

Swing Trading

What you will Learn?

- + Stock Market Trading rules for Beginners
- + What is Swing Trading?
- + How does Swing Trading work?
- + Swing Trading Strategies :-
 - ❖ **21 EMA WITH RSI Strategy**
 - ❖ **RSI And MACD Strategy**
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Stock Market Trading rules for Beginners:-

1) Invest only Extra Money :-

If you have extra money and you do not have any tension even if it is lost.

2) Use Small Amount :-

Also it should be small amount which you have extra like if you have 10,000 rupees then you should use only 2500 rupees for trading.

3) Trade in Nifty 50 stocks:-

Because their fundamentals are good and trading volume is good and their liquidity is good and volatility is also good.

4) Technical Analysis for entry and exit :-

You should always decide your entry and exit by doing technical analysis like RSI range 60 to 60 to 80 gives buy signal for entry and

RSI range 40 to 20 sell signal is given

How much price can be measured, for this you can learn to use technical indicators like Bollinger Bands and pivot point.

5) Always keep stop loss :-

If your analysis is wrong and the market does not move as per your analysis then you should put stop loss and exit.

stop loss reduces your risk

What is Swing Trading?

Swing trading is a form of trading where traders hold positions in a given stock for longer than one day.

The stocks are held for a few days or even a few weeks.

This form of trading is popular in the Indian stock market. It attempts to capture gains in an asset over a few days to several weeks.

Note:- The swing trader aims to buy when the price falls and sell when the price rises.

Use time frame 15 minute, 1 hour, 4 hour, Daily Time frame and weekly time frame to Get idea about support and resistance.

What is the objective of swing trading?

Swing trading is a trading technique whose main objective is to buy or sell a stock within a short period, ideally within just one day.

A swing trader usually tries to find stocks showing some trend and enter into the trade at the beginning of the trend. In most cases, a swing trader would also try to exit the trade at an early stage.

Trend following swing trade –

buying into support or selling into resistance in the direction of the minor trend (for example, buying into support during an uptrend).

How does Swing Trading work?

A swing trader will typically look for high volume (lots of activity) and high volatility (lots of movement) stocks. Volatility is usually measured by how much the price has moved over time (usually one year).

1. Pick a stock

The first step is to find a stock that can deliver good returns in the short term. You can pick any security you want, but you must have good knowledge about the fundamentals of that security.

2. Analyse its chart

Once you have identified security, analyse its chart with various indicators like Relative Strength Index (RSI), Moving Average Convergence Divergence (MACD), Volume and Trend Lines etc., to understand how it has been performing historically. You should also read news articles about the company and industry news to understand what could affect its performance in the future.

3. Set up your entry

In Swing trading always Place a stop-loss order at 5% below your entry price and set a target price at 20% above your entry price. A stock will typically bounce off its support level and move upwards before dropping after reaching its resistance level. This movement up and down is known as swing. A swing trader takes advantage of this movement by buying at the support level and selling at the resistance level.

Swing Trading Strategies:-

1) 21 EMA WITH RSI STRATEGY:-

Buy nearby when price candle take support at 21 EMA & confirm that RSI is above 60 and taking support on 60 and making top of 70.

