Framework:

1. Let us try ChatGPT paper method to validate

2. Pre-market preparation: News, market analysis

3. Entry rule: Most volatile and liquid stocks, use MACD

4. Exit rule:

Strategy: Moving Average Crossover with RSI Confirmation

Objective:

To profit from short-term price movements by using a combination of moving average crossovers and RSI indicators to identify potential buy and sell signals.

Indicators Used:

1. Moving Averages:

o Short-Term Moving Average (e.g., 9-period SMA)

o Long-Term Moving Average (e.g., 21-period SMA)

2. Relative Strength Index (RSI):

o 14-period RSI

Trading Rules:

Entry Rules:

1. Buy Signal:

o The short-term moving average crosses above the long-term moving average (Golden Cross).

o The RSI is above 50, indicating bullish momentum.

2. Sell Signal:

o The short-term moving average crosses below the long-term moving average (Death Cross).

o The RSI is below 50, indicating bearish momentum.

Exit Rules:

1. Stop Loss:

o Place a stop loss below the recent swing low for a buy trade.

o Place a stop loss above the recent swing high for a sell trade.

2. Take Profit:

o Use a risk-to-reward ratio of at least 1:2. For example, if the stop loss is set at 10 pips, aim for a 20 pips profit.

3. Exit on Opposite Signal:

o Close the buy position if a sell signal is triggered (and vice versa).