Twitter Thread by EquiAlpha -MidTerm Momentum■■

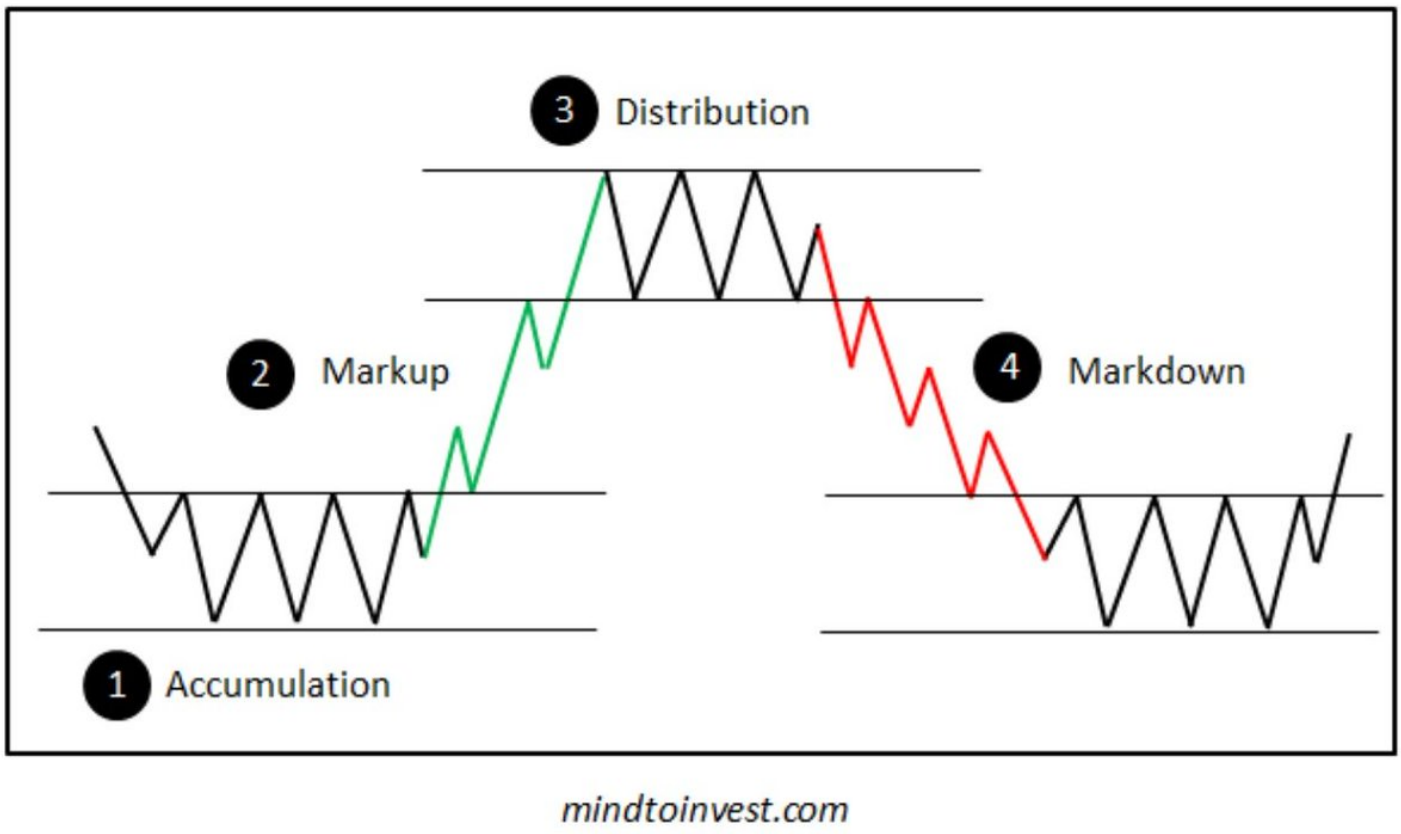
EquiAlpha -MidTerm Momentum■■
@equialpha

Detailed thread as I promised to RIDE THE TREND with super ease■

Do read fully as it starts from basic to end & can be long one...

