

Right way of using RSI INDICATOR:-

What you Will Learn?

- ❖ What is RSI
- ❖ RSI OVERSOLD & OVERBOUGHT
- ❖ RSI RANGE SHIFT
- ❖ RSI RANGE SHIFT CASESTUDIES

The relative strength index (RSI) is a technical trading system used by traders and investors to analyse price movements of a stock or asset. This indicator measures the strength of an asset's price movement by comparing the average gains to the average losses over a certain period of time, typically 14 days.

The RSI is plotted on a price chart and ranges from 0 to 100.

When the RSI is above 70, the asset is considered overbought,

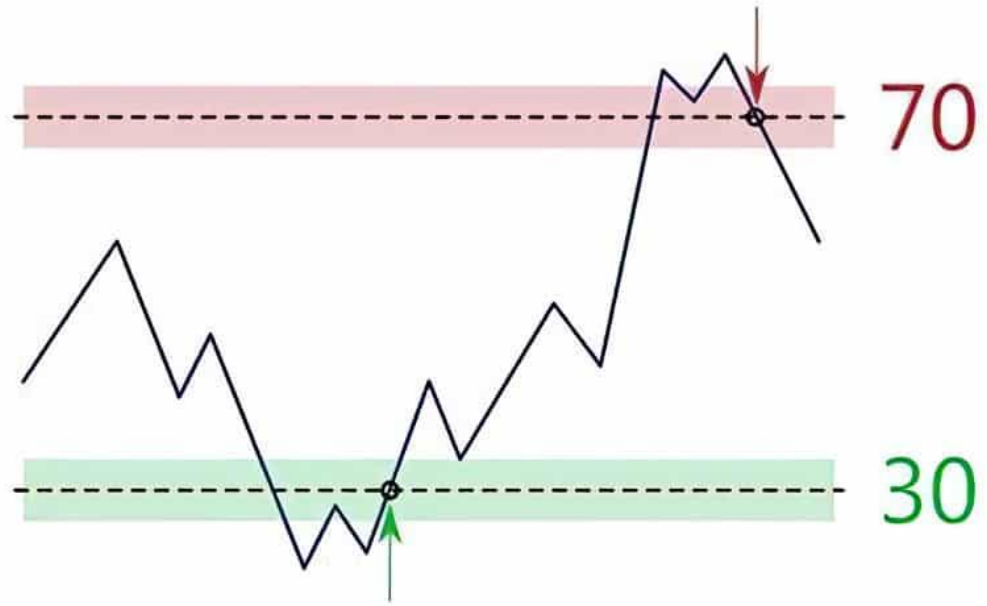
and when it's below 30, it's considered oversold.

Traders use these levels as potential signals to buy or sell the asset.

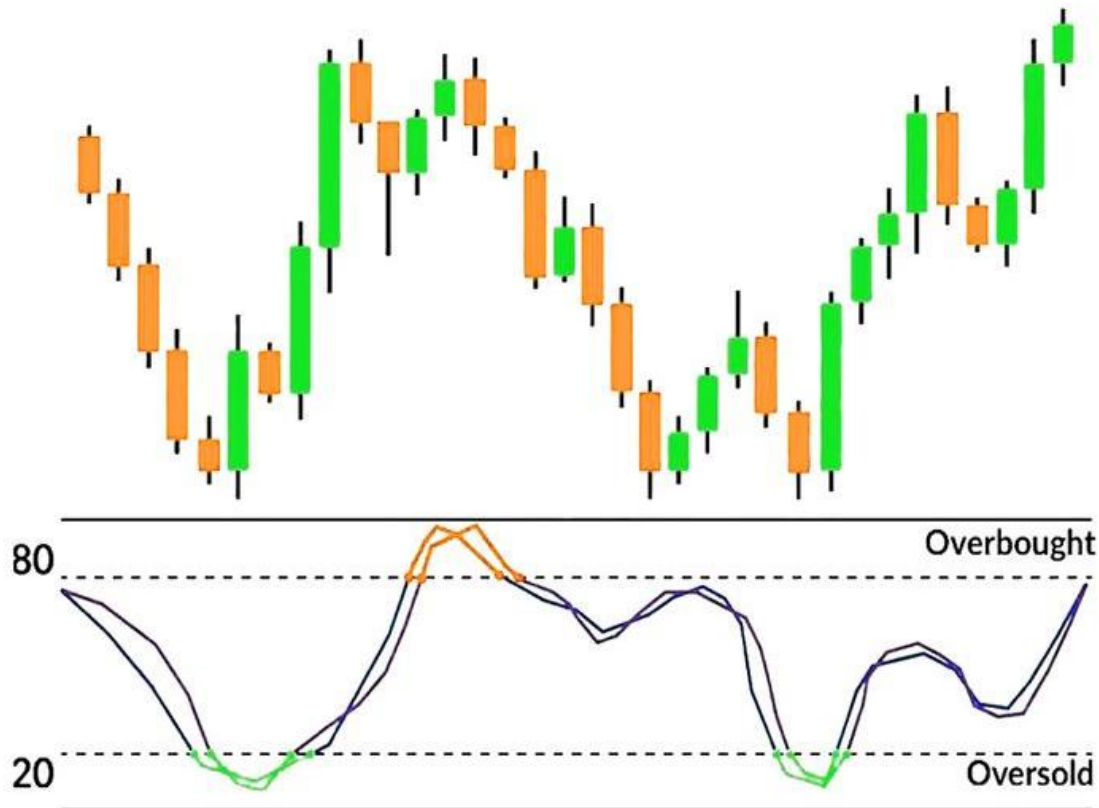
Sell Signal :- When the price of the currency goes above 70 and reverses, it is a sell signal.

