27 trade reviews

Trade Psychology

CASE STUDIES

ON

HOW TO TRADE WITH

PRICE ACTION

STRATEGIES THAT WORKED FOR ME!

tradepsychology.com

The best price action trading strategies that worked for me!

Hi, My name is Mahabaleshwar I am a Charted Financial Analyst specialized in derivate segment, I have been trading Futures & Options from past 5 years & have learnt lot of trading techniques & strategies that helped me to generate a consistent source of income.

So, In this book we will stick only to Intraday price action trading strategies, where I will discuss basics of candlesticks to profitable price-action trading strategies that worked while trading Bank Nifty Intraday Futures.

Before proceeding further, I would like to caution you that, trading Futures & Options involves risk, you need to have thorough understanding on how these instruments works.

The reason why I am telling its risk is because as per statistics 90% of Intraday retail traders lose money only because of having unrealistic expectation from trading.

The main reason of writing this book to help 90% of retail traders understand the concept of trading with statistics & experiences that can help you save your hard earned money.

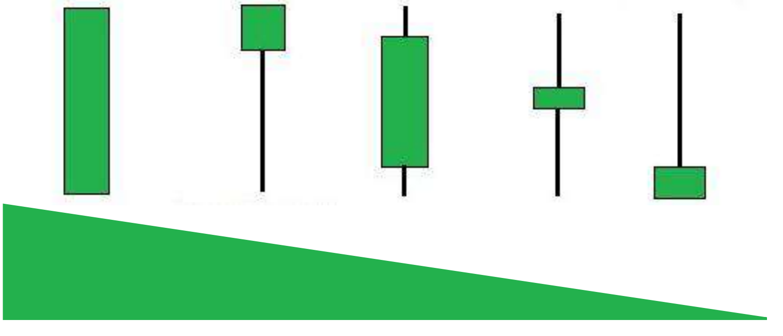
In this book I will be sharing only what is required for you to analyze price action behavior & will not be boring you with trading philosophy. Following are the topics covered in this book:

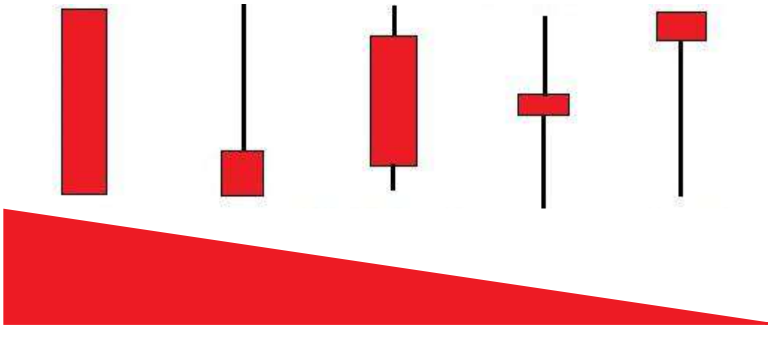
1. Understanding Basics of Candlesticks & Price Action
2. Trend following techniques with price action strategies
3. Analyzing breakout patterns along with false breakout price action
4. How to analyze Divergences & manipulation in price action trading?
5. Case studies on 27 Live trades in Bank Nifty Futures price action analysis
6. How to keep Stop loss & target levels?

Contents:

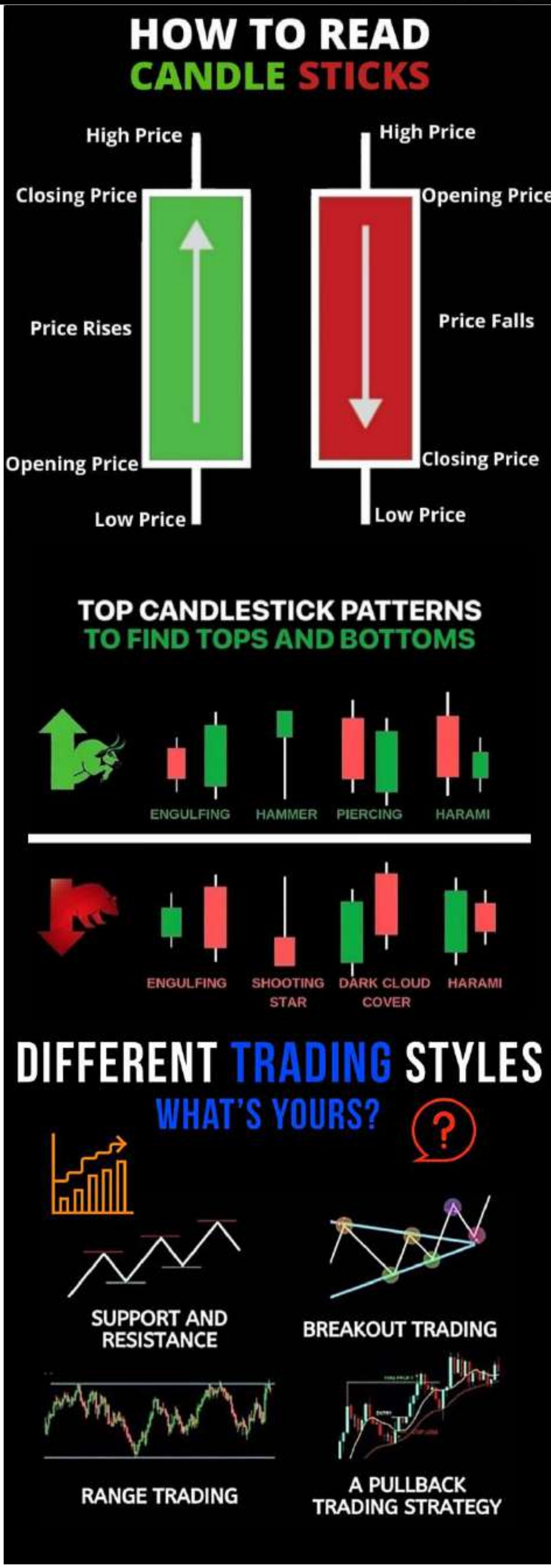
Here is what you will learn in this book:

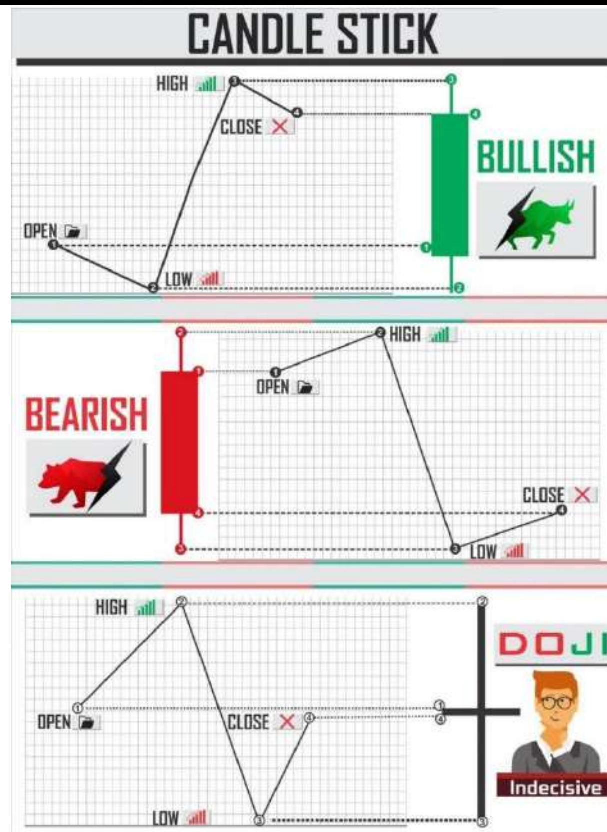
Understanding Price Action

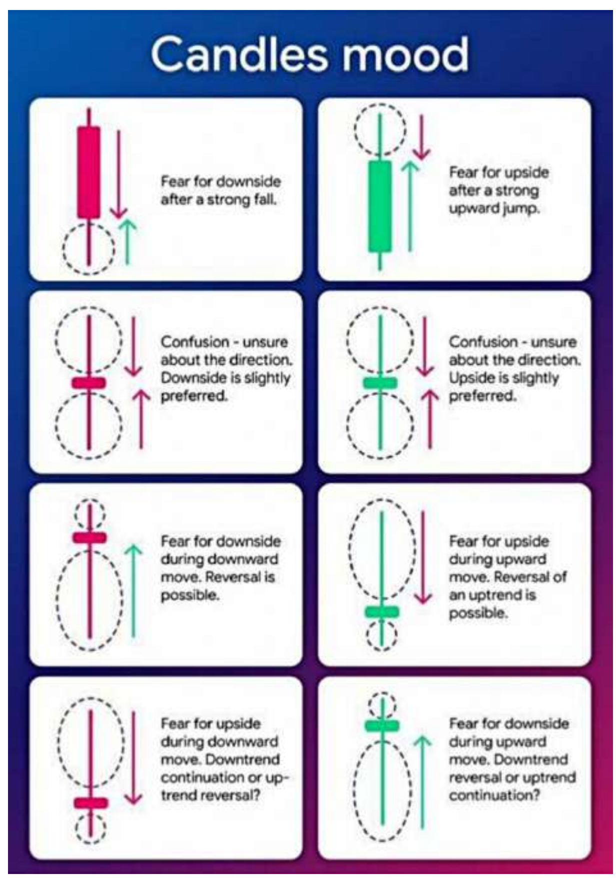




Understanding candlestick basics:

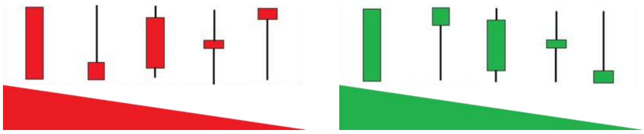


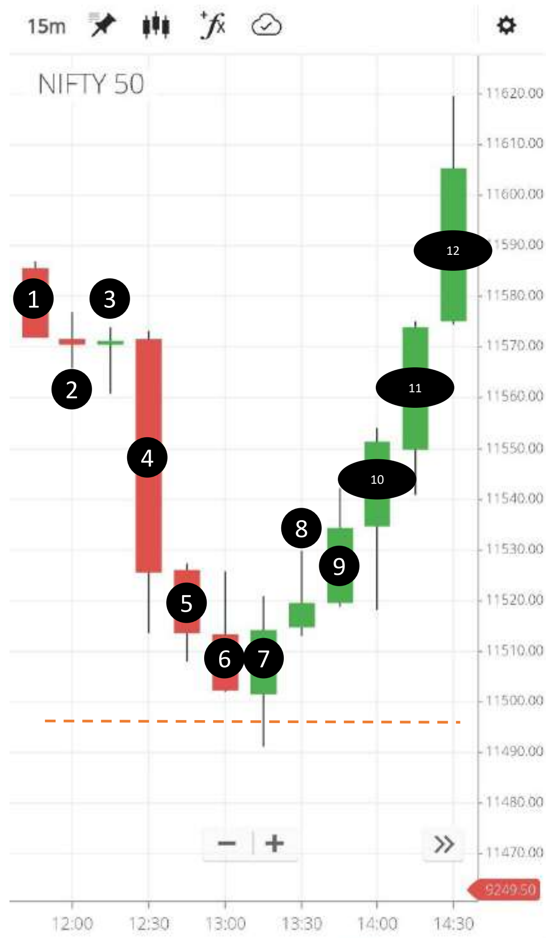




Understanding Price-action behavior:

Candle strength:



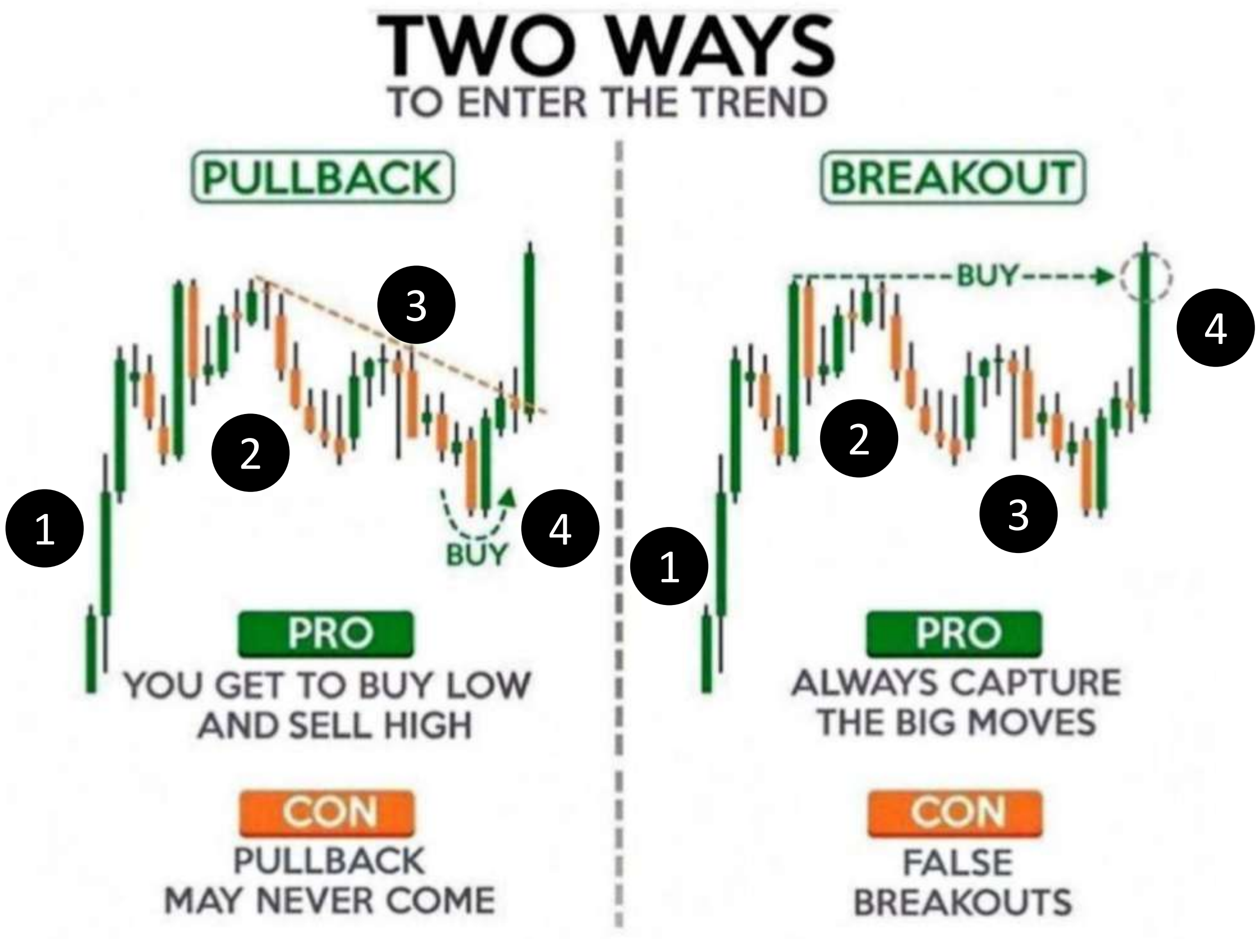


Key Learnings:

Let's analyze the price action for each candle on Nifty 50, just observe the points with candles to understand "How price action works?"

- Following are the series of price action formation in Nifty 50:
  1. Market open with bearish candle, where sellers where strong
  2. Sellers tried to shell again but buyers pushed the price up creating indecisiveness
  3. Buyers tried to push price but sellers pushed the price down again creating doji
  4. Sellers took control & pushed the price downwards creating strong bearish candle
  5. Bearish candle was smaller than previous candle indicating sellers losing momentum
  6. Buyers pushed price higher initially but sellers pushed downwards
  7. There were equal number of buyers &sellers but buyers took the price upwards
  8. Buyers took control at the end in spite of sellers selling on to it
  9. Buyers pushed price upwards as sellers lost momentum
  10. Buyers were strong in the bather pushing price upwards
  11. Again sellers lost the battle and buyers pushed the price upwards
  12. In this candle buyers were strong but losing momentum

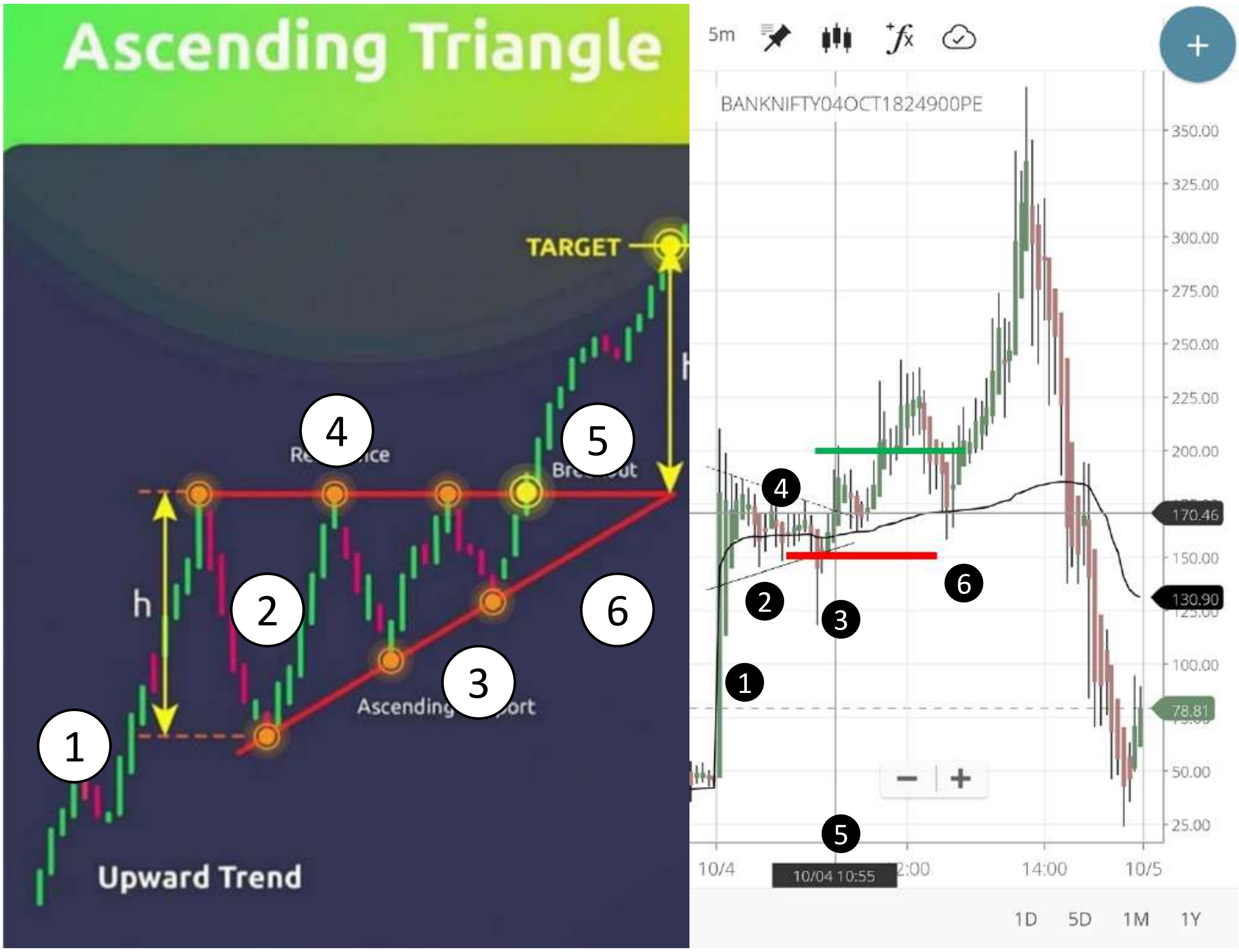
How to ride the trend?



