

# **51 TRADING STRATEGIES**



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# HOW TO USE THIS BOOK?

**LEARN BY DOING:** Welcome to "51 Trading Strategies" by Aseem Singhal, designed in a hands-on manner for both beginners and intermediate-level traders. The key to mastering trading is active participation, so ensure you follow along and practice each strategy to maximize your learning experience. Remember, practice makes perfect!

**QR CODES AND AUTHOR VIDEOS:** Take your understanding to the next level with exclusive author videos. Aseem Singhal explains each strategy on charts, providing in-depth insights that complement the textual content. Look for QR codes on the first page of each strategy inside the book to access these valuable resources, ensuring you gain a comprehensive understanding of each trading strategy.

**BACKTESTED RESULTS:** Dive deeper into the world of options with backtested results for 11 of the option strategies. Scan the QR codes provided at the end of each respective option strategy to access detailed insights and performance metrics, enhancing your confidence in implementing these strategies.

**TRADING AND OPTIONS GLOSSARY:** Don't let trading jargon intimidate you. We've embedded a trading and options glossary through QR code within the book, where Aseem Singhal simplifies complex terms in an easy-to-understand manner in video format. This glossary serves as a valuable reference, ensuring even those with no trading experience can grasp the content effortlessly.

**DECODING INDICATORS:** Understand the logic behind the indicators used in the book. Explore a dedicated video section where the author decodes the majority of indicators employed throughout the strategies. Gain insights into why these indicators are crucial, empowering you to make informed trading decisions.

**BEGINNER-LEVEL STRATEGIES:** For those new to trading, we've got you covered. Aseem Singhal presents a set of beginner-level strategies in video format for all seven sections of strategies. These videos provide step-by-step guidance, making it easier for beginners to navigate the world of trading with confidence.

**CANDLESTICK INSIGHTS:** Enhance your knowledge of candlesticks with a separate section of videos by the author himself. These videos cover different types of candles, ensuring you have a clear understanding of this fundamental aspect of technical analysis.

**MONEY MANAGEMENT:** We care about your financial well-being. Navigate the potential challenges of trading with a dedicated section of videos by Aseem Singhal. Learn effective money management strategies, backed by the author's personal experiences, to ensure you trade with confidence and financial prudence.

Note - Video sections including Beginner-Level Strategies, Decoding Indicators, Candlestick Insights, and Money Management, will be accessible digitally. Using your registered credentials, log in to our platform to unlock these valuable resources.



# PREFACE

In the thrilling world of financial markets, mastering the art of trading is a journey that can lead to both prosperity and personal fulfillment. Welcome to "51 Trading Strategies" where we embark on a remarkable exploration of diverse strategies that can elevate your trading game to new heights.

Our aim with this book is to offer you a treasury of trading wisdom, covering 51 distinct strategies that span across various trading styles, methodologies, and philosophies. Whether you're a novice trader just starting or an experienced investor seeking to diversify your trading toolbox, you'll find a wealth of knowledge here to expand your horizons.

This book is designed to cater to a wide spectrum of readers. Whether you're a swing trader, intraday aficionado, positional trader, or scalping enthusiast, you'll find strategies that resonate with your preferred trading style.

As you journey through this book, you'll notice that it revolves around essential themes like technical analysis, fundamental analysis, risk management, and trading psychology. These are the cornerstones that support our trading strategies, and understanding them will deepen your appreciation of the approaches we present.

Trading is not just about theory; it's about results. Throughout this book, we back our strategies with historical data and backtest results. It's crucial for traders to have confidence in the methodologies they choose, and by presenting the performance metrics, we aim to instill that confidence in you.

By the time you finish this book, you'll gain a thorough understanding of each strategy, supported by real-world examples and practical tips. You'll have the tools to improve your trading performance, adapt to market dynamics, maintain consistency, and manage risk effectively.

Here's to your success and the exciting journey that awaits you.



*This book is dedicated to my parents, my wife Shruti and my daughter Anaya, who have been my constant inspiration while writing this book. I thank them for their patience and understanding during late nights and endless research.*

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Trading Glossary

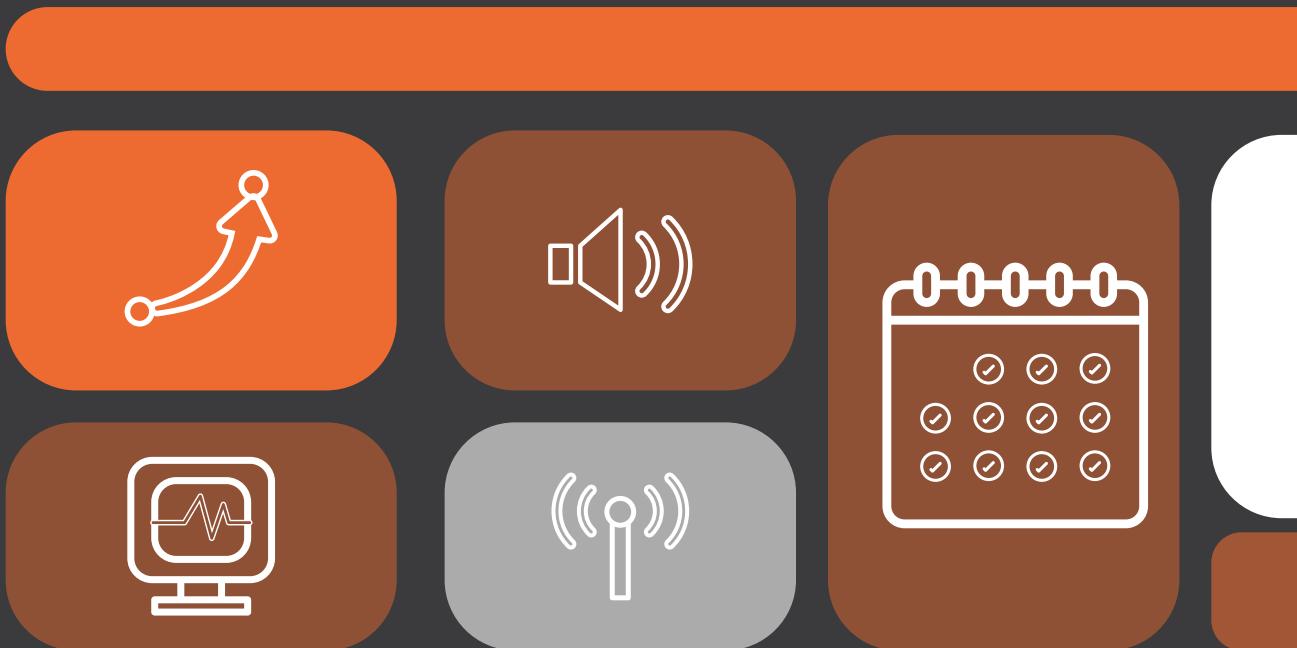


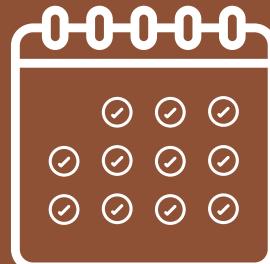
Options Glossary



## CHAPTER 1

# STRATEGIES BASED ON SWINGS





- |  |  |
|--|--|
| 1.1 <i>Trading the Bollinger bands</i>                         | 1.4 <i>Riding a breakout</i>                       |
| 1.2 <i>Williams %R and MACD duo for swing trading</i>          | 1.5 <i>Swing trading with institutional moves</i>  |
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Indicators

▼



Alert

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ZEBRALEARN

1.1

# TRADING THE BOLLINGER BANDS



Strategy video

As a newbie in the market, everyone has experienced their stoploss getting hit, only to see the price marching towards the target after hitting the stoploss. It makes the trader go "Why it hits my stoploss and then move towards my target?".



No one likes losses, not you or me. As a result, after years of back-testing a strategy that has an advantage in such situations, I finally present it in my book so that no retail trader gets caught in such situations.

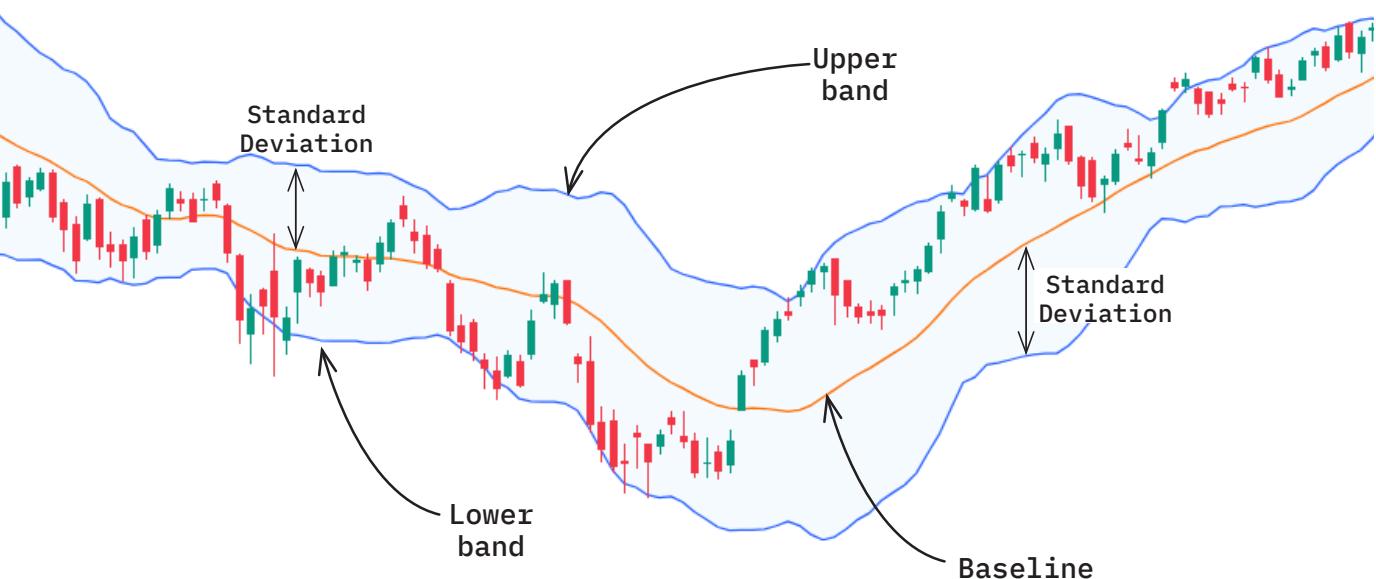
In this chapter, I will talk about a strategy that uses a combination of Bollinger bands and a 9-period moving average.



# BOLLINGER BANDS



Mr John Bollinger developed the Bollinger Band which uses the standard deviation of prices and volatility to create an upper and lower band around the stock price.



The three components of the Bollinger Band are the upper Bollinger Band and the lower Bollinger Band with a baseline. The baseline is in the middle and the upper and lower bands are two standard deviations away from the baseline.



Indicators



Alert

Replay



T



As a trader, you should understand how Bollinger Bands works. Let's see an example:



This is a classic case of how Bollinger Bands formed before and during the COVID-19 pandemic. If you observe, when the market starts to go sideways, Bollinger Bands starts contracting and vice-versa.

In this strategy, we will do a minute change in the settings of Bollinger Bands. I.e. disabling the Basis Line and adding the 9 Exponential Moving Average to the chart.

Basis Line

9 Exponential Moving Average

The 9-period Exponential Moving Average is formed from the closing prices of the last 9 days. This will help you understand the price trend and make an informed decision.

## THE STRATEGY

To execute this strategy for intraday, the ideal timeframe is 30 minutes for entry and exit. Using a bigger timeframe gives the trader enough data and technical indicators to respect price action to its fullest potential.

30 Minutes

ENTRY

EXIT



Indicators



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## WHEN TO BUY?

To buy using this strategy, do the following things:

Apply Bollinger Bands to the chart and disable the Basis line.

### Indicators, Metrics & Strategies



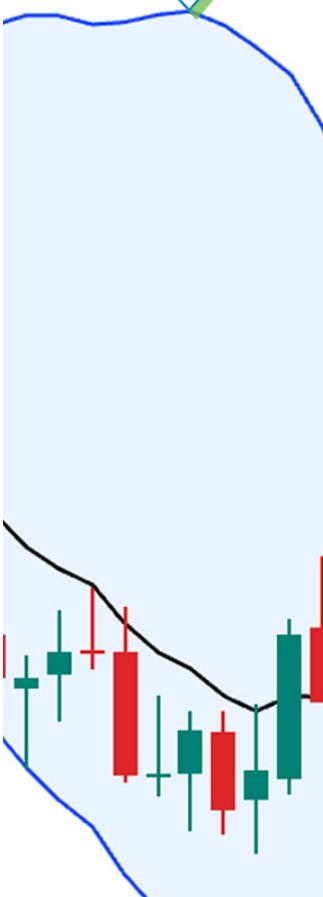
b

- My scripts
- Technicals
- Financials
- Community Scripts

#### TECHNICALS

- Balance of Power
- Bollinger Bands
- Bollinger Bands %B
- Bollinger Bands Width
- Bull Bear Power

Wait for the price to be in an uptrend.



### Indicators, Metrics & Strategies



Moving

- My scripts
- Technicals
- Financials
- Community Scripts

#### TECHNICALS

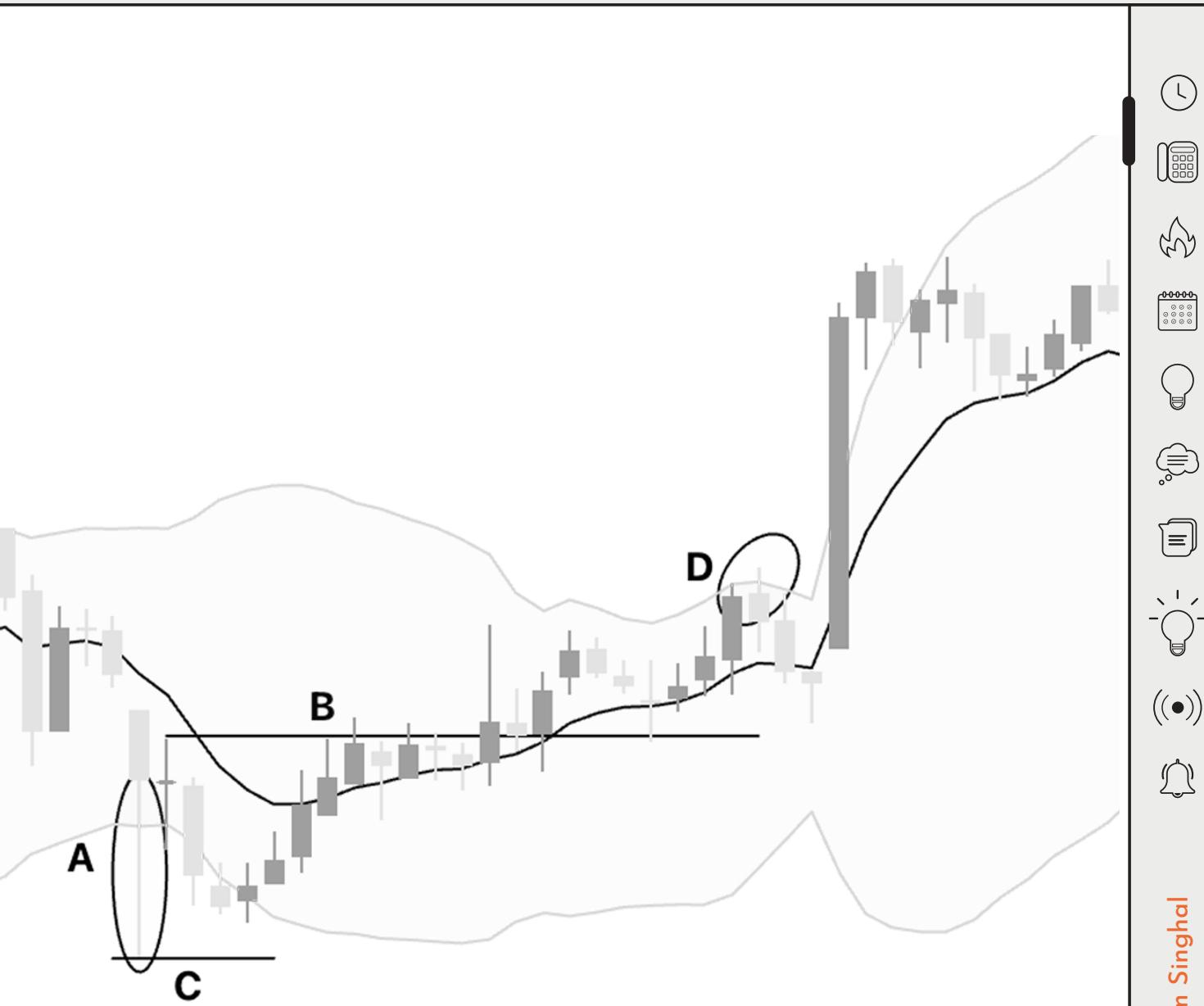
- Moving Average Convergence Divergence
- Moving Average Exponential
- Moving Average Ribbon
- Moving Average Simple
- Moving Average Weighted

Apply the 9-period Exponential Moving Average to the chart.



