Twitter Thread by The_Chartist ■

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Ok. Let me take you to one method of adding stocks in a healthy uptrend while they are retracing. I learnt this from the classical work of David Landry (2003)

Conditions - Healthy uptrend and retracing.

But - you don't know how deep the retracement will be.

So, what to do?

Example - Minda Corp Chart

Healthy uptrend? Yes
Retracement? Yes

With every retracement candle, we move our buy limit order at candle's high. So the first order we placed at 1. In a way, we are telling the broker to buy when the price crosses 1.



Ok. So it has gone down further the next day, we shift the buy order at 2.

Then again at 3

Then at 4.

We do it it'll it is triggered and shares are bought. In this way, we dodge Fibonacci numbers. As by drawing 38% of 61.8% we couldn't ever know till how deep the stock goes.

You can use the same with your SIP stocks for long-term investment while buying at the dips. As you never know till how deep it dips. :) So, you will have cash always till you buy near the bottom. Of course of retracement, not the trend reversal.

A healthy uptrend is the first condition. Happy investing :)

That is why you must learn about what each legend has written. You can save a lot of your hard-earned money. Place a SL little above candle's high.