Key Learnings:

- There are 2 ways to enter the trend:
  - ✓ **Pull back entry:** [observe the following price action to confirm this pattern]
    1. Market should rally with strong bullish candle
    2. Price should consolidates forming small candles
    3. Confirm the trend line like ascending triangle formation
    4. Enter at the dip with proper stop loss & target level & wait for breakout
  - ✓ **Breakout entry:** [observe the following price action to confirm this pattern]
    1. Market should rally with strong bullish candle
    2. Price should consolidate within last strong bullish candle
    3. Confirm the strong trend with small red candle & big green candles
    4. Place limit order just above the day's high to trigger breakout entry

Understanding Ascending Triangle?



Key Learnings:

➢ Following are the steps in formation the ascending Upward Trend pattern:

1. Market should rally sharply
2. Should reverse and take support within the previous bullish candle
3. The consolidation should continue with higher lows as shown
4. It should hit same levels of resistance approximately to confirm resistance level
5. Enter once the strong bullish candle closes above resistance level
6. Keep stop loss below the previous swing low

➢ Observe the following formation in the given example

1. Price rallied sharply from 100 to 200 in day's open
2. It took support within the previous bullish candle
3. Consolidation continued with higher lows
4. A similar level of resistance levels was formed
5. Entry at 10.55 am when we saw strong bullish candle breaking out
6. Stop loss at previous swing low

How to avoid fake breakouts?

Key Learnings:

- Following are the steps in identifying the right breakout entry:
    1. Identify trend reversal patterns, in this case it is double top formation
    2. As the trend is reversed then you need to wait for the market to break day's low
    3. When the market breaks day's low its indication of bearish trend, but wait for retest
    4. Retest of the trend takes after the breakout where support becomes resistance level
    5. When you see smaller candles consolidation at the retest level that's the right entry
    6. Keep a stop-loss of previous swing high and ride the trend with proper risk: reward

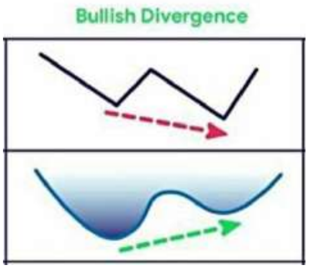
How to the market moves?

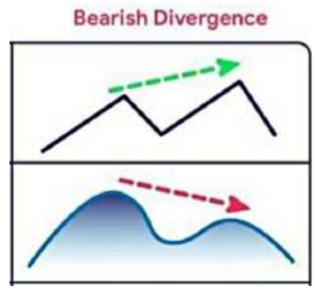
Key Learnings:

"In any given market there will be equal number of participants causing the price action of candlesticks chart, only when the majority of people identify the trend properly then there will be sharp movement in the identified direction".

- Following are the steps to identify the market movements:
    1. Impulse represents the support line where buyer will become more strong
    2. Retracement represents the resistance line where sellers will become more strong
    3. If you see higher levels of impulse & retracement phases that indicate upward trend
    4. Upward trend can be confirmed by identifying at least 2 impulse phases
    5. Enter after the retracement in consolidation phase

How Divergence works?



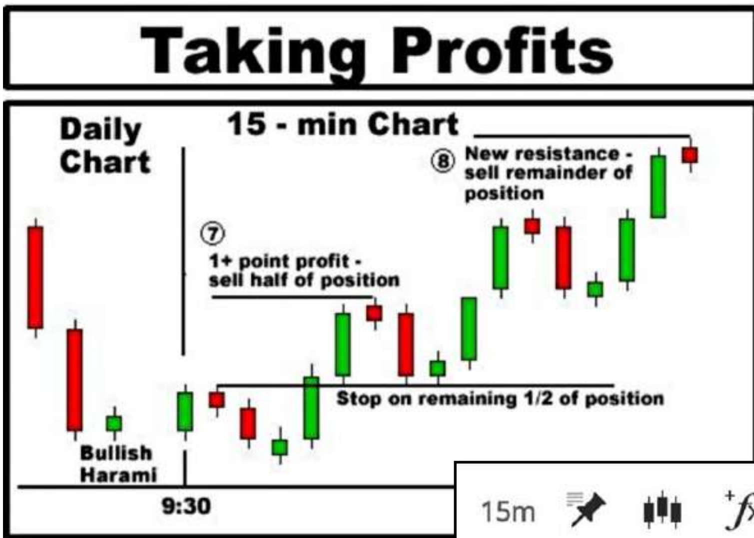


Key Learnings:

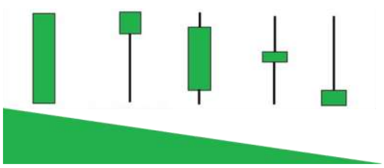
"Divergence indicates that the current price trend may be weakening, and in some cases may lead to the price changing direction."

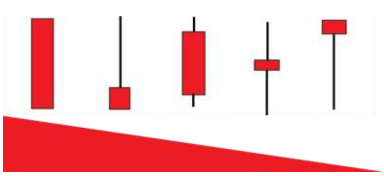
- Following are the steps to identify the **Bullish** Divergences:
  1. Wait for stochastic indicator to dip below 20
  2. Identify "W" formation in divergence & price, its indication of *Bullish* trend
- Following are the steps to identify the **Bearish** Divergences:
  1. Wait for stochastic to hit 80 level
  2. Identify "M" formation in divergence & price, its indication of *Bearish* trend

How to take profits while trading?



Candle strength:





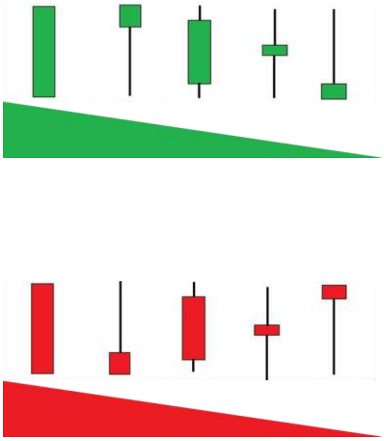
Key Learnings:

"If you are trading with multiple lots, then you need to know how to manage your positions so that you end in profits by end of day."

- Following are the steps to manage your Intraday positions profitably:
  We are seeing heavy selling, also observe the red candle strength **[1]** &Suddenly candle strength reduced & a green candle is formed bigger than red one **[2]**, which indicate trend reversal, Buy here with stop loss below previous low, Price rallied and consolidated taking support of previous high **[3]**, Book 50% profit here & wait for another spike = previous rally **[4]**. This strategy gives good Risk : Reward.

How they manipulate while trading?

Candle strength:



Key Learnings:

"Manipulation during trading is caused to fill heavy orders & also to trap retail traders during big movement, this happens during events & result-days".

- Following are the steps to identify strong market movement:
  Whenever there is big event about to happen, most the promoters accumulate at every sell as you can see any selling is bought by strong green candles **[1]** & suddenly the price is dropped below support indicating trend reversal, but its made to fill huge orders at better price, where retailers are selling in panic **[2]**, Then the big movement happens in the upside as shown **[3]**, this is how manipulation happens during Intraday.

CHART PATTERN

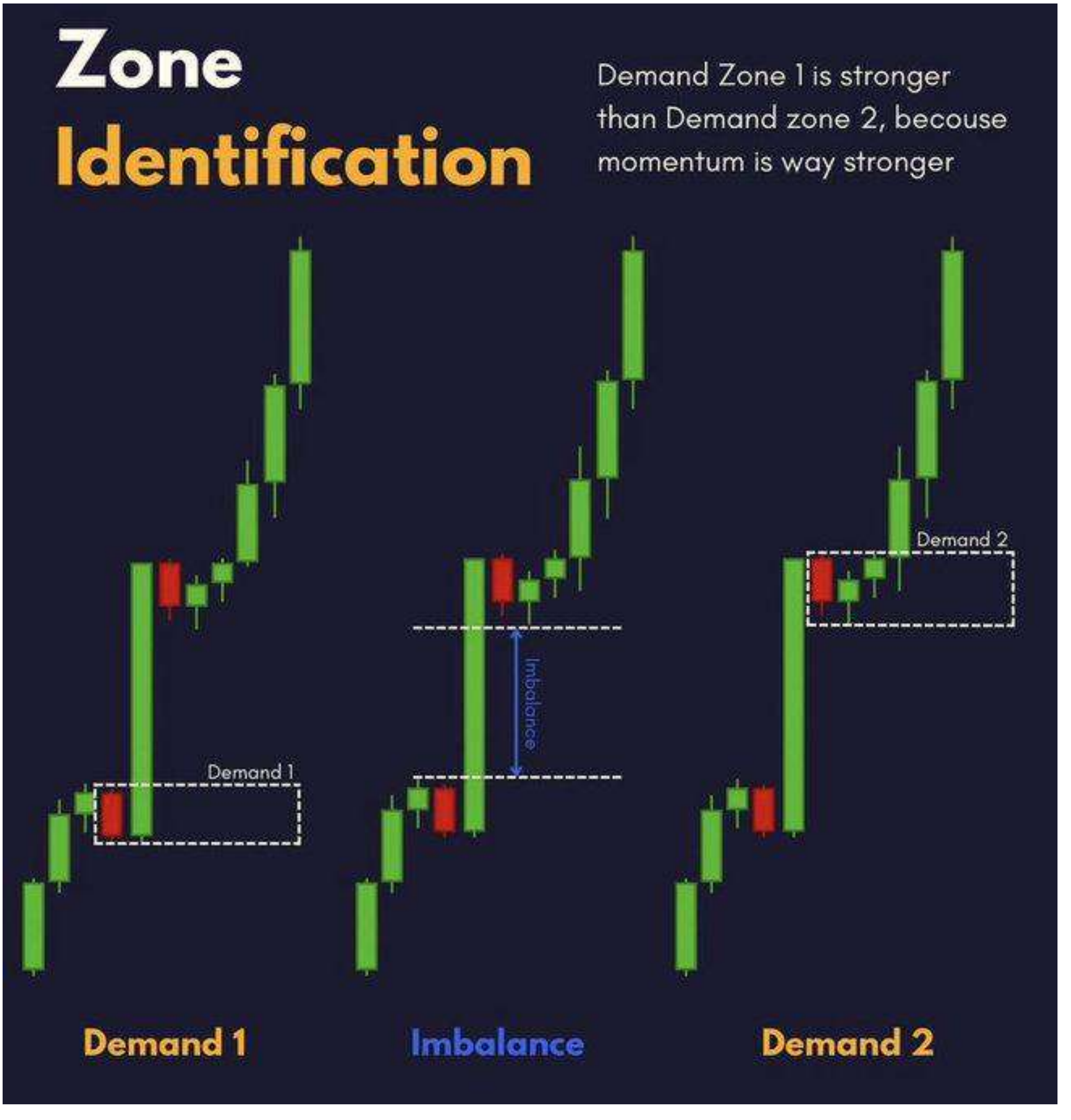
DOUBLE TOP

DOUBLE BOTTOM

Key Learnings:

"The inside bar occurs when the current candlestick's high and low range is within the previous candlestick's range."

- The inside bar strategy focuses on candlestick formations.
- It indicates a temporary consolidation or indecision in the market.
- Traders interpret the inside bar as a potential sign of a breakout or trend reversal.
- They anticipate the direction of the breakout by waiting for the subsequent candlestick to move beyond the high or low of the inside bar.
- The inside bar strategy is used in conjunction with other analysis techniques and factors.

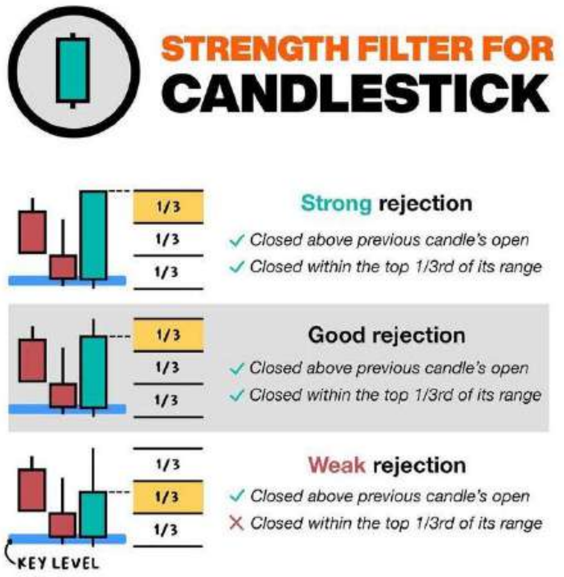


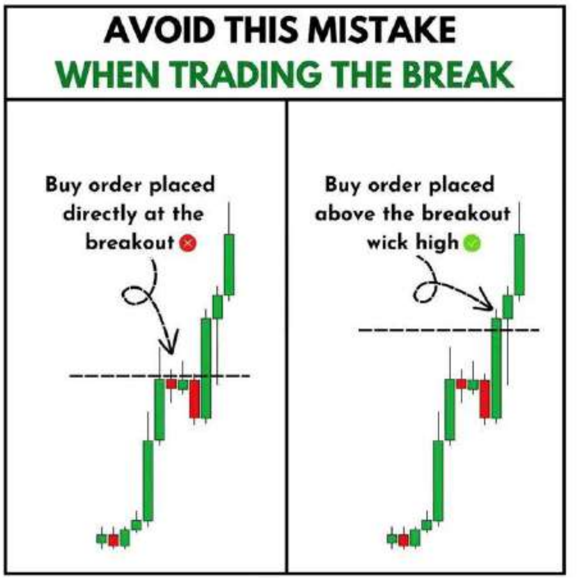
Key Learnings:

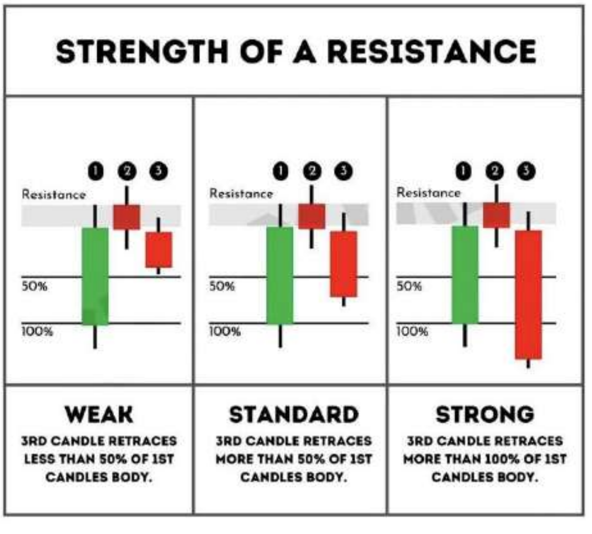
"Demand zones are areas on a chart where buyers are likely to be present, creating a potential support level."

To identify demand zones using candlestick analysis:

- Look for clusters of candlestick wicks or bodies at a particular price level.
- These clusters indicate a significant buying interest or demand at that level.
- The more times the price has bounced off that level, the stronger the demand zone.







Key Learnings:

"Here are some common mistakes to avoid when trading breakouts and the importance of waiting for confirmation".

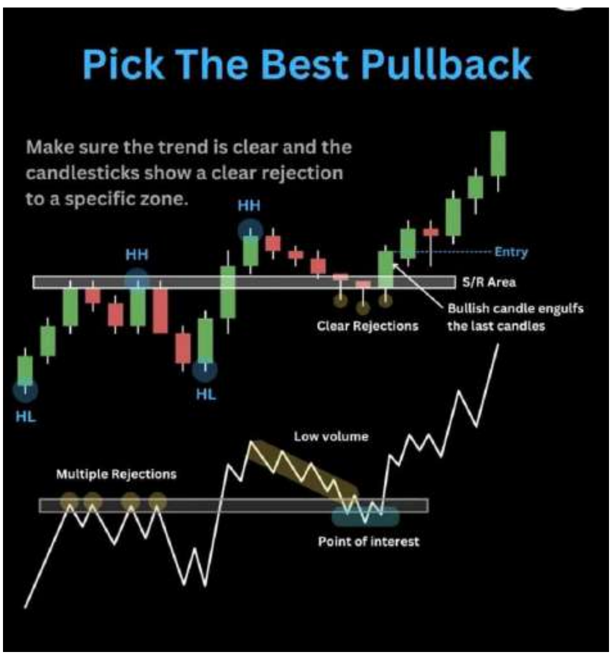
- **Chasing breakouts:** Avoid entering trades too early, as breakouts can often experience false moves or pullbacks.
- **Neglecting volume:** Failing to consider trading volume during breakouts can lead to false signals and lack of confirmation.
- **Ignoring market context:** Failing to assess the overall market conditions, trends, and potential resistance/support levels can result in poor breakout trading decisions.
- **Overlooking price patterns:** Disregarding the presence of price patterns that confirm the breakout can lead to entering trades prematurely or missing out on profitable opportunities.

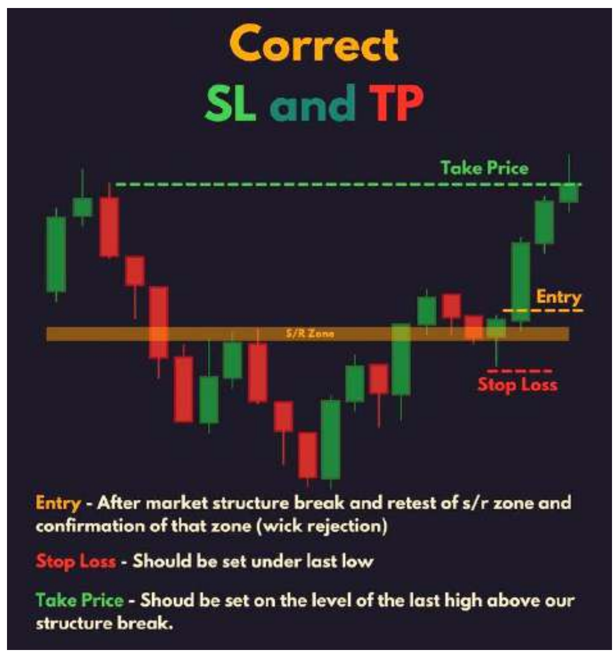
Key Learnings:

"Candlestick formations such as bearish engulfing, evening star, and three black crows are commonly used in trading to identify potential bearish reversal patterns."

