

FINANCE

STOCK MARKET

DATA



# Technical Analysis

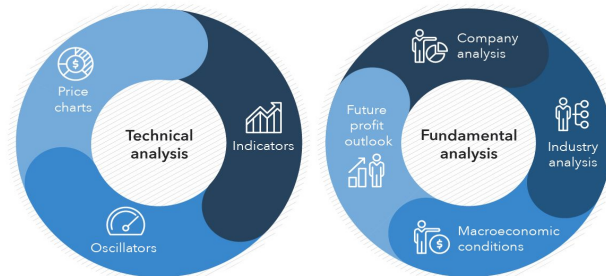


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# What is Technical Analysis

- ❑ Technical Analysis is an analysis methodology for analysing and forecasting the direction of prices through the study of past markets data, primarily price and volume
- ❑ It helps to determine whether a current trend of a stock will continue/reverse, and timing for the same
- ❑ Technical Analysis does not require checking CFS, P&L, BS, Annual report, etc, and focusses mainly on graphs, charts, etc.



## Technical Analysis

### Qualitative Analysis

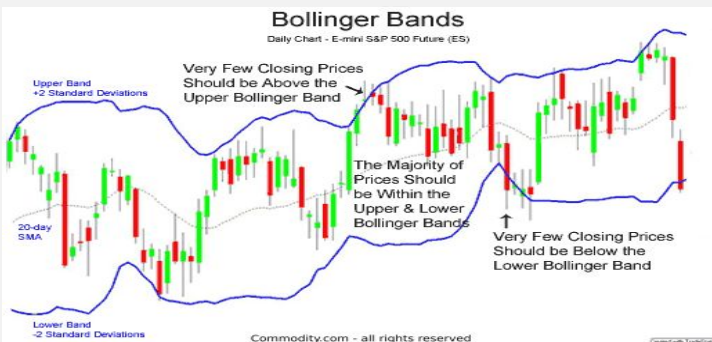
- Supports and resistances
- Change in polarity principals
- Chart patterns

### Quantitative Analysis

- Identify market trends
- Moving averages
- Momentum indicators

# Technical Indicators

- There are many technical indicators in the market that help to analyse entry & exit points like Moving Average Convergence/Divergence (MACD), Relative Strength Index (RSI), Bollinger Bands, Fibonacci retracement etc.



# Trading Techniques: – Intraday Trade

- ❑ Intraday Trading means buying & selling of the stock on same day. As shares price keeps on fluctuating Intraday traders try to make profit by analyzing price movements
- ❑ Intraday Traders get leverage benefits on Intraday trades & take either short-position (Down-side betting) or long-position (Up-side betting) depending upon their analysis
- ❑ Intraday traders have to square-off their position before the market closes otherwise broker will square-off his position & they have to suffer from penalty

## What is Intra trading?

### Meaning

Also known as 'Day Trading', Intraday Trading means buying and selling stocks on the same day before the market closes.

A

### Characteristics

Intraday trading is based on technical analysis of a stock price and follows day trend

B

### How different is Intraday Trading from Delivery?

In Intraday Trading you are obliged to sell your stocks before the market closes, in delivery there is no obligation on when can an individual sell his stocks.

C

### Risks involved

Stock selection risk, market volatility, psychological addiction, etc, are some of the most common risks involved in Day Trading

D

# Trading Techniques: – Swing Trading

- ❑ Swing Trading is a speculative trading strategy in financial market where a tradable asset is held for one or more days in an effort to profit from price changes or swings
- ❑ Swing Trader daily track charts, graphs, prices, etc. of shares and uses stop-loss to control losses & maximize profits



## Swing Trading vs Day Trading

### DAY TRADERS



### SWING TRADERS



# Trading Techniques: – Positional Trading

- ❑ Positional Trading is a long-term investing approach which follows the strategy of buy-and-hold for months or even years
- ❑ This strategy ignores short-term price movements and focuses on the growth in the long-term
- ❑ It is based on the principle of buying & holding stocks based on a trend or a theme that is expected to boom soon & when the trend is at its peak selling the stock to gain profits