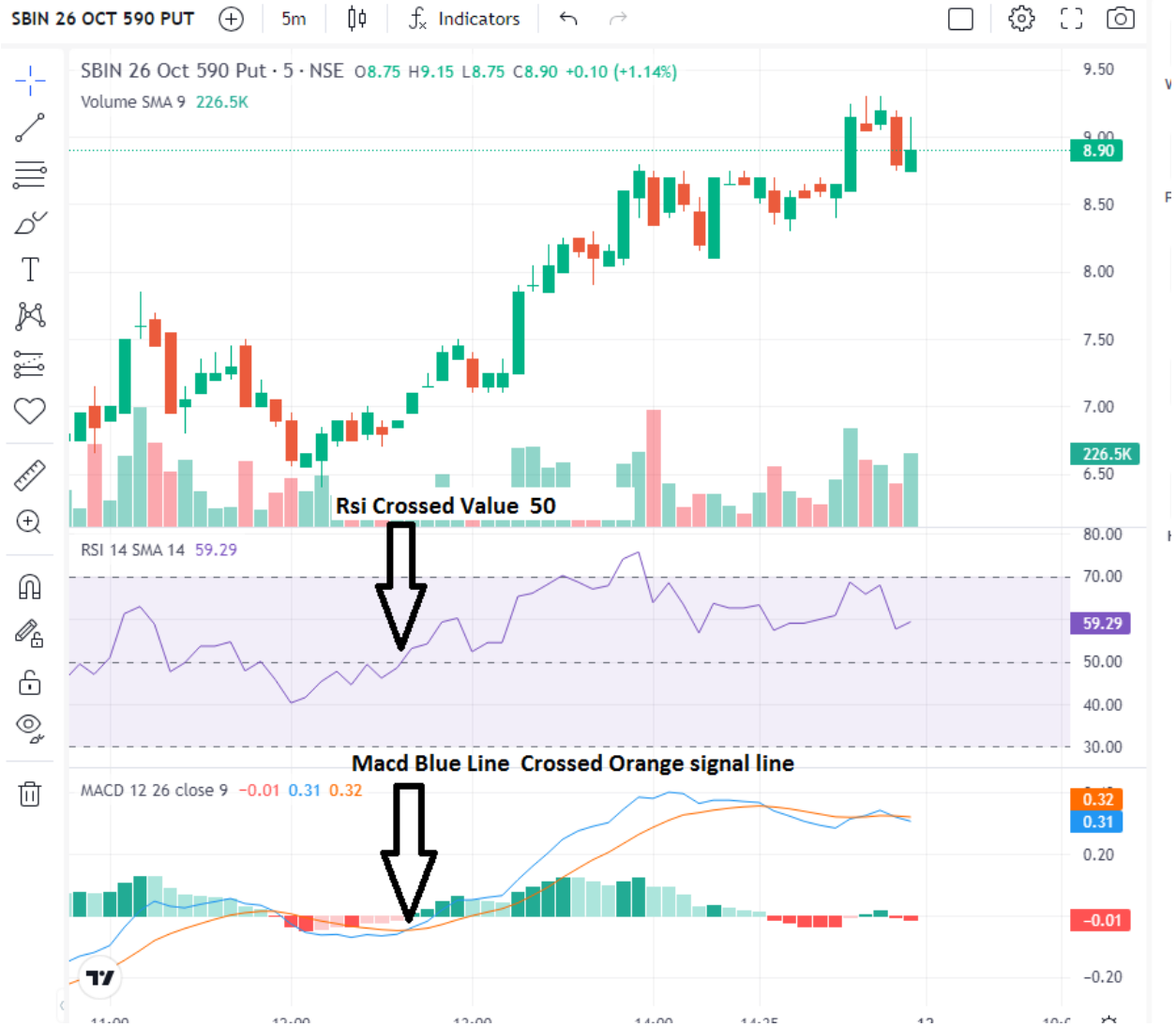
PNBK Streaming Chart



RSI taking support at 60 and making top at 70

2) RSI AND MACD STRATEGY

BUY When RSI Crossed 50 Values and MACD Crossing Signal Line from below And MACD Is Above Signal Line



3) Ema Cross Strategy:-

Buy when **3 EMA > 7 EMA** and **7 EMA > 14 EMA** and **14 EMA > 21 EMA** and confirm with RSI value should above 60 and MACD should above zero.

PNBK Streaming Chart



4) Support & Resistance Level Strategy:-

Check support and resistance price use

A) **Pivot Point** on in.investing.com in time frame of 15 minute and 1 Day time frame.

B) Use **Bollinger Bands** in Chart of 15 minute and 1 day and 1 weekly time frame.

Tip 1:- Buy stock when it is near around support price & when rsi is value is near around 25.

Tip 2:- sell when stock near around Resistance level & when rsi is around 75.