TradingView







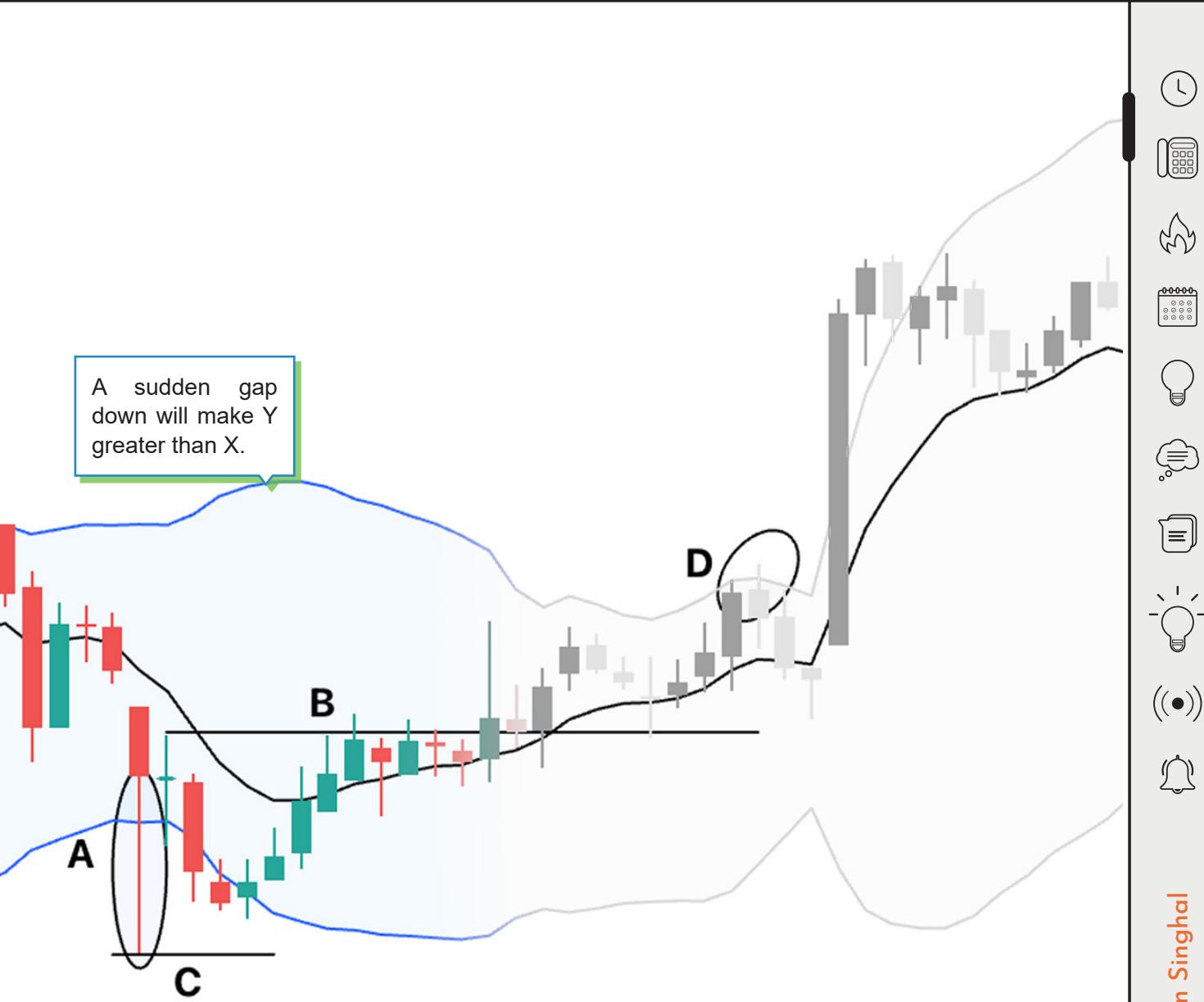
Indicators



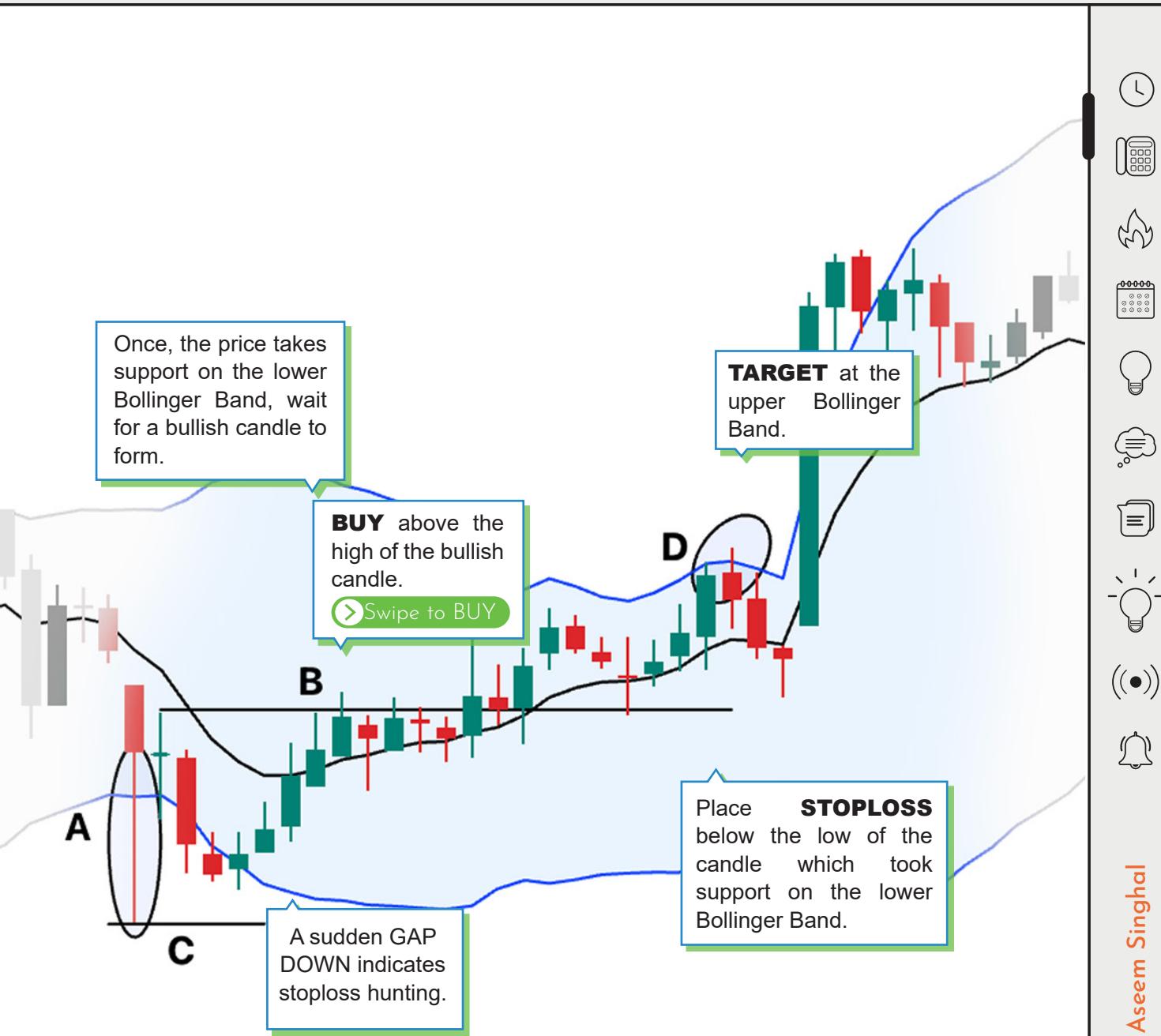
Alert

Replay



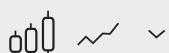






- A. Strong rejection from lower Bollinger Band
- B. Entry above green candle
- C. Stoploss
- D. Exit at upper Bollinger Band

As you can see in the above illustration, the market is in an uptrend, but a quick downside move can trigger a stoploss. However, if you know this strategy, you know that such impulsive moves cannot change the primary trend. The chart clearly indicates that the price continued to move upwards after touching the lower Bollinger Band.



Indicators



Alert



Replay



## WHEN TO SELL?

To sell using this strategy, do the following things:

Apply the 9-period Exponential Moving Average to the chart.

### Indicators, Metrics & Strategies

Moving

My scripts

Technicals

Financials

Community Scripts

#### TECHNICALS

Moving Average Convergence Divergence

**Moving Average Exponential**

Moving Average Ribbon

Moving Average Simple

Moving Average Weighted

Wait for the price to be in the downtrend.

Downtrend

### Indicators, Metrics & Strategies

b

My scripts

Technicals

Financials

Community Scripts

#### TECHNICALS

Balance of Power

**Bollinger Bands**

Bollinger Bands %B

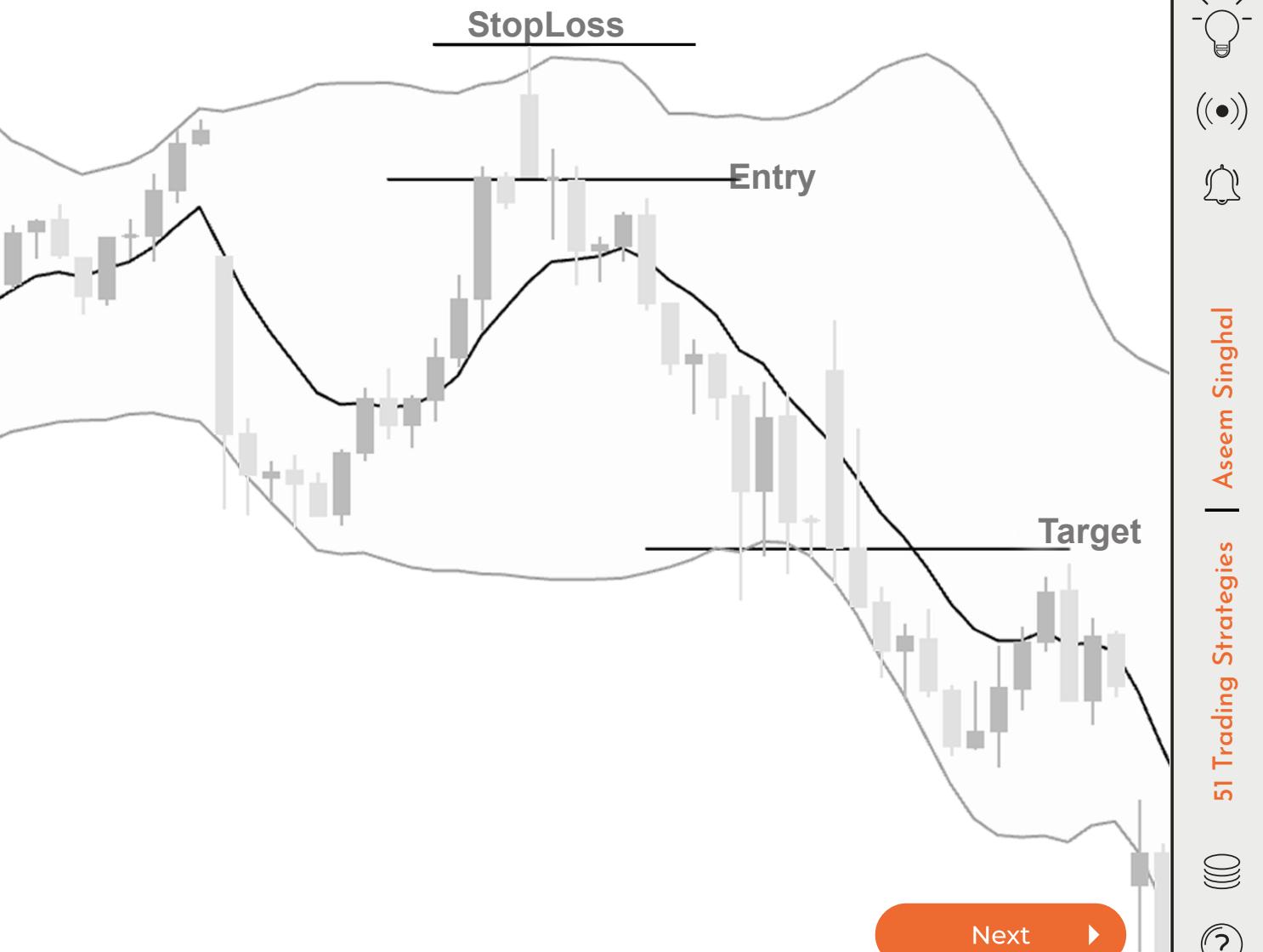
Bollinger Bands Width

Bull Bear Power

Apply Bollinger Band to the chart and disable the Basis line.

When the price is in the downtrend, it may hover around the lower Bollinger Band.





Next



Indicators



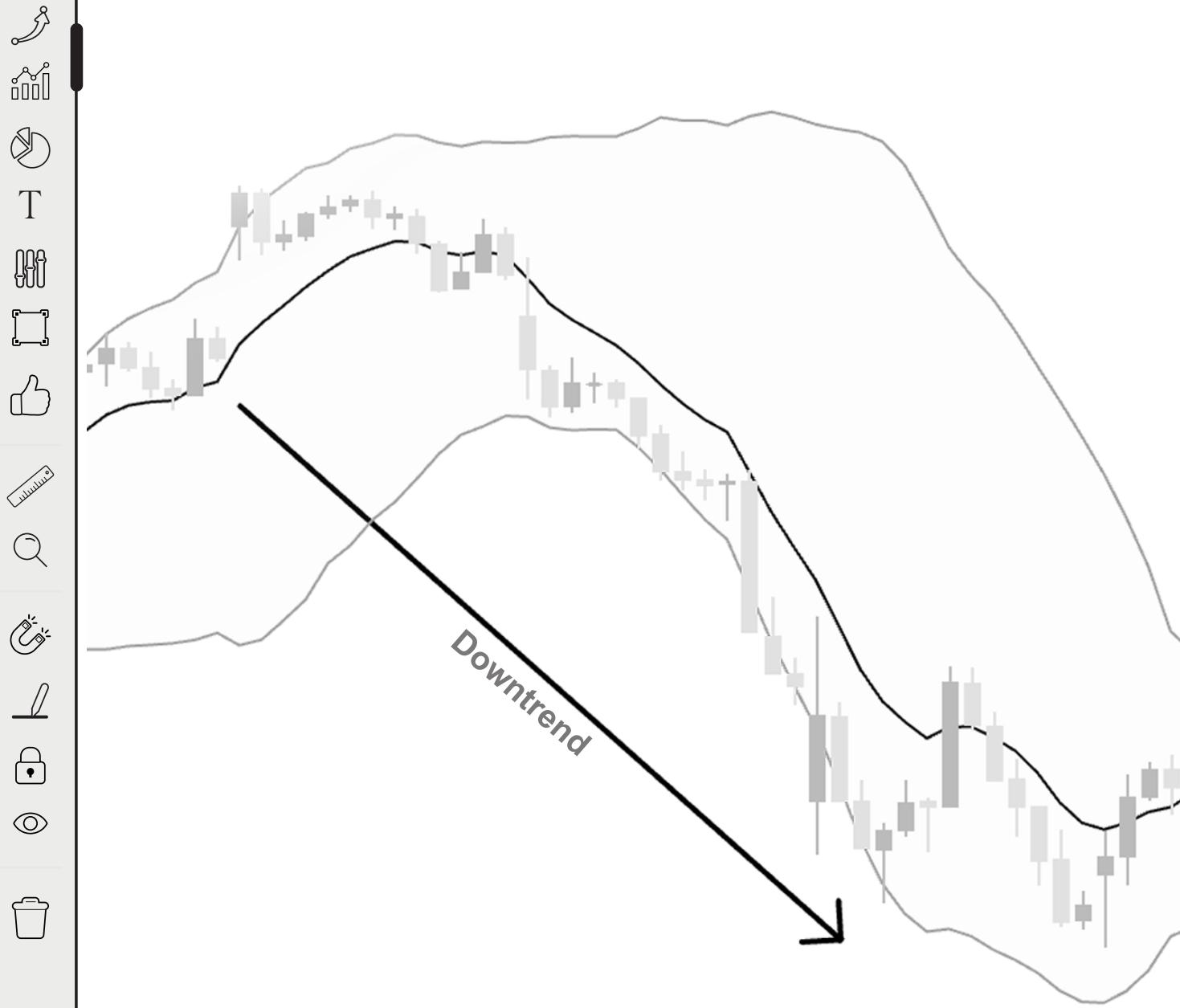
Alert



Replay







Every successful trader knows where he will exit if the trade goes against him. Acknowledging the amount of loss he might incur will help him stay calm during the session. This is why, in this strategy, you must put your stoploss at point C and target at point D.

At the beginning of your trading journey, you will come across hundreds of trading strategies promising you unrealistic returns but, as a trader, it is your job to back-test them and use them.

Once the price faces resistance on the upper Bollinger Band, wait for a bearish candle to form.

**StopLoss**

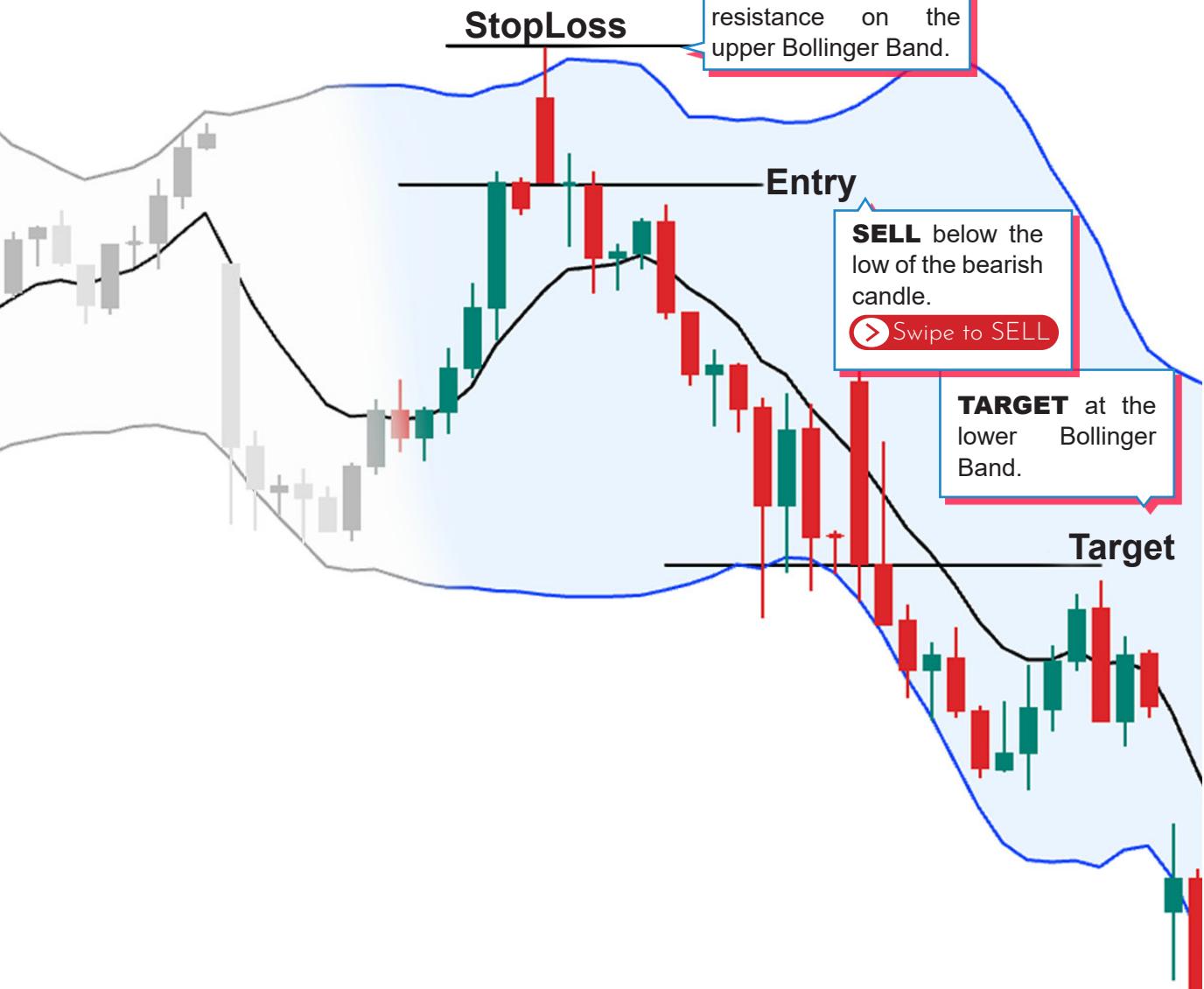
Place **STOPLOSS** above the high of the candle which faced resistance on the upper Bollinger Band.

**Entry**

**SELL** below the low of the bearish candle.  
Swipe to SELL

**TARGET** at the lower Bollinger Band.

**Target**





Indicators



Alert

Replay



1.2

# WILLIAMS %R AND MACD DUO FOR SWING TRADING



Strategy video

Traders who are into momentum trading use oscillators as a tool to identify buy and sell signals. There are many oscillators available for traders, but, there is one oscillator which is still unknown to a lot of traders, and that is Williams %R.



Zone	Range
Oversold Zone	-80 to -100
Overbought Zone	-20 to 0

Williams %R is an oscillator which ranges between 0 to -100. the range between -20 to 0 represents the Overbought zone and the range between -80 to -100 represents the Oversold zone. When the price is in either zone, there is a possibility of price reversal.



After spending hours in the market back-testing this oscillator, I have observed a particular pattern that gives frequent signals and helps traders to be profitable. In this chapter, I will teach you a strategy using Williams %R and a Simple Moving Average to trade in the financial markets.

Before we begin with the strategy, you should know that no indicator alone can help you become a profitable trader.

Williams %R close 14



This is why I have used a 14-period Simple Moving Average along with the Williams %R.



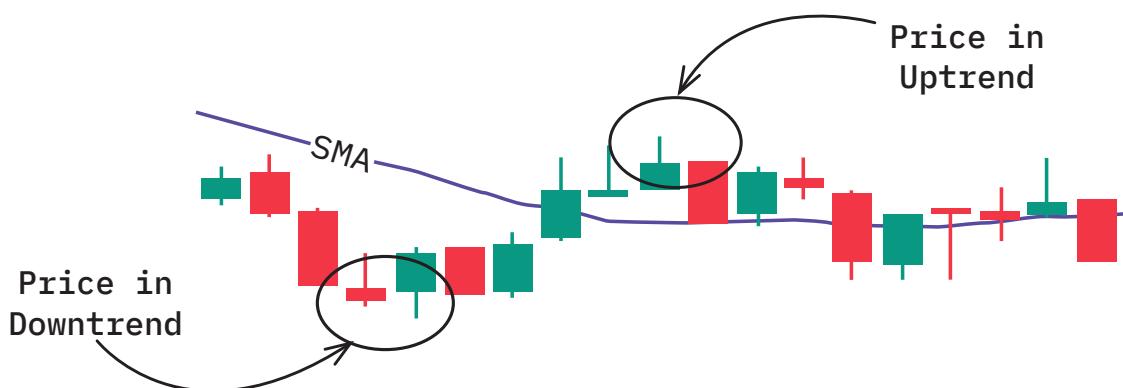
Williams %R close 14

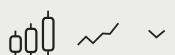
+

SMA 14 close 0 SMA 5

The Simple Moving Average with a look back period of 14 days represents the average closing price of the previous 14 days. The Moving Average line can act as a dynamic support and resistance for the price.