Do retweet & like as this is yrs of my hardwork in few tweets (1/n)

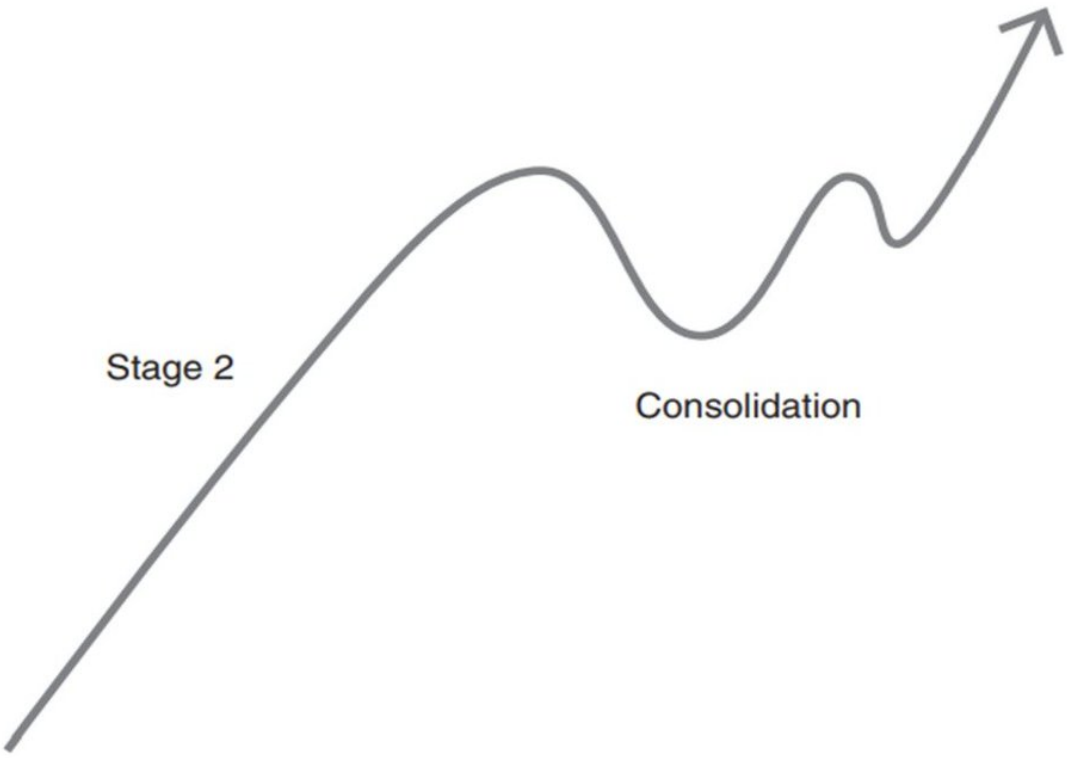
1) For riding trends, first you have to understand trends - Here is how a complete cycle of stock looks like..Stock has 4 stages...We need to be in 2nd one to make money.
Now here we go deeper into stage 2 (2/n)



2) Any stage 2 has phases as this is not a linear journey but the stock will set up multiple bases in between...Below is the example of Balaji amines that highlights how the stage 2 in reality looks now.....



3) So a Stage 2 has periods of bases in between which are the typical resting period for digesting earlier gains. Theoretically looks like this..Stage 2 then a base within stage 2 and stage 2 resumes....

