

# **CHECKLIST WHILE SCANNING PERFECT SETUPS**

## **STEP ONE - IDENTIFYING INSTTTUTIONAL**

### **1 IDENTIFYING INSTITUTIONAL VOLUME**



**RULE-COMPARE** 1 MIN CHART OF 4-5 DAYS AND SEE WHETHER TODAYS VOLUME IS EXCEPTIONAL OR NOT, IS IT SATISFYING OUR CRITERIA OR NOT

**COMMON MISTAKE-** TRADERS DO NOT COMPARE 4-5 DAYS INTRADAY VOLUME AND JUST BY LOOKING AT ONE DAY CHART THEY TAKE DECISION AND FAIL MISSEABLY

## 2 KEY LEVELS



**RULE-** PLOT A KEY LEVEL TO 1<sup>ST</sup> VALID INSTITUTIONAL CANDLE IF THAT GETS BREACHED AND BECOMES INVALID THEN LATER ON WHICHEVER VOLUME WILL COME BECOMES KEY LEVEL TILL THE MOMENT IT VALIDATES

**COMMON MISTAKE-** TRADERS DO NOT FOLLOW THE RULE AND PLOT KEY LEVELS TO WRONG CANDLE

### 3 VALIDATION OF KEY LEVELS



**RULE-** WHEN KEY LEVEL GET BREACHED IT SHOULD BE BREACHED PROPER WAY WITH FOLLOWING INSTITUTIONAL VOLUME

**COMMON MISTAKE-** EVEN IF STOCK BREACHED KEY LEVEL WITH SMALL VOLUME CONSIDER IT VALIDATION BUT IT'S WRONG AS WE WANT TO SEE WHETHER INSTITUTIONS ARE PRESENT OR NOT

## 4 RETAIL CANDLE



**RULE – SIZE OF THE CANDLE SHOULD BE ABSOLUTELY RETAIL SO THAT ACCUMULATION CAN BE CONFIRMED**

**COMMON MISTAKE-** STOCK COMES DOWN TO KEY LEVEL IN ‘A’ SHAPE TRADER CONSIDER THIS IN PERFECT SETUP BUT ACTUALLY WE REJECT THIS.

## 5 RETAIL VOLUME

**RULE-** THE RESPECTIVE VOLUME OF RETAIL CANDLE CAN BE DOUBLE TRIPPLE TO RETAIL BUT NOT HUGE

**COMMON MISTAKE-** TRADERS THINKS ALL CANDLE OF RETRACE SHOULD BE WITH RETAIL VOLUME, BUT ACTUALLY WE CONSIDER IF MAJORITY NO. OF CANDLES ARE RETAIL THEN WE CONSIDER IT AS FAR AS CANDLE SIZES ARE VERY SMALL OR RETAIL CANDLES

## 6 SLOP

**RULE – THE ANGLE OF COMING DOWN SHOULD NOT BE STIFF IT SHOULD BE SLANTING**

**COMMON MISTAKE – TRADERS CONSIDER ‘A’ SHAPE RETRACEMENT AND MAKE MISTAKES WE NEED TO CONSIDER SLANTING SLOPES**

## 7 REVERSAL



**RULE** – MOST CRUCIAL POINT AS IT WILL BE A ENTRY AND STOP LOSS TIME , STOCK SHOULD GENRATE REVERSAL FROM BOTTOM OF RETAIL RETRACEMENT BELOW LOWER LOW AND ANGLE SHOULD BE VERTICAL IT SHOULD LOOK LIKE “N”

**COMMON MISTAKE** – TRADERS CONSIDER BREAKING HIGH IS REVERSAL IT IS NOT , WE WANT REVERSAL FROM BOTTOM TO UNDERSTAND RETAILERS AT THAT LEVEL GOT EXHAUSTED

**RISK MANAGEMENT**-THE MOST IMPORTANT POINT OF ANY STRATEGY IS RISK MANAGEMENT AS IT IS DECIDE WHETHER YOUR ACCOUNT WILL BE RED OR GREEN AT THE END OF THE MONTH

**KEY RULE**-EQUAL STOP LOSSES FOR ALL TRADERS MEANS ID YOU DECIDE TO RISK 5000 PER TRADE THEN U SHOULD RISK 5000 PER TRADE SO THAT EVEN WITH 50% ACCURACY YOU SHOULD END UP IN PROFITS

**COMMON MISTAKE**- TAKING RISK OF 2000 IN ONE TRADE AND 10000 IN OTHER TRADE IF TRADE WITH 2000 RISK GIVES YOU PROFIT 1:3 THEN U WILL MAKE 6000 PROFIT BUY IF TRADE WITH 10000 STOP HIT STOP LOSS THEN YOUR DAY ENDS IN RED  
**INSTEAD IF TAKEN EQUAL RISK OF 5000 EACH YOU WILL LOOSE 5000 IN ONE AND MAKE 15000 IN OTHER**