

Purchasing and selling securities listed in a stock exchange on the same day is known as **intraday trading**.

Note:- Use time frame of 5 minute and 15 minute.

## How to Do Intraday Trading

It is essential to identify the best intraday stocks while undertaking such investments, as it has relatively higher risks.

- **Choose Highly Liquid Stocks**

Liquidity is a prime feature of intraday stocks, as without this feature, such trade would not be possible. **Equity shares** of small and mid-cap companies can be easily bought and sold, as well as experience tremendous volatility due to market fluctuations.

The cyclical variations should be carefully observed by analysing 52-week high and low values, as it gives a precise idea about whether an individual should assume long or short positions while investing.

- **Volatility**

Best intraday stocks tend to possess medium to high volatility in price fluctuations. Generally, market value fluctuations more than 3% should be avoided while performing intraday trading, as the possibility of incurring a loss is huge in case of an adverse downturn in the **stock market** in an economy.

- **Higher Trade Volume**

Intraday investors can track the trade volume index of a particular security to identify price fluctuations. A higher trade volume index reflects either excessive demand or supply, depending upon an underlying company's performance. Capital appreciation gains can be earned through both purchase and sale transactions in such cases.

## Risk Management:-

1) Start with Small amount for example if you have 1 lakh capital then divide into 5 trades

- ❖ First trade of 20,000rs
- ❖ Second trade of 20,000rs
- ❖ Third trade of 20,000rs
- ❖ Fourth trade of 20,000rs
- ❖ Fifth trade of 20,000rs.

Note:- do not use all your capital in one trade.

2) Use Stop Loss and Set target prices for entry and exit

Note:- Always calculate your maximum loss and maximum profit before trading.

	A	B	C	D	E	F	G
1	stocks	entry	stop loss	target	quantity	max loss	max profit
2	ntpc	407.15	405.5	415.05	40	66	316
3	cesc	173.5	171.5	177.5	20	40	80
4							
5							

## 3) Always go with the Trend :-

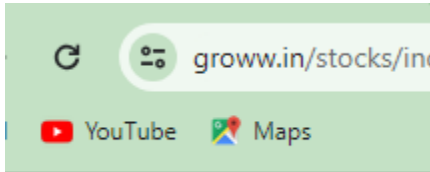
Choose stocks which is in uptrend for long position and for short selling choose stock which is in downtrend.

4) Use Technical Analysis with Technical indicators:-

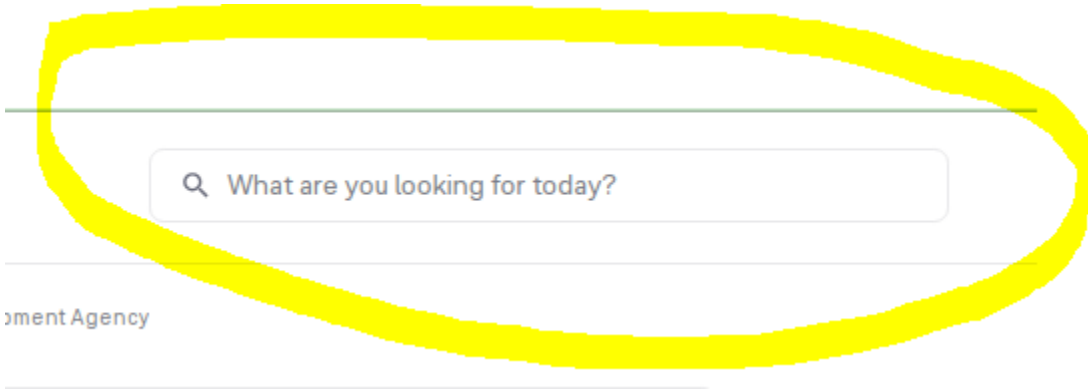
- ❖ RSI ,
- ❖ moving Average ,
- ❖ Bollinger Bands
- ❖ and candlestick chart analysis.