Buy Signal:-

When the price goes below 30 and reverses, it is a buy signal.



Another Case studies on RSI overbought and oversold situation:-



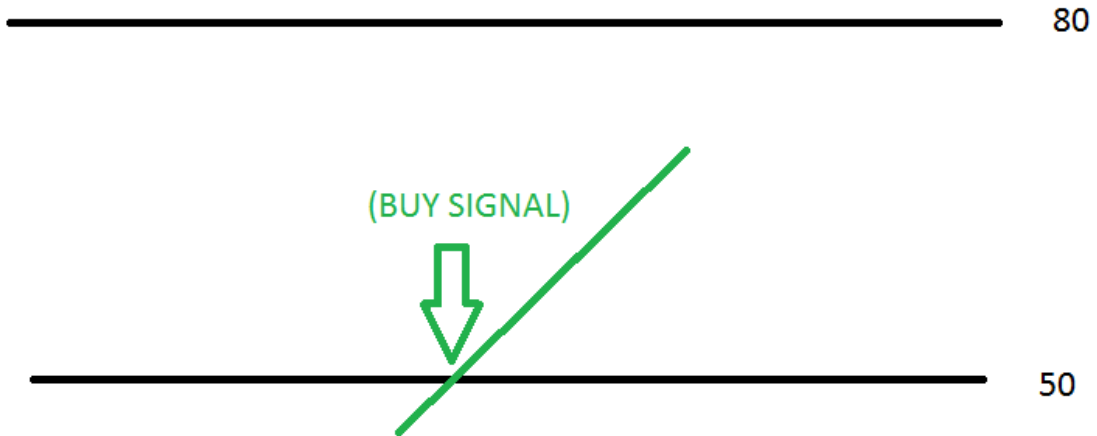
Above case studies :-

Sell Signal :- When the price of the currency goes above 80 and reverses, it is a sell signal.

