Very Important Concepts:

* TRADE ONLY ON TREND SIDE OF THE DAY, esp. confirmed by 9 and 20 Moving Averages and VWAP. NEVER OVERTRADE
  + PB / CPB - Initiate Trend side position, during single-leg / Multi-leg (3 wave) pull back within Trend
  + TST – Test of Support or Resistance which is expected to hold
  + BPB – Break Out Pull back, after breach of Support or Resistance and it holds
  + BOF – Break Out Failure, Price breaches Support or Resistance and Reverses
* Every Position should have 30% stop loss for both initial and trailing profit, No stop loss required for expiry jackpot but bet value should be less than 30% of Account value.
* ORB – Open Gap Up or Down and First 10 or 15 minute candle low or high is not broken, keep it stop loss, Trade in Gap direction.
* Always Trade in the direction of Trend LT LB HT HB in 5 or 15 mts, you can find it after 10:30 am ~ 12:00 noon, where market usually consolidates
* Profit booking:
  + Near Important Support Resistance
  + During Progressive move Break of Trend LT LB HT HB in opposite side
  + During Aggressive move Hold position Till an Opposite side candle close in 5 mts
  + Keep trailing stop loss, in option price, like - Mid of Candle if it is Very large size (or) Low of Previous Candle if it is Medium size (or) Low two Previous Candle if it is Small size
* Support Resistance - Previous Day / Current Day - High / Low & CPR if Price is within the previous day range. Otherwise find very recent past Swing High / Lows and Day Open Candle.
* Trend will not reverse so quickly, Buy or Sell on Trend side near 9 EMA or 20 EMA esp. in 1 Hour Chart. Do not hold Overnight Position against trend, unless weakness is confirmed (in opposite side) at least a day or two, Trend side overnight can be hold but max 50% of Account value esp. on (Friday and Monday), Intraday is preferred on last 3 days (Tuesday, Wednesday, Thursday) before Expiry as overnight is very risky.
* Trade segment 9:15am to 10:30am Swift Swings high premium, 10:30am to 12:30pm consolidation, 12:30pm to 3:30 pm Large Trending move

Consolidation Days:

* Initiate Position - Near Support or Resistance
* Stop-Loss - Break and Close below previous Higher Bottom on long or Lower Top on Short
* Target - Important Resistance or Support or Breaks and close below previous 5 minutes Higher Bottom or Lower Top in Opposite side or VWAP
* Avoid Loss - Never Over Trading

Trending Days (Large Move):

* Initiate Position - When Multiple 5 minutes Higher Top or Lower Bottom are broken by a single 15 minutes candle in Opposite Side or by OBR - Strong Gap Opening or Large first 15 minute candle (same or opposite side of Gap) and Do not retrace more than 50%.
* Stop-Loss - Break and close below 20 EMA in 5 Minutes
* Target - Till it breaks 20 EMA or 9 EMA cross overs 20 EMA in Opposite side. Rebuy if Price resumes larger Trend side
* Avoid Loss - Never Go opposite side till it breaks 20 EMA or 9 EMA cross overs 20 EMA in Opposite side or Breaks previous 15 minutes Higher Bottom or Lower Top in Opposite side

Techniques:

* 15 or 5 Minutes Trend using: Bullish - Higher Top Higher Bottom, Bearish - Lower Top Lower Bottom and VWAP
* Resistance & Support Analysis using 1 Hr, Daily Chart & Trend Line, Previous Day and Day - High, Low and Close, CPR and Pivot Levels, Every 100s, EMA - 50, 100, 200 in 5 Minutes, Hourly and Day Chart
* Fibonacci: 0.236🡺2.618 / 0.382🡺2.414 / 0.50🡺2.00 / 0.618🡺1.618 / 0.78.6🡺1.414 / 0.882🡺1.272 / 100
* Positional 50% (or Amount ready to lose if Gap on opposite Side) and Intraday 50%
* Be prepared with support resistance info from adithya, earnometer, flying-calls
* Extreme RSI above 80 or below 20 in 1 Hr chart indicate reversal near important Resistance and Support Zone
* Any Reversal will be with Double Top or Double Bottom and 9 EMA cross overs 20 EMA in Opposite side
* Never Trade Out-of-money option on last 2 or 3 days before Expiry, Trade In-the-money option with max 30 points premium w.r.t Spot price
* Do not take position before an important event when premium is too high

X) on Expiry movement comes near 3:15 to kill all out of money premium

X) when a large Red or Green candle is formed in the first 15 mts then whole day will be in that direction unless recovers it 38% or 50% (OBR)

Previous close to first 15 or 30 mts large red or green candle is not retraced then it will go in that direction for the whole day

\*] Fibonacci => -23.6, 0, +27.2, +38.2, +50, +61.8, +78.6, +100.

