

JTR

SWING TRADING SYSTEM

A Complete Guide to Systematic Swing Trading

27.4%

Avg Annual Return

10/11

Winning Years

55%

Win Rate

1.94x

Profit Factor

What is Swing Trading?

Capturing short-term price "swings" — holding for 5 to 30 days

Day Trading
Minutes to Hours

Swing Trading
5 — 30 Days

Investing
Months to Years



No Screen Watching

Decisions after market hours using EOD data



Clear Risk Limits

Every trade has entry, stop-loss, and target



Part-Time Friendly

Can be done alongside a full-time job



Systematic Rules

No emotional decisions — follow the strategy

Trending vs Rangebound Markets

Markets move in two modes — the JTR system has strategies for both

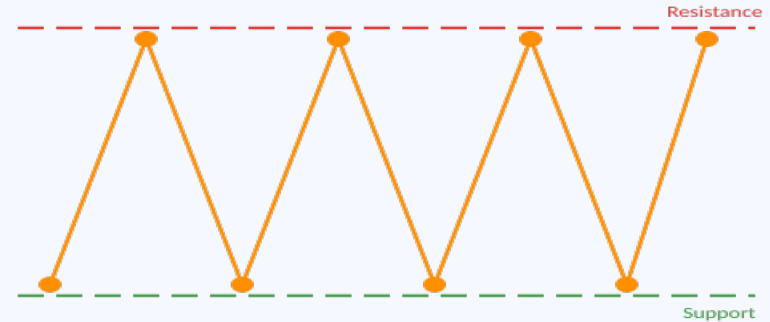
UPTREND



Higher highs + Higher lows

Like climbing stairs — momentum is on your side

RANGEBOUND



Bounces between ceiling and floor

Gains are smaller but support bounces work well

What is a Trading Strategy?

A set of rules — not a gut feeling. Without a strategy, you're gambling.



When to Buy

Entry Signal



When to Take Profit

Exit / Target



When to Cut Losses

Stop-Loss

The Math That Matters

55 wins \times ₹8,000 = ₹4,40,000

45 losses \times ₹5,000 = ₹2,25,000

Net P&L = ₹2,15,000 profit

(100 trades at ₹2L each, 55% win rate)



Key Insight

You don't need to be right most of the time. A 50% win rate with 1.6x reward/risk is very profitable. Cut losses short, let winners run.

Entry, Exit & Stop-Loss

The three pillars of every trade — never enter without knowing all three



Good Entry

- Near support level (proven floor)
- Green candle (buyers winning)
- No gap-down (no panic selling)



Bad Entry

- "Stock fell a lot" — no setup
- Buying without a stop-loss
- Catching a falling knife

Stop-Loss: Your Insurance Policy

Entry: ₹1,000

Stop-Loss: ₹950 (-5%)

Golden Rule:

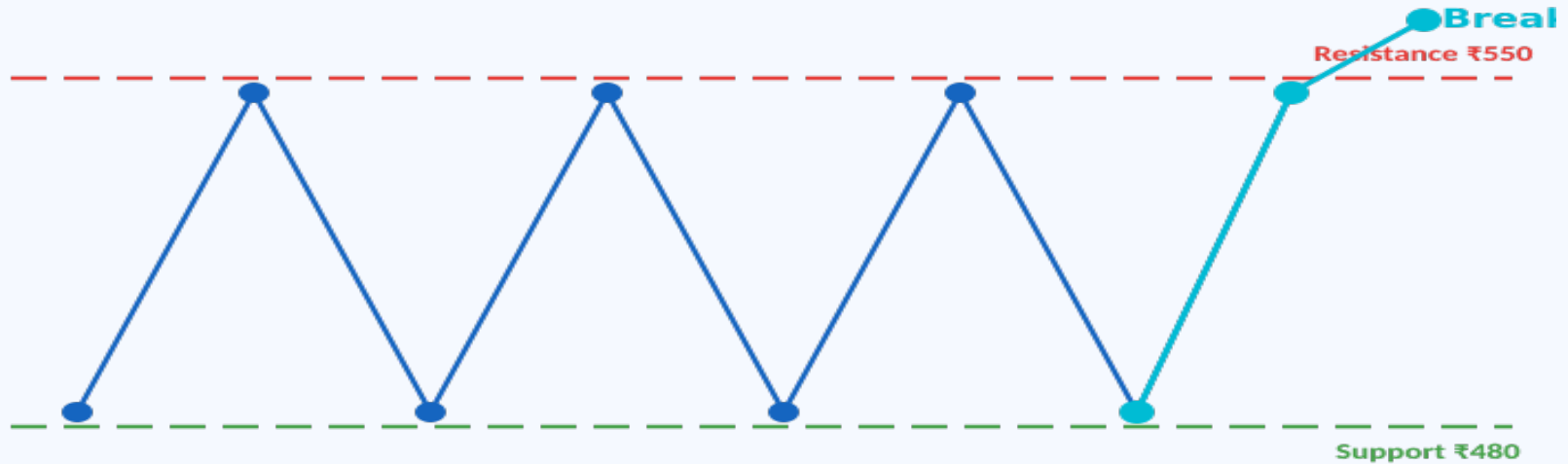
Always know your stop-loss BEFORE you enter.

