

SMM Decision Check List

STEP	DOUBLE SCREEN TRADING SYSTEM - TRADE IN THE DIRECTION OF TREND		SIGNAL
1	Tide (Higher Time-frame) Monthly or Weekly	Tide - TI Uptick OR Flat after Down (i.e. Trend is Up)	Buy
		Tide - TI Downtick OR Flat after Up (i.e. Trend is Down)	Sell
		Also do a visual inspection to see if trend is up / down / sideways	
2	Wave (Current Time-frame) Weekly or Daily	Wave - Osc. Giving Buy Signal	Buy
		Wave - Osc. Giving Sell Signal	Sell

Wear a "Bull Hat" if Step 1 & 2 both give BUY signal ELSE Wear a "Bear Hat" if both give SELL signal

1	Candlestick Pattern		
	Bullish Patterns	Bullish Green Candle	Buy
		Bullish Piercing or Engulf	Buy
		Hammer (Strong Signal if at Bottom)	Buy
		Morning Star	Buy
	Bearish Patterns	Bearish Red Candle	Sell
		Bearish Piercing or Engulf	Sell
		Inverted Hammer (Strong Signal if at Top)	Sell
		Evening Star	Sell
		Hanging Man (followed by Red Candle)	Sell
2	Volume on most significant Candle	Green Candle with Heavy Volume (more than average of last few days)	Buy
		Red Candle with Heavy Volume (more than average of last few days)	Sell
3	Moving Average (EMA) Ignore if Morning / Evening Star Ignore if Double Top / Bottom	5 EMA PCO with 13 or 26 EMA in last 3 Periods/ Candles	Buy
		5 EMA NCO with 13 or 26 EMA in last 3 Periods/Candles	Sell
4	Chart Patterns		
	Bullish Patterns	Inverted Head & Shoulder	Buy
		Double Bottom	Buy
		Rounding Bottom OR Cup and Handle	Buy
		Breakout of Flag	Buy
		Fake Breakdown	Buy
	Bearish Pattern	Head & Shoulder	Sell
		Double Top	Sell
		Rounding Top	Sell
		Breakdown of a Flag	Sell
		Fake Breakout	Sell
If no pattern is found, check in higher / lower timeframe as well.			
5	Fib Retracement (Only for continuation pattern)	Upto 50% Retracement	Healthy
		61.8% or more	Watchful
6	Divergence (Osc.) (Specially for top or bottom fishing)	In the Direction of Trade (e.g. Bullish Divergence for Long Entry & vice versa)	Go for it!!!
		In the Opposite Direction of Trade (e.g. Bullish Divergence for Short Entry & vice versa)	Watchful
7	Immediate Support for stop loss Bulls - Use it for stop loss	Below the Osc. PCO Candle	
		OR Median of the Most Significant Candle i.e. the one with Heavy Volume	
8	Immediate Resistance for stop loss Bears - Use it for stop loss	Above the Osc. NCO Candle	
		OR Median of the Most Significant Candle i.e. the one with Heavy Volume	
9	Major Support - Bears - check for exit target	Use ascending uptrend line / MAs / previous bottoms or supports	
10	Major Resistance - Bulls - check for exit target	Use descending resistance trend line / MAs / previous tops or resistances	
11	Stop Loss Price	Below the Immediate Support for Bulls (#7)	
		Above the Immediate Resistance for the Bears (#8)	
12	Target	Calculate based on Price Pattern or Major Support / Resistance	
		Take Conservative Targets for better Money Management	
13	Risk to Reward Should be above 3 to enter the trade	Reward = Target - Entry (for Bulls); Reward = Entry - Target (for Bears)	
		Risk = Entry - Stop Loss (for Bulls); Risk = Stop Loss - Entry (for Bears)	

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