Twitter Thread by Aditya Trivedi

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This is the most important concept which made me great money in 2022.

This is the skill which is GUARANTEED to make you a better trader



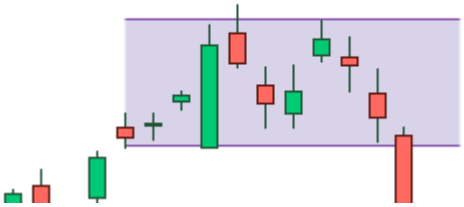
Banknifty moves in 2 phases.

1: Consolidation
2: Trends

An understanding of both of these phases will take your trading to the next level.

Let's start with consolidation phase

It looks like this when Banknifty is stuck inside a range.



This is phase when you shouldn't be taking directional trades.

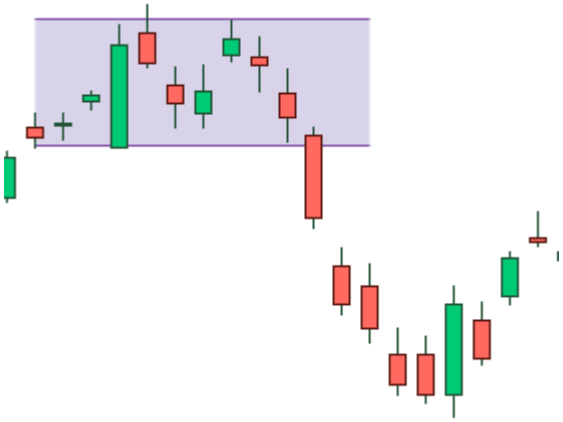
As market is mostly choppy and is good for mean reversion scalpers.

An option seller can initiate neutral strategies under such an environment.

Trending phase will look something like this

The price action is quick and furious at this time.

As you can see after a consolidation there is a strong breakdown.



This is not the time to go for neutral strategies, rather use directional strategies.

So how these learnings helps you?

It's helps you in maximizing your gains

If you know the market is trending then you can stay away from neutral strategies and only play directional and vice versa.

Knowing when to use which strategy is extremely important for becoming a successful trader.