

25 DAY TRADING STRATEGIES IN NIFTY & BANK NIFTY

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CHAPTER -1

**PSYCHOLOGY & TYPES OF BUYERS &
SELLERS IN THE MARKET**

PSYCHOLOGY OF BUYERS & SELLERS IN THE MARKET

The role of the marketplace is to facilitate trade between buyers and sellers.

Price will auction higher and lower as it attempts to find an area where trade can be easily facilitated.

If price opens too low, it will auction higher to find sellers, and if price is too high, it will auction lower to find buyers.

Price continually moves higher and lower in search of the best value to both buyers and sellers.

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PSYCHOLOGY OF BUYERS & SELLERS IN THE MARKET

Buyers will enter the market when they feel price is below value, while sellers will enter the market when they believe price is overvalued

Novice trader are a smart shopper in the everyday marketplace, but become a completely different person when trading in trading stock market.

Instead of waiting on value, as they did with shopping, they pull the trigger at the wrong time, buying when the market is overvalued, and selling when the market is undervalued.

The concept of value is easily understood, but consistently applying it to the market occurs with experience and practise.

TYPES OF BUYERS & SELLERS

A buyer that enters the market when price is below value is considered as a Responsive buyer

Same way, a Responsive seller waits until price is above value before entering the market with sell orders.

Responsive buying and selling will typically drive price back toward the mean, sending price toward an area that is considered fair value by the market

An initiative buyer enters the market when price is at or above value. This type of buyer is taking the initiative to push price to a higher value area

This type of buying would cause other buyers to enter the market in big numbers, causing price to explode to new heights.

Along the same lines, an initiative seller enters the market when price is at or below value area

This Initiative seller is taking the initiative to push price to a lower value area.

Compared to responsive, Initiative participants have a greater say on the price movement of the market.

CHAPTER -2

**THREE(3) TYPES OF NIFTY & BANK NIFTY
CHART STRUCTURE**

NIFTY & BANK NIFTY STRUCTURE

The first step in identifying your bread and butter setups is knowing the types of market days that you will see time and again in day trading.

Once you can identify the type of market day that is developing, you can then identify which of your setups you need to deploy.

Trading has always been about pattern recognition well in time before it happens in the market sometimes even before market opening.

The best traders can quickly identify the pattern of the market, which allows them to visualize where price is headed and they already prepared with their order with target and stop loss.

Looking at previous day price action and current CPR, previous day CPR, other important levels like support resistance etc can help in anticipating structure of market for that particular day.

THREE(3) TYPES OF NIFTY & BANK NIFTY CHART STRUCTURE

Every market day is unique, every market day is an extension of the previous day and extension of previous few sessions.

Once you've mastered the types of trading days that occur in the market, you will be able to anticipate Trends, Reversals, Breakouts etc with a high level of accuracy and authority.

Trading is a game of repetitions. Traders that can consistently trade the best repetitions are those that have mastered the markets, as they history repeats itself patterns repeat itself.

Some of highly successful traders exclusively trade two or three setups in day trading, but they will continuously wait for these setups with big volume and make a big money in the market.

Focus on playing the best patterns/setups at the right times while using strict risk management techniques

The best traders are those that can quickly identify the pattern and successfully deploy their capital at the right location and the best price.

TYPE 1 . TRENDING DAY

Trend Day is the most aggressive type of market day.

On a bullish Trend Day, market opens usually at the day's low, while the close usually marks the day's high

On a bearish Trend Day, open equals to the day's high, while the market will usually close near the day's low

The market will typically start fast on this type of day and the farther price moves away from value area

Initiative buying or selling is the reason for this type of market day

These types of trending days only occur a few times a month



TYPE 2 . SIDEWAYS DAY

Sideways day occurs when both buyers and sellers are actively auctioning price back and forth within the day's range, which is usually established by the day's **Initial balance (IB)**

The Initial balance(IB) is generally defined as the price range of the first one hour of the day

Initial balance high (IBH) and the initial balance low (IBL) as important points of reference in order to facilitate trade between buyers and sellers.

Responsive buying or selling is the reason for this type of market day

These types of trending days occurs very frequently in a month



TYPE 3 . REVERSAL DAY

Reversal days also called as a Trapping days, where initially it looks like a Trending days but suddenly market reverses and traps the Traders.

Initial balance(IB) generally wide on these type of days but sometime it can be narrow or average also.

On this type of day, price reverses and rallies or drops sharply to begin move in one or other direction.

On hindsight, reversal days looks like trending day but it is reversal because first candle will be opposite of what market is turned out to be.



CHAPTER -3

ROLE OF PIVOT POINTS & CPR IN DAY TRADING

ROLE OF PIVOT POINTS & CPR IN DAY TRADING

Pivot points are extremely powerful price-based support and resistance levels that are calculated using a prior period's high, low, and close.

Pivots mark boundaries on your chart where price likely to have support/resistance which offers you a frame work to trade on.

Part of what makes the Pivots so exceptional is the fact that they are based purely on price, It is this fact that gives pivot traders a huge advantage over other types of indicator-based traders.

Also are pivots plotted on chart even before market opens so you know where is your support and resistance on your chart.



TYPES OF PIVOT POINTS

Pivots are many types, like,

- 1) Traditional (Standard) Pivots
- 2) Fibonacci Pivots
- 3) Woodies Pivots
- 4) Camarilla Pivots

But I use, only Standard(Traditional) Pivots which is most commonly used worldwide.

Daily pivots are more powerful than weekly or monthly pivots (I give importance to daily pivots and very rarely use weekly pivots or monthly pivots for my trading)

Pivots are stagnant on chart, it is same for 5 min/15min/30 min or1 hour TF

Market generally trades between S2 and R2 pivots (most of the time, not always) very rarely go beyond R3/R4/S3/S4 etc

Central pivots(PP) is the most respected and powerful among all the pivots.

CPR (CENTRAL PIVOT RANGE)

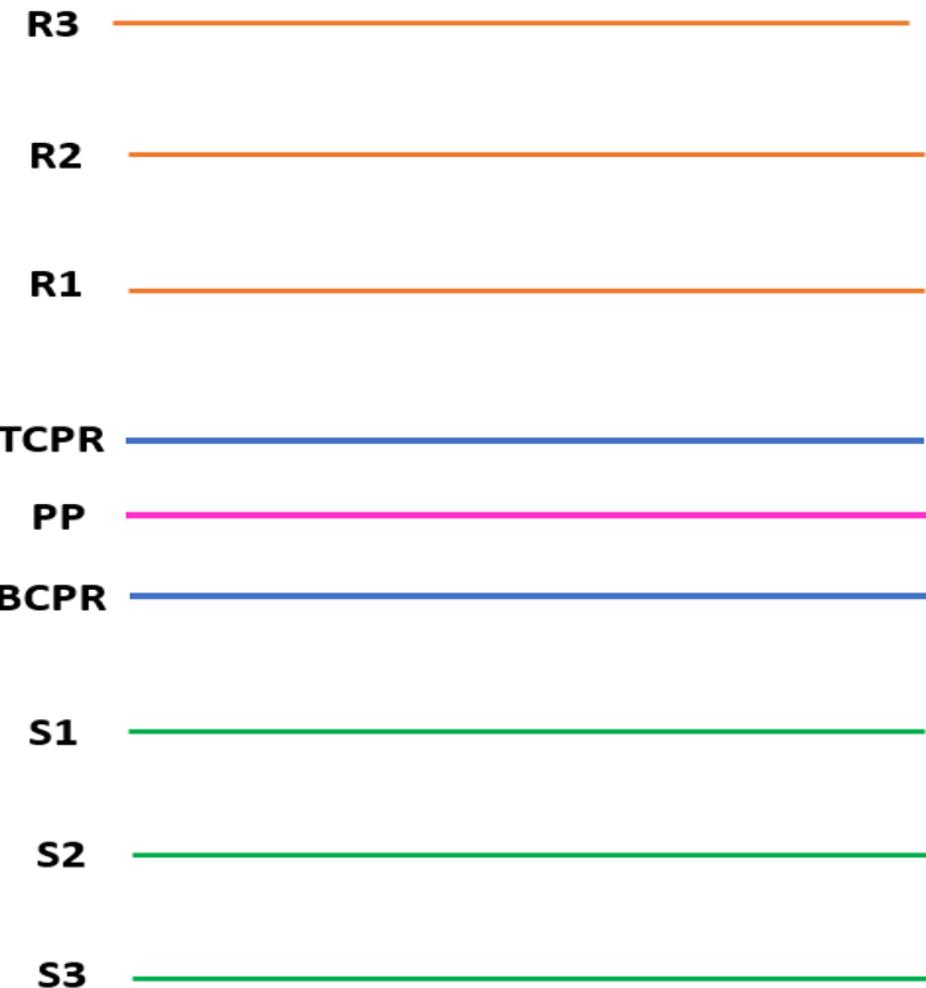
The Central Pivot Range (CPR) is the most powerful part of the pivot points.

Some call CPR range as meat of the market, while others refer to the central pivot point as the heartbeat of the market.

Just like pivots this also nothing but a support and resistance on the chart also it can be called as value area.

CPR can also forecast trending or sideways price market, can also dictate the day's direction.

CPR is like a magnet on the chart where price gets attracted towards it.



CHAPTER -4

HOW TO ANALYSE MARKET WITH CPR IN DAY TRADING

WIDE CPR (WIDE CENTRAL PIVOT RANGE)

Wider the CPR range, it is most likely sideways day.

More wider the CPR most difficult for price to penetrate that region.

Wider the CPR means previous day market had made a very big move.

Most of the breakouts are false breakouts on wide CPR day, so look for sideways day or reversal day on wide CPR day.

Any methodology in Trading is a probability and not certainty, so this method is not always true; therefore, use it as a guideline.



NARROW CPR (NARROW CENTRAL PIVOT RANGE)

A tight narrow central pivot range can be dynamite sometimes.

A tight pivot range is telling you the previous day was consolidating or sideways day, which usually leads to a big day on current day.

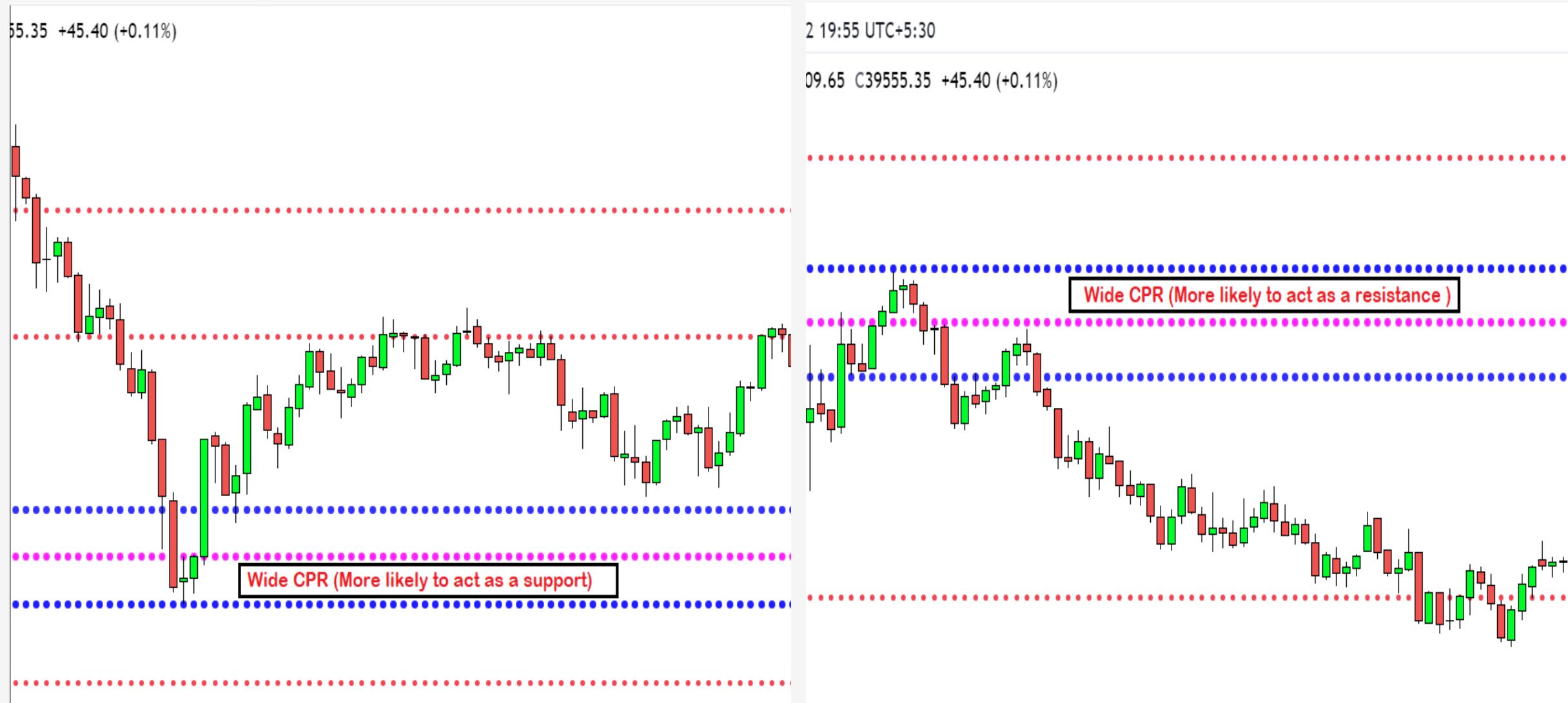
If CPR is too narrow it's easy for price to penetrate and narrow CPR has high rate of trending days.

Narrow CPR days most of the time leads to trending day, but if on narrow CPR day market stays sideways then next day most of the time are trending day.

Any methodology in Trading is a probability and not certainty, so this method is not always true; therefore, use it as a guideline.



More wider the CPR, more difficult for price to penetrate, so wider the CPR, more powerful support/resistance on the chart

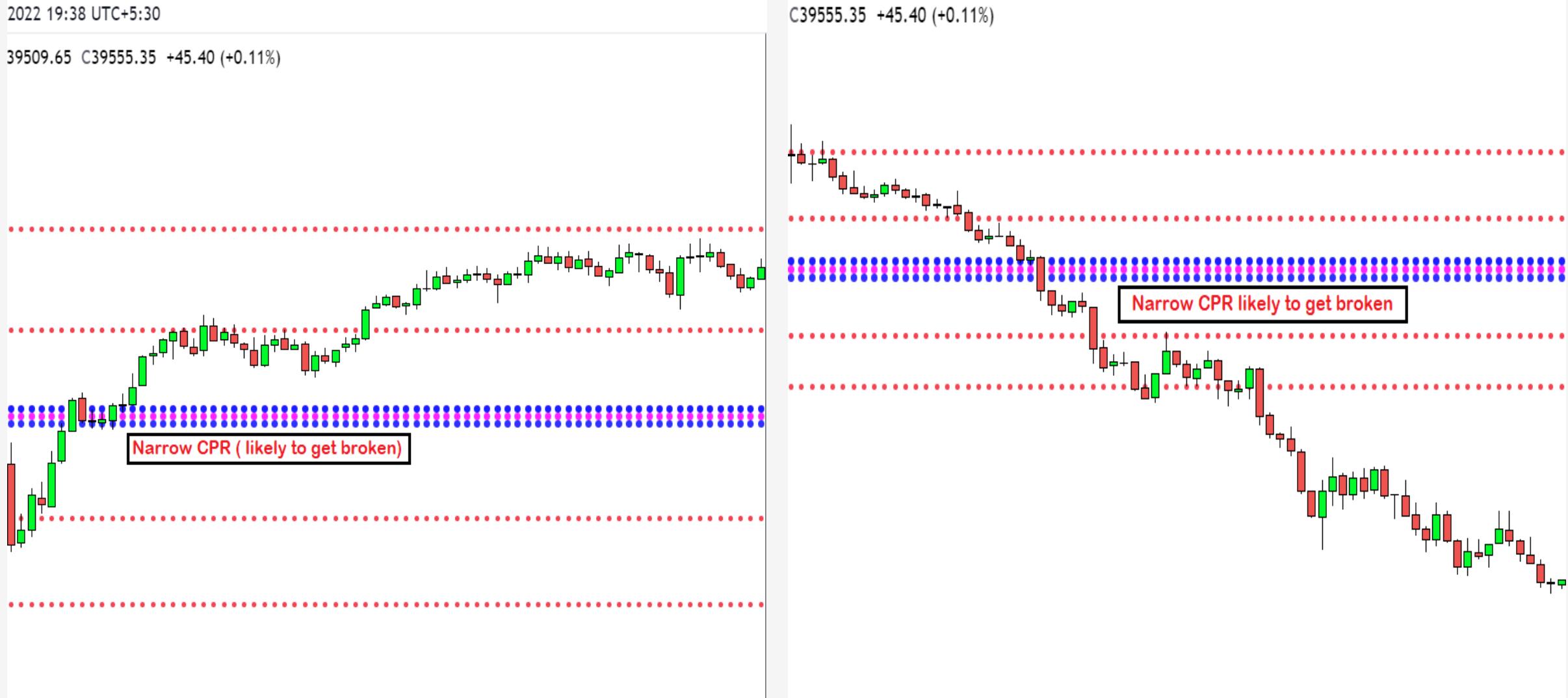


Narrower the CPR, more easy for price to penetrate, narrow CPR can be weak support/resistance on the chart

2022 19:38 UTC+5:30

39509.65 C39555.35 +45.40 (+0.11%)

C39555.35 +45.40 (+0.11%)



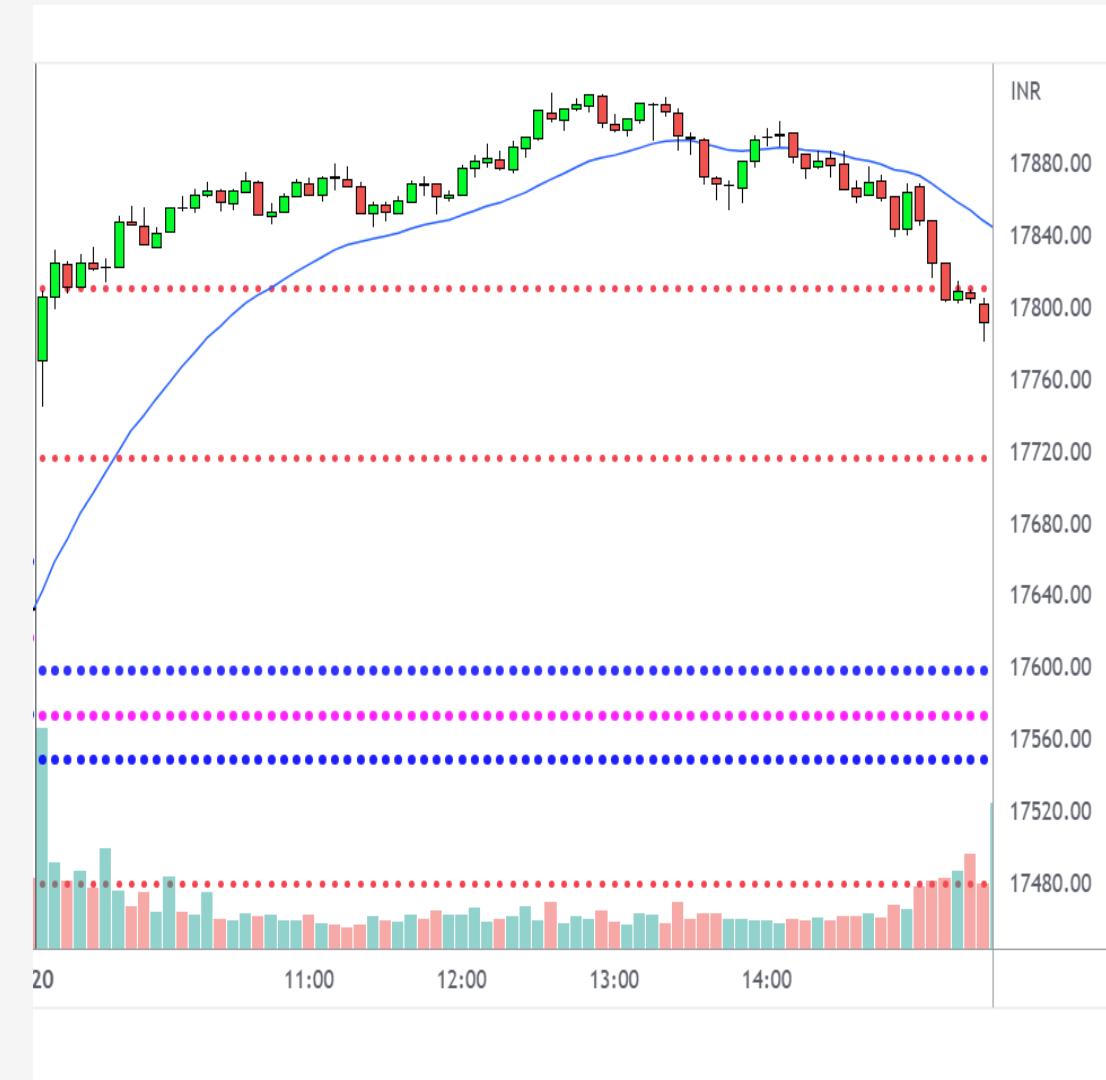
VIRGIN CPR (VIRGIN CENTRAL PIVOT RANGE)

A CPR level that was never touched during its session of origin is called a Virgin CPR.

These levels have importance because the market will typically see these levels as it an unfilled gap that must be filled at a later point in time.

These levels also become important support & resistance when they happened within a trend, as a pull-back to a virgin level will usually offer a solid entry back in the direction of the trend.

Wide Virgin CPR is more powerful than a narrow Virgin CPR but Virgin CPR is stronger when its new(5-6 days), it becomes weaker and weaker as it becomes older.



Formula for Pivot Points & CPR (central pivot range)

Formula for Pivot Points

Pivot (P) = (previous High + previous Low + previous Close) / 3

(R1) = (2 x PP) – Low

(S1) = (2 x PP) – High

(R2) = PP + (High – Low)

(S2) = PP – (High – Low)

(R3) = High + 2(PP – Low)

(S3) = Low – 2(High – PP)

Formula for CPR (Central pivot range)

Pivot (P) = High + Low + Close /3

BCPR = (High + Low)/2

TCPR = (Pivot – BCPR)+ Pivot

(some time BCPR(Bottom CPR) can be above TCPR(Top CPR) and vice versa)

CHAPTER -5

WHY PRICE ACTION IS SUPREME IN TRADING

What is Price action Trading?

Price action is a method where a Trader takes a decision based on actual price movement by candle to candle movement on the chart (not based on any indicators like RSI/Bollinger bands/MACD/Stochastic etc)

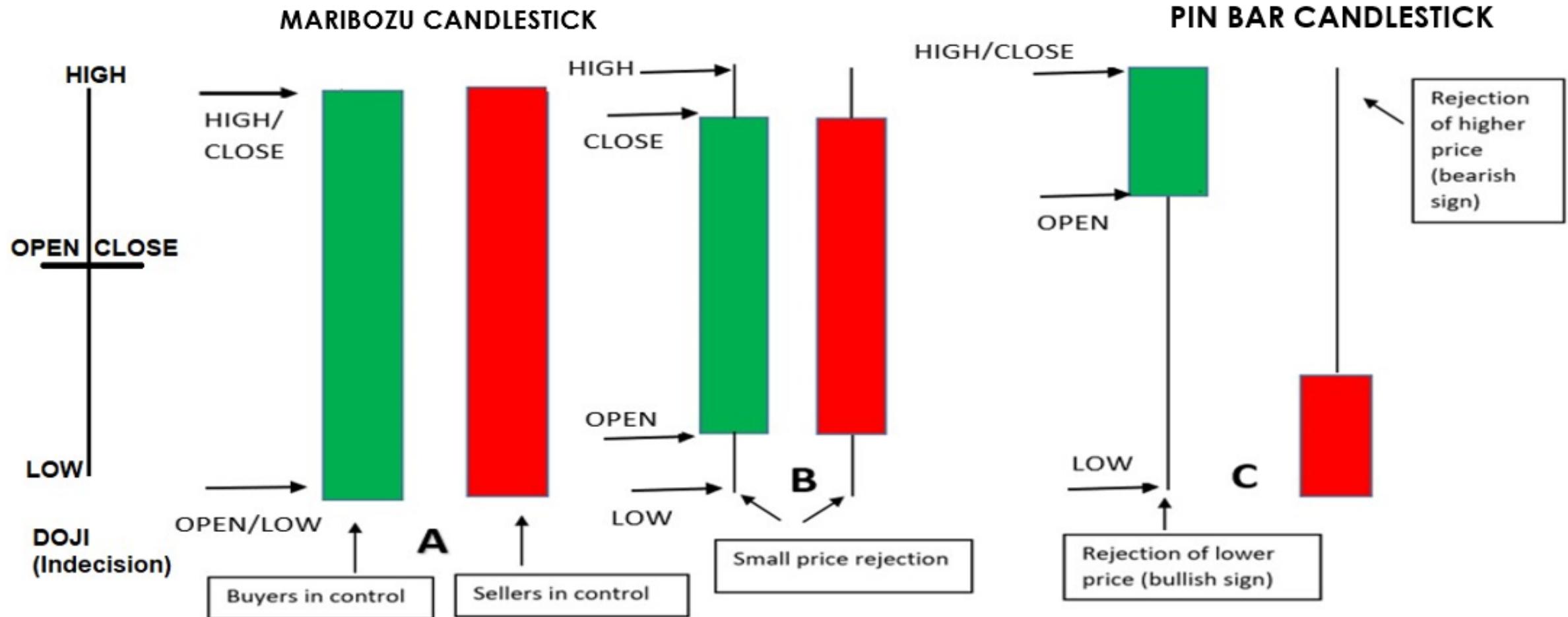
Traders use different charts(Bar charts/line charts/points & figure/Market profile etc) to spot and interpret trends of the instrument.

Price action and patterns keep repeating because it is created by human beings, and we all are creators of habits and emotions, so they say patterns repeats again and again.

Candlestick charts are most popular because they help better visualize price movements by displaying the open, high, low and close values in the context of up or down sessions.

Just like any methods in trading price action also not 100% accurate, but it gives high probability trades compared to indicators which are lagging and which itself follows the price, so price action is called supreme in trading.

