

Twitter Thread by [Nikita Poojary](#)



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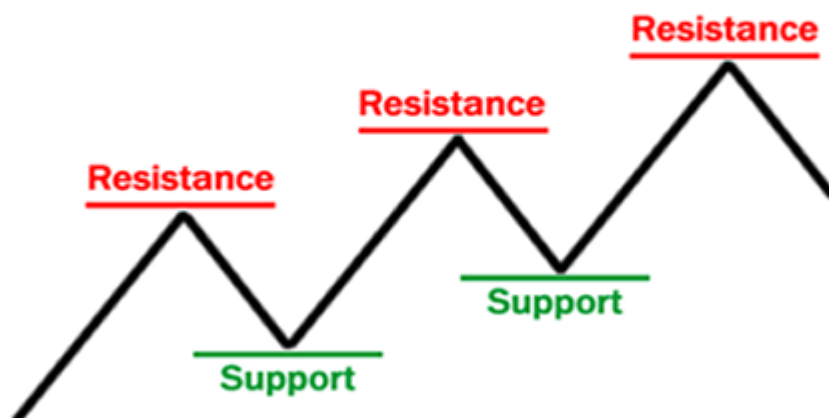
1000 days ago, I started learning about Support & Resistance.

Here are 10 pointers from Support and Resistance that'll get you started in the next 3 mins: ■

Collaborated with [@AdityaTodmal](#)

1/ Understanding Support and Resistance:

- Support levels indicate where there will be a surplus of buyers.
- Resistance levels indicate where there will be a surplus of sellers.



- When the price moves up and then pulls back, the highest point reached before it pulled back is now resistance.
- When the price continues up again, the lowest point reached before it started back is now support.



2/ What is a Support:

- Support is the level at which demand is strong enough to absorb the supply.
- The price is likely to bounce back and moves up in the opposite direction.
- Support is a level where the demand from buyers is expected to be much higher than sellers.



3/ What is a Resistance:

- It is the opposite of a support level.

- It is a price point (ceiling) at which the stock price is not expected to rise any higher.
- Resistance is a price point at which there are more sellers than buyers in the market for a particular stock.



4/ Can support become a resistance and vice-versa:

- When the price passes through resistance, thereafter erstwhile resistance could potentially become support.
- Similarly, when prices pass through the support, thereafter erstwhile support could become a resistance.



5/ What happens when a Support or Resistance is tested multiple times:

- The more times S/R is tested, the weaker it becomes.
- When a support or resistance level breaks, the strength of the follow-through move depends on how strongly the broken S/R had been holding.

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6/ How to trade using support-resistance logics:

- S/R logics can be used by bot breakout traders as well reversal traders.

7/ How to trade breakouts using S/R logics:

- Buy when the price breaks up through resistance with recent swing low as the SL.
- Sell when the price breaks down through support with recent swing high as the SL.



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8/ How to trade reversals using S/R logics:

- Buy when the price falls towards support.
- Sell when the price rises toward resistance.



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9/ Not exact numbers but always a zone:

- One thing to remember is that support and resistance levels are not exact numbers, they are always a zone.

10/ Practice is the key:

- You won't be able to define S/R in the live market unless you practice in the past charts.
- To train your eyes, you need to practice this across different time frames, and then your bare eyes could finally spot them.

If you enjoyed this thread here's another one:

<https://t.co/PLr9MgRxFA>

The most valuable aspect in trading you aren't using:

POSITION SIZING

Sizing is the key, you'll make big money only if you own a significant size without compromising on risk.

Here are 10 of them, and they are for free: \U0001f9f5

Collaborated with [@AdityaTodmal](#)

— Nikita Poojary (@niki_poojary) [July 9, 2022](#)

That's a wrap!

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I appreciate it!