

Twitter Thread by Aditya Todmal



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Curated tweets of @sourabhsiso19

Found awesome content: ■

1. Moneycontrol
2. Bank nifty Strangles/Straddles
3. Learnings
4. Expiry Trading
5. Directional trading
6. Long Term Investing
7. Pivot system
8. DHS pattern
9. Multiple trade management threads/ways.

Moneycontrol article on @sourabhsiso19 ■

<https://t.co/lrdMhpR1e9>

@moneycontrolcom did a detailed story on my trading journey.
But many couldn't read it as it needed a pro-subscription.

So here's a blog on the same :<https://t.co/dwN2xieUKd#trading> [#journey](#) [#quant](#) [#options](#) [#algotrading](#)
[#markets](#) [#OptionsTrading](#)

— Sourabh Sisodiya, CFA (@sourabhsiso19) May 26, 2020

What Sourabh does and how to trade like him? ■

<https://t.co/NZCLZss1D2>

Getting many DMs on how I can learn and trade like you.

To be a succesful trader one needs an edge

My edge:

- 1) focus on selected instruments (Banknifty majorly and few stocks)
- 2) backtested my strategies historically (for past 10years)

(1)

— Sourabh Sisodiya, CFA (@sourabhsiso19) January 10, 2020

Why trade multiple systems? ■

1. Keeps drawdown at minimum.
2. Strong money management can be applied.
3. Better psychology.

<https://t.co/dc1ecuLyO6>

Do I trade only BNF ?

Other than BNF intraday , I run few other systems too.

- 1) Intraday Momentum
- 2) Positional systems
- 3) Vol Crush Trade etc

Goal of system trading is to run few non-correlated strategies together so that system drawdown is at the minimum. [#trading](#) [#systems](#) pic.twitter.com/mS8jFEaLUW

— Sourabh Sisodiya, CFA (@sourabhsiso19) March 4, 2020

Thread on how options allow you to change your positions in a dynamic manner. ■

<https://t.co/JiW264aAav>

Options Thread

How options allows to change and adjust view dynamically.

Let's understand with a live example.

Example : Nifty is at 11921 and you are bullish on Nifty.

- 1) Buy Naked 11900 CE(call) at 167

Breakeven : 12068

Max Loss : Rs 12555

Max Profit : Unlimited pic.twitter.com/TXMhh5HWsd

— Sourabh Sisodiya, CFA (@sourabhsiso19) December 7, 2019

Why he trades Bank Nifty strangles. ■

<https://t.co/76OeeTbBTG>

Why do I trade BNF strangles ?

Sharing EOD backtest results of straddles.

SL 50 points or exit at close

Then we I tested on 1 min.option data to find

-Best time to enter

-Best time to exit

-Max possible decay for day

-Days to avoid strangles [#edge](#) [#systems](#) [#quant](#) [#banknifty](#) pic.twitter.com/atYsKJJFG2

— Sourabh Sisodiya, CFA (@sourabhsiso19) [February 22, 2020](#)

Sell strangles when ■

1. Opening is in the middle of PDH/PDL.

2. Combined strangle chart at day low.

3. Below Vwap.

4. Below 20 MA.

<https://t.co/395faWrFmw>

Did 8900 PE and 9000 CE at 9:30 am

27 points decay till now and still trailing

Logic :

1)Open with previous day range

2)Wednesday there\2019s good decay

3) Combined strangle was below vwap and trending down [#data](#) [#trading](#) [#options](#) pic.twitter.com/xyKmvhyz7y

— Sourabh Sisodiya, CFA (@sourabhsiso19) [May 20, 2020](#)

When he sells strangles if market opens within PDH/PDL he trails aggressively as according to a study a breakout can happen anytime in the second half. ■

<https://t.co/EIFgMQZZwN>

Why exits are important:

The morning is back to 250 and my entry price.

Why did I exit ?

Check the violin plot for the answer.

Range bound but can become trending in 2nd half. pic.twitter.com/vnKNY8iHyl

— Sourabh Sisodiya, CFA (@sourabhsiso19) [March 25, 2020](#)

Start with 1/3rd quantity, add if in favour.

Win big on highest quantity, lose small when on lower quantity.. ■ ■

<https://t.co/HZsESN3QmL>

I start with only 1/3 of my original position when I get a signal and add more only if the trade goes in my favour. So when I am right I have my largest position open and when wrong I lose only on the initial 1/3rd.