Traders may enter trades based on these candlestick formations by:

- Identifying the pattern and confirming its presence on the chart.
- Waiting for confirmation signals such as a bearish close or subsequent bearish candlestick.
- Placing a sell order below the low of the bearish engulfing, evening star, or three black crows pattern to capture potential downside movement.



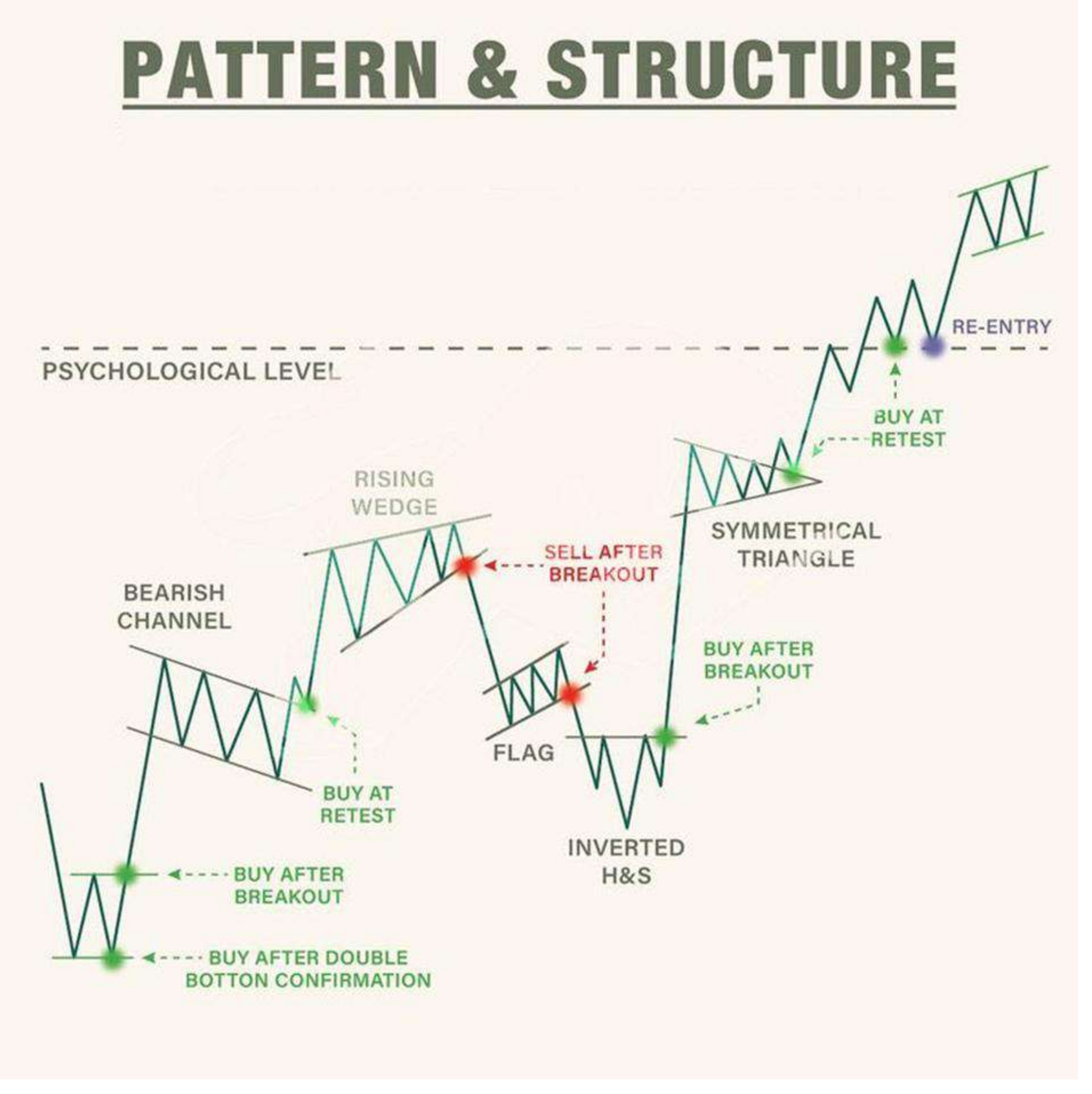


Key Learnings:

"Pullback candlestick patterns occur when the price retraces temporarily within an ongoing trend before resuming its original direction."

To enter trades using pullback candlestick patterns:

- Identify the main trend and wait for a pullback against the trend.
- Look for candlestick patterns indicating a potential reversal or continuation.
- A pin bar has a long wick (or "tail") and a small body, resembling a pin.
- A bullish pin bar forms when the price initially declines but then reverses and closes higher, indicating potential buying pressure.



Key Learnings:

"Patterns are repetitive formations in price charts that provide insights into future price movements. Market structure refers to the overall organization of price action, including highs, lows, and trends."

Identifying patterns and market structure involves:

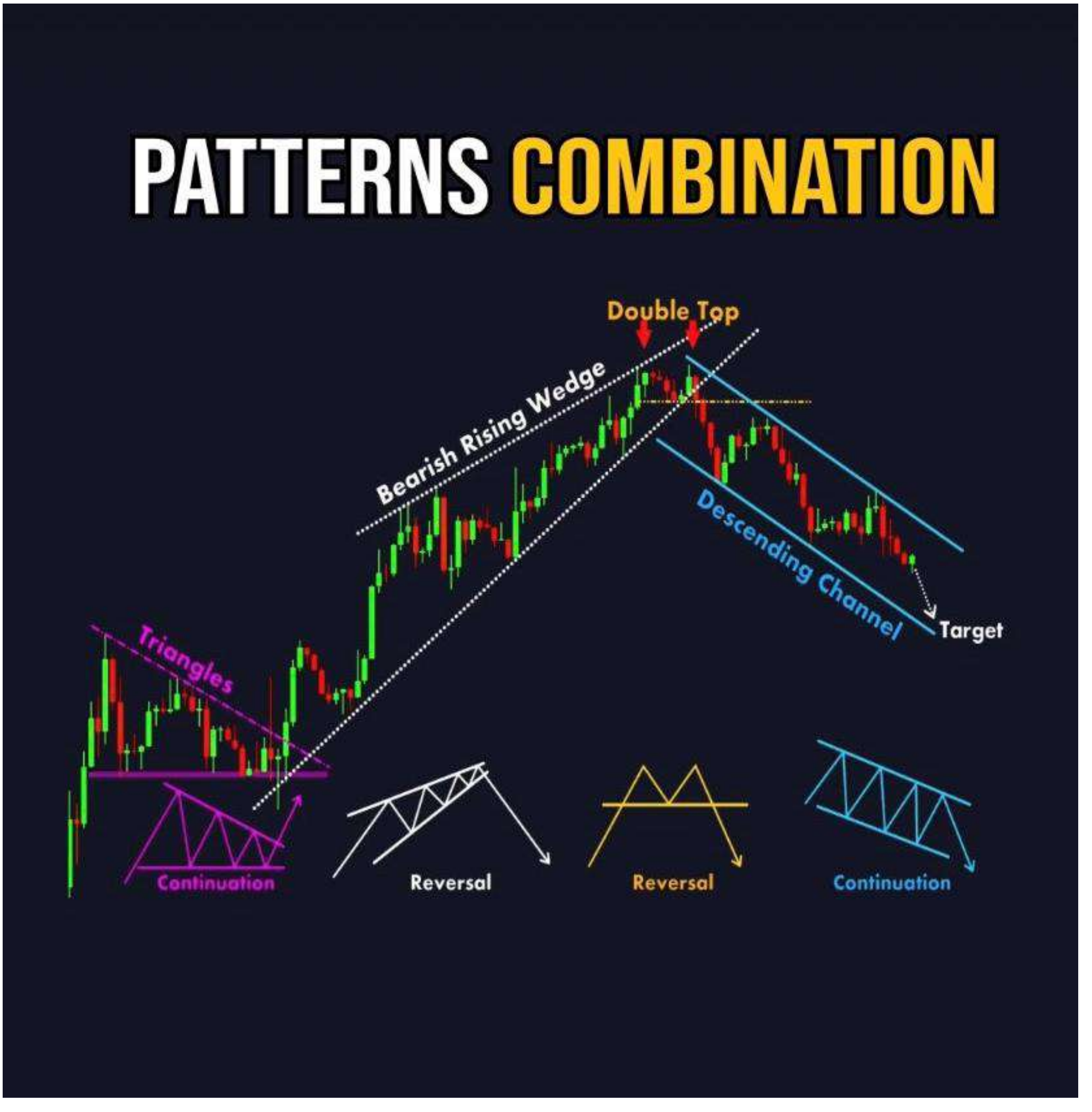
- Analysing price charts to spot common patterns like triangles, head and shoulders, or double tops/bottoms.
- Assessing the sequence of higher highs and higher lows (uptrend) or lower highs and lower lows (downtrend) to determine the market structure.
- Applying trend lines, channels, or Fibonacci retracements to identify potential price reversal or continuation areas.

Key Learnings:

"Patterns are repetitive formations in price charts that provide insights into future price movements. Market structure refers to the overall organization of price action, including highs, lows, and trends."

Entry Techniques:

- **Breakout entry:** Entering a trade when the price breaks above or below a key level of support or resistance.
- **Confirmation entry:** Waiting for additional signals, such as candlestick patterns or indicators, to confirm the entry point.
- **Range-bound entry:** Entering a trade when the price bounces off support or resistance in a sideways market.
- **Trend-following entry:** Entering a trade in the direction of the prevailing trend.



Key Learnings:

"Price action patterns refer to the analysis of historical price movements and patterns on a chart to make trading decisions."

Combining price action patterns and forming a view in the market involves:

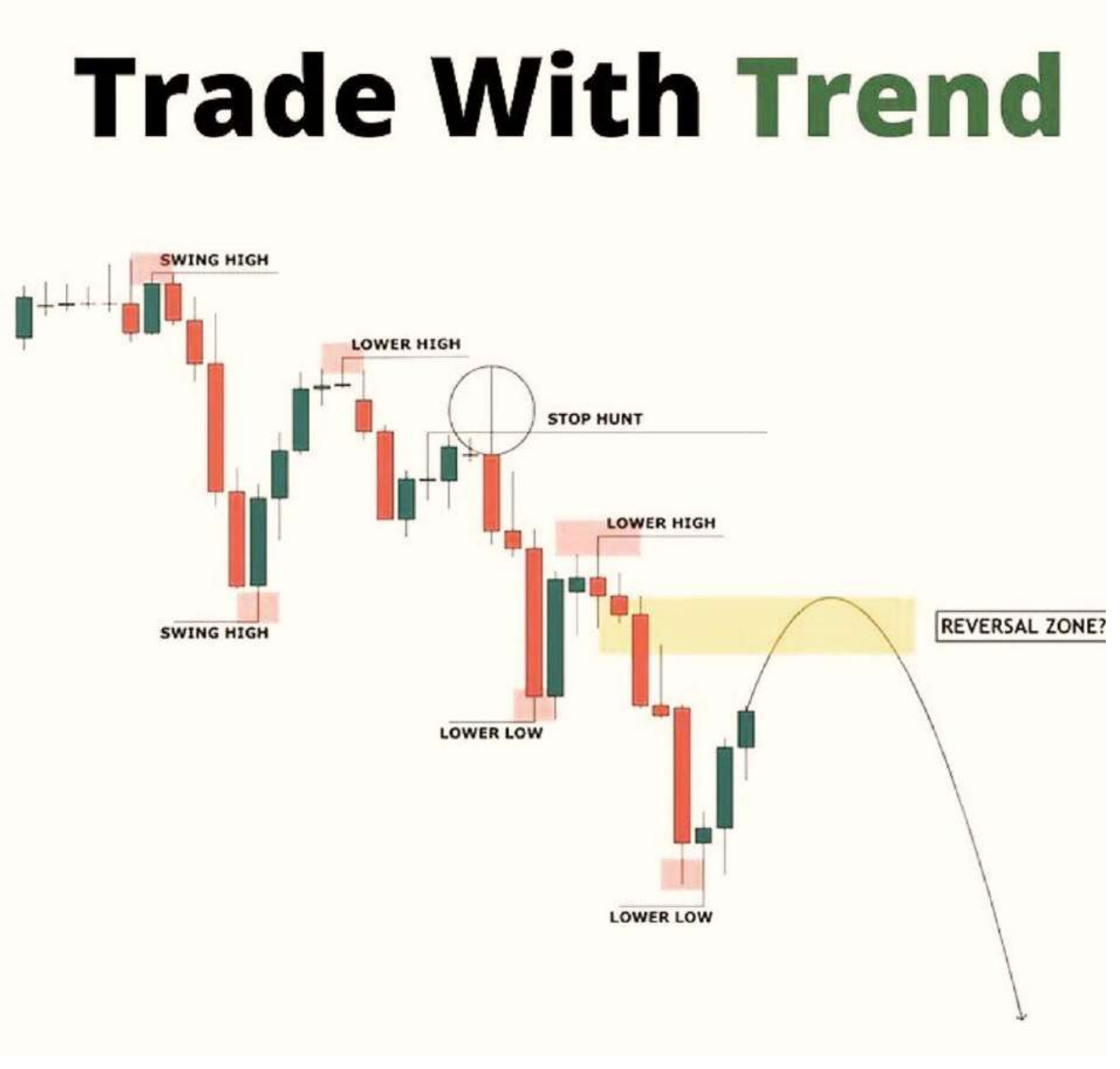
- Identifying recurring patterns, such as trend lines, support and resistance levels, chart patterns (e.g., triangles, double tops/bottoms), and candlestick formations.
- Analysing the context and structure of the market, including overall trends, market conditions, and key levels.
- Forming a view or opinion on the market's potential direction or future price movement based on the observed price action patterns.

Key Learnings:

"Price action patterns can help identify potential breakouts, where the price moves beyond a key level of support or resistance."

To analyse entry techniques based on price action patterns and identify fake breakouts:

- **Identify the breakout level:** Determine the key support or resistance level that the price needs to break for a valid breakout.
- **Look for confirmation signals:** Wait for additional price action confirmation, such as strong bullish or bearish candlestick patterns or high trading volume, to validate the breakout.
- **Watch for fake breakouts:** Fake breakouts occur when the price briefly moves beyond the breakout level but quickly reverses back within the previous range.
- **Utilize support and resistance levels:** Monitor how the price behaves around other nearby support or resistance levels to gauge the strength of the breakout.

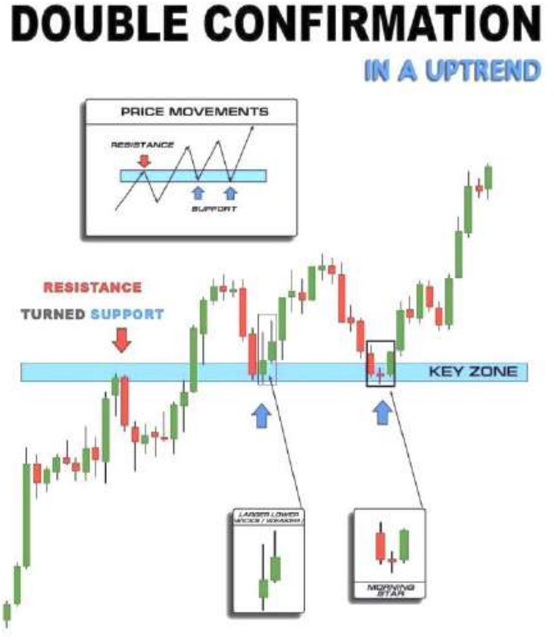


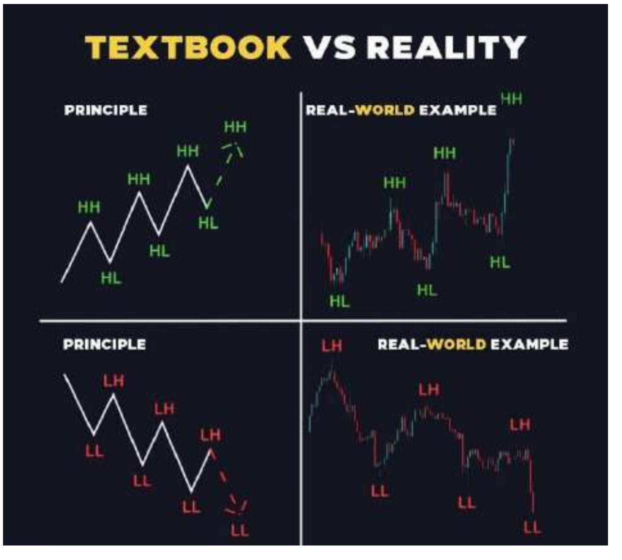
Key Learnings:

"Trading with the trend involves aligning trades with the prevailing direction of the market."

To identify higher highs and lower lows:

- **Higher highs:** Look for peaks in the price chart that are higher than the previous peaks. This indicates an upward trend.
- **Lower lows:** Identify troughs in the price chart that are lower than the previous troughs. This suggests a downward trend.
- **Higher highs** and lower lows form the foundation for determining the existence and strength of a trend.
- Conversely, **multiple lower** lows and lower highs confirm a downtrend, suggesting potential selling opportunities.





