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Intraday setup for Index derivatives trading - ORB + Pivot Points

Again not my setup. Read about it in Andrew Aziz's book . Modified it a little to suit intraday option selling. Have been working very well so far especially in BNF.

Use 5 mins chart in Nifty and BNF spot. Add Central pivot range, Pivot Points standard on to the chart (Available in Zerodha)

Basically, we are looking for days when Nifty or BNF trend (either up or down)

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Mark previous day high and low on the chart. Wait till 9.30 am.

Case 1: Upside Breakout. If a 5 mins candle closes above Previous day high and pivot point (R1 or R2), go long (Futures, Option buy or sell whatever suits)

Case 2: Downside Breakout. If a 5 mins candle closes below Previous day low and pivot point (S1 or S2), go short (Futures, Option buy or sell whatever suits)

Keep the SL below/above the breakout/breakdown candle and trail the SL for target

You would get these setups 7-8 times on index in a month. Success rate would be 40-50%. But the risk reward is very good ranging from 1:3 to 1:5 as well

Here are some examples to make it clear:

Yesterday, only day low broken, S1 pivot broken and trade activated. Keep trailing the SL

NIFTY BANK

Previous day low

S1 pivot

VWAP Re — + Volume

Pretty similar. 9.35 candle breaks the PDH and R1. And good to go

Enter Symbol   5m   Views   Display   Studies   Layout   Events   +   Trade

NIFTY BANK

VWAP Re — + Volume

Finally, the use of CPR. It is just indicative. If CPR is narrow, then probability of a good trend increases (not sure shot though). Just like below:

SLs would be part of the game. Actually there would be more SLs in this setup as its a trend following game. Start practicing by looking at charts.

Option sellers selling OTMs would be at an extra advantage here compared to those using option buying and futures buying/selling because of time decay. That's why I like using this even more for intraday option selling.

Next setup tomorrow I hope :P No retweets or likes needed.