IMPORTANT CANDLESTICK PATTERNS



PRICE RESPECTING THE SUPPORT LEVELS

viki301 published on TradingView.com, Sep 22, 2022 11:17 UTC+5:30

NIFTY BANK, 1D, NSE 038111.60 H38397.10 L37943.85 C38276.70 -710.45 (-1.82%)

DAILY TIME FRAME

INR

40000.00
39500.00
39000.00
38500.00
38000.00
37500.00
37000.00
36500.00
36000.00
35500.00
35000.00
34500.00
34000.00

37951.75

Jun

20

Jul

18

Aug

16

Sep

19

Oct

17

Nov

viki301 published on TradingView.com, Sep 22, 2022 11:18 UTC+5:30

NIFTY BANK, 15, NSE 038252.85 H38358.25 L38249.90 C38346.85 +97.20 (+0.25%)

15 MIN TIME FRAME

INR

39400.00
39200.00
39000.00
38800.00
38600.00
38400.00
38200.00
38000.00
37800.00

37951.75

23

12:00

24

12:00

25

12:00

26

12:00

29

12:00

PRICE RESPECTING THE RESISTANCE LEVELS

viki301 published on TradingView.com, Sep 22, 2022 11:34 UTC+5:30

Nifty 50 Index, 1D, NSE O17609.65 H17708.25 L17567.10 C17595.50 -122.85 (-0.69%)



viki301 published on TradingView.com, Sep 22, 2022 11:39 UTC+5:30

Nifty 50 Index, 15, NSE O17572.95 H17604.15 L17567.10 C17595.95 +23.10 (+0.13%)



CHAPTER -6

**THINGS TO PREPARE BEFORE MARKET
OPENING.**

Things to prepare before market opening

Chart analysis based on multiple timeframes

- 1) Look for over all Global market trend, importantly see SGX Nifty current trading price which can give likely opening for Nifty (Refer Moneycontrol.com)
- 2) Look for overall trend of Nifty & Bank Nifty on bigger time frame (Refer daily TF and 20 EMA line)
- 3) Mark PDH and PDL and see if it is also equals to Supply and Demand Zone (5 min TF)
- 4) Look for other important Supply and Demand Zones on charts (Refer 5 min or 15 min TF)
- 5) Look for Swing high and Swing low and also Gaps (Refer Daily TF)
- 6) Mark current day CPR and analyse whether it is wide or narrow or average(5 min TF)
- 7) After marking both Nifty& BN charts visualize where market will open(through SGX Nifty) and analyse CPR width to know which kind of market structure likely to happen, and also look if there is any Support or Resistance near the market opening (like Pivots, CPR, Supply/demand, PDH,PDL Swing high/swing low, Gaps etc)

(Finally remember If there are any Events/News in the market then all these levels and price action etc may not work, because whenever there is any News/Events, market just moves based on the news and will be very volatile, so keep a track of news/events through any news based apps)

Look for overall trend of Nifty & Bank Nifty



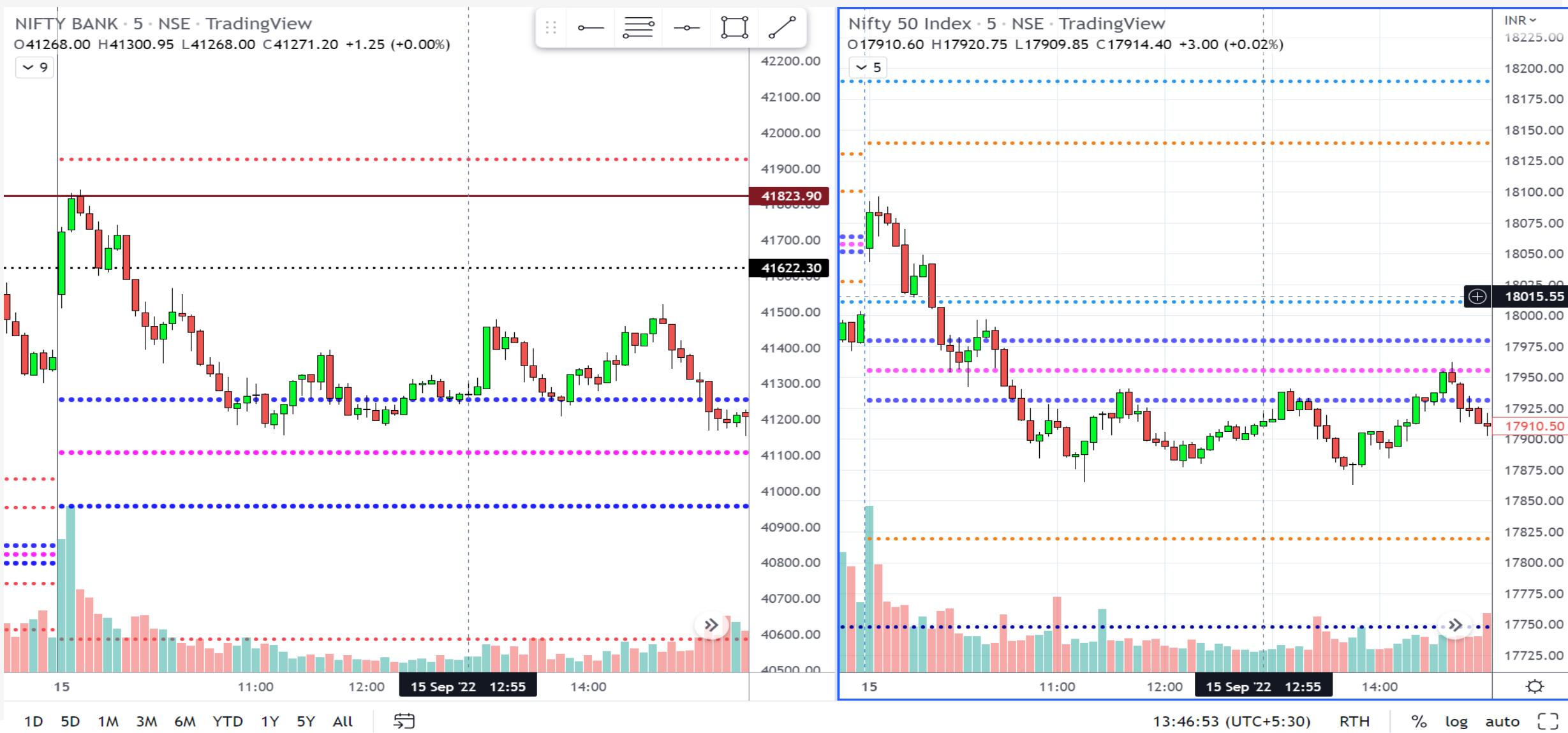
Chart before market open



How market reacted to those levels on the chart...



Co-relation of Nifty & Bank Nifty movement



CHAPTER -7

STRATEGIES FOR TRENDING DAYS

(9 STRATEGIES)

POINTS TO REMEMBER BEFORE APPLYING ALL THESE 25 STRATEGIES

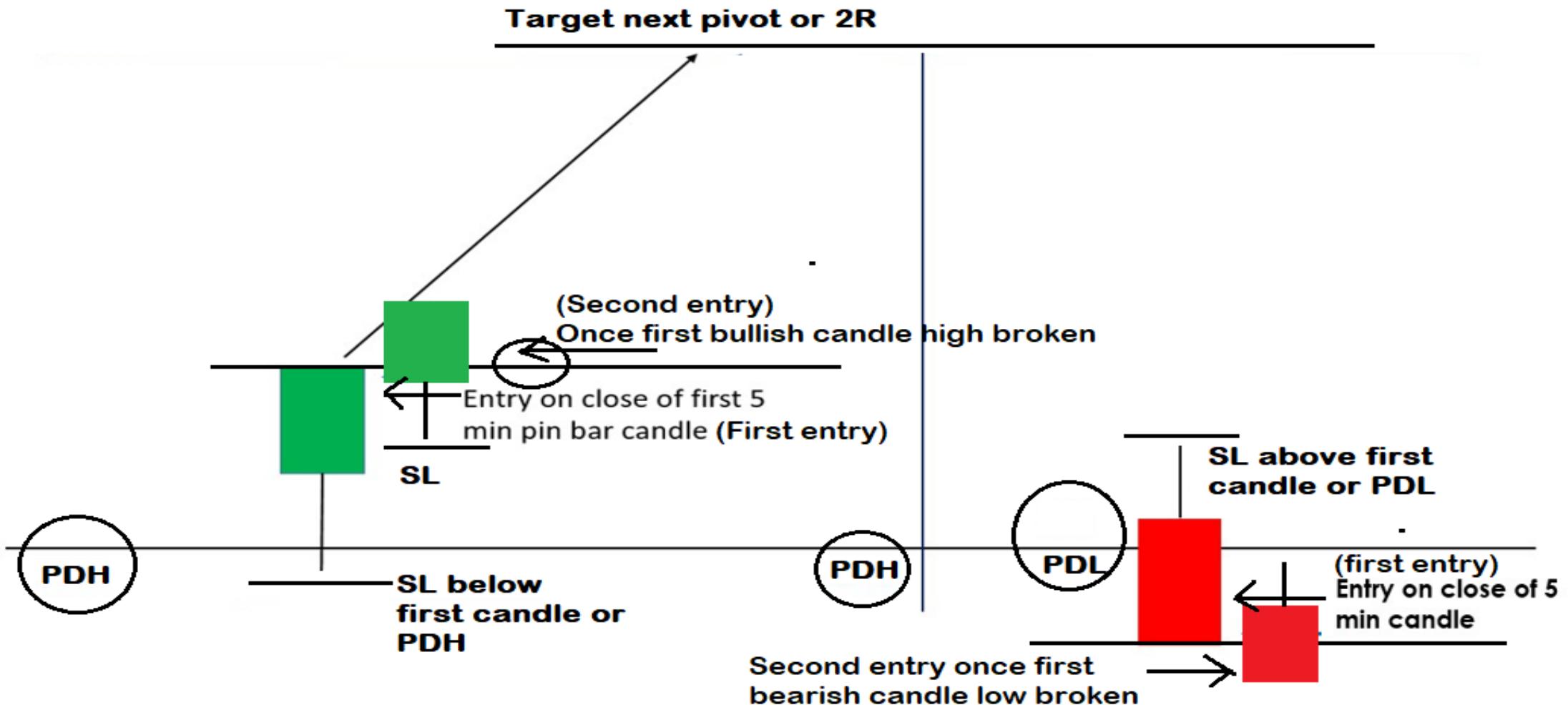
These 25 day trading patterns are not holy grail patterns, just that it is high probability patterns (no guarantee that every time it works, so SL is a must before taking the trade)

Trading itself is a probability, not certainty. Trading is not exact science, so **SL(Stop Loss) is a must In each and every trade you take.**

Do good amount of back testing of at least 1-2 years before applying these strategies, any strategies works even 50%-60% of the time means it is a good strategy provided you follow strict risk reward of 1:2.

It is highly recommended to start with a **paper trading for few days** until you feel confident and get consistency in trading with these 25 day trading patterns.

1. OD(OPEN DRIVE) PATTERN



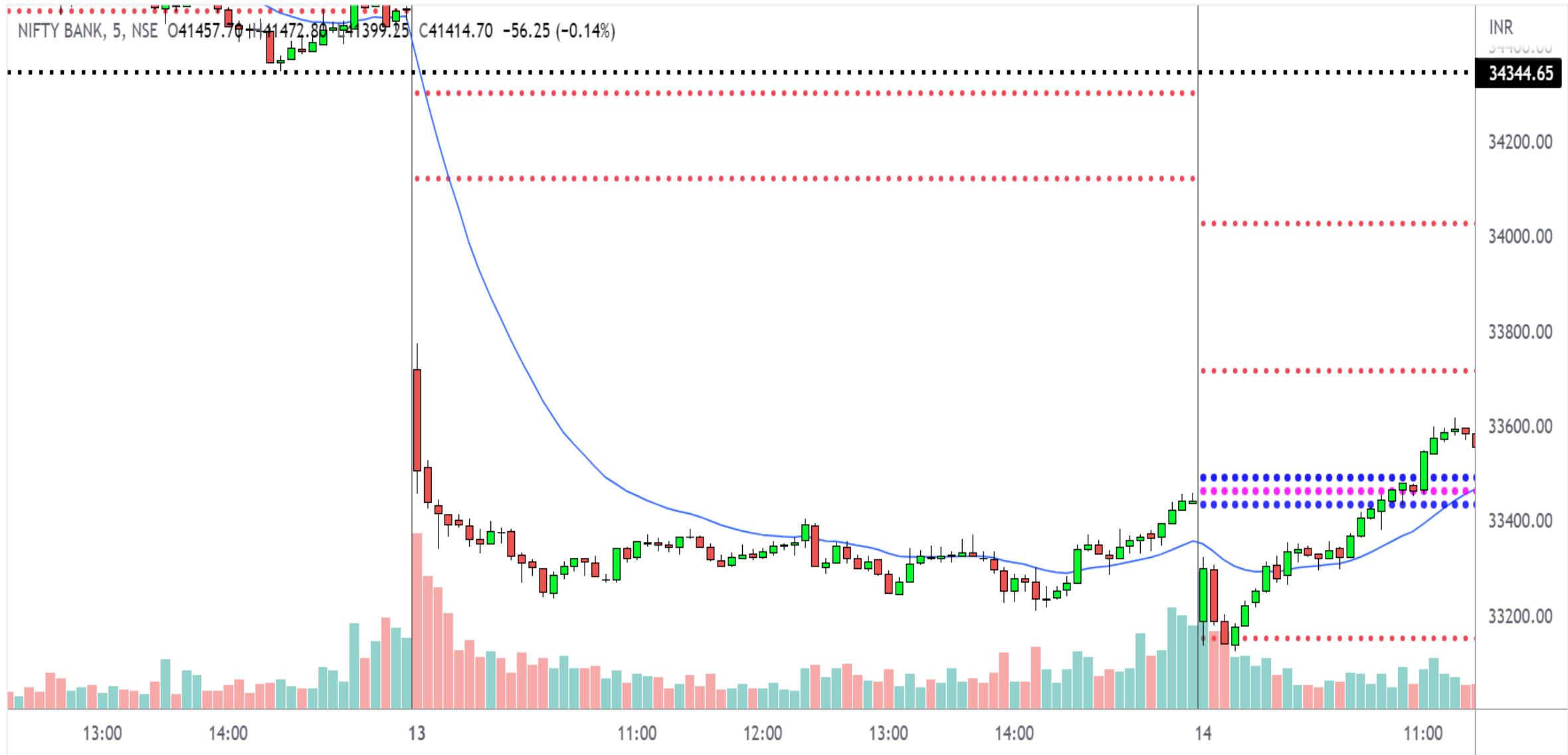
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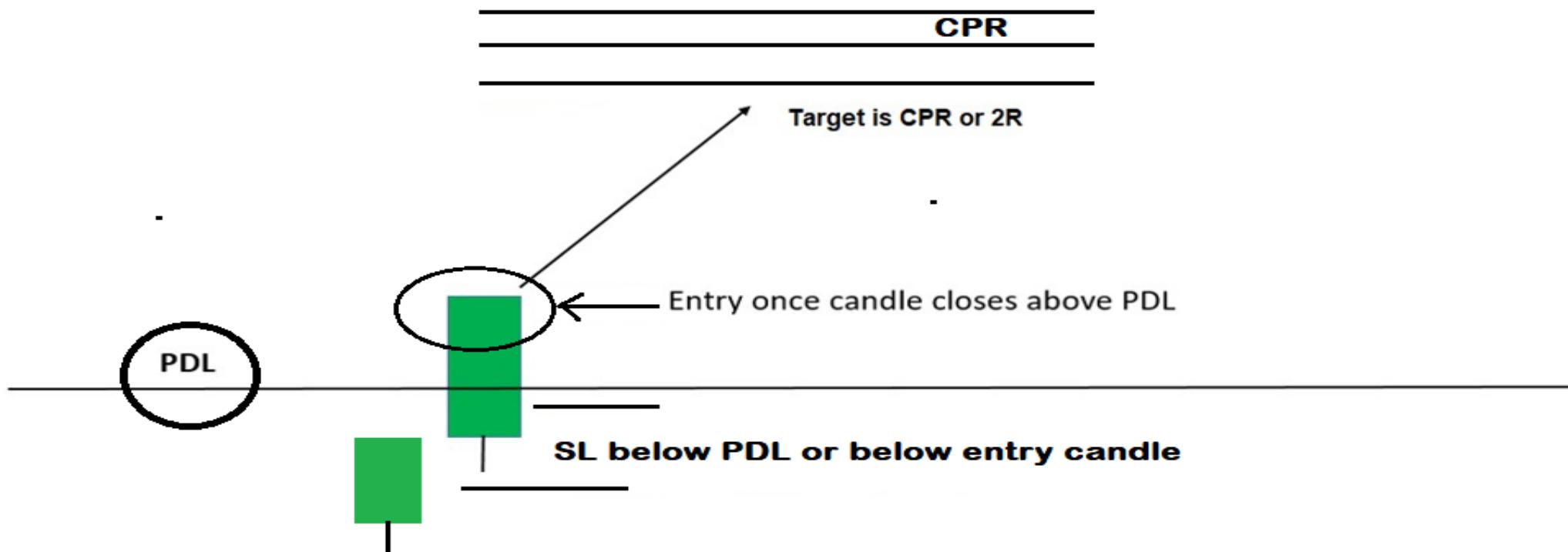
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2. MORNING STAR PATTERN



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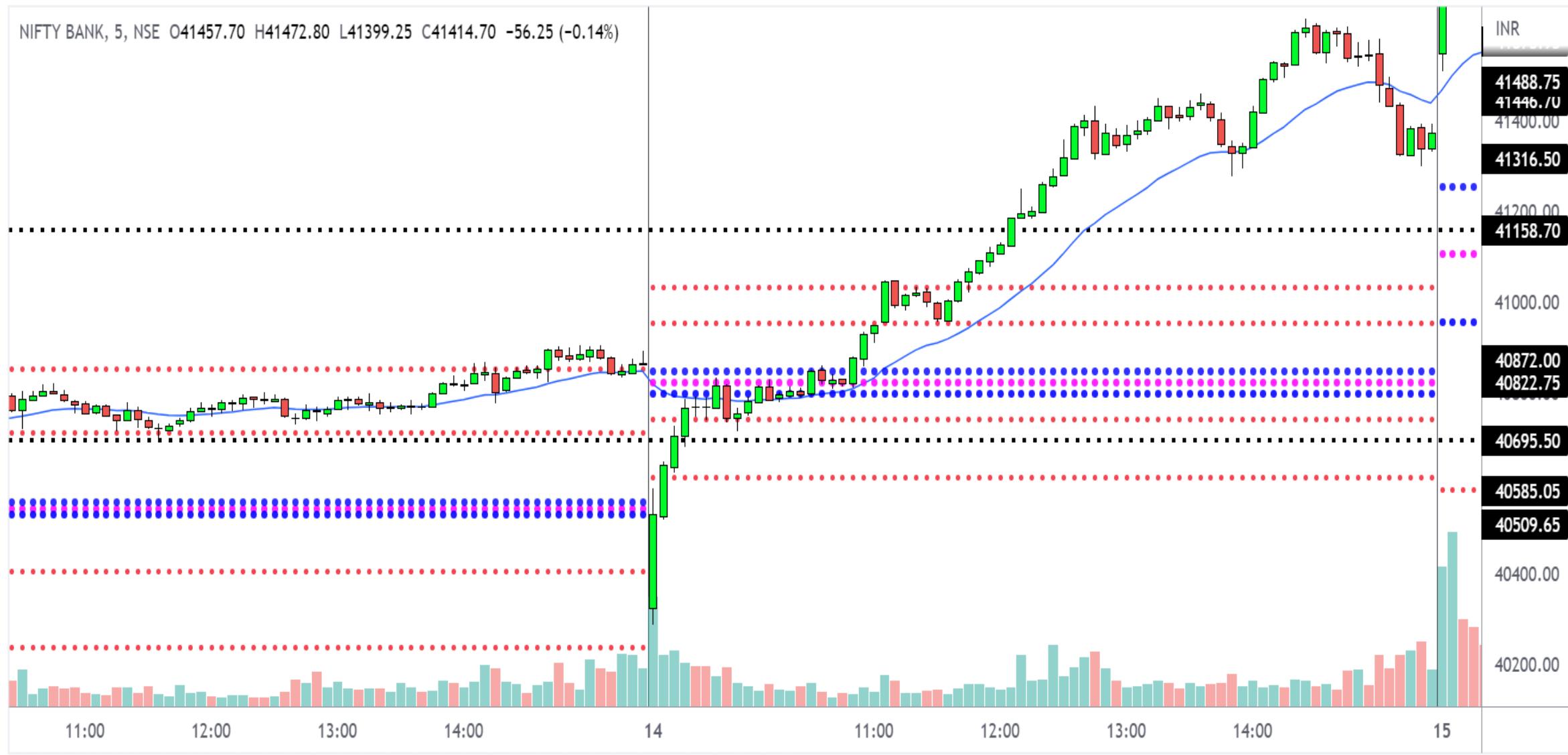


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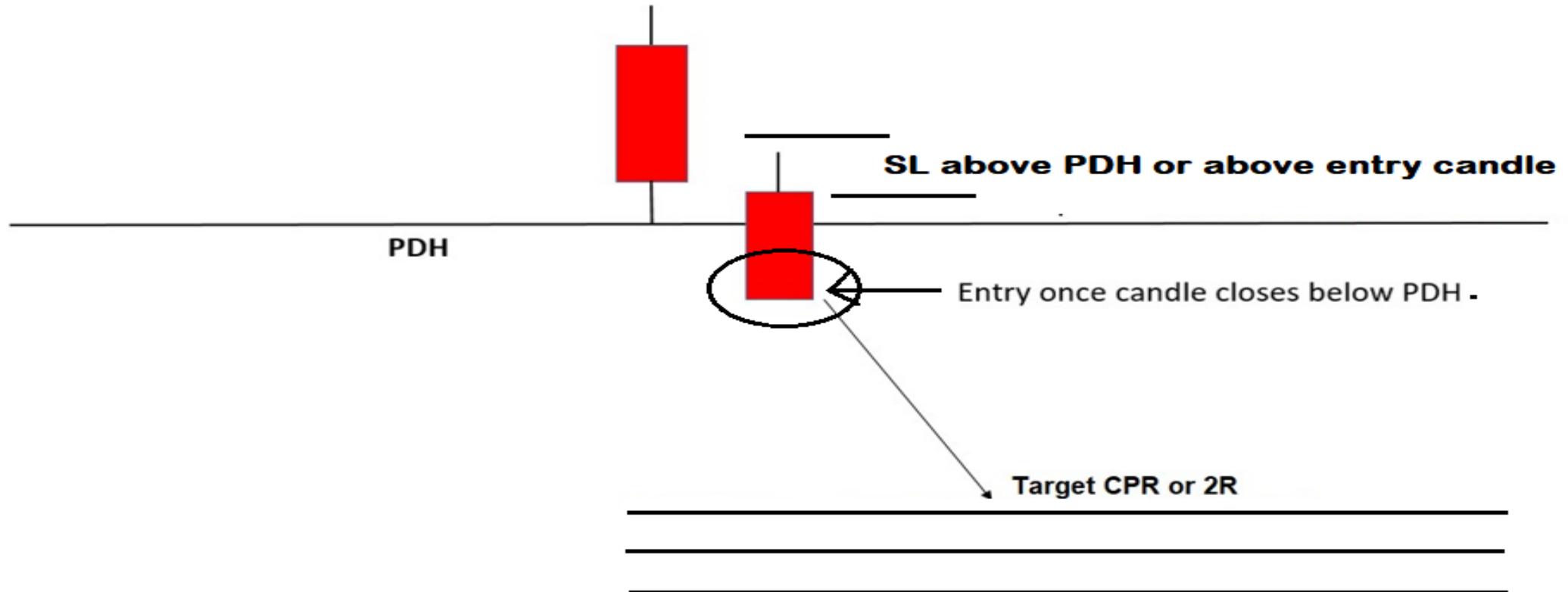


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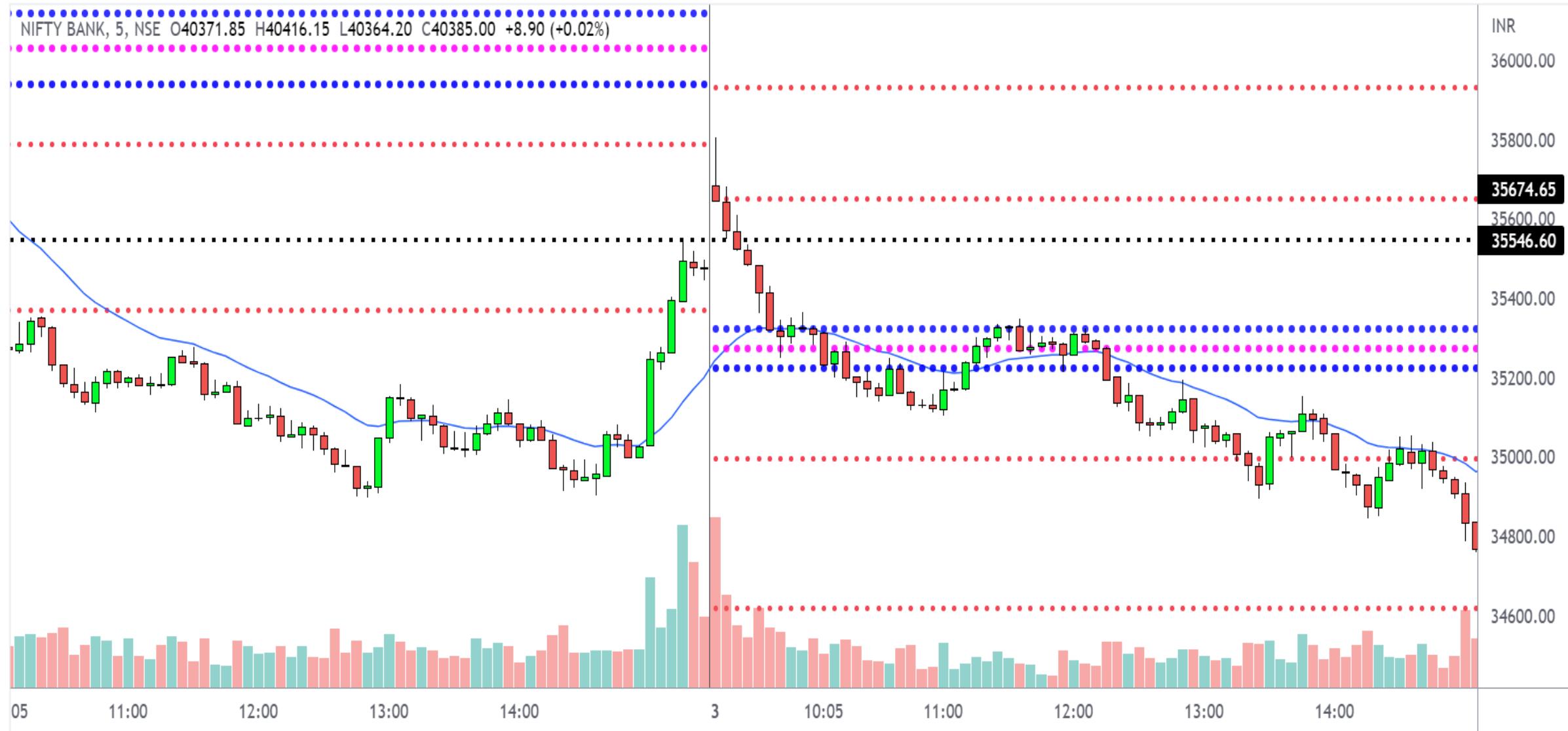
NIFTY BANK, 5, NSE 041457.70 H41472.80 L41399.25 C41414.70 -56.25 (-0.14%)