Key Learnings:

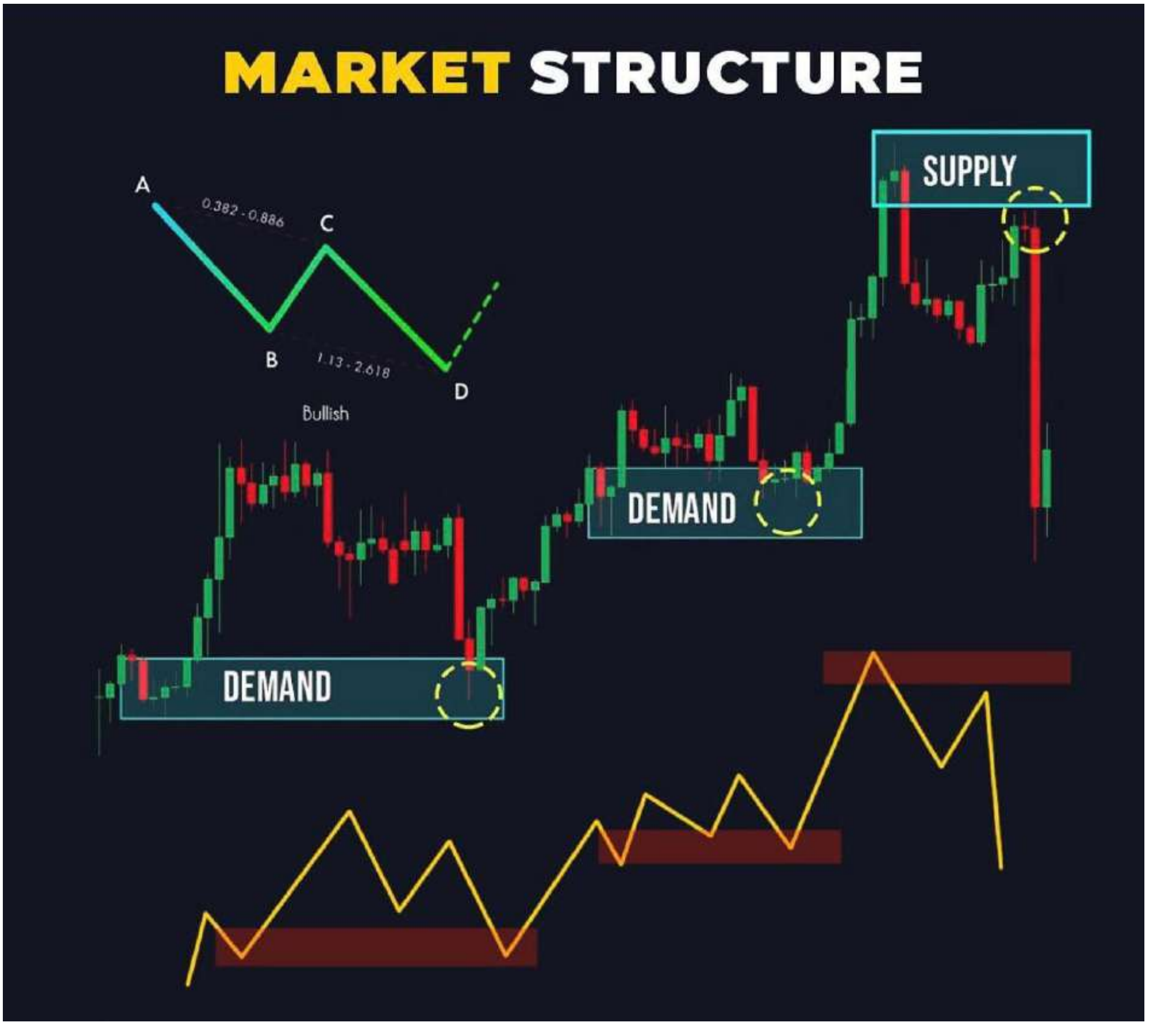
"Identifying Bullishness or Bearishness using Candlestick Price Action - Higher High and Lower Low Theory"

To identify bullishness:

- Look for a series of higher highs, where each peak is higher than the previous one.
- Confirm the bullishness by observing bullish candlestick patterns, such as bullish engulfing, hammer, or morning star patterns.

To identify bearishness:

- Look for a series of lower lows, where each trough is lower than the previous one.
- Confirm the bearishness by observing bearish candlestick patterns, such as bearish engulfing, shooting star, or evening star patterns.

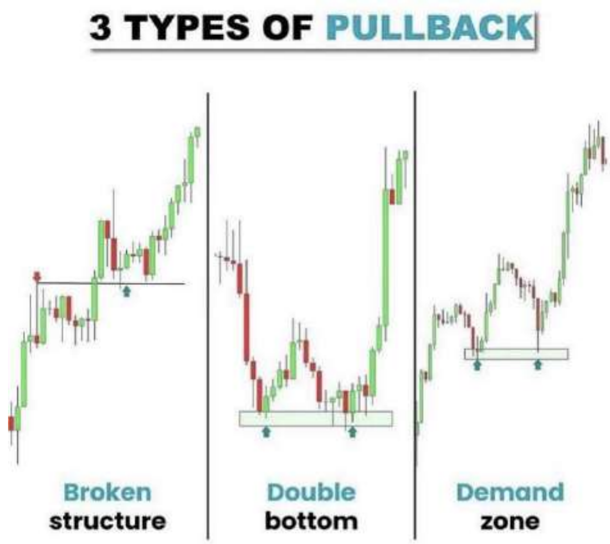


Key Learnings:

"Market structure refers to the organization and framework of price action within a market, including the identification of key supply and demand zones."

Ways to identify supply and demand zones with candlestick chart patterns:

- Look for areas where the price consistently struggles to move above (supply zone) or below (demand zone), indicating an imbalance between buying and selling pressure.
- Observe candlestick chart patterns such as doji, hammer, shooting star, or bullish/bearish engulfing patterns, forming near potential supply or demand zones.
- A cluster of bearish candlestick patterns near a price level suggests a potential supply zone, indicating selling pressure.
- A cluster of bullish candlestick patterns near a price level suggests a potential demand zone, indicating buying pressure.



Key Learnings:

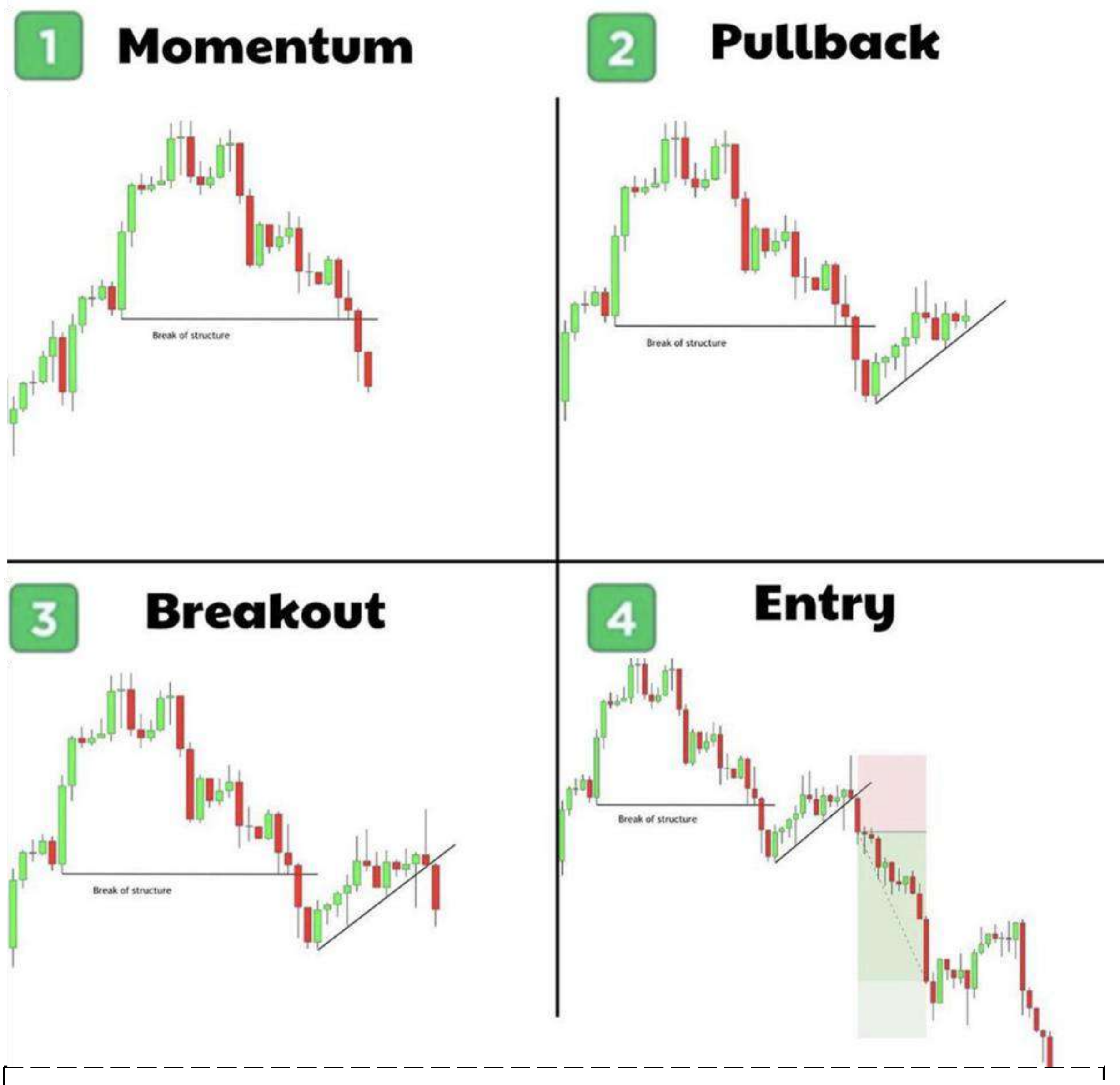
"Smart Money Concept in Supply and Demand Zone Identification and Market Behaviour"

- The smart money concept suggests that large institutional traders, such as banks and hedge funds, have significant influence on market movements.
- Supply and demand zones can be influenced by the actions of smart money traders, who strategically enter and exit positions to maximize their profits.
- Smart money traders often accumulate positions in areas of high demand (support zones) or distribute positions in areas of high supply (resistance zones).
- Identifying supply and demand zones can provide insights into the activities of smart money traders and help predict market behaviour.
- Traps occur when smart money traders manipulate prices to lure other market participants into entering positions before reversing the price direction.

Key Learnings:

“Trading rules to follow while identifying a pullback in a bullish direction and waiting for confirmation on the pullback with a strong bullish candlestick pattern formation, presented in 4 steps“

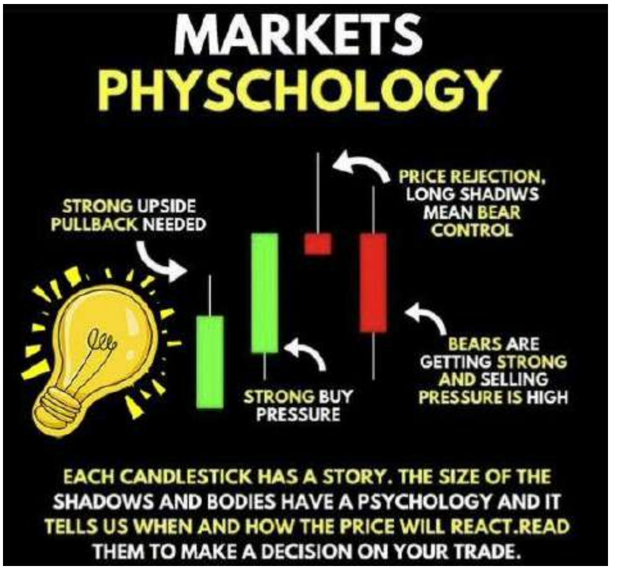
- **Identify the overall bullish trend:** Ensure that the market is in an uptrend with a series of higher highs and higher lows.
- **Identify a pullback:** Look for a temporary price retracement or pullback within the ongoing bullish trend. This is a temporary decline in price before the uptrend resumes.
- **Wait for confirmation:** Exercise patience and wait for confirmation of the bullish momentum during the pullback. Look for a strong bullish candlestick pattern formation, such as a bullish engulfing pattern, hammer, or morning star pattern.
- **Enter the trade:** Once the pullback is confirmed with a strong bullish candlestick pattern, consider entering a long position. Place a stop-loss order below the recent swing low to manage risk, and set a profit target based on your risk-reward ratio or a relevant resistance level.



Key Learnings:

"Here are 4 steps to enter a trade while the market is bearish"

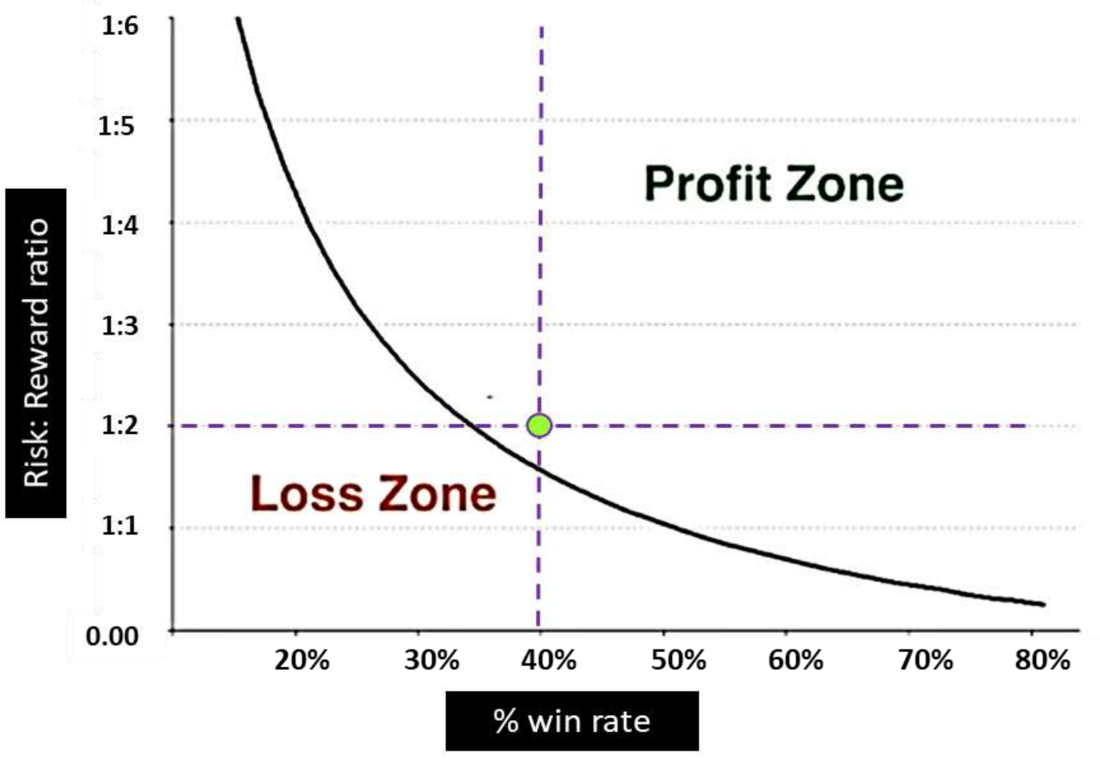
- **Identify the overall bearish trend:** Confirm that the market is in a downtrend with a series of lower highs and lower lows.
- **Identify a pullback:** Look for a temporary price recovery or pullback within the ongoing bearish trend. This is a temporary upward move in price before the downtrend resumes.
- **Wait for confirmation:** Exercise patience and wait for confirmation of the bearish momentum during the pullback. Look for a strong bearish candlestick pattern formation, such as a bearish engulfing pattern, shooting star, or evening star pattern.
- **Enter the trade:** Once the pullback is confirmed with a strong bearish candlestick pattern, consider entering a short position. Place a stop-loss order above the recent swing high to manage risk, and set a profit target based on your risk-reward ratio or a relevant support level.



Key Learnings:

- **Risk-Reward and Win Rate:** To be profitable, it's crucial to maintain a favourable risk-reward ratio. Aim for trades where the potential reward is greater than the risk taken. A high win rate is not necessary for profitability as long as the risk-reward ratio is favourable.
- **Cut Losses Small:** Minimize losses by setting stop-loss orders at appropriate levels. Adhering to predetermined stop-loss points helps limit the impact of losing trades and protects your trading capital. Accepting small losses is essential for long-term success.
- **Recovery Percentage:** Focus on preserving capital and aim for a consistent recovery percentage. The recovery percentage refers to the percentage of a loss that needs to be recovered to break even. Smaller losses are easier to recover, allowing you to regain profitability more quickly.
- **Simplify Price Action Analysis**: Avoid relying heavily on indicators and instead focus on understanding candlestick patterns and market psychology. By keeping your analysis simple, you can develop a deeper understanding of market dynamics and make more informed trading decisions.

Part 2 : Profitable Intraday Strategy



Risk:Reward ratio	Win rate needed to be profitable
1:1	51%
1:2	34%
1:3	26%
1:4	21%
1:5	17%

The Strategy!

Opening Range Breakout

The Opening Range Breakout (ORB) strategy is a popular trading method that involves buying or selling a stock based on its performance during the first few minutes of trading.

The "opening range" is defined as the range between the highest and lowest prices traded during this initial period.

Traders using the ORB strategy will typically wait for the stock price to break out above or below the opening range and then enter a trade in the direction of the breakout.

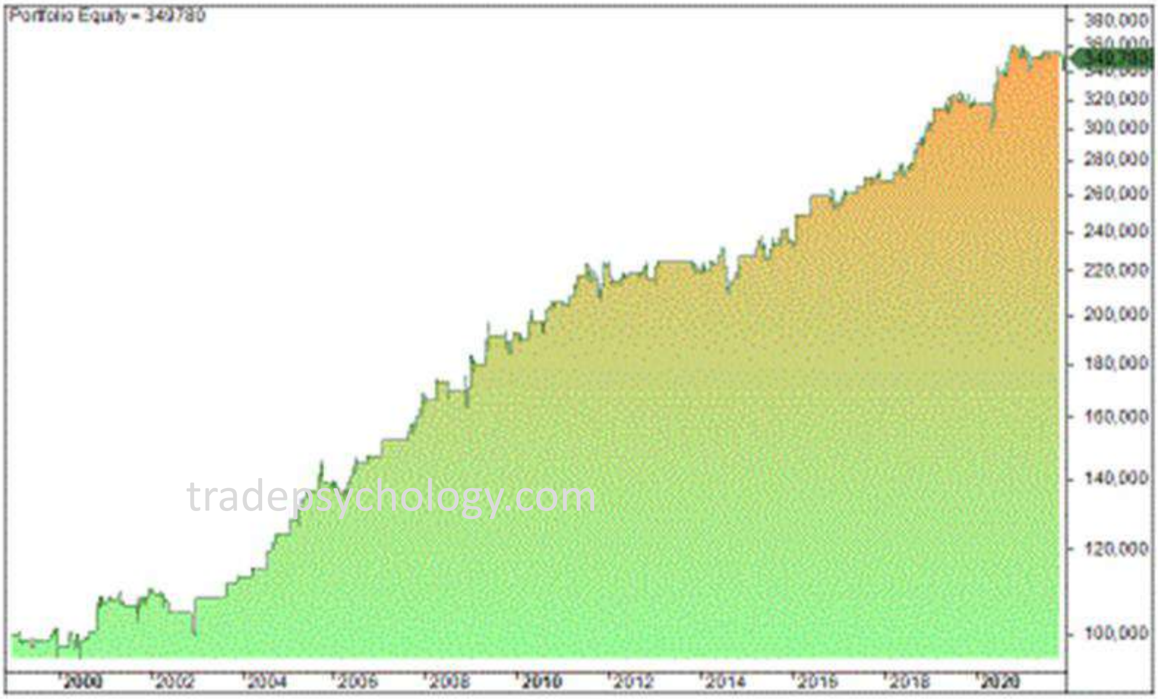
The idea is that the stock will continue to move in the direction of the breakout, allowing the trader to capture gains.

