

NIFTY TREND for January 13,2015

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- 1) For queries on Technicals sms (9449923900) or email me at astrologerdevadas@gmail.com
- 2) Please do not ask me what to do with a stuck position since targets and stops are/will be mentioned. Use appropriate stops.
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NIFTY 8,323.00 +38.50 +0.46%

Nifty's is currently forming wave 2 and the counts are not under any threat.So after we complete wave 2 , wave 3 down will begin. Till Nifty goes above 8446, the current wave count is valid i.e wave 2.

If NIFTY closes above 8364-8366 which is 78.6 % retracement, I will think if I should revisit my count.

But the thought that may come to your mind is how to determine the end of wave 2 and the start of wave 3.There is no foolproof method, but the following thumb rule may help.

Now we are waiting for an approximately 350 -400 point fall.So a 30-40 point stoploss or a previous swing high on 30 min or hourly chart may not be a big deal.This method is not foolproof.Look at the 30 min NIFTY chart below.

I have marked the daily high –low on the chart.Compare the previous day's high –low and see if any 30 minute bar of the next day closes above –below it as the case maybe .e.g Currently I have a bearish view and would trade only if the previous day's half an hour low is closed below by today's half an hour close.So wait for a close by 15 min or 30 min or 60 min bar which you are using to trade.Also see an arrow shown saying that 30 min bar did not close below the previous day's low but only tested it.

When you are using this method beware of gap openings.If you watch it daily you will strike your own method and many secrets will unravel before you.Don't forget to share with me ☺

Friday, that is January 9, half an hour bar opened above previous day's high and closed also.That is why I warned to be wary of opening gaps.Then it came and tested Thursday's i.e 8 th January's middle range and closed at opening level in the evening.

Today, January 12 it opened below Friday's high i.e 8293, but did not break the low and went up and took away Friday's high i.e 8293.In a running market if a 30 min bar closes above / below previous day's high – low then it is important.

Also watch Wave -2 from the bottom i.e 8065.Every 30 min bar next day is closing above previous day's high and has not closed below previous day's low. So it is strong (upside).

So if wave 3 starts aggressive people can look to that it stays below 8333 (yesterday's high) and low risk people can look that a 30 minute bar closes below today's low of 8245. Stoploss should not be above 8333/8364 or middle of the range i.e $\frac{1}{2}^*$ (8333-8245) if you have gone short below 8245,