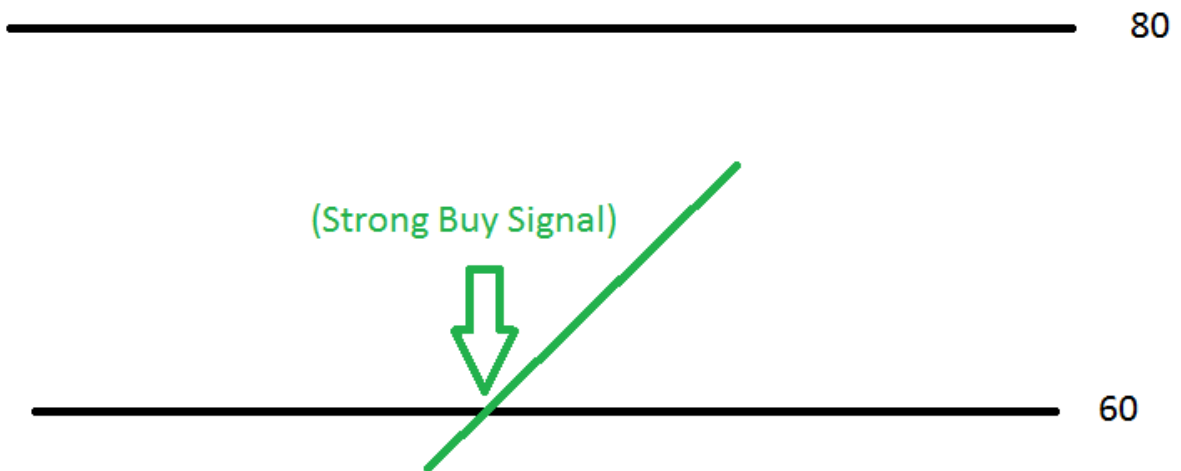
Buy Signal :- When the price goes below 20 and reverses, it is a buy signal.

