

Twitter Thread by [Nitin R](#)

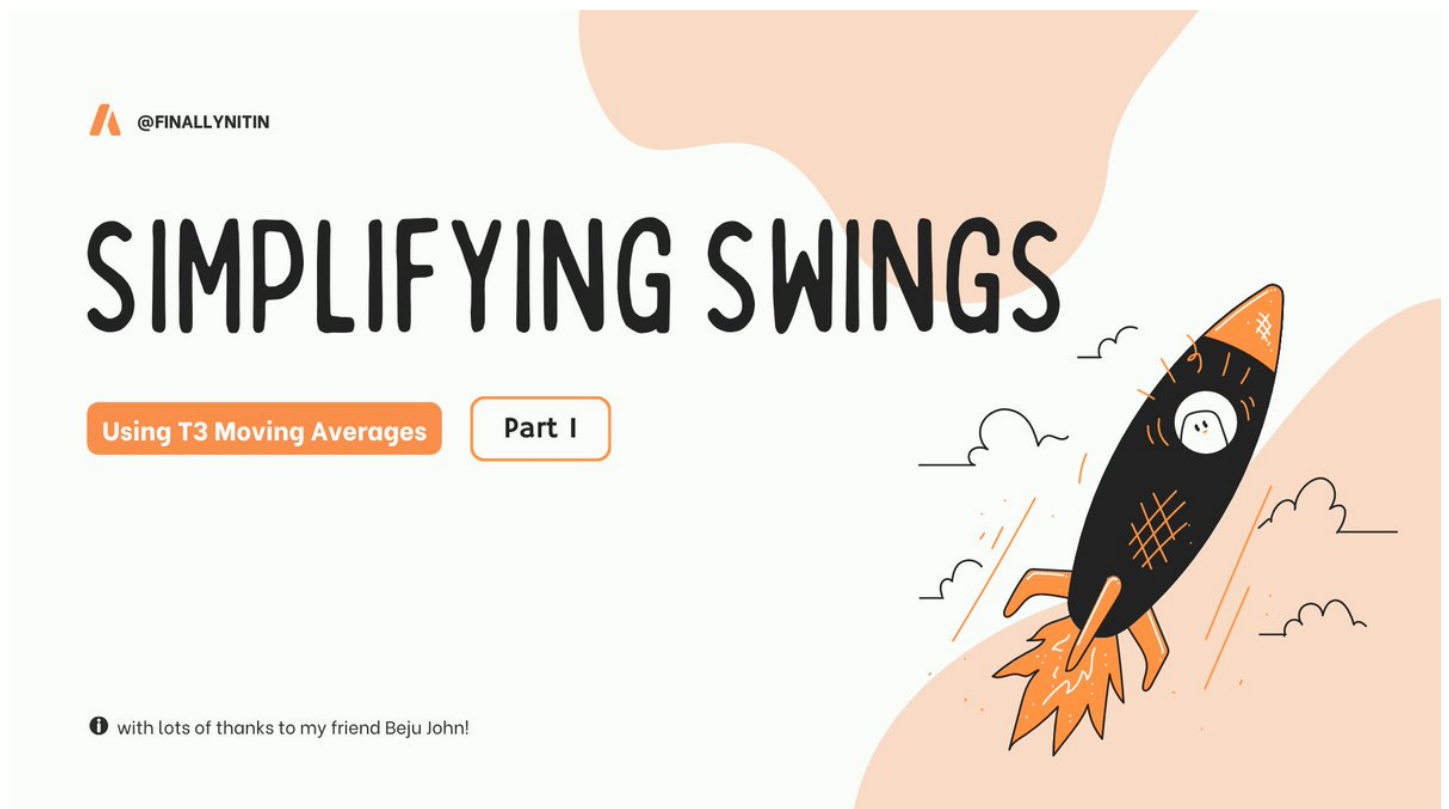
[Nitin R](#)

[@finallynitin](#)



I have a very simple method for swing trading in cash stocks.

With a Tradingview script at the end, here is a thread on my Simple Swing strategy: ■



The Simple Swing indicator is based on T3 Moving Average, which was first described by Tim Tillson, in the search for a “perfect” moving average.

A PERFECT MOVING AVERAGE...



Smooth

Not sensitive to random noise in the underlying price

No lag

Would not lag behind the time series from which it is computed.