Without SL: 5% dip → 20-30% loss

With SL: 5% max loss, capital preserved

Support & Resistance

The floor and ceiling of price action — your roadmap for entries and exits



Buy near support = small risk (SL just below) + large reward (up to resistance or breakout)

EMA, Keltner Channel & Pullbacks

The technical indicators that power Strategy T entries

EMA(20) — Moving Average

Smoothed average of last 20 days' closing prices, weighted toward recent. Acts as dynamic support in uptrends. Pullback to EMA = high-probability buy.

Keltner Channel

Upper Band: $\text{EMA}(20) + 2 \times \text{ATR}$

Middle Line: $\text{EMA}(20)$

Lower Band: $\text{EMA}(20) - 2 \times \text{ATR}$

ATR = Average True Range (daily volatility)

Strategy T Logic: Stock touches upper band (strong). Pulls back to EMA (on sale). Buy the dip!



RSI & Bullish Divergence

When price disagrees with momentum — a powerful reversal signal

RSI (Relative Strength Index)

RSI > 70: Overbought

RSI < 30: Oversold (may bounce)

Scale: 0-100, based on 14-day gains vs losses

IBS & CCI Filters

IBS = (Close-Low)/(High-Low)

IBS > 0.5 = closed in upper half (bullish)

CCI(20) > -100: Not in deep freefall

Bullish RSI Divergence — The Reversal Signal

Price:

₹100



₹90



₹85

Lower Lows ↓

RSI:

25



22



28

Higher Lows ↑

Selling pressure fading. Smart money accumulating. Buy!

Multi-Stage Exits — The Secret Sauce

Sell in portions at different levels — lock in profit early, let winners run

Total: ₹9,300 vs ₹5,400 (selling all at +6%)

Stage 3: Upper Keltner (₹1,150)

Sell 30 shares → Lock ₹4,500

Stage 2: +10% (₹1,100)

Sell 30 shares → Lock ₹3,000

Stage 1: +6% (₹1,060)

Sell 30 shares → Lock ₹1,800

Entry: ₹1,000 — Buy 90 shares

Stop: ₹950 (-5%)

Multi-stage exits capture 50-70% more profit. Stage 1 locks in guaranteed profit. Stages 2-3 let winners run.

Strategy J — Weekly Support Bounce

Buy at proven support levels when the stock shows signs of bouncing

The Logic

If a stock held a price for 26 weeks and pulls back again, buyers step in. You buy where the market says "cheap enough."

Exit — 2-Stage Scale-Out

Stage	Trigger	Action
1	+5%	Sell 50%
2	+10%	Sell remaining
Trail	Chandelier	HH-3×ATR
Safety	10d underwater	Exit all

SL: 26-week lowest weekly low

Condition	Why
Price 0-3% above 26wk support	Near proven floor
IBS > 0.5	Close in upper half
Green candle	Buyers won
CCI(20) > -100	Not in freefall
No gap-down	No overnight panic

Example: HDFCBANK

26-week support: ₹1,420

BUY ₹1,438 | Stop ₹1,395 | T1 ₹1,510 | T2 ₹1,582

Strategy T — Keltner Channel Pullback

Buy the dip in a strong uptrend — a proven winner temporarily "on sale"

The Logic

Stock that touched upper Keltner is in strong uptrend. Pullback to EMA(20) = trend intact, temporarily discounted.

Condition	Why
Within 1% of EMA(20)	Pulled back
Touched upper Keltner in 10 bars	Recent strength
Green candle	Bounce starting
No gap-down	No panic

Exit — 3-Stage Scale-Out

Stage	Trigger	Action
1	+6%	Sell 1/3, SL→3%
2	+10%	Sell 1/3
3	Upper Keltner	Sell last 1/3
Safety	10d underwater	Exit all

Initial SL: 5% hard stop

Example: TRENT

Touched upper Keltner at ₹5,800

BUY ₹5,470 | Stop ₹5,197 | T1 ₹5,798 | T2 ₹6,017

Strategy R — Bullish RSI Divergence

Catch reversals at the bottom — when selling pressure exhausts itself

The Logic

Price lower low + RSI higher low = selling fading. One of the most reliable reversal signals.