RSI Range Shift for Practice :-

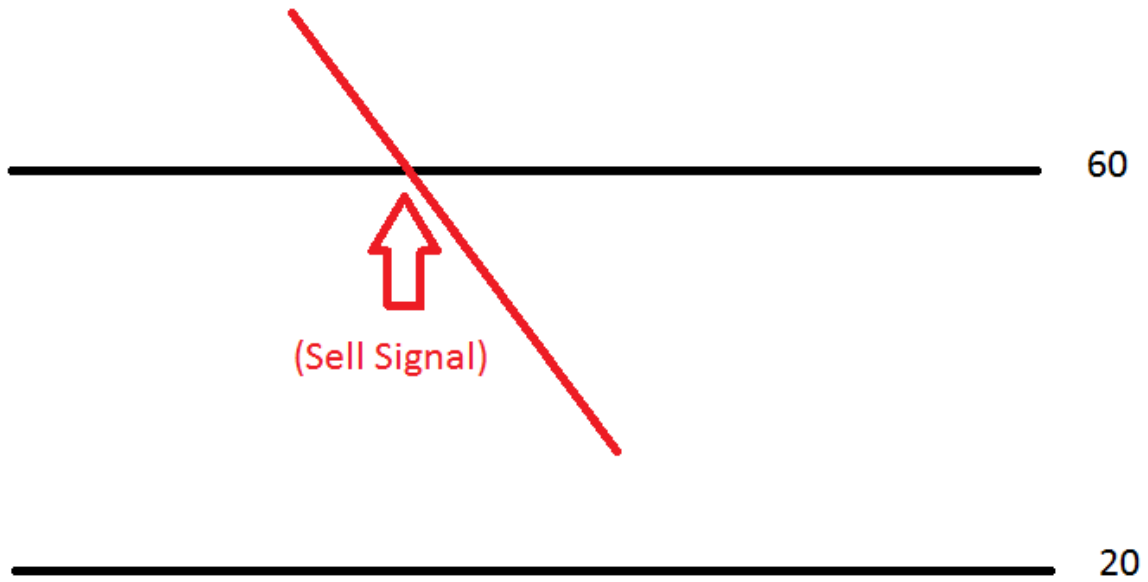
Uptrend Range shift :- 50 to 80



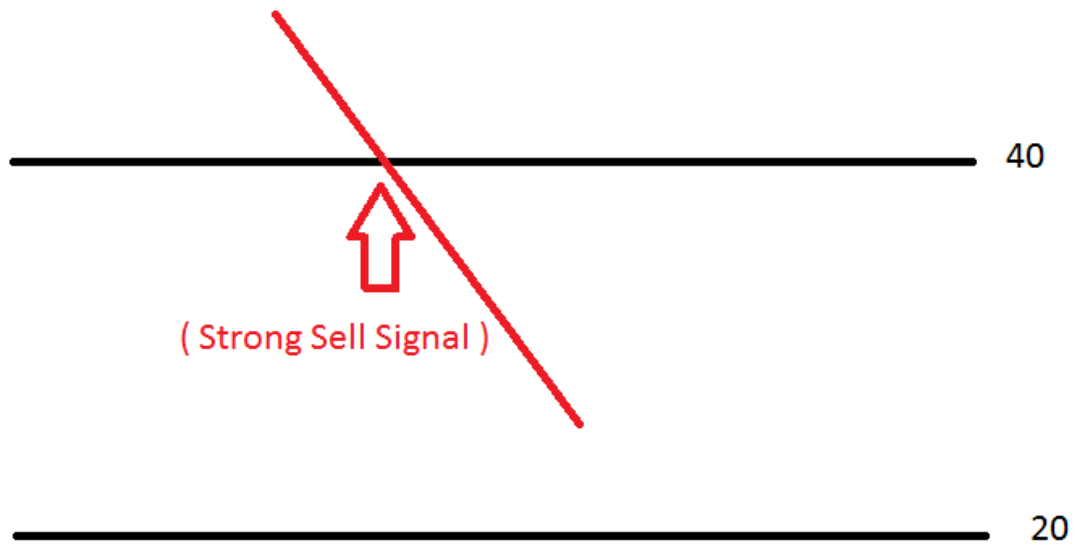
Strong Uptrend Range shift :- 60 to 80



Downtrend Range shift :- 60 to 20

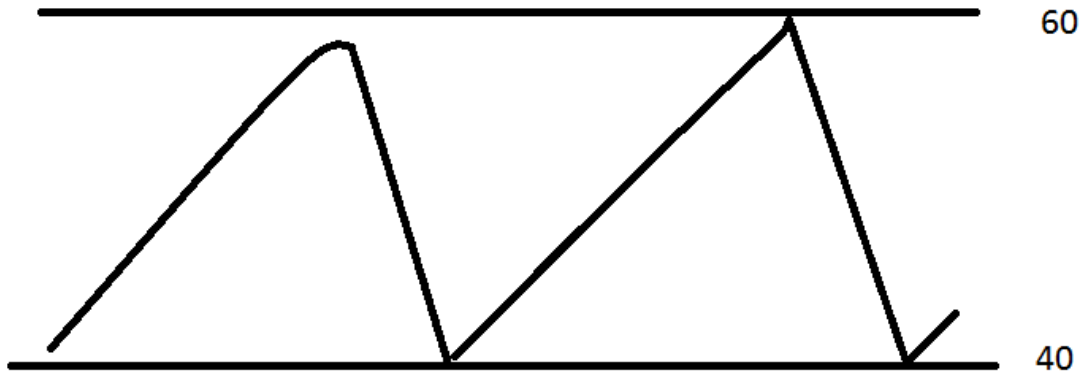


Strong Downtrend Range Shift :- 40 to 20



Sideways Range :- 40 to 60

When the RSI is in between 40-60, the Price will be in the Sideways zone.



RSI Overbought and Oversold casestudies :-

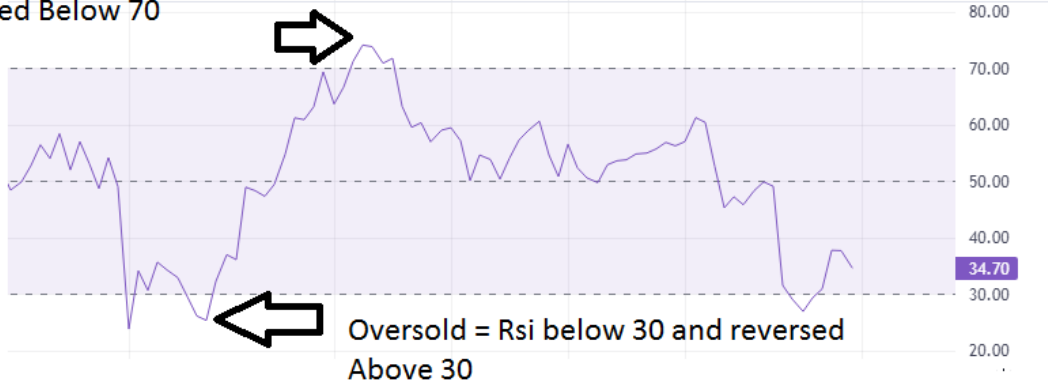
Swing Trading Case study in 1 hour time frame in sbi bank