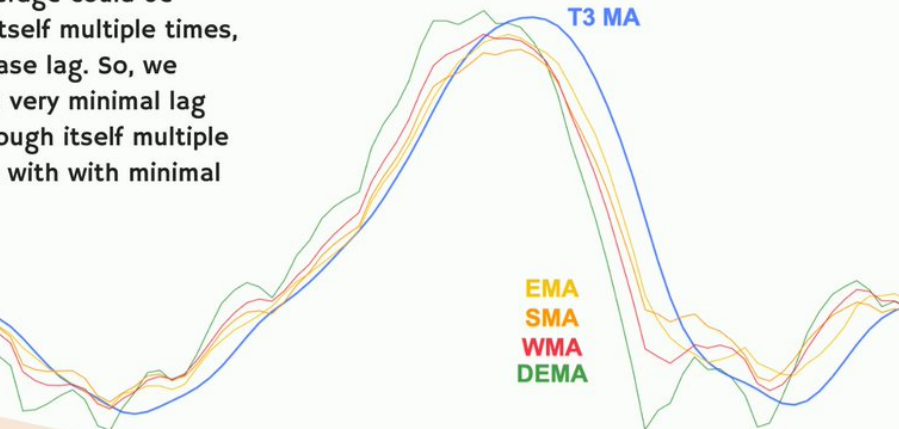
The article "Smoothing Techniques For More Accurate Signals" by Tim Tillson, in January 1998 issue of the "Stocks & Commodities" journal

The T3MA incorporates a smoothing technique which allows it to plot curves more gradual than common MA & with a smaller lag.

During most of the time in a trend, price will stay well away from the T3MA. Thus, a decisive close beyond the T3MA often indicates the end of a trend.

...T3 MOVING AVERAGE!

The smoothness of a moving average could be improved by running it through itself multiple times, at the cost of increasing the phase lag. So, we choose a moving average with a very minimal lag (Generalized DEMA), & run it through itself multiple times to get a smoother version with minimal lag (T3 MA).



EMA
SMA
WMA
DEMA

T3 MA

The T3MA ribbon consists of a fast and a slow moving average (MA).

The ribbon is green when the fast MA is above the slow MA. This green ribbon represents the upswing. Similarly, the red ribbon represents the downswing.



The traditional signals are based on crossovers between fast & slow MA. These are the green & red ribbons representing the “confirmed” swings.

These traditional signals are lagging. So, we use the Early Swing signals.

UNDERSTANDING SWINGS

UPSWING

DOWNSWING



Early Upswing

Red ribbon, with the price closing above the ribbon

E0



Confirmed Upswing

Green ribbon, with the price not closing below the ribbon



Early Downswing

Green ribbon, with the price closing below the ribbon.

Ex



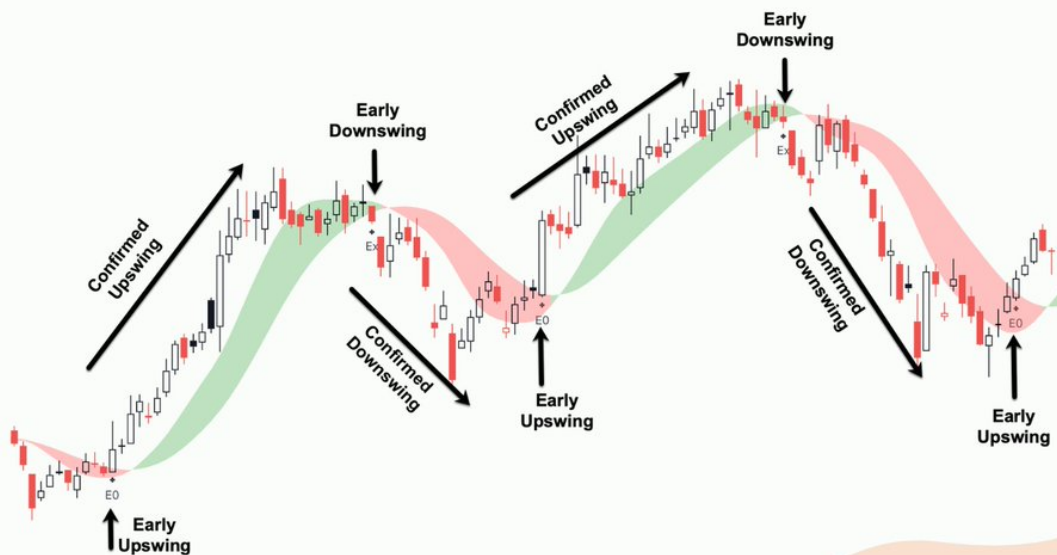
Confirmed Downswing

Red ribbon, with the price not closing above the ribbon

Early Upswing starts when T3 ribbon is red, but price has closed above the ribbon. This is the E0 candle.

Similarly, Early Downswing starts when T3 ribbon is green, but price has closed below the ribbon. This is the Ex candle.

SWING RECOGNITION



The Entry is taken above the high of the E0 candle. Look for constructive price action at this juncture, preferably a descending trendline breakout.

