Introduction

Swing Trader trading periods in a particular stock 1 – 3 Weeks

Swing Trader Expectation/Psychology:

1. 5 – 10 % returns
2. 3 – 5% Stop Loss

Considerations before taking any position in swing Trade:

1. Advance-Decline Ration (ADR) -- Market Mood

Advance – Buying stocks Rows

Decline – Selling Stocks Rows

ADR > 1 then 🡪 Bullish Market trend at that particular time

ADR < 1 then 🡪 Bearish Market trend at that particular time

ADR = 1 then sideways / consolidating market trend

ADR ratio can be view in NSE web-portal

1. Monetary Policy (By RBI Governor) / Budget / US Market / China Market / Event / News / Global Market (Dow Jones/ Nasdaq / Nifty VIX)

Best Time Frame for Swing Trading

Various time frames used on chart are:

1 min, 3 min, 5 min, 30 min, 1 Hr,1 Day etc.

The time frame depends on the trading strategy like intraday, swing, short term, long term trading strategy.

Keep in mind:

1. Shorter the trading time strategy, shorter will be time frame for more confirmation.

Like:

If Intraday trading then → Best time frame → 1 min/ 3min/ 5 min/ 10 min/ 15 min.

1. For swing trading (2days – 1-3 weeks) → 15 min / 30 min/ 1 hr
2. We should take care that we are observing the chart is proper time frame for the effective profit.

Fundamental Stocks

Fundamental stocks are the stocks which are only in growth movement from years to years consistently.

How to pick up fundamental stocks

1. Return on Equity (ROE) Index

Greater the value of ROE, Strong/good will be stock.

If ROE >=12 then stock is fundamental stocks.

If ROE >=12-15 then stock is Average fundamental stocks.

If ROE > 20, then strong fundamental stocks

1. Return on Capital Employed (ROCE) Index

Greater the value of ROCE, Strong/good will be stock.

If ROCE >=12 then stock is fundamental stocks.

If ROCE >=12-15 then stock is Average fundamental stocks.

If ROCE > 20, then strong fundamental stocks

Below are the additional parameters which confirms stocks as fundamental stock:

1. Last 4 quarter result should be increasing
2. Last 4 years profit should be increasing
3. Promoter/ FII/ DII / Mutual Funds holdings

Greater these holdings good is the stock.

1. Debt

Company should be either debt free or debt minimum.

Debt should be decreasing year to year.

**Points to remembers:**

1. We should time the trade i.e., buy / sell the stock on time.
2. We should not trade in option daily or whole day, we should trade opportunistic i.e. if there is opportunity only then trade i.e. don’t overtrade.
3. Accuracy is 70-80 % and We should always consider risk management and use stop loss.
4. Don’t overtrade in range bound market.