3. EVENING STAR PATTERN



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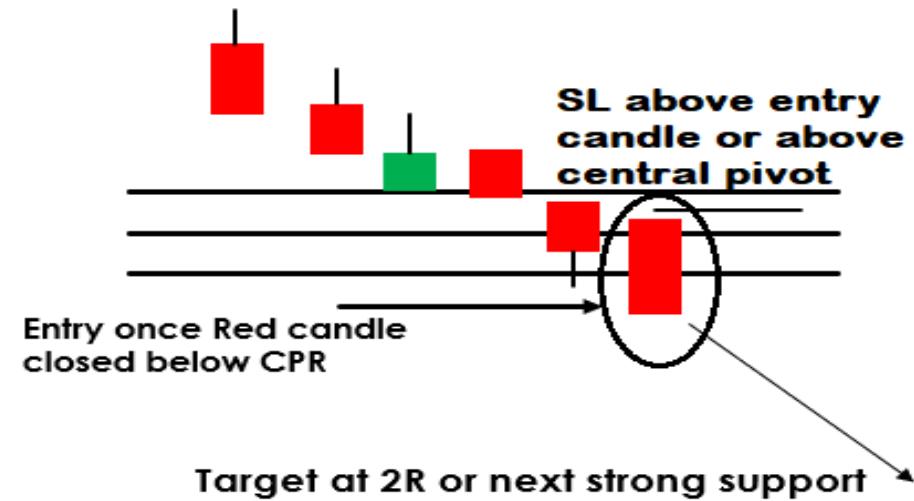
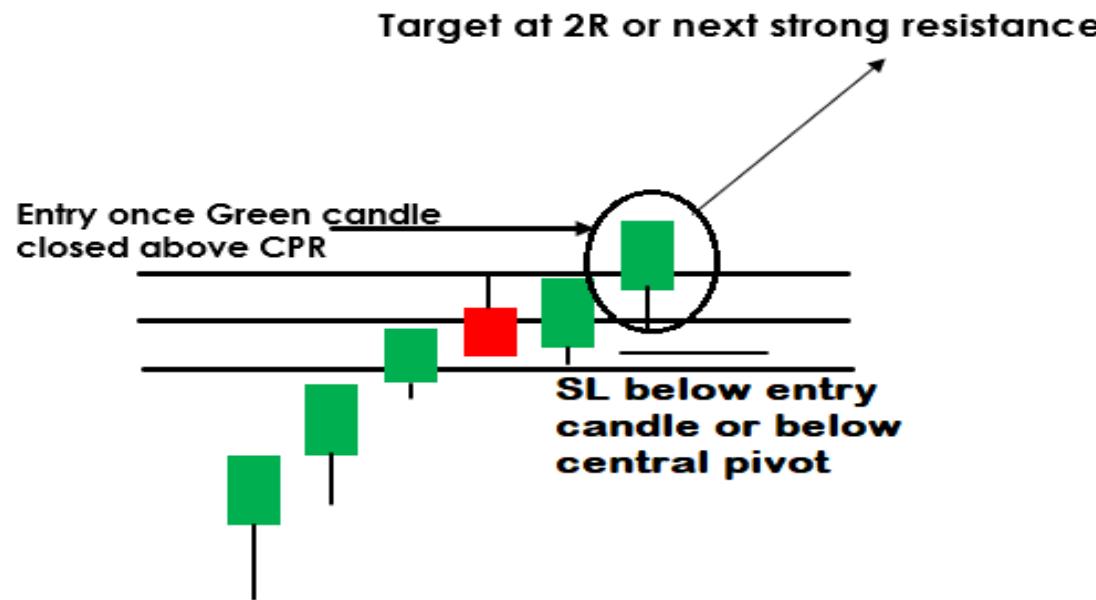
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4. CPRBO(CPR BREAKOUT) PATTERN



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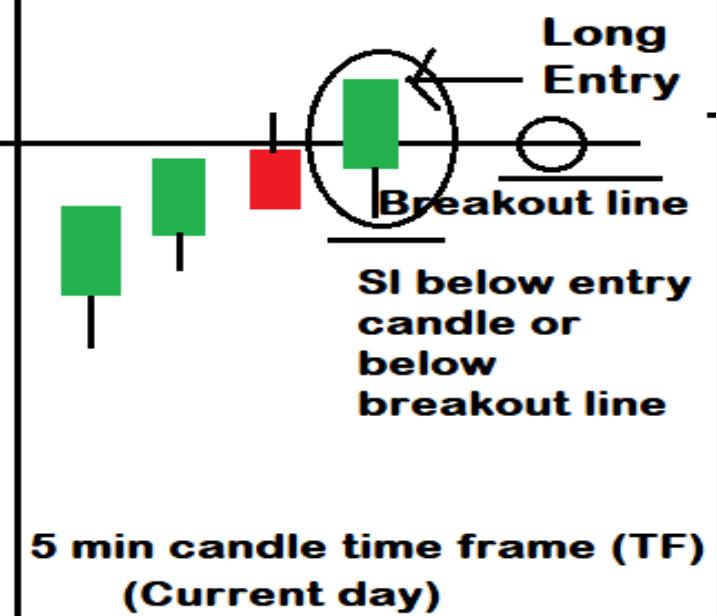
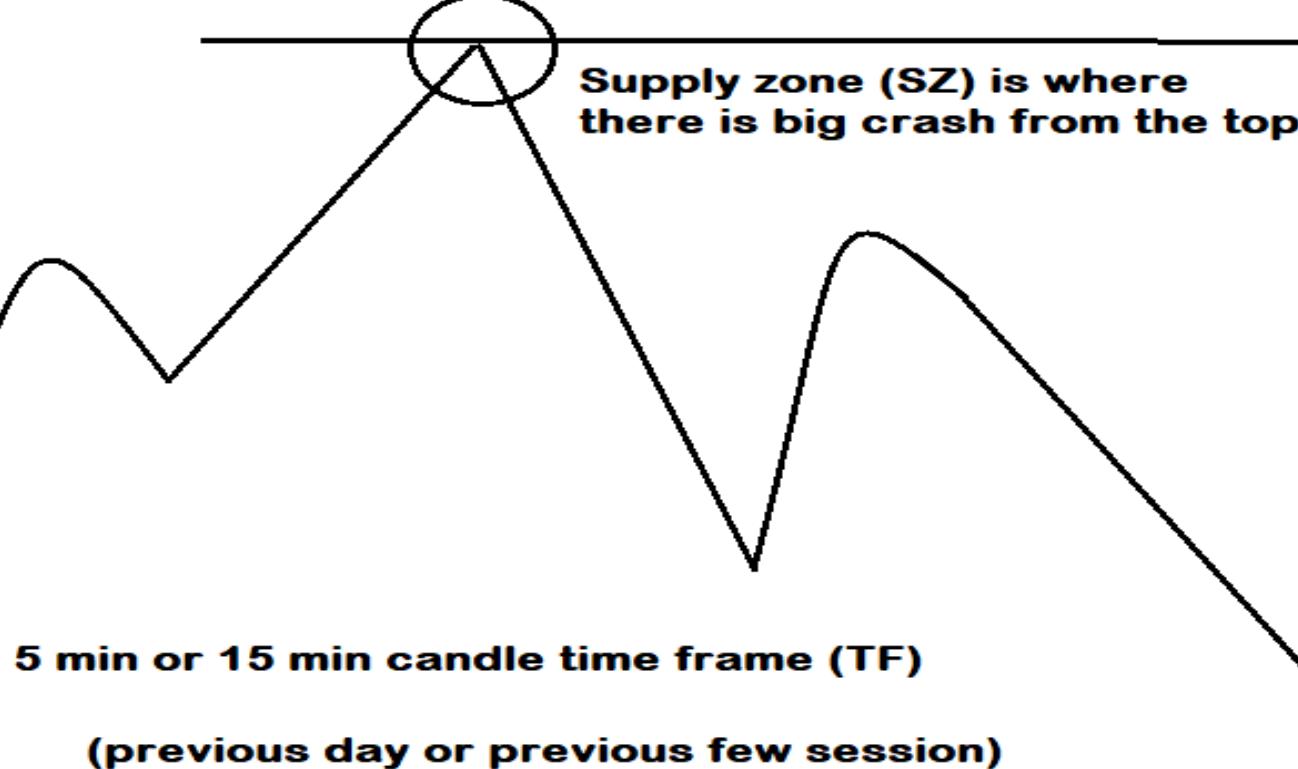
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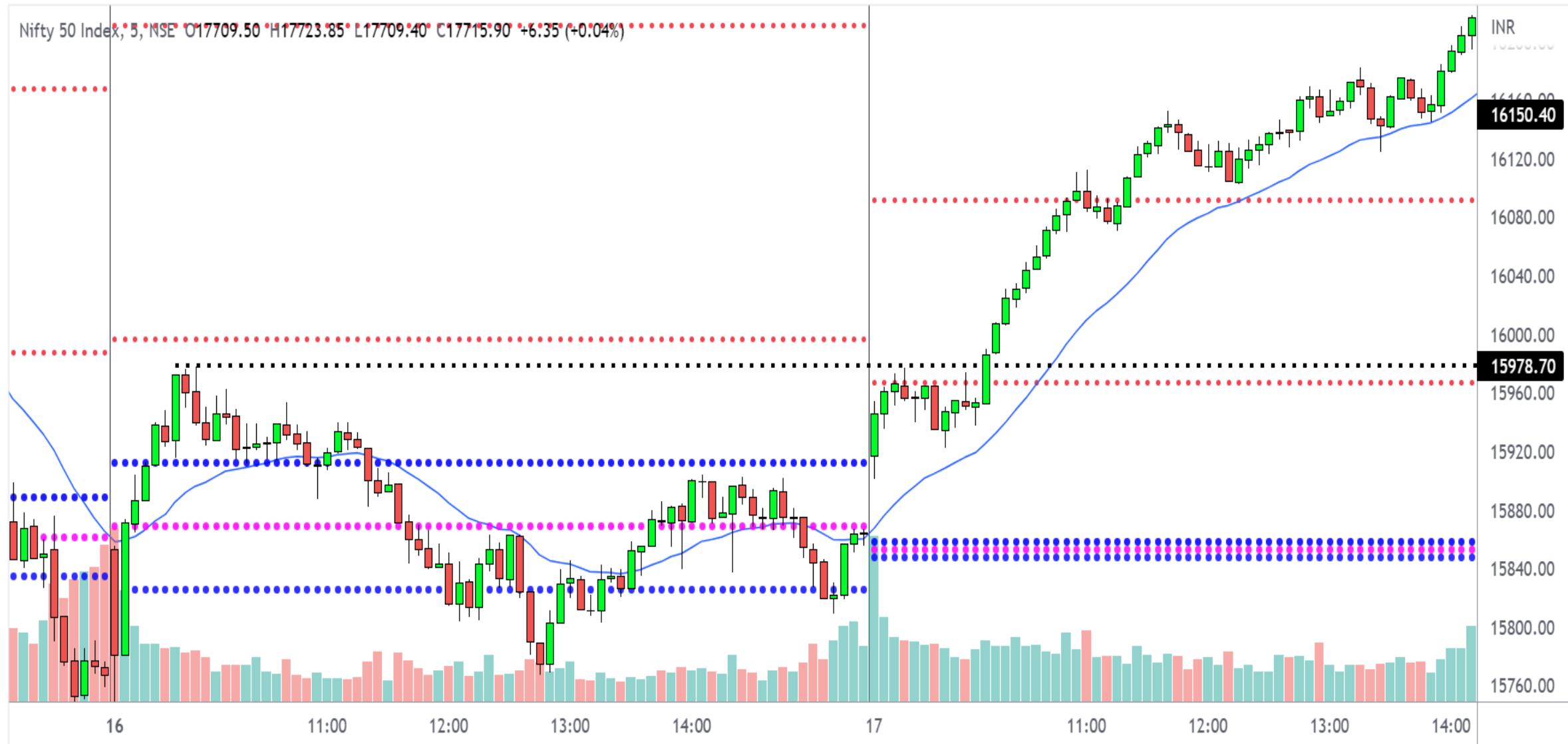
5. SUPPLY ZONE BREAKOUT PATTERN



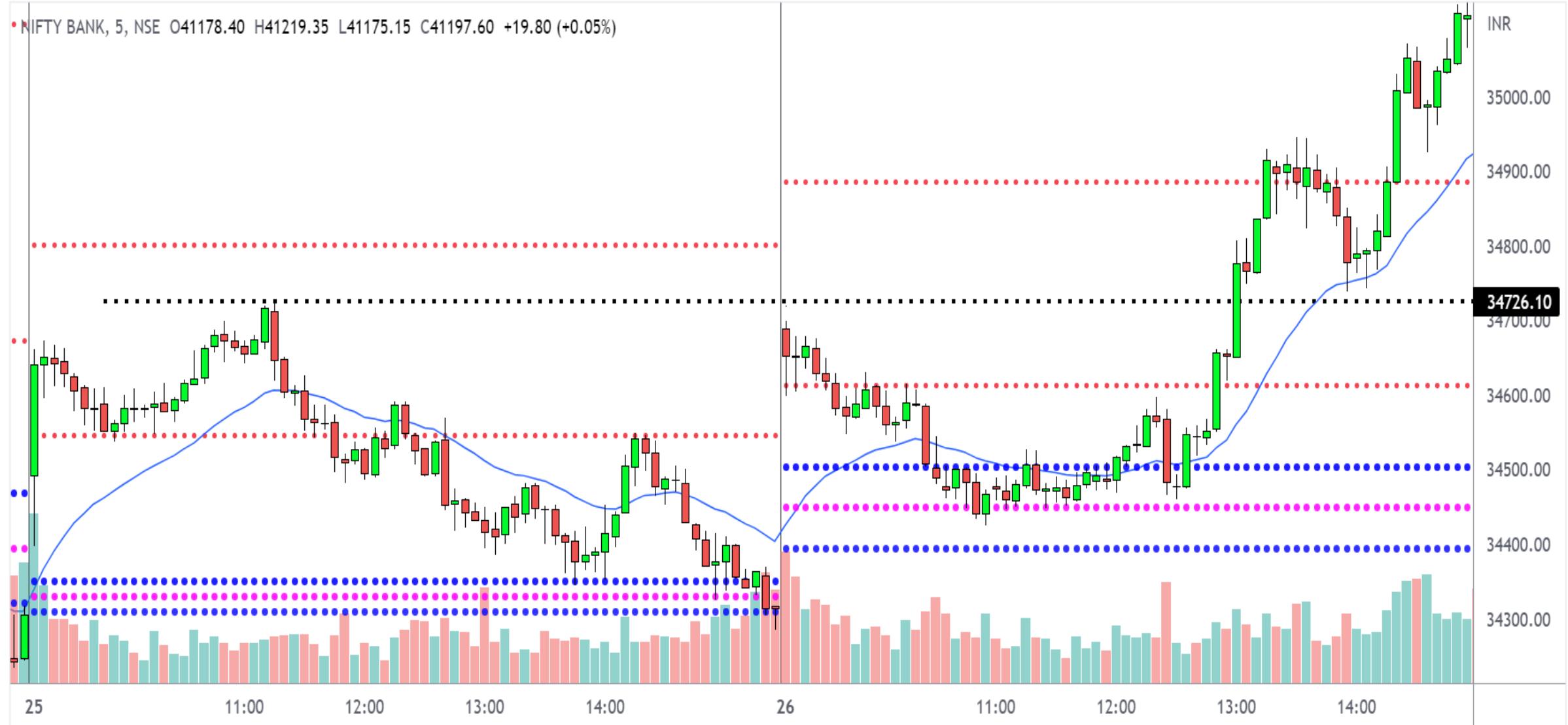
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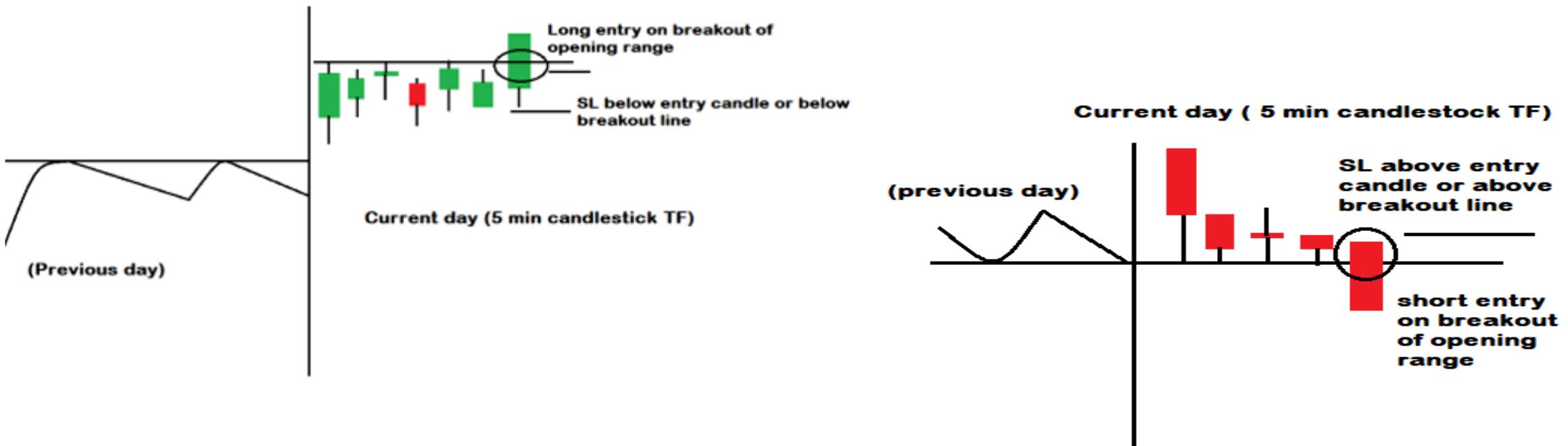
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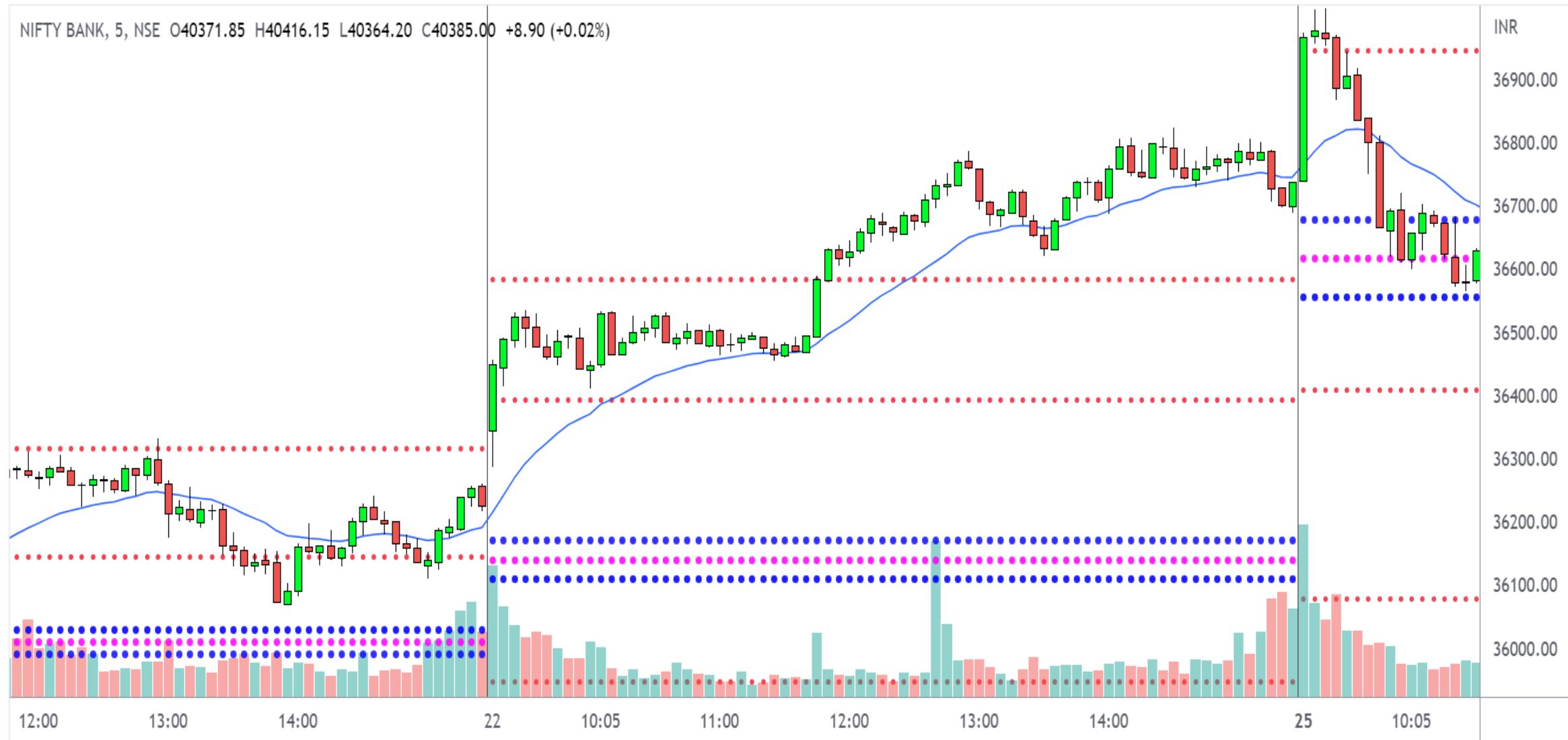
6. OPENING RANGE BREAKOUT PATTERN



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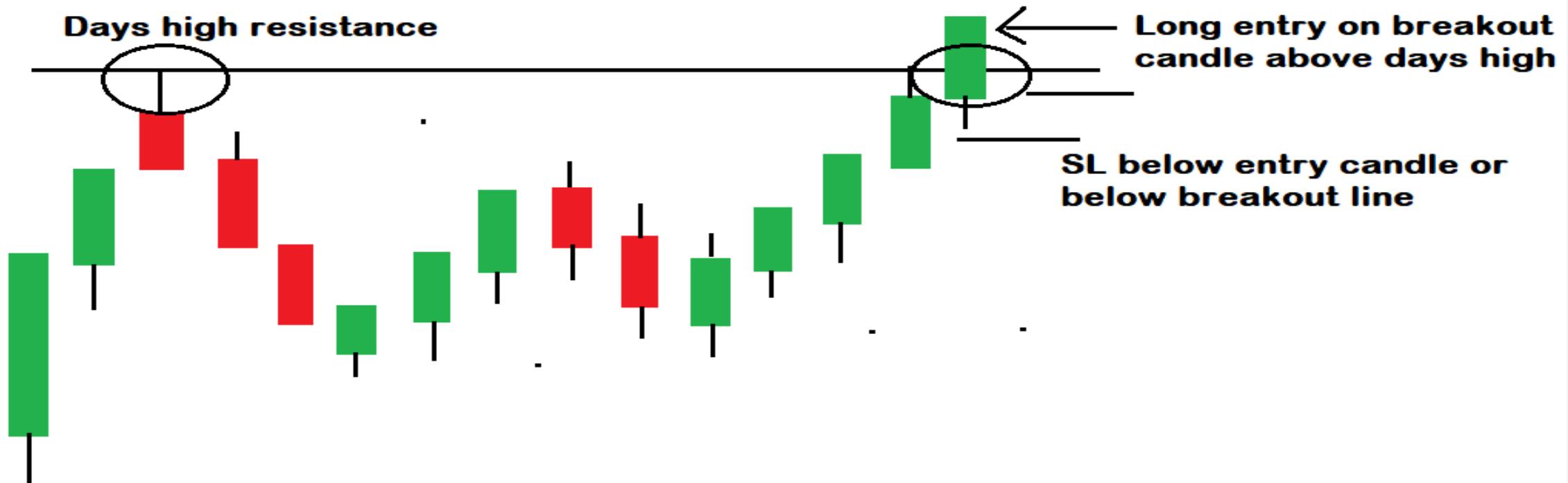
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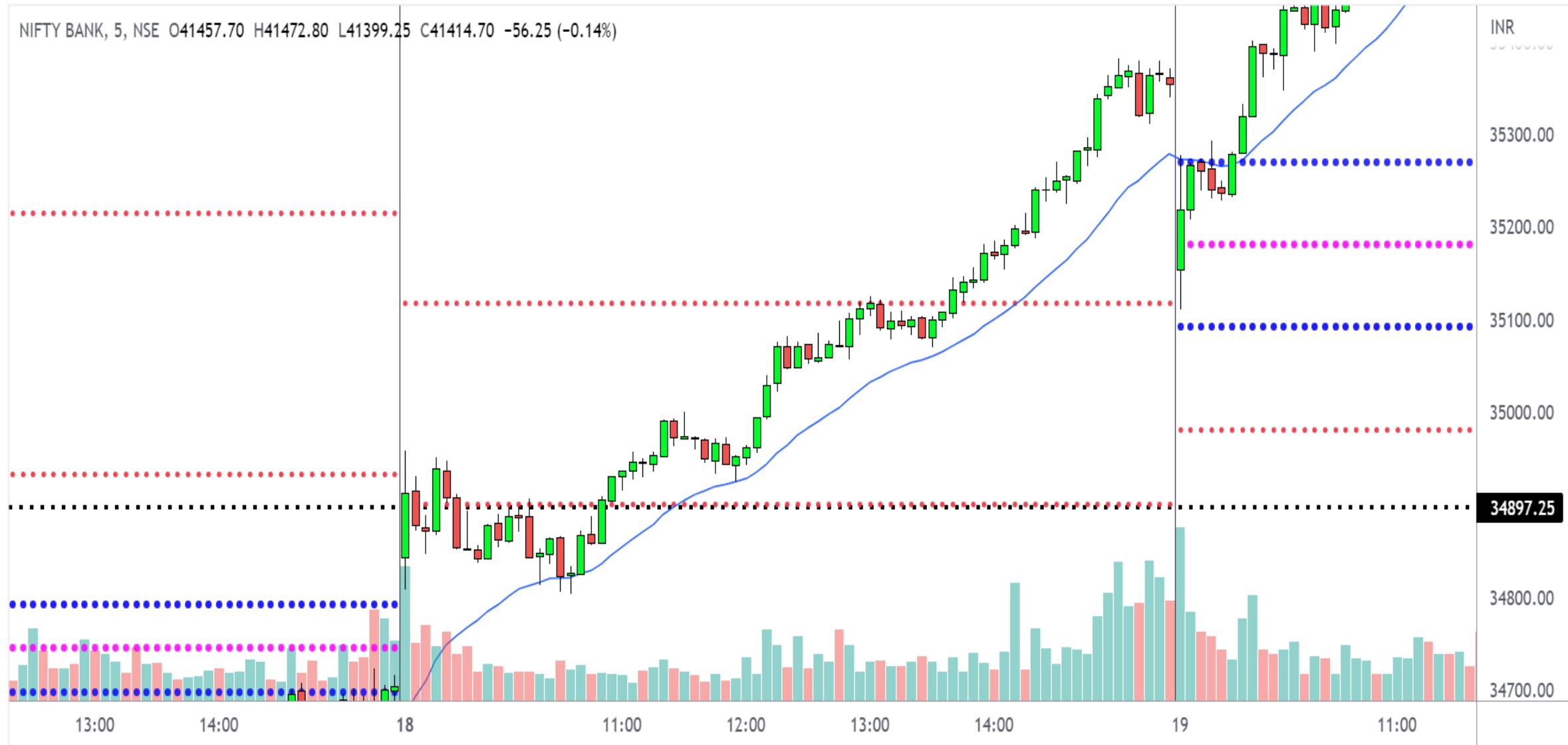
7. DAY HIGH BREAKOUT PATTERN