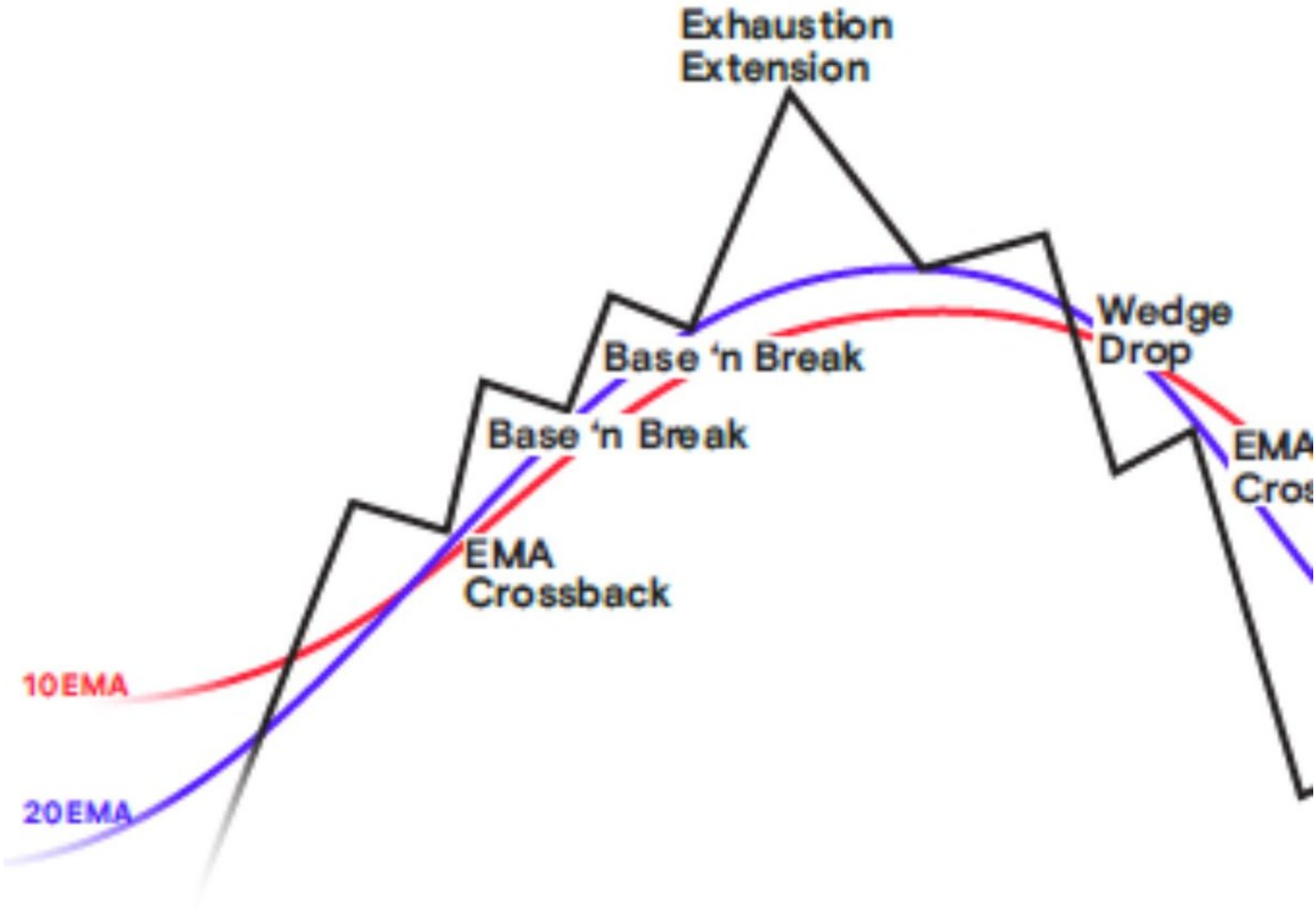


4) The real question is how to ride trend between the bases peacefully so that we don't have to wait in consolidation.

5) Look at the below pic & the marked area are the movement we want to capture before stock starts resting again..Net made 630% ..Instead of 1 single trade this can be divided into 4 trades thus managing risk of full trend reversal



6) Now how to ride it - We use full weekly chart for this..Pictorial this is how the overall trend looks like with the 10/20 EMA . As trend picks up 10 EMA will start rising



7) Till know you should have understood how an ideal stock looks like ..Breaks out stage 1, enters stage 2 ..In stage 2 it will have resting period that can be any in number buy any base after 3rd one is extended therefore base counting is essential

8) Now 2 ways to do this - 1) Ride and sell into strength (Using trail mechanism) & 2nd is using 10 W EMA
..Let's see 10 W EMA first

9) Use 10 W EMA breakdown as a point to exit - In case of balaji amines we was successfully able to sit through all bases as the price never broke 10 W moving average..If you entered from Base 1 break - returns 600%



10) Not every stock is so good with low duration bases in between. In many stocks you will find 3-5 months of consolidation in between like in nitin spinners..Read chart below



11) Therefore though 10 w MA is a good way to ride the trend but it can run you through long bases within a trend too & money is ideal..For overcoming this I use weekly trailing rules as in below picture for example using ignite bars



12) If Ignite bars is too big like 17-20% then it's too much room. Therefore in such cases I will go to daily and trail using ignite bars....Net made 55% ..Do this multiple time from bases to bases and you made more than 100% again



13) Summary - Find right trend using 10EMA + Stock breaking out of sound base + then use 10 W EMA (for selling into weakness) or for max benefit use trailing stop loss rules and capture major upmove part before stock sleeps again & gets ready for another base. Keep repeating

14) I have a 3rd riding tool which can also help out a lot..Will write about it if we get good interaction in above & if people are reading until here to like this one

Final - That's it from my side as I promised...Weekly charts are boom with so much clarity..Use 10/20 EMA for riding & direction of trend..

I tried to write as much as I can but each tweet has logics for more than 40 min to explain - You can explore - https://t.co/vVK8YQvrYe

Thanks a lot for reading ..Do let me know in case of queries !!