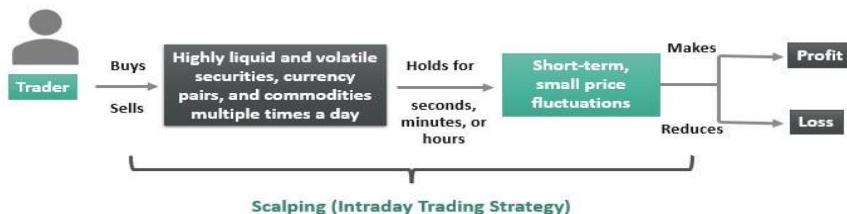


# Trading Techniques: – Scalping

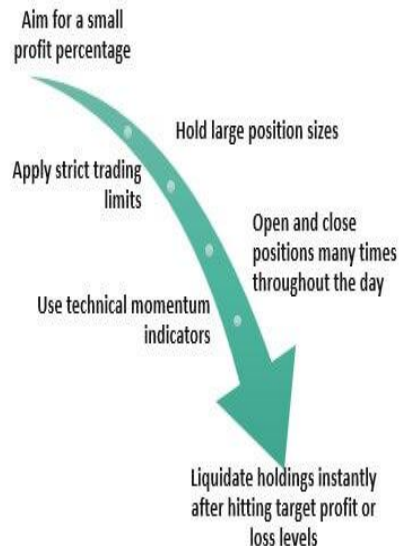
Scalping is a trading style that specializes in profiting from small changes in prices of shares. It tries to make fast profit by buying & selling shares at a very rapid pace

Scalping requires a trader to have a strict exit strategy because one large loss could eliminate the many small gains the trader worked to obtain

## How Does Scalping Work?



## Scalping Strategy



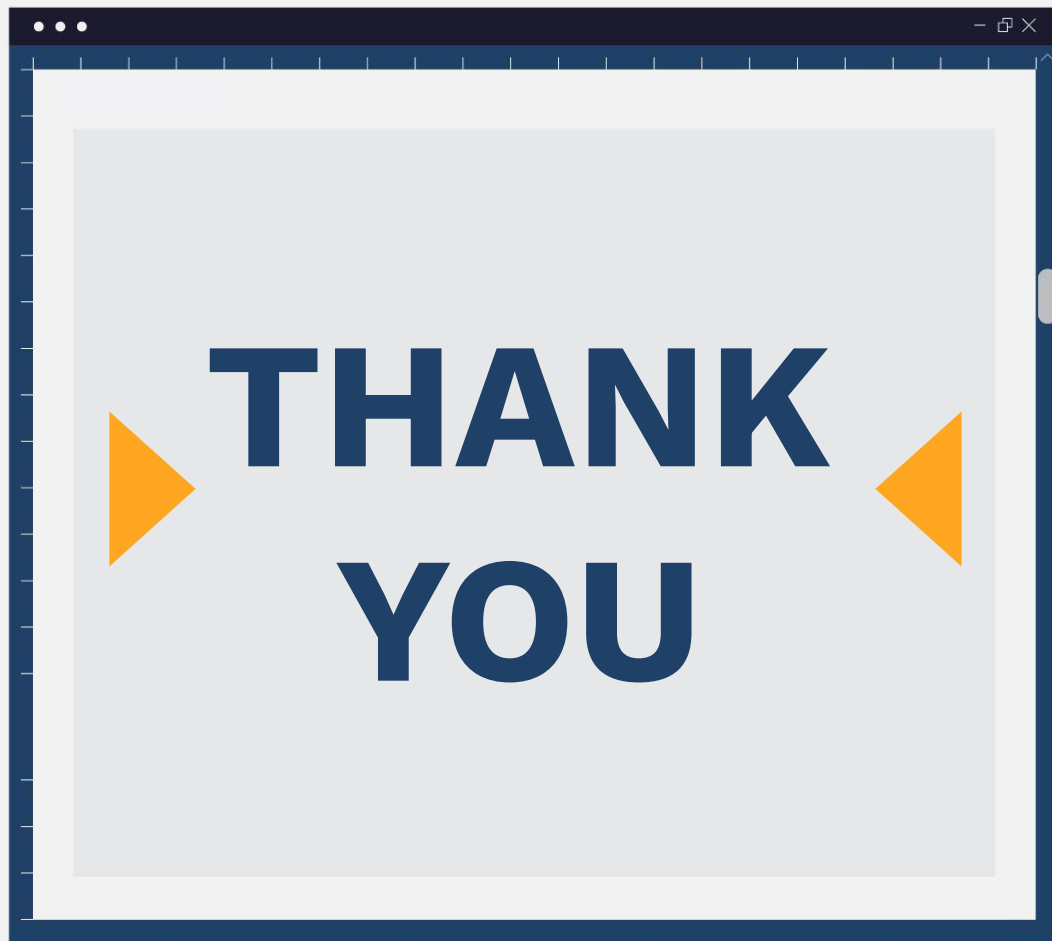




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