The price above 14 days SMA represents an uptrend. If the price is below the SMA, it is said that the market is in a downtrend.





Indicators



Alert

Replay



T



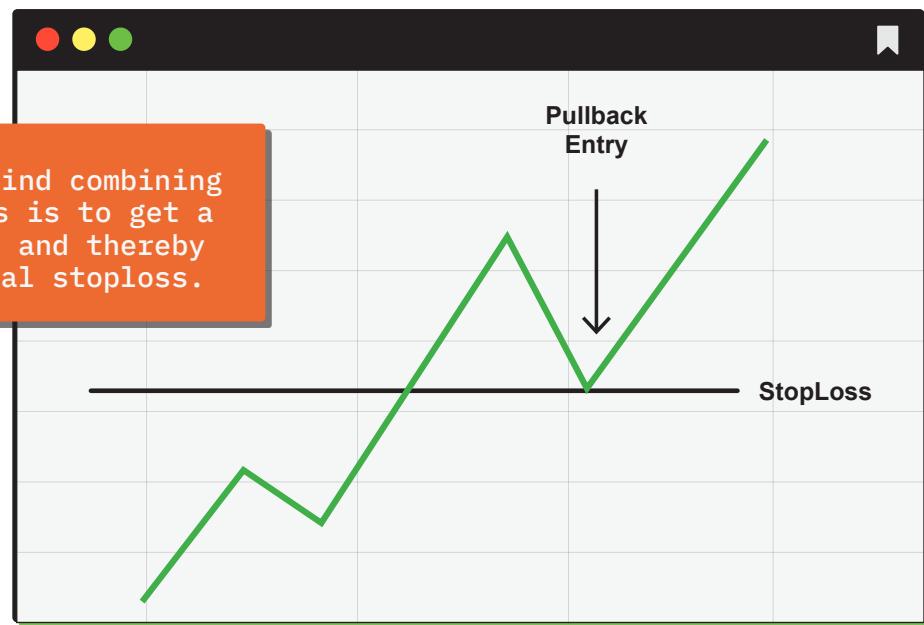
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# THE STRATEGY

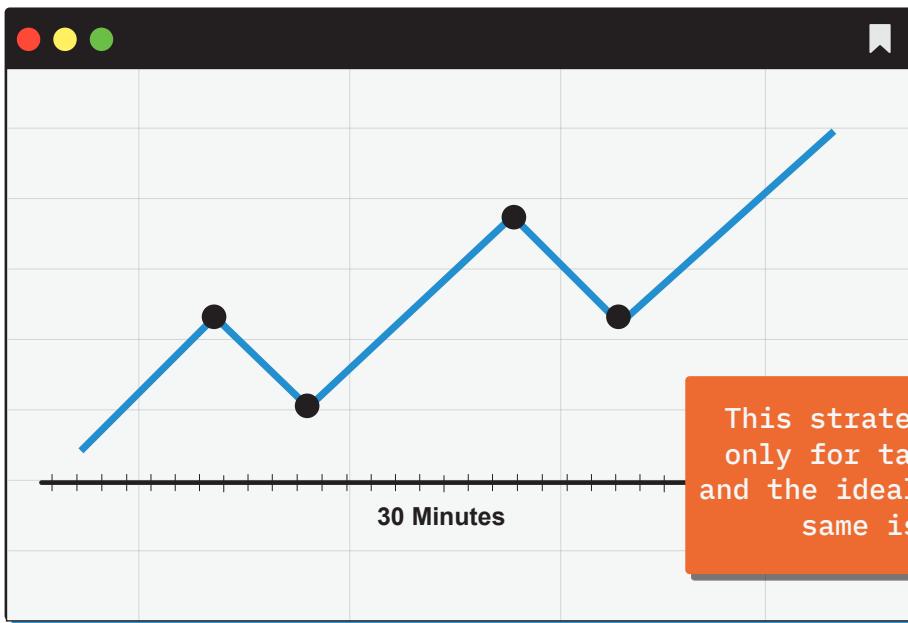
This strategy is a combination of the Williams %R and a 14-period Simple Moving Average.

The purpose behind combining both indicators is to get a pullback trade and thereby having a minimal stoploss.



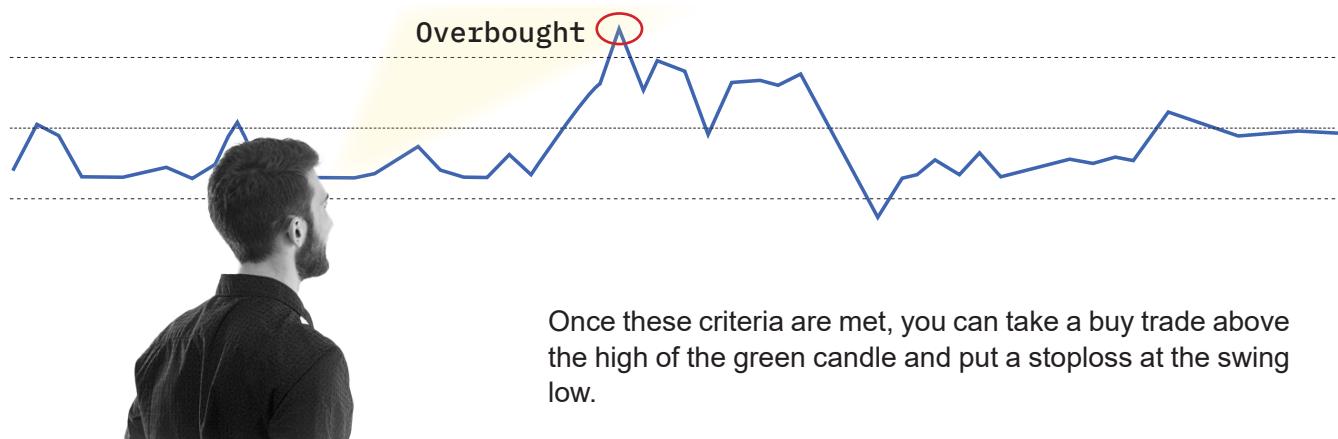
Having minimal stoplosses in every trade increases your Risk to Reward ratio, and even if this strategy has a success rate of 50%, you still end up making profits in the long run.

This strategy is recommended only for taking swing trades and the ideal timeframe for the same is 30 minutes.



# WHEN TO BUY?

The strategy is to wait for the Williams %R to go in the overbought zone and take a pullback at the -50 level. During the same time, the price should be trading above the SMA line.



Once these criteria are met, you can take a buy trade above the high of the green candle and put a stoploss at the swing low.

Let's understand with an example to understand better:

In this illustration, we have implemented this strategy on **Nifty 50 on 30 minutes timeframe**. However, you can use this strategy to trade any security. The buy signal triggers when the price goes above the SMA and the Williams %R touches the -50 line from above and is reversed. Like many other trades, this trade is also profitable with a Risk to Reward ratio of more than 1:2.





~ &lt;

Indicators &lt;



Alert

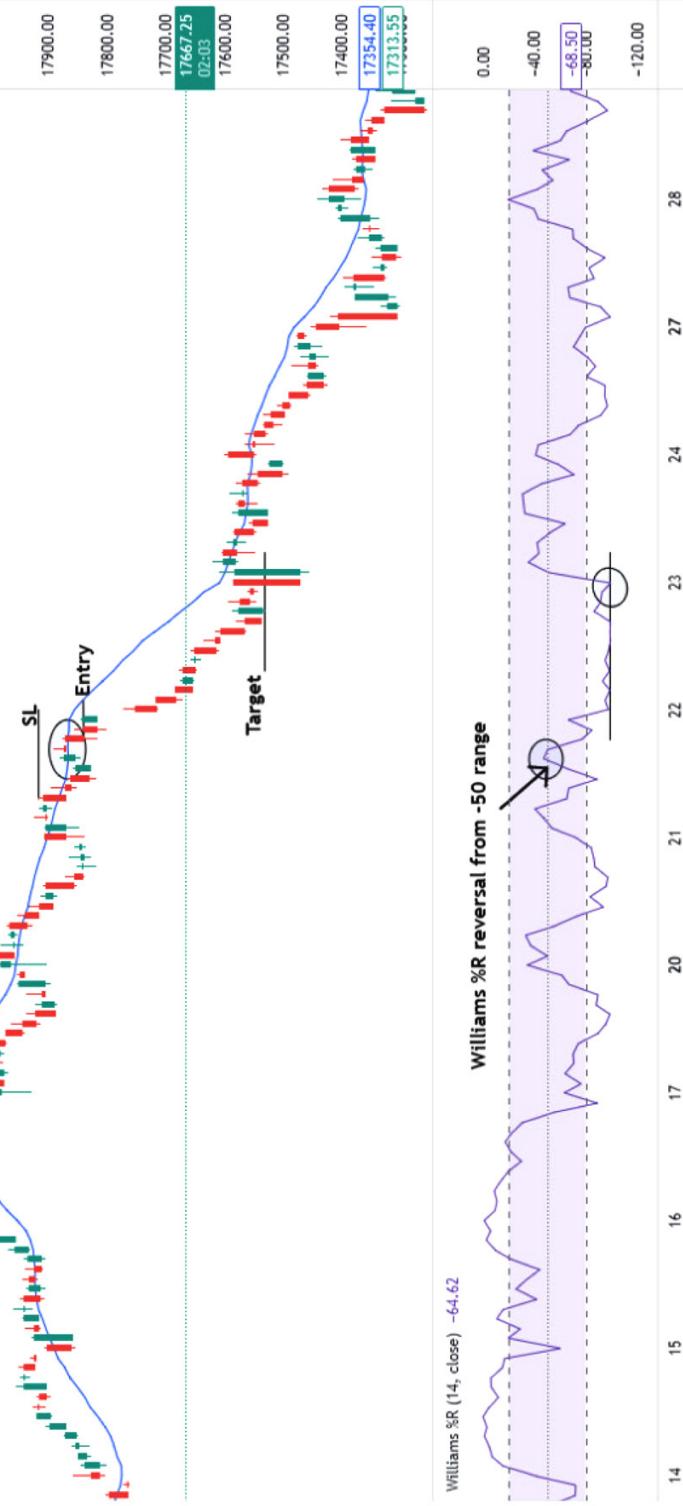
&gt;&gt; Replay



## WHEN TO SELL?

Learn2Zebra published on TradingView.com, Sep 26, 2023 12:10 UTC+5:30

Nifty 50 Index, 30, NSE 017650.70 HI7673.80 L17645.90 C17647.25 +16.50 (+0.09%)  
 MA (14, close, 0, SMA, 5) 17704.73



▼ TradingView

In the above illustration, a short trade is taken in the downtrend when the Williams %R goes below the -80 level; reverses back to the -50 level and the price is below the 14-period SMA. The entry point for a short trade is below the red candle and the stoploss should be at the swing high. From this trade, it is clear that most of the time your Risk to Reward ratio will be more than 1:2 with a success rate of a minimum of 50%.

## THINGS TO REMEMBER

- A single trading session can last up to 2 days.

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

- As per my observation, most of the time, this strategy gives you buy/sell signals in the second half of the market (around p.m.).



Mind you, this strategy is only successful in the continuation of the primary trend. From the above illustration, it is evident that the trades are successful because the primary trend is an uptrend. This strategy might fail if used during trend reversals.

**1.3**

# CATCHING SWINGS WITH MACD AND FIBONACCI RETRACEMENT

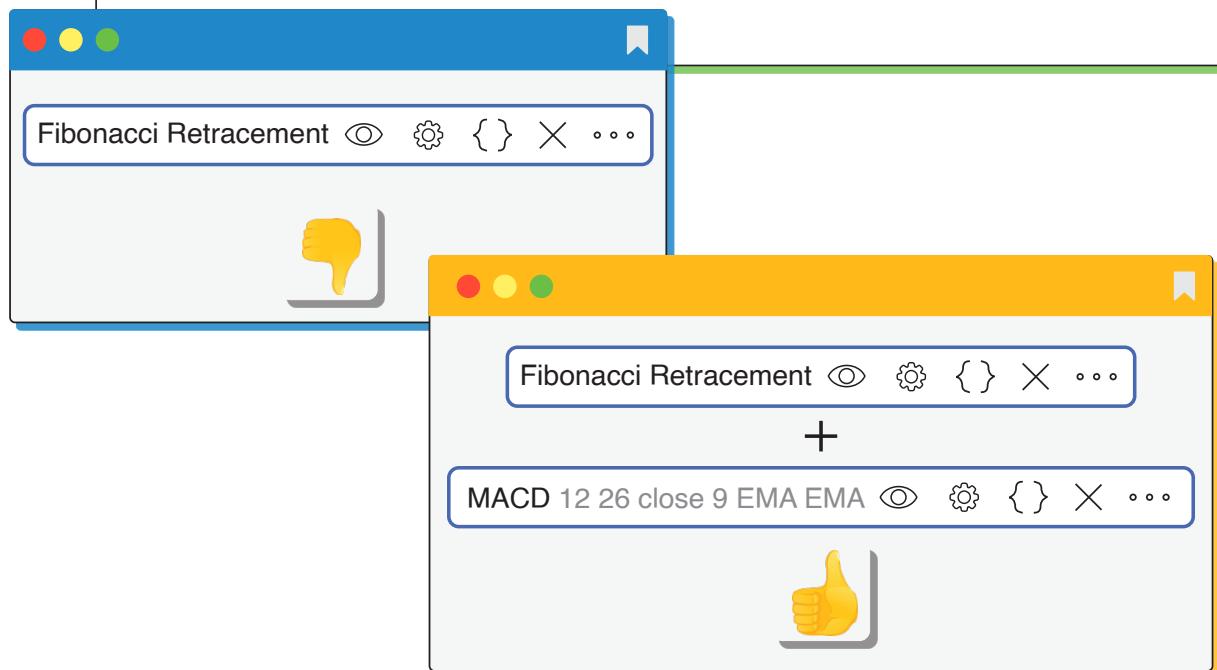


Strategy video

No market has ever moved a tick without swings. Whenever a move comes, either uptrend or downtrend, both traders and investors who are not in the trade have massive FOMO. The only time they can enter and enjoy such swings is the point of retracement. Retracements are minor corrections which allow traders/investors to join the bandwagon.



It is best to use Moving Average Conversion Divergence along with the Fibonacci retracement tool in order to get multiple confliences. Fibonacci alone will not give you the best results. The Fibonacci tool is known to provide you with reversal levels, but to check how significant those levels are, you need MACD.





# MACD AND FIBONACCI RETRACEMENT

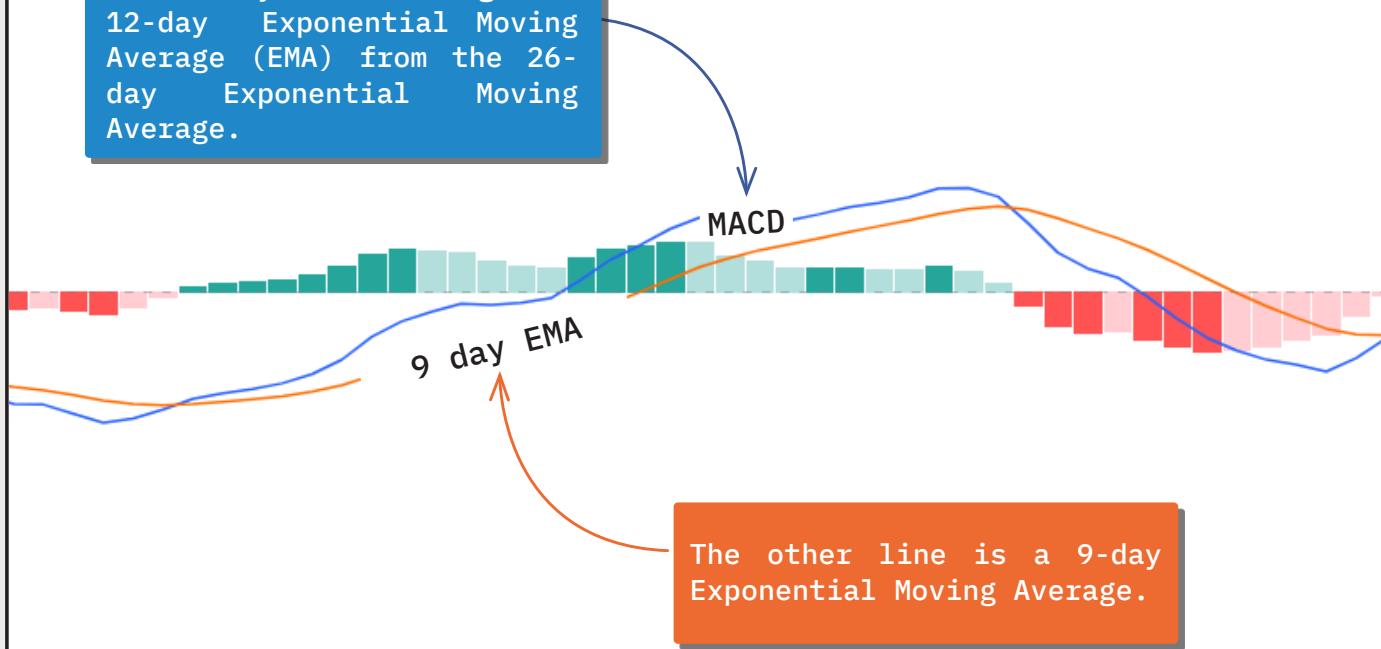
MACD (Moving Average Conversion Divergence) and Fibonacci Retracement are two popular technical analysis tools used in financial markets.

Indicators, Metrics & Strategies

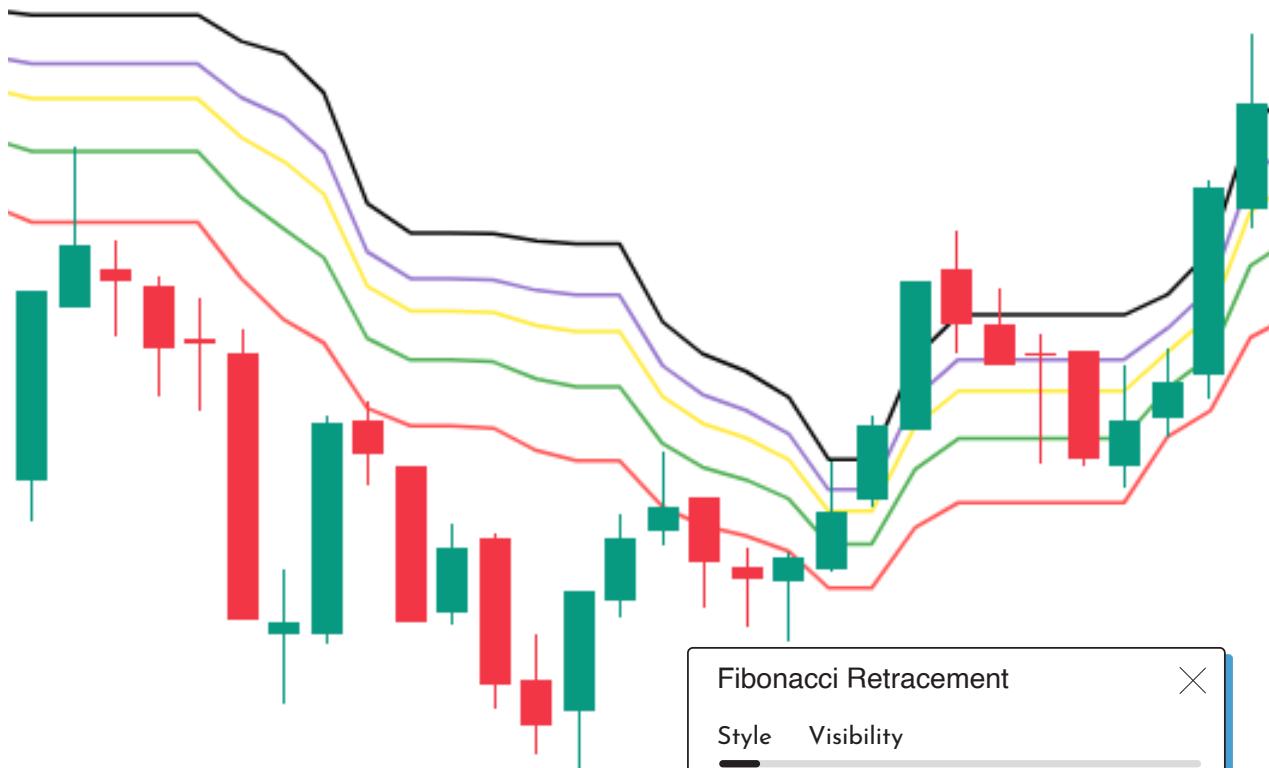
My scripts	Most used	Indicators	Strategies	Profiles	Patterns
Technical	☆ Moving Average Conversion Divergence				
Financials	Fibonacci retracement				
Community Scripts	Bollinger bands				
	InSide Bar				
	Momentum Strategy				

If I talk about MACD, it is a trend-following momentum indicator which is used to identify the strength and direction of a trend. It uses two lines to give signals.

