

## Twitter Thread by Nishant Kumar



**Nishant Kumar**

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**A Tattoo has been posting selective screenshots of my Tweets to this followers to showcase how I do not know how to use RSI.**

**While he runs his shop showing other people down, here are the basics for the wise:**

### **1) RSI above 70 gets into overbought zone but it's the crossover from**

the 60s to the 70s that gives the maximum thrust.

2) Daily RSI gives a good thrust but that can stay short-lived. It's the weekly/monthly RSI crossover into the 70s that provides a more sustained thrust

3) During the weekly crossover, daily RSI might reach astronomical levels

Many a times into higher 80s or early 90s. So in a shorter time frame this daily RSI would try to correct but since the weekly RSI is getting stronger, these dips would be shallow and short-lived and price would try to move higher again.

You would have seen such a behaviour in Wockhardt. Price hit a 20% and then went another 10-12% higher which heated the daily RSI and the price corrected sharply on day 3.

4) But because the weekly RSI was getting a crossover into the 70s, price reversed quickly to hit 10% more.

5) Now when this weekly RSI becomes heated, that is when the price might make a medium term top. Again, if the monthly RSI too gets a crossover into the 70s then the stock can continue to perform well for a few months till the monthly RSI gets heated.

6) In short, while the 70+ range is overbought zone, it's the crossover point from 60s to the 70s that provides excellent thrust. This is a good stray especially for momentum traders.

\*Strategy