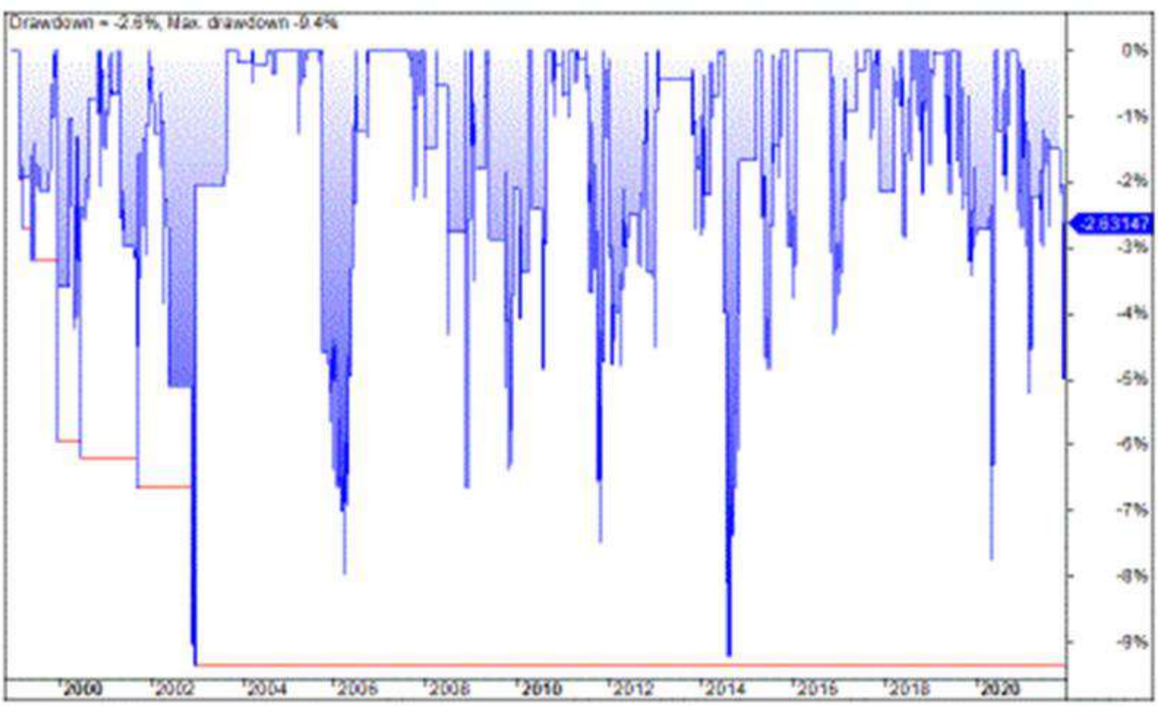
ORB: Opening Range Breakout Backtest

Entry Rule: First 30 min range breakout [High or Low]
Stop-Loss: 10% of Options Premium
Target: 30% of the Options Premium

ORB: 2000 - 2022 Backtest Performance Statistics for BANKNIFTY			
Criteria	**All trades**	**Long trades**	**Short trades**
Initial Capital	1,00,000.00	1,00,000.00	1,00,000.00
Ending Capital	6,77,467.98	3,49,673.31	4,27,794.67
Net Profit	5,77,467.98	2,49,673.31	3,27,794.67
Net Profit %	577.47%	249.67%	327.79%
Exposure %	14.40%	7.33%	7.70%
Net Risk Adjusted Return %	4010.76%	3405.61%	4638.57%
Annual Return %	19.07%	12.10%	14.18%
Risk Adjusted Return %	132.44%	165.02%	200.64%
Transaction costs	1,45,705.19	73,663.36	72,041.83
All trades	2504	1264 (50.48 %)	1240 (49.52 %)
Avg. Profit/Loss	691.85	592.58	793.05
Avg. Profit/Loss %	0.35%	0.30%	0.40%
Avg. Bars Held	46.42	46.45	46.38
Winners	1149 (45.89 %)	584 (23.32 %)	565 (22.56 %)
Total Profit	25,92,472.28	12,50,530.78	13,41,941.49
Avg. Profit	2,256.29	2,141.32	2,375.12
Avg. Profit %	3.38%	3.21%	3.56%
Avg. Bars Held	57.26	57.52	57
Max. Consecutive	8	10	10
Largest win	32,990.13	32,990.13	20,622.14
# bars in largest win	56	56	67
Losers	1355 (54.11 %)	680 (27.16 %)	675 (26.96 %)
Total Loss	-20,15,004.30	-10,00,857.47	-10,14,146.83
Avg. Loss	-1,487.09	-1,471.85	-1,502.44
Avg. Loss %	-2.23%	-2.21%	-2.25%
Avg. Bars Held	37.22	36.95	37.49
Max. Consecutive	11	8	9
Largest Loss	-5,424.33	-5,424.00	-4,868.60
# bars in largest loss	15	15	12

ORB: Strategy Performance

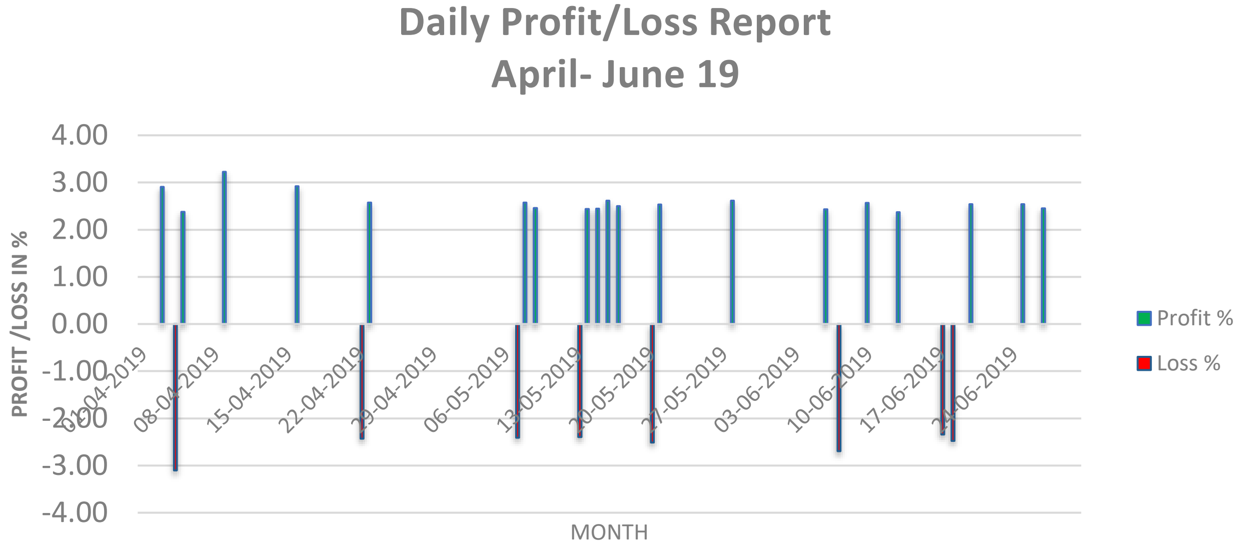




Trade Psychology

Live Trades: Bank Nifty Futures using ORB Strategy

"In this section you will learn how to trade Intraday by applying price-action strategies with a proper trading plan".



Total no. of trades	27
No. of losing trades	8
No. of Profitable trades	19
Win Ratio	**70.37 %**

Trading Rules:

The above chart shows the profit & loss summary by trading Intraday futures with applying price-action trading strategies, each trade will be discussed in detail further in this book.

- Following are key highlights of Intraday price action trading:
  1. Started with trading capital of 40,000
  2. Script for trading was Bank Nifty Futures
  3. Maximum risk per day was -3% [i.e. 1200 for 40,000]
  4. Maximum reward per day was +3% [i.e. 1200 for 40,000]
  5. Only one trade per day based on price action breakout strategy

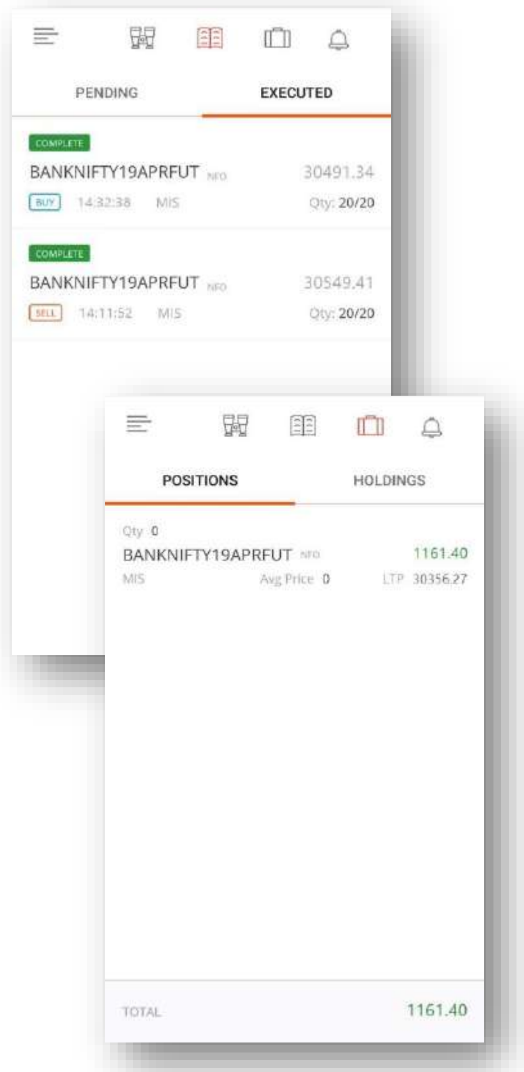
Intraday Trade Analysis

Bank Nifty Intraday Trading Performance	
Starting Captial	**40,000**
Achieved Return	11,492
Achieved Return (%)	28.73%

Trade Summary: 3rd April 2019

Intraday Chart

Order Details



Key observations:

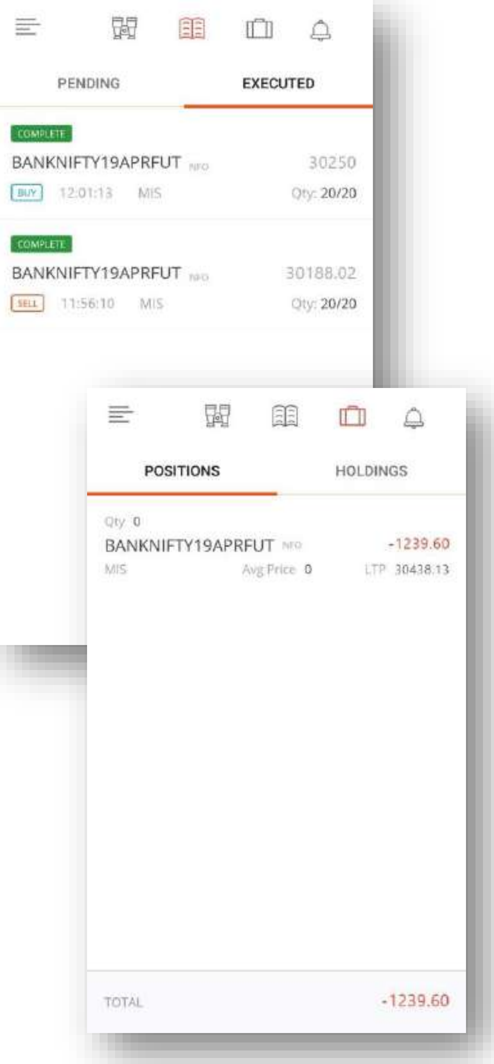
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty rallied after open, we saw consolidation with small candles
2. After 11.00 am we saw big red candle, but candle closed above day's low
3. And there was reversal but again bank nifty did not break day's high
4. At 2.00 PM we saw a big red candle breaking day's low, indicating downtrend
5. We entered at next candle with stop loss & target of 50 points each
6. At 2.32 PM our target was achieved.

Trade Summary: 4th April 2019

Intraday Chart

Order Details



Key observations:

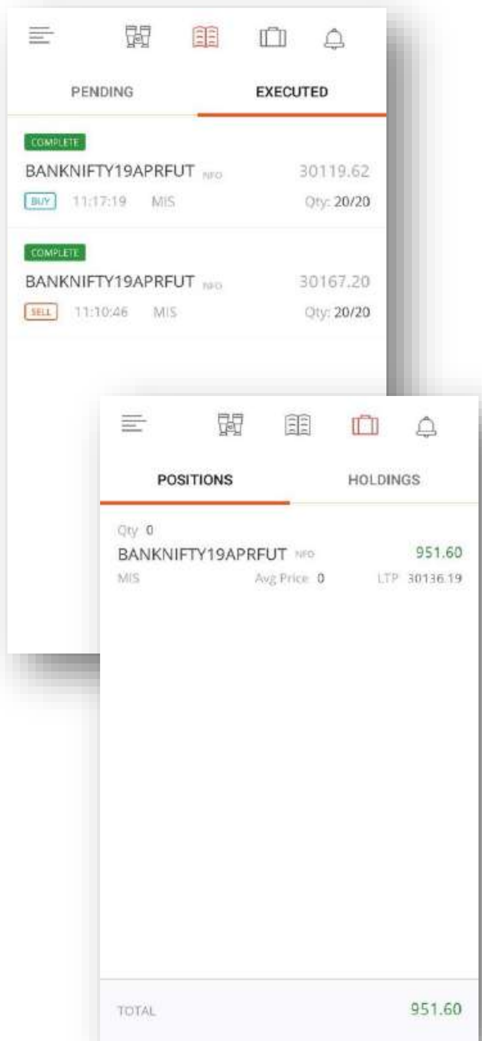
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened flat with red candle & green candles but did not break day's high
2. At 11.50 AM we saw big red candles breaking day's low
3. Entered trade after candle confirmation at 11.55 AM with SL & target of 50 points
4. Suddenly Bank Nifty reversed with big green candles triggered our stop loss
5. Bank Nifty broke day's high, but only one trade per day [-3% risk per trade]
6. You can see bank nifty formed double top and collapse at day end.

Trade Summary: 5th April 2019

Intraday Chart

Order Details



Key observations:

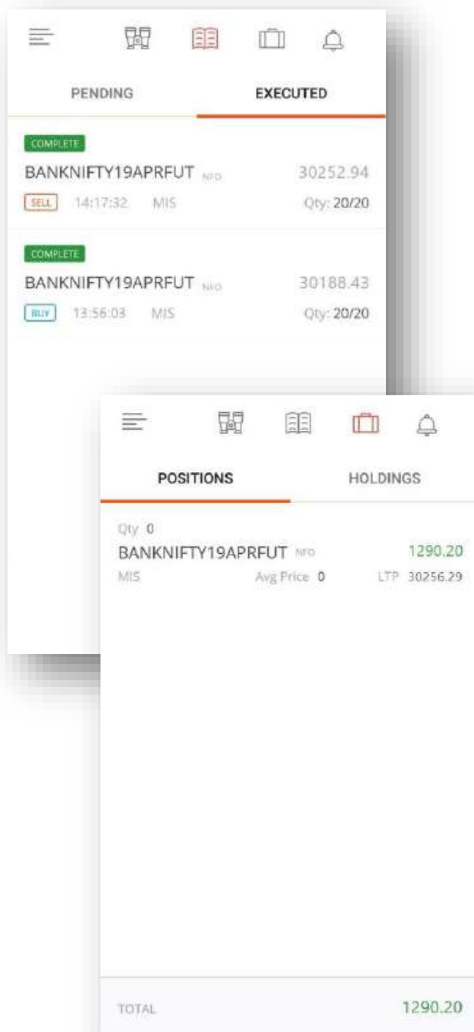
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty rallied sharply, 3rd candle indicated loss in momentum as size is less
2. Then big red candles confirm the trend reversal in Bank Nifty
3. Entered with limit order at day's low with SL & target 50 points each
4. Target achieved with next candle & we saw weakness in downside due to buying
5. As you can observe Bank nifty formed "W-bottom" formation indicating reversal
6. Bank nifty closed flat of the day indicating indecisiveness in overall trend.

Trade Summary: 9th April 2019

Intraday Chart

Order Details



Key observations:

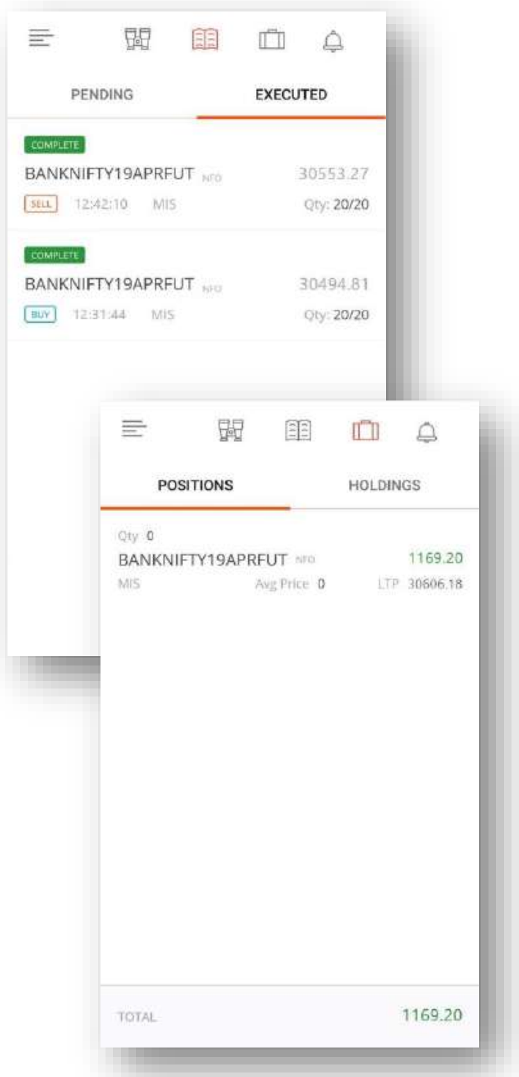
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened flat with red candle & rallied sharply breaking day's
2. Next candle indicated weakness with heavy selling pressure and trend reversed
3. Their was buying pressure at day's low & consolidation forming "w bottom"
4. Big green candles confirmed trend reversal, but next candle indicated weakness
5. Then Bank Nifty consolidated & big green candle broke day's high
6. Entered at next candle & achieved target of 50 points.

Trade Summary: 16th April 2019

Intraday Chart

Order Details



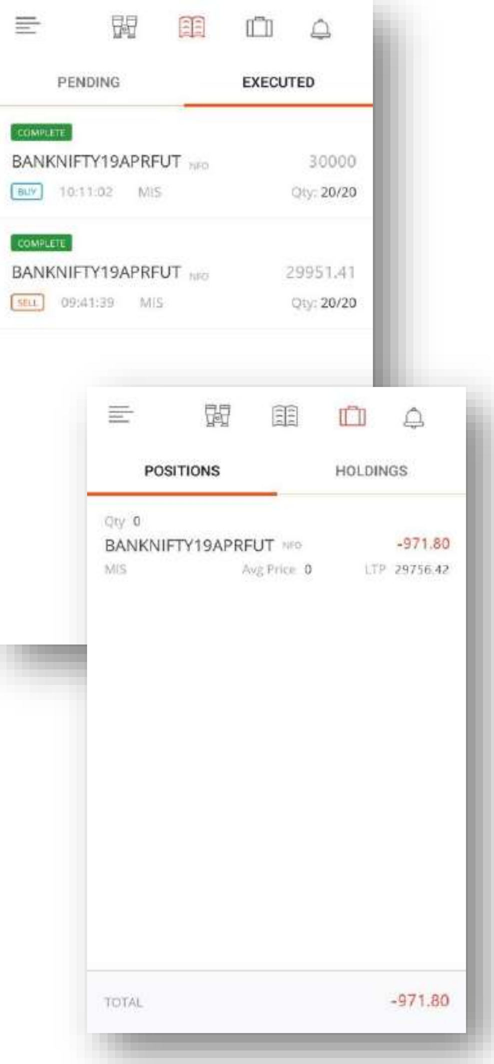
Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty rallied sharply with gap-up opening, any selling was pushed higher
  2. Then we observed small red candles indicating consolidation phase
  3. Consolidation phase did not break previous big green candle indicating strong upside
  4. At 12.30 PM big green candles broke day’s high, entered at next candle
  5. Target was achieved within 10 min ad their was strong uptrend
  6. Bank Nifty closed at the day's high, indicating strong bullish day’s candle.