Nifty Chart Analysis:-



OverBought = Rsi touched 75 Level
and Reversed Below 70

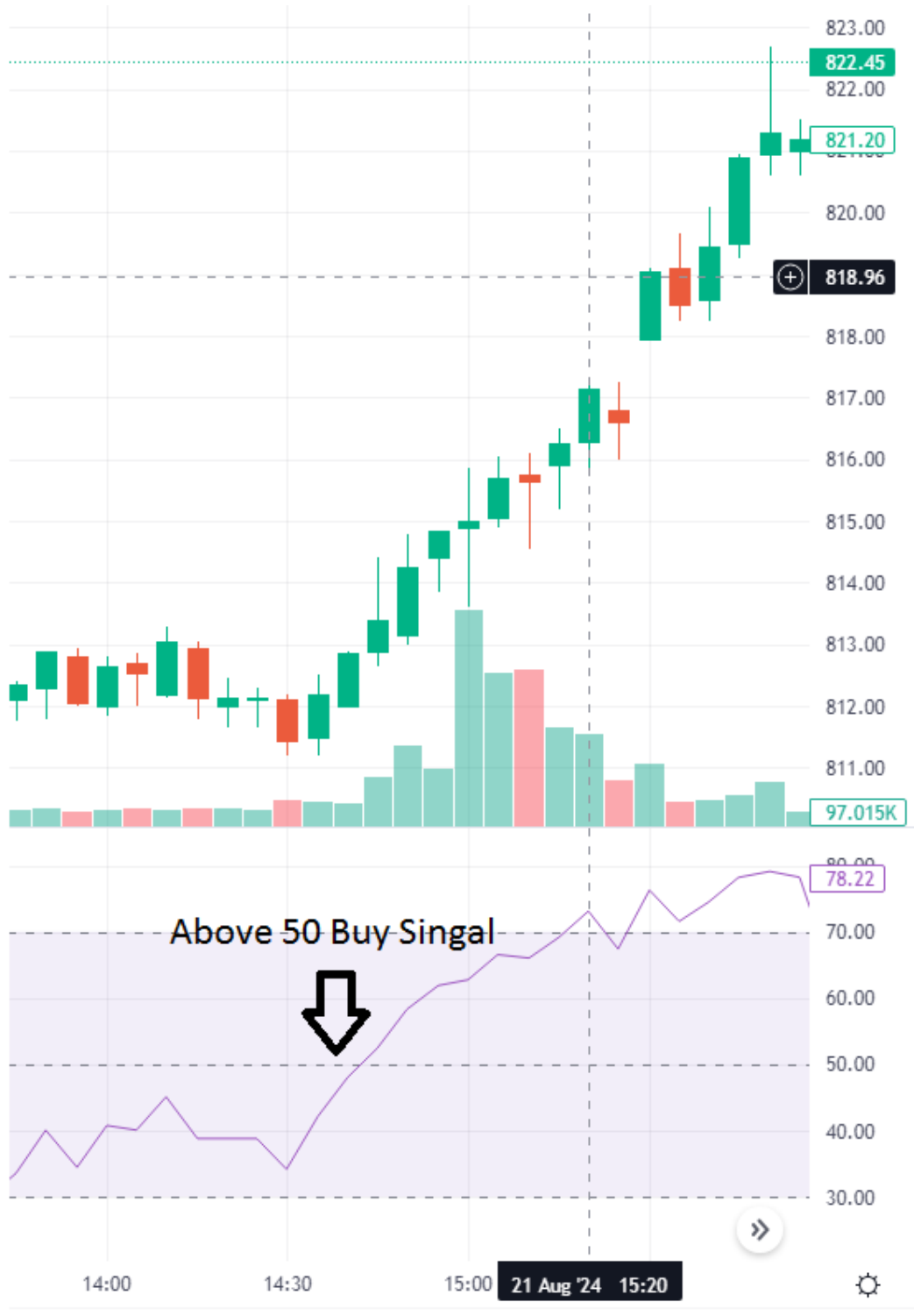


Oversold = Rsi below 30 and reversed
Above 30

Oversold situation good for Nifty Call option Buying

RSI Range Shift Case studies :-

Above 50 Case Study for Buy Signal (Uptrend):-



RSI above 60 Strong Buy Signal:-



RSI sell signal Going below 60 case Study:-



RSI Going down below 40 Strong sell Signal :-