PNBK Streaming Chart



Point A - Buy Signal

5)50 EMA AND 100 EMA SUPPORT Strategy:-

50 EMA AND 100 EMA Support Strategy:-

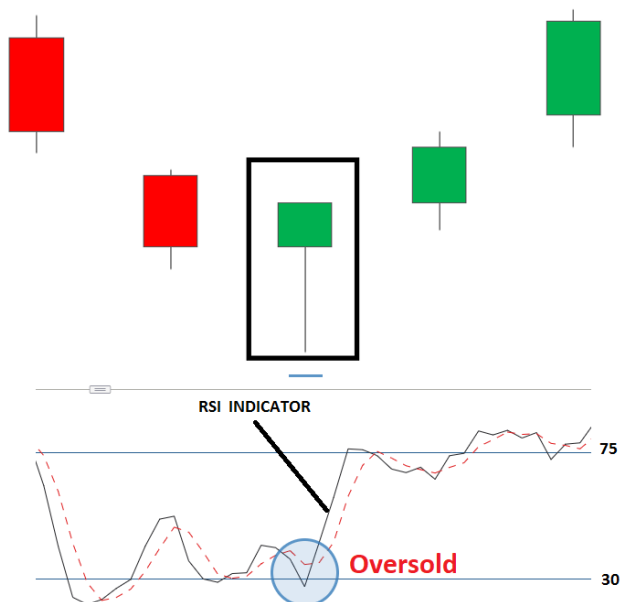


(RSI is Growing from support level of 40 and 50)

6) Hammer candle stick strategy:-

Buy after hammer candle formed in downtrend and buy at next green candle's high and keep stop loss at low of hammer candle. Use time frame of 1day & 15 minute.

