

# Trading Strategy Report

By Rishabh Jain

## Introduction

In this report, I present a comprehensive trading strategy that combines three distinct technical indicators: open-close patterns, the Relative Strength Index (RSI), and moving averages. These strategies have been integrated to enhance my investment decisions and boost returns in the dynamic world of financial markets.

## Hypothesis

My hypothesis is straightforward: by leveraging the strengths of multiple technical indicators, I can make more informed and timely investment decisions. Each indicator offers a unique perspective on market conditions, allowing me to capture short-term price movements and longer-term trends.

## Strategy Components

### Open-Close Patterns

The first component of my strategy focuses on daily open-close patterns. By identifying bullish and bearish patterns, I aim to pinpoint optimal entry and exit points, especially in volatile market conditions. This component enables me to act swiftly in response to short-term price dynamics.

### Relative Strength Index (RSI)

The RSI indicator serves as a vital momentum tool. It helps me gauge market sentiment by identifying overbought and oversold conditions. When RSI values exceed 70, it signals potential sell opportunities, while values below 30 indicate potential buying opportunities. This adds an essential layer of analysis to my strategy.

### Moving Averages

The core of my strategy lies in the moving averages, specifically the 5-day and 20-day variants. These averages provide a longer-term view of price trends. A bullish crossover, where the 5-day average surpasses the 20-day average, signals a buying opportunity, while a bearish crossover suggests selling. This component enables me to navigate longer-term market trends.

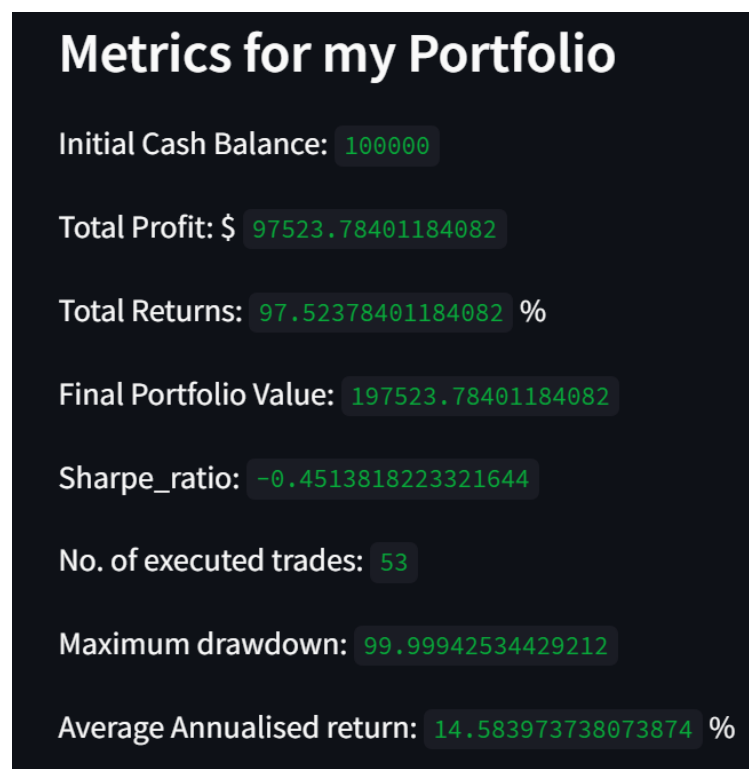
# Insights and Developments

Through this multifaceted approach, I have gained valuable insights into the intricacies of the financial markets. I've learned to adapt my strategy to evolving market conditions and recognize the significance of factors such as transaction costs and slippage.

## Performance

The performance of this strategy has been promising. To illustrate, the accompanying graphs depict stock returns and portfolio returns, showcasing the strategy's effectiveness.

MSFT stock:



NFLX stock:

## Metrics for my Portfolio

Initial Cash Balance: 100000

Total Profit: \$ 67620.9102935791

Total Returns: 67.6209102935791 %

Final Portfolio Value: 167620.9102935791

Sharpe\_ratio: -0.313596993667236

No. of executed trades: 63

Maximum drawdown: 99.99988219521053

Average Annualised return: 10.883171437294358 %

GOOGL stock:

## Metrics for my Portfolio

Initial Cash Balance: 100000

Total Profit: \$ 51243.14211654663

Total Returns: 51.24314211654663 %

Final Portfolio Value: 105.06362533569336

Sharpe\_ratio: -0.45052062362560275

No. of executed trades: 51

Maximum drawdown: 99.99943289484061

Average Annualised return: -74.63175189462949 %

AMZN stock:

## Metrics for my Portfolio

Initial Cash Balance: 1000000

Total Profit: \$ 45595.476318359375

Total Returns: 45.595476318359374 %

Final Portfolio Value: 145595.47631835938

Sharpe\_ratio: -0.4050279334633631

No. of executed trades: 56

Maximum drawdown: 99.99869863234397

Average Annualised return: 7.802684633224288 %

## Future Development

Moving forward, I plan to refine and optimize this strategy further. This includes exploring additional technical indicators, enhancing risk management techniques, and deepening my understanding of portfolio diversification.

## Conclusion

In conclusion, my multi-pronged trading strategy has proven to be a robust approach to navigating the complexities of the financial markets. By synergizing open-close patterns, RSI, and moving averages, I aim to achieve a well-balanced and profitable trading strategy that can withstand the challenges of the ever-changing financial landscape.