

Twitter Thread by Trendline Investor

Trendline Investor

@dmdsplyinvestor



Exits are the least spoken about & to identify the right exit point is the most difficult in Trading/Investing.

Here are 5 effective techniques that can be used to exit a stock!

Like & Retweet to help beginners struggling with exits!

#learnwithtrendlineinvestor

5 Strategies for Exiting a Stock

01

Trendline Breakdown

Reduce your positions by half when **price breaks the trendline** signalling start of consolidation/correction

02

Price over-extended

Reduce your positions by half when the **price is overextended** i.e. **more than 70% above 200 EMA**
(refer to @BlogJulianKomar)

03

Closing below 20/ 50 EMA

Book half/ all your positions when the stock has **closed two days below the 20/ 50 EMA**
(refer to @BlogJulianKomar)

04

Trail to 5 Day low

Tighten your stop loss using **5 days low as a stop following a very good rally** and book half your positions and trail the remaining

05

2 strong Red candles

Book half your profits when you see **two continuous days of sell-off** with strength candles
(refer to Nimblr blog)

Try to ride a stock as much as possible and never exit just because a stock has not moved much for a few days.

Partial exit rules are good to have to take out some profits!