What you will learn?

- ❖ Step-by-Step Guide to Start Intraday Trading
- ❖ Why Risk Management Matters in Intraday Trading
- ❖ 4 Effective Intraday Trading Strategies

Step-by-Step Guide to Start Intraday Trading

Step 1: Understand What Intraday Trading Is

- **Intraday trading** = Buying and selling financial instruments **within the same trading day**.
- Goal: **Make profits from small price movements**.
- You must **exit all positions before the market closes** (e.g., before 3:30 PM in India).

Step 2: Open a Trading & Demat Account

You need two accounts:

- **Demat Account:** Stores shares in electronic form.
- **Trading Account:** Lets you buy and sell shares.

Choose a trusted broker like:

- Zerodha (popular in India)
- Upstox
- Angel One
- ICICI Direct, HDFC Securities (banks)

Make sure your account has **intraday/margin trading enabled**.

Step 3: Learn the Basics of Market & Charts

Before real trading, learn:

- **Market timings** (9:15 AM to 3:30 PM in India)
- **Order types**: Market, Limit, Stop Loss
- **Charts**: Candlesticks, support/resistance, trend lines
- **Indicators**: Moving averages, RSI, MACD, VWAP

Use free resources like:

- Zerodha Varsity
- YouTube (search "intraday trading for beginners")

□ Step 4: Practice on a Simulator (Optional but Recommended)

Try **paper trading** (virtual trading with no real money) on platforms like:

- **TradingView**
- **Upstox Pro demo**
- **Moneybhai by Moneycontrol**

This helps you practice **without risking capital**.

□ Step 5: Choose or Learn a Simple Trading Strategy

Start with **1 strategy** and master it. Example:

Moving Average Crossover Strategy:

- Buy when 5 EMA crosses above 20 EMA
- Sell when it crosses below
- Use stop loss and target based on chart patterns

Don't jump between strategies — stay consistent.

□ Step 6: Set Your Capital & Risk Management Rules

- Start with **small capital** (₹5,000 to ₹20,000)
- Risk only **1–2% per trade**
- Use a **risk management calculator** (Excel or Google Sheets)
- Set a **daily loss limit** (e.g., ₹1,000/day max loss)

□ **Protect capital first, profit later**.

□ Step 7: Use the Right Trading Tools

Install and use:

- **Broker app/web platform** (like Zerodha Kite, Upstox Pro)
- **Charting tool** (e.g., TradingView)

- **News app** (e.g., Moneycontrol, Investing.com)
- **Excel sheet for trade tracking**

□ Step 8: Start Small & Track Your Trades

Start with:

- Small quantity trades
- Intraday in **liquid stocks** (e.g., Reliance, Infosys, HDFC)
- Avoid penny or volatile stocks

□ Track:

- Entry price, exit price, reason, result, lesson

Use this data to improve your skills over time.

□ Step 9: Master Emotions & Discipline

- Don’t revenge trade or chase losses
- Stick to your plan
- Accept losses as part of the game

□ Tip: **“You’re a risk manager, not a gambler.”**

□ Step 10: Review Weekly & Keep Learning

Every weekend:

- Review trades
- Identify patterns in mistakes
- Refine your strategy

□ Keep learning from:

- Books: *"Trade Like a Stock Market Wizard"* by Mark Minervini
- YouTube & Zerodha Varsity
- Real traders' experiences

🔲 Why Risk Management Matters in Intraday Trading

- Intraday trading involves **high speed, high frequency**, and **high leverage**.
- A few bad trades can wipe out your capital **without proper control**.
- The goal is **not to win every trade**, but to **protect capital** and **maximize favorable odds**.

🔲 1. Position Sizing: Don't Bet the Farm

Rule: Never risk more than **1–2% of your total capital** on a single trade.

🔲 Example:

If your trading capital is ₹1,00,000:

- Max loss per trade should be **₹1,000 to ₹2,000**.
- This forces you to **calculate your stop loss and trade size** properly.

🔲 2. Always Use a Stop Loss

Never enter a trade without a stop loss — it's like driving without brakes.

🔲 Example:

If you buy a stock at ₹100:

- Set a stop loss at ₹97 (maximum ₹3 loss).
- If the stock falls, your loss is limited.

🔲 3. Set a Target & Risk-Reward Ratio

Aim for at least **1:2 risk-reward**. That means for every ₹1 you risk, you should aim to make ₹2.

🔲 Example:

- Entry: ₹100

- Stop Loss: ₹98 (risk = ₹2)
- Target: ₹104 (reward = ₹4)
- **Risk-Reward = 1:2**

Even with 40% win rate, you can be profitable if your reward is twice the risk.

□ 4. Avoid Overtrading

Too many trades = more mistakes + more brokerage + more risk.