— Sourabh Sisodiya, CFA (@sourabhsiso19) [September 28, 2019](#)

Thread on how to manage Bank Nifty straddles. ■

<https://t.co/dJJQj2L6cR>

How to manage straddles :

1) As bnf open was within yesterday range created a 29000 straddle at around 9:30 am

29000 PE sold at 528 and

29000 CE sold at 453 [#trading](#) [#OptionsTrading](#) pic.twitter.com/aPvB0iFvkA

— Sourabh Sisodiya, CFA (@sourabhsiso19) [November 20, 2020](#)

Learnings he has noted down in an excel. Go through this, very important. ■

<https://t.co/K8LD5Mo4p0>

Q\u2019s on how could I avoid the spike:

Good trading is learning from your mistakes.

I exited early as I had already seen such markets and had made a note of it (see highlighted area)

Attached a ss of my learnings [#OptionsTrading](#) [#banknifty](#) [#trading](#) pic.twitter.com/wg6xq9ulE8

— Sourabh Sisodiya, CFA (@sourabhsiso19) [February 18, 2020](#)

Another tweet on his lessons learnt and the mistakes he's noted down. ■

<https://t.co/4QXfegHC3s>

Thread on trading lessons & mistakes:

I always keep my mistakes & lessons learnt in front of my screen while trading.
Bcz we as traders tend to commit the same mistakes everytime.

So seeing your learnt lessons everyday ensures that you avoid them.

#trading #mistakes

(1) pic.twitter.com/58i504kdfN

— Sourabh Sisodiya, CFA (@sourabhsiso19) [June 23, 2020](#)

Don't sell straddles/strangles on gap days as premium moves are erratic and rarely there is a follow through. ■

<https://t.co/icl1aMaetV>

If you had created straddles/strangles you would have made loss.

I didn't create today

Reason : My Learnings book

Gap days generally don't show follow thru and premium moves are erratic.

Knowing when to trade is also imp. #banknifty #OptionsTrading #system pic.twitter.com/Mi5nBxBaJM

— Sourabh Sisodiya, CFA (@sourabhsiso19) [February 19, 2020](#)

Create Skewed bullish strangles when market crosses previous day high and weekly pivot. ■

<https://t.co/ZpEYmy95Lt>

Sold 21600 PE -22300 at 335

The strangle decayed almost 170 points.

Logic:

As soon as price crossed 21670 (prev day high & weekly pivot)
Created skewed bullish strangles.

Today being a wed the decay is high but key is to create skewed positions as per view. #trading #theta
pic.twitter.com/nTP6s5fEoi

— Sourabh Sisodiya, CFA (@sourabhsiso19) [July 1, 2020](#)

Pointers on how to do expiry trading. ■

<https://t.co/FjXxBfaPTa>

22 times SL got hit today but still day is in good green.

Rules

- 1) Start small and add slowly as per movement
- 2) Don't let options become ITM
- 3) Make sure MTM loss < 2% of capital
- 4) Keep tight stop after 2 pm to avoid gamma risk [#expiry #trading #theta pic.twitter.com/ebxWfCD3V0](https://twitter.com/ebxWfCD3V0)

— Sourabh Sisodiya, CFA (@sourabhsiso19) [June 25, 2020](#)

Last week of expiry, keep stocks in watchlist that are 1-2% away from highest OI strike. ■

Logic is if that is breached writers will panic leading to a big short covering move.

<https://t.co/Z8vR75ihts>

Keep Kotak Bank in radar for tomorrow if sustains above 1900

Trend : It's at New 52 week high

Options Data :

1900 strike has max call OI and it's last week of expiry.

Price sustaining above 1900 will make call writers run for cover leading to a further short covering rally.

[pic.twitter.com/GnLaHuhenu](https://twitter.com/GnLaHuhenu)

— Sourabh Sisodiya, CFA (@sourabhsiso19) [November 23, 2020](#)

Thread on how to do long term investing. ■

<https://t.co/Zh2i67wdR1>

Can long term investments also be done using systems ? Yes !

I'll share the process that we use to build long term systems (100% systematic in nature)

- 1) Trend should be up

We can objectively decide the trend using a moving averages

(1) [pic.twitter.com/x9SogbyZCc](https://twitter.com/x9SogbyZCc)

— Sourabh Sisodiya, CFA (@sourabhsiso19) [March 21, 2020](#)

Framework for directional strategies. Check the first picture in his tweet, important. ■

<https://t.co/07oj4sHvXS>

Back to office after a while :)

This is a framework which we use to build directional strategies.