One is a MACD line which is formed by subtracting the 12-day Exponential Moving Average (EMA) from the 26-day Exponential Moving Average.



Fibonacci Retracement, on the other hand, helps traders to identify key reversal levels after a correction in a trend. It is based on the idea that prices tend to retrace a predictable portion of a move, after which they may continue in the original direction. Fibonacci Retracement levels are calculated by measuring the distance between a high and low point and applying Fibonacci ratios of 23.6%, 38.2%, 50%, 61.8%, and 100%. Traders use these levels to identify potential entry and exit points in a trend.



#### Fibonacci Retracement

##### Style      Visibility

 23.6% [Color Box] [Style Box] 38.2% [Color Box] [Style Box] 50% [Color Box] [Style Box] 61.8% [Color Box] [Style Box] 100% [Color Box] [Style Box]

##### OUTPUTS

Precision

Default

Cancel

Ok



Indicators



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## THE STRATEGY

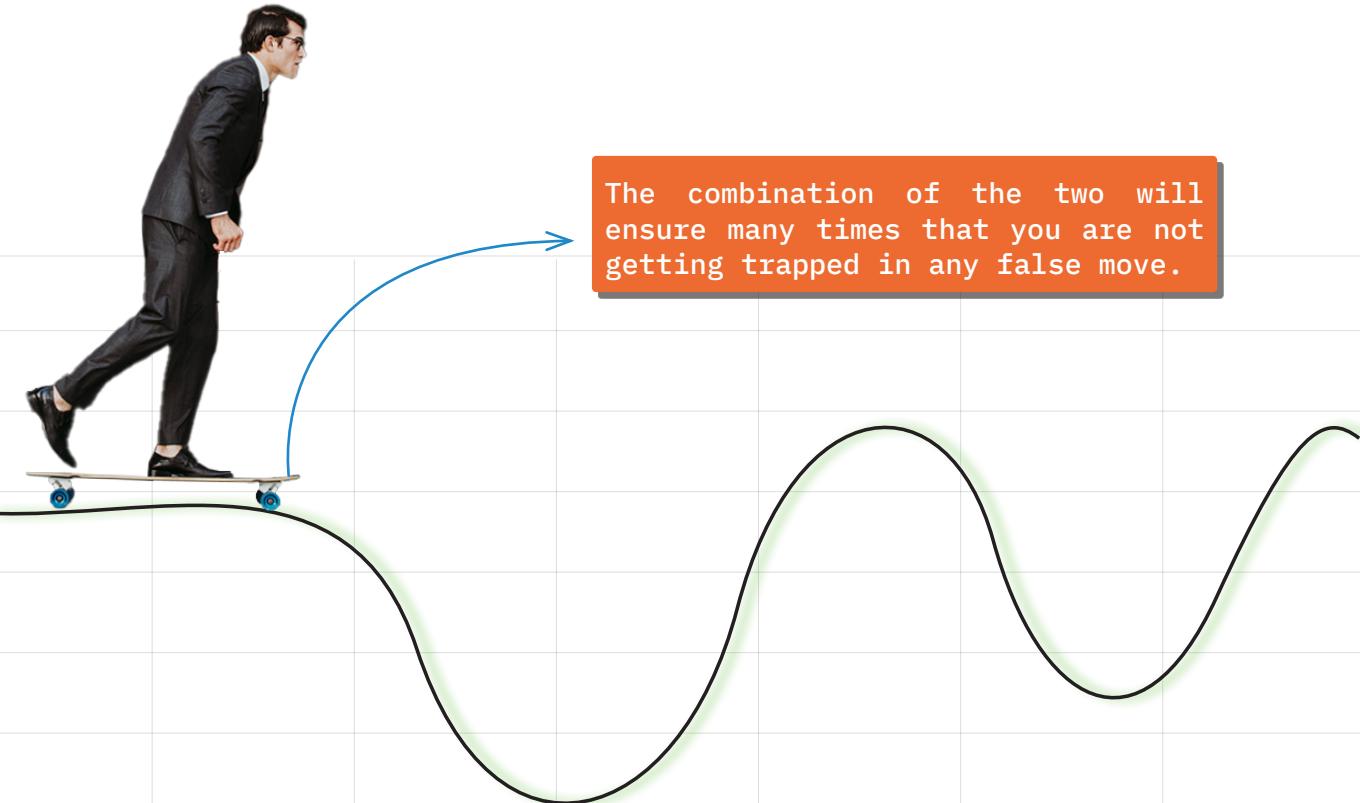


To catch swings, you have to use the Fibonacci Retracement tool and the MACD tool on a 30-minute timeframe.

00:30

Fibonacci Retracement { } X ...

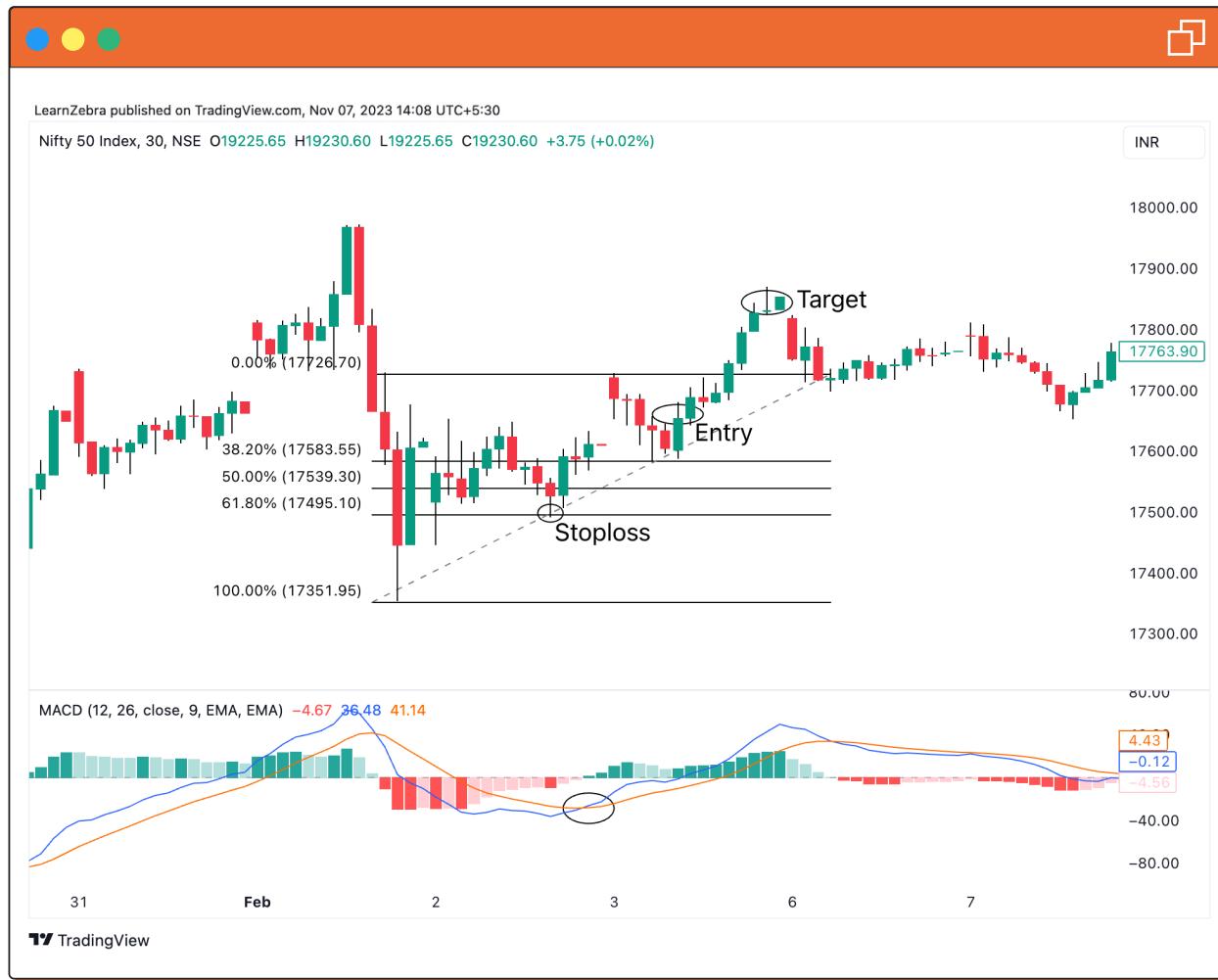
MACD 12 26 close 9 EMA EMA { } X ...



Since it is a swing trade, you can only go for a long trade because shorting in cash is not available in Indian financial markets.

# THE EXECUTION

The first step as a trader you have to take is to look for swing highs in an uptrend. When you spot a trend, and the market has already moved to the upside, you have to wait for it to take a pullback to Fibonacci levels. Retracements will give you an opportunity to enter into the trade.



To confirm the pullback, check the Moving Average Conversion Divergence. If the blue line crosses the red line from below, the MACD holds strength. Once a green candle is formed at the Fibonacci levels, it suggests a buy signal. The perfect place to enter is above the closing price of the green candle. The stoploss will be at the previous swing low.

You will notice that the MACD generates sell signals frequently but that is not where you have to exit. The exit is likely to be above the 0% Fibonacci level or look for at least a 1:2 Risk:Reward ratio.

From the above illustration, it is evident that we got an early buy signal from MACD but we waited until all our criteria were met.



Indicators



Alert



Replay



1.4

# RIDING A BREAKOUT



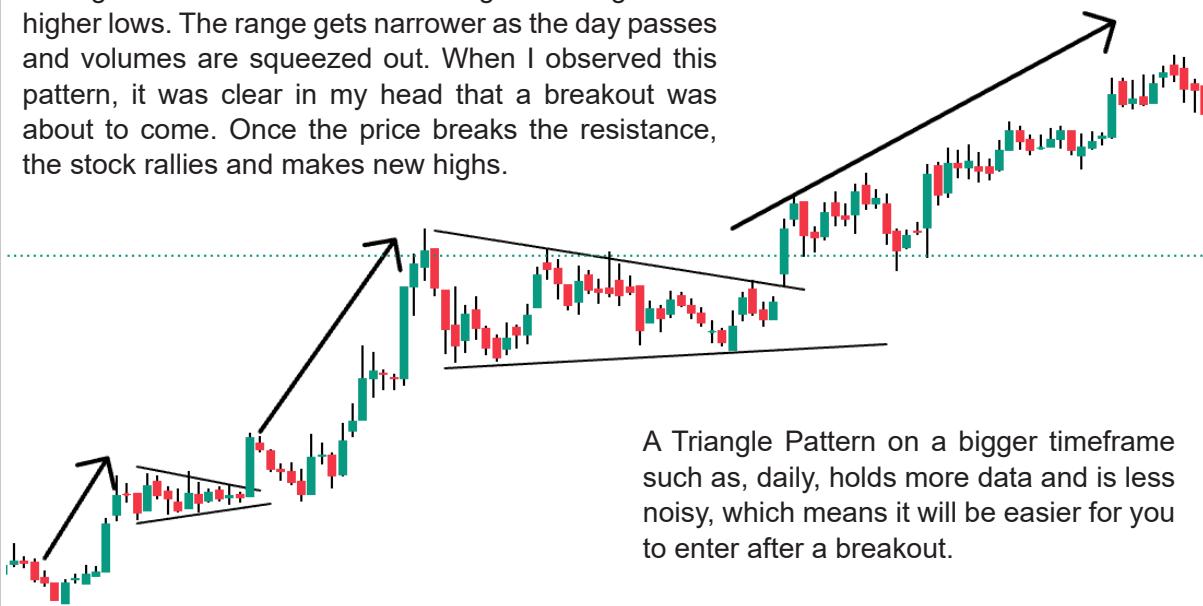
Strategy video



When the bull run began after the Covid crash in the Indian stock market, I noticed a particular pattern in the stocks - consolidation and break out with huge volume. This consolidation and breakout is called the Triangle Pattern.



A Triangle Pattern is formed when the price soars and then goes into consolidation making lower highs and higher lows. The range gets narrower as the day passes and volumes are squeezed out. When I observed this pattern, it was clear in my head that a breakout was about to come. Once the price breaks the resistance, the stock rallies and makes new highs.



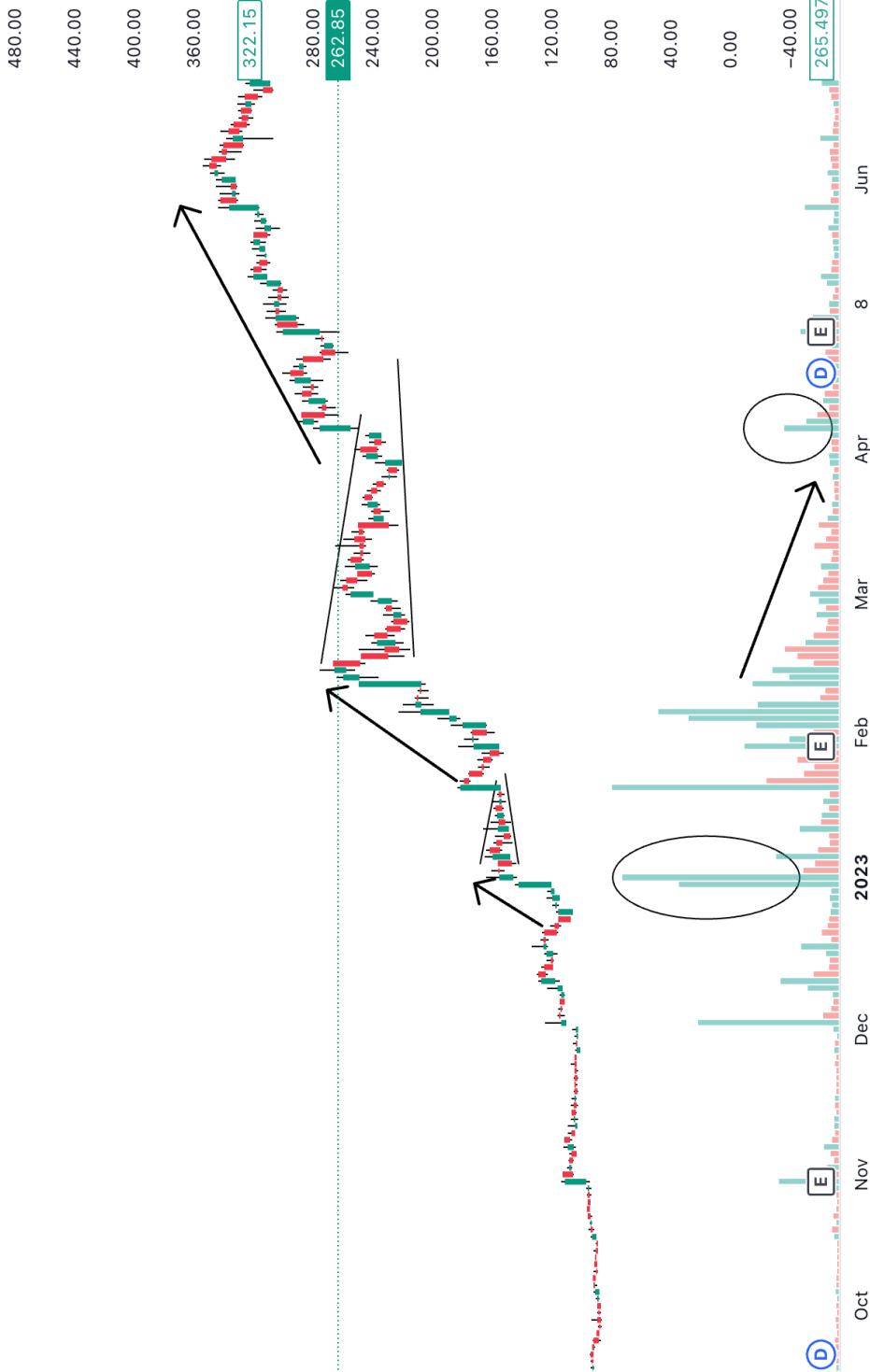
A Triangle Pattern on a bigger timeframe such as, daily, holds more data and is less noisy, which means it will be easier for you to enter after a breakout.

Here are a few stocks which gave a good Triangle breakout:

LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30

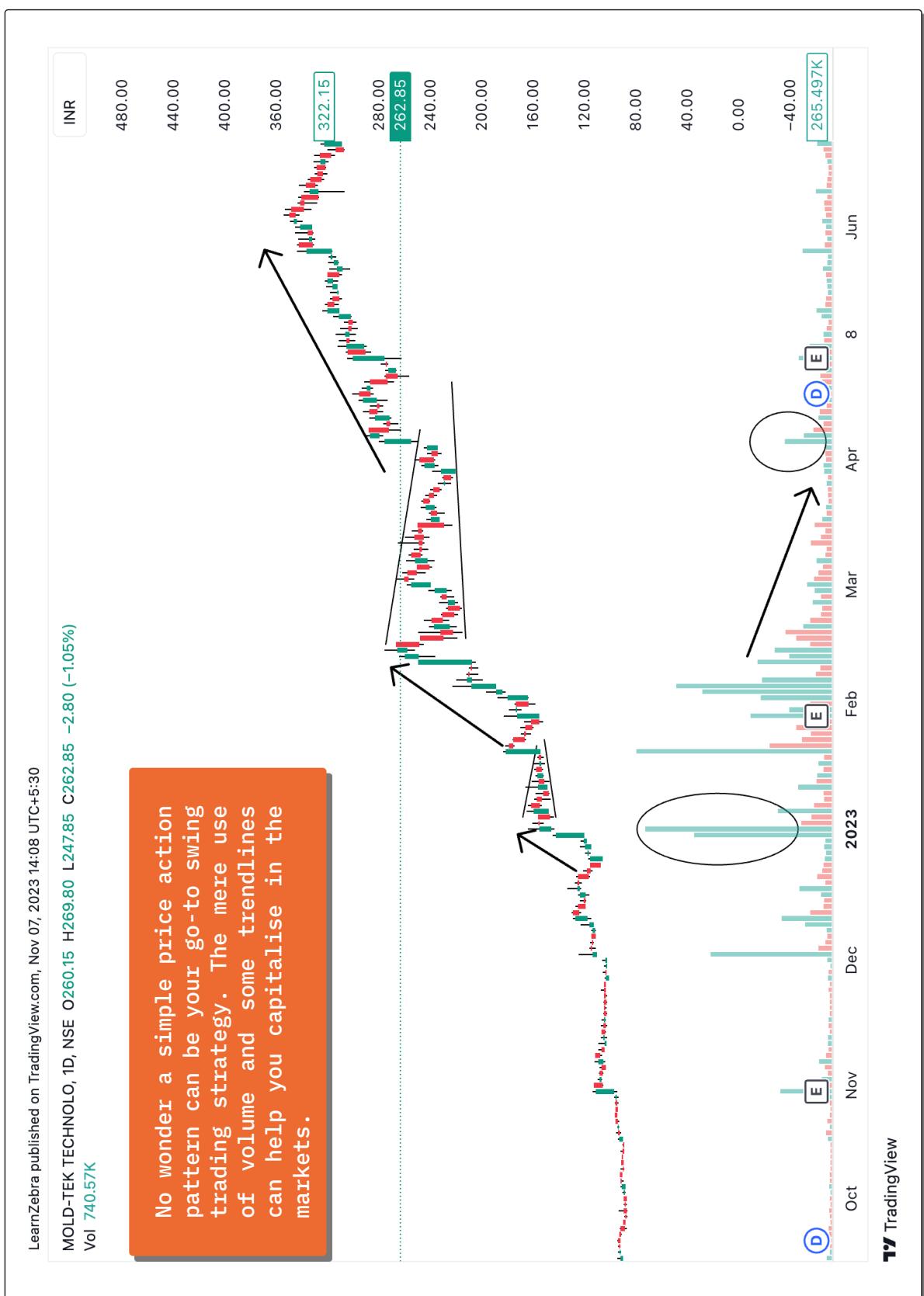
MOLD-TEK TECHNOLO, 1D, NSE O<sub>260.15</sub> H<sub>269.80</sub> L<sub>247.85</sub> C<sub>262.85</sub> -2.80 (-1.05%)  
Vol 740.57K

