

What Is Swing Trading?

Swing trading is about making money by buying and selling stocks relatively quickly, usually within a few weeks or months.

Swing trading is a type of trading in which positions are held for a few days or weeks in order to capture short- to medium-term profits in financial securities.

Instead of focusing on long-term growth, it's about finding short-term trends that can bring fast profits.

Swing traders use technical analysis to make trading decisions.

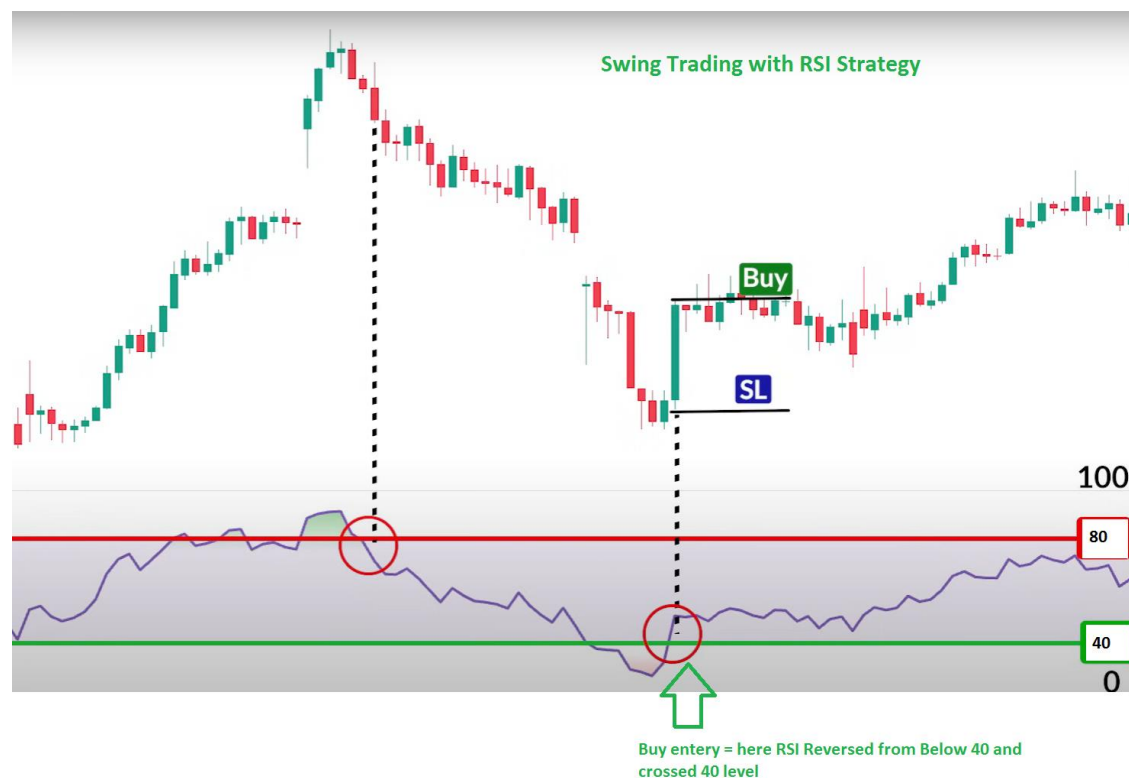
For example: - Technical Indicators Like Moving average, Bollinger Bands, RSI.

Most fundamentalists are swing traders since changes in corporate fundamentals generally require a short amount of time to cause sufficient price movement to render a reasonable profit.

In Swing Trading use time frame of 1 hour, 1 day & 1 week to identify support and resistance level in chart.

Strategy 1:

Buy Entry: - RSI below 40 and reversed from below 40 level and crossed 40 level and going up direction



Strategy 2:-

Buy Entry: - RSI below 30 and reversed from below 30 level and crossed 30 level and going up direction.

