

□ □ Oversold Swing Trading Strategy (Simple Setup)

Oversold swing trading strategy का मतलब होता है: जब कोई stock बहुत ज्यादा गिर चुका होता है, और वहाँ से **rebound (bounce back)** आने की संभावना होती है। इसे “mean reversion strategy” भी कहते हैं।

एक **simple, beginner-friendly ready setup**

□ Core Idea:

□ “जो stock ज्यादा गिर चुका है, वह short-term bounce दे सकता है”

Example : nifty 50 me sbi bank share , tcs , Infosys , reliance industries

❑ 1. Oversold कैसे पहचानें?

✓ Use RSI Indicator (सबसे आसान tool)

- $RSI < 30$ = Oversold (BUY zone)



- $RSI 30-40$ = weak zone (watch only)
- $RSI > 50$ = avoid oversold strategy

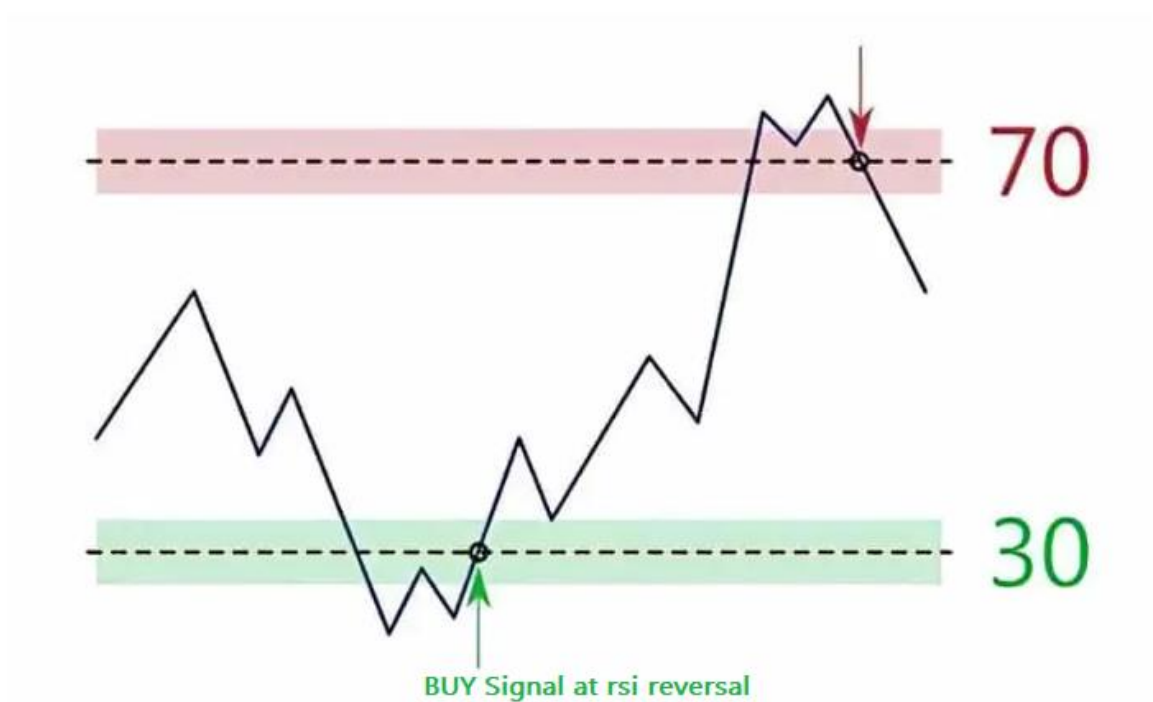
❑ Best setup: RSI 25–30 के बीच + price support पर

□ 2. Entry Rules (Exact Setup)

BUY तभी करो जब ये 3 conditions मिलें:

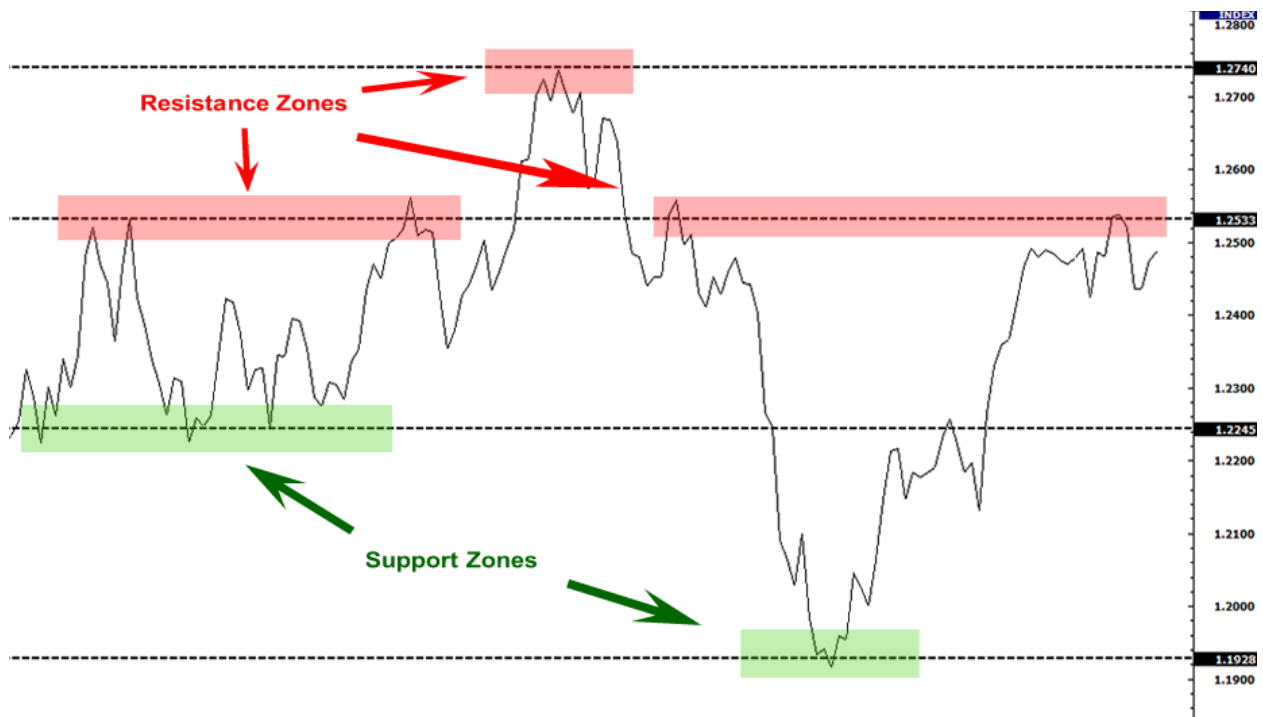
✓ Condition 1:

- RSI below 30



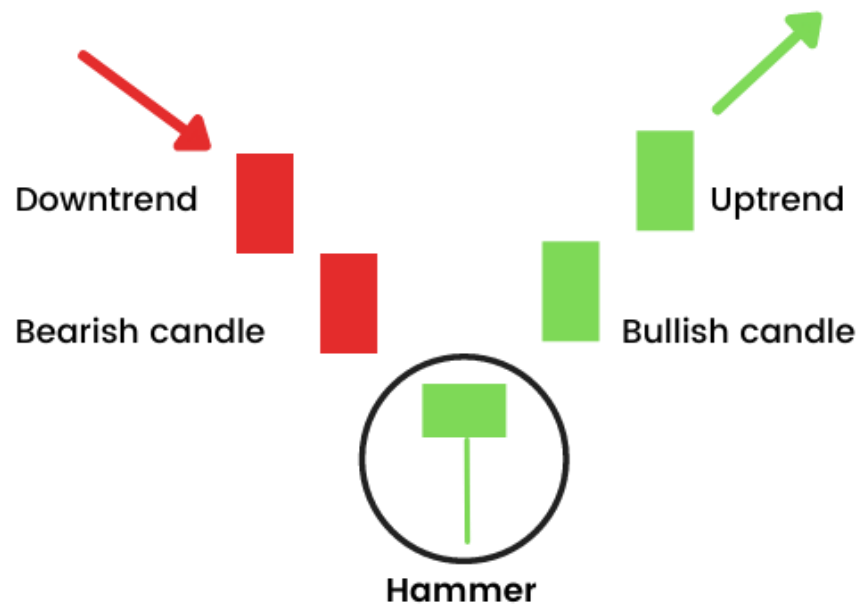
✓ **Condition 2:**

- Stock strong support पर हो (previous low / support zone as shown below)



✓ Condition 3:

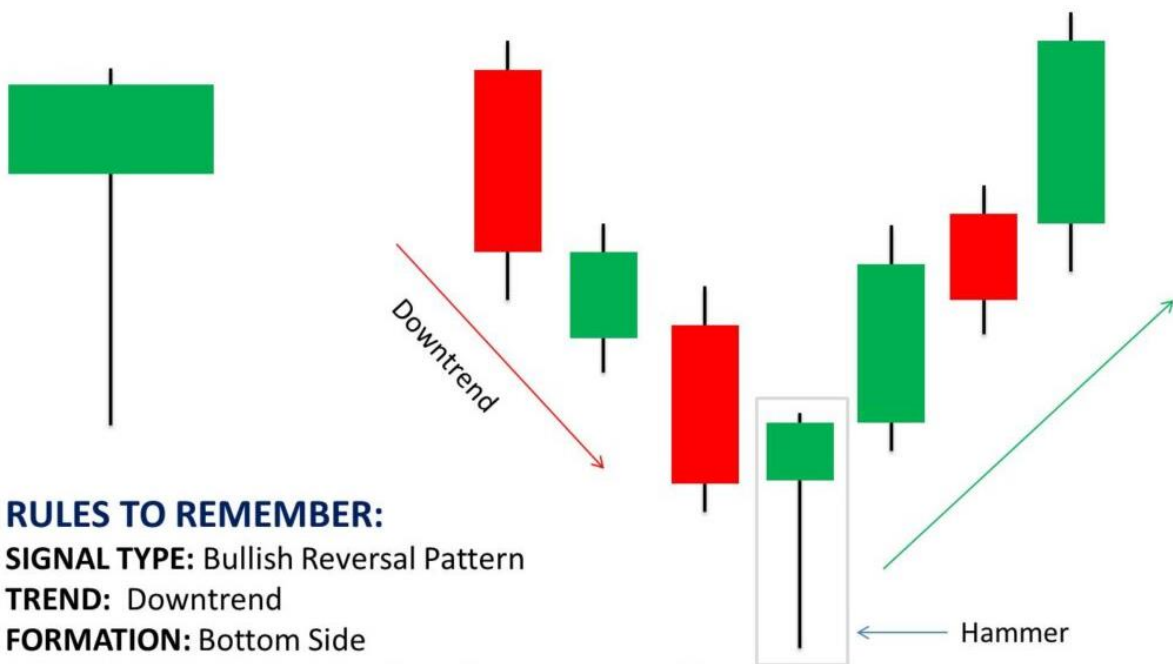
- Bullish candle बने (green candle / reversal candle)



□ Entry: अगले दिन confirmation पर buy

Example of Bullish candles:-

Hammer Candlestick Pattern



RULES TO REMEMBER:

SIGNAL TYPE: Bullish Reversal Pattern

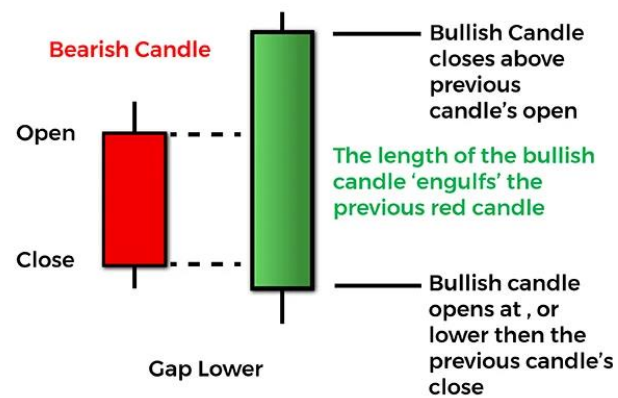
TREND: Downtrend

FORMATION: Bottom Side

BODY COLOUR: Not matter [May be Green or Red]

WICK SIZE : Lower - at least twice of body , Upper - No or very small.