Trade Summary: 22nd April 2019

Intraday Chart

Order Details



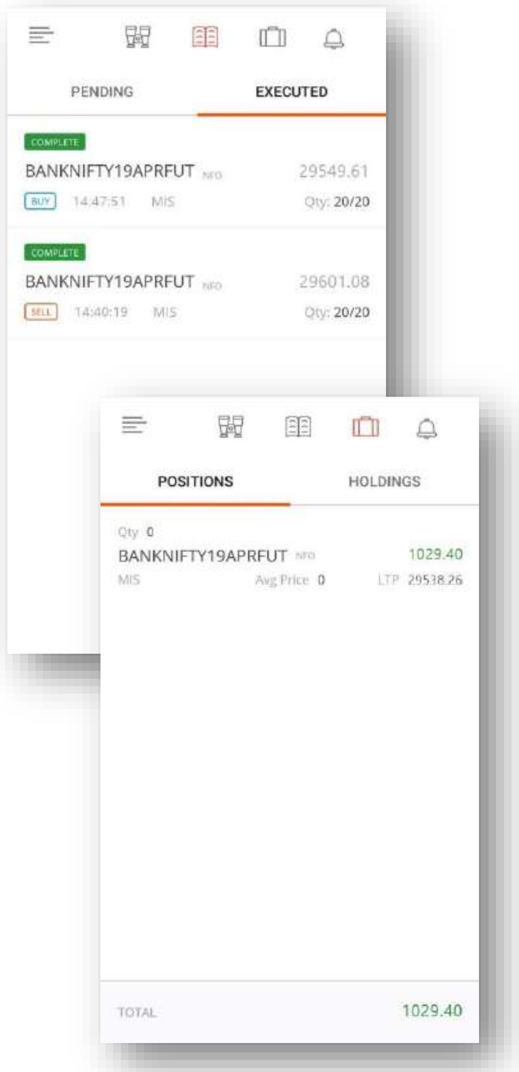
Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty fell sharply but in next candle their was buying indicating consolidation
  2. We saw big red candle braking day's low, entered at next candle with same plan
  3. But their was strong reversal & our stop loss was triggered
  4. Then their was small candles indicating consolidation
  5. AT 1.00 PM again Bank Nifty broke day's low, But only one trade per day
  6. Which confirmed downtrend and Bank nifty closed at day's low.

Trade Summary: 23rd April 2019

Intraday Chart

Order Details



Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty rallied sharply but lost momentum as in next candle their was selling
  2. Their was strong selling but Bank nifty did not break day's low
  3. Again their was buying pressure but did not broke day's high
  4. You can observe trend is getting narrowed indicating big movement
  5. Which was confirmed by big red candle breaking day's low
  6. Entered in next candle and achieved target of 50 points.

“These were the trades for April month, let’s now look at how we traded for the month of May 2019”

- ✓ Identify the overall market *__Trend__*
- ✓ Identify the breakout *__AREA__*
- ✓ Plan the perfect *__Entry__* strategy

- ✓ Apply TAE Frame work to plan your trades
- ✓ Always keep *__stop loss__* after entering trade

Trading Rules:

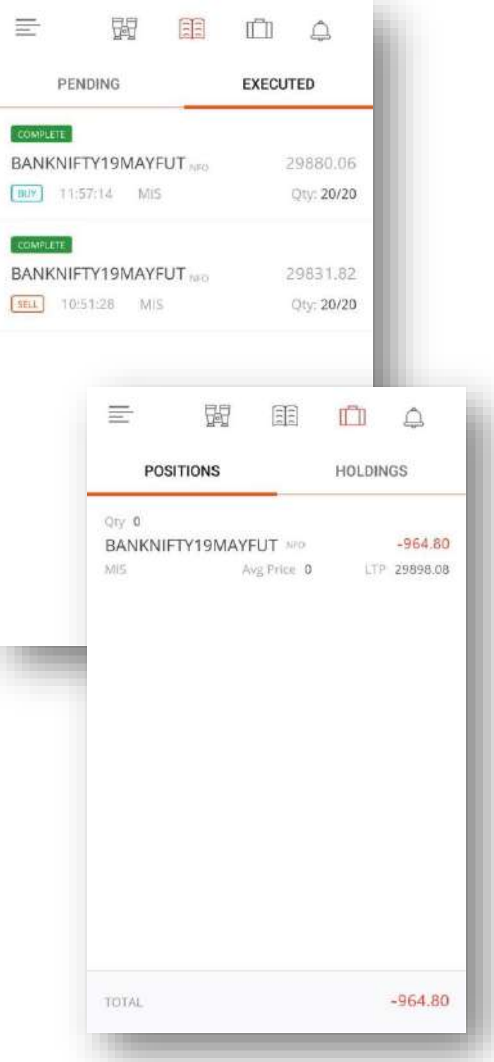
The same trading rules are followed in the month of May 2019 for trading Intraday futures with applying price-action trading strategies, each trade will be discussed in detail further in this book.

- ➢ Following are key highlights of Intraday price action trading:
  1. Started with <u>trading capital</u> of 40,000
  2. Script for trading was <u>Bank Nifty</u> Futures
  3. Maximum <u>risk per day</u> was -3% [i.e. 1200 for 40,000]
  4. Maximum <u>reward per day</u> was +3% [i.e. 1200 for 40,000]
  5. Only one trade per day based on price action <u>breakout strategy</u>

Trade Summary: 7th May 2019

Intraday Chart

Order Details



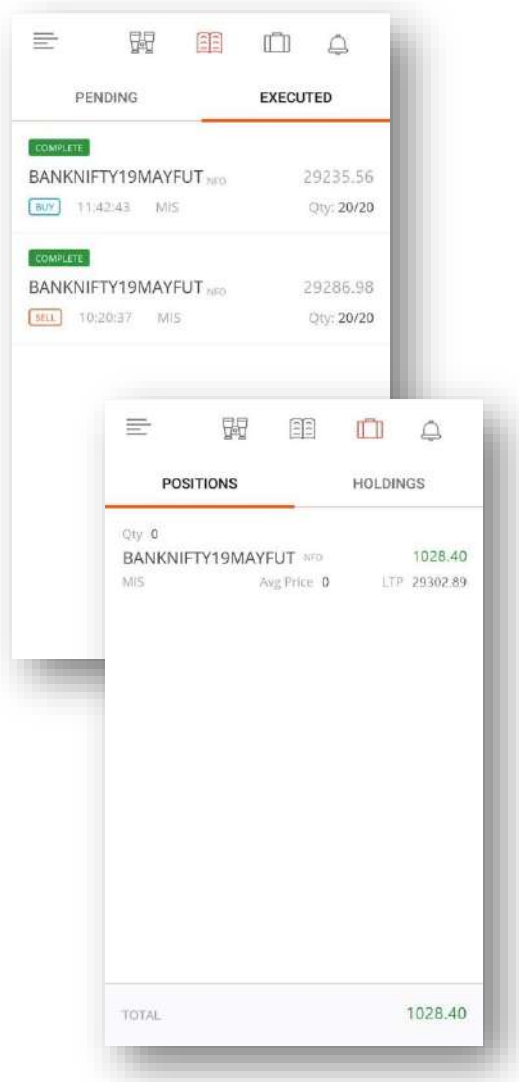
Key observations:

- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened with gap up & we observe consolidation
    2. Bid red candles indicating trend reversal & also to fill the gap
    3. At 10.45 AM we saw big red candle breaking day's low
    4. Entered at next candle with SL & target of 50 points
    5. Once the gap was filled their was double bottom formation & price rallied
    6. Stop loss triggered as the trend reversed.

Trade Summary: 8th May 2019

Intraday Chart

Order Details



Key observations:

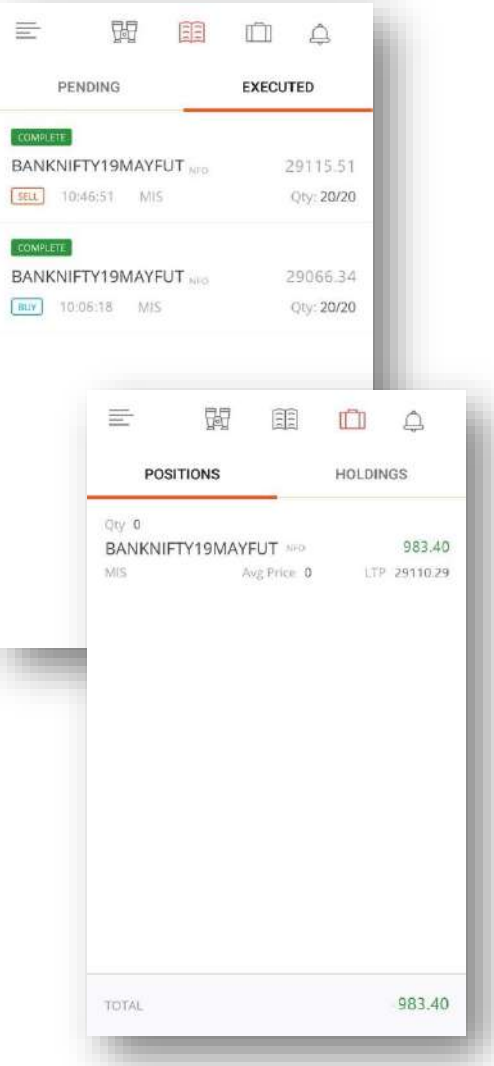
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened gap down and their was consolidation with small candles
2. At 10.15 AM their was big red candle which broke the day's low
3. Entered the trade at next candle with SL & Target of 50 points each
4. Their was small consolidation and Bank nifty fell hitting our target
5. Again we saw Bank Nifty shot up with big green candle, but losing momentum
6. Their was big red candle indicating strong selling in Bank Nifty.

Trade Summary: 9th May 2019

Intraday Chart

Order Details



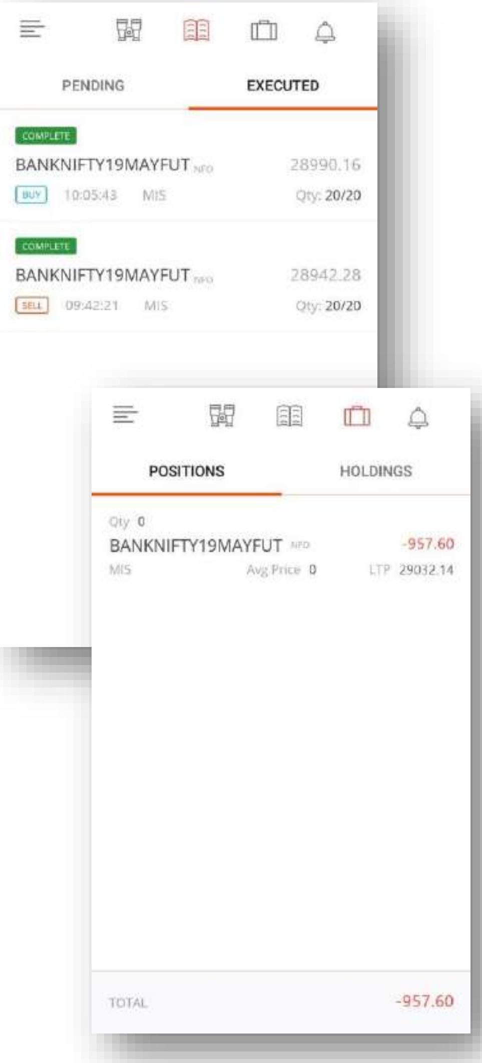
Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty opened gap down & their was consolidation
  2. Then we saw big green candles breaking day's high indicating trend reversal
  3. Entered at next candle with SL & target of 50 points each
  4. Bank nifty rested the day's high and rallied sharply
  5. Our target was at 10.46 AM with big green candles
  6. As you can observe their was "M" formation indicating trend reversal.

Trade Summary: 13th May 2019

Intraday Chart

Order Details



Key observations:

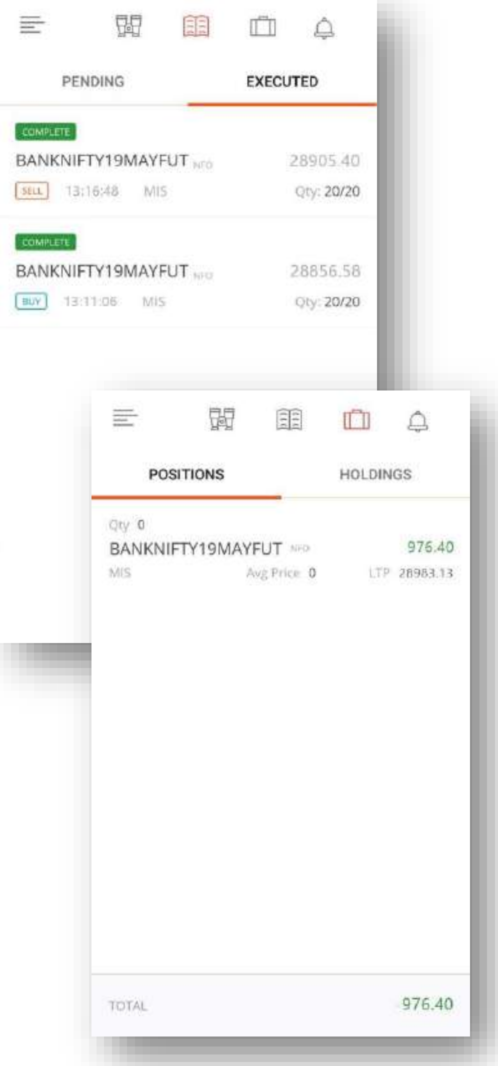
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened gap down & selling pressure continued breaking day's low
2. Entered at next candle with stop loss & target of 50 points each
3. Bank Nifty reversed with strong green candles triggering stop loss
4. Then their was consolidation for the entire day
5. And Bank Nifty closed flat for the day after consolidation
6. Always respect the stop loss, it saves big loss.

Trade Summary: 14th May 2019

Intraday Chart

Order Details



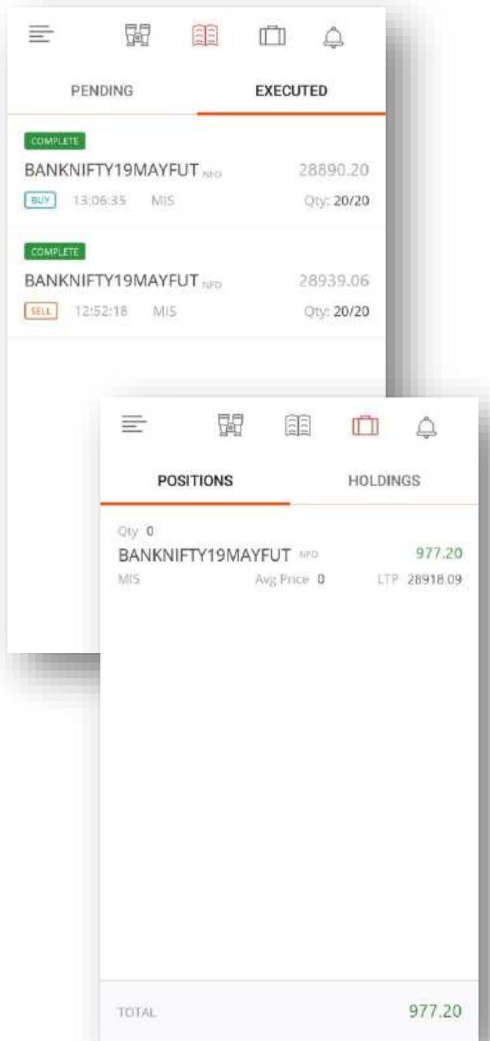
Key observations:

- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened flat & consolidated with small candles
    2. Then their was big green candle but did not break day's high
    3. At 1 PM their were big green candles breaking day’s high
    4. Entered the trade with SL & target of 50 points each
    5. Target achieved with sharp rally by Bank Nifty
    6. Then the rally continued and market closed above day’s high

Trade Summary: 15th May 2019

Intraday Chart

Order Details



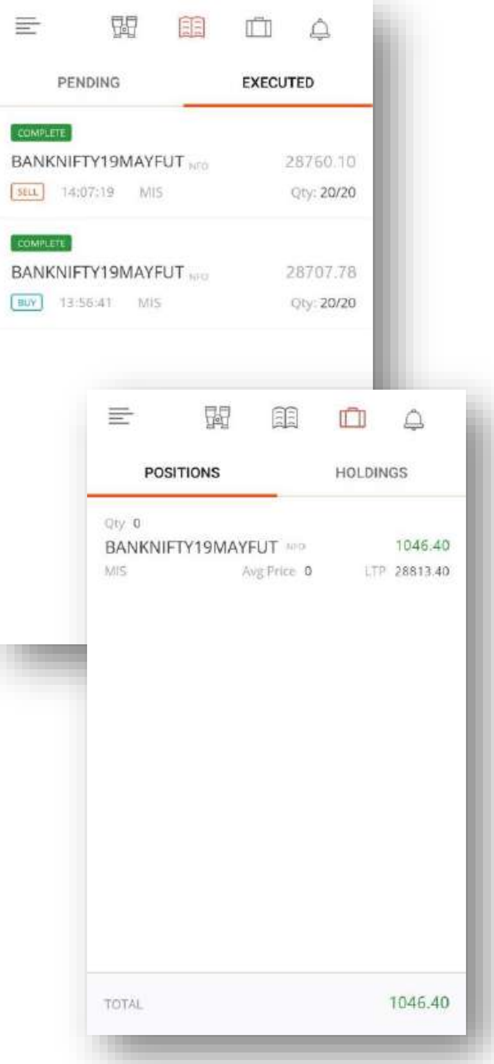
Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty opened flat with consolidation
  2. For the entire day Bank Nifty was flat with small candles
  3. At 12:45 PM we saw big red candle breaking day's low, confirming downtrend
  4. Entered at next candle with SL & target of 50 points each
  5. Target achieved as Bank Nifty fell sharply till 28800 level
  6. Then their was sharp recovery but closed below days' low.