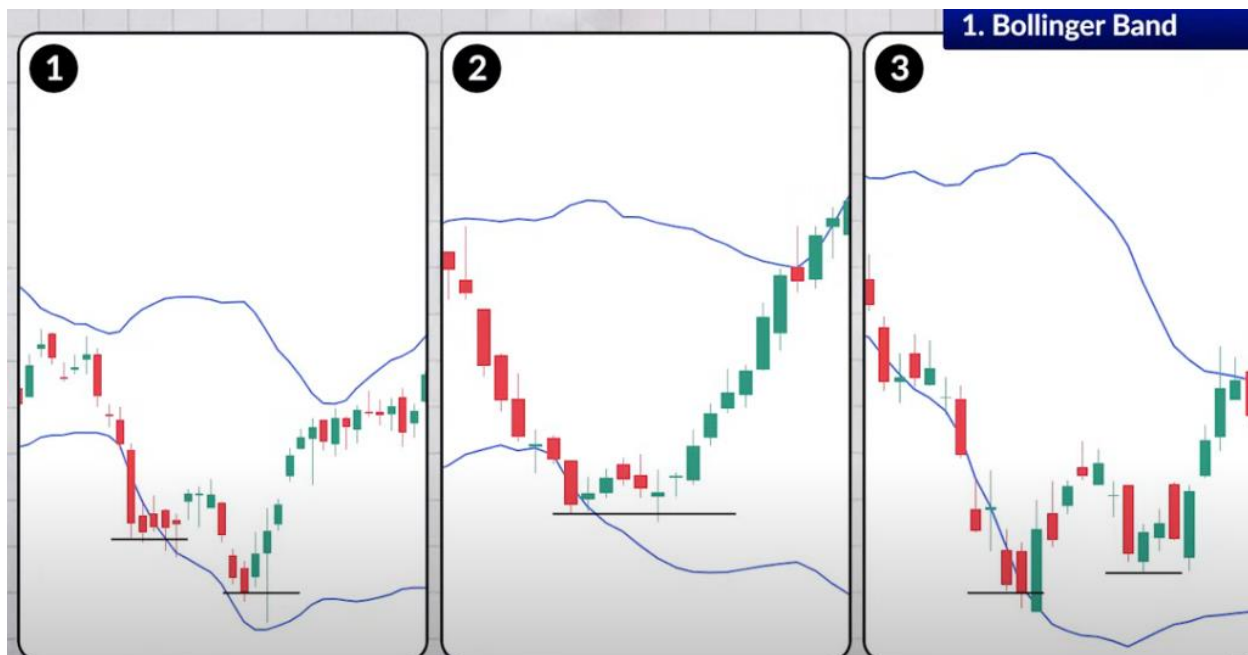
Swing Trading with RSI Strategy



Buy entry = here RSI Reversed from Below 30 and crossed 30 level

Swing Trading Strategies for paper trading Practice :-

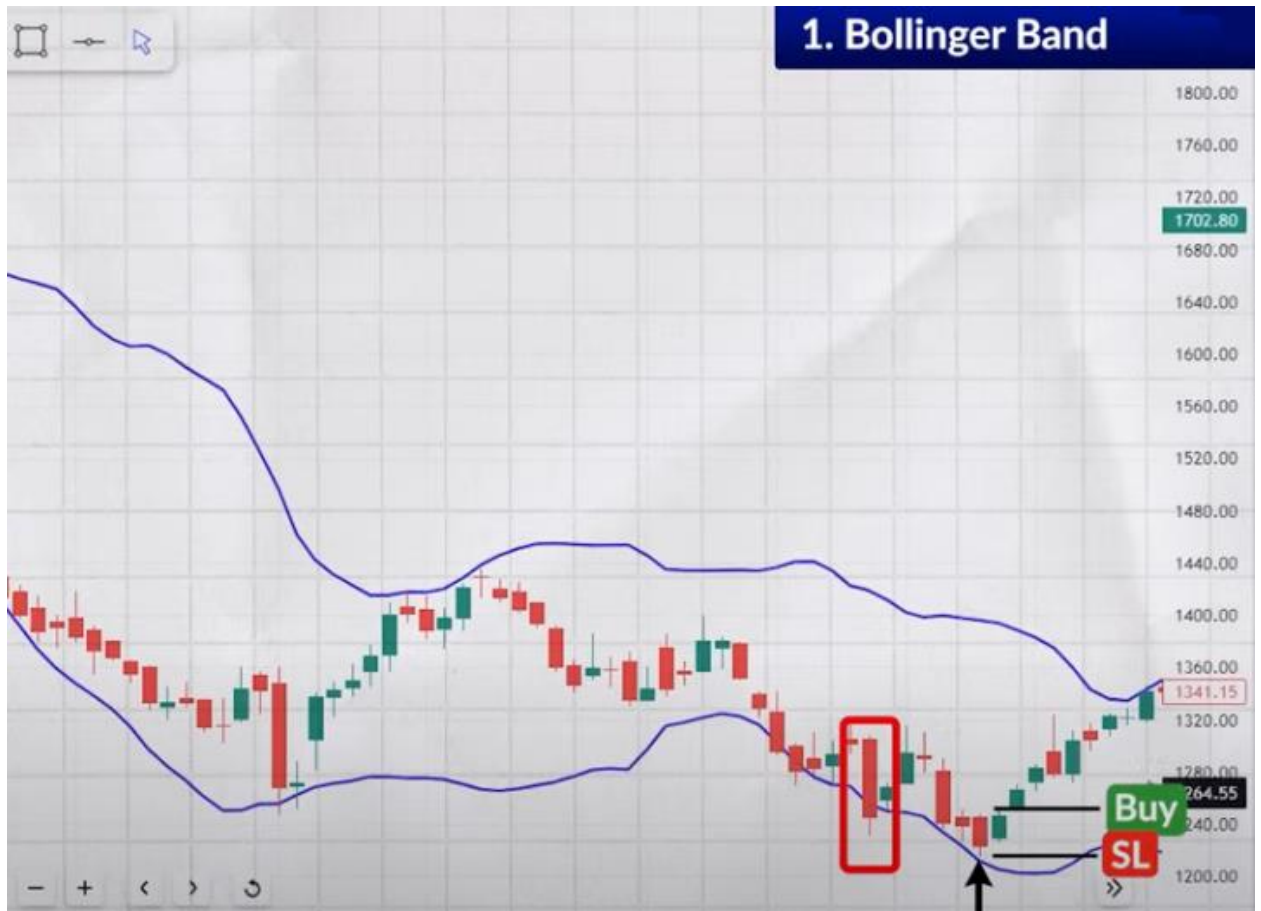
1) Bollinger Bands :-



1. Bollinger Band

Target - 1:2/1:3





2)44 days Moving average:-



Support





3) Support and resistance strategy :-

Channel trading

While analyzing the charts, traders should also pay attention to trend channels. A trend channel is a set of parallel trend lines defined by the highs and lows of price action. Once a price reaches one of the channel's borders, it turns until it reaches another side of the channel.

Swing traders can use channel trading to see when is the best time to enter into a trade. Notice that the chances for opening a good trade increase when you buy at the support line (i.e. lower line) of an uptrend channel and sell at the resistance line (i.e. upper line) of a downtrend channel. In other words, the main thing that you as a swing trader should remember is to trade with the trend and not to miss your turn to exit.

EURJPY, Daily: Euro vs Japanese Yen



5)10 and 20 sma croosover :-

10- and 20-day SMA

This trading strategy is also very popular among swing traders and uses simple moving averages (SMAs). SMAs show an average price over a certain period. Since prices change every day, so do SMAs, so each average connects to the previous ones in a line, which can be applied to price charts.