Stop: 1% below swing low (structural). Same 3-stage exit as T.

Condition	Why
Price: lower low, RSI: higher low	Divergence
RSI divergence ≥ 3 pts	Not noise
RSI(14) < 40	Oversold
Structural stop $\leq 5\%$	Risk ok
Green candle, no gap-down	Reversal

Example: TATAPOWER

Low1: ₹376 RSI=30.7 → Low2: ₹368 RSI=34.0

Price ↓ RSI ↑ = Divergence!

BUY ₹374 | Stop ₹364 | T1 ₹397 | T2 ₹412

How the Strategies Work Together

Three strategies on Nifty 100 — diversified by market condition

J

Support Bounce

Rangebound

Mean Reversion

T

Keltner Pullback

Trending

Trend Following

R

RSI Divergence

Bottoming

Divergence Reversal

Capital Allocation

₹20L total | ₹2L per trade | Max 3/day
Signals ranked by ATR% (calm stocks first)

Risk Management

J: Weekly low (2-5%)

T: 5%→3% after exit

R: 1% below swing low→3%

Max loss/trade: ₹10,000

11-Year Backtest Results (2015-2025)

Nifty 100, ₹20L capital, ₹2L/trade

Year	Trades	Win%	PF	Return	P&L
2015	229	45.4%	0.99	-0.4%	-0.08L
2016	250	50.0%	1.69	+19.9%	+3.98L
2017	253	58.9%	3.00	+47.5%	+9.49L
2018	271	55.0%	1.78	+25.3%	+5.06L
2019	336	58.0%	1.92	+38.0%	+7.61L
2020	303	59.4%	1.59	+27.8%	+5.55L
2021	256	56.6%	2.09	+34.0%	+6.79L
2022	269	58.7%	1.74	+25.9%	+5.17L
2023	216	56.9%	2.50	+29.7%	+5.94L
2024	247	59.1%	2.09	+30.3%	+6.05L
2025	258	48.4%	1.96	+23.6%	+4.72L