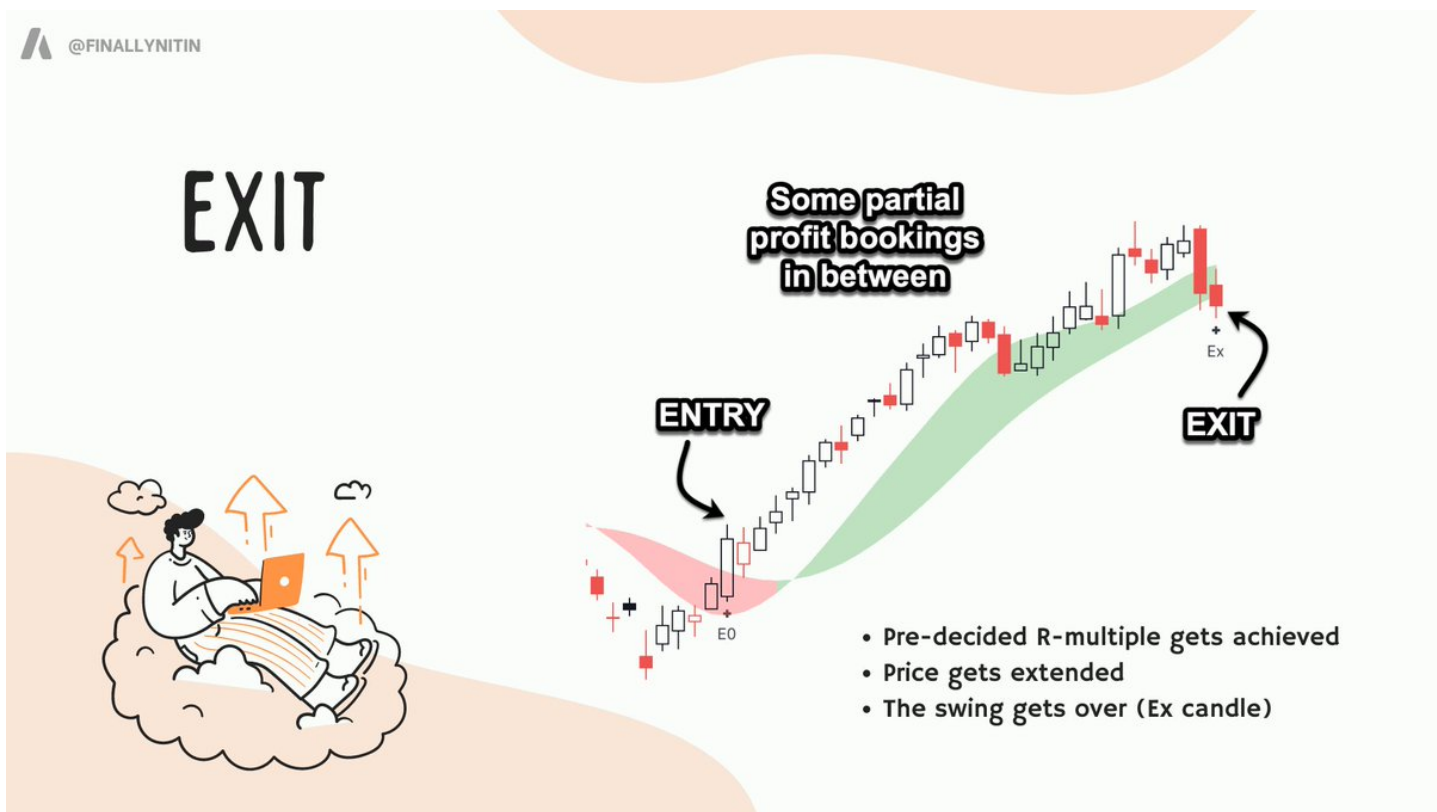
SIMPLE TRADE MANAGEMENT



The major part of an exit strategy in swing trading is selling into strength.

Here, we exit based on 2 “sell into strength” components & 1 “trend-following” component.

EXIT



You can scroll down my timeline to review a number of trades taken by me with the SimpleSwing strategy.

The swings are an inherent nature of the markets, so with proper risk management, the strategy is bound to be profitable.

Real Trades

EO ENTRIES OVER PAST FEW WEEKS



DENORA



GHCL



MIRZAINI

Here is the link for the Tradingview script of Simple Swing:

<https://t.co/1hY3De4Vhg>

Hope you find the Simple Swing concept useful. I thank my friend [@J250717](#), without whose help this strategy wouldn't have seen the light of the day!

If you'd like to read this thread in relatively more detail, find it here:

<https://t.co/fjEbnG1Tqm>