❖  
❖  
❖ **Intraday Trading Practice with rsi indicators & Bollinger Bands in 5 minute or 15 minute time frame :-**

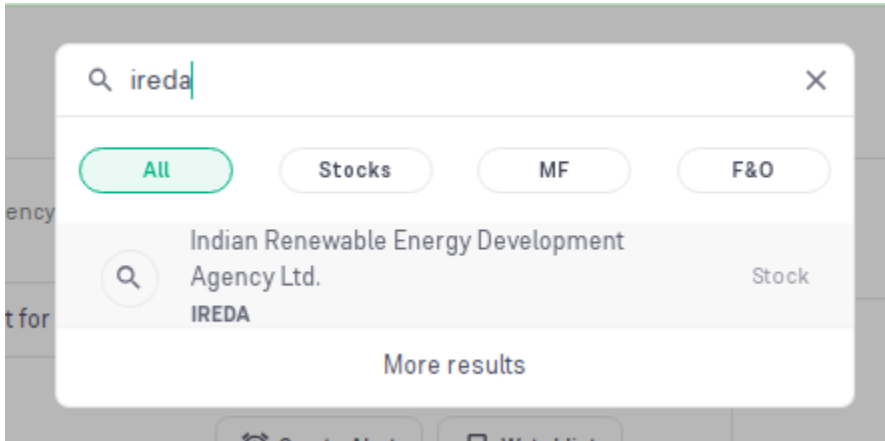
❖  
❖ Step 1:-



❖  
❖ Step 2:- search stock name for example : ireda



❖  
❖  
❖ After Searching you will see



❖  
❖  
❖  
❖  
❖  
❖ Step 3:-  
❖ After it you will see here click on Terminal to see chart



Create Alert

Watchlist

## Indian Ren. Energy

₹173.15 +10.05 (6.16%) 1D



Time frame selection buttons: NSE, 1D, 1W, 1M, 1Y, 3Y, 5Y, All, Indicators, and Terminal (highlighted in yellow).

❖

❖ Step 4:-

❖ Here you select Time frame 5m ( 5 minute) and click on indicators as shown below

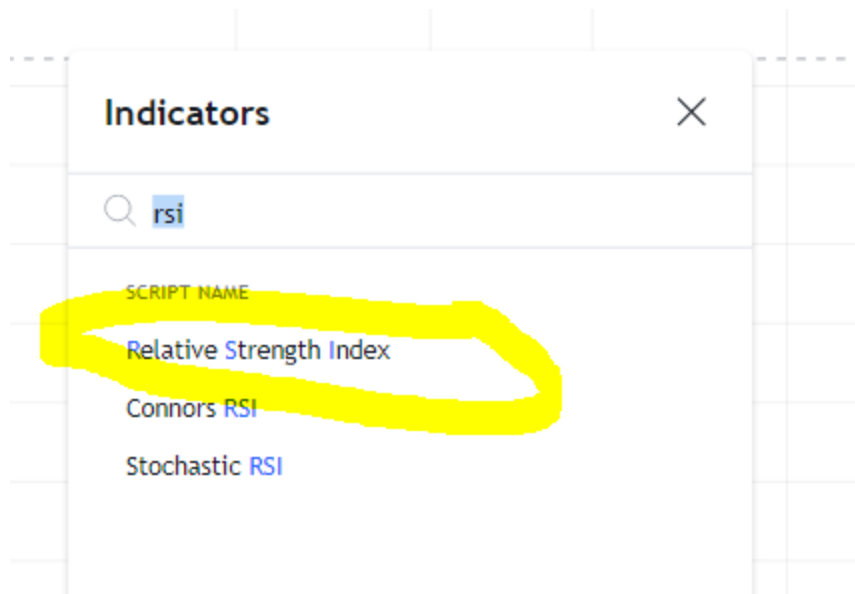
Groww Terminal interface showing the stock 'INDIAN REN. ENERGY' with a time frame of '5m' and the 'Indicators' menu open. The '5m' and 'Indicators' buttons are highlighted in yellow.