Trade Summary: 16th May 2019

Intraday Chart

Order Details



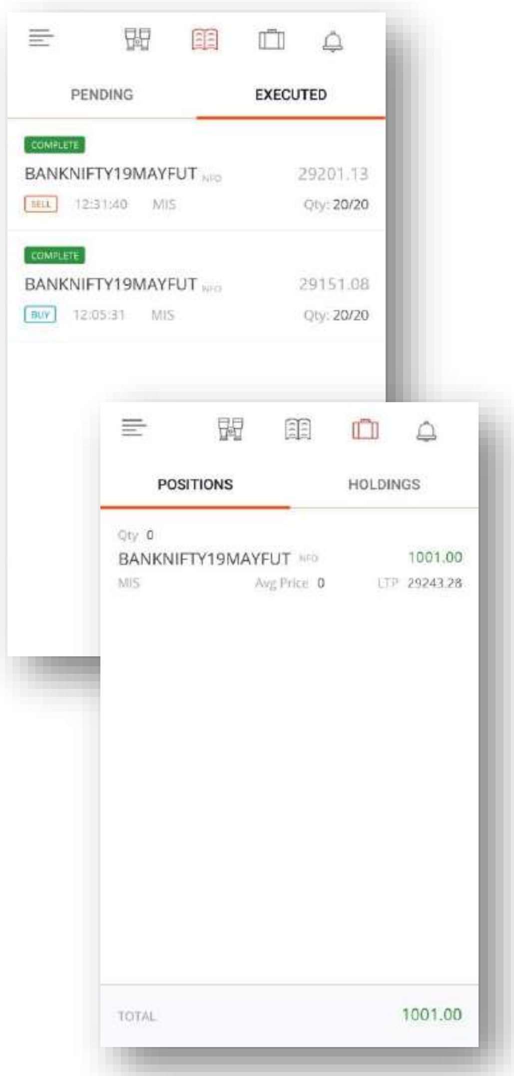
Key observations:

- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened flat with consolidation forming small candles
    2. Then their were red candles, but did not show strong breakout at downside
    3. Then Bank Nifty rallied forming consolidation till afternoon
    4. At 1:50 PM their was big green candle breaking day's high
    5. Entered the trade with SL & Target of 50 points after breakout confirmation
    6. Target achieved within 15 min with strong green candles.

Trade Summary: 17th May 2019

Intraday Chart

Order Details



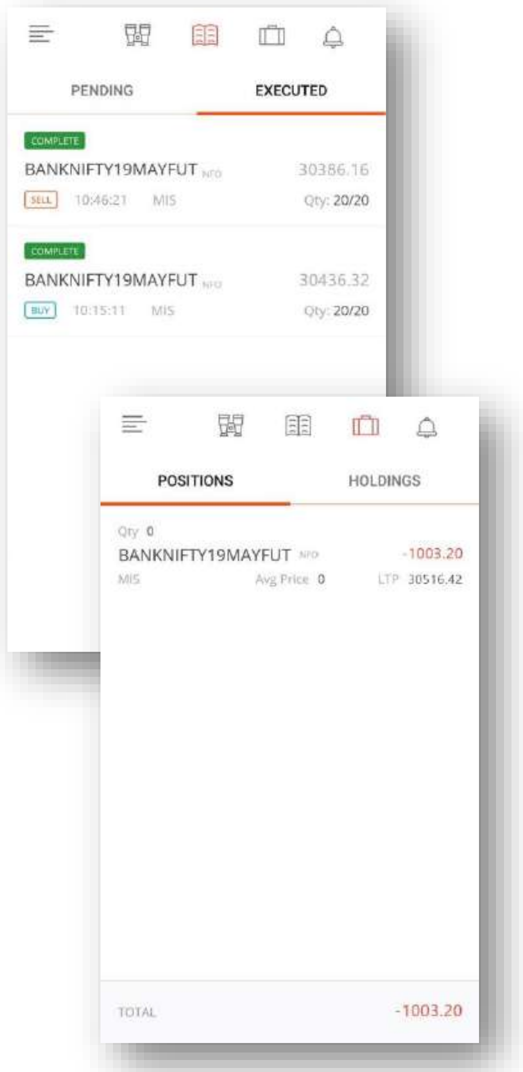
Key observations:

- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened flat with green candle & their was consolidation
    2. At 12 PM Bank Nifty broke day's high with big green candle
    3. Entered trade after breakout confirmation with SL & target of 50 points
    4. Bank Nifty rallied and our target was achieved within 30 min
    5. Then Bank Nifty rallied closing at day's high indicating strong bullish day

Trade Summary: 20th May 2019

Intraday Chart

Order Details



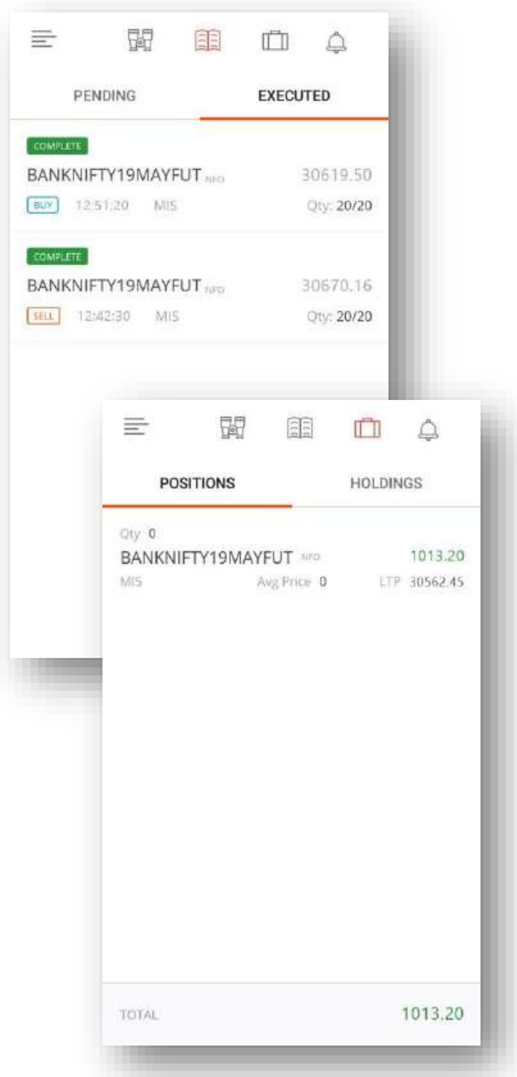
Key observations:

- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened gap up with green candle indicating strong trend
    2. After consolidation Bank Nifty broke day's high at 10:10 AM
    3. Entered trade at 10:15 AM with SL & target of points each
    4. Our SL was triggered as Bank nifty consolidated with big candles
    5. As you can observe their was "W bottom" formation indicating strong rally
    6. Avoid overtrading & stick to one trade per day to stay for long time.

Trade Summary: 21st May 2019

Intraday Chart

Order Details



Key observations:

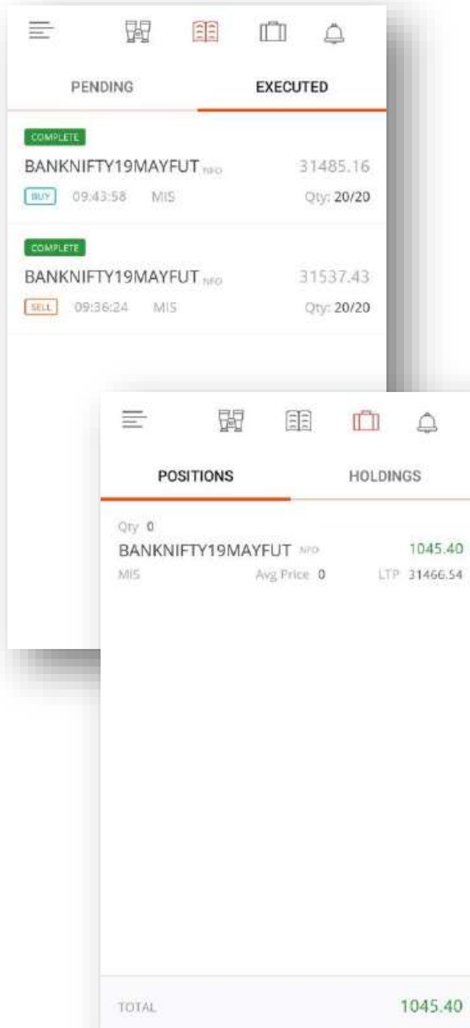
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened with big green candle & their was sudden reversal
2. As you can observe in our previous trades we wait till 9:30 to 9:45 AM
3. Once we can identify clear direction we should trade with proper plan
4. Here you can see Bank Nifty broke Day's low at 12:35 PM
5. Entered trade with SL & Target of 50 points each
6. Target achieved as Bank Nifty fell sharply & closed at day's low.

Trade Summary: 28th May 2019

Intraday Chart

Order Details



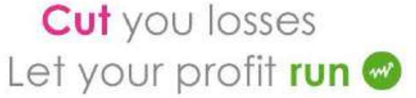
Key observations:

➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty rallied sharply but their was heavy selling pressure
2. And Bank Nifty broke Day's low at 9:30 AM with big red candles
3. Entered trade after breakout confirmation with SL & target of 50 points
4. Their was small pull back but again their was heavy selling pressure
5. Target achieved within 15 min as Bank Nifty fell sharply
6. Then their was big consolidation phase & BN closed at day's low.

"These were the trades for May month, let's now look at how we traded for the month of June 2019"

- ✓ Identify the overall market *Trend*
- ✓ Identify the breakout *AREA*
- ✓ Plan the perfect *Entry* strategy



- ✓ Apply TAE Frame work to plan your trades
- ✓ Always keep *stop loss* after entering trade

Key Highlights:

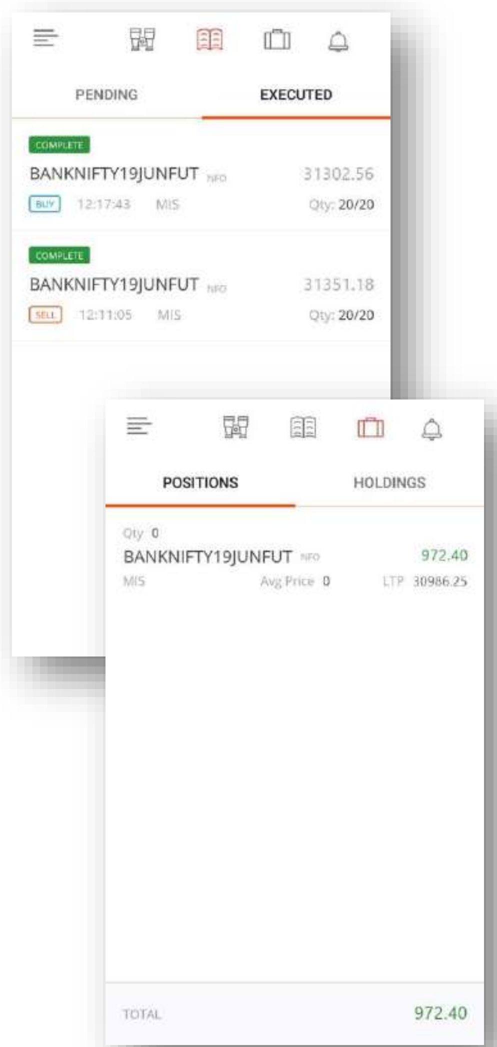
For the month of June, based on previous month trading experiences, following improvements are made to achieve better success ratio:

- Following are key highlights of Intraday price action trading:
    1. To identify the momentum we applied stochastic indicator with default values
    2. To identify the weighted average we applied VWAP indicator with default setting
    3. Analyzing trades With the same price action strategy along these indicators
    4. Learn how we analyzed price action behaviors' for each trade

Trade Summary: 6th June 2019

Intraday Chart

Order Details



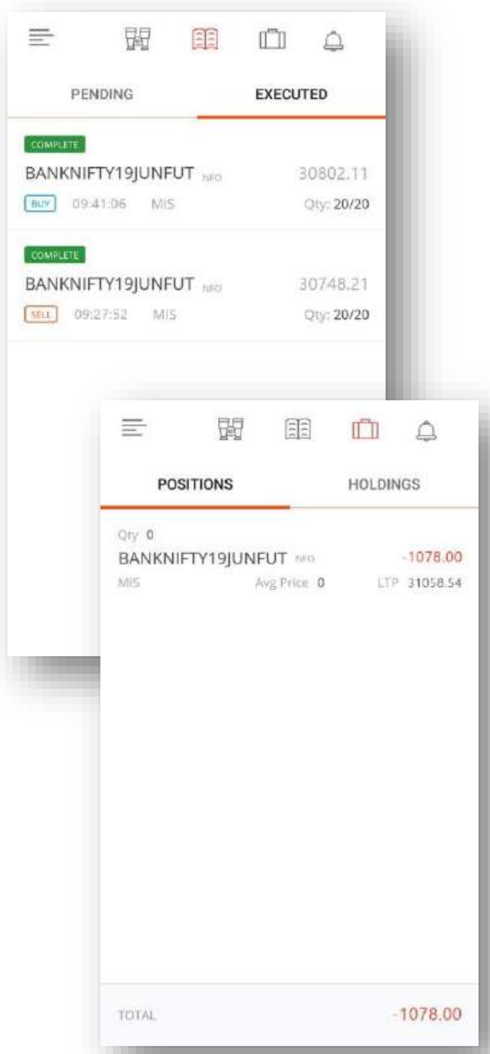
Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty opened gap down with selling pressure & was consolidated below VWAP
  2. Even after stochastic rallied to 80, Bank Nifty did not broke VWAP
  3. This confirms there is strong selling pressure & market broke day's low at 12 PM
  4. Entered trade after breakout confirmation with SL & target of 50 points each
  5. Target achieved within 10 min as their was strong selling pressure
  6. Bank Nifty closed at day's low with strong selling pressure.

Trade Summary: 7th June 2019

Intraday Chart

Order Details



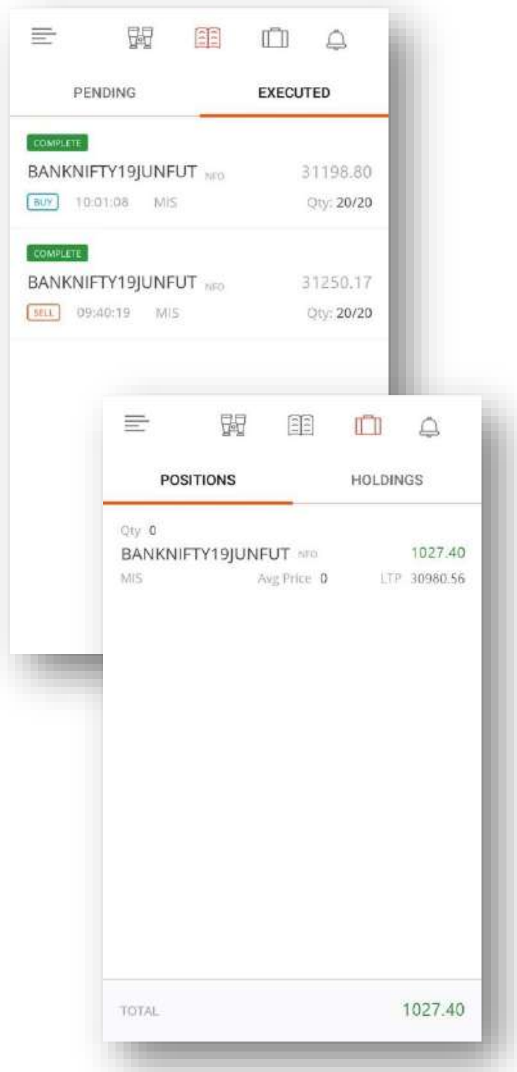
Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty opened flat with strong selling pressure breaking day's low
  2. Entered after breakout confirmation with SL & target of 50 points
  3. Stop loss triggered as their was strong reversal with big green candles
  4. Again their was selling pressure but did not break VWAP
  5. This created again buying but their was no clear direction
  6. Overall Bank Nifty remained flat with huge swings.

Trade Summary: 10th June 2019

Intraday Chart

Order Details



Key observations:

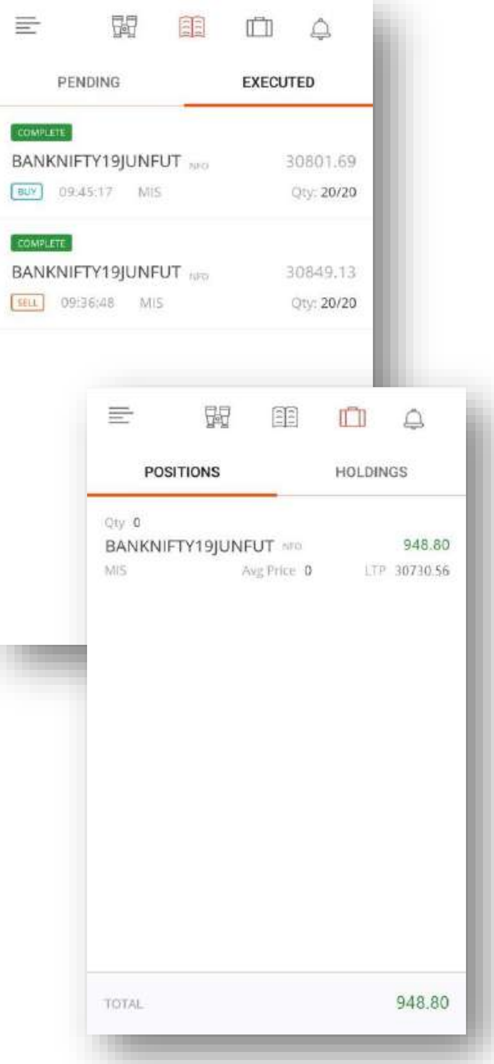
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened with a big gap up which created huge selling pressure
2. Which broke the day's low at 9:35 AM with strong red candle
3. Entered the trade at next candle with Stop loss & Target of 50 points each
4. Target achieved after a small consolidation, due to huge selling pressure
5. Bank Nifty fell sharply with big red candles till 30900 levels
6. Then their was consolidation but stayed below VWAP

Trade Summary: 13th June 2019

Intraday Chart

Order Details



Key observations:

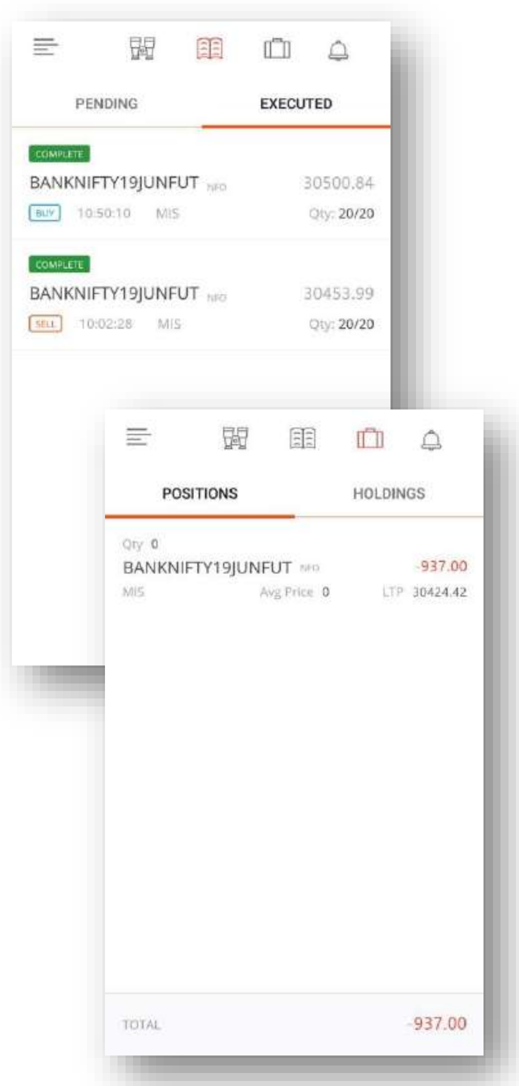
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened gap down & created a strong selling pressure
2. Day's low was broken with strong red candles indicating downtrend
3. Entered the trade with Stop loss & Target of 50 points each
4. Target achieved within 10 min as their was strong selling pressure
5. Bank Nifty fell sharply & their was consolidation with small candles
6. After 12:30 PM Bank Nifty revered with strong green candles breaking VWAP.

