🔷 What is a Trailing Stop Loss?

A **Trailing Stop Loss** follows (or "trails") the market price at a fixed distance. If the price moves in your favor, the stop-loss price adjusts accordingly. But if the price reverses, the stop-loss remains at its last position, locking in gains or minimizing losses.

🔶 Example (Solved):

Let's say you **buy a stock at ₹100**, and set a **trailing stop loss of ₹5**.

- 🔷 **Price rises to ₹110** → Trailing stop now moves to **₹105** (₹110 - ₹5)
- 🔷 **Price goes up to ₹115** → Stop loss now is **₹110**
- 🔻 **Price drops to ₹110** → No action
- 🔻 **Price drops to ₹109** → Hits trailing stop loss at **₹110**, trade is exited automatically

👉 **Result**: Trade exited at ₹110, securing a **₹10 profit per share**.

✅ Benefits:

- Protects profits automatically
- No need for constant monitoring
- Adapts to market conditions

🎯 Take Profit — Solved Mathematical Example

Take Profit (TP) is a predefined price level at which a trader closes a position to lock in profit. It's the **target price**, and once reached, the trade is automatically exited.

📘 Basic Setup:

- **Entry Price** P_0: ₹100
- **Take Profit Level**: +15%
- So,

$$TP = P_0 \times (1 + 0.15) = 100 \times 1.15 = ₹115$$

📈 Price Movement Over Days

Day	Price P_t	Action
0	₹100	Entry Point
1	₹104	Hold (TP not hit)
2	₹107	Hold
3	₹110	Hold
4	₹115	🎯 **Take Profit triggered** – Exit Trade
5	₹113	Already exited

✅ Outcome:

- **Profit per share** = ₹115 − ₹100 = ₹15
- **Percentage return** = $\frac{15}{100} \times 100 = 15\%$

🧠 Key Point:

A **Take Profit** ensures you exit with your desired profit **without emotion or hesitation**. It's the opposite of **Stop Loss**, which limits downside.

Would you like this visualized on a simple price chart or compared with Stop Loss?