

Twitter Thread by Pathik



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#ReversalSetup

80-20 setup

I am going to share one high probability reversal setup for swing traders.

Before i explain setup below are few rules.

- Stock should have body of nearly 1% on Previous Day.
- For INDEX Body should be more than 0.5% on previous day.

(1/n)

Rules for Sell

1. On previous day underlying should have opened in lower 20% of the day range and should have closed in upper 80% of the day range.
2. On current day in first hour of the trading day stock should have crossed PDH.

(2/n)

3. once it make new high in first hour place sell order below PDC with STOP of Current DH.
4. Intial targets for swing trades can be 1:2 RR then trail your stops.

(3/n)

Rules For BUY

1. On previous day underlying should have opened in upper 20% of the day range and should have closed in Lower 80% of

the day range.

2. On current day in first hour of the trading day stock should have crossed PDL.

(4/n)

3. once it make new high in first hour place buy order above PDC with STOP of Current DL.

4. Intial targets for swing trades can be 1:2 RR then trail your stops.

(5/n)

PDH : PREVIOUS DAY HIGH

PDL : PREVIOUS DAY LOW

PDC : PREVIOUS DAY CLOSE

DH : DAY HIGH

DL : DAY LOW

(6/n)

Few examples below

<https://t.co/BBWaNktQno>

<https://t.co/45ELcXsg2r>

Do some paper trades before implementing this setup.

Trade on standard stocks only, which has great volume.

(End of thread)