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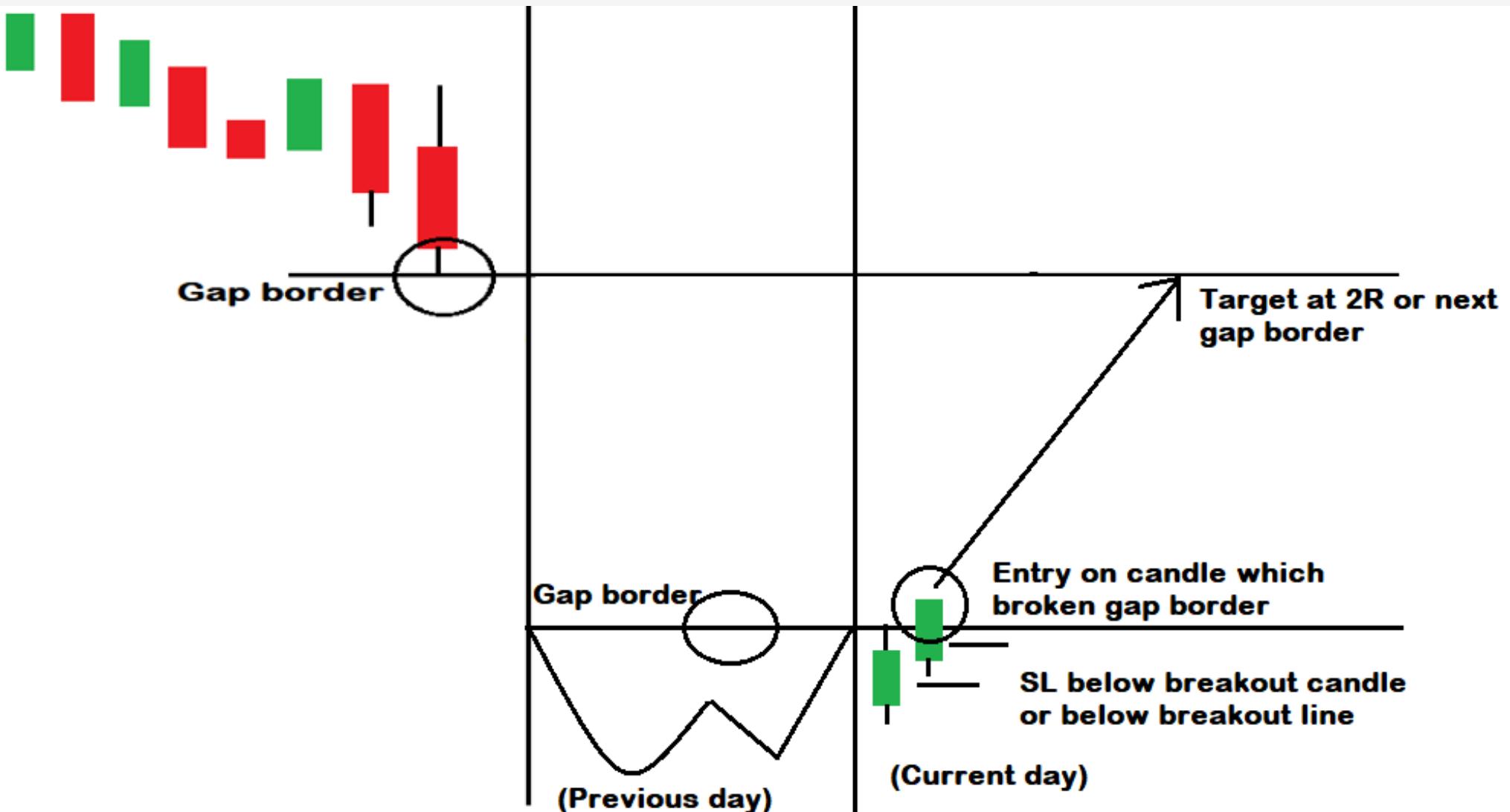
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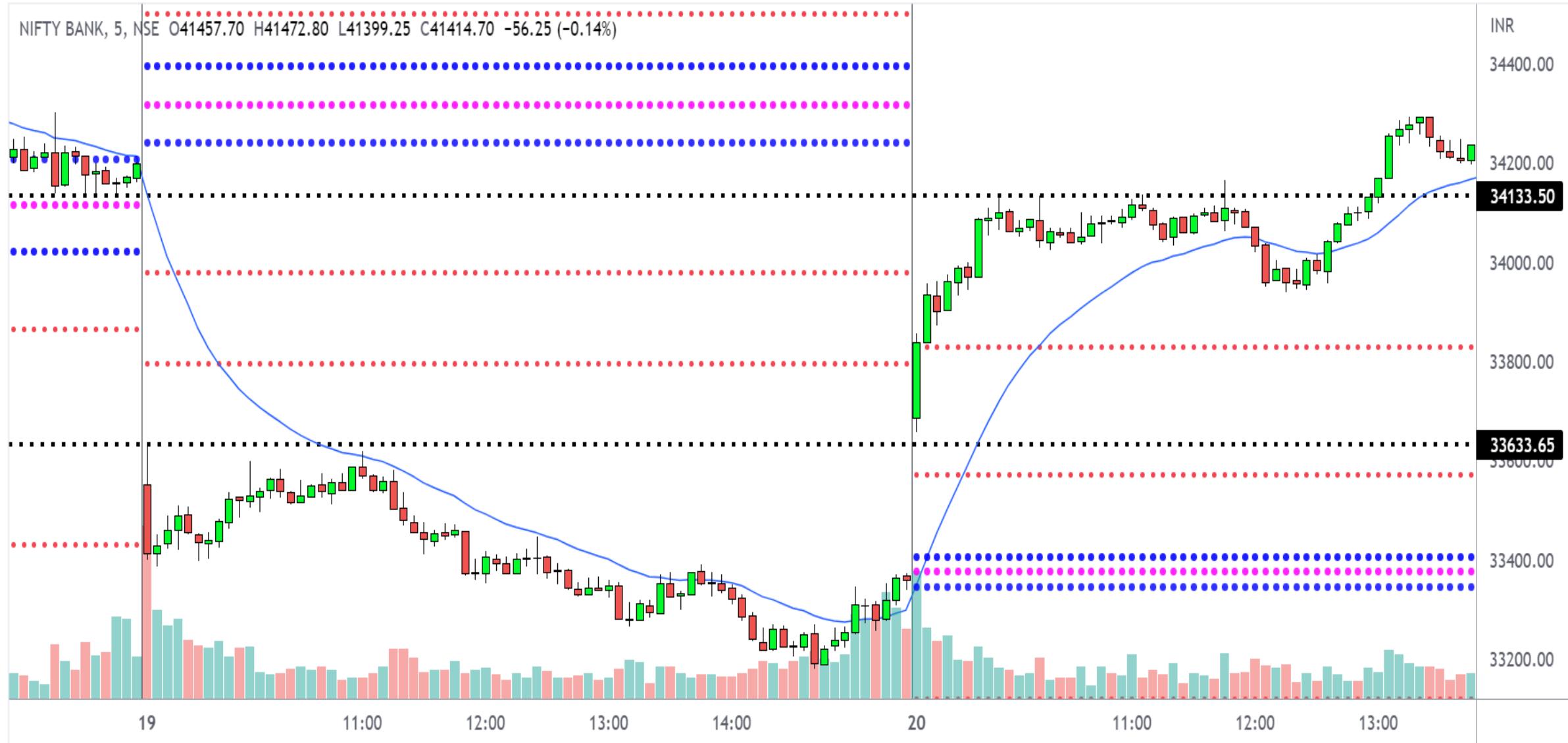
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8. GAP FILLING PATTERN



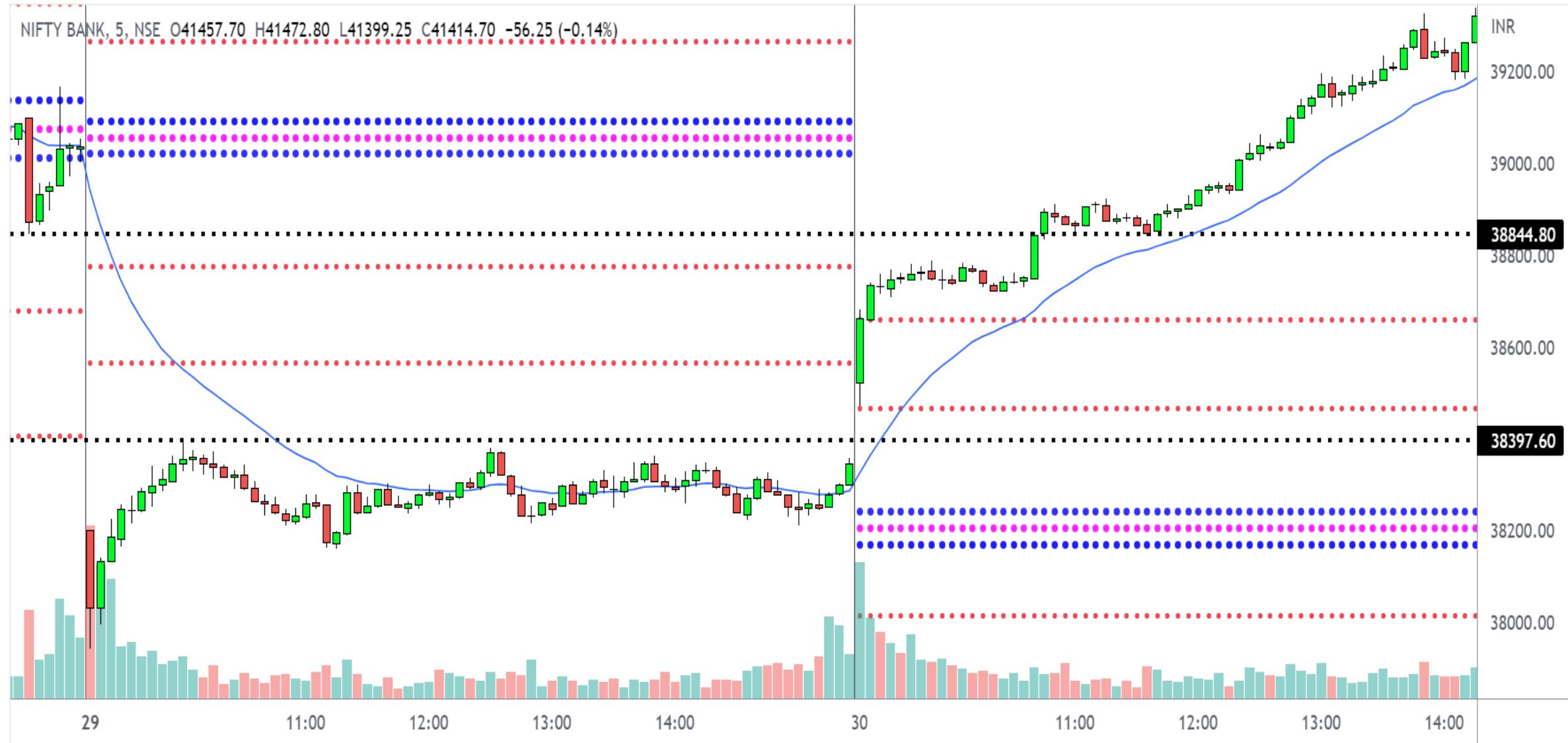
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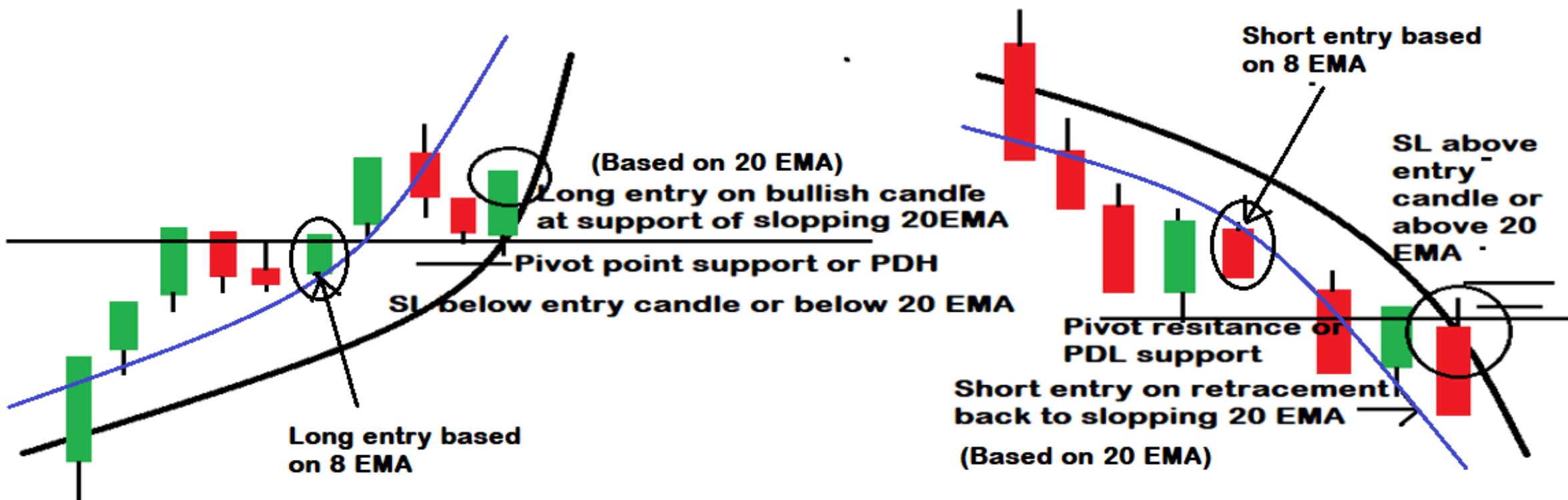
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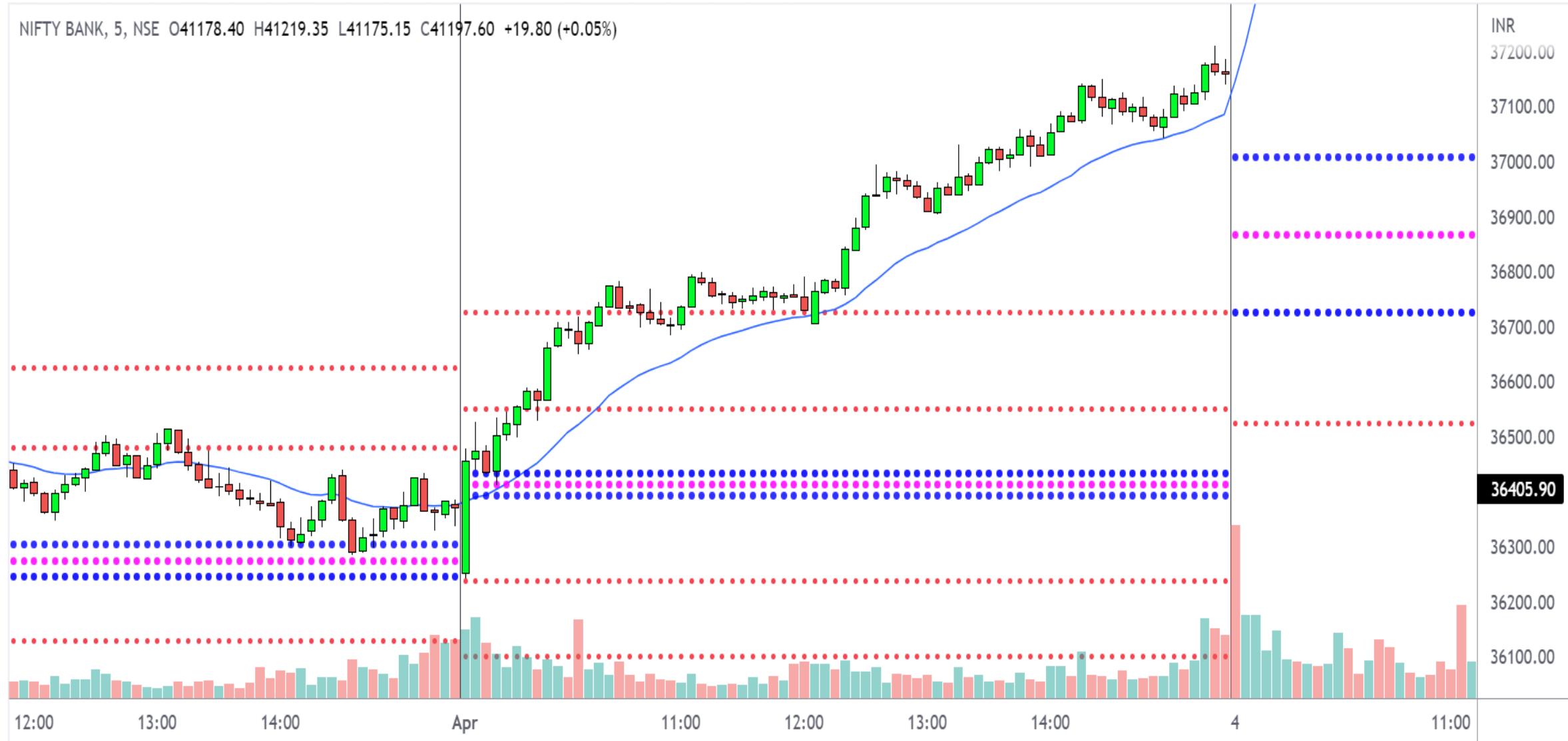
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9. MOVING AVERAGE TREND FOLLOWING PATTERN



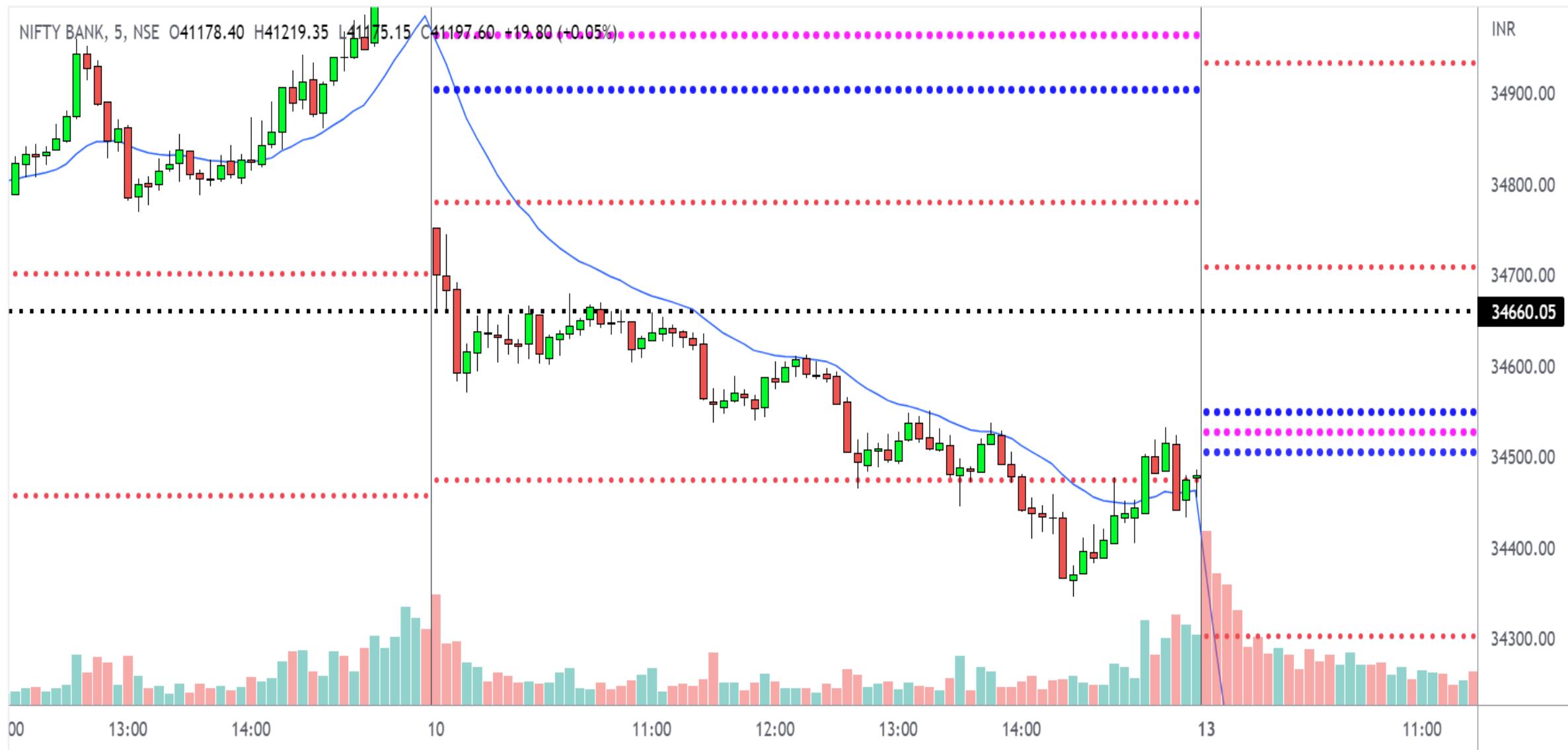
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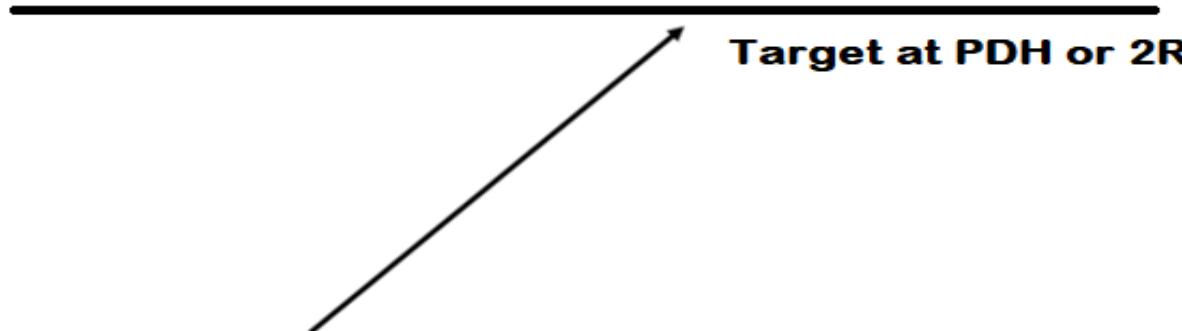
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CHAPTER -8

STRATEGIES FOR SIDEWAYS DAYS (5 STRATEGIES)

10. PPT PATTERN



CPR

SL below first candle or
below CPR

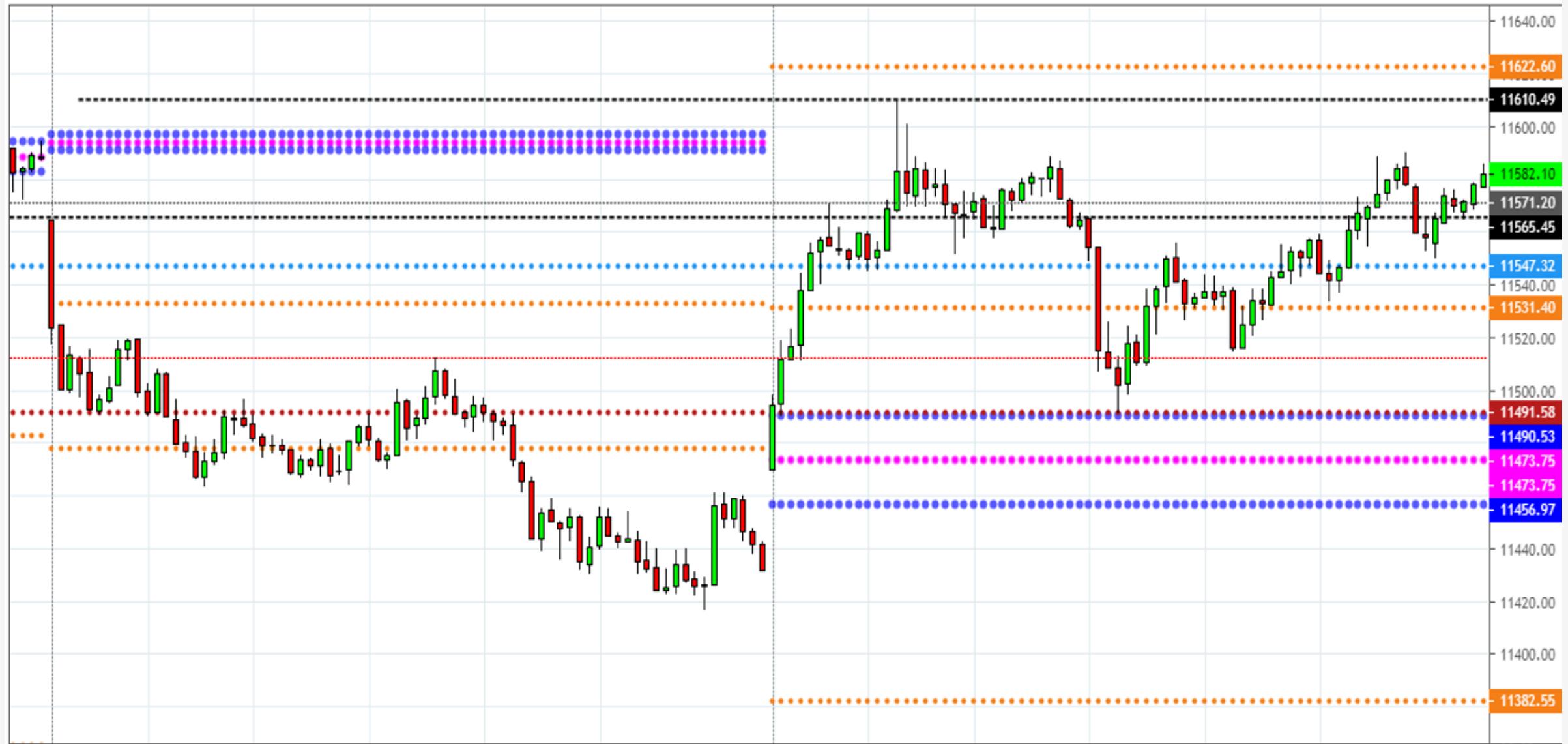
SL above first candle or
above CPR

A horizontal line representing a price trend. A red rectangular bar is positioned below the trend line. An arrow points from the text "Entry on first candle close" to the top of the red bar. Below the red bar, the text "TARGET - PDL OR 2R" is written.