BULLISH ENGULFING PATTERN



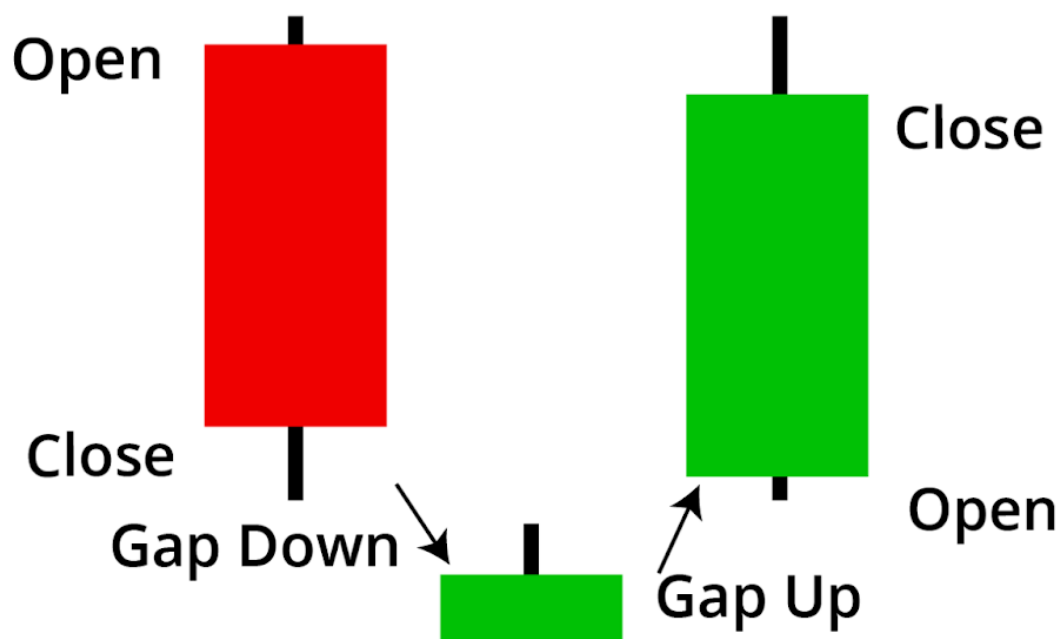


Fig. Morning Star

☐ 3. Stop Loss Rule (बहुत जरूरी)

- Support के नीचे का low
- या -5% max loss

☐ Stop loss कभी हटाना नहीं

☐ 4. Target Rules

- First target: +5% to +8%
- Second target: +10% to +15%

☐ 50% profit पर partial booking करो

☐ 5. Best Stocks for Oversold Strategy

✓ High liquidity stocks:

- Reliance Industries
- Sbi bank share
- HDFC Bank
- ICICI Bank
- TCS
- Infosys
- Bharti Airtel

✓ Sector stocks (better bounce):

- Pharma stocks
 - IT stocks
 - Banking stocks
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☐ 6. Important Filters (नहीं तो loss होगा)

□ Avoid:

- Strong downtrend stocks (falling knife)
 - Penny stocks
 - Low volume stocks
 - News-based crash stocks (bad results)
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□ 7. Perfect Setup Example

□ Stock:

- RSI = 27
- At strong support
- Green reversal candle formed

□ Action:

- Next day buy
 - Stop loss below support
 - Target +8% to +12%
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□ 8. Pro Tips (real trader logic)

- Oversold $\neq$ buy blindly
 - Always wait for **reversal candle**
 - Strong stocks only bounce back
 - Market trend matters (Nifty should not be heavily bearish)
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□ Simple Formula:

□ Oversold (RSI < 30) + Support + Reversal Candle = High probability bounce

help you clearly understand the **Oversold Swing Trading Strategy**

☐ ☐ 1. RSI Oversold Zone (Below 30)

- ☐ This shows RSI line going below **30 level**, which means stock is **oversold** and may bounce up.

☐ 2. Support + Reversal Candle (BUY Signal)

- ☐ Price comes to a **support level** and forms a **green reversal candle** → this is your entry zone.

☐ 3. Full Oversold Swing Setup (Entry → Target → Stoploss)

- ☐ This shows complete trade:
 - Entry at support
 - Stop loss below low
 - Target upward move

☐ Simple Memory Trick:

- ☐ “RSI below 30 + Support + Green candle = BUY setup”

☐ **Best Timeframe for Swing Trading**

☐ **Primary Timeframe (Main Chart)**

☐ **Daily (1D) chart**

- ✓ यही सबसे important है
- ✓ इसी पर entry, exit और trend decide करो
- ✓ Support & resistance सबसे सही यहाँ दिखते हैं

☐ Rule:

हर swing trade Daily chart पर ही based होना चाहिए

☐ **Entry Confirmation Timeframe**

☐ **1 Hour (1H) or 4 Hour (4H)**

- ✓ Entry timing confirm करने के लिए
 - ✓ Reversal candle देखने के लिए
 - ✓ Fake breakout avoid करने के लिए
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☐ **Optional (Advanced use)**

☐ **Weekly chart (1W)**

- ✓ Big trend check करने के लिए
 - ✓ Strong stocks identify करने के लिए
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☐ **Simple Setup (Easy Rule)**

- ☐ Step 1: Weekly chart → trend check
 - ☐ Step 2: Daily chart → entry setup find
 - ☐ Step 3: 1H/4H → entry confirmation
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☐ **Oversold Strategy के लिए Best Timeframe**

- ✓ RSI + oversold → Daily chart
- ✓ Entry confirmation → 4H chart
- ☐ This gives best accuracy