INR



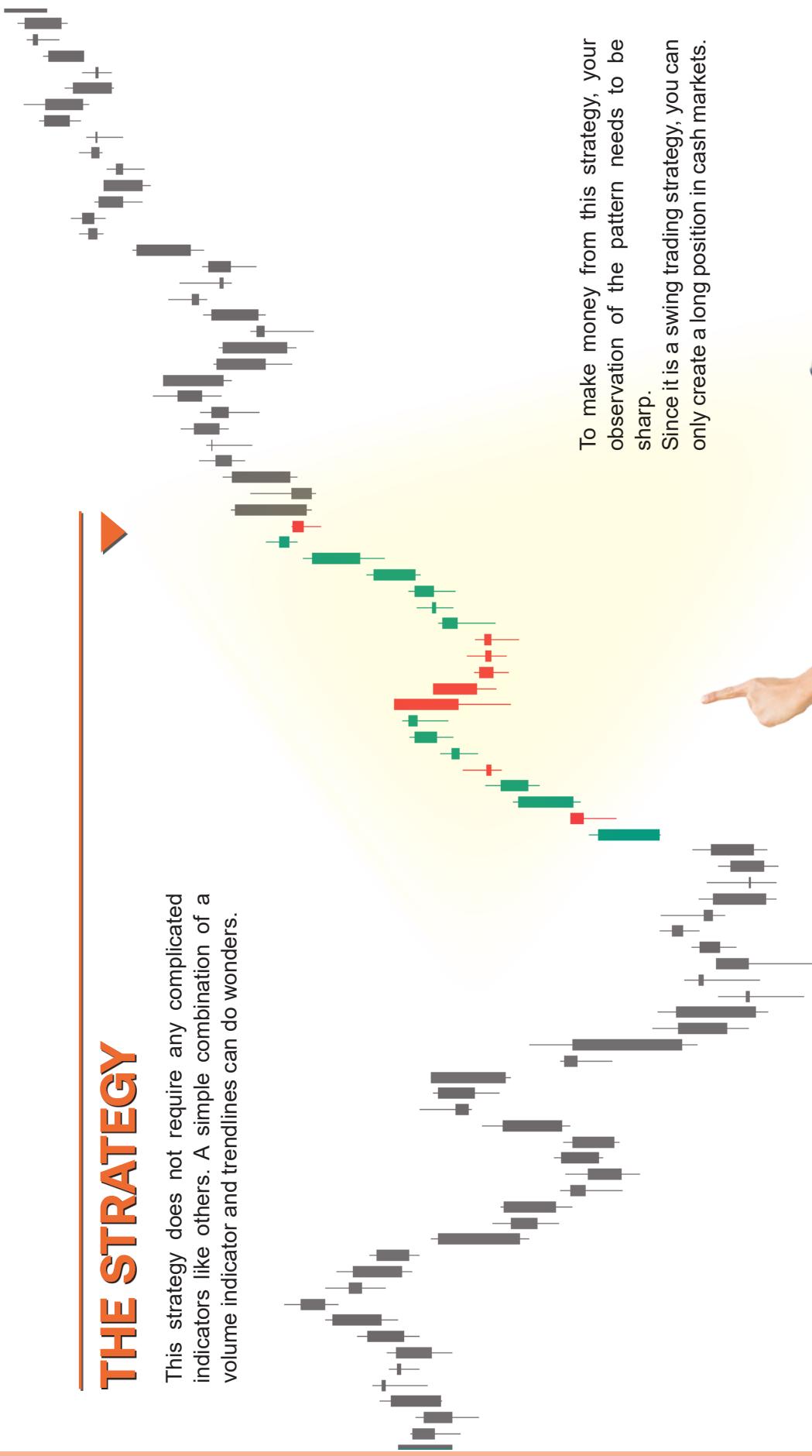
TradingView





## THE STRATEGY

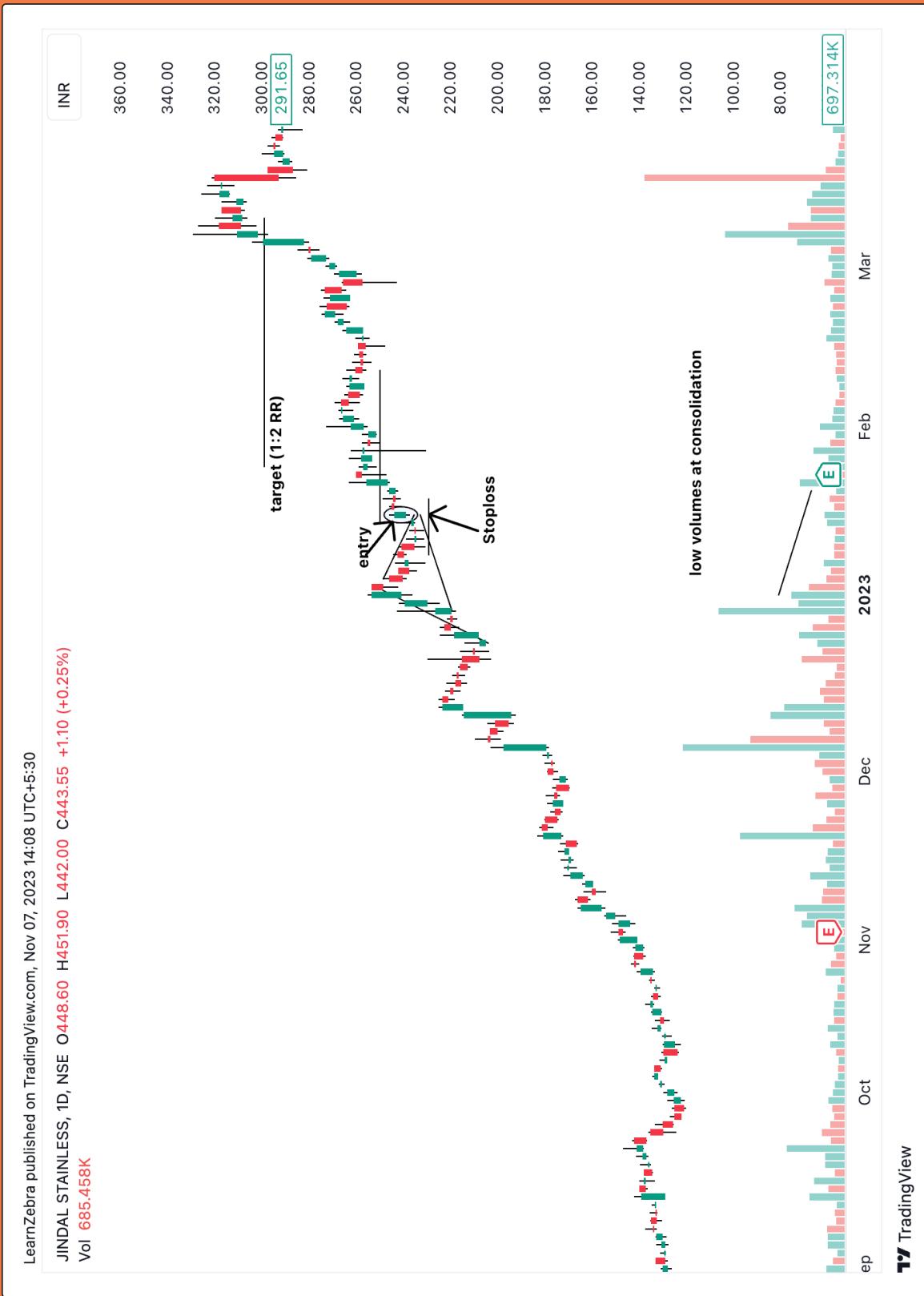
This strategy does not require any complicated indicators like others. A simple combination of a volume indicator and trendlines can do wonders.



To make money from this strategy, your observation of the pattern needs to be sharp.  
Since it is a swing trading strategy, you can only create a long position in cash markets.



## THE EXECUTION



## FOLLOW THESE STEPS TO TAKE ENTRY:

Select the daily timeframe and add a volume indicator to the chart.

Look for an uptrend.

A rally with huge volumes will start the formation of a Triangle Pattern.  
After a rally, consolidation will take place. Lower highs and higher lows will form a Triangle Pattern.

Draw trendlines connecting the body of the candles.

You will see a decline in the volume of consolidated candles.

Wait for a breakout candle carrying high volumes.

Note that the breakout candle should be a solid bullish candle.

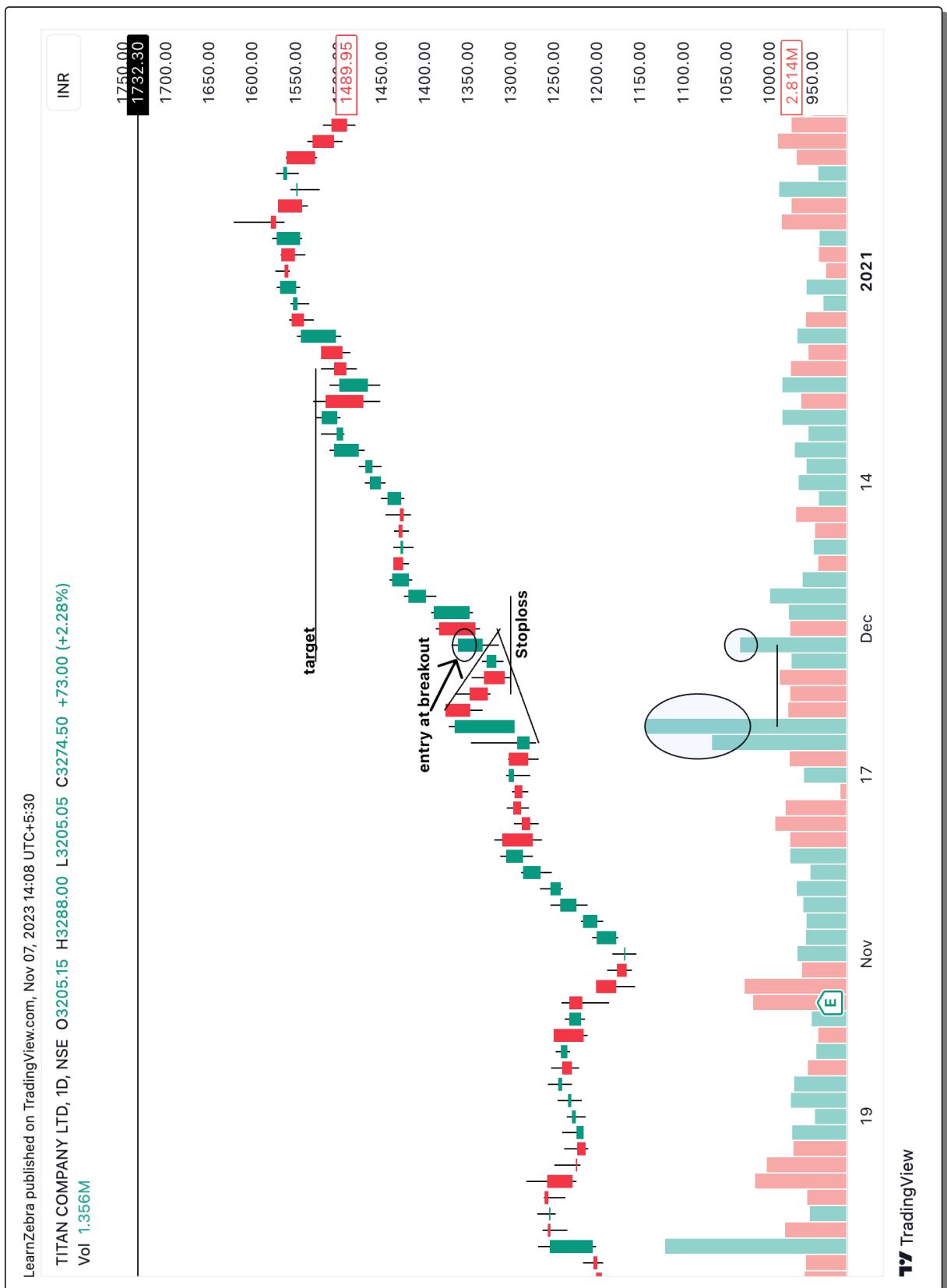
**BUY** above the closing price of the breakout candle.

Place **STOPLOSS** below the lower trendline of the Triangle.

**TARGET** is a minimum of 1:2 Risk to Reward ratio.

Indicators, Metrics & Strategies X

My Scripts	Technicals	Community Scripts
Technical	Volume Oscillator	
Financials	Net Volume	
Community Scripts	Volume	
	Price Volume trend	
	24-hour Volume	





## FROM THE ILLUSTRATION



You can see that TITAN stock is in an uptrend making higher lows. After a small consolidation, a Bullish Marubozu candle is formed with huge volumes giving early indication of Triangle formation.

The Bullish Marubozu candle makes a high of 1371. A consolidation is visible after closing and there is a decline in volumes. The decreasing volumes indicate that a breakout with huge volumes is likely to continue the trend.

A breakout at 1360 level with 5.497M volumes confirms the Triangle breakout, and the price continued the make higher highs.



As a trader, you need to check all the confirmations before entering into any trade, because there might be a possibility of a fake breakout. Try to avoid candles with impulsive moves as they ruin the Risk:Reward ratio.

The triangle pattern is a bi-directional pattern, which means, after the breakout, the price can move in either direction.

*However, the probability of succeeding with this strategy increases when the Triangle is formed in an uptrend, as it will act like a bullish continuation pattern.*

1.5

# SWING TRADING WITH INSTITUTIONAL MOVES



Strategy video



Swing trading is a popular trading style that many traders look forward to when they do not want to ride wild movies of the market. It is a trading style that people consider doing as it eliminates the chances of market going wild during a session. During my journey in stock market, I have always heard a name that is known for its style of stock trading. Yes, I am talking about Mark Minervini. Mark Manervini is a successful swing trader who is known for trading fast-moving growth stocks while implementing a concrete entry and exit strategy.



**Mr Mark Minervini**

Minervini believes that timing your trades is critical and recommends you combine technical analysis, fundamental analysis, and risk management<sup>1</sup>. He is famous for trading the volatility contraction pattern (VCP), which he used to win multiple U.S. investing championships.

MINUTES

- 1 min
- 3 mins
- 5 mins** ★
- 15 mins
- 30 mins
- 45 mins



With swing trading, you eliminate the chances of getting trapped by the noise created on a smaller time frame like 5 minutes.

Bigger Timeframe



DAYS

- 1 day
- 1 week
- 1 month** ★
- 3 months
- 6 months
- 12 months



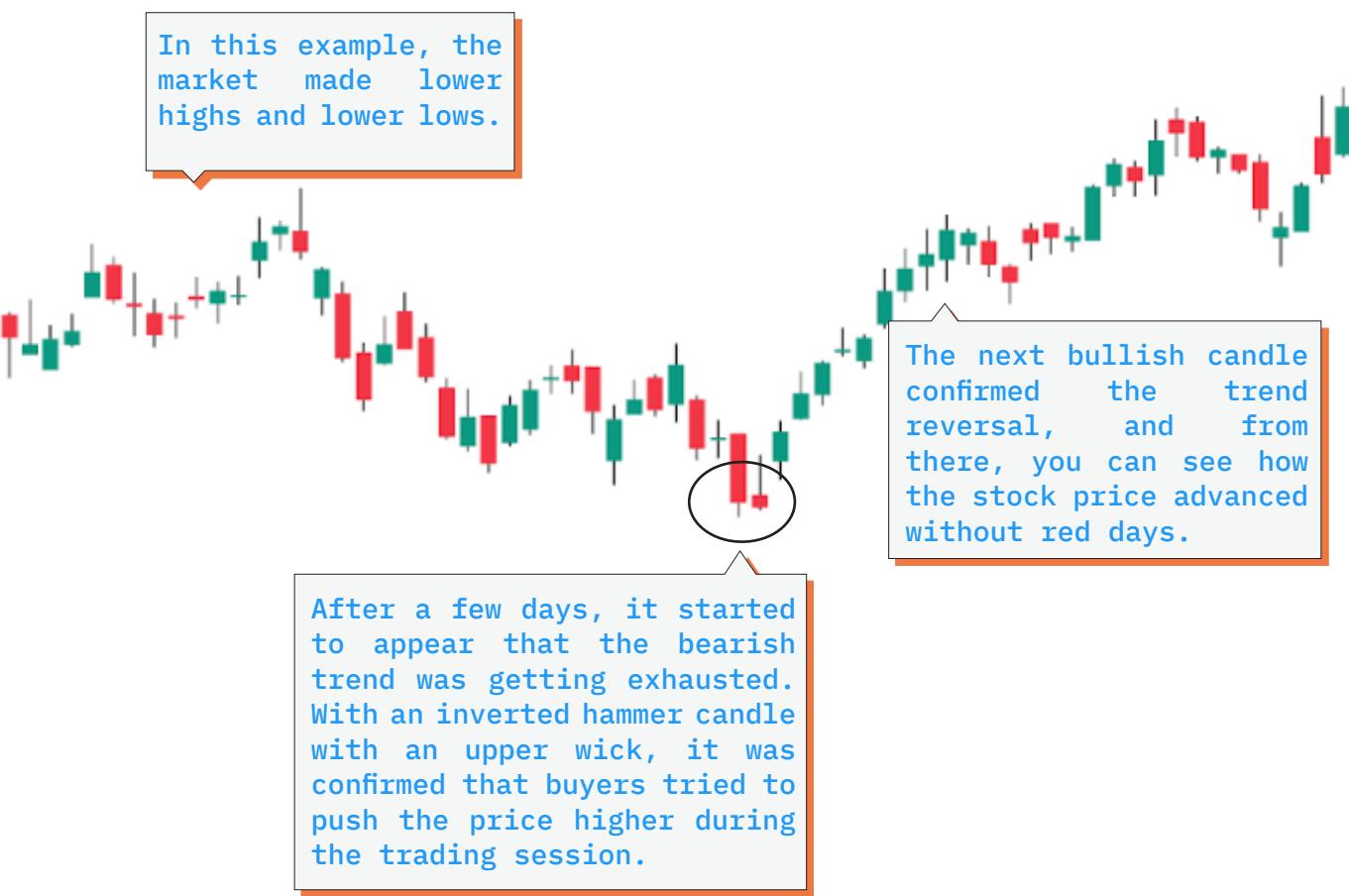
Swing trades are taken with the objective of riding major market swings and the estimated time for a trade completion is between 1 week to a month. However, swing trading is not restricted to trading the primary trends, one can do swing trading on 1-hour also. Minervini's trading strategy allowed him to win multiple U.S. investing championships.

Swing trades are taken with the objective of riding major market swings and the estimated time for a trade completion is between 1 week to a month. However, swing trading is not restricted to trading the primary trends, one can do swing trading on 1-hour also. The objective of using swing trading is to generate maximum returns when the market moves in a single direction, to create an Alpha, and beat the index.

## WHAT A SUCCESSFUL SWING TRADING LOOKS LIKE?

Look at some swing trade examples that helped Mark Manervini win U.S. investing championships.

When you enter into a swing trade, the first priority is to look for such price levels from where all the days can be of the same colours. If the market turns bullish, it should continue to stay bullish. This will help you gain maximum returns in less time. When the price moves in a smaller swing, it can either consolidate or fail to make a new high. This is why, to maximise returns, always look for price levels that hold significant importance.



