**CANON (MOMENTUM)**

***Description -*** As the name suggests, this strategy filters stocks on the basis of technical momentum exhibited in the previous trading sessions, with the perspective that the momentum would continue. The strategy looks for some confirmation in terms of both price and volume action. It can be used for intraday trading. One may run the strategy on the major stock category only.

***Illustrative -*** Please look at the charts of the filtered stocks and try to see through price action if these are showing bullish momentum. On the particular morning one needs to take note of the first 15 minutes candle’s high of the stocks already filtered in the strategy. One can do this process from any reliable charting platform. Next a stop loss buy order can be placed just above the 15 minutes candle’s high so that if price moves above this level a buy trade can be triggered with stop loss and target ratio of 1:1.5. If executed trades neither trigger stop loss nor hit the target by 3:20 PM on the same day, one should square off all open positions at 3:20 at the market price and remove all pending orders.

***Risk reward -*** The illustrated risk-reward ratio for this methodology of trading is 1:1.5. The actual numbers will depend on the volatility of the stock and the risk-taking appetite of the individual.

***Indicators Used –***

A screenshot of a computer screen

AI-generated content may be incorrect.

1. Higher trade and delivery quantity to be calculated if today’s volume is greater than 1.5 times the average volume of past 5 days then it will give a buy signal.
2. Closing above previous high is to be calculated by checking if today’s closing is above previous day’s high price and this will generate the buy signal.
3. Closing above last week high will be calculated by checking if today’s closing is above last day’s highest price, it will also generate a buy signal.
4. If the 14 period RSI crosses the 70 mark and closes above the same 70 mark zone on the same 15 minute chart then give a buy signal.

on today’s closing.

 Data format: CSV grouped by stock (all 5‑min rows for stock A, then B, …).

 **Signal** is evaluated on the **15:15** 5‑minute candle of a day.

 **Volume condition**: today\_total\_volume > 1.0 \* avg(total\_volume\_past\_5\_days) where each day’s total = sum of its 5‑min volumes.

 **Price conditions**: close at 15:15 > previous day high, and > last 5 trading days’ high (weekly high).

 **RSI(14)**: RSI at 15:15 must **cross above 70** (i.e., previous 5‑min RSI ≤ 70 and current RSI > 70).

 If all conditions true on day D at 15:15 → **enter on day D+1 at the close of the 09:30 5‑min candle**.

 **Stop loss** = low of the 09:30 candle; **Target** = entry + 1.5 \* (entry - SL).

 Monitor intraday bars after entry. Exit when SL or Target hit, or force exit at **15:20** market close (use the last available bar ≤ 15:20).

 Uses ta library (pure Python) for RSI to avoid TA‑Lib install issues.