Swing traders usually take 10- and 20-day SMAs and apply them to the same chart in order to calculate their next move. To do this right, they look for the point where two SMAs cross each other. The 10-day SMA crossing above the 20-day SMA indicates an uptrend and gives a buy signal. However, when it crosses below the 20-day SMA, it signals a downtrend and gives a sell signal to traders.



6) Fibonacci retracement

Example of a stock swing trade



Typically, a swing trader analyzes current price charts looking for the signs of price reversals. This chart illustrates how traders can use the Fibonacci retracement in swing trading. As you see, before entering a trade, the trader built the lines in accordance with the classic Fibonacci ratios and opened a buy trade at 38.2% line. Based on this same pattern, the trader expects the uptrend to extend to the previous high and plans to exit the trade at that level, putting a Stop Loss just below the opening line to minimize the risks of losses. This is a prime example of a typical swing trade.

7) 21 days EMA:-

PNBK Streaming Chart



8) RSI WITH Macd :-



9) EMA CROSS OVER STRATEGY:-

PNBK Streaming Chart



10) 3 MOVING AVERAGE:-



11) Macd with histogram and w pattern:-

SBI · 5 · NSE

O751.65 H753.90 L751.40 C752.95 +1.45 (+0.19%)



(Histogram Sell Signal)

(Histogram Buy Signal)

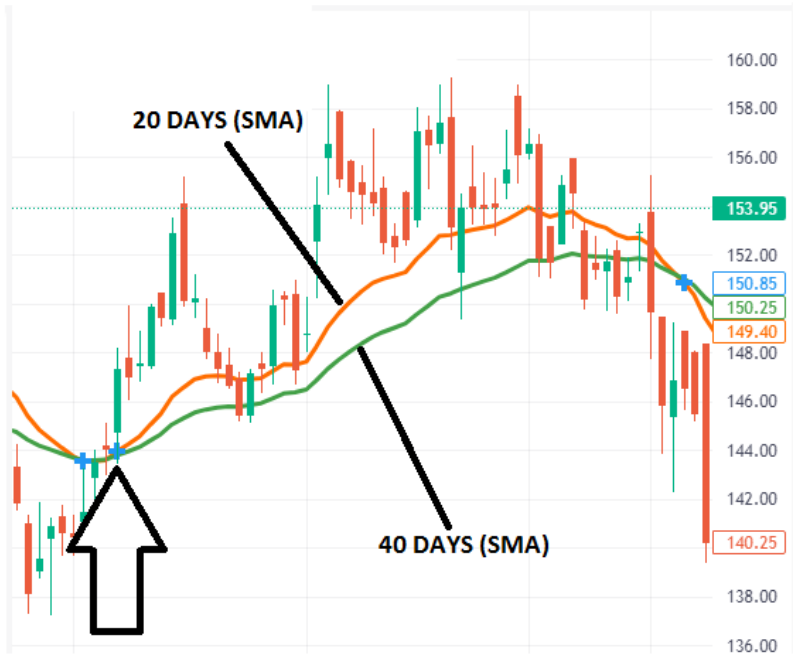
MACD 12 26 close 9 -0.88 -0.27 0.62



(Macd Crossover Sell Signal)