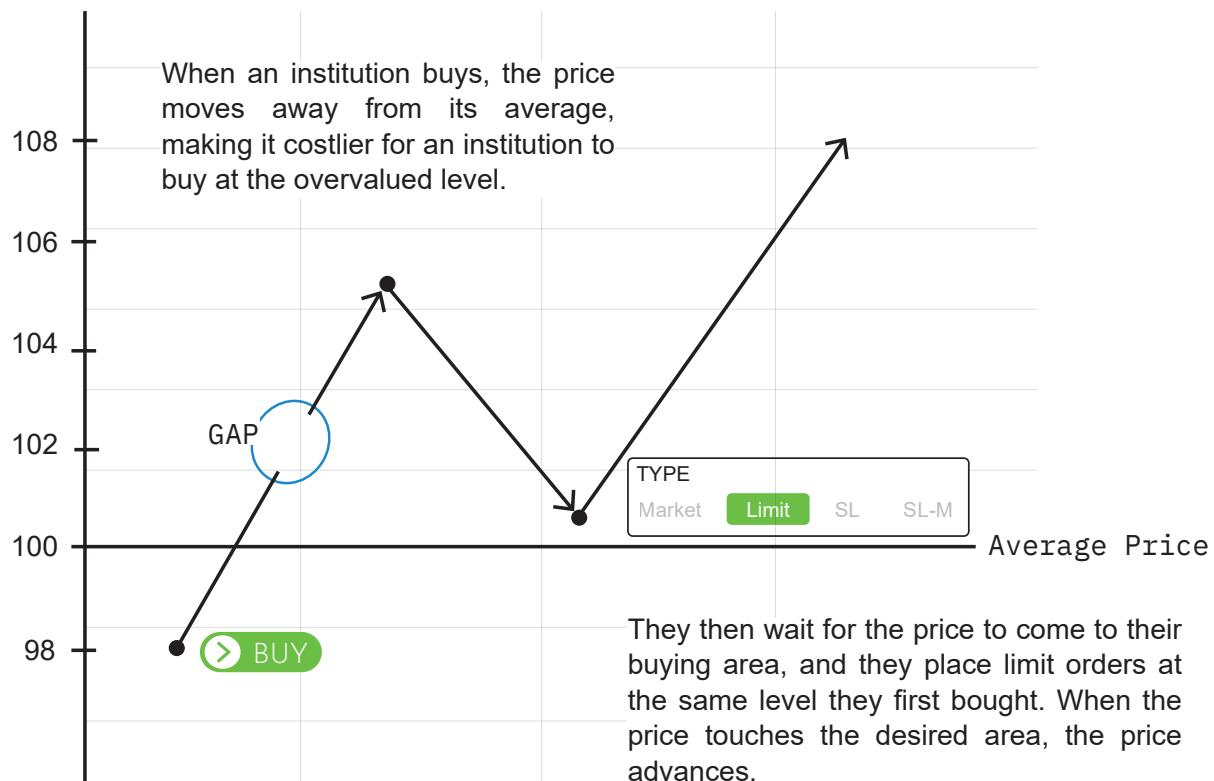
My swing trading journey is somewhat similar to this.

**I swing trade only those stocks which have previously opened gap up and are retracing back to their gap levels.** Gaps aren't normal, gaps are created when the price opens with huge volumes the next day with a difference from the previous closing price level.



Before the market opens for regular business, it opens 15 minutes early to settle market orders and adjust according to the market volatility created overnight.

The market discounts everything but have you ever noticed prices sometimes retrace back to their gap level? To answer this, I would say, because of pending order blocks. It is not possible for retailers to create huge gaps, only big players can do this as they buy and sell huge quantities.

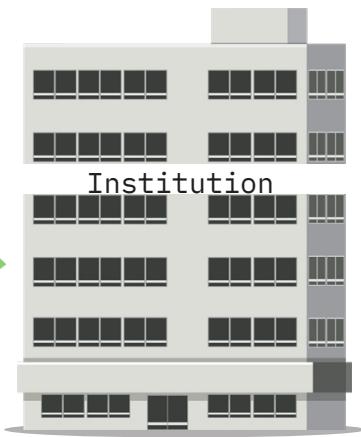


They then wait for the price to come to their buying area, and they place limit orders at the same level they first bought. When the price touches the desired area, the price advances.



**Retailers and institutions think differently.** Retailers have less money so they try to buy high and sell higher to enjoy the ride. However, little do they know that these market swings are created by big players.

Big players start accumulating when retail investors sell, and this is how they change the bearish trend to bullish.

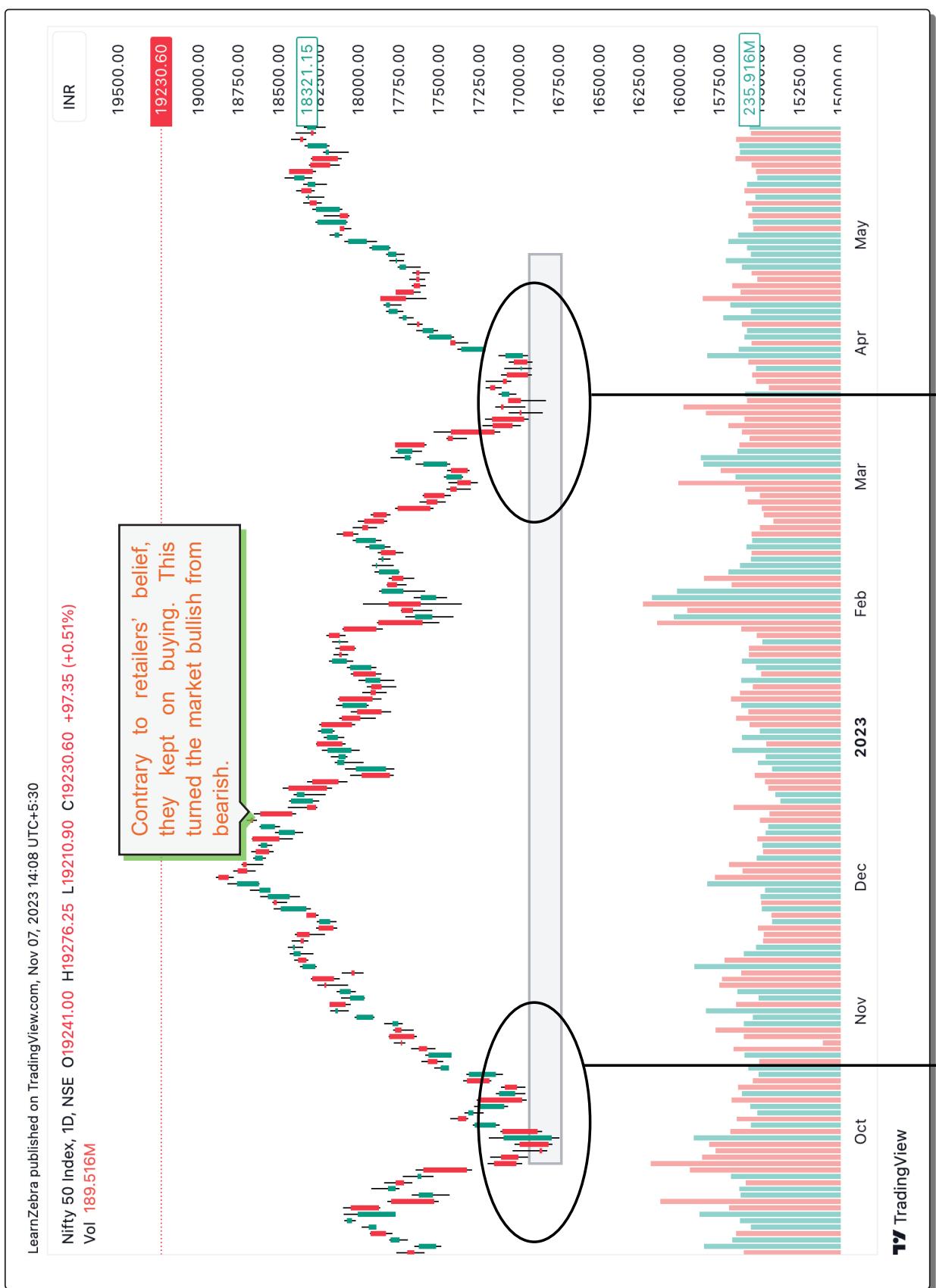


**“**

**In my strategy, I wait for the price to touch the demand zone or supply zone, and then trade accordingly.**

**”**

The idea is to trade on the institution's footprints. I.e. buying and selling near the gap area with the first retracement. When the price retraces for the first time after a swift move, it is likely to go in the desired direction but, if the price fails to move, there is a high probability big players will exit from the trade. ***The reason they exit from the trade is simple - they accumulate or distribute without coming into the eyeballs of the public.***



On 30th September 2022, Nifty 50 corrected by 7.34% from the top. If you see, the market sentiment was negative but for value investors and institutions, this was the place where the market was undervalued, they saw an opportunity and started accumulating.

The same thing is visible on the chart during the period of December 2022 to March 2023. Due to negative sentiments in the market and the collapse of a few major US banks, the market was making lower lows. Bears were dominating the market until the price came to the previous demand zone. See, a tenet of technical analysis says "History repeats itself and often rhymes". Lots of short-side trades were open at the 17000 level but the value investors and institutions kept on accumulating. Hence, the market again rallied from the 17000 level to touch new highs again.



Indicators



Alert

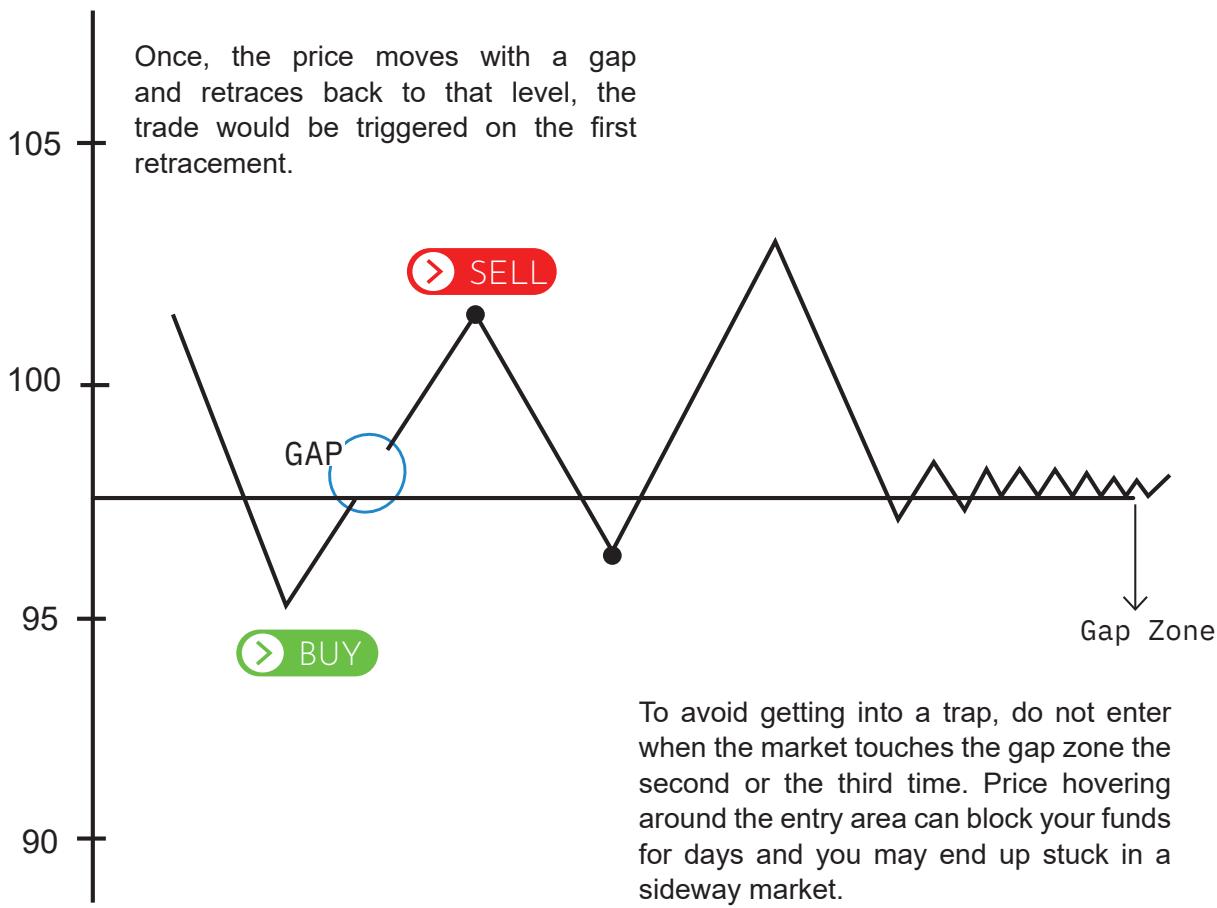
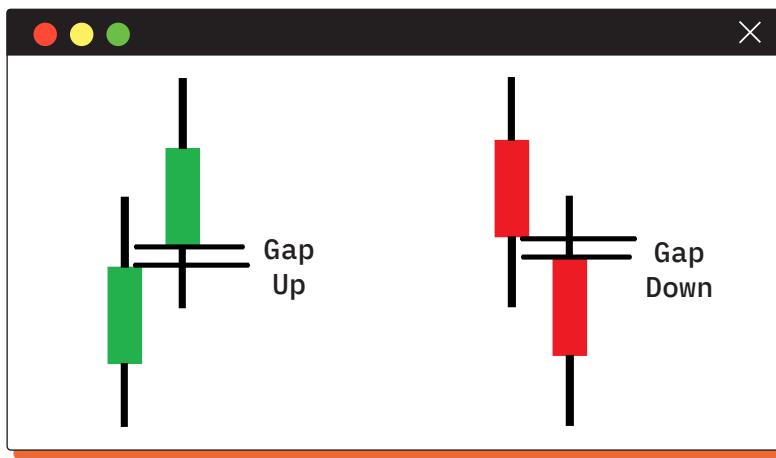


Replay



## THE STRATEGY

For the swing trading strategy, we will pick highly liquid stocks, and prepare a monthly watchlist. On a daily timeframe, we will wait for the price to open a gap up or gap down to mark the demand or supply zone.



# THE EXECUTION

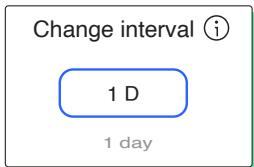
To **BUY** using this strategy, take the following steps:

- Prepare a watchlist of highly liquid stocks.

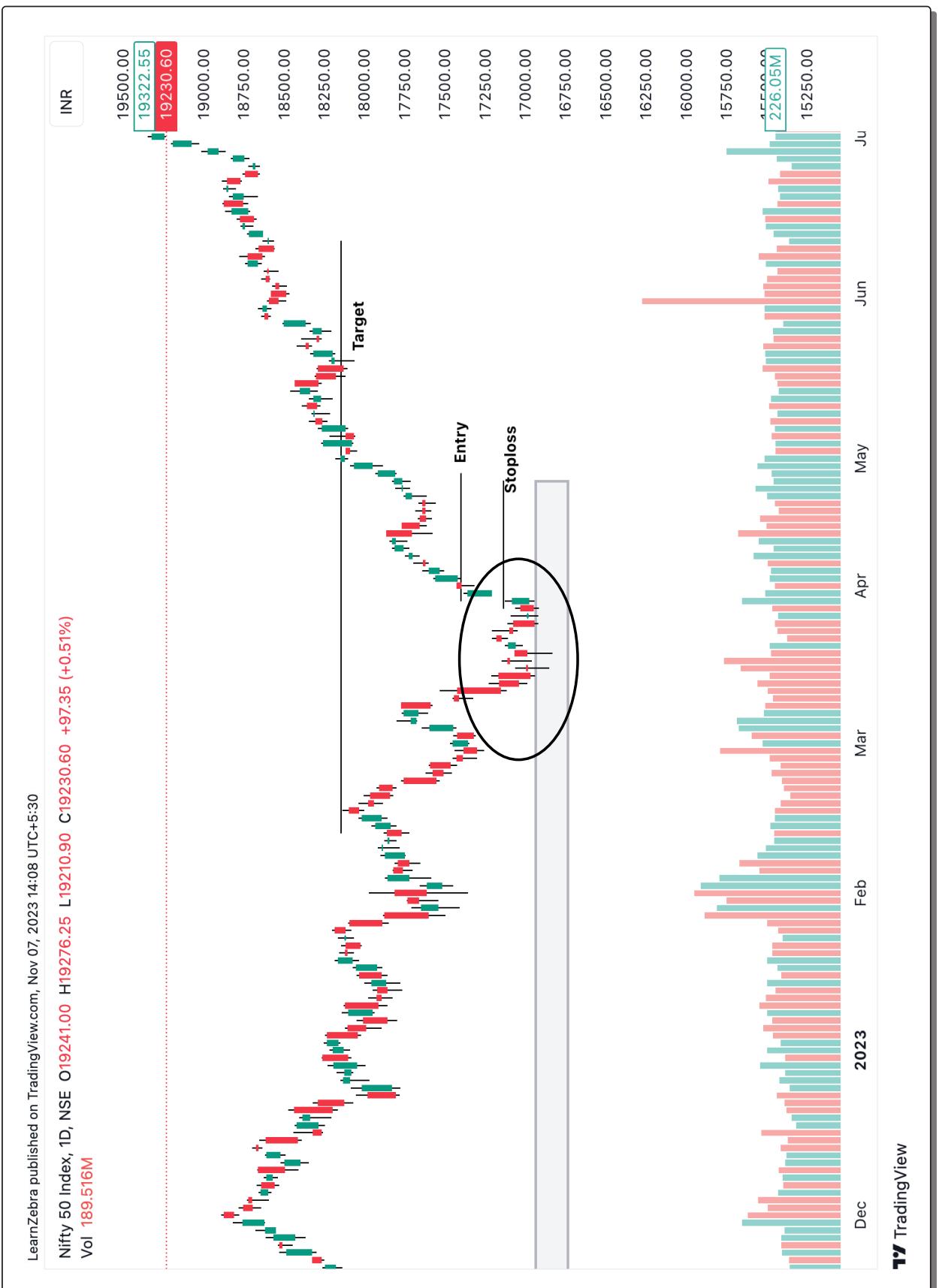
Liquid	Symbol	Last	Chg	Chg%
	RELIANC	2496.65	-12.00	-0.48%
	AXISBAN	948.80	-4.10	-0.43%
	HDFCBAI	1635.70	-14.20	-0.86%

Source: TradingView

- Select the daily timeframe for analysis.



- Look for stocks where the price is making lower lows and reaching its previous demand zone.
- Once the price reaches the anticipated demand zone, wait for the market to open gap up and end in green.
- BUY** above the high of the bullish candle.
- Place **STOPLOSS** below the gap.
- TARGET** is on a trailing basis, or you can simply find a major resistance level for the exit.



On 20th March 2023, Nifty reached near to its demand zone and stayed in consolidation for a few days. If you notice, there were candles with lower rejection, meaning the market is interested in moving up as buyers are pushing the price higher.

See, price is consolidating because of accumulation and distribution between institutions and retailers. This consolidation indicates fresh buying by big players. Once the price opened gap up, you can see how it started to advance. Our entry is triggered above the green candle after a gap up and we have placed the stoploss at the low of the gap.

The aimed target is the previous swing high. However, the market created two swing highs, and ideally, the trade should have been closed on 17th April but the major supply zone was at the 18000 level. Since, the market was extremely bullish, it was easy for the price to break the 17800 level. With this strategy, we almost booked a profit of almost 1:3.



Indicators



Alert

Replay



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ZEBRALEARN



To **> SELL** using this strategy, take the following steps:

- ✓ Prepare a watchlist of highly liquid stocks.

Liquid	Symbol	Last	Chg	Chg%
	RELIANC	2496.65	-12.00	-0.48%
	AXISBAN	948.80	-4.10	-0.43%
	HDFCBAI	1635.70	-14.20	-0.86%

Source: TradingView

- ✓ Select the daily timeframe for analysis.