\*] No Trend reversal trade unless trend break in 15 mts candle chart & 5 mts candle close

\*] Exit Position on trend break on 5 mts chart, do not take opposite position unless it reverse in 15 mts also

\*] no overnight position

Concepts of Trading:

0) take reversal only when a 5 mts candle break above or below the previous larger trend Side candle

0) Kill Greedy - book profit when index reached first important support or resistance (don’t expect it will break and move further, probability of pull back or bounce is higher than breaking support or resistance) or when option position reaches 100% gain from best price range for the day

0) kill Greedy - take position only on the confirmed entry and exit levels. Don’t try some where in between without any near by support resistance or VWAP or Moving averages. Stay away from trading for the rest of the day once target is achieved (say 50% to 100% profit)

0) kill greedy - once profit is achieved don’t bet the entire money and loss large percent. Always trade for the amount fixed for that day limit say 15k.

0) kill greedy - stop overnight position thinking big gap up or down on the position side. Gap up or down on opposite side will wipe out premium

0) Do not trade options on the last two days before Expiry and premium falls so fast and you will never follow stoploss and put all the money, expecting small fall or bounce for premium to get double or triple but actually ending up loosing all money. Stop being greedy and stop dreaming about jackpot option trade near expiry. More greedy jackpot more probable to lose money

0) Any day maximum loss should be limited to 50% of allocation limit for the day (say 20,000 is allocated for a day then max stop-loss should be 10,000). Once max stop-loss for the day is reached or After 3 continues failure trade STOP trading for the rest of the day as you perception is wrong and you will continue to trade wrong and continue to loss money.

0) On expiry day all position should be held with 38% stop-loss as movement will be swift and wipe out the money

0) On expiry maximum exposure should be 50% of daily allocation with 38% stop-loss limit MUST for every position. Do not increase the allocation after a loss trade, instead reduce exposure w.r.t the available amount allocated for the day

0) sustainable rally will be only after breaking VWAP. So counter trade against the VWAP using support or resistance should book profit near VWAP if price unable to break past the VWAP. Counter trade against VWAP or 9EMA & 20 EMA should exit quickly as it is risky and unsustainable. Otherwise you can hold as long as possible if it is supported by VWAP and 9 & 20 EMA, in this trend supported position hold till new 5 mts low is formed or near important resistance or Fibonacci levels.

1) Top priority for Resistance & Support

2) Everyday be ready for both upside & downside movement

3) Change Elliot wave direction and projection possibility based on VWAP direction. Never trade against VWAP, unless trend reversal is confirmed near an importance support or resistance. Important Trend reversals - 9 MA crossover 20 MA in 5mts chart or 38% retracement or solid break of VWAP

Experience shows aligning Elliot Wave direction and projection based on Moving Averages and WVAP is better risk management and profitability as you will be always in the trend side than trading against the trend and losing money with wrong Elliot Wave assumptions (Note: Elliot pattern changes dynamically)

4) Understand the personality of the wave – fast impulse or slow corrective move. Probability of Market move is along impulse side or larger trend side then corrective side, take position aligned with larger trend or impulse side, than counter trend side. Option have great value appreciation on unexpected / larger trend side than the expected / counter trend side. Market can crazily go to any extend along the trend side

5) Do not hold over night position as gap up or gap down in opposite side will wipe out premium, also check for holidays for every weekly expiry contracts. Especially never hold tomorrow expiry contract unless it strongly closes in that direction

