Twitter Thread by Nikita Poojary



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Do you wish to get in the stocks right before they explode, without spending hours to scan them manually?

With hacks to find the stocks before they have explosive moves:■

Collaborated with @AdityaTodmal

1/ Market moves in waves:

• A stock/index / underlying usually follows two phases; viz. Contraction & Expansion in a cyclical manner.

2/ Logic to find explosive stocks:

• After a quite/contraction phase the expansion phase follows, this is where most of the money is made for a trend follower.

• Like a lion which patiently waits to for its prey to make less movement before making a kill.

• A trader too has to wait for the sideways /consolidation period to end before striking the hammer for the explosive move.

• Wait patiently for market to make a narrow range such that movement should be almost dead or within a very small range.

• A volatility contraction is often followed by a volatility expansion.

• After a range formation the range will be broken either oon upside which is called as Breakout (BO) or would be broken on the downside which is called as Breakdown (BD).

3/ Narrow Range (NR) strategy:

• NR Trading Strategy is a breakout based method that assumes that the price of the security trends up or down after a consolidation in a narrow range.

• NR days mark price contractions that often precede price expansions.

4/ NR 4 and NR7 are the popular set ups:

• NR pattern comes from Tony Crabel's book, Day Trading with Short Term Price Patterns & Opening Range Breakout.

• An NR4 pattern would be the narrowest range in four days, while an NR7 would be the narrowest range in seven days.

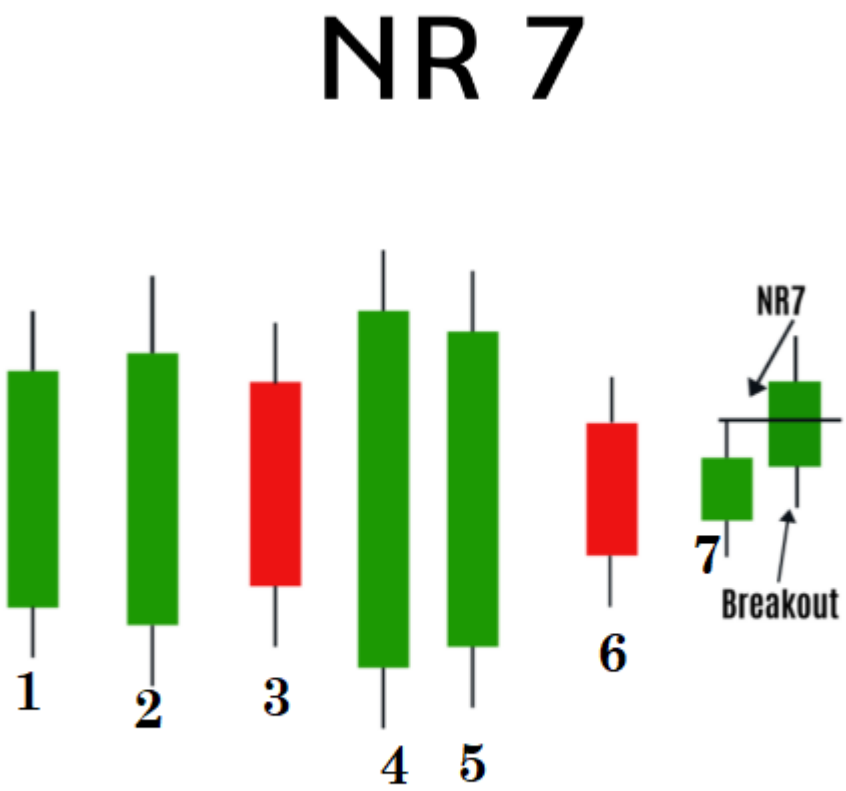
5/ NR 4:

Example:



6/ NR7:

Example:



7/ Buy set up in NR 4 or NR 7:

• Buy when prices move above the high of the narrow range day.

8/ Sell set up in NR 4 or NR 7:

• Sell when prices move below the low of the narrow range day.

9/ Screeners for NR4:

• https://t.co/YJqkshodTE

10/ Screener for NR7:

https://t.co/lgNytEsfl6

Precautions:

a) Screener only helps in cutting down the time by shortlisting the names.
b) However one has to go through the names individually and check the most promising ones.
c) Select the best four (maxmium) promising names.

d) Always backtest the ideas for atleast 3months and forward test with small qty untill you attain success.

e) Define your risk to 0.5%-1% of your capital per trade.

f) Not more than 3 trades a day.

If you enjoyed this thread here's another one:

https://t.co/M8J7SuNTZw

> A set up which has a minimum Risk/Reward (R/R) of 1:4
>
> This set up can be used for intraday, option selling, option buying, as well as investing.
>
> Maximum profit strategy by Subasish Pani.
>
> Bollinger band set-up: \U0001f9f5!
>
> Collaborated with @AdityaTodmal pic.twitter.com/aEIUVQF2XY
>
> — Nikita Poojary (@niki_poojary) October 2, 2022

That's a wrap!

If you enjoyed this thread:

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For more threads on Price action, Option Selling & Trading strategies.

We've got you covered.

2. RT the first Tweet to share it with your audience.

I appreciate it!