===>Praise The LORD JESUS<===

Very Important Concepts:

LOSS FACTOR

* **Trade Against Trend**
* **Overnight Position**
* **Not Booking Profit**
* **No Trailing Stop-loss on Profit / Loss**
* **Overtrade**

ENTRY & EXIT

* **Buy or Sell near 20 SMA or between 20 and 40 SMA.**
* **200 MA Cross Over by 20 EMA in 2\*\*, 5, 15 mts Chart + Price match MAs**
* **Trend-Candle / Line chart - HTHB LTLB - 15 mts or 3 x 5 mts.**
* **Stop-loss => Strong Rev Close above or below 40 SMA / 20 SMA\*\* (or) Retracement of position initiation or previous candle H/L (or) Break Prev Swing H/L**
* **Profit Booking / SL => Far away from 20 SMA & Break of Previous candle Low or High (or) more than 50% of Wide Range candle**
* **OBR - Gap and First 5 or 10 mts Candle not broken Trade Gap Direction, If broken then Trade for Reversal**
* **MA Combo - Price [Line Chart] matches 9 or 20 EMA in 5 mts + Trend + matching MA slanting [Optional factors >> 9 EMA Cross overs 20 EMA + WVAP]**
* **Entry - Pull Back(PB), Complex PB, Test S/R, Break Out - PB, BO - Failure**
* **Support / Resistance - CPR, Pre Day / Curr Day, Recent Swing / Open - High Low**
* Dominant number of candle - Green or Red always decided the trend side
* After 3 or More same Color Candle in a row - then Change of Candle Color (or) Bottom or Top Tailing [at least half the candle must be tail - half or less body] (or) Both & near 20 SMA (or) faraway from 20 SMA indicate Reversal. More than 5 candle, Violent reversal is eminent esp. faraway from 20 SMA
* Micro - Exit on faraway from 20 MA when previous candle low or high breaks
* Macro - Exit only when previous Swing low or high is broken or a Wide Range Candle faraway from 20 MA

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, if bet value should be less than 30% 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
* Trend, Trend Line Pattern, Previous / Current Day - High / Low, CPR, Bullish / Bearish / Neutral Candle, HT, HB, LT, LB, Double Top / Bottom, Complex Correction, Range Bound, Support / Resistance, Swings High / Lows, Fibonacci 38.2%, 50.0%, 61.8%, 100%, 123%, 161.8%.
* Best Indicator is LT LB HT HB, CPR, Previous Day H / L, how price behaved in recent past Swing H/L to find Resistance and Support, support near Moving Averages & CPR / Virgin CPR
* Whenever Price trades within the CPR or Virgin CPR or Previous Day High / Low, it always respects it as S/R, if price trades out side this range S/R is identified by recent past Open Candel & Swing High / Low. Break o ith 5m candle close, not just by wicks
* Overtrade, not following - LT LB HT HB or Resistance / Supports. Trade only on confident moves avoid trading during consolidation and identify patterns
* Failed to Book Profit or Consider recent Double Bottom or Double Top (20 points Range), LT LB HT HB reversal, Open Candle / Swing / Day / Previous Day - High / Lows & CPR and Recent Virgin CPR
* Failed to considering Open Candle and Day High / Low candle break, took overnight without thought
* 9 EMA 1 Hrs chart provides support and gives opportunity to enter the trend side trade
* On huge profit, failed to book - 75% profit and keep only 25% overnight with well thought and Max Overnight limit - 61% of Daily limit. After 2:00 pm on Expiry max exposure should be 30%
* NO counter Trend overnight position, Trend side can be jackpot
* Up moves continues like a shock fall and slow recovery and move past day high and vice versa for down fall
* Consider if price trades above CPR / Previous day High is bullish and below CPR / Previous day Low is bearish
* With RSI can be at higher level (70 ~ 85) or lower level (30 ~ 15) for much longer time say a week and market may move 7% or more
* Book Profit near every important R/S, rebuy only when it breaks
* If Global markets are of strong up or down trend, Indian market also will follow it even with delay of 3 or 4 days lag.
* Limit over night position esp on Friday avoid overnight position as you may not know what may happen over weekend
* Every Entry / Exit - Reason is must, should be at S/R or Stop-loss
* Trend may last for 2 or 3 days Max, there will be some recovery after that.
* HT HB LT LB, Recent past Resistance Support is far superior than RSI, with RSI above 70 or below 30, market can move more than 7% [700 points Ref 27 May 2020 above RSI 70 & 700 points down in below RSI 30 in 1-Hrs Chart], RSI can stay longer above 70 or below 30 even mom
* Always keep hedge for overnight large position
* Near expiry do not hold overnight far away contracts, hold at the money or first out of money on last two days (Tuesday and Wednesday)
* Less confident overnight positions can be 33% of Daily Limit, High confident overnight position can be Max 70%of Daily betting limit, Book Profit on 2x, 3x Profit and Keep only Max 70% of daily limit Over night as Premium will fall back quickly especially for weekly contracts
* Always check for 50.0 ~ 61.8% ReTracement, Project 100% Target
* View 1 minute chats to understand LT LB HT HB and Its Tend Continuation or Reversal
* Remember every component of CPR provides Supports or Resistance

Elliot 1-2-3-4-5 a-b-c, RSI, VWAP, 9 EMA, 20 EMA, 50 EMA, 100 SMA, 200 SMA in 5 minutes, 15 minutes, 1 hrs., Daily Chart, Risk Management - Daily Max limit, Exposure - Intraday / Overnight - Trend Side / Counter Trend Side, Expiry - Stop-loss / Max loss, Stop Over trading / Emotional trading with confusion - Consolidation / Counter trend.