□ Tip:

- Stick to **2–3 quality trades** per day.
- Take breaks between trades — don't trade out of boredom or revenge.

□ 5. Time-Based Risk Control

Avoid trading:

- **In the first 15–30 minutes** after market opens — too volatile.
- **Before major news events** — unpredictable reactions.

□ 6. Set a Daily Loss Limit

Decide the maximum amount you're willing to lose in a day — and **stop trading if you hit it**.

□ Example:

- Capital: ₹1,00,000
- Daily loss limit: ₹2,000
- Once lost ₹2,000 — **walk away for the day**.

□ 7. Control Emotions

Greed and fear are the biggest enemies in intraday trading.

Practice:

- Discipline: Stick to your trading plan.
- Patience: Wait for the right setup.
- Confidence: Trust your strategy, not your emotions.

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8. Keep a Trading Journal

Track every trade:

- Entry, exit, reason, outcome, emotions.
- Review weekly to **learn from mistakes and improve**.

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9. Don’t Trade on Tips or News

Most tips are outdated or biased. Intraday trading based on news is **very risky** due to fast price swings.

Use your own **technical strategy** and wait for confirmation signals.

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10. Start Small and Scale Up

Begin with small quantities. Once your strategy is proven over time, **scale slowly and carefully**.

4 EFFECTIVE INTRADAY TRADING STRATEGIES

WITH SIMPLE **REAL-WORLD EXAMPLES**

THOSE BEGINNERS CAN START WITH. EACH STRATEGY INCLUDES THE CONCEPT,

HOW IT WORKS AND WHAT TO LOOK FOR.

1. Moving Average Crossover Strategy

Concept:

Buy when short-term average crosses above long-term average. Sell when it crosses below.

Tools:

- 5 EMA (fast)
- 20 EMA (slow)
- 5-min or 15-min chart

Buy Signal:

- 5 EMA crosses **above** 20 EMA
- Volume increases
- Trend is upward

Sell Signal:

- 5 EMA crosses **below** 20 EMA

Example:

- Stock: Reliance
- 5 EMA crosses 20 EMA on 5-min chart at ₹2400
- Stop loss: ₹2390 (below recent low)
- Target: ₹2420

Entry: ₹2400
Stop Loss: ₹2390
Target: ₹2420
Risk-Reward Ratio: 1:2

□ 2. Breakout Strategy (Price + Volume)

□ Concept:

Trade when price **breaks above resistance** or **below support** with strong volume.

□ Tools:

- Support and resistance zones
- Volume bars
- Candlestick patterns

□ Buy Signal:

- Price breaks **above resistance**
- Volume is higher than average
- Candlestick closes strong (like bullish engulfing)

□ Sell Signal:

- Price breaks **below support**

□ Example:

- Stock: HDFC Bank
- Resistance: ₹1600
- Breakout candle closes at ₹1610 with high volume
- Target: ₹1640
- Stop loss: ₹1590 (below breakout)

□ **Entry**: ₹1610
□ **Stop Loss**: ₹1590
□ **Target**: ₹1640

□ 3. VWAP Strategy (For Liquid Stocks)

□ Concept:

VWAP = Volume Weighted Average Price
Used by institutions. Price **above VWAP** = uptrend, **below VWAP** = downtrend.

□ Tools:

- VWAP indicator
- 5-min chart

□ BuySignal:

- Price crosses above VWAP and holds
- Entry on pullback near VWAP

□ Sell Signal:

- Price crosses below VWAP and holds

□ Example:

- Stock: Infosys
- VWAP = ₹1280
- Price crosses above VWAP and retests at ₹1282
- Target: ₹1300
- Stop loss: ₹1275

□ **Entry**: ₹1282
□ **Stop Loss**: ₹1275
□ **Target**: ₹1300

□ 4. Reversal Strategy (RSI or Candlestick Pattern)

□ Concept:

Buy near support or oversold levels. Sell near resistance or overbought zones.

□ Tools:

- RSI indicator (14 period)

- Support/resistance
- Candlestick signals (hammer, doji, engulfing)

 Buy Signal:

- RSI < 30 (oversold)
- Price at support zone
- Reversal candle (e.g., hammer or bullish engulfing)

 Sell Signal:

- RSI > 70 (overbought) + resistance + bearish candle

 Example:

- Stock: TCS
- RSI = 28
- Price bounces off support at ₹3300
- Bullish hammer appears
- Target: ₹3350
- Stop loss: ₹3285

 Entry: ₹3305
 Stop Loss: ₹3285
 Target: ₹3350

Bonus Tips for All Strategies

- Use **5-min or 15-min charts** for intraday.
- Avoid first 15 minutes of trading (too volatile).
- Trade **high volume, liquid stocks** (e.g., Reliance, HDFC, Infosys).
- Use **bracket orders or cover orders** to set automatic stop loss and target.
