**🧭 YOUR STRATEGY BLUEPRINT**

**🎯 Step 1: Predict NIFTY & BANKNIFTY Direction (Market Bias)**

This is your **foundational filter**—only take trades that **agree with index bias**.

**✅ A. What to Analyze (Daily Routine - Night Before or Pre-Market)**

| **Factor** | **Tool/Source** | **Notes** |
| --- | --- | --- |
| **Global Markets** | S&P 500, Nasdaq, SGX Nifty, DXY | Use TradingView or Investing.com |
| **Previous Day’s Candle** | Price Action | Engulfing / Doji / Marubozu → shows strength or indecision |
| **Sectoral Strength** | Sector indices (NSE: BANK, IT, etc.) | Watch rotation: is banking leading or lagging? |
| **Pre-Open Bias** | Pre-market orders (9:00–9:08 AM) | Gap up/down, where heavy weights like HDFCBANK or ICICIBANK open |
| **FII/DII Flow** | NSE/BSE data or Moneycontrol | FII net selling = weakness usually |

**⛳ Output:**

Give a score like:

* **+1 for bullish**
* **-1 for bearish**
* **0 for indecisive**

Then sum the scores:

* **+3 or more → Bullish bias**
* **-3 or less → Bearish bias**
* **-2 to +2 → No trade / sideways**

**🎯 Step 2: Select News-Based Stocks**

**✅ A. Criteria to Pick Stocks:**

| **Type of News** | **Action** | **Examples** |
| --- | --- | --- |
| **Earnings Beat** | Long if Nifty is bullish | Adani Ports cargo up 25% |
| **Earnings Miss** | Short if Nifty is bearish | Natco Pharma loss |
| **New Contracts / Sales Jump** | Long | RITES NTPC win, Eicher Motors sales up 55% |
| **Dividend / Split / Buyback** | Long with caution | Deepak Fertilisers |
| **Negative News / Downgrade / Fines** | Short if Nifty bearish | Coal India production drop |

**❌ Ignore:**

* CSR news (scholarships, etc.)
* Minor partnership announcements unless with financials
* "General buzz" with no volume or price action

**🎯 Step 3: Align Trade Direction with Market Bias**

| **Market Bias** | **Stock News** | **Trade Direction** |
| --- | --- | --- |
| Bullish | Positive | ✅ Go Long |
| Bullish | Negative | ❌ No Trade or Short (only if very strong signal) |
| Bearish | Negative | ✅ Go Short |
| Bearish | Positive | ❌ No Trade or Watch for reversal |
| Sideways | Any | 🚫 Avoid or scalp only |

**🎯 Step 4: Technical Confirmation (Optional but Recommended)**

Use basic technical filters to **confirm your entries**:

| **Indicator** | **Usage** |
| --- | --- |
| **RSI < 30 (for long)** or **> 70 (for short)** | Check for oversold/overbought extremes |
| **MACD Crossover** | Trend confirmation |
| **Price above VWAP** | Confirms long bias |
| **Volume spike at breakout** | Entry confirmation |

Give each indicator a score (e.g., +1 for confirming, -1 for contradicting) and filter only trades with a minimum score (say +2).

**🎯 Step 5: Execution Plan**

| **Rule** | **Guidance** |
| --- | --- |
| Entry | Use 5-min chart; wait for first 15-min if possible |
| SL | Just below/above the first 15-min candle or VWAP |
| Target | 1.5–2x risk, or trailing SL on news-driven trend days |
| Position Size | Use **fixed risk per trade** (e.g., 1% of capital), or Kelly fraction |
| No Trade Zone | If index bias unclear or stock news is weak → skip |

**🧪 BACKTESTING + REFINEMENT**

To improve edge over time:

* Track results in Excel/Notion:
  + Date
  + Index bias
  + Stock
  + News type
  + Direction
  + Entry/Exit
  + Win/Loss
  + Comments (why it worked/didn’t)
* After 30–50 trades, analyze:
  + Which **news types** work best
  + Which **stock sectors** are most responsive
  + Does **index prediction** align often enough to justify inclusion?