Indian Ren. Energy - 5 - NSE	O173.80	H174.70	L173.50	C174.50	+0.75 (+0.43)
Volume SMA 9	1.409M				

❖

❖ Step 5:-

❖ After click on indicators search rsi and click on relative strength index as shown below



- ❖ Step 6:- After it you will see rsi will be added as shown below

INDIAN REN. ENERGY (+)

5m



Indian Ren. Energy · 5 · NSE

O173.80 H174.70 L173.50 C174.50 +0.75 (+0.43%)

Volume SMA 9 1.409M



175.00

174.50

174.00

173.50

173.00

172.50

172.00

171.50

171.00

170.50

170.00

169.50

80.00

70.00

60.00

50.00

40.00

30.00

RSI 14 SMA 14 78.15

1.409M

Watchlist

Positions

Orders

Depth

Holdings

B

S



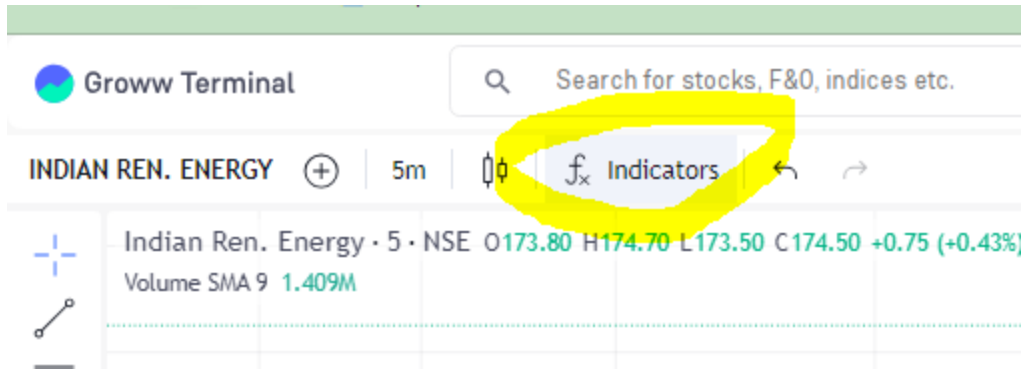
Note :-

RSI RANGE FOR PRACTICE:-

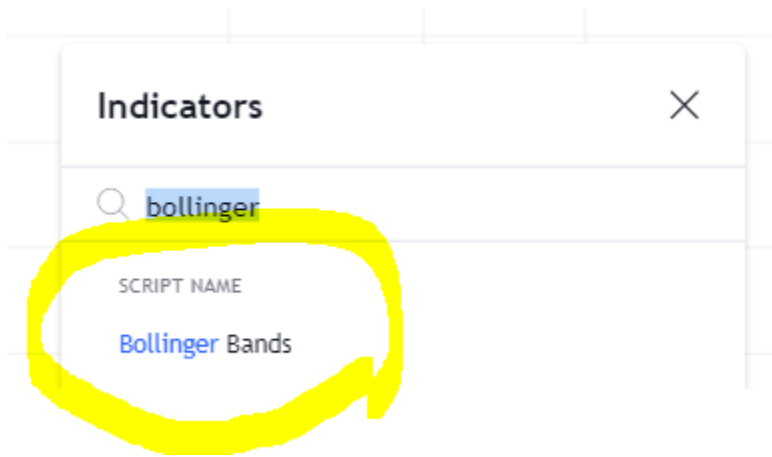
- ❖ **Buy entry:** - When rsi above 60 and in range of 60 to 80.
- ❖ For example given below rsi value is 78.15 which is above 60 and in range of 60 to 80.
- ❖ As shown below.



- ❖ And now same way add one more indicator
- ❖ Bollinger bands from indicators option



- ❖ As shown below search Bollinger & Click on Bollinger Bands.