During Wave 3 or Wave 5, market may falsely bounce near importance support before day close, but eventually it will break it in the next day. Option premium also appreicate subseqently, hence hold Over night position only during strong start of Wave 3 or Wave 5 impulse and minimal projections are not achieved [161.8% in case of Wave 3 or 38.2% in case of Wave 5] may be for 1 or 2 days max or until Trend reversal is not confirmed

6) Once up or down move is confirmed [Example: 9MA cross over 20MA] hold it unless it breaks VWAP more than 15 minutes (or) 30 points with 5 minutes close on opposite side (or) 9MA cross over 20MA in opposite side

in 5mts chart (or) 38% retracement in opposite side. Never exit with fear of premium loss on false fast swings movement on opposite side after trend confirmation, as price will shoot up soon after position accumulation by smart traders from the feared inexperienced traders, before larger move.

7) Consistent Profit [with less risk] can be achieved by booking profit near important Resistance or Support identified as below (or)

Maximum profit [with high risky] can be achieved by holding till momentum exists, wait for any below specified Trend reversal to happen and exit position during retracement of wave 2 or B completion (i.e. near the start of correction).

8) Usually week gap up or gap down are filled, wait for first 5 minutes to understand the market. Global market behavior to some extend influence the opening, but market will follow its own trend subsequently. Market

will move opposite of what most people expect (consider the fear factor).

9) Do not over trade, keep a solid stop loss and targets for each position.

10) Keep an eye on important resistance and support levels, 38% retracement, VWAP. if expected wave 3 is not moving as fast or retraces more than 38%, then possibility of further continuation of wave 3 or wave 5.

11) Don't expect trend to reverse immediately it will usually take time to consolidate and slowly reverse so take position near end of wav 2 i.e near start of wave 1, so that option premium might be reduced by that time.

12) First 30 minutes, VWAP reading is not much reliable

13) Exit option position on every important resistance or support and rebuy during end of wave 2 or 4 or pull backs, so that option profit can be booked at peak value and rebought at cheap levels during pull back

14) Play against the trend only after confirmation like 9EMA crossovers 20EMA (or) above VWAP (or) 38% retracement (or) At least near the end of wave 2 or start of wave 1, near important support or resistance, to avoid premium or trade loss. Most of the time market moves along with the trend than against the trend.

15) Never expect corrective wave to be like A, B, C structure. Entire corrective wave (a-b-c) can even complete as just single impulse (or) Some cases even wave B formed like clear impulse or as gap up or down (or) Many time wave B or C never visible or formed. Hence, Retracement levels are important than the wave structure esp. for corrective wave. remember Wave B will be irregular (i.e. breaking below start of Wave A) only when Wave A is 3 Wave type. If wave A is

impulse, do not expect wave B to break below start of Wave A. Do not trade for Wave C, without any of the above said confirmation as you might be already in the impulse wave 3 or 5 (while you might wrongly think that it is wave B).

Resistance or Support Identification:

1) Recent Past Swing High and Lows

2) Elliot or Fibonacci retracement or projections - 23.6%, 38.2%, 61.8%, 78.6%, 100%, 123.6%, 161.8%

3) 20EMA, 50SMA, 200SMA on 1 Hour or Daily Chart

4) Every 100 Points & Last 2 Days Daily High, Low, Close

5) Retracement near VWAP

Trend Reversal Steps:

1) New 5mts Low during up trend or new 5mts High during down trend

2) 9MA cuts / crossover 20MA in 1 mts Chart

3) Price break of 9MA then 20MA in 5 mts Chart

4) 9MA cuts / crossover 20MA in 5mts Chart [strong indicator]

5) Price break 38% retracement from the recent swing high to low or low to high

6) Price break of VWAP [very strong indicator]

7) RSI below 20 or above 80 in 1 hour chart [weak indicator, but works at times]

Bullish or Bearish Indicator Levels:

1) Price trades above or below 9 EMA

2) Price trades above or below 20 EMA

3) 9 EMA & 20 EMA converging & cross over from Bearish to Bullish [or Bullish to Bearish]

4) Price Trades Above or below 50 SMA or 200 SMA is very Bullish or Bearish, Otherwise it might act as Resistance or Support during retracement

5) Price, 9EMA, 20EMA Trades Above or Below VWAP shows overall Bullishness or Bearishness