10/11

Winning Years

+27.4%

Avg Return

55.1%

Win Rate

1.94x

Profit Factor

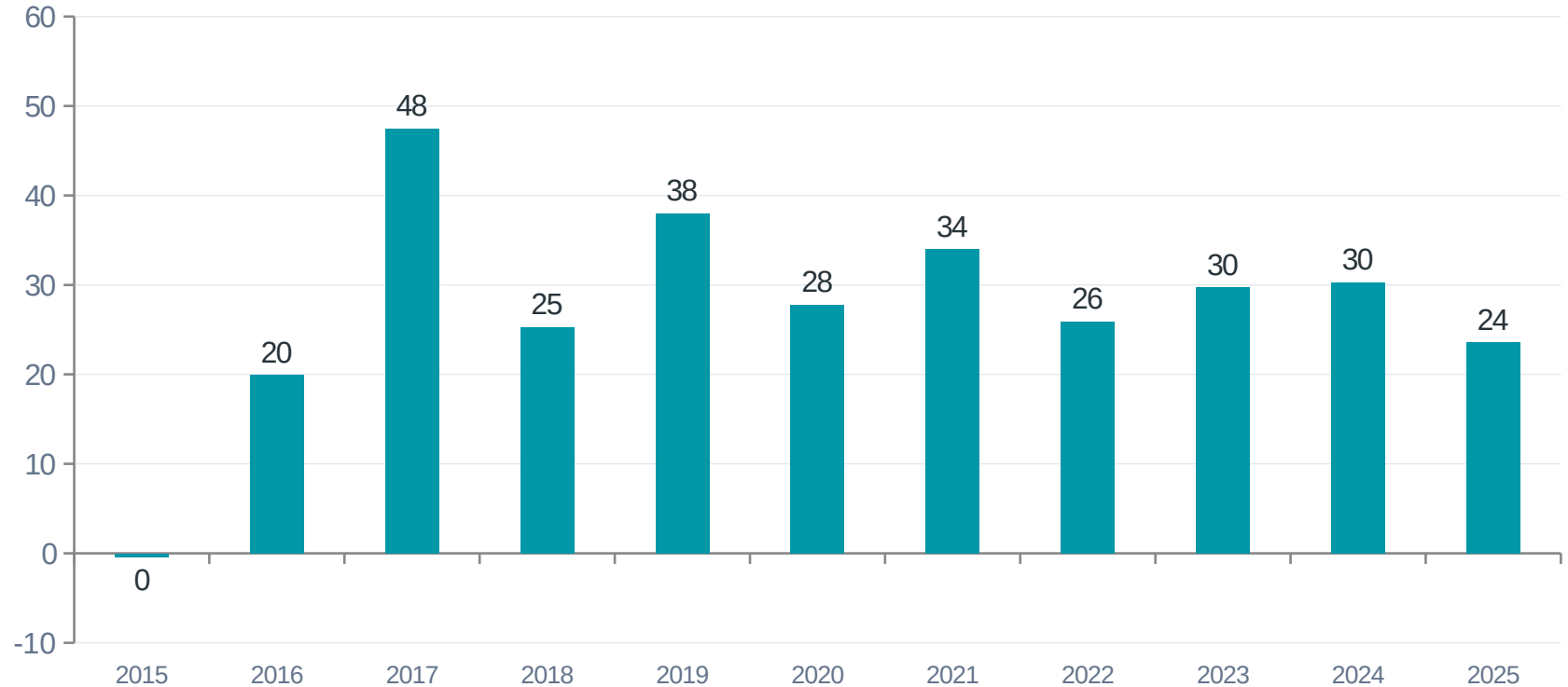
263

Trades/Year

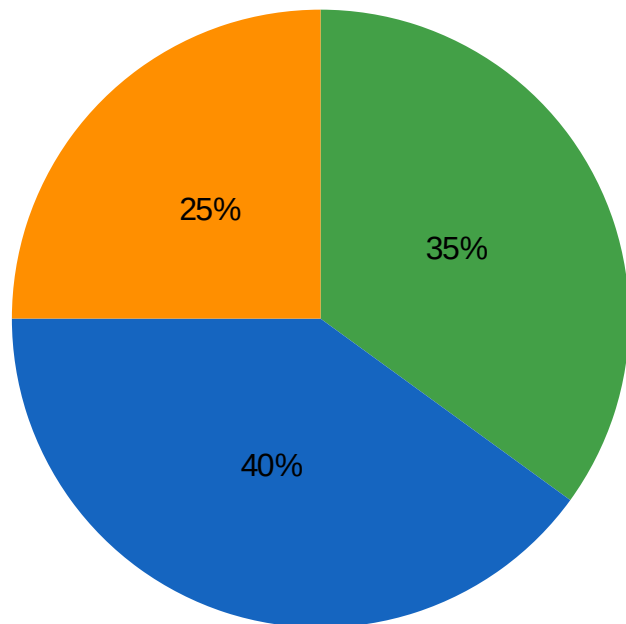
₹60.3L

Total P&L

Annual Returns — Visual Overview



Strategy Composition



■ J — Support ■ T — Keltner ■ R — RSI

In Trending Markets

Strategy T generates the most signals. Strong stocks pull back and bounce off EMA.

In Corrections

J catches support bounces. R catches reversals. Together = opportunities in any market.

Key Takeaways



Systematic, Not Emotional

Rules-based — no gut feelings or FOMO



Risk First

Max loss per trade: ₹10,000 (5% of ₹2L)



Diversified by Design

J+T+R cover trending, rangebound, bottoming



Multi-Stage Exits

Lock profit early, let winners run — 50-70% more



Proven Track Record

10/11 years profitable, 27.4% avg, 1.94x PF



Part-Time Friendly

EOD analysis only, ~1 trade/day average

Glossary — Key Terms

Term	Definition
ATR	Average True Range — daily price volatility
CCI	Commodity Channel Index — distance from avg
Chandelier	Trailing stop: Highest High - $3 \times \text{ATR}(14)$
EMA	Exponential Moving Average — weighted to recent
Gap-Down	Today's open < yesterday's close
Green Candle	Close > Open — buyers won
IBS	Internal Bar Strength — close in day's range
Keltner	$\text{EMA}(20) \pm 2 \times \text{ATR}(14)$ envelope
Profit Factor	Total wins \div total losses (>1.5 good)
RSI	Relative Strength Index (0-100)
SL	Stop-Loss — exit to limit losses
Support	Price where buyers step in
Swing Low	Local bottom with higher prices both sides
Win Rate	% of profitable trades

Important Risk Notes

1. Past performance does not guarantee future results. Backtest uses historical data with fill/slippage assumptions.
2. Markets can stay irrational longer than you can stay solvent. Systemic crashes cause drawdowns even with stops.
3. 5% SL assumes exit at stop price. Gap-downs may cause larger actual losses.
4. Designed for Nifty 100 liquid large-caps. Do not apply to small-caps or illiquid stocks.
5. Never risk more than you can afford to lose. ₹20L capital is illustrative.
6. Paper-trade for at least 3 months before committing real capital.

JTR

SWING TRADING SYSTEM

"Cut losses short. Let winners run."

Systematic. Diversified. Proven.

Jayaraman | For Discussion Purposes Only