- ❖ After it you will see Bollinger bands two bands:-
- ❖ Upper band
- ❖ And lower band

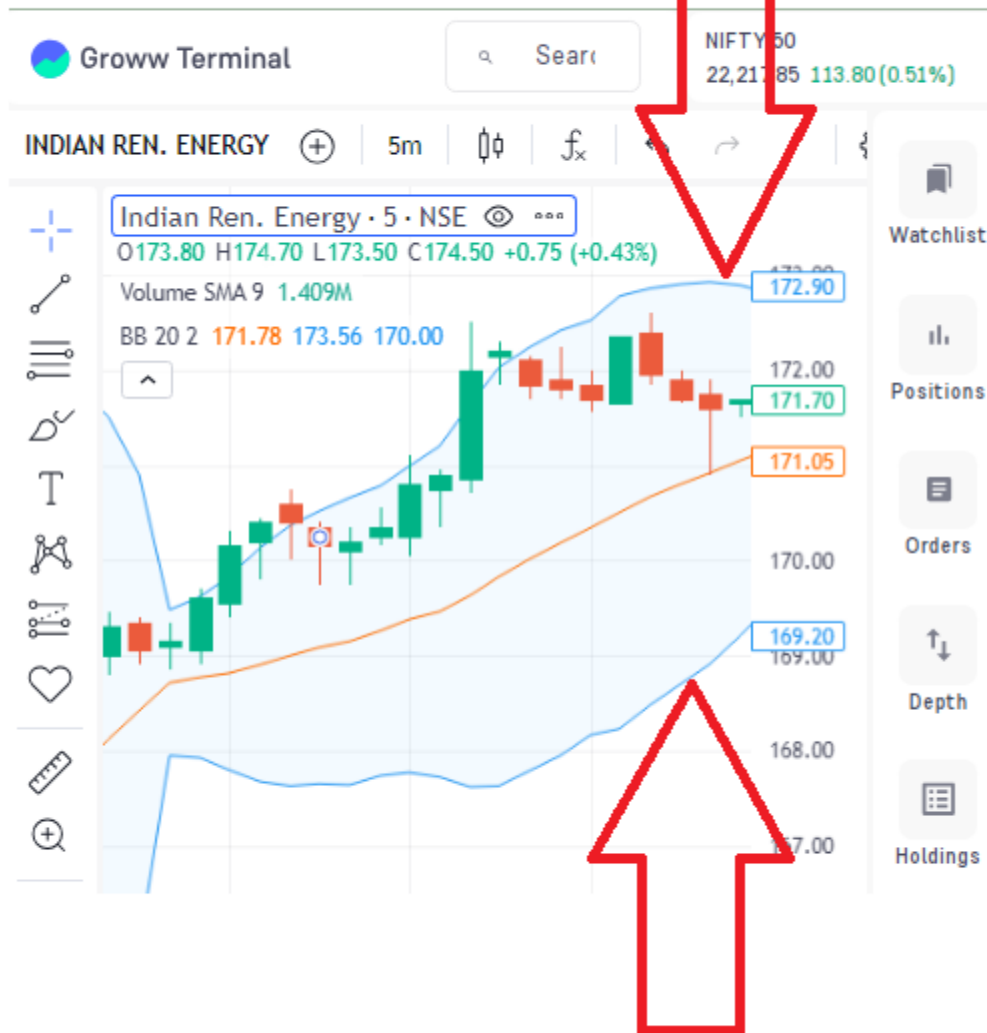
- ❖ Upper band price will give you idea How much can the price increase to decide your target

price?

- ❖ Lower band will give you idea How much can the price fall

- ❖
- ❖
- ❖
- ❖
- ❖

## Upper Band Price



## Lower Band Price

- ❖ For example you if you are taking entry at 171.70 then you can keep your target 172.90 as shown above in upper band price.

Note : Always keep stop loss of 0.57% .