TARGET - PDL OR 2R

viki301 published on TradingView.com, September 27, 2019 23:11:53 IST

NSE:NIFTY, 5 11512.40 ▼ -58.80 (-0.51%) O:11515.95 H:11517.45 L:11506.75 C:11512.30



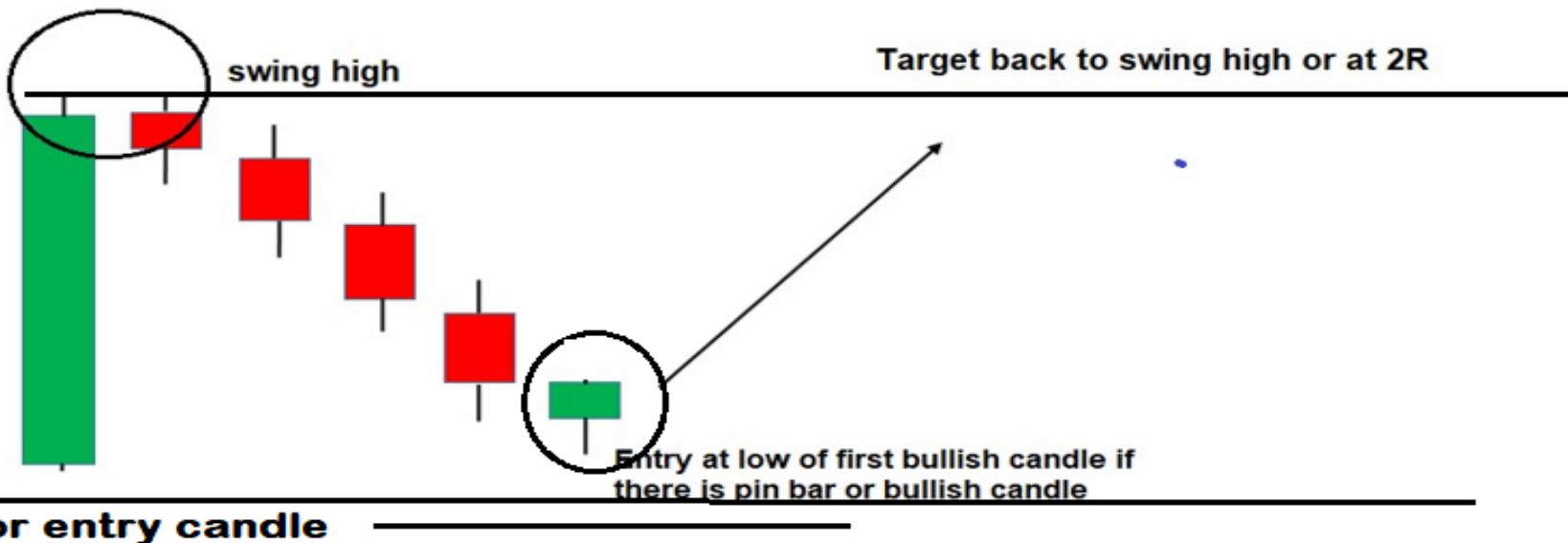
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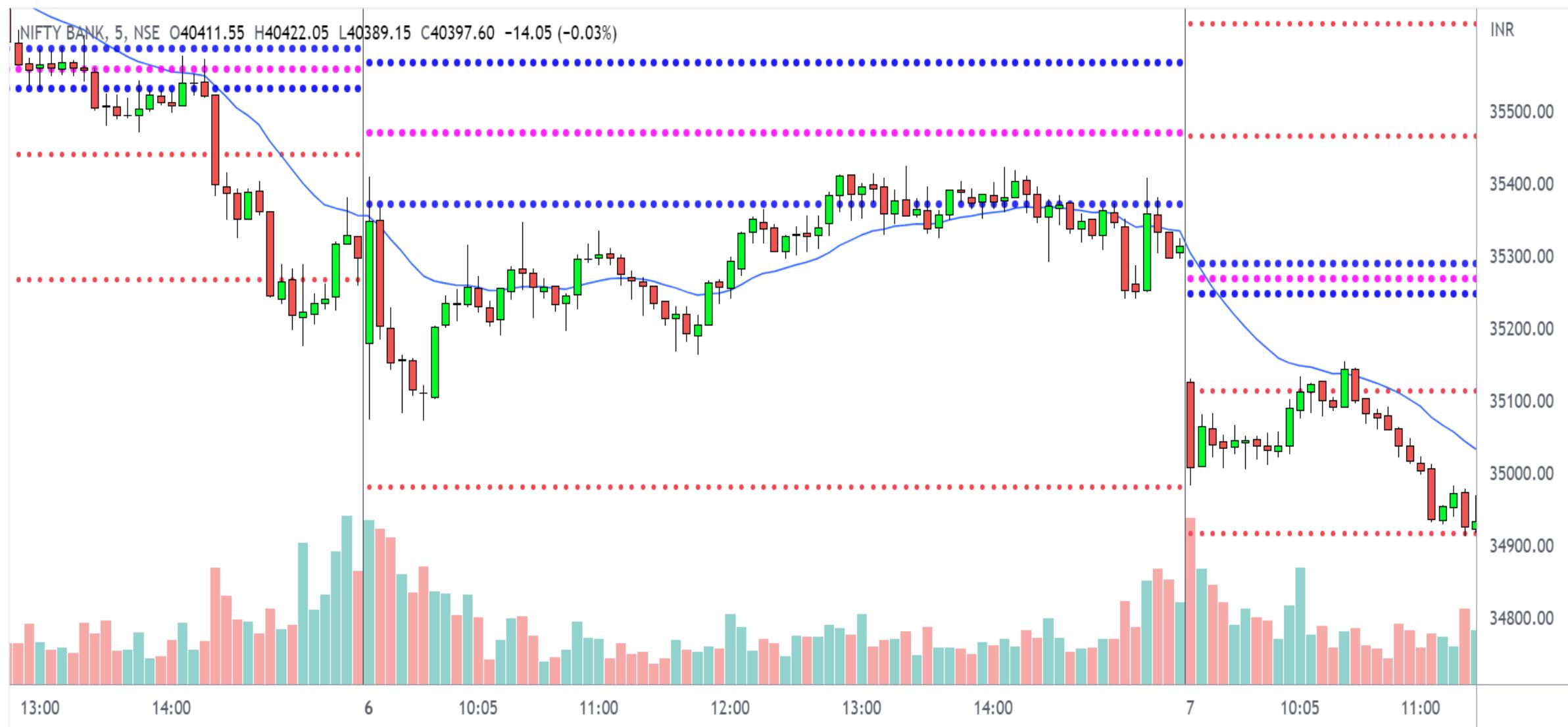
11. GCR(GREEN CANDLE RETRACEMENT) PATTERN



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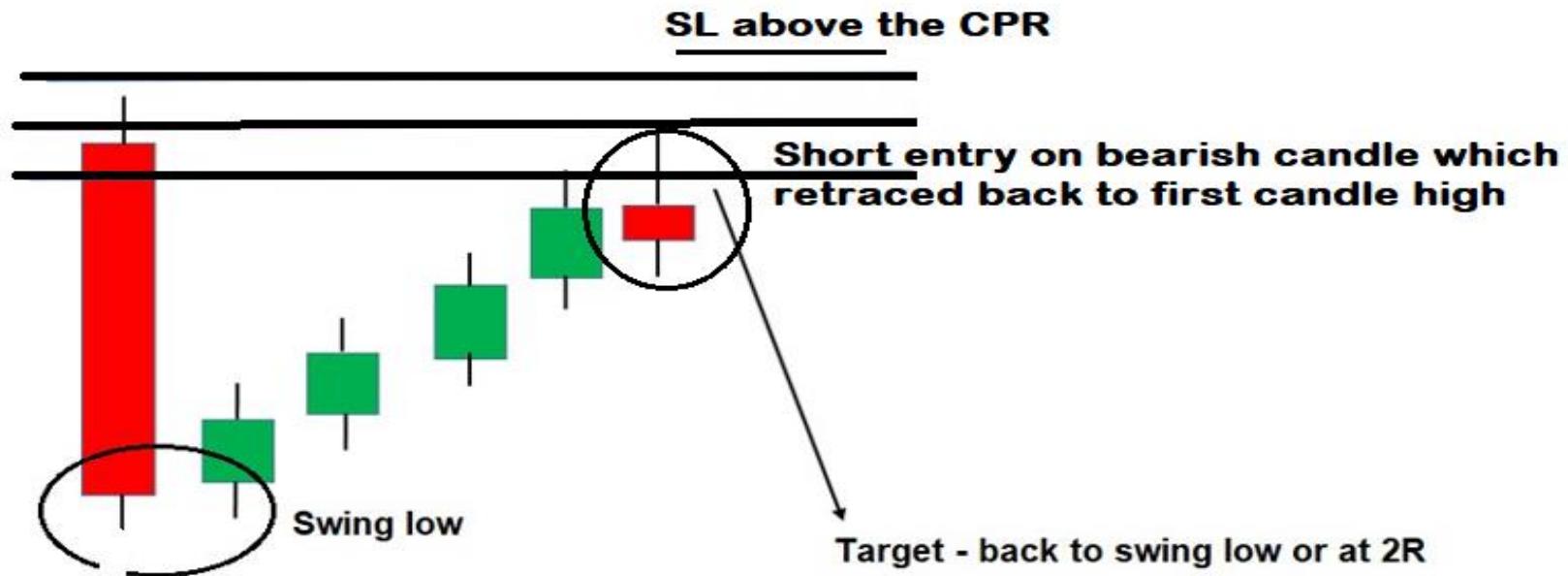
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viki301 published on TradingView.com, Sep 09, 2022 18:03 UTC+5:30



12. RCR(RED CANDLE RETRACEMENT) PATTERN



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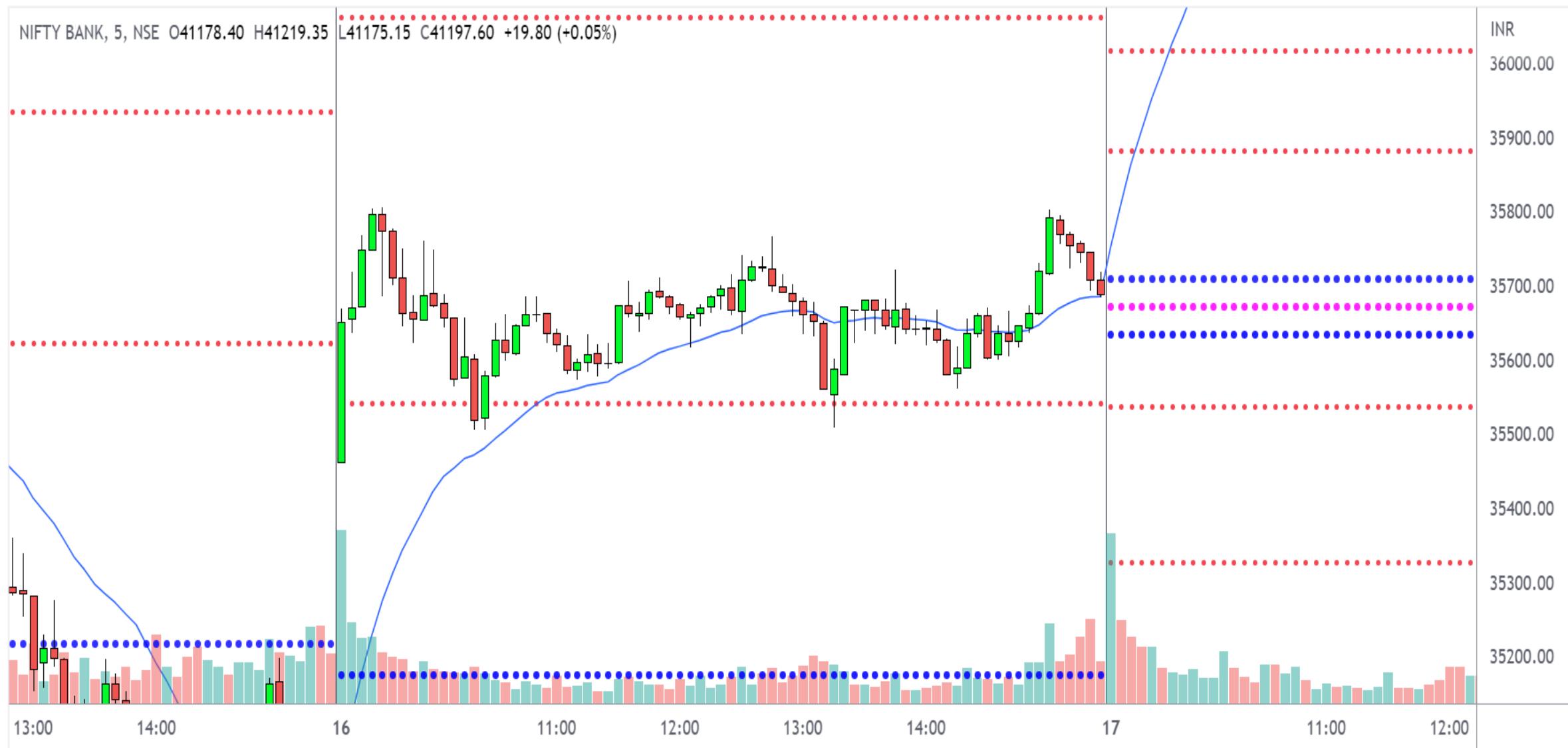




13. M PATTERN



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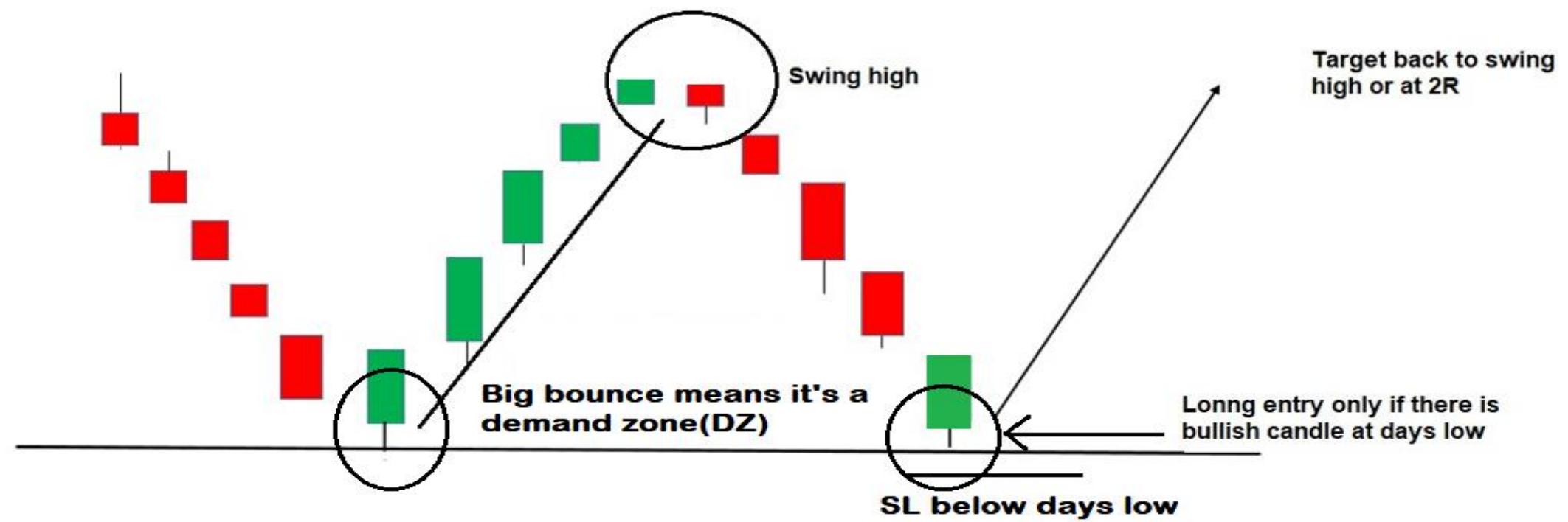
viki301 published on TradingView.com, Sep 09, 2022 12:35 UTC+5:30



viki301 published on TradingView.com, Sep 09, 2022 13:07 UTC+5:30



14. W PATTERN



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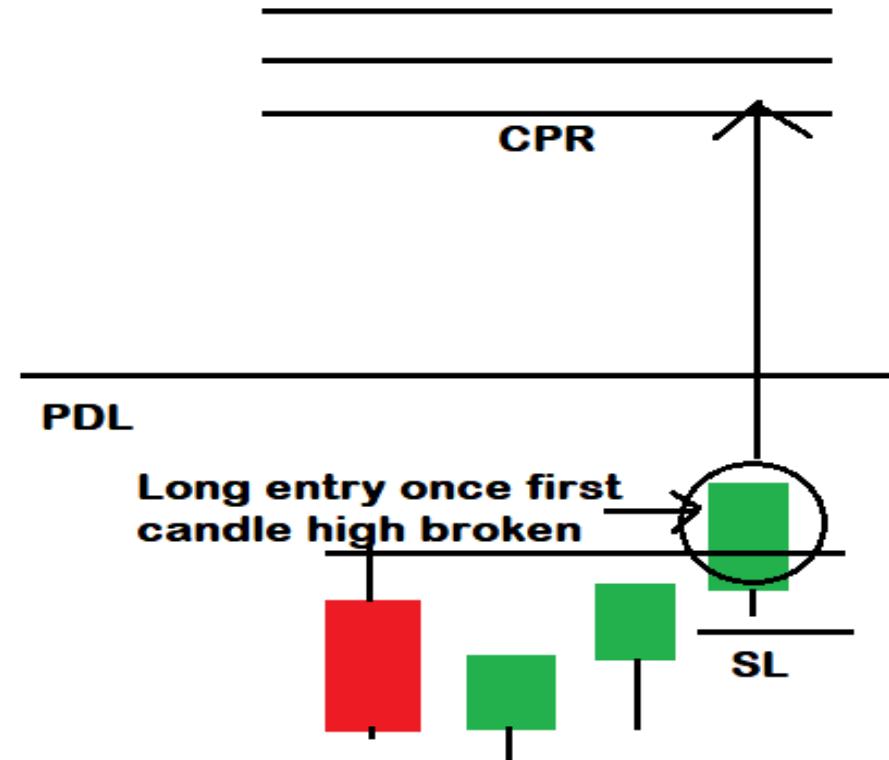
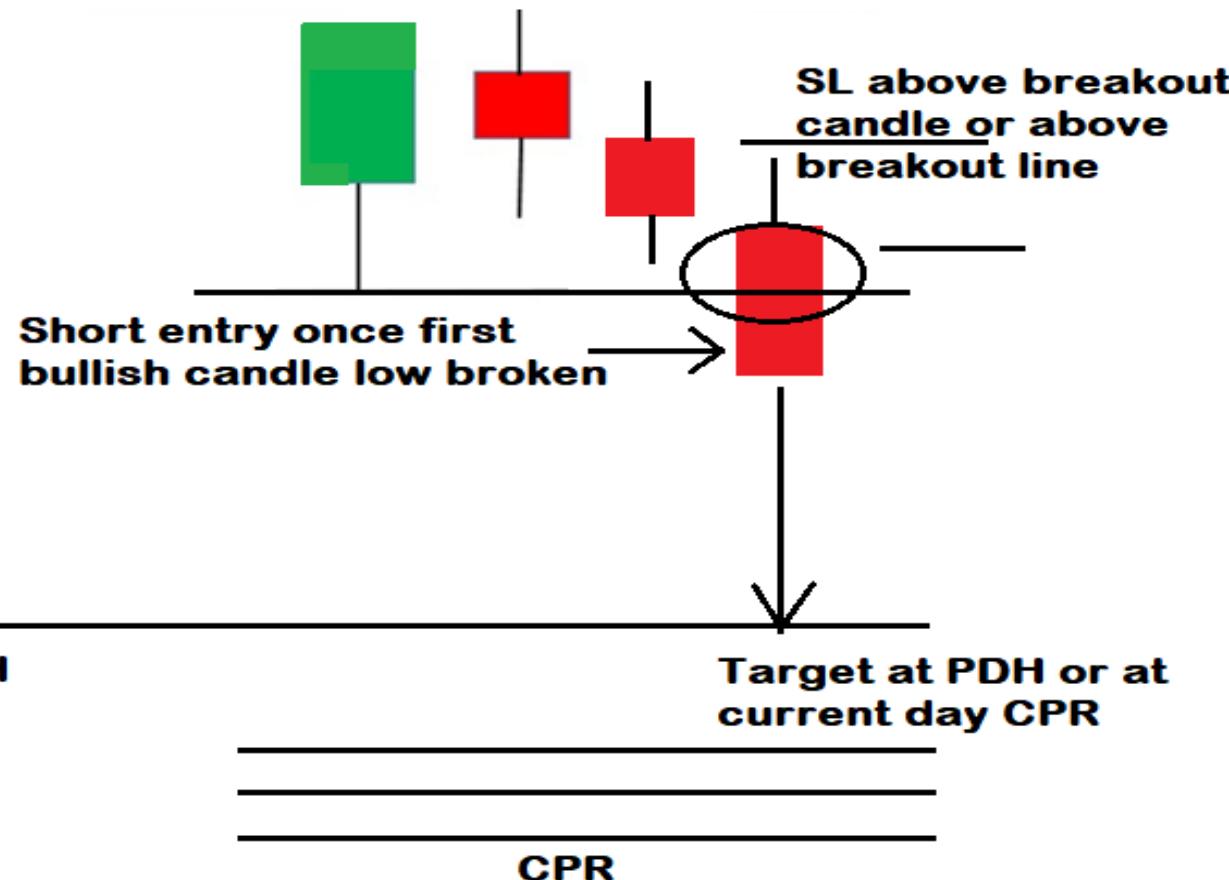


CHAPTER -9

STRATEGIES FOR REVERSAL DAYS

(11 STRATEGIES)

15. ODR (OPEN DRIVE REJECTION) PATTERN



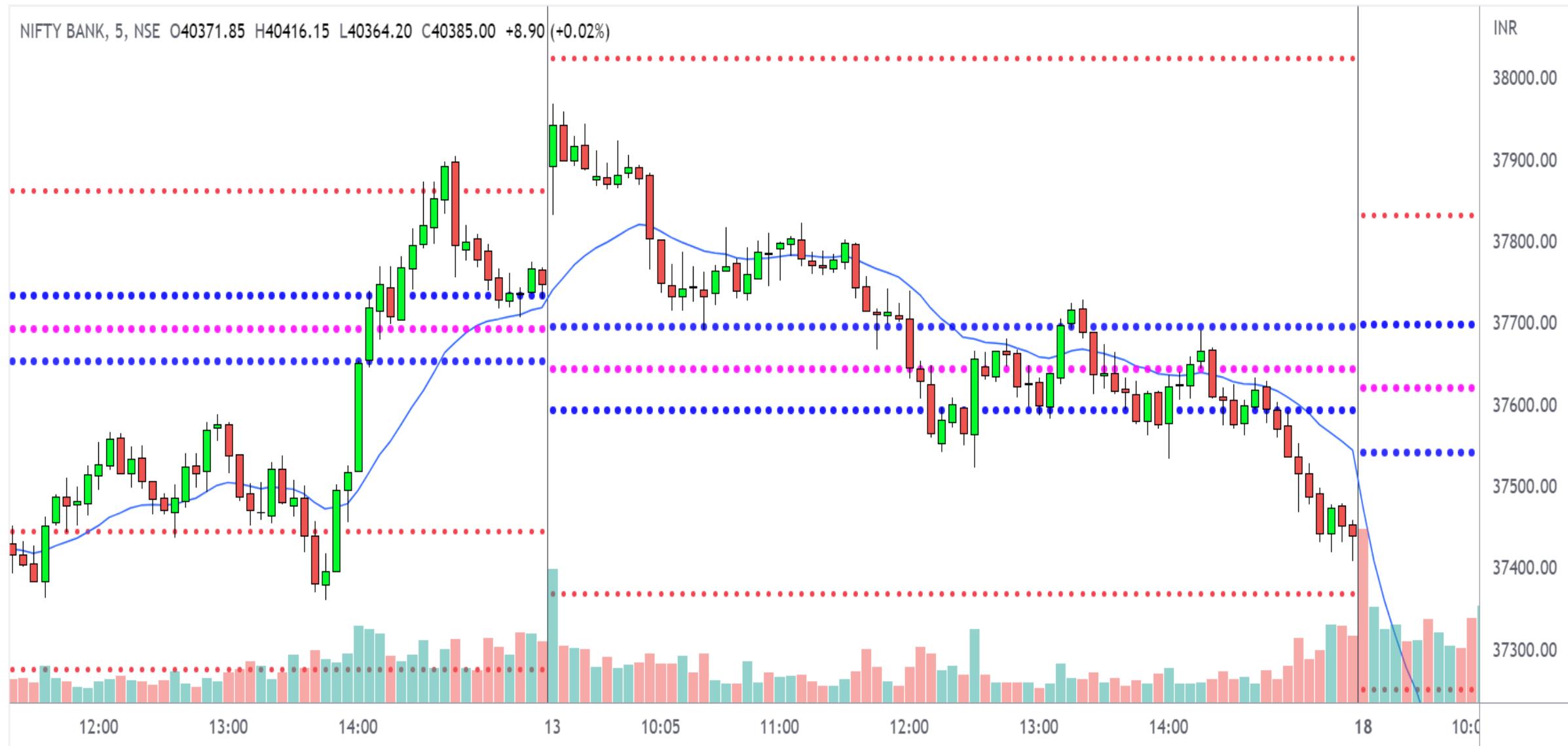
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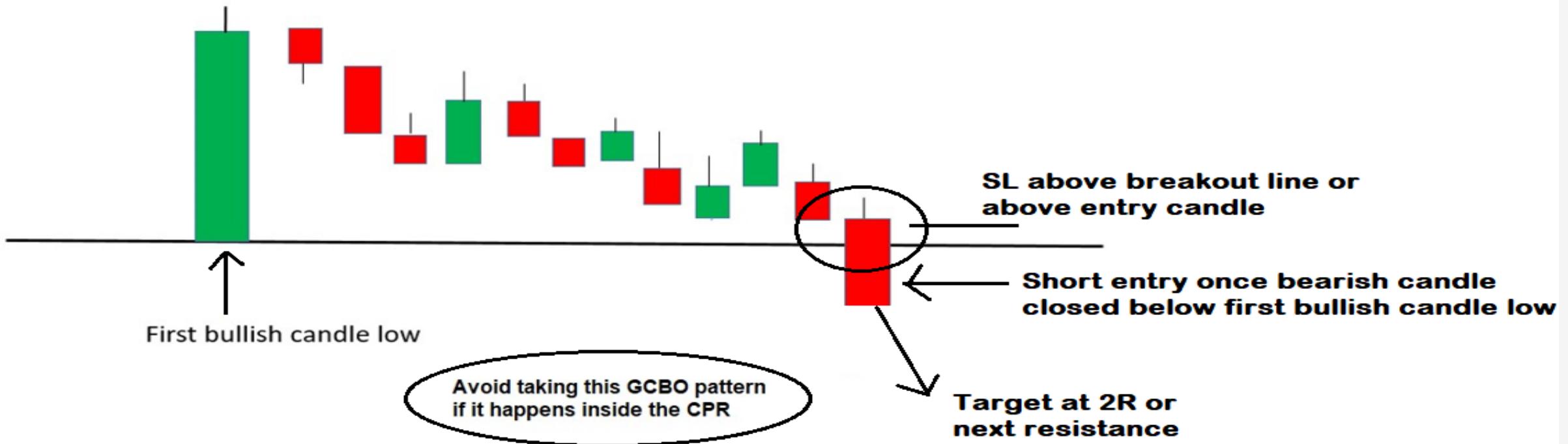
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16. GCBO (GREEN CANDLE BREAKOUT) PATTERN



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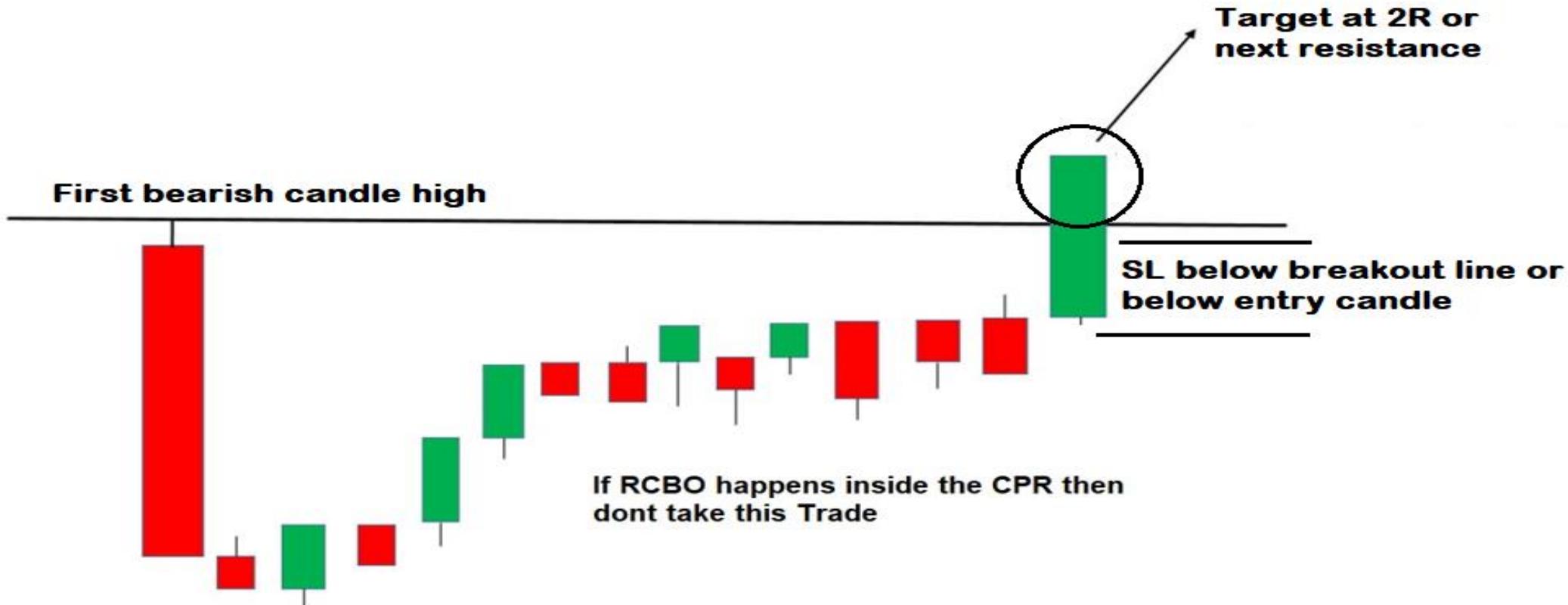
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17. RCBO (RED CANDLE BREAKOUT) PATTERN



