Defensive RSI Strategy

Defensive strategy is more useful for beginners.

In this strategy, we use rsi strategy in more defensive/Secure way.

How RSI Defensive Strategy works:

In this strategy we use RSI more defensively.

In this strategy:

1. If RSI <=20 (extremely oversold) then buy the stock or buy the call option (either ATM or ITM option).
2. If RSI >=80 (extremely overbought) then sell the stock or buy the put option (either ATM or ITM option).

**Note:**

1. Don’t buy OTM, It is cheaper but it is riskier also.
2. In range bound market, RSI strategy is not applicable successfully. So, Don’t overtrade in range bound market.
3. macd bullish/strong bullish and bearish/strong bearish → confirmation is helpful in this strategy.