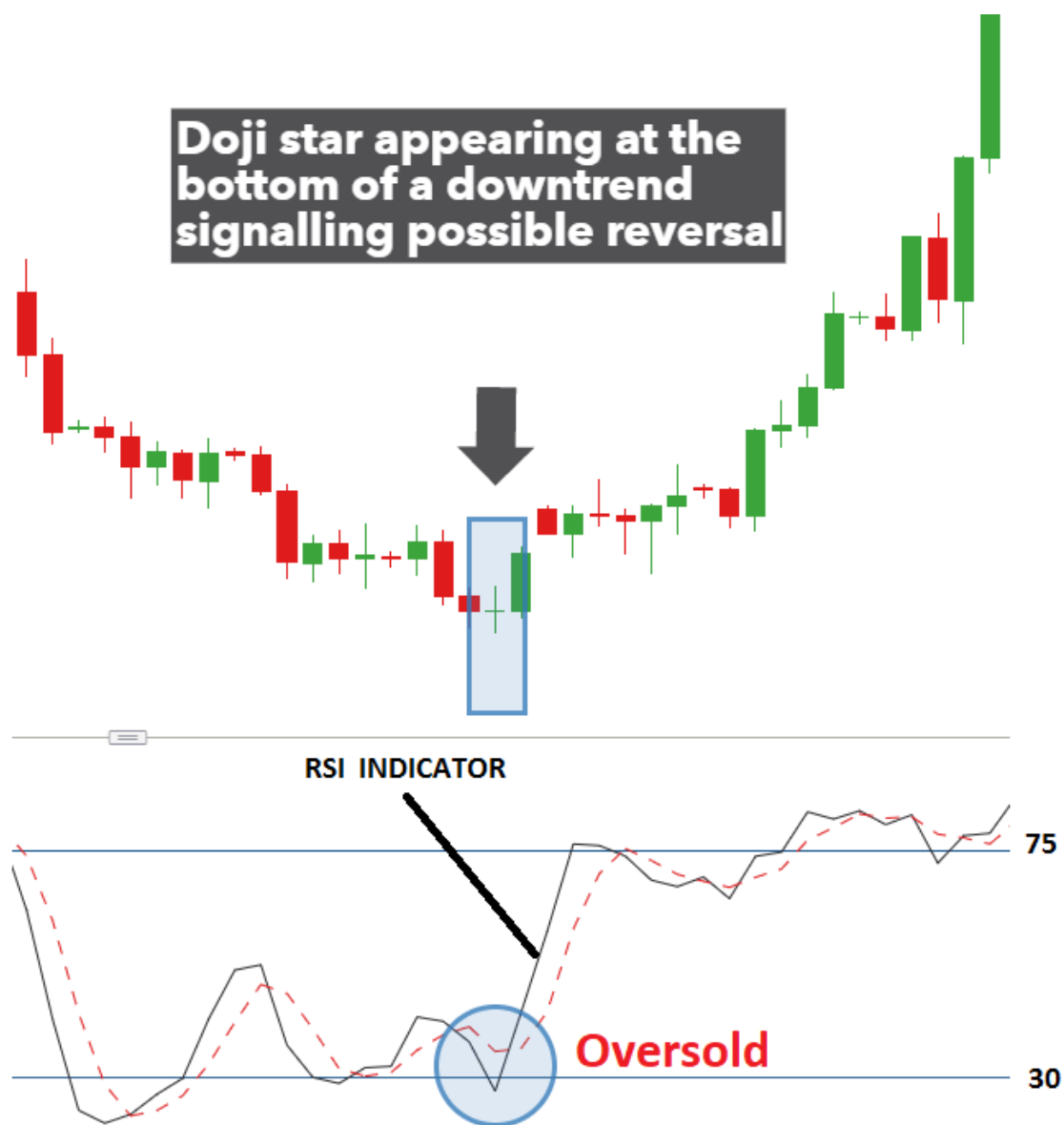
Hammer Candlestick Pattern



- Down Trend
- Lower Shadow at least twice as big as real body
- Long Lower Shadow
- Real body can be bullish or bearish, better if bullish

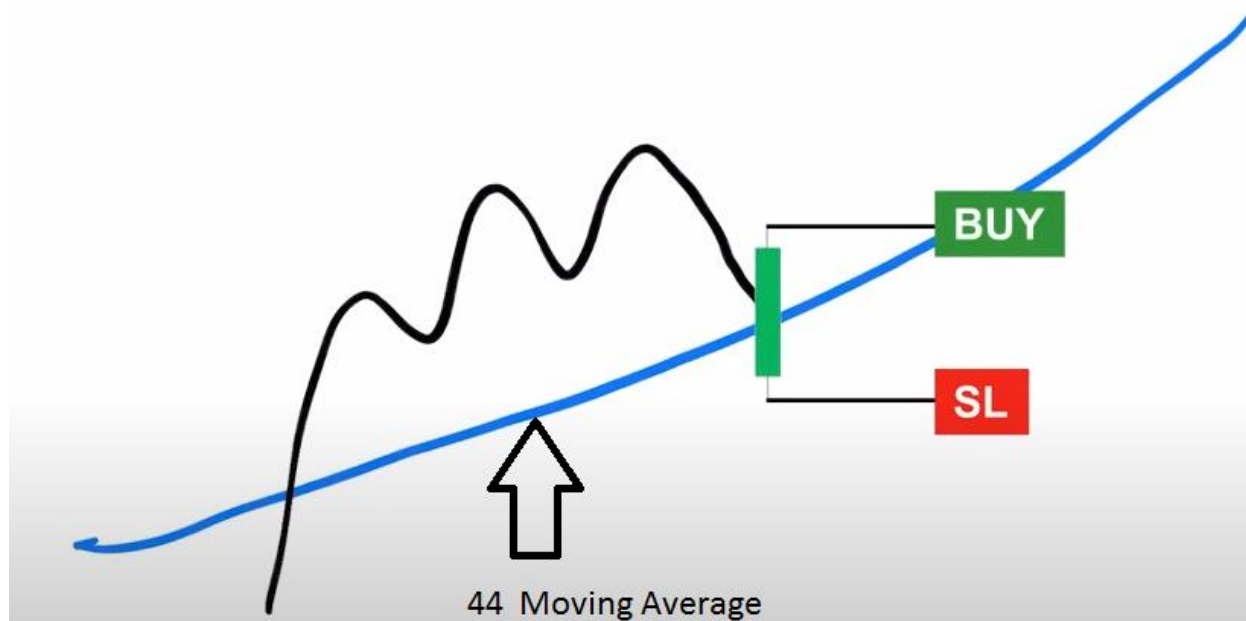
7) Same in Doji Star candle Strategy :-

Buy after Doji star candle formed in downtrend and buy at next green candle's high and keep stop loss at low of Doji star candle. Use time frame of 1day & 15 minute.



8) 44 Moving Average Support Strategy :-

Buy Entry: - Buy when 44 Moving average is rising and price candle takes support at 44 Ma as shown below Buy above High and keep stop loss at low you Candle which have taken support



9) Use RSI Oversold and Overbought Strategy:-

Oversold(Buy Entry): - Buy when Rsi below crosses below 30 and again reverses above 30.

Overbought: - Book your profit when rsi crossed above 70 level and reverses below from 70 level .

See below in Diagram

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



10) Bollinger Bands Strategy with w pattern:-

Buy when price candles break lower band and after it make w pattern

First bottom outside lower band

Second Bottom inside lower band

Buy Entry: - As shown below in diagram we will make buy entry at second bottom green candle and stop loss at low of that green candle.