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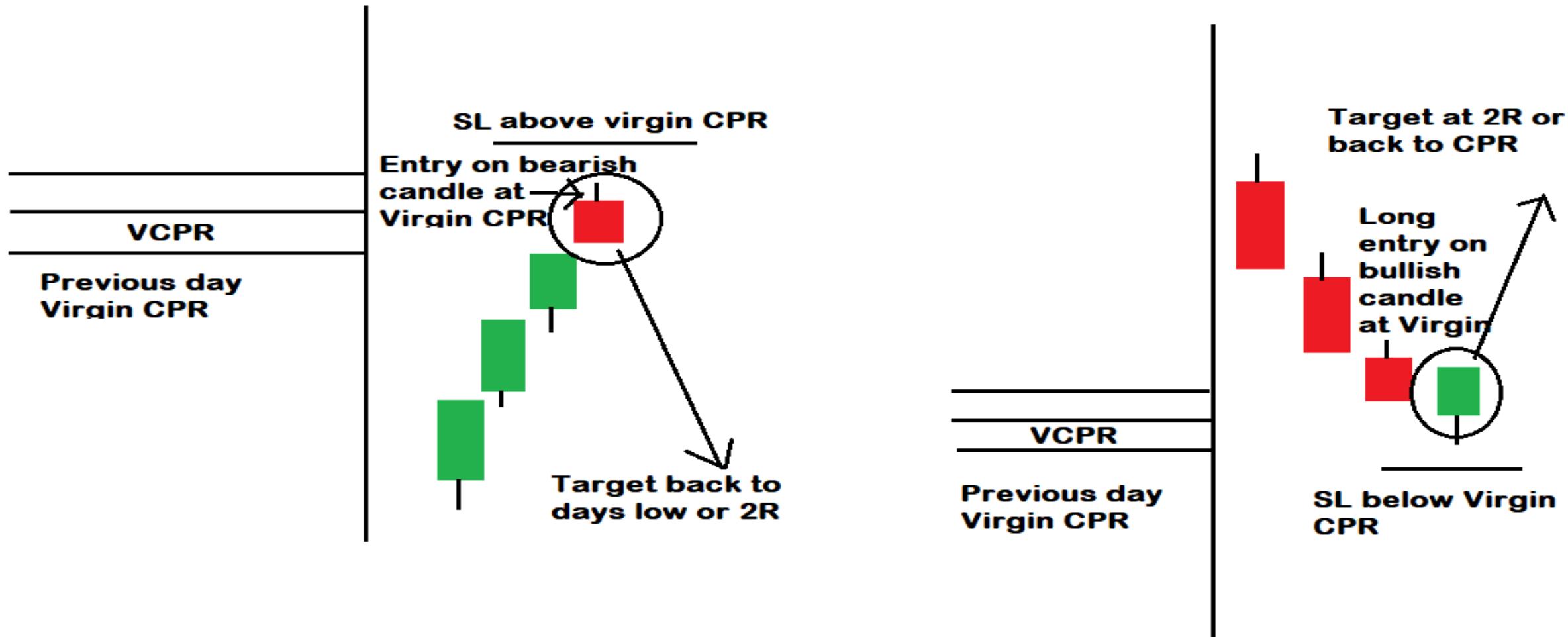
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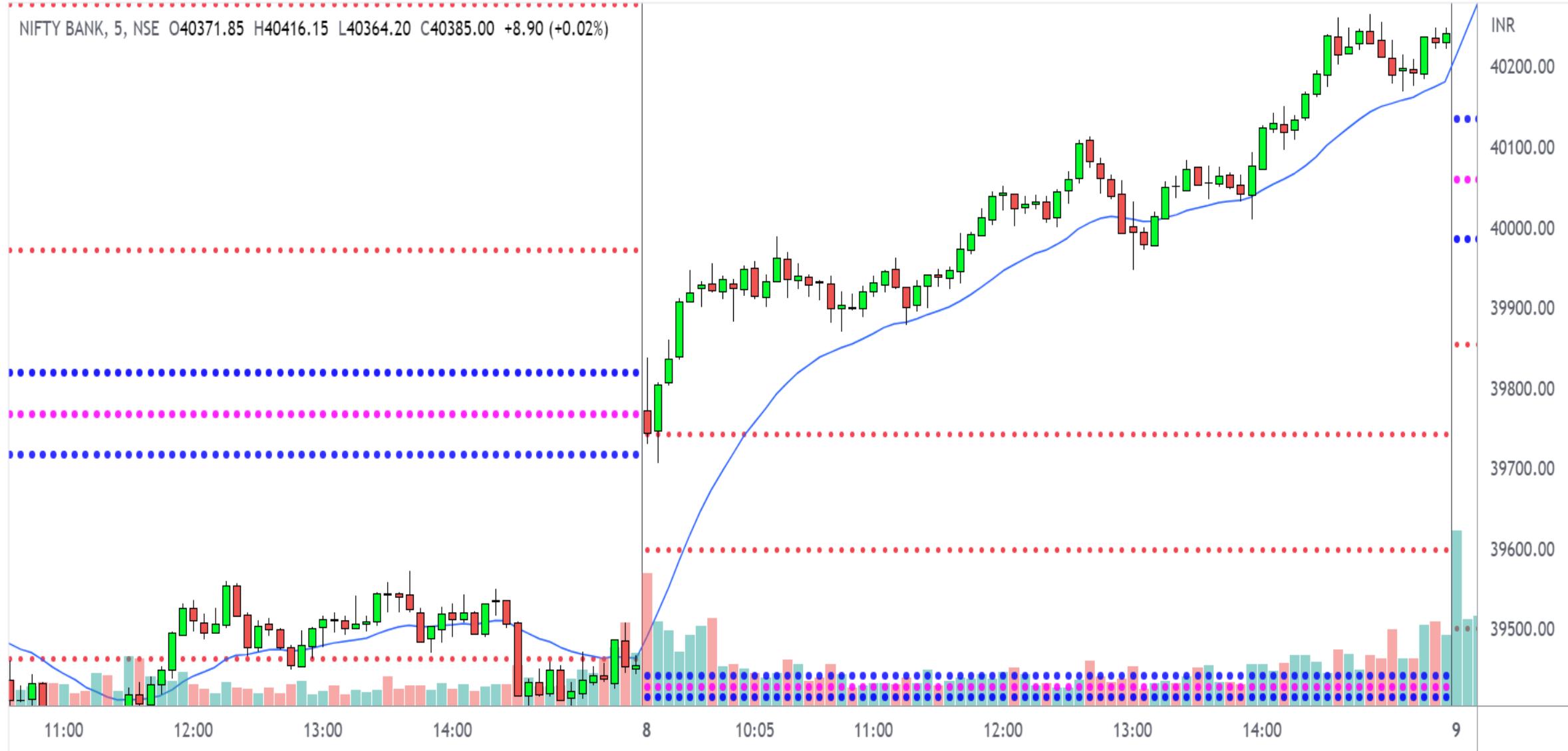
18. VIRGIN CPR REVERSAL PATTERN



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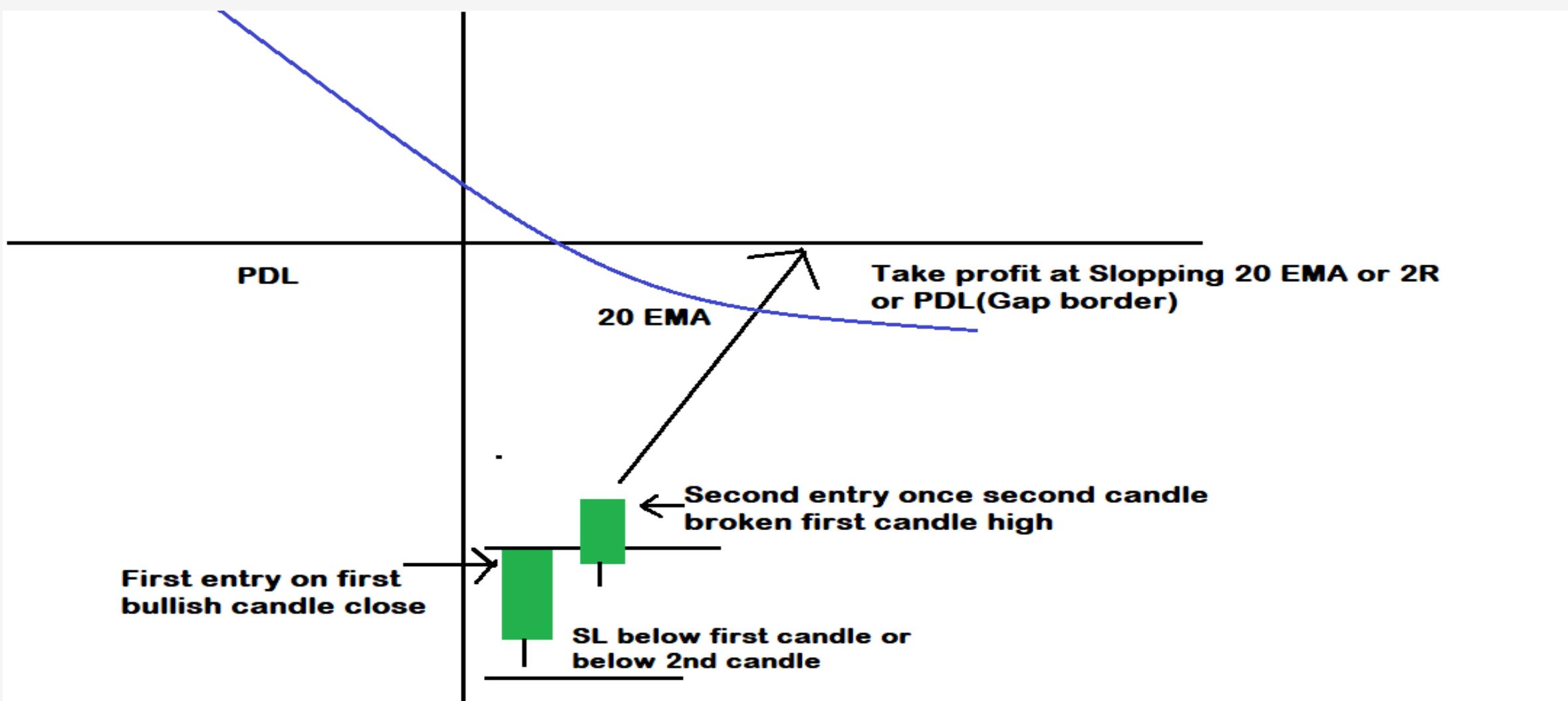
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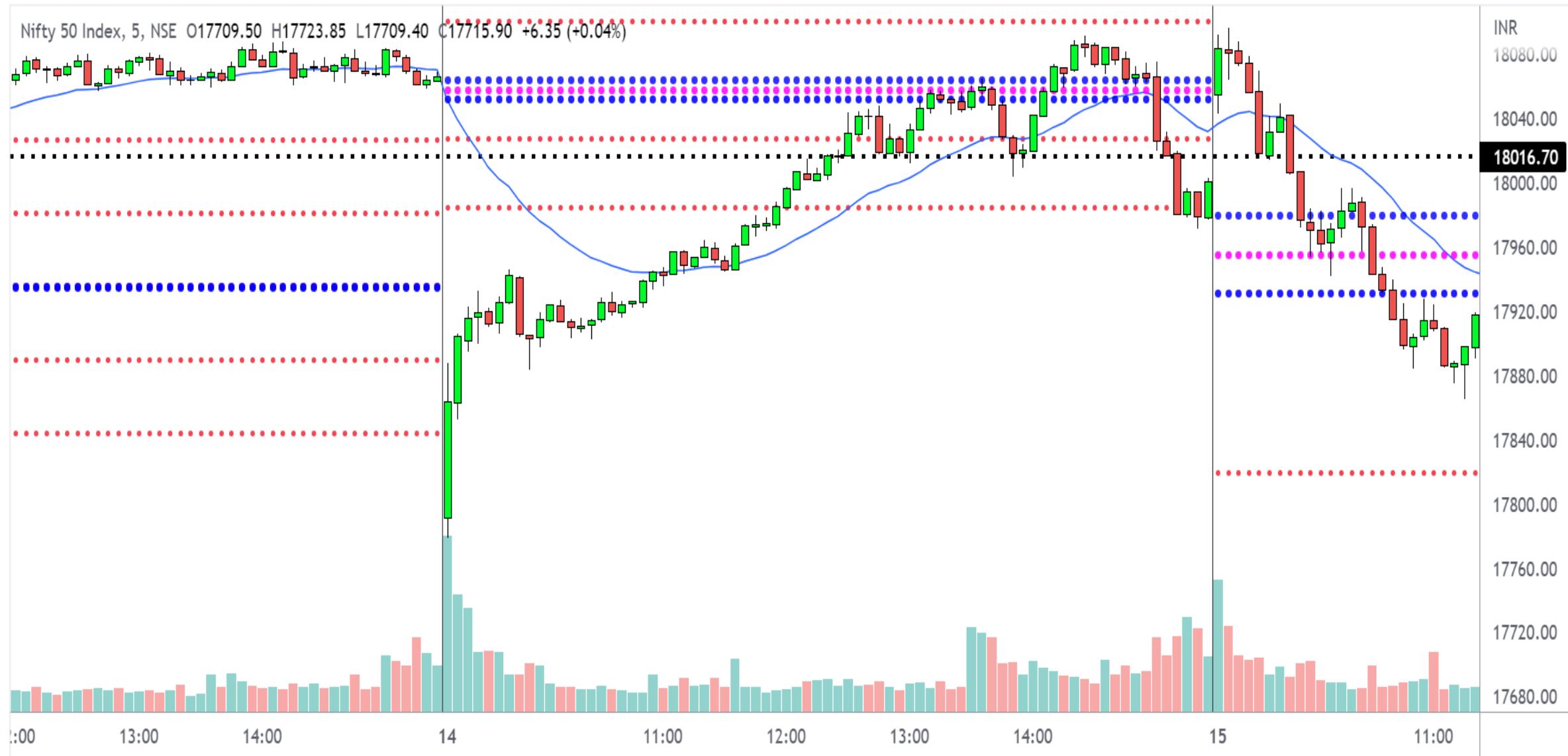
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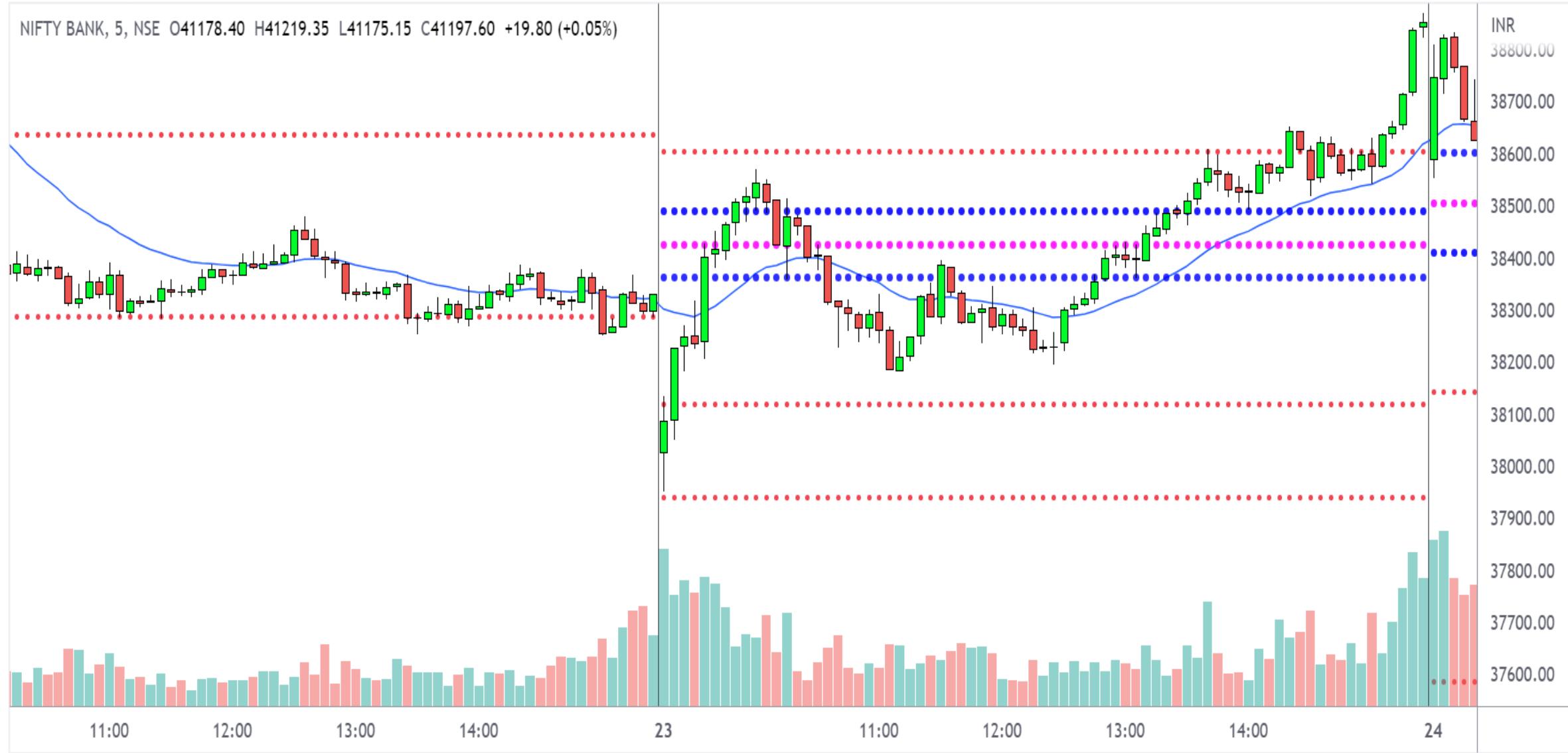
19. GAP DOWN REJECTION PATTERN



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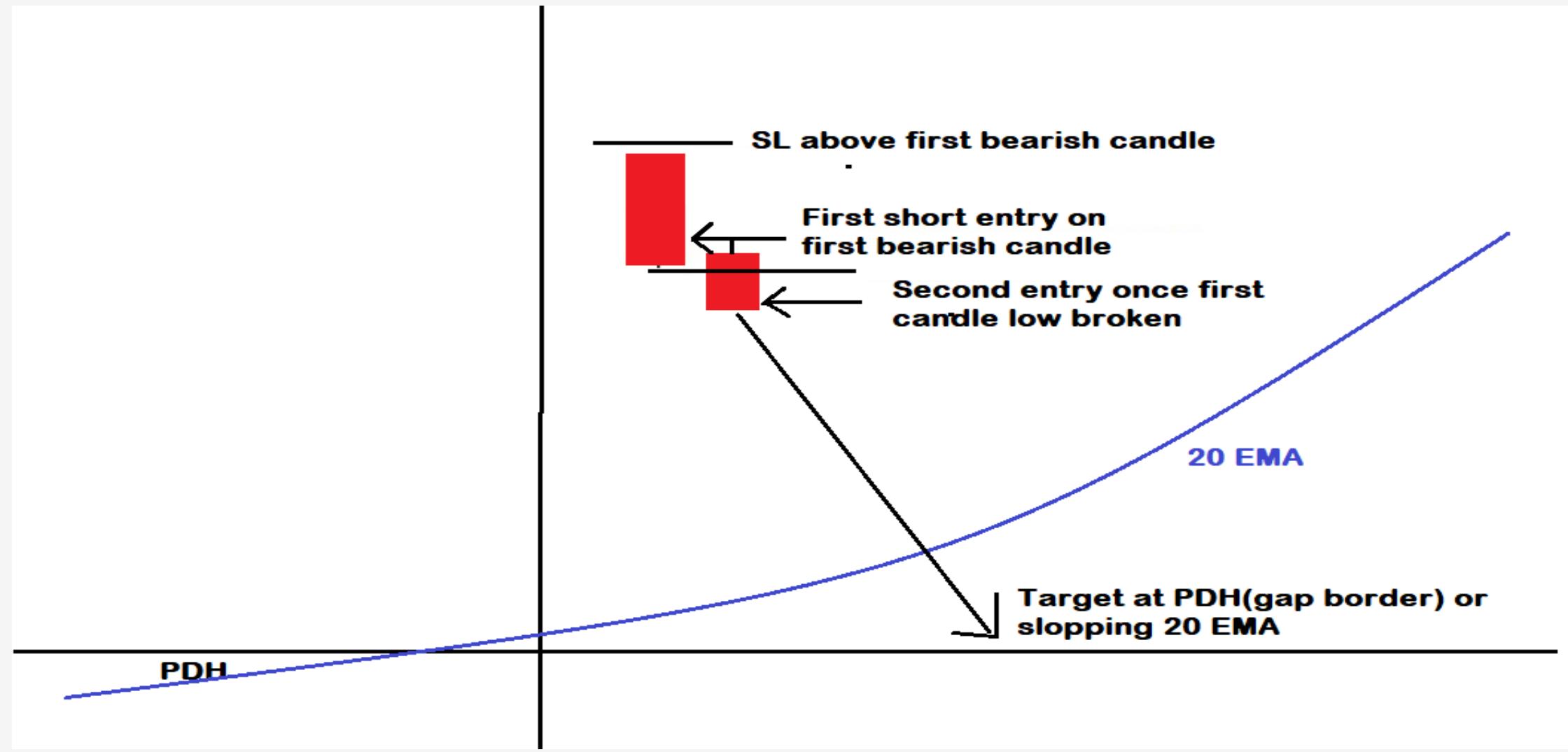
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20. GAP UP REJECTION PATTERN



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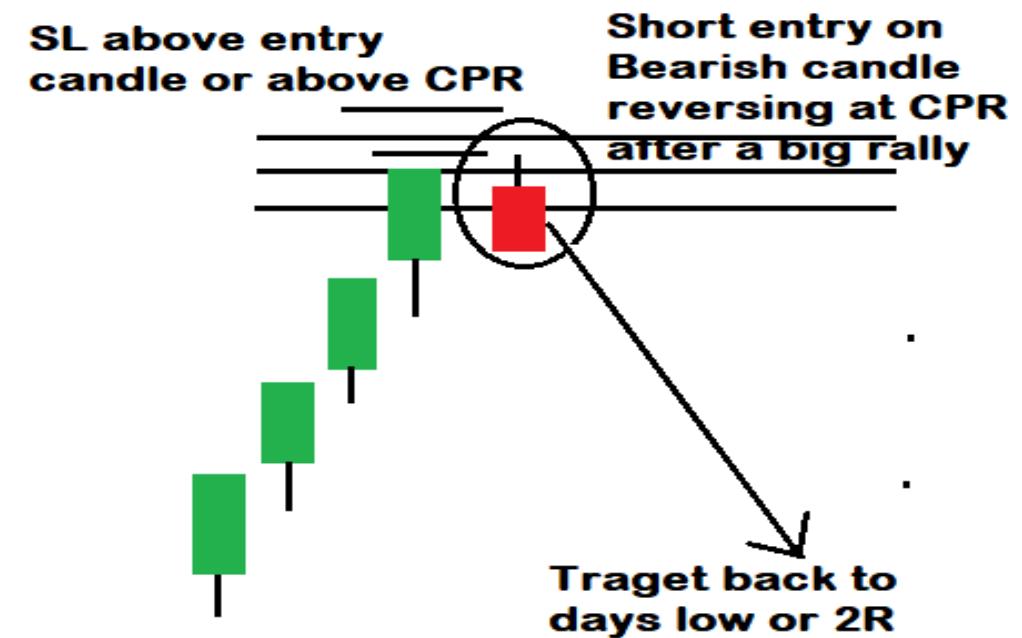
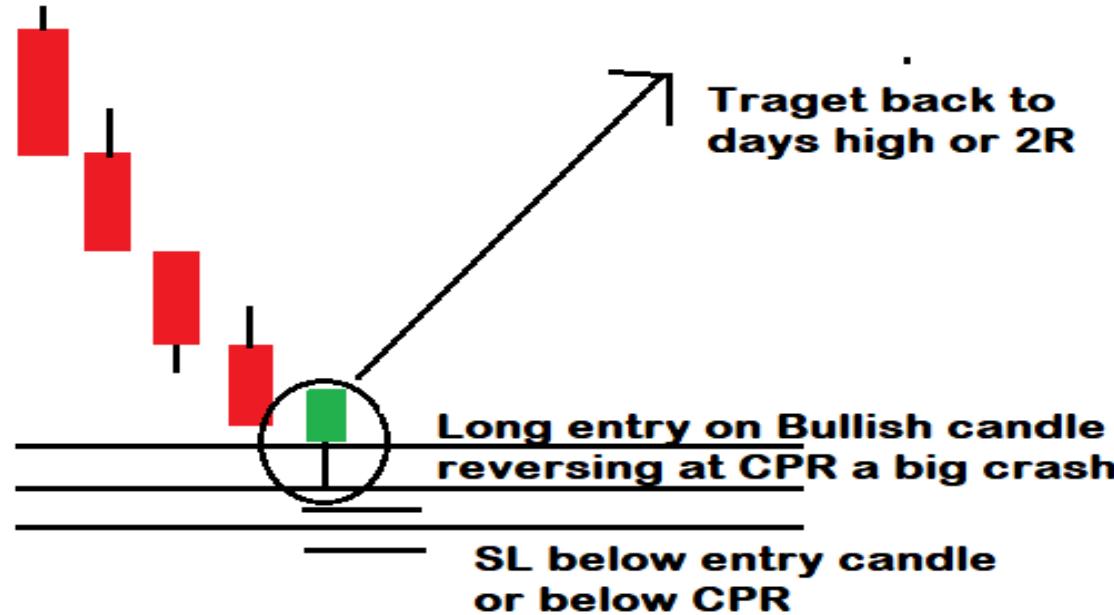
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21. CPR REVERSAL PATTERN