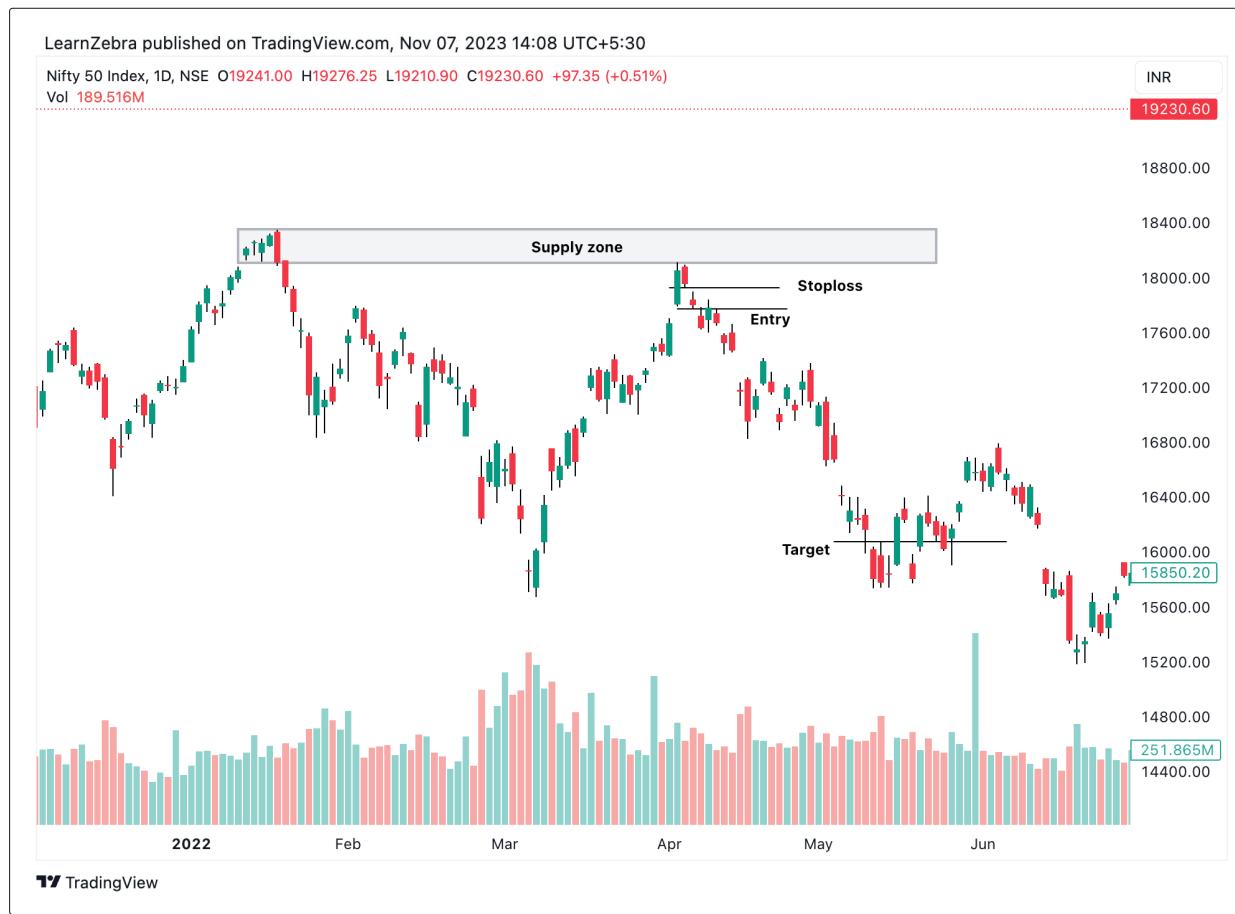
- ✓ Look for stocks where the price is making higher highs and reaching its previous supply zone.

- ✓ Once the price reaches the anticipated supply zone, wait for the market to open gap down and end in red.

- ✓ **SELL** below the low of the bearish candle.

- ✓ Place **STOPLOSS** below the gap.

- ✓ **TARGET** is on a trailing basis, or you can simply find a major support level for the exit.



On 5th April 2022, Nifty 50 reached near its supply zone and ended in Red - a clear indication of bears taking over the market. On the next day when the market opened gap down and made it evident that a short swing trade was possible in this scenario. Now, the sell entry got triggered at the low of the second red candle from the top and the stoploss was at the high of the gap. The target was at the low of the market from where it pivoted on 8th March 2022. With this strategy, we got a profit of almost 1:14. However, to be realistic, not every time you will get such opportunities but, whenever the market offers such moves, you can take an informed decision to trade such swings.



Indicators



Alert



Replay



1.6

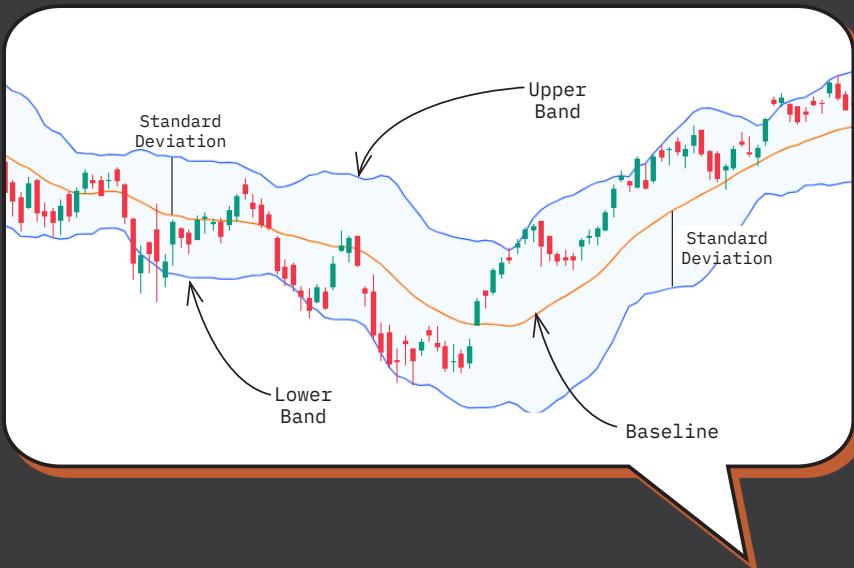
# TRADING THE BREAKOUTS WITH BB AND WIDTH



No matter which market you trade, volatility will always be a crucial part of the movements. I have observed the volatility in the crypto and forex market is higher than the Indian stock market. Volatility, for traders, works like a double-edged sword. When a trader knows how to handle volatility and make it work in his favour, he succeeds. However, if he fails to handle the unprecedented volatility, he becomes a victim of the volatility.



John Bollinger, an American author, financial analyst, and contributor to the field of technical analysis, has developed Bollinger Bands and Bollinger Bands Width. He studied the market for several years and found out that there is no measurement tool to gauge the trading range of an asset, and identify when volatility is going to take place.

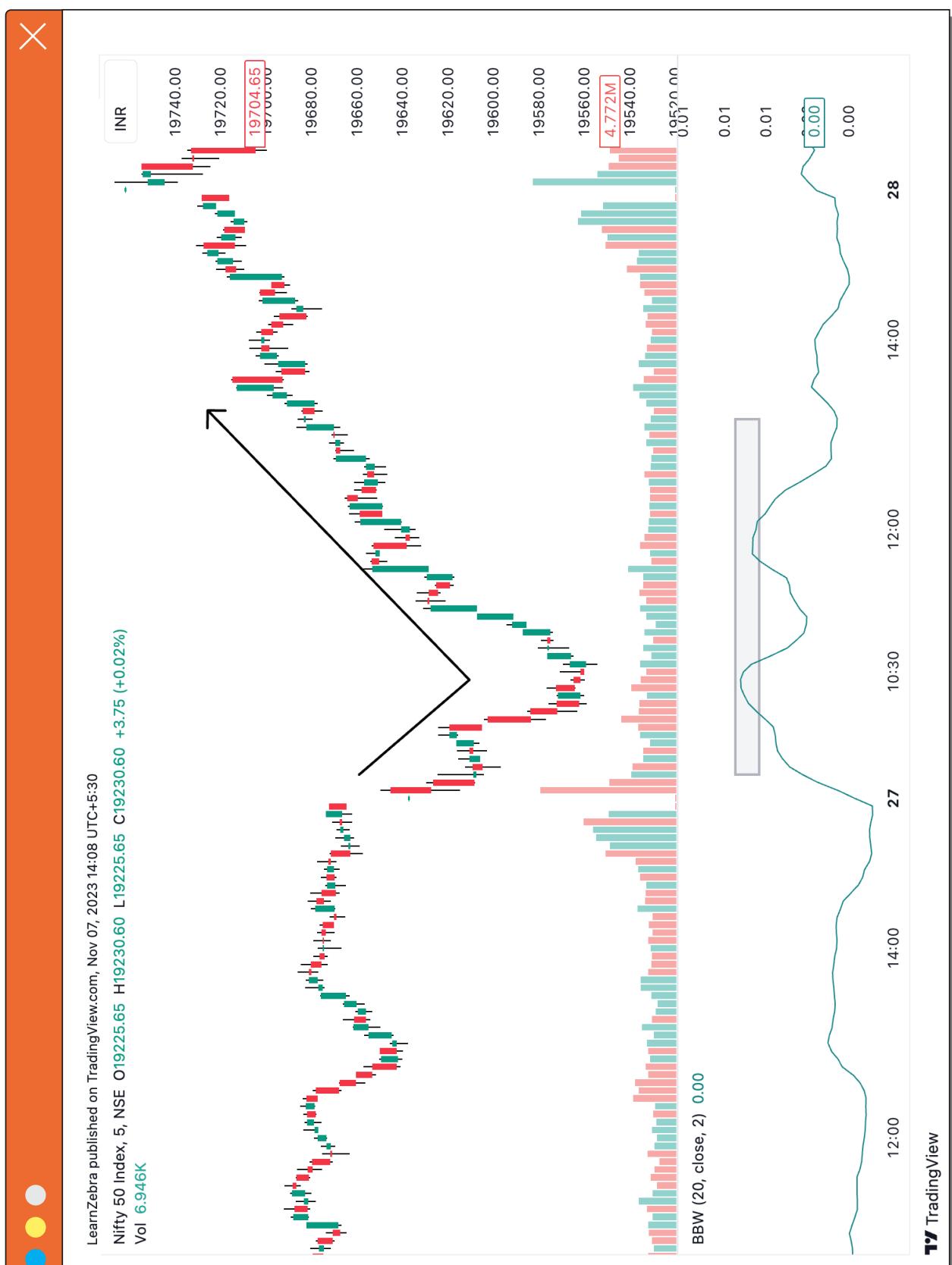


Bollinger Bands is a tool that uses a combination of three lines - the upper band, the lower band, and the middle band. The upper and the lower band are two standard deviations from the middle band.

The middle band is a Simple Moving Average with a 20-lookback period. This combination helps you to signal volatility. The Bollinger Band works as an overlay **indicator. i.e. it wraps around the price.** A common yet true belief is that the upper band acts like a resistance and the lower band acts like a support.



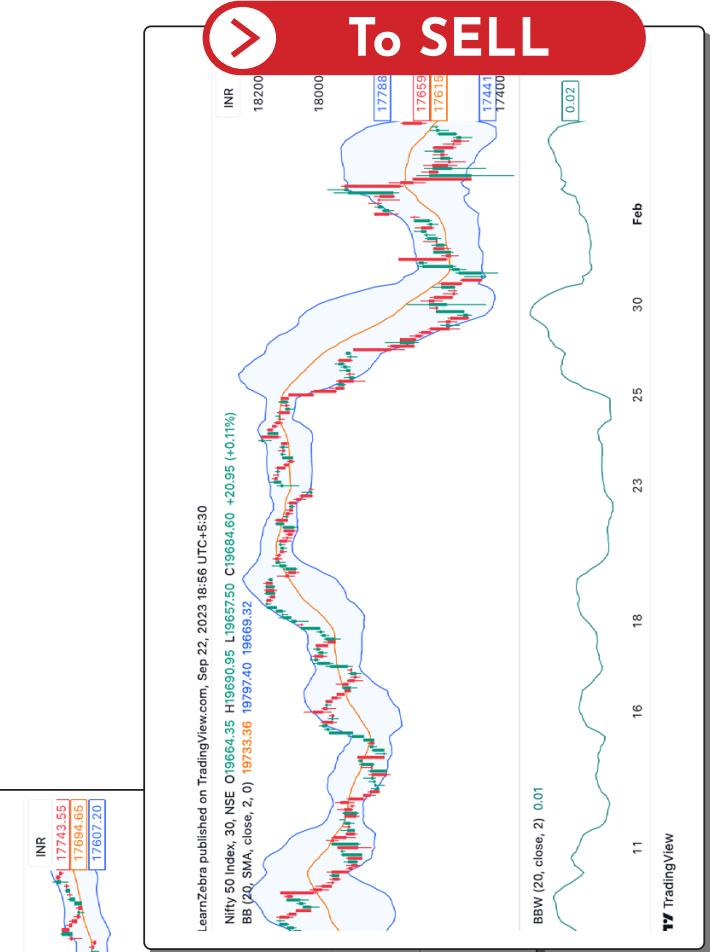
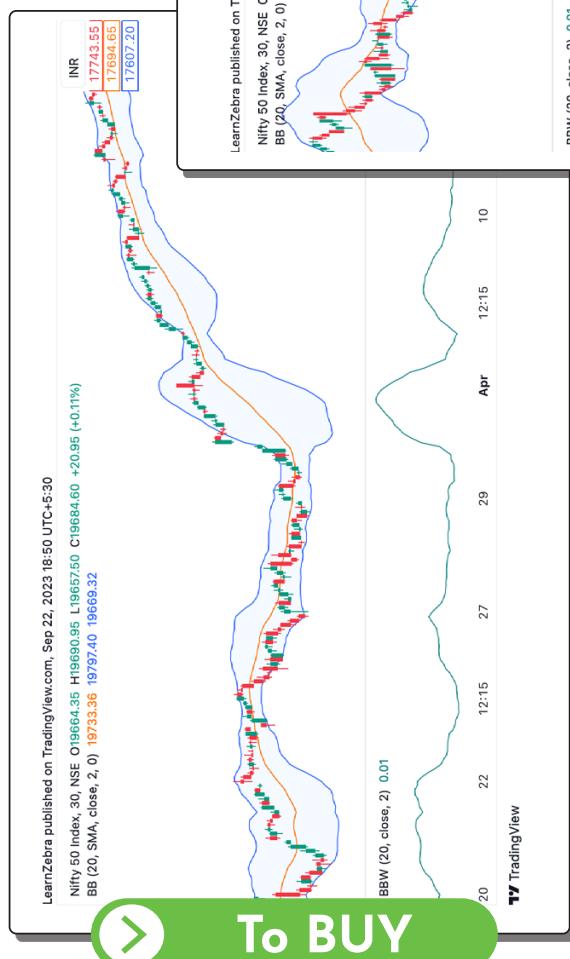
For John Bollinger, using only the Bollinger Bands was not enough, he later developed another indicator - **Bollinger Bands Width, an extension of Bollinger Bands.** This is an underlay indicator that helps traders validate the contraction and expansion of Bollinger Bands. When the Bollinger Bands squeezes, the Bollinger Bands Width stays flat and when the Bollinger Bands expands due to volatility, the Bollinger Bands Width starts to rise.



## THE STRATEGY

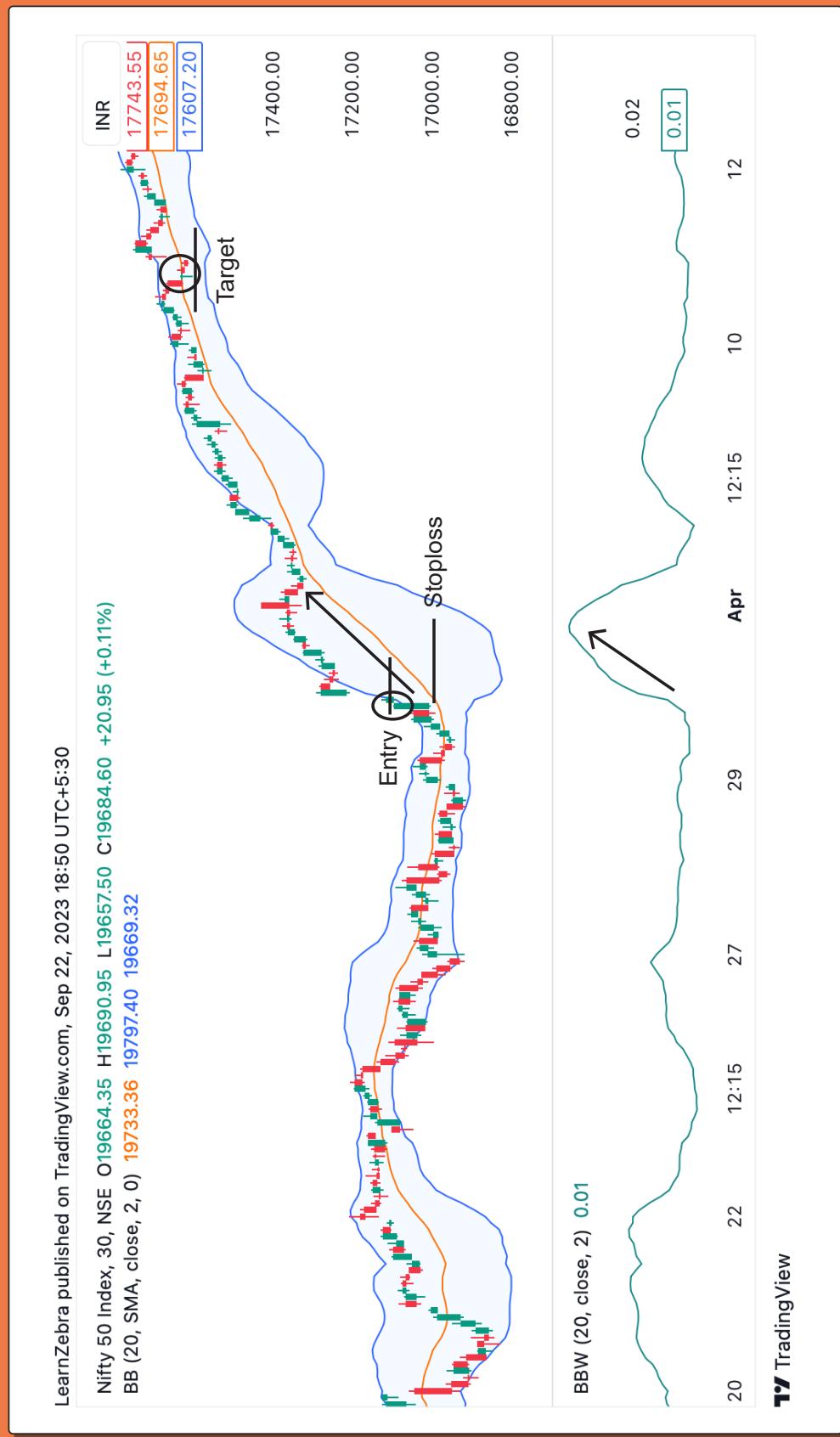
The idea is to buy when the price breaks the upper Bollinger Band and the Bollinger Bands Width increases. This is a swing trading strategy and the preferred timeframe is any frequency above 30 minutes. Prior to the buy signal, the market should be sideways for a while which will squeeze the Bollinger Bands. After a BB squeeze, if the market breaks the range, there is a high probability of the price moving in the breakout direction. The target is on trailing basis. i.e. the middle line of the Bollinger Bands will act like a dynamic support for the price helping traders to trail the stoploss. Once the price closes below the middle line traders should close the trade.

Similarly, when the market is making lower lows but has stuck at a support level, we will look for the price breaking the Bollinger Band squeeze and the market forming a bearish candle.





## THE EXECUTION



## TO BUY USING THIS STRATEGY, TAKE THE FOLLOWING STEPS:

Prepare a watchlist of stocks.

Apply Bollinger Bands and Bollinger Bands Width.

Look for a Bollinger Bands squeeze and the Bollinger Bands Width to stay flat.

Wait for the price to break the upper Bollinger Band.