Every point is quantified to build a logical system and then we decide for best option strategy as per our view.

What are your thoughts on it ? [#trading](#) [#quant](#) [#data](#) [#system](#) pic.twitter.com/3VRt487vXE

— Sourabh Sisodiya, CFA (@sourabhsiso19) [May 9, 2020](#)

Directional trading for going long in stocks: ■

1. ATH or near ATH.
2. Futures OI built up positive.
3. Call unwinding.
4. Strong put writing.

<https://t.co/A9LNzlquE4>

Keep Bajaj Finance in radar

Logic :

1)Trend :

After sideways consolidation near ATH, formed a bullish candle with volume

2) OI data:

futures up 4.68% & also Futures OI up by 6.54% indicates long built up

3) Option Chain

5000 CE saw unwinding and fresh put writing in 5000 PE pic.twitter.com/0Ci7FIXv0o

— Sourabh Sisodiya, CFA (@sourabhsiso19) [December 16, 2020](#)

DHS pattern (Day high sustains) ■

1. Near 52 week high
2. 1st 5 min candle breaks PDH
3. Day low sl
4. Trail with 20 SMA

<https://t.co/Mr8KUGT9Dp>

Easy trade in Bajaj Fin & RIL

DHS pattern:

Criteria : Stock should be near 52 W or breaking a range

Entry : if 1st 5 min candle breaks PDH

SL : Day low

Trail using 20 ma

Focus on 1-2 simple patterns & manage risk.

Backtest results are also great. [#intraday #patterns](#) pic.twitter.com/NaPwh8nFhO

— Sourabh Sisodiya, CFA (@sourabhsiso19) [June 19, 2020](#)

A new Pivot system he uses: ■

1. Buy above R1
2. 15 min candle close above R1
3. SL below candle low and keep trailing.

<https://t.co/HiFC0qiTyg>

Took trade in Kotak as per new Pivot System which we which we recently backtested

Logic :

Buy above R1 if 15min candle closes above R1

SL below candle

Bought as per system & kept trailing.

Attached backtested Equity curve. [#trading](#) pic.twitter.com/EaE4lai9nP

— Sourabh Sisodiya, CFA (@sourabhsiso19) [April 23, 2020](#)

Trade management in a Reliance trade he took. ■

<https://t.co/xTJoGEDEvh>

How to do Trade Management

What defines your success as a trader is how you manage your losing trade.

I was bearish on Reliance as per view in previous tweet and shorted it at 1052 but RIL started going up

(1) pic.twitter.com/64tJmZ9UEm

— Sourabh Sisodiya, CFA (@sourabhsiso19) [March 30, 2020](#)

Trade management on a day when market opened 3% gap up, then went down and then again rallied towards the end. ■

<https://t.co/P8q4Db6lRi>

Thread:

How I managed my losing trade to end in profit ?

Today was a difficult day for most traders as market opened with a 3% gap up & fell after that and again rallied in the 2nd half.

In this thread, I will be sharing my detailed trade management for today. [#trading pic.twitter.com/i7nOwqUBwc](https://t.co/i7nOwqUBwc)

— Sourabh Sisodiya, CFA (@sourabhsiso19) [April 17, 2020](#)

Strangle Trade management when there is a violent move/iv spike. ■

<https://t.co/BmO53F3NZa>

Thread

How to manage strangles dynamically in case of a violent move or IV spike ?

1) Yesterday and in fact entire last week if you had created strangles you would have experienced that during upmove only call side were increasing but puts weren't decaying. [#trading #Options](#)

— Sourabh Sisodiya, CFA (@sourabhsiso19) [November 7, 2020](#)

Learnings from the book Market Wizards. ■

Thanks to [@sourabhsiso19](#) for the immense learning and hope you enjoyed this compilation. Ask him questions as he always responds to the best of his ability. ■

THE END

<https://t.co/vVuUdOuP1k>

Good to see lot of traders pointing out their mistakes.

As they say "Life is too short to make all mistakes yourself"

Sharing some mistakes and learnings from the book Market Wizards <https://t.co/M5OOHIJRCd> [#trading #mistakes #learnings #market #wizards pic.twitter.com/S8loeTXKV8](#)

— Sourabh Sisodiya, CFA (@sourabhsiso19) [March 1, 2020](#)