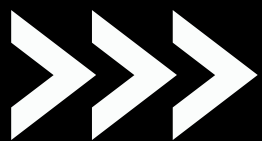


# What is Momentum?

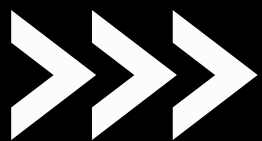




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**A football player running on the football ground has momentum as he is in motion, the faster a football player runs, the more difficult it is for him to stop. As when the velocity of an object increases, its momentum also increases.**

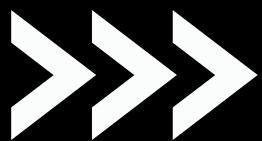
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**Now let's define this in stock market parlance. Any stock showing strong motion due to aggressive position building on either side. Typically bullish momentum is more accurately predicted due to the availability of cash for buying.**

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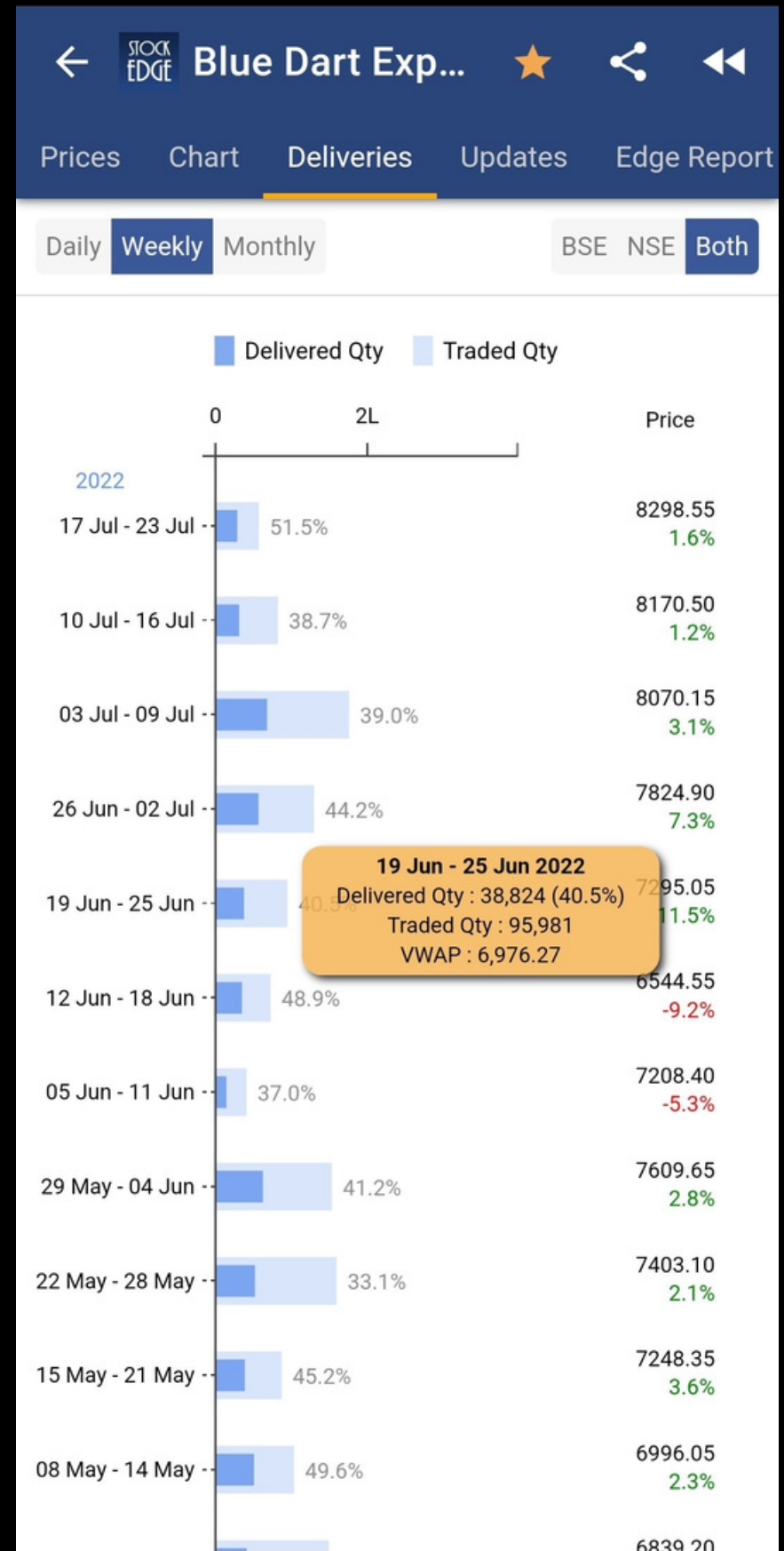
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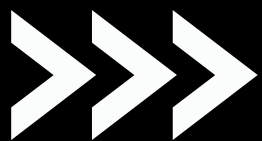
## How to measure it?

The best measurement tool is the simple **price action**. Typically high momentum stocks make weekly higher highs and higher lows for long period of time. Also they trade above their weekly VWAP for many weeks.

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# Case : Blue Dart recently





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**You may like to add another layer of filtering to increase the probability of success.**

**For example, I prefer to play momentum in only stocks that are fundamentally good/decent and also show relative strength.**

---



# E.g Eagle Strategy in @mystockedge


STOCK  
EDGE

Eagle (Momentum)

◀

◀◀

IntroStocksScans



**Eagle (Momentum)**  
*As the name signifies high flying, this strategy filters stocks which are outperforming the market, having their own strength and are capable of flying above all other stocks far higher.*

Description

Markets has its own intelligence and it is often seen that in the bullish phase of the market stocks which are having higher relative valuations compared to their peers continue to move even higher. This scan looks to select the stocks that are outperforming the market, having their own strength and are capable of flying above all other stocks far higher.

Illustrative Execution Strategy

Illustrative risk reward

Length of trade

Caveats

General trading guidelines

Disclaimer

STOCK  
EDGE

Eagle (Momentum)

◀

◀◀

IntroStocksScans

Scans in this Combination Scan

10

Y Hi

Close Within 52 Week High Zone

MKT

Stock Outperforming Benchmark Index in both 1 Week and 3 Month

SEC

Stock Outperforming Sectoral Index in both 1 Week and 3 Month

RS  
MKT

Strongly Outperforming Benchmark Index

RS  
SEC

Strongly Outperforming Sectoral Index

SRS /  
ARS

Both SRS And ARS Above Zero

ROE

High Return on Equity

SALES  
%

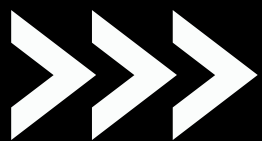
Consistent Sales Growth Ratio (Annual Report)

₹

Consistent Cash From Operations

↑

Increase in Institutional Shareholding



---

**Remember exit is very critical in these stocks. You will never feel like exiting them. The momentum may die down and you may get stuck with them. Have a clear exit plan before entering such hyperactive stocks.**

**I prefer trailing Stop loss based on 2 hourly RS. You may reenter.**

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# THANK YOU

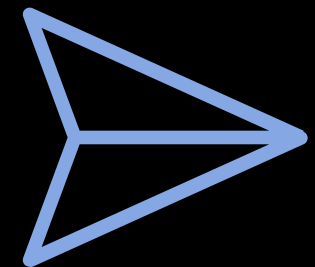
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