(Macd Crossover Buy Signal)

12) 20 and 40 days sma crossover :-

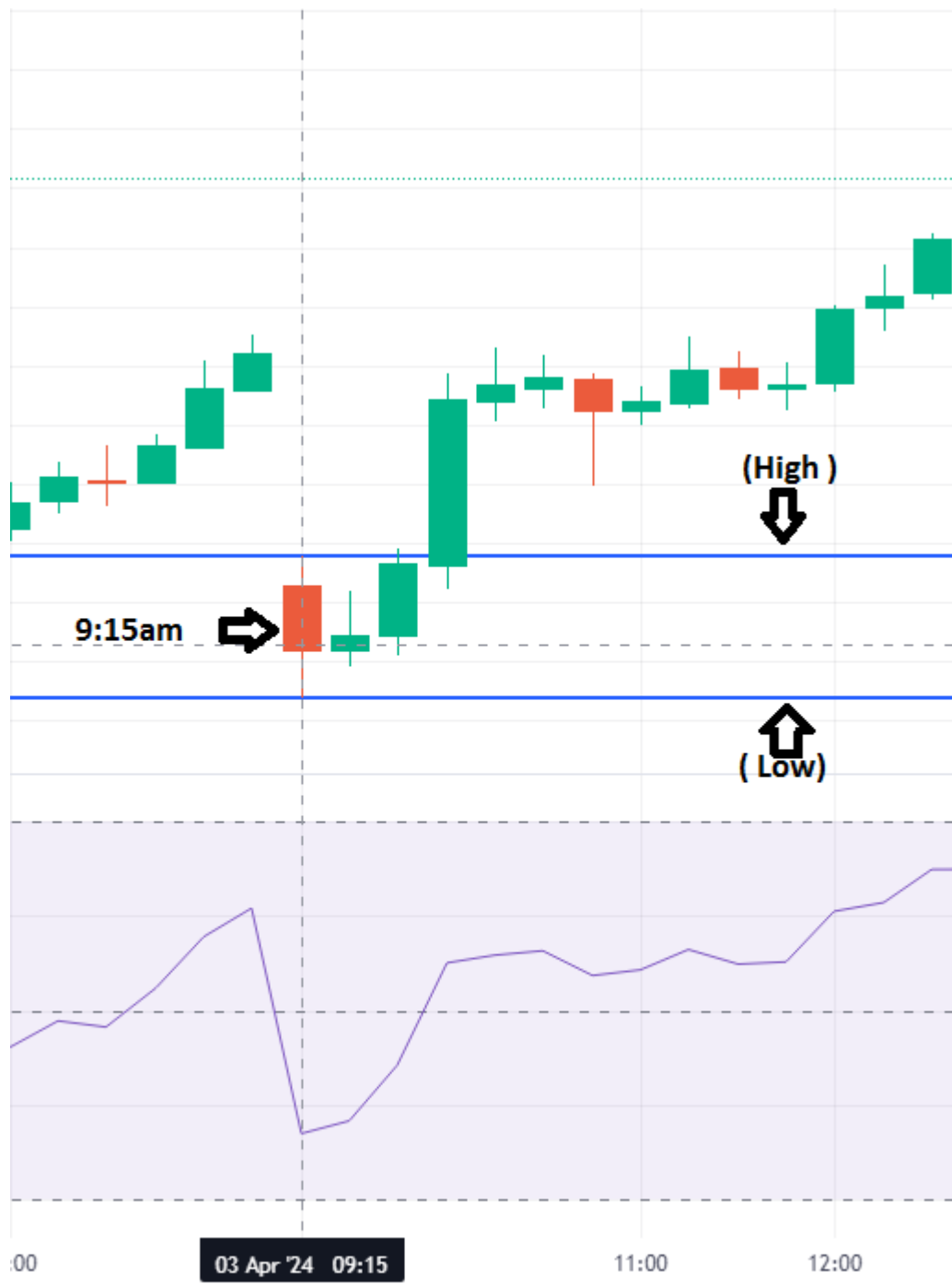


(Bullish Crossover)

Bullish when the **20 SMA** crosses above the **40 SMA**.

Gap down and Gap up 9:15am candle strategy buy call if high break and buy put if low break:-





3pm candle high and low : buy call if high break and buy put if low break.

