Twitter Thread by Vivek Bajaj

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A thread on Price action and how to identify stocks showing strong price action.

For me price action is when you answer the What,When,Why,How and Where of price movement of any underlying.

Its a language you use to communicate with the underlying.

Key Parameters thread

1/n

Short term price action is judged when the underlying is crossing precious day high or low. Why last day action is important?Because there are enough short term traders who act at these levels,especially if that day had lots of activities showcased by volume and delivery.

2/n

Price Scans

Previous Day Breakout Scans

11 Jul 2022

Scan Outputs based on procured data from third party sources. Kindly do your due diligence and reverify

- Closing Above Previous High
- Closing Below Previous Low

Monthly high, low, close are again important as the stocks are typically evaluated on monthly basis for mid term performance. Operator building large positions will react when market breaches these critical levels.

3/n

Price Scans

Monthly Breakout Scans

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Scan Outputs based on procured data from third party sources. Kindly do your due diligence and reverify

- Close Crossing Last Month High
- Close Crossing Last Month Low
- Close Crossing Last Month Close From Below
- Close Crossing Last Month Close from Above
- Close Above Last Month High
- Close Below Last Month Low
- Close Crossing Current Month High
- Close Crossing Current Month Low

Just like monthly, 52 week i.e yearly data is also critical as a symbolic performance of an underlying for long term actions.

4/n

Price Scans

52 Week Breakout Scans

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Scan Outputs based on procured data from third party sources. Kindly do your due diligence and reverify

- Close Crossing 52 Week High
- Close Crossing 52 Week Low
- Close Within 52 Week High Zone
- Close Entering 52 Week High Zone
- Close Within 52 Week Low Zone
- Close Entering 52 Week Low Zone

VWAP literally helps you to judge the behavior of operator. Typically that the price at which operator has build positions. If you combine VWAP with closing, you will be able to judge the probable demand and supply zone of any underlying.

5/n

Price Scans

VWAP Scans

11 Jul 2022

Scan Outputs based on procured data from third party sources. Kindly do your due diligence and reverify

- Close Crossing Above VWAP
- Close Crossing Below VWAP
- Closing Above VWAP for 2 Days
- Closing Below VWAP for 2 Days
- Closing Above VWAP for 3 Days
- Closing Below VWAP for 3 Days

Then relative performance of a stock visavis market benchmark. An outperforming stock will show momentum for immediate swing movements and underperforming stock should never be bought. Best tool to implement exit rules.

6/n

Price Scans

Relative Performance Scans

11 Jul 2022

Scan Outputs based on procured data from third party sources. Kindly do your due diligence and reverify

- MKT Stock Outperforming Benchmark Index in both 1 Week and 3 Month
- MKT Stock Underperforming Benchmark Index in both 1 Week and 3 Month
- SEC Stock Outperforming Sectoral Index in both 1 Week and 3 Month
- SEC Stock Underperforming Sectoral Index in both 1 Week and 3 Month

My proprietary RS55 model which measures the outperformance and underperformance over 55 days for normalisation. 55 days is almost 3 month of trading and fibonacci number.

Trained usage of this in my #Learn2Trade series at https://t.co/3cOiQaM2nF

7/n

Price Scans

Relative Strength Scans (55 days)

11 Jul 2022

Scan Outputs based on procured data from third party sources. Kindly do your due diligence and reverify

- Strongly Outperforming Benchmark Index
- Strongly Underperforming Benchmark index
- Increasing Relative Strength - Benchmark index
- Decreasing Relative Strength - Benchmark index
- Strongly Outperforming Sectoral Index
- Strongly Underperforming Sectoral index
- Increasing Relative Strength - Sectoral Index
- Decreasing Relative Strength - Sectoral index
- Relative Strength Going Above Zero - Benchmark Index
- Relative Strength Going Below Zero - Benchmark Index
- Relative Strength Going Above Zero - Sectoral Index
- Relative Strength Going Below Zero - Sectoral Index

Finally combining some key paramaters and finding stocks that have high chance of swing action.This will give you a filtered list for trading action.

Create your own #ComboScans by using @mystockedge

Also make sure you subscribe to the premium outputs and become #SelfisSmart price action

Scans | Stocks

Scans in this Combination Scan 7

- Close Crossing Last Month High ×
- Closing Above Previous High ×
- Close Within 52 Week High Zone ×
- Stock Outperforming Benchmark Index in both 1 Week and 3 Month ×
- Stock Outperforming Sectoral Index in both 1 Week and 3 Month ×
- Increasing Relative Strength - Benchmark index ×
- Closing Above VWAP for 2 Days ×

Add Scan