Bullish / Bearish / Neutral – Candle Based:

* Bullish trend if next candle closes above the previous candle range
* Bearish trend if next candle closes below the previous candle range
* Neutral if candle closes within the previous candle range
* Three Line Strike, Three Black Crows / Three White soldier, Morning Star, Evening Star

Bullish / Bearish / Neutral – Swing Based:

* Bullish – Higher Top Higher Bottom
* Bearish – Lower Top Lower Bottom
* Neutral – Range Bound Trading

Support / Resistance:

* Previous Swing Highs / Lows esp. in 15 minutes, 1 Hour or Day Chart
* Previous Two Days High / Low
* Trend Lines connecting peaks and troughs
* CPR levels or CPR Cross and close from above or below shows strength in that direction, even if reverses immediately
* Fibonacci levels - Primary: 38.2%, 50.0%, 61.8%, 100%, 123%, 161.8%, 261.8% and 423.6%, 461.8%
* Secondary: 23.6%, 78.6%
* Gap Open Level or Open Large Red or Green Candle Ends
* Every 100 points
* Range Bound Support / Resistance Levels
* 9 EMA, 20 EMA, 50 EMA, 100 SMA, 200 SMA in 5 minutes, 15 minutes, 1 hrs., Daily Chart (Good for Entry into the Trend side with Green or Red candle close in Trend side)
* RSI above 80 or 20 in 1 hrs. chart. Weak Indicator, market can move 500 points with RSI staying higher above 70 or below 30
* Retracement near VWAP
* Buffer: Nifty – 15 Points & Bank Nifty – 50 Points

Initiate Position / Profit Booking / Stop loss / Reversal:

* Near important Support or Resistance with Double Top or Double Bottom or Failed Complex Correction
* Candle Based – Bullish or Neutral to Bearish (or) Bearish or Neutral to Bullish
* Swing Based – Break of Previously formed Higher Bottom or Lower Top
* High degree Slanting higher or lower 9 EMA with 20 EMA crossover in 5mts Chart after Horizontal EMA consolidation
* Single or Couple of Strong Candle close in Opposite side and well below or above previous multiple Trending side candle [or more than 50% retracement of very large Trend side Candle] with Extreme RSI above 80 or below 20 in 15 minutes /1 hour chart
* During strong Trending moves till it breaks 20 EMA or 9 EMA cross overs 20 EMA in opposite side

Exposure Limits:

* Trend (Intraday) : 100%
* Trend (Overnight) : 33 ~ 70%
* Counter Trend (Intraday) : 50%
* Counter Trend (Overnight) : 0%
* On Expiry 2:00pm : 33%
* Trade Money - 1/5 of Total Reserves Value [Say Trade only with 20k if you have 100k]

Rules:

* Consistent Profit with less risk can be achieved by booking profit near Important Resistance or Support identified during Consolidation days (or) Maximum profit with high risky can be achieved by holding till momentum exists during Strong Trending days
* Do NOT Trade AGAINST the Larger TREND, Trade with Trend - Buy on every dip or Sell on every raise aligned with the Trend, Do NOT hold overnight position in counter Trend direction, hold overnight position (30 to 60%) in Trend side only for Jackpot as Tend will continue ferociously. Do not hold more than 60% of overnight position, as Gap in opposite side may wipeout to nothing. Probability of Market move along with impulse side or larger trend side is more than corrective side, Option have great value appreciation on unexpected / larger trend side than the expected / counter trend side. Market can crazily go to any extent along the Trend side, When 1 Hour RSI is between 70 to 80 extended bullish move will happen or RSI between 30 to 20 extended bearish move will happen
* During Strong Trend Hold Profitable position as long as possible and reap maximum profit by holding as long as Trend continues in 5 minutes [Bullish or Neutral Candle for Upside] or [Bearish or Neutral for Downside] until till Reversal happens
* Some times market move falsely in opposite side for a Good or Bad News, but subsequently it vehemently React to the News appropriately.
* Large Move Pattern => 1) Consolidation within a tight range 2) Multiple Failure to break important resistant or support with very fast and threatening move in opposite direction and slowly recovers 3) Break out happens with less speed move 4) Fast correction or pull back near important Support or Resistance to threaten inexperienced traders to close Trend side position out of fear, S/R usually gets support at 9 EMA in 1 hour chart, Hold Overnight Trend side position as next day it will break the S/R strongly 5) Final Stage Huge Gap and Extended move beyond anyone’s expectation [Free fall or Free Up move], hold position Till Trend reversal is confirmed and reap maximum profit in this stage [usually when 1 Hour RSI is usually between 70 to 80 or 30 to 20]
* Do NOT OVERTRADE or Do NOT Take position somewhere in the middle during Consolidation or for Counter Trend like buying and selling Calls / Puts meaninglessly with just assumptions [not near any Support or Resistance] and lose the booked profit, Reversal Trade only when double bottom or double top or Failed Complex correction is formed with a couple of Candles with opposite side near Support or Resistance, But Trend side you can enter anytime as early as possible or During correction to moving averages with Candle confirmation of Trend continuation. It is very RISKY to take Counter Trend or Consolidation during Strong Trending move as you may not know when Trend will continue vehemently (unless Trend exhausted and weakness with consolidation)
* Stop loss Exit Trade only when Last Lower Top or Higher Bottom breaks in opposite side (or) break of previous Swing High or Low (or) A Large Candle or Couples of Candle moves in opposite side and closes above or below multiple previous trend candles.
* First Time important Resistance or Support are always respected, 2nd or 3rd time it may hold or break swiftly during strong Trending day, so wait for reversal or break out confirmation
* Do not Trade for the first 10 minutes, as Market fluctuates too much and become unpredictable and also premium drops so fast. Analyze the first 5mts candle and decide trade patiently. First 45mts is usually creates multiple swings so book profit near every S/R levels
* After 2:00pm on Expiry - Expose only 25% of Trade money and swift movement will wipe out premium to zero. (Both in the money or out of money position), Hence, keep strict stop loss for every position to fix maximum loss
* During Impulsive Move, make sure Wave 5 also completed, please avoid reversal Trading during wave 4 or 2 formation or take reversal trade only after multiple factors support it
* During Range Day trading => If range is small multiple times it may move between S/R, but if range is too large mostly it may hit the range only twice (one up one down only), so avoid reversal after second time if range is too large, Either range is small or large, identify the Trend line pattern like Triangles, Range bound, H&S, etc. and identify the Trade Opportunity
* Trend will continue => with Single Swing or with 3 Swing Complex correction pattern with fresh Lower Bottom or Higher Top Should be formed, Otherwise consolidation or reversal will happen. Trade for Reversal only when Swing 1 is broken after Double Top or Double Bottom
* Consolidation => Trend will become Consolidation when 3 Swing Complex Pattern does not form fresh Low or High, instead 4th Swing is formed
* Watch out for Price acceleration or deceleration, trend steepness, Impulse height and retracement depth
* 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
* Do not take position before an important event when premium is too high
* When a large Gap or Red or Green candle [ORB] is formed in the first 5 or15 minutes then the whole day will be in that direction unless it retraces more than 38% or 50%
* Book profit when prices reached 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 always take out initial investment
* Any day maximum loss should be limited to 38% of allocation limit for the day (say 20,000 is allocated for a day then max stop-loss should be 7,640). 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 lose money due to Revenge trading and emotional Trading.
* Once huge profit is achieved don’t bet the entire money and loss large value subsequently. Always trade for the amount fixed for that daily limit say 20,000.
* Do not increase the allocation after a loss trade, instead reduce exposure w.r.t the available amount allocated for the day
* Everyday be ready for both upside or downside or consolidation movement, do NOT trade market with your own expectations, instead validate each move with Technical Factors
* Experience shows aligning Elliot Wave direction and projection based on Larger Trend, Trend Line, CPR, Previous Day High / Low, Swing High / Low, Important Resistance / Supports Moving Averages, 1 Hour RSI 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]
* Check for holidays for every weekly expiry contracts
* Usually weak 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 believe, Market moves to unbelievable levels
* Exit option position on every important resistance or support and rebuy on pull backs or end of correction, so that option profit can be booked at peak value and rebought at lower price
* Corrective may not always look like A-B-C structure. Entire corrective wave (A-B-C) can complete as single impulse (or) some cases even wave B formed like clear impulse or as gap up or down. Retracement levels are important than the wave structure esp. for corrective wave. If Wave B will be Irregular (i.e. breaking the start of Wave A) only when Wave A is 3 Wave type. If wave A is impulse, wave B to may not be Irregular (breaking the start of Wave A). Do not trade for Wave C, without reversal confirmation as Impulse may continue strongly in the trending direction.

Lance Beggs====================== >> >

Your results will vary anywhere on the scale from consistent loser to consistent winner, dependent on:

1. Your ability to perceive the shifting forces of strength and weakness within the market, and place that within the context of higher timeframe structure, in order to identify the likely future direction of price action;
2. Your ability to identify areas of trade opportunity within that price action, and to time entry and exit decisions in order to minimize risk and maximize profit potential;
3. Your ability to trust yourself and your strategy, with sufficient confidence to allow you to take the entry and exit signals without hesitation.

All three of the above are a result of experience. They don’t come from reading this book. They don’t come from watching a video of me trade. They come as a result of getting in the market and trading; making mistakes, identifying them, learning from them, and improving.

Learning to operate in the uncertain market environment, is a process (or journey) of gradual improvement.

So, why will most fail? Simply, \*because they won’t last the journey! They’ll quit before they make it.

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