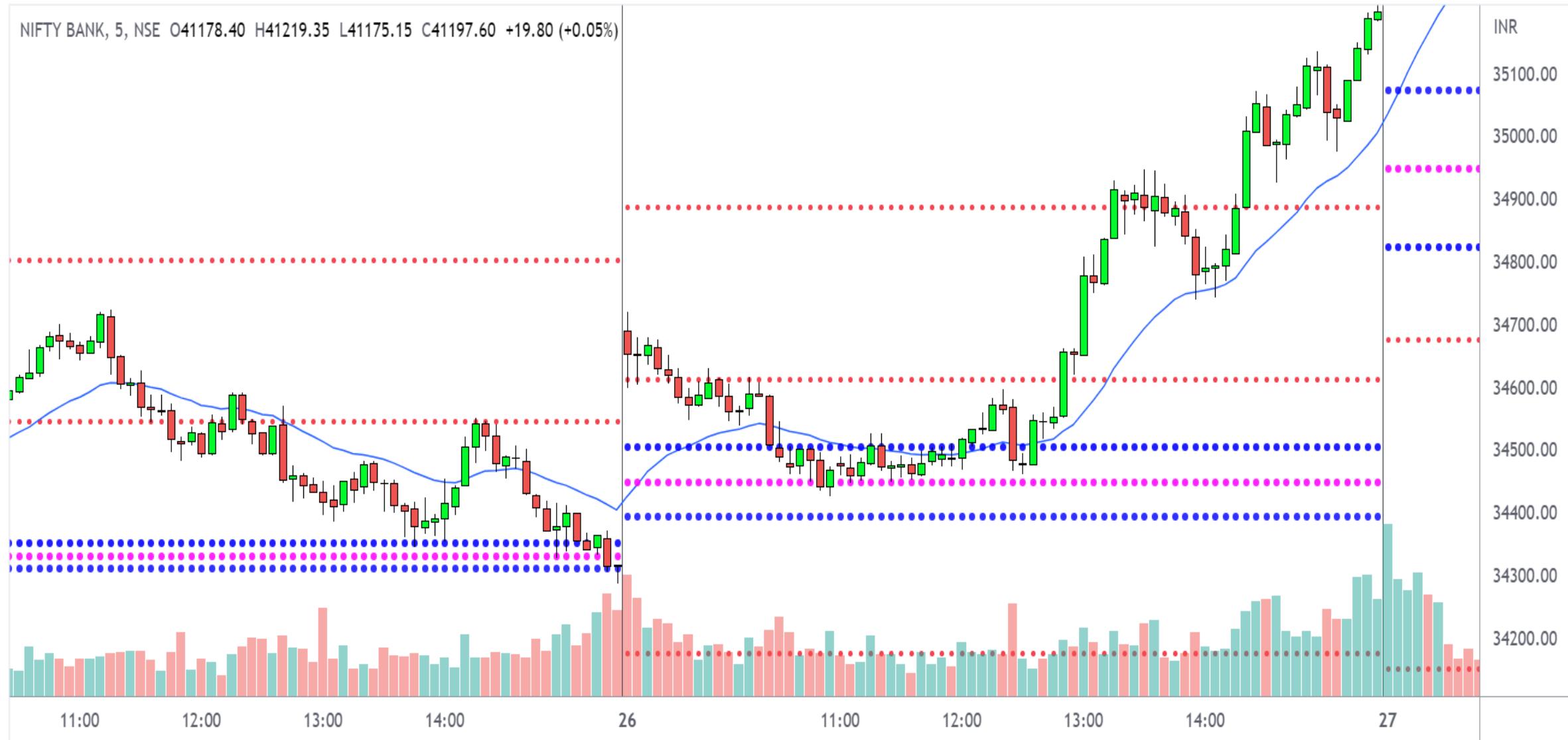
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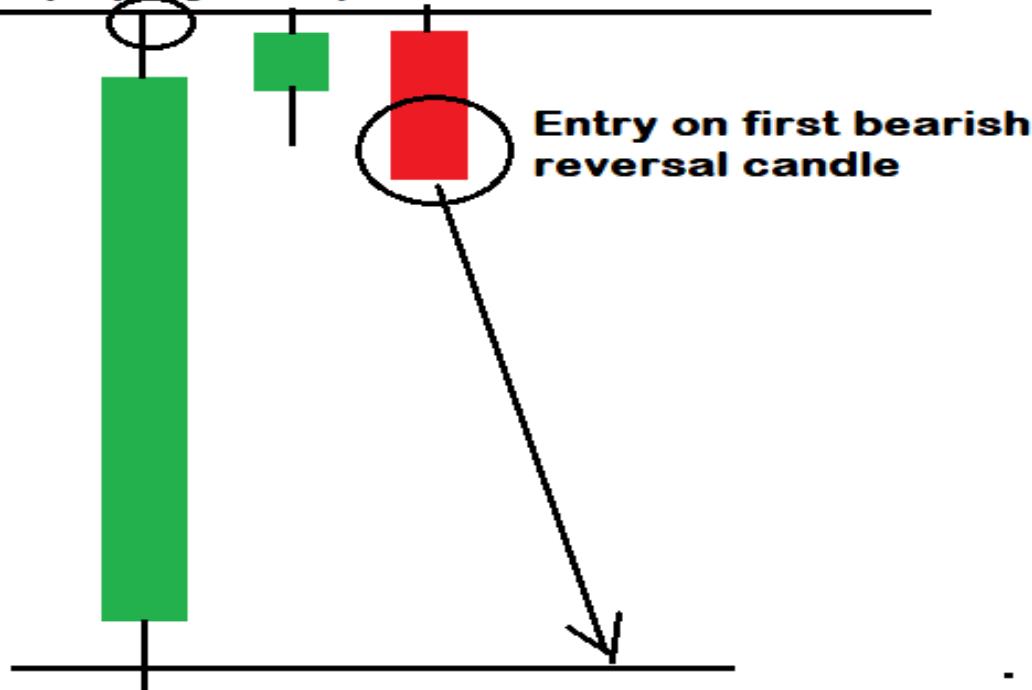


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22. EXTREME CANDLE REVERSAL PATTERN

Any resistance like
Pivot or PDH or
SZ(supply zone) SL above the entry candle



Entry on first bearish reversal candle

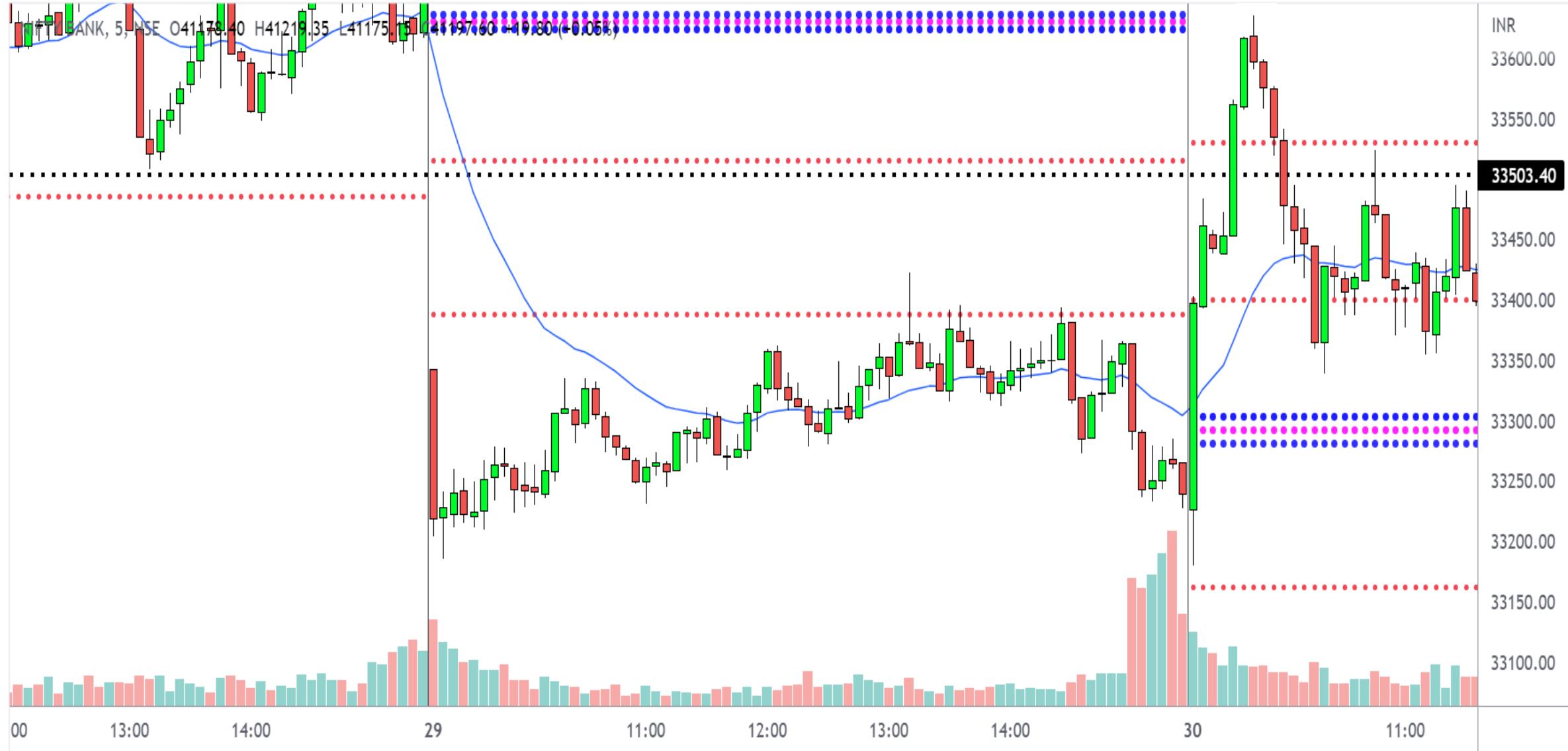
Take profit back to days low or CPR

Take profit at CPR or days high

Any support like
PDL or Pivot or any DZ (demand zone)

SL below entry candle

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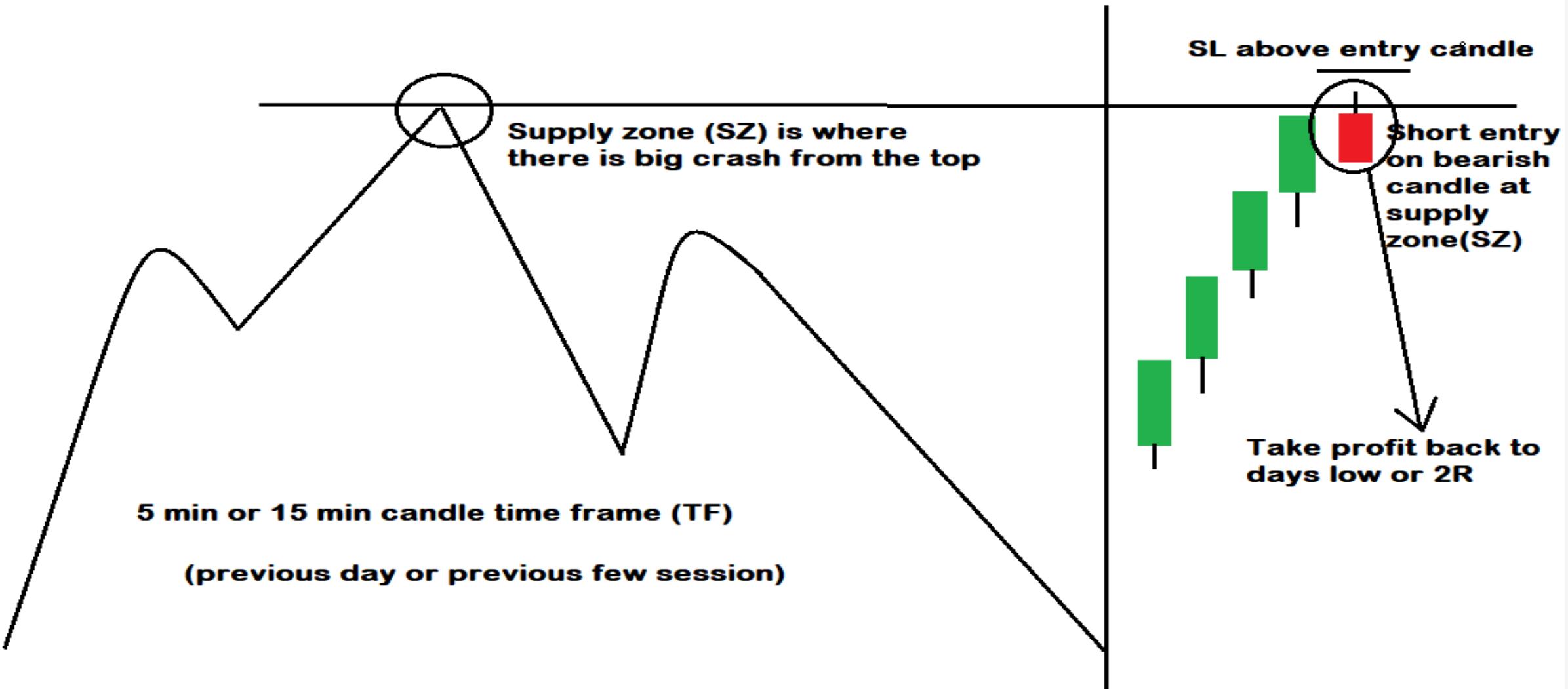
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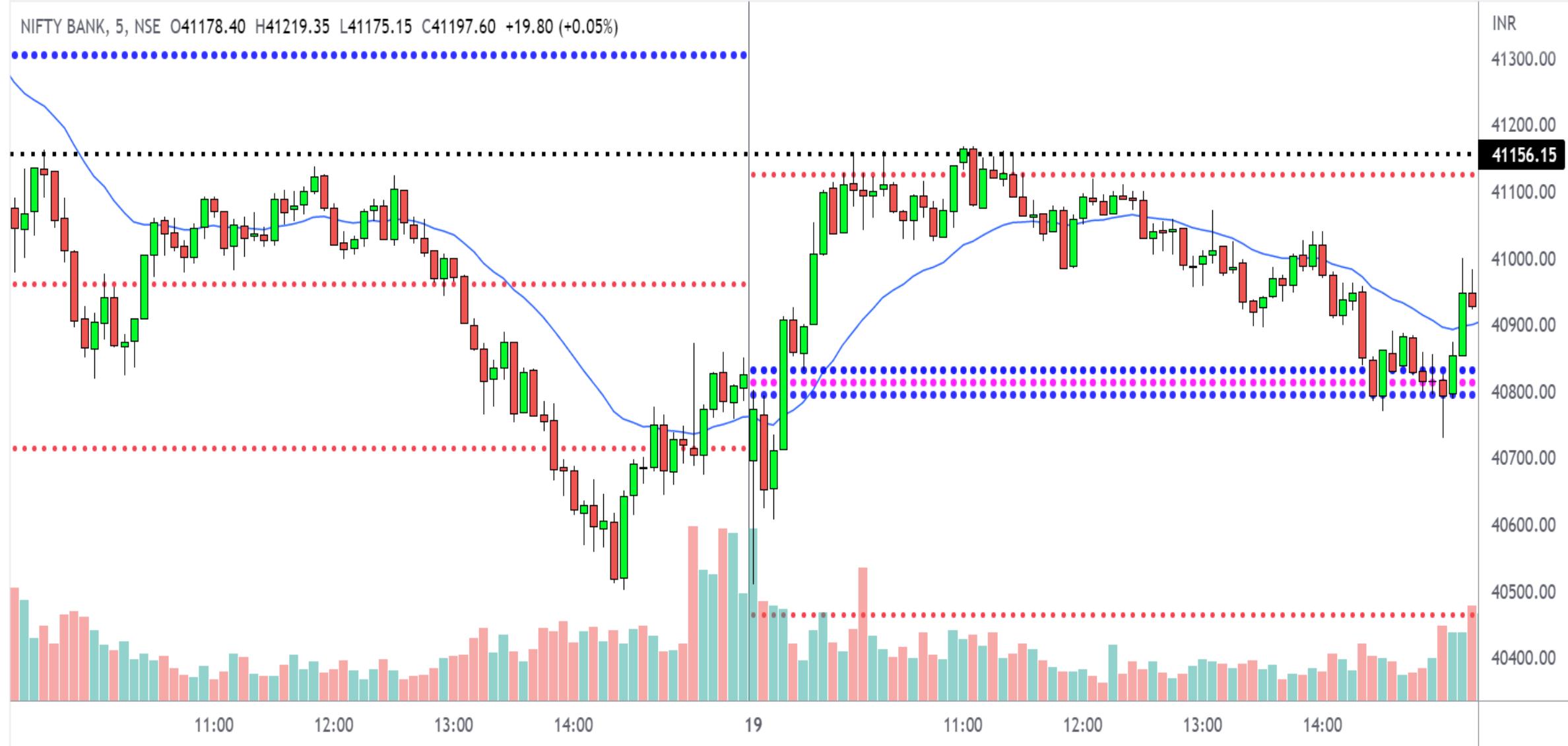
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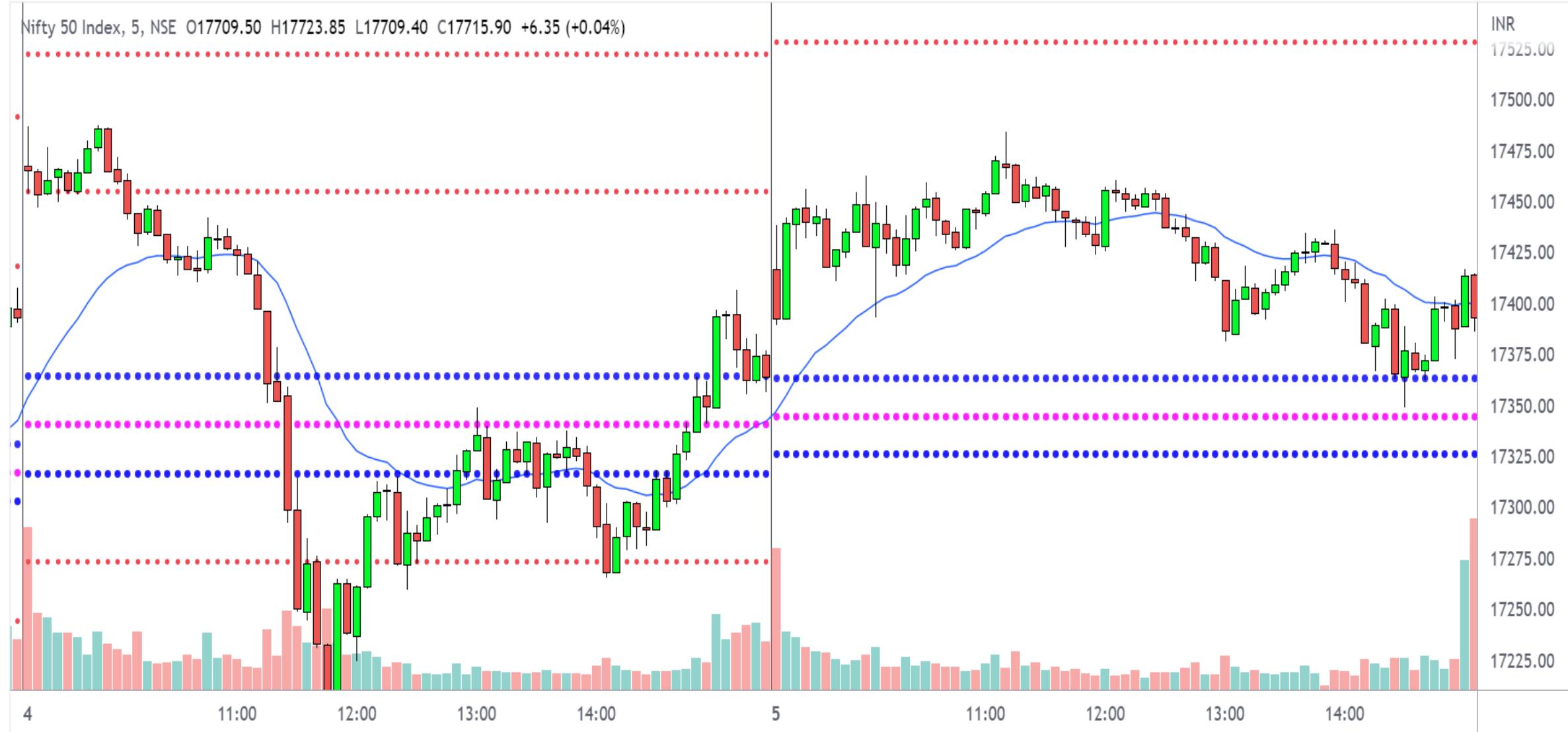
23. SUPPLY ZONE REVERSAL PATTERN



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NIFTY BANK, 5, NSE 041178.40 H41219.35 L41175.15 C41197.60 +19.80 (+0.05%)

