggers lot of stops
4. Momentum move down breaking DPs
5. Creates a fluid
6. Sellers gets exhausted. A climax
7. Retest of the low / second push down fails
8. Very low risk entry at the bottom
9. Market climbs the Wall of Worry
10. Reversal pauses at DPs but breaks them

ST



Uday Dave June 5, 2014 at 4:55 PM

Thanks.

WOW.. this is something new for me, never looked into it that deep. Will definitely try to understand it more.



Trekkie June 5, 2014 at 11:18 PM

Hi ST,
Just wondering.. how much room can we give intraday for pullback. Our target if I have understood correctly is 20 point moves,

anything above that is bonus. In this pull back price fell some 24 points, should we wait for such deep pull backs or exit and look for reentry? You exited below an inverted hammer at RN, today it didnt work, but most of the days would it not be the right place to exit? Another question is, where is the beginning of this move, at 7380 (around 10 a.m.) or above PDH. Thanks for your help.



SMART Trader June 6, 2014 at 10:04 AM

S Roy
Trading ranges and trends are different ball games.
It is very difficult to change the style in a jiffy.
Better to trade the ranges as 70% of the time market is in a range.
Still some Woul da Coulda Shoulda psychology after missing a good move.
Move start from 7380. But very difficult to enter there. Noticing this WOW pattern for sometime

ST



Trekkie June 6, 2014 at 4:10 PM

Hi ST,
Thankyou. If the move started at 7380, then we cannot give extra room for the pull back at 7450 since it is not exactly the first pull back, am I correct or have I understood it all wrong?



SMART Trader June 6, 2014 at 4:45 PM

S Roy
It is not the first pullback of the trend. Trade the defined structure
If you are sitting on a ton of profit, you can afford to give some back.
Otherwise exit and look for a reentry. Perfect exit will be known only on hindsight

ST

Reply



Unknown June 5, 2014 at 4:20 PM

ST Sir,

I was about to ask about IR. u answered it already :) .. got the point, i will wait for 1st 3 candle formation henceforth.

Reply

▼ Replies



SMART Trader June 5, 2014 at 4:48 PM

You got it wrong. Not the first three bars. It can be many bars
High and low of the first directional move of the day will become IRH and IRL

ST

Reply



Trekkie June 5, 2014 at 5:03 PM

Hi ST,
I want to try icharts this month. Is there any quick way of getting the OHLC? I tried using the crosshair, but the OHLC disappears in a flash :)

Reply

▼ Replies



SMART Trader June 5, 2014 at 7:10 PM

I am not aware of any other method
After using it for a long time, I don't find any difficulty

ST

Reply



amber June 5, 2014 at 10:04 PM

Sir good evening ,sir kindly update what method is used here Market in uptrend in daily chart thnx

Reply

▼ Replies



SMART Trader June 5, 2014 at 10:19 PM

Day chart in rally mode
That is day candles making higher highs and higher lows
It is called a micro trend.
<http://niftyinirvana.blogspot.in/2012/12/major-swing-pivots.html>

ST

Reply



amber June 5, 2014 at 10:40 PM

Sir thnx

Reply



NSET June 6, 2014 at 12:39 PM

Hi ST,

Can you please elaborate what you mean " always trade away from Decision Point " ?
Do you mean wait till price touches DP, then wait for it to react and enter trade?

Thanks
MS

Reply

▼ Replies



SMART Trader June 6, 2014 at 1:07 PM

Trade when price start moving away from a DP with your SL at the other side of DP
You need a DP as a defense in between your entry and stop. Hope it is clear

ST

Reply



Unknown June 6, 2014 at 12:59 PM

Hi ST

Absorption happening around 7540??

Thanks
TBP

Reply



NSET June 6, 2014 at 1:40 PM

Thanks.. ST

Reply

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