

Trading Strategy Explanation (Simple Terms)

This project uses a simple trading strategy based on stock price movement patterns. You don't need to know technical analysis to understand this.

Here's how it works:

1. We look at daily stock prices for the last 5 years.
2. We track when a stock drops more than 2% compared to the previous day's closing price.
3. Then we watch to see if the stock "recovers" back to its original price.
4. If on the same day or later, the stock rises another 2% or more above that original price, we buy it.
5. We sell the stock if:
 - It rises by 10% → we book profit (Target)
 - It falls by 5% → we cut loss (Stop Loss)
 - Or if nothing happens in 60 days → we exit.

What We Track For Each Trade

- Entry Date: When we buy
- Entry Price: Price at which we buy
- Exit Date: When we sell
- Exit Price: Price at which we sell
- P&L %: Profit or Loss in percentage
- Days Held: How long we held the stock
- Outcome: Target hit, Stop Loss hit, or Max Hold reached

Example Output (For One Stock)

| Stock | Entry Date | Entry Price | Exit Date | Exit Price | P&L (%) | Days Held | Outcome |
|--------|------------|-------------|------------|------------|---------|-----------|---------|
| TCS.NS | 2021-06-01 | 102.0 | 2021-06-10 | 112.2 | 10.0 | 9 | Target |