INR

38800.00

38762.65

38600.00

38400.00

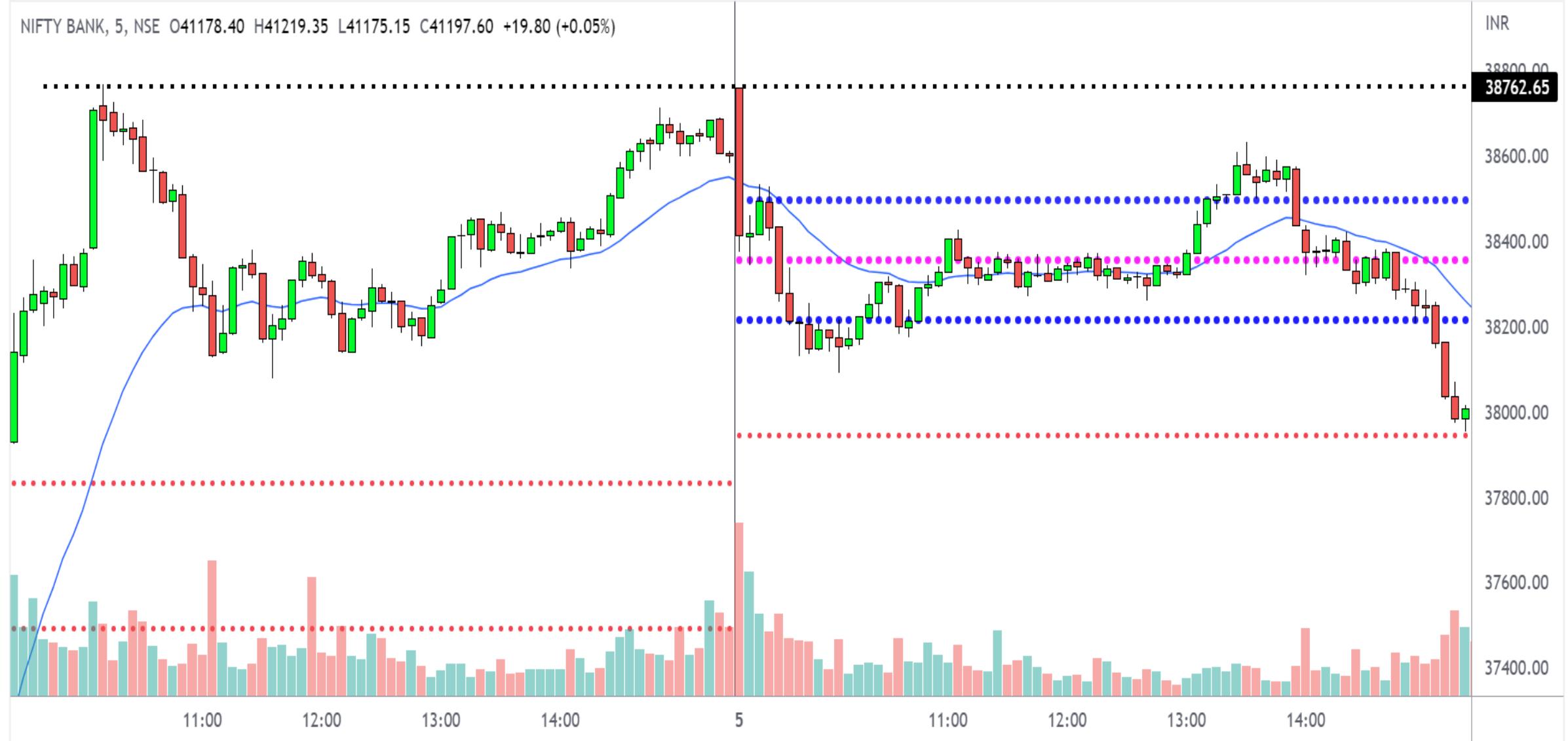
38200.00

38000.00

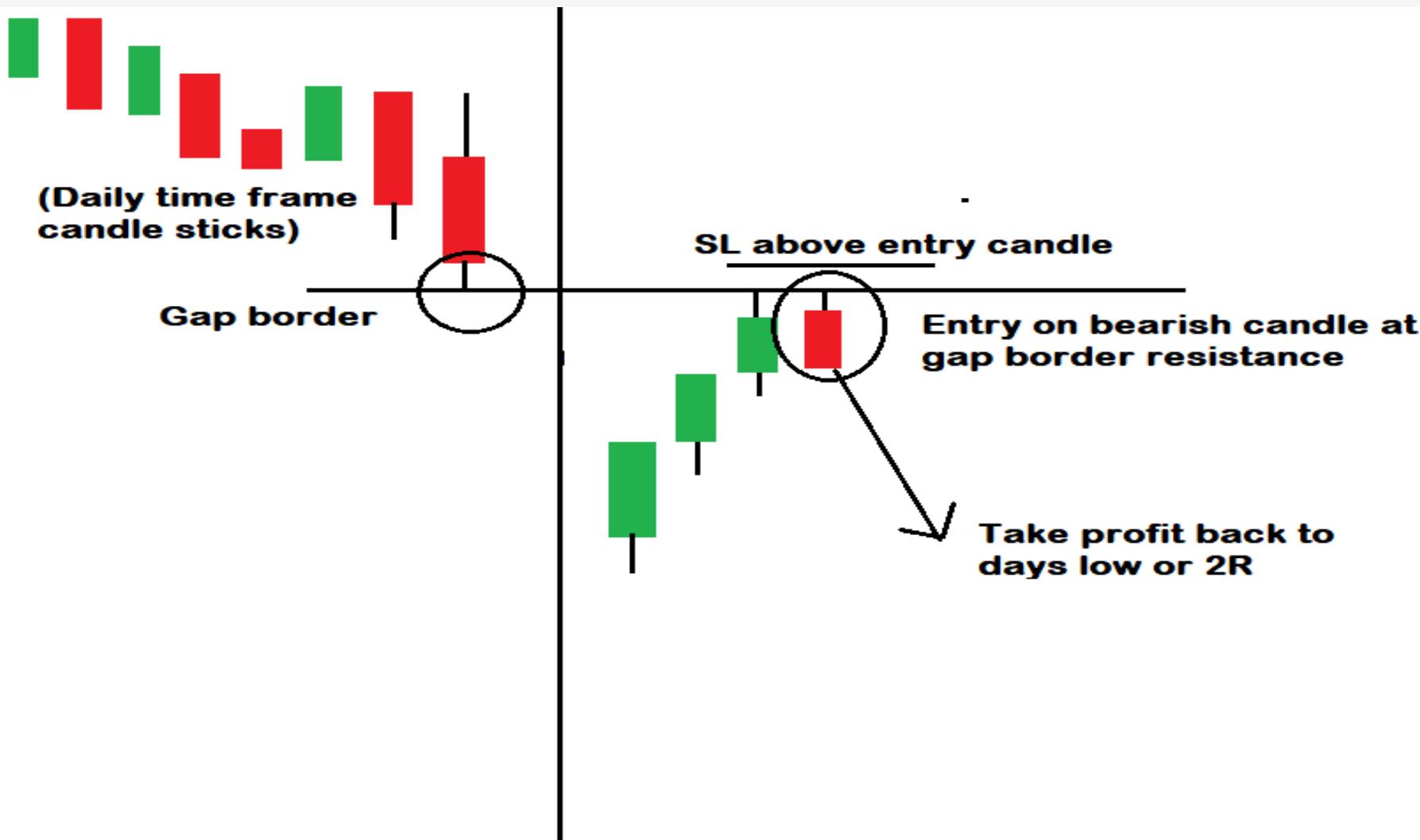
37800.00

37600.00

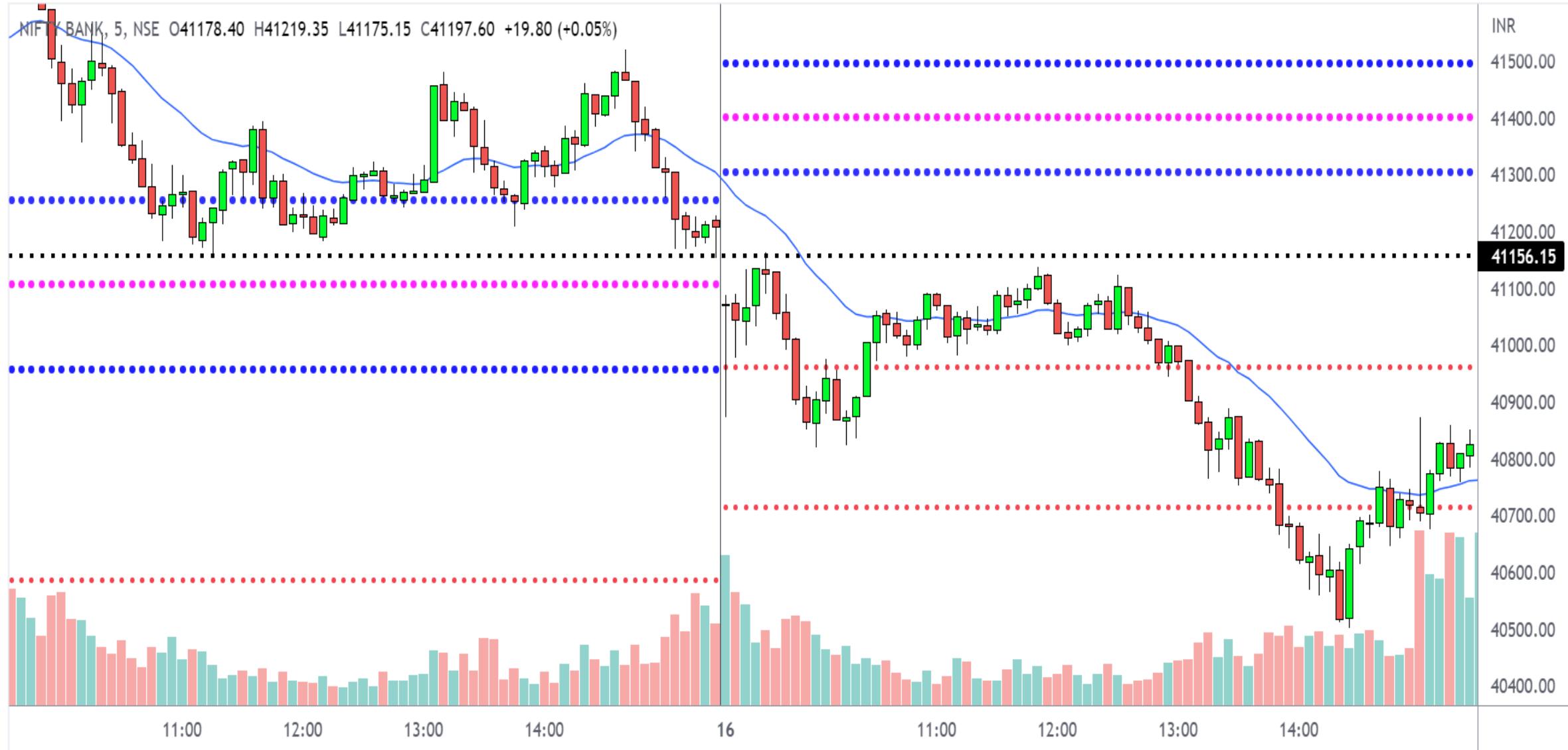
37400.00



24. GAP BORDER REJECTION PATTERN



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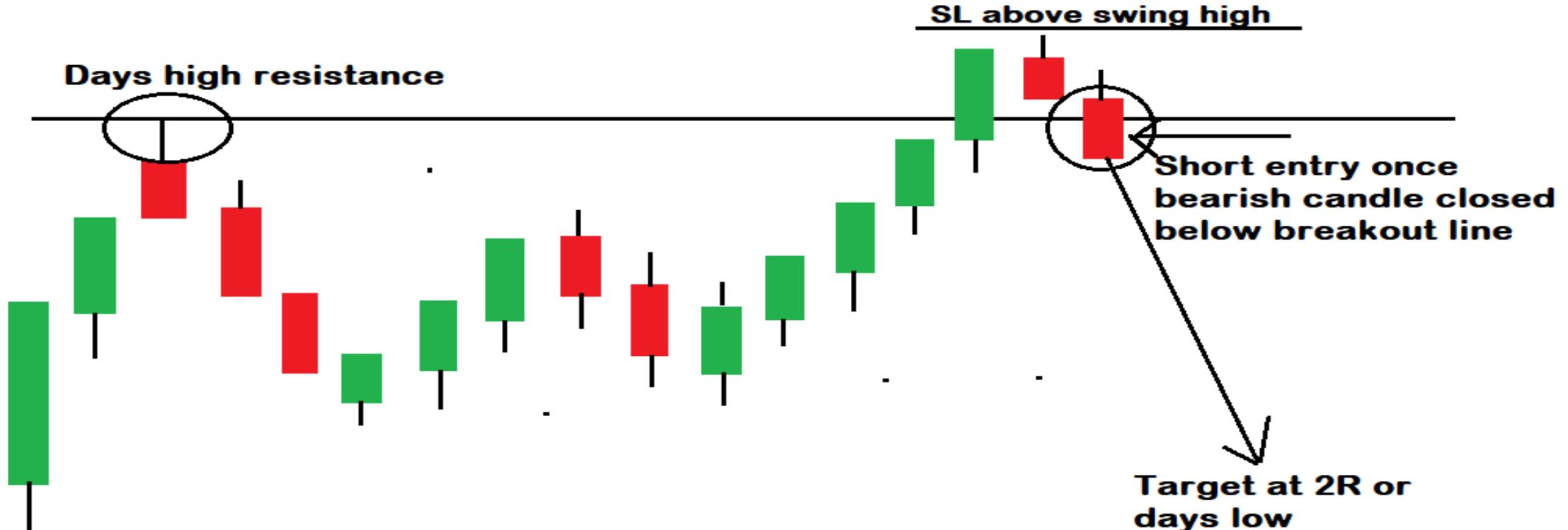
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25. FAKE BREAKOUT PATTERN



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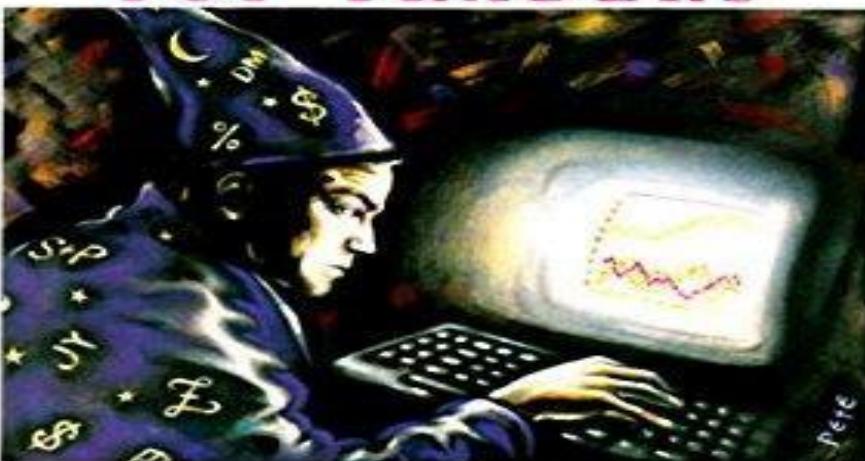
CHAPTER -10

MANAGING RISK & POSITION SIZING IN DAY TRADING

NATIONAL BESTSELLER

MARKET WIZARDS

INTERVIEWS WITH TOP TRADERS



"Buy *Market Wizards* if you want insights into the thought processes and trading rules of highly successful stock, option, and commodity traders."

—*Wall Street Journal*

JACK D. SCHWAGER
AUTHOR OF THE NEW MARKET WIZARDS

One of the most famous book ever written on Trading by Jack Schwager.

This book contains Interviews with top traders of the world.

You see in this book every Trader has different strategies, there is no magic strategy or magic indicator, only reason they are successful because of good understanding of Risk Management and discipline in trading.

Risk Management is as equally important as having a winning strategy

Risk management will ensure that you never bet beyond your risk capacity.

Risk is inevitable in Trading, but the amount of risk can be controlled by controlling the size of the bet on each trade.

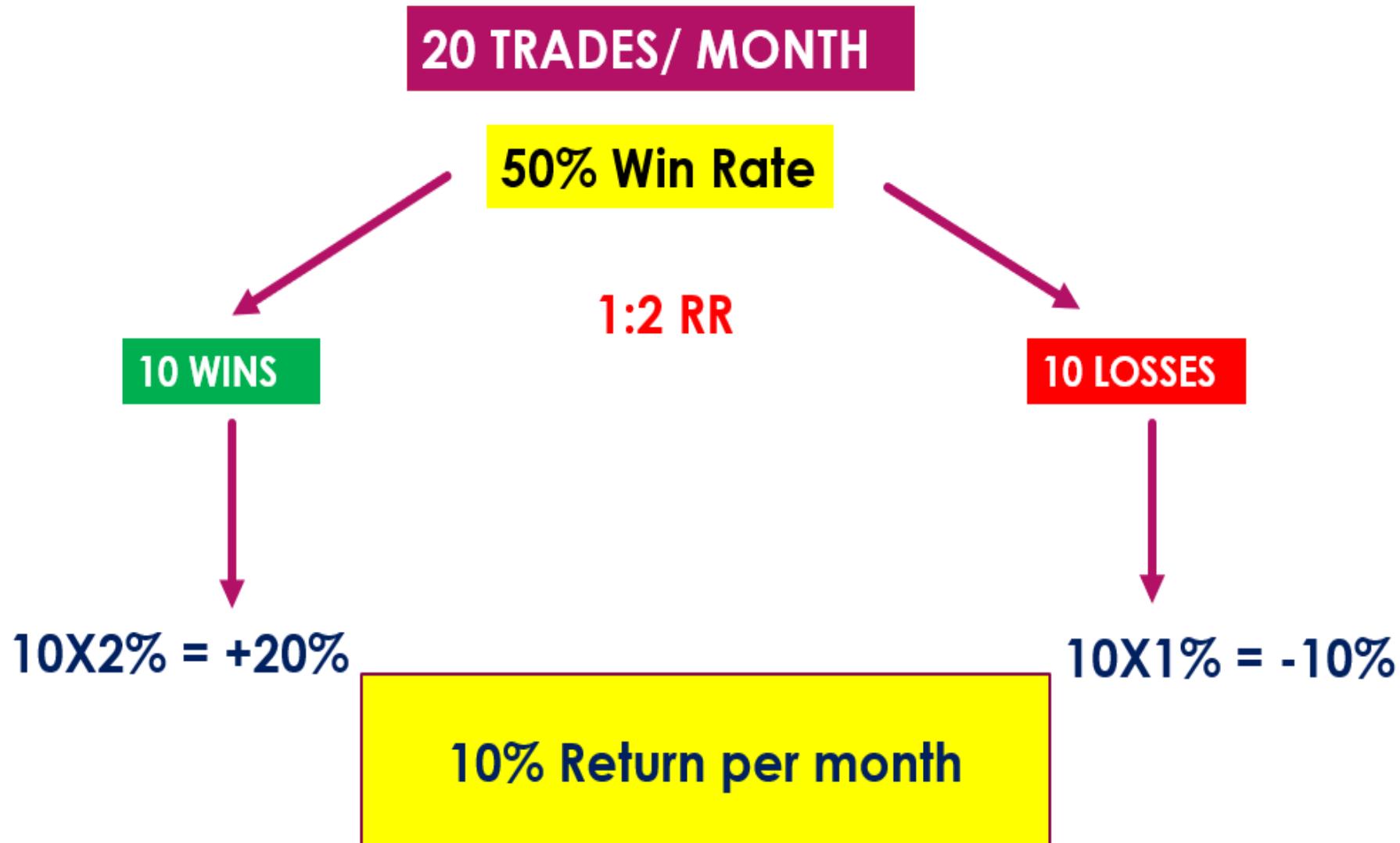
That's exactly what Risk management does. It tells you how much to bet on any given trade and that bet size is called position size.

Risk Management is probably only "holy grail" when it comes to trading.

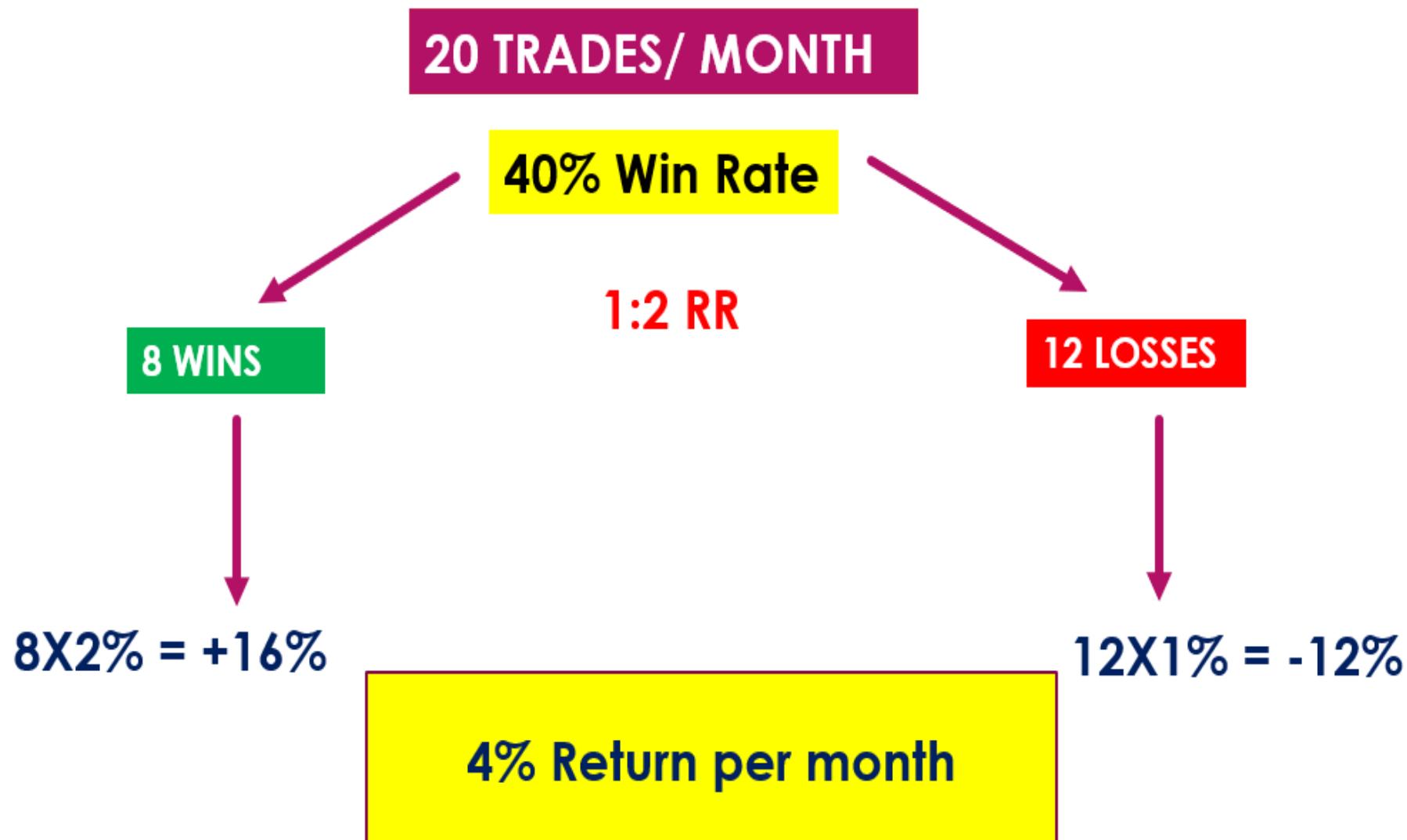
One can be a profitable trader even with a win rate of 50% or even 40%(with 1:2 or 1:3 RR)

Risk Reward is very important in Trading to stay profitable.

Return on 50% Win Rate



Return on 40% Win Rate



Re-visiting Stop loss in trading

Stop loss is essentially the difference between your entry price level and the level at which you will exit your trade if it goes against you.

Say, you enter a option at the price level of 350. You look at the charts and decide to exit if it falls below 320, then your stop loss is 30 points.

When you multiply that stop loss with the quantity of stock that you are trading, you get the total risk or total potential loss per trade in terms of rupees.

SL should not be based on your mood or just random numbers, but it should be based on technical like support/resistance etc,

Stop loss is normal in trading there is no shame in it, it is a part and parcel of a trader's life.

Recovering from drawdowns in trading

Drawdown of total trading capital (%)	Returns / recovery required to breakeven (%)
5	5.3%
10	11.1%
15	17.6%
20	25%
25	33%
30	42.9%
50	100%
60	150%
70	300%
80	900%

Drawdowns can cause huge emotional damage and can dent your confidence.

The bigger the drawdown, the larger will have to be your profit from the next few trades, to get you back even to neutral.

In percentage terms, to recover from a 50% loss you will have to gain 100% returns just to bring you to neutral level.

A stock that goes down by 50%, and again goes up by 50%, is still down by 25%.

Moral of the story is that controlling the damage and limiting losses by keeping stop losses is far better than running after recoveries.

Position Sizing in Trading

Position sizing is knowing how many shares/lots you have to buy before taking a trade.

The position size in each of these will vary accordingly, smaller the stop loss bigger be your position and bigger the stop loss smaller should be your position.

How to calculate position sizing?

a)Calculate your total trading capital first

b)Determine your risk per trade (1%)

Example,

Capital = 2 lakhs, Risk per trade (1%) = 2k, maximum loss= 2k (if SL hits) It should be 2k in every trade.

Position Sizing in Trading

Formula for right position sizing,

%Risk per trade x capital/Risk per trade (SL)

Suppose Bank nifty future at 30200, and you want to go long and want to buy Bank Nifty future

Entry = 30200

SL = 30160 (**40 points risk**)

Target = 30280(**80 points reward**)

(R:R = **1:2**)

Formula = $1\% \times 2,00,000/40 = 2000/40 = 50$ (**You have to buy 50 units 2 lots of BN**)

5 Rules of Risk Management

1) The 1% Rule

(Risk not more than 1% of your capital in each trade)

2) Have a SL(stop loss) in each and every trade

(should be in the system, not a mental stop loss) (maximum SL, 1% of your capital)

3) Never average to your losing position.

(Never add to your losing position hoping that it will turn around)

4) Have a daily limit loss of say max. 2% of your total capital.

(Have a daily limit on your losses, if risk is 1% per trade, if you took 2 trades and both hits your SL, you are done for the day, no more trades for the day)

5) Have a Strict Risk Reward ratio of around 1:2 per trade.

(More than win rate focus on Risk Reward, If risk reward is 1:2 and your win at least 50% of the time, you are guaranteed to be a profitable trader)

CHAPTER -11

TRADING PSYCHOLOGY & WAYS TO CONTROL EMOTION IN TRADING

You need to master your mind before you
can master the markets

Stop dreaming and Accept the Facts

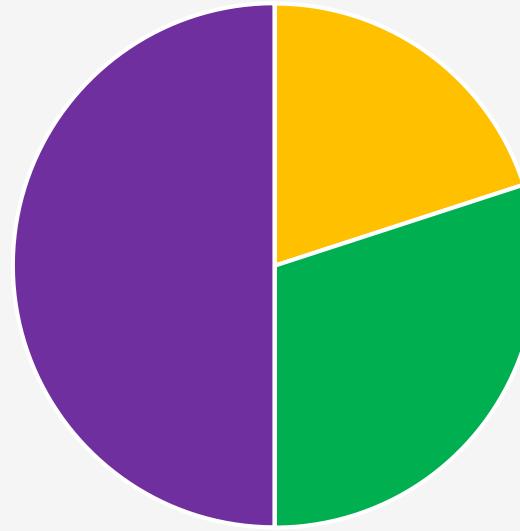
Trading is a very unique profession. In all other professions, people work and earn money. In trading, money works for you and earn for you.

Trading is for those who are willing to accept risks. The only way to have zero risk is by staying away from the markets.

Trading can be compared to adventure sports. Whether it is para gliding, para sailing, Scuba diving, bungee jumping, Trading also comes with the Risk but the best part is it can be controlled.

As they say there is no free lunch in life, so too there are no risk-free trades in the markets, The sooner you accept this, the quicker you can grow.

Importance of Trading Psychology in Trading



■ Strategy ■ Risk Management ■ Trading Psychology

Successful Trading comprises of 3 parts, in that 50% of Trading success comes from Trading Psychology, not strategy. Successful traders are not successful because of some magic indicator but because of right mindset and discipline.

Many new Traders constantly search for “Holy grail strategy” that can give winning trades all the time, does it Exist??.....NO

TRADING PSYCHOLOGY & WAYS TO CONTROL EMOTION IN TRADING

Unlearn Before You Learn

As kids we are often told by teachers and parents to go on trying until we succeed.

If you follow the same method in Trading, then it is just matter of time before you lose your all your money in market.

Use your stop loss and get out of it if the trade is not working.

Don't go on trying to convert losing trade in to winning Trade.

Trade as per the Rule not on your emotion

Trade according to entry/exit rules, never on your emotion (like hope, greed or Fear)

Focus on following the rules, not on outcome of the trade...

Don't trade with the emotions ... market will not go up or down because you want to, market is not your friend neither your enemy.

Have a rule on number of trades per day (max. 2) and max loss per day (max. 2% of your capital) and Exit once SL hits, don't keep fighting with market

Remind your self, Trading is probability not certainty.

Trading is probability, any strategy can have a loosing streak(like 4-5 or more) or a winning streak(like 4-5 or more)

If your last 5 trades were losing trade doesn't mean that 6th trade will be a winning trade and vice versa, your 6th trade is still a probability of 50-50.

You don't need to be right each and every time, on the long run you need to be right only 50% of the time with 1:2 risk reward trade to stay profitable.

Have confidence in your strategy

Have confidence in your strategy. Stick to one strategy and master it, don't jump from one strategy to another strategy.

There is no holy grail strategy, any strategy can fails sometime and hit SL.

Any strategy which was back tested and have worked at least 50% of the time means it is a good strategy provided you follow 1:2 Risk reward.

Do a Self analysis

Do a self analysis– Ask yourself what's your weakness ? Are you an impatient person? Are you a short tempered?
Are you Egoistic person? Are you Revengeful?

If answer is YES to anyone of them then work on it, because your personality reflects in your trading.

CHAPTER -12

TRADING PLAN FOR A NEW DAY TRADER

1. Financial back up

You want to become a full time trader or trading as a hobby?

If a part timer then there is no issue because you have your salary to fall upon, but to become a full time trader, you need a lot of planning before plunging in to it.

At least keep 2-3 years of ready funds in your savings before you want to become a full time trader.

Inform and take approval from your parents or your spouse before taking up full time trading.

You can do well in Trading If you have some other financial back ups like having some other side business or your spouse having a job and steady income or parents ready to financially support you until you become a profitable trader.

2. Knowledge Is Power

Just like any other profession, in trading also one needs to have thorough knowledge about this field like technical, price action etc before entering in to stock market.

Read whatever you get on trading, watch as many videos on YouTube on trading, follow successful traders handle and learn their skills.

Do enough back testing on historical charts to understand price action and patterns and you can see your analysis level increasing immensely in the live market.

Best tool to gain trading knowledge : **Zerodha Varsity**

3. Understand your personality.

You need to ask yourself which trading method actually suits your personality?

Is it pure price action? Data based strategies? Option Hedging strategies?

Trade whatever suits you, you don't have to follow same strategy because of XYZ trader is successful trading that methos, that actually should suit your personality.

“One size fits all” doesn't apply in Trading, trade what suits your personality.

Read the book : **Market Wizards by Jack Schwazer**

4. Don't trade with real money for first 2 months.

Being a new trader it is obvious to make mistakes while trading, so it is always better to start with paper trading.

Practise on a simulator for first 2 months and get a feel of trading in live market.

Only once you feel confident then only start with small trading account.

Though emotions are different in paper trading and trading with real money but it can help you feel of the trading in live market.

Paper trading software's – **Sensibull, Money bhai, Trading view**

5. Maintain a Trading journal

Trading journal will provide an accurate and complete historical record of your trading performance. It is your personal performance database, giving you the opportunity to analyse your trading performance in detail which Helps in Identify, Review, Learn and Work on your weaknesses.

Also it is a good habit to save all those charts which you have traded with marking entry and exit and review it after the market and save it in a folder for reference.

Although it may be difficult at first to keep track of every single trade you make, it is noteworthy that keeping a trading journal is a smart strategy to enhance your performance and gain confidence.

No business is run without documentation. Always document your work; your planning, your analysis, your results. Not doing that is a sign of treating your work casually

Trading journal template

6. Plan your Trading capital

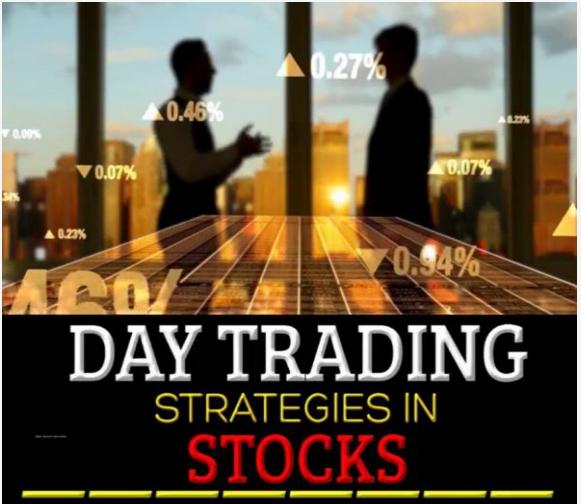
Trading capital is necessary but that alone can't determine the success for a new Trader.

It is skills, discipline and experience decides your success in trading.

So Two months after the paper trading, start with a very small trading capital and then see for next Four months whether you succeed in preserving that capital.

Even after 6 months If you are still able to preserve your capital means you are a disciplined trader and following risk management very well and you have qualities to become a disciplined trader and you can plan your trading capital to become a full time trader.

MY OTHER COURSE DETAILS

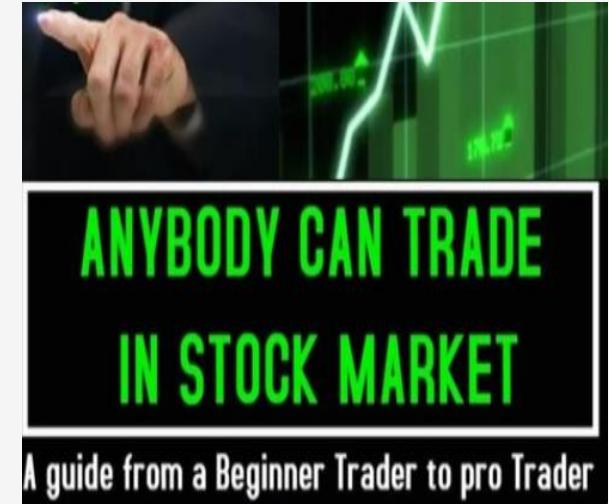


Learn 6 powerful Swing Trading Strategies...



ADVANCED SWING TRADING STRATEGIES

Swing Trading with your Full time Job
Strategies to Trade in Stocks



THANK YOU & GOOD LUCK