**BUY** when the price breaks the upper Bollinger Band and the Bollinger Bands Width rise.

**TARGET** is on trailing basis - if the price closes below the middle Bollinger Band, the trade may be closed.

Place **STOPLOSS** below the middle Bollinger Band.

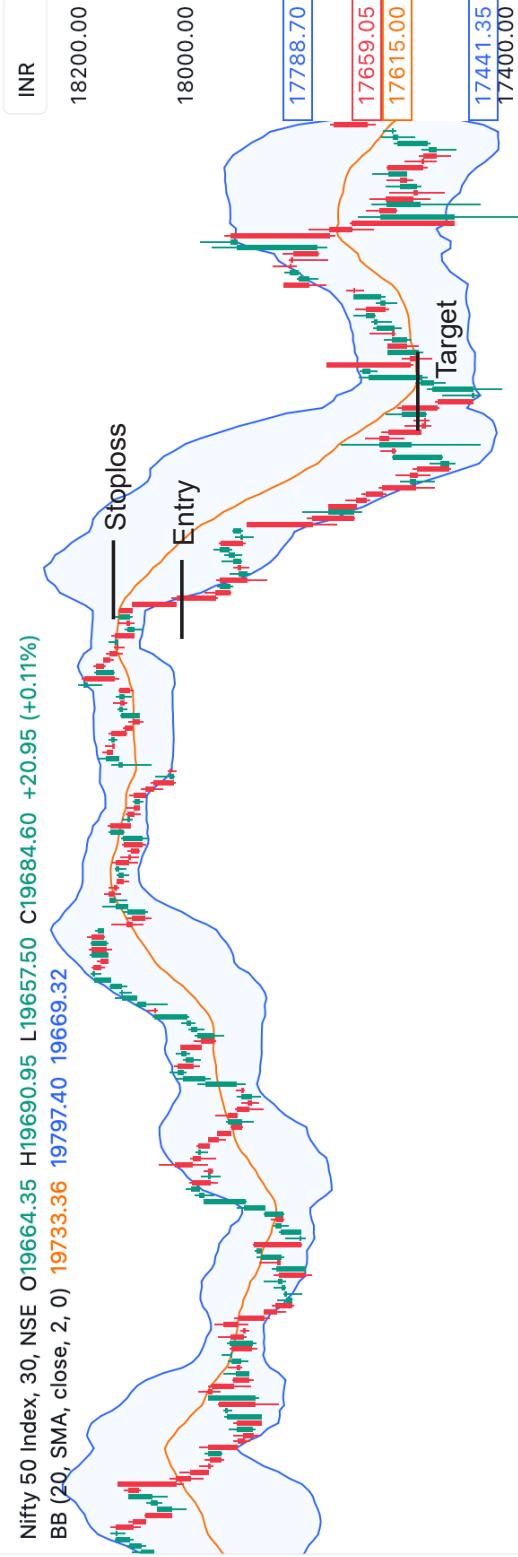
From 24th March 2023 to 29th March 2023, the market was in a consolidation for a week on a 30-minute timeframe. The Bollinger Bands and the Bollinger Bands Width can be seen squeezed and flat respectively. On 29th March at 3:00 p.m., the price broke the upper Bollinger Band and closed around the save level with a small bearish candle. This provided a buying opportunity at the high of the green candle itself and the target could be done on trailing basis on the middle band. The stoploss can also be placed below the middle band. You can observe how the price rallied after breaking the Bollinger Band. The trade was opened for almost 10 days. The booked profit was of 2.95% with a Risk to Reward ratio of 1:3.82.

# TO SELL

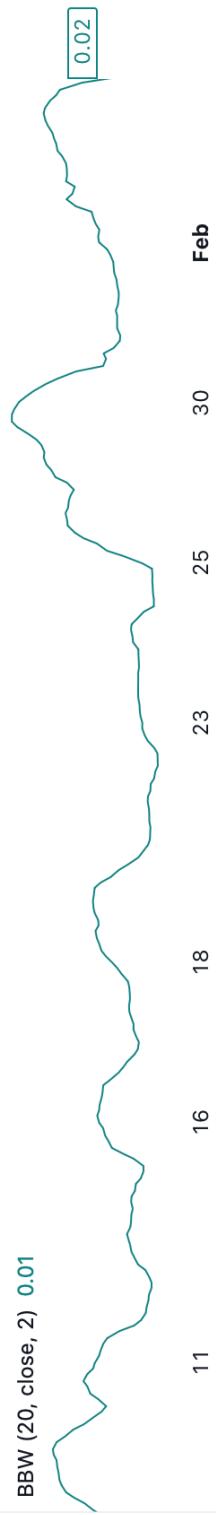
LearnZebra published on TradingView.com, Sep 22, 2023 18:56 UTC+5:30

Nifty 50 Index, 30, NSE O19664.35 H19690.95 L19657.50 C19684.60 +20.95 (+0.11%)  
BB (20, SMA, close, 2, 0) 19733.36 19797.40 19669.32

INR



BBW (20, close, 2) 0.01



TradingView

## TO SELL USING THIS STRATEGY, TAKE THE FOLLOWING STEPS:

Prepare a watchlist of stocks.

Apply Bollinger Bands and Bollinger Bands Width.

Look for a Bollinger Bands squeeze and the Bollinger Bands stay flat.

Wait for the price to break the lower Bollinger Band.

**SELL** when the price breaks the lower Bollinger Band and the Bollinger Bands Width rise.

**TARGET** is on trailing basis - if the price closes below the middle Bollinger Band, the trade should be closed.

**STOPLOSS** may be placed above the middle Bollinger Band.

From 19th January to 24th January 2023, the market was sideways. On 25th January the market broke the lower Bollinger Band and the Bollinger Bands Width started to rise. For the next few days, the market fell aggressively giving a good short-side trade. The trade was closed when the price closed above the middle Bollinger Band on 30th January 2023. With this strategy, the booked profit was almost 2.65% with a Risk to Reward ratio of 1:5.12.



Indicators



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1.7

# ICHIMOKU CLOUD INDICATOR



Strategy video

If you are reading about the Ichimoku Cloud for the first time, it might look as a bit complex indicator at first. However, trust me very few technical indicators give as clear trading signals as this indicator.

In this chapter, we are going to talk about a swing trading strategy involving the Ichimoku Cloud for buying and selling stocks.

## INTRODUCTION



Goichi Hosada

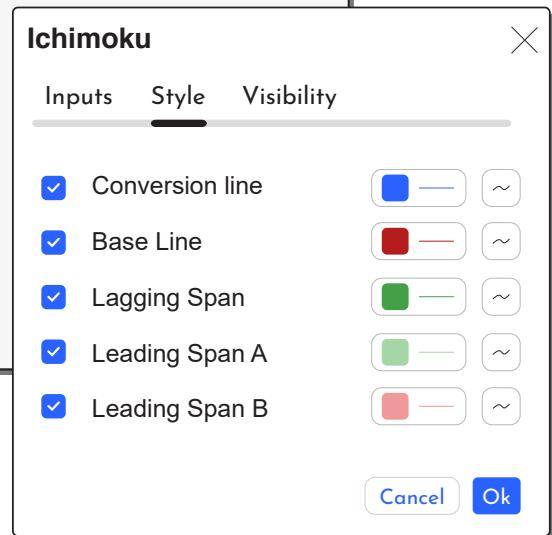
The Ichimoku Cloud indicator was developed by a Japanese journalist named Goichi Hosada in the 1930's. It is a very widely used technical indicator which offers multiple valuable insights of the price charts.

The Ichimoku Cloud indicator is created by combining multiple indicators to help traders identify support and resistance levels, to determine the trend direction, and the momentum of a stock. All of this is done by simply applying the indicator on the price chart.



The Ichimoku Cloud indicator is made of five components:

- A Conversion Line (which is a 9-period Moving Average)
- A Base Line (which is a 26-period Moving Average)
- The Lagging Span (which is the closing price plotted 26 periods in the past)
- Leading Span A (which is the average calculation of the Conversion Line and the Base Line)
- Leading Span B (a 52-period Moving Average)



Unlike Simple Moving Average that only considers the closing price, the averages used in the Ichimoku Cloud indicator take into account both the high and low of the price over a specific number of periods. These averages are also used to plot the Cloud, which helps traders in predicting the future price movements.

### Simple Moving Average

Only considers closing price

### Ichimoku Cloud Indicator

Takes into account both the high and low of the price over a specific number of periods.

**The Ichimoku Cloud is also known as “Ichimoku Kinki Hyo” which means “One glance equilibrium chart” or “chart at a glance” in Japanese.**

The name of the indicator resembles its quality of providing a comprehensive view of the market via a single indicator. Goichi Hosada introduced this indicator with the very same aim of capturing multiple market dynamics at one glance and offering clear and better trading opportunities.



Indicators



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# FORMULAS USED IN THE ICHIMOKU CLOUD

For understanding how the Ichimoku Cloud generates trading signals, you need to know the formulas behind its components.

1

## Tenkan-Sen Line or the Conversion Line

The Tenkan-Sen Line or the Conversion Line is the midpoint of the last 9 periods. It is calculated by adding the highest high and the lowest low points of the last 9 periods and then dividing the sum by 2.



2

## Kijun-Sen Line or the Base Line

The Kijun-Sen Line or the Base Line is the midpoint of the last 26 periods. It is calculated by adding the highest high and the lowest low points of the last 26 periods and then dividing the sum by 2.

3

## Senkou Span A Line or the Leading Span A

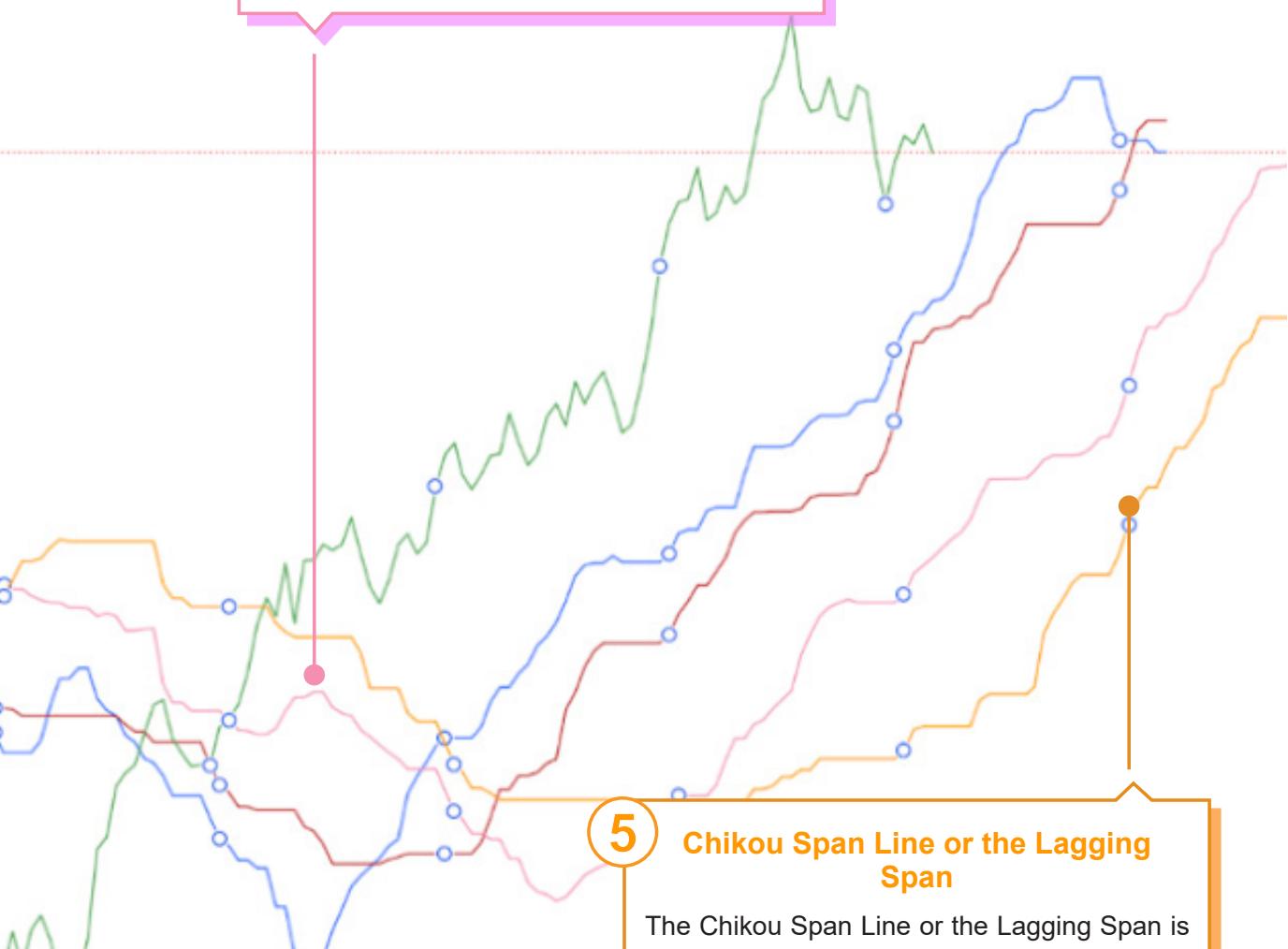
The Senkou Span A or the Leading Span A is the average of the addition of the Conversion Line and the Base line. It is plotted 26 periods ahead on the price chart.



4

#### Senkou Span B Line or the Leading Span B

The Senkou Span B or the Leading Span B is calculated by adding the highest high and the lowest low of the last 52 periods. It is also plotted 26 periods ahead on the price chart.



5

#### Chikou Span Line or the Lagging Span

The Chikou Span Line or the Lagging Span is the closing price plotted 26 periods backward on the price chart.

Basic level understanding of these formulas allows you to grasp how the trading signals are generated in the Ichimoku Cloud indicator. This indicator can help you take much more informed trading decisions.

Now, let's have a look at the trading strategy which we will be using with the Ichimoku Cloud.



Indicators



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# TRADING WITH ICHIMOKU CLOUD INDICATOR



Okay, so now let's talk about some ground rules before going into the strategy. There are only 2 rules that you have to follow.

- ① Look for buying opportunities when the Conversion Line (Blue line) is above the Base Line (Red line) and vice versa for selling.
- ② Only buy when the price has closed above the cloud and only sell when the price has closed below the cloud.

The strategy used in the following image is a swing strategy and you can implement this by using a 1-hour or a daily trading timeframe. First of all, let's know how to buy stocks using the Ichimoku Cloud indicator.

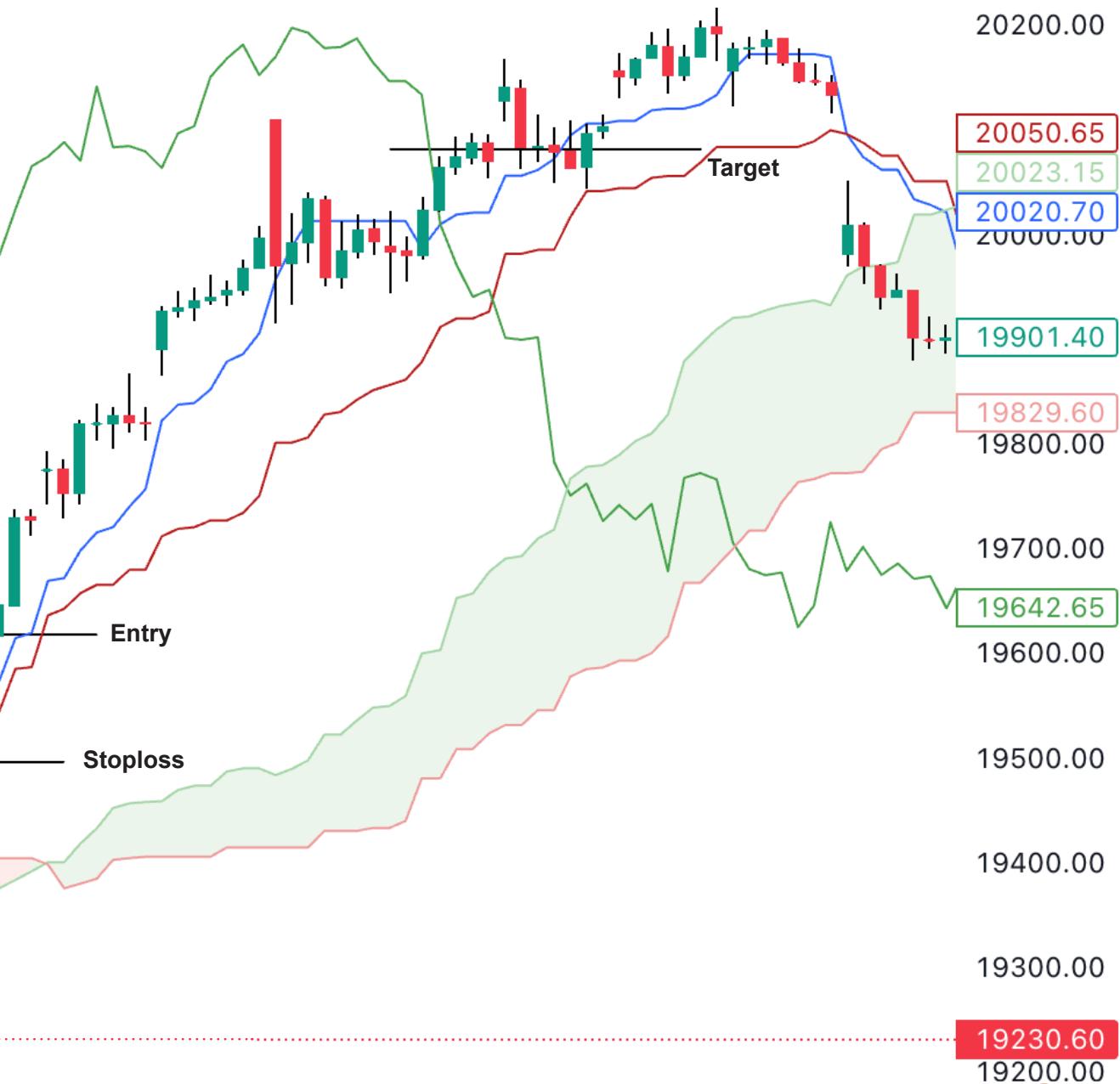
LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30

Nifty 50 Index, 1h, NSE O19241.90 H19249.95 L19220.20 C19230.60 -10.45 (-0.05%)  
Ichimoku (9, 26, 52, 26) 19191.60 19124.97 19230.60 19158.29 19057.05



The following price chart is of Nifty 50. Keeping both of the rules in mind, look at the highlighted candle. This is where the Conversion Line and Base line crossover has happened. You have to start looking for buying opportunities at this point. However, let's not take a bullish entry unless the price closes above the cloud.

After a few candles, the nifty closed above the cloud. (Look at the highlighted Pin bar candle). This is where we are going to take a bullish entry while keeping the stoploss at the same level as Leading Span A (or the green line of the cloud). As the market goes in your favor, you can trail your stoploss. As this is a swing trading strategy, you can easily watch out for targets with a 1:3 ratio.





Indicators



Alert

Replay



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**Now, let us talk about how to short using the Ichimoku Cloud**

LearnZebra published on TradingView.com, Nov 07, 2023 14:08 UTC+5:30

Nifty 50 Index, 1h, NSE O 19241.90 H 19249.95 L 19220.20 C 19230.60 -10.45 (-0.05%)  
Ichimoku (9, 26, 52, 26) 19191.60 19124.97 19230.60 19158.29 19057.05INR  
18000.00

17900.00

17800.00

17700.00

17600.00

17500.00

17400.00

17300.00

17200.00

17144.00

17114.90

17065.95

17017.80

16985.70

16900.00

16800.00

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6

9

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20

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TradingView

If you reverse all the things we talked about for buying, you get all the ground rules for selling with Ichimoku Cloud. Notice the Conversion Line going below the Base Line. This is where you must be alert as a trader. We take a short position when a candle closes below the cloud. Keep the stoploss as same level as the Leading Span A.

## CONCLUSION

The Ichimoku Cloud is a powerful technical tool which provides you with insights of the overall market dynamic of a price chart. When traded with rules, it can help you make well-informed trading decisions and boost the efficiency of your analysis to a great extent.



## Autosave



## Publish

# Notes



## CHAPTER 2

# INTRADAY STRATEGIES