Trade Summary: 17th June 2019

Intraday Chart

Order Details



Key observations:

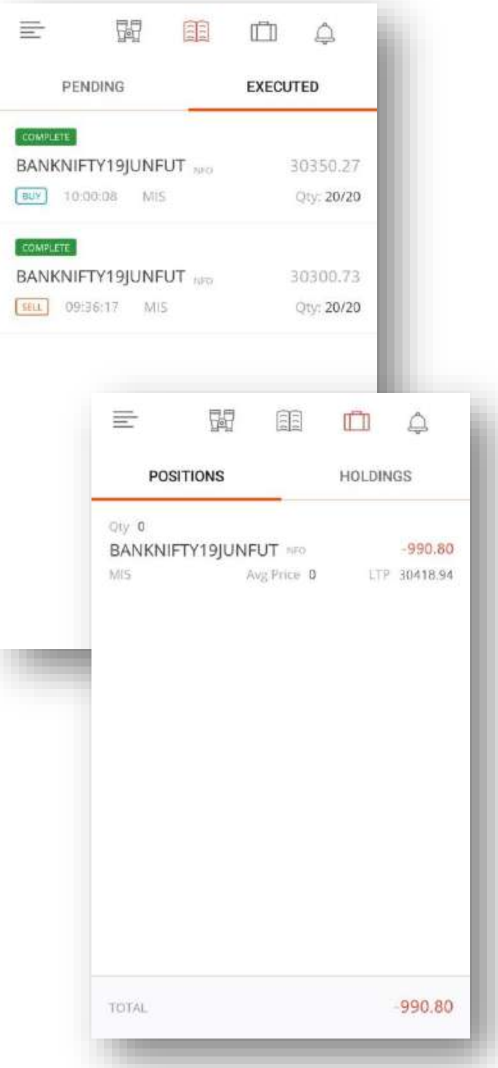
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened with a strong red candle creating selling pressure
2. After consolidation bank nifty broke day's low
3. Entered trade with SL & target of 50 points
4. After small consolidation we saw a strong reversal triggering our stop loss
5. This was an example of manipulation as 30500 level was key level of resistance
6. The manipulation is created to execute big orders.

Trade Summary: 18th June 2019

Intraday Chart

Order Details



Key observations:

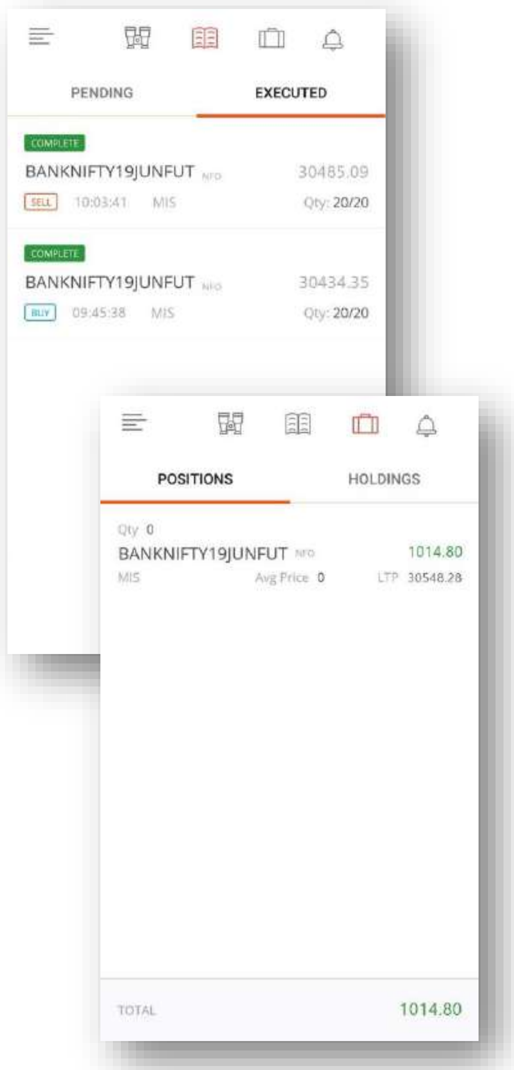
➢ Follow the price-action observations to analyze this trade:

1. Bank Nifty opened flat & saw selling pressure breaking day's low at 9:30 am
2. Entered trade with SL & target of 50 points each
3. But their was sudden reversal with strong green candle triggering our stop loss
4. Bank Nifty broke VWAP & retested it before a strong rally towards 30500 level
5. Again 30500 level saw strong selling pressure caused Bank Nifty to fall
6. Bank Nifty closed flat for the day with huge swings.

Trade Summary: 20th June 2019

Intraday Chart

Order Details

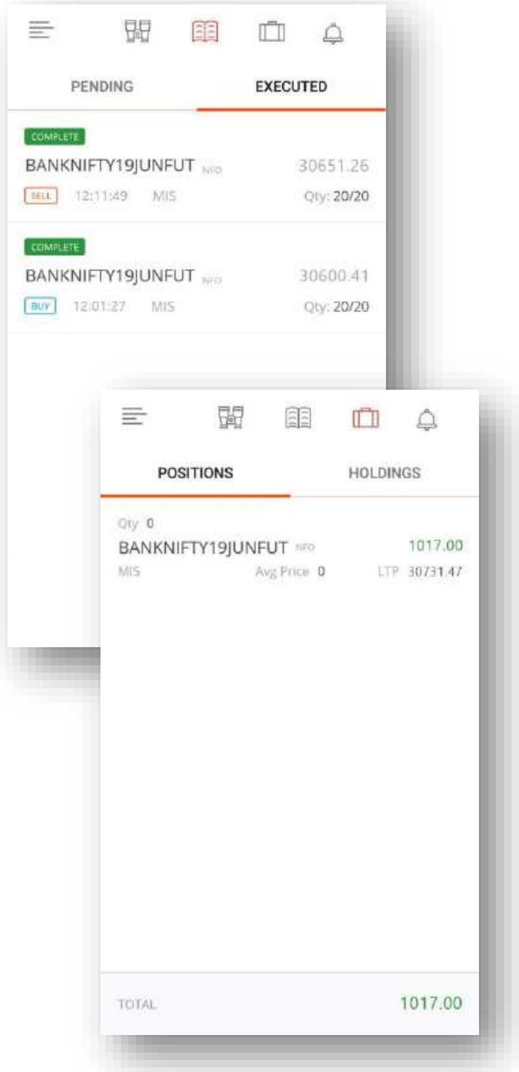


Key observations:

- Follow the price-action observations to analyze this trade:
  1. Bank Nifty opened flat with some selling pressure
  2. Reversed sharply with strong green candles breaking day’s high
  3. Entered the trade after confirmation with SL & target of 50 points each
  4. Target achieved within 20 min as their was strong buying pressure
  5. Bank Nifty took support of VWAP & continued to rally for the entire day
  6. Closed at day’s high with strong Up trend.

Trade Summary: 25th June 2019

Intraday Chart | **Order Details**



Key observations:

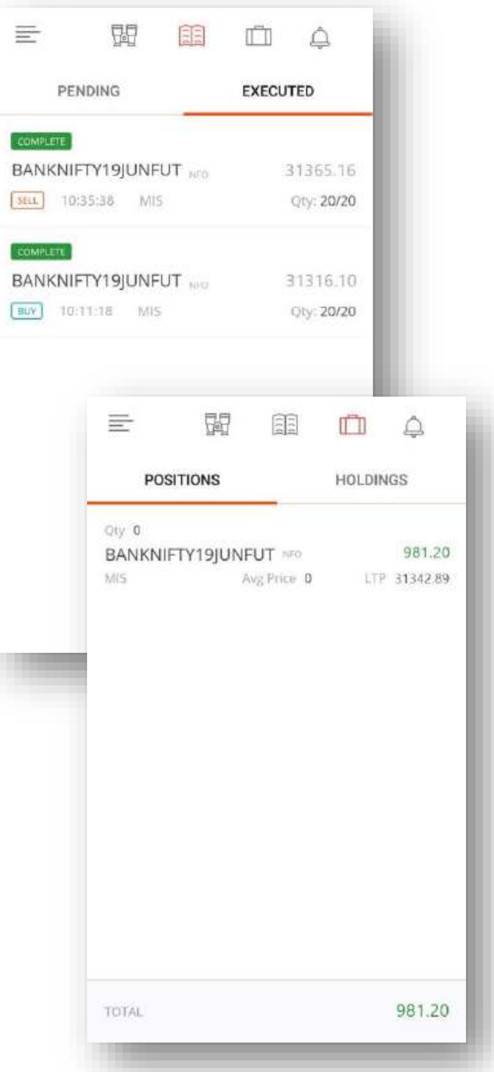
- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened with bid red candle & their was consolidation
    2. At 12:00 PM we saw green candle breaking day's high, indicating uptrend
    3. Entered trade after confirmation with SL & target of 50 points each
    4. Target achieved as their was strong rally by Bank nifty with big green candles
    5. As you can observe Bank nifty took support of VWAP & rallied upside
    6. Bank Nifty closed at day's high at the end of the day.

Trade Psychology

Trade Summary: 27th June 2019

Intraday Chart

Order Details



Key observations:

- Follow the price-action observations to analyze this trade:
    1. Bank Nifty opened gap up with green candle & their was small consolidation
    2. Then Bank Nifty broke day's high at 10:05 AM with strong green candle
    3. Entered trade after confirmation with SL & target of 50 points each
    4. Target achieved within 20 min due to strong rally in Bank Nifty
    5. As you can observe Bank Nifty took support of VWAP and rallied sharply
    6. After a strong rally we saw big fall & reversal closing flat for the day.

"So, As you saw just by following simple breakout strategy with price action analysis we generated 28.73% with Bank Nifty Futures within 3 months"

Summary:

Based on price action trading experiences which you observed with live examples, here are the points you need to remember to be profitable in the long run.

- ❑ Always wait for breakout confirmation then enter the trade at next candle
- ❑ Enter the trade with proper stop loss & target, here we traded with 1:1 & stick to it
- ❑ Only one trade per day, that helps us to maintain consistency in the long run
- ❑ As you saw we traded with only one lot, so trade with less money until you learn
- ❑ Keep record of each trade & analyze your trade with P&L tracker provided
- ❑ And do not trade whenever there is no clear breakout confirmation

"Thank you for reading this book, I hope you have gained some insights to trade Intraday with price action strategies.

But this is not the end we have traded multiple Intraday strategies & figured out profitable patterns which are discussed in our Master Course, you can go through the training content in next page"

Achieving Success with Trade Psychology

Many aspiring individuals dreamt of achieving success, but they faced challenges along the way. However, there was a secret to overcoming these obstacles – mastering trading skills and psychology.

"Trade Psychology" community and learning platform where anyone could gain the knowledge and skills needed for trading success. The platform offered animated video lessons, real-life case studies, and structured learning programs, all designed to simplify the complex world of trading.

Traders realized that success in trading wasn't just about numbers and charts; it was about understanding oneself. They learned to control their emotions, develop discipline, and maintain a strong mindset.

Mastering trade psychology became the key to unlocking their full potential.

As traders applied their newfound skills, something magical happened. They started making better trading decisions, managing risks effectively, and achieving consistent profits. The once-doubtful traders became confident and successful.

The "Trade Psychology" platform became a hub of inspiration. Traders shared their success stories, showcasing how they had transformed their lives through trading. These stories motivated others to believe in themselves and take action.

If you too want to witness the power of mastering trading skills and psychology, join the "Trade Psychology" community.

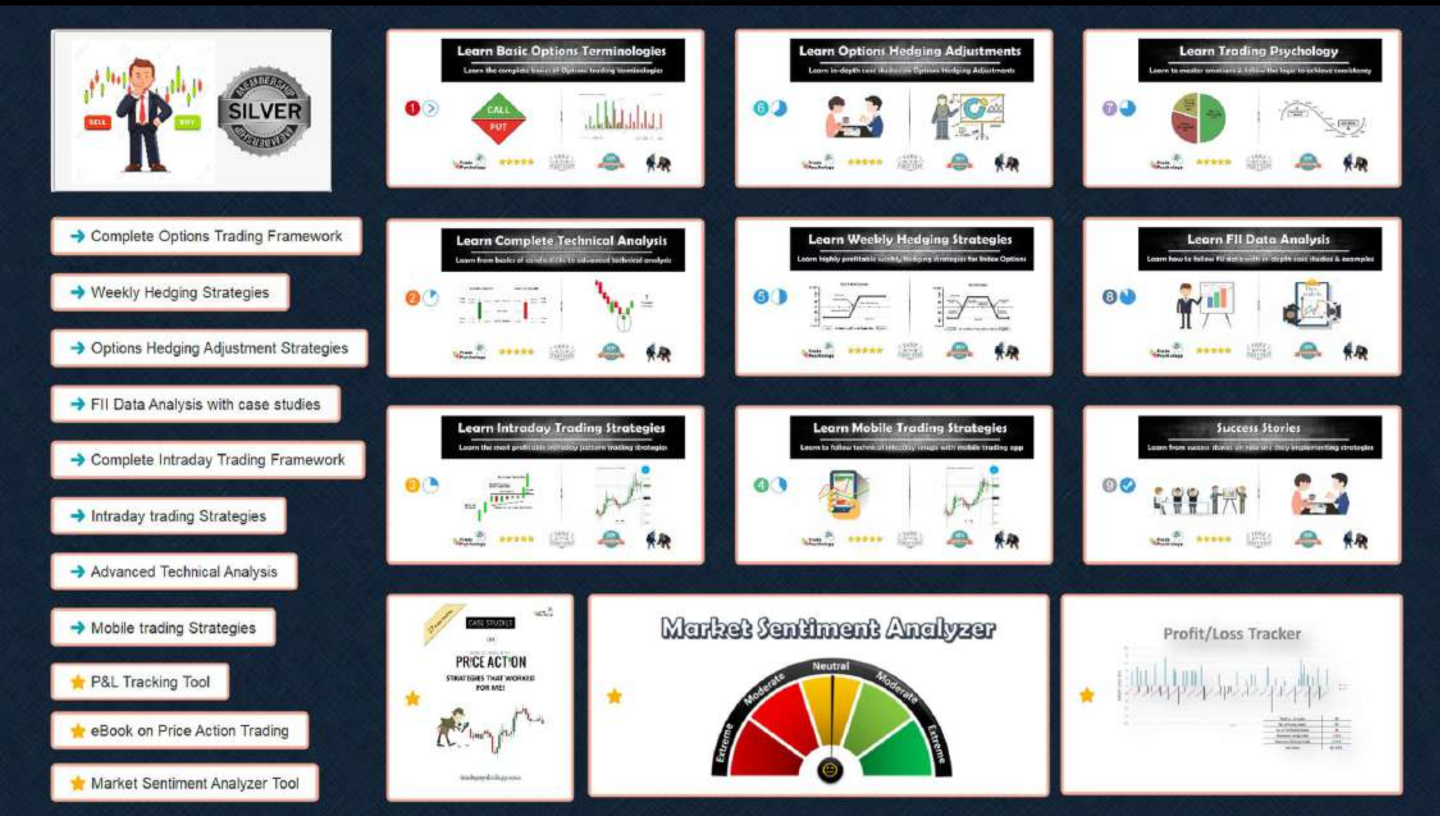
Explore the animated video lessons, dive into real-life case studies, and embrace structured learning.

Watch the success stories of traders who have achieved remarkable results, and let their experiences inspire you on your own trading journey.

Discover the transformative benefits of "Trade Psychology" and be a part of this incredible trading community. Your path to trading success starts now.

Explore Now: https://options.tradepsychology.com/

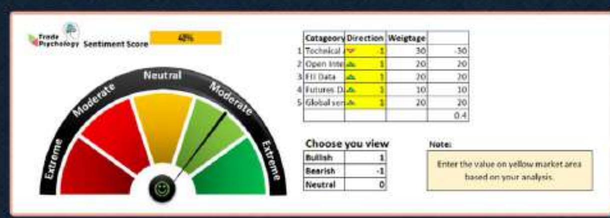
Membership Package



Explore: https://learn.tradepsychology.com/

What you will learn?

Top 5 skills you need to learn to achieve consistency in Options Trading

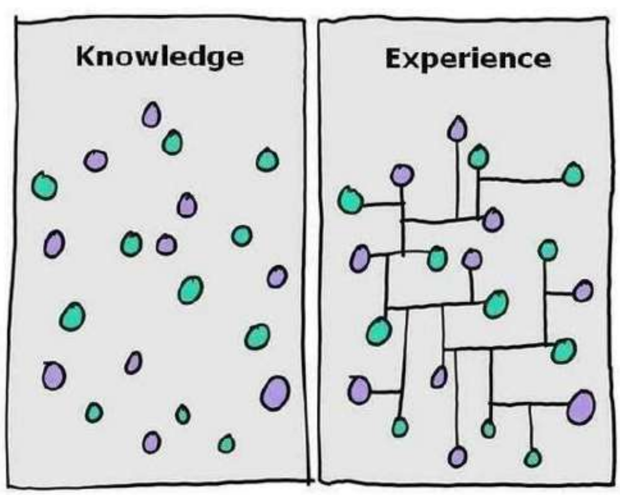


Launching eLearning APP!

Hello everyone, we have launched mobile app for *Trade_ Psychology* learners, where you can get access to:

- Courses
- Community
- Memberships

Download the app from link in description.
Code to access: **BFXT8G**



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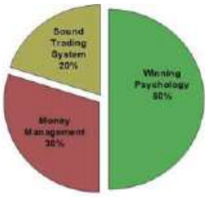
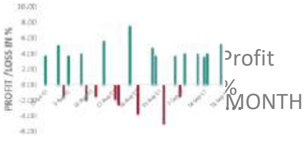
"Heartfelt gratitude to all our amazing community members!
We extend a big thank you for being a part of our trading family.

Your enthusiasm and dedication inspire us every day. As you navigate the exciting world of trading, remember that success awaits those who persevere and stay focused.

Wishing you thrilling trades and abundant success on your trading journey. Let's continue to learn, grow, and conquer the markets together!

Thank you





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