Twitter Thread by The Cnceptual Trader ■■■■■■

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76 Super Tips to make killer profits doing Option Buying in #BankNifty

On the occasion of our 76th Independence Day.

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76. BankNifty's move depends on moves of mainly 5 banks - HDFCBank, ICICI Bank, SBI, Kotak & Axis bank: track OI buidup & PA of these daily.

75. Open charts of each of these banks daily & see which is near an important resistance or support, that can affect BankNifty's movement immensely the next day - track that bank closely the next day.

74. HDFCBank (26%) & ICICIbank (23%) are the biggest contributor in BankNifty : give more importance to these two.

73. SBI, Kotak & Axis bank each contribute around 11%, but if two of them align with each other & HDFCBank & ICICI are neutral, they'll decide the direction.

72. SBI being the major PSU bank, can move opposite to these giants & create a turbulence, keep it in mind.

71. Always know beforehand about any upcoming event related to these Banks that can affect your BankNifty trades - e.g - results, dividends etc.

70. Always draw the important levels beforehand in chart - you won't get time in live market.

69. Draw Support & Resistance lines in BankNifty as well these Bank's charts : try to memorise these levels too.

68. For volume analysis - use Futures chart of Banknifty. For getting price levels, look at spot charts.

67. Tradingview has started to give volumes in the spot chart of BankNifty, (aggregate of the volume of all constituents) that's not very reliable : avoid it.
66. If OI data buildup of any of these major banks bullish & other banks flat, that bank will take BankNifty up next day.

65. Use 1D TF to mark major resistances & supports : they will be respected by BNF in almost 90% cases.
64. Use 1 hr TF to mark intermediate resistances & supports, they'll hold for next few days.

63. Use 5 min TF to mark immediate resistances & supports. They are most important for short term.
62. Use 5 min TF to trade in weekdays & 3 min TF to trade on day of expiry - volatility is high & can't afford to be left behind.

61. Can use 1 min TF in last hour of expiry for scalping, coz the moves are very sharp & options very volatile ; Do it only if you are a pro scalper.
60. Expiry of BankNifty gives huge scalping opportunity provided you are skilled enough - keep practicing.

59. Use a seperate small account to do scalping in BankNifty on expiry day.
58. Always wait for data buildup by big players then only make your move.
57. Don't trade BankNifty just for the thrill ; it has power to wipe out your account completely. Always go with proper planning.

56. You should have an Exit strategy beforehand.
55. For Option buyers, the best Exit strategy is to cut the losses as soon as possible.
54. Risk management for Option Buyer starts 'Before' taking the trade : in form of your Quantity & SL (StopLoss).

53. Always have a fixed daily loss limit & loss limit per trade.
52. If the daily loss limit reaches, 'STOP' trading for that day.
51. The quantity of BankNifty Options you'll buy will come fromdividing your loss limit by how many points SL you are taking: Never break this rule.

50. Never increase your SL after you enter the trade.
49. Decrease your SL once you start making a significant profit in that trade.
48. Never book profits in all your position once in BankNifty; it has the potential to go further beyond your imagination.

47. Always book half quantity & trail the SL in the rest; this will ensure you get maximum profits from the trend.
46. Decrease your position size to half when taking trade against the major trend.
45. Never bet against the big players: keep watching their moves.

44. BankNifty gives huge opportunities in reversals: SL small, targets big.
43. Trading reversals require huge practice & great conviction.
42. A conviction will come from data of BankNifty as well as Banks, practice you'll have to do.

41. Papertrading in BankNifty will look easiest - coz it follows Price action beautifully, but live trading BankNifty is most difficult.
40. if you are a beginner try to trade BankNifty with one lot ; you'll understand the power of this beast when you jump in the ring.

39. BankNifty is traded by almost all the major trading firms all over the world, using the same chart you are seeing; keep this in mind.
38. The point which is looking like a breakout to you, maybe SL hunting point for Operator: always be doubly sure before

entering.

37. Even if your predicted direction is correct, BankNifty will not go there without turbulences, don't change your direction with minor moves.
36. BankNifty always gives importance to major levels ; 39K, 38K, 38.5K etc, plan your trades around these levels for high Reward: Risk.

35. If you are already in trade & BankNifty is reaching these levels, better to book profits in half position & be safe, it can revert immediately.
34. Always estimate target seeing chart of BakNifty only - not of your option; Options will be affected by greeks.

33. BankNifty will not be affected by anything except the demand & supply of its constituents.
32. BankNifty is such a big index that it factors in almost every news beforehand, so don't initiate your position based on any news.

31.Opening may be affected by World market, but the course which BNF will take afterward gets decided by data of BankNifty & it's constituents only.

30. BankNifty is a major contributor to Nifty but not the other way round, keep tracking BankNifty even you just trade in Nifty.

29. Around 65% of constituent of Finnifty are constituents of BankNifty too, that's why we are getting good amount of volatility in BankNifty on Tuesday too.

28. While trading BankNifty on Tuesday, keep tracking FinNifty also.

27. Theta decay is maximum in BankNifty options on wednesday & Thurday, avoid taking huge overnight position on wednesday.
26. Expiry day scalping in last hour depends on levels created by big players : a huge opportunity which you shouldn't miss.

25. Focus on consistency : even if you capture 15 points of BankNifty options per day, you can double your capital in 1 month, problem is we try be big in single day & lose big in that process.

24. Never decide the direction of BankNifty based on just one candle color : look at all data points carefully.

23. Never trade in FOMO, if a trade is missed, focus on finding next good entry.

22. You need not to be correct all the times & still make big money, the key here is Risk:Reward.
21. Never be overconfident with your analysis, anyone's view may go wrong at any point in time : keep SL.

20. Never rely on mental Stop Losses - you'll freeze when that level will come, always have SLs in system.
19. Options decrease in value with decreases in IV - never do Option Buying AFTER an event.

18. if you face losses consecutively for 2 - 3 days, better to stop trading for that week & come back fresh next week.
17. if you face losses consecutively for 2 - 3 week, better to stop trading for that month & come back fresh next month.

16. If Banknifty is trading in a range for quite sometime, chances are high that when it breaks that range, options price will exploade, due to covering of position by sellers. Find that range, enter when this explosion starts.

15. Keep riding the trend till IV rises & exit at first sign of IV drop. If IV drops, your profits can evaporate quickly coz of Volcrash.

Those were the 62 Tips.

Top 14 Tips are remaining which I'll DM you, once you Retweet the First Tweet here.
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