

Twitter Thread by Jitendra Jain



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Some Simple Rules for Option Buying Setup!

You can change them as per your comfort.

Trading Guidelines for Option Buying Setup (Assuming 3 Lakh Capital)

- a) **Only Enter When Signal Comes** as per your setup. Don't Trade otherwise.
- b) **Place order above candle close only.** For example if signal comes at candle close price of 200. Place an order of 200rs. Don't place orders in between, let candle close, you might miss some trades but its ok to miss some trades.
- c) Try to **place limit orders** when possible to save on slippages.
- d) Keep a Stop loss of 3000 Rs per order. Max 4 lots, Place the order with approx. 100rs Nifty strike price and 300rs BN Price. (Tentative).
- e) **IF you want deeper stop loss trade in Spreads.** Example 14800 CE buy 15100 Sell. Buy One ITM strike and sell 2 Strike away OTM. Change as per your comfort.
- f) **Trail When 10 points in profit,** Move order cost to cost. For every 10 points trail by 10 points. You can change as per comfort.
- g) Exit if 2 loss making trades in any order. Don't lose more then 6000rs per day or 2% SL. (Most Important Step)
- h) Add one lot Compound at every 50k Profit without fear. Reduce 1 lot again see a drawdown of 50K