What 1,378 Trading Videos Teach

A learner's handbook distilled from Definedge, Elearnmarkets and A Digital Blogger

1,378
videos studied

18
chapters

8.4 crore
views

Nifty Chronicles · First edition

About this book

This handbook distils **1,378 YouTube videos** from three Indian trading channels (A Digital Blogger 311, Definedge 709, Elearnmarkets 358), watched 8.4 crore times in total, into the lessons they teach.

How it was made. Each video's transcript was analysed into a structured summary. A small model turned each summary into a learning card (the idea, the rules, the evidence, the red flags). The cards were grouped into the chapters below. A mid-size model wrote a research dossier for each section, a large model wrote each chapter from the dossiers, and a separate pass checked every cited claim against its source card. Every superscript number points to the video it came from, listed at the end of each chapter.

What it is not. Nothing here has been backtested by the author. The book reports what the presenters teach and how well they support it. Many setups are illustrated with hand-picked charts, and the text says so where it matters. It is educational material, not investment advice or a recommendation to trade. Trading derivatives carries a high risk of loss.

Built 15 November 2026. Source videos belong to their creators. They are paraphrased and linked, never reproduced.

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What 1,378 Indian trading videos add up to

This handbook distils three Indian YouTube channels, A Digital Blogger, Definedge and Elearnmarkets, into lessons a learner can use. Every one of the 1,399 analysis folders was analysed; 21 folders are duplicate copies of the same video, so there are 1,378 unique videos. Together they have drawn 83,970,209 views.

How the material was processed matters for how far you can trust it, so here it is plainly:

- Each transcript was analysed into a structured summary.
- Claude Haiku extracted one learning record per video.
- Claude Opus designed the chapter structure, and Claude Haiku assigned each video to a section.
- Claude Sonnet wrote a research brief per section, and Claude Opus wrote each chapter.
- Claude Sonnet fact-checked every cited claim, and Claude Opus fixed the flagged passages.

No human editor grouped or rewrote the material. That makes the handbook broad and consistent, but it means judgement calls were made by models working from transcripts, some of which were garbled or missing.

This essay steps back from the eighteen chapters and asks four questions:

- What does this body of teaching actually say?
- Where do the channels agree, and where do they disagree?
- How much of it is evidenced?
- What should a beginner take from it, and what should they ignore?

The corpus at a glance

Of the 1,378 videos, 1,042 present some kind of strategy and 336 are lessons, explainers or commentary. The strategy videos break down by style as follows:

- swing: 354
- intraday: 233
- options: 206
- positional: 107
- investing: 85
- futures: 16
- other: 41

The channels are unequal in size:

- Definedge: 709 videos, just over half the corpus

- Elearnmarkets: 358
- A Digital Blogger: 311

The imbalance shapes everything below. Whole chapters (Point & Figure Charting, Noiseless Charts, The Daily Index Routine (Market Kya Lagta Hai)) are effectively one house's view. The Daily Index Routine is the largest chapter, with 207 videos. Relative Strength, Breadth and Sector Rotation has 126. The Indian Market Ecosystem has 110, and Option Selling, Spreads and Hedges has 109.

The variety is large. Even the most frequently taught named setup, the Point & Figure double top buy, is the core technique of at least 23 videos. That is a floor, since many more videos teach it with a filter or a twist under another name. The corpus is not a small set of methods taught many times. It is a large number of personal variations on a few underlying ideas, and those ideas are the subject of the next section.

The handful of ideas that recur everywhere

Read across all eighteen chapters and six ideas keep coming back, whatever the instrument, timeframe or channel.

1. Establish the trend first, on a higher timeframe

Almost every directional method starts by asking which way the bigger picture points. The tool varies:

- higher highs and higher lows ([1,2])
- a 200-day average or a moving-average stack ([3])
- a Point & Figure column of X
- a D-Smart or Supertrend line ([4])
- a weekly RSI zone ([5])

The instruction is always the same. Set direction on the weekly or monthly chart, then use the daily or intraday chart only to time an entry in that direction. Trend, Market Structure and Price Action states it directly. Momentum, Breakout and Swing Trading, Indicators and Volume, and Point & Figure Charting all build on it. Even the options chapters derive the side of a spread from a chart view ([6]). Equally consistent is the corollary: stand aside in sideways or neutral conditions. Several presenters treat 'no trade' as a valid outcome ([7,8]).

2. Relative strength and breadth: sector first, then stock

The second idea is comparison. Do not ask only whether a stock is rising; ask whether it is rising faster than its index and its sector. Relative Strength, Breadth and Sector Rotation is built on this. Ratio charts ([9]), RS Alpha ([10]) and RS-versus-sector filters ([11]) are used to choose where to look before any trigger is considered. Breadth plays the same role at market level, as a regime gauge. It is the share of a group in an uptrend, above a moving average, or in a Point & Figure column of X ([12,13]). The growth-leader material in Momentum, Breakout and Swing Trading reaches the same place from a different tradition ([14,15]). So do the ranked rotation portfolios in Investing for the Long Term ([16,17]).

3. Wait for confirmation, not the first touch

The most repeated execution rule in the corpus is to act on a close beyond a level, or on a follow-through signal, rather than on an intraday poke. It appears in many forms:

- breakouts must close beyond the range and hold ([18,19])
- candlestick reversals need the next candle to confirm ([20])
- Point & Figure traders wait for the next double top buy after an anchor column rather than buying the first breakout ([21,22])
- the daily index routine attaches a 'sustain' condition to every bullish-above or bearish-below level ([23])

The stated reason is consistent: confirmation removes many false breakouts and usually gives a tighter, more affordable stop. The cost is a later entry, and the corpus rarely measures that cost.

4. Defined risk: the stop comes before the trade

If one idea unites all three channels, it is that you decide where you are wrong before you enter. The stop has many anchors:

- a pattern-failure level on a Point & Figure chart
- a swing low or the low of a signal candle
- an ATR multiple ([24])
- the far side of a power candle ([25])
- the maximum loss of an options spread

Position size is then derived from that distance. The arithmetic is explained plainly in [26] and in the swing method of [27]. A rule that recurs alongside this one is to skip a setup whose stop is too far away to be affordable, and wait for the next follow-through instead of chasing ([28,29]). The Losses and Lessons interviews in The Trader's Journey show what happens without it. Account after account ended because a stop was absent, ignored or widened ([30,31,32]).

5. Let winners run and accept a modest win rate

Trend followers, momentum investors and breakout traders keep making the same arithmetic argument. A method can be right less than half the time and still make money if the average winner is several times the average loser. Turtle-style breakouts ([33]), Minervini-style growth leaders ([14,34]) and the expectancy framework in [35] all teach this. The usual tools are trailing exits on a moving average, a Donchian low, a Supertrend or a D-Smart line, with no fixed target. Option sellers are the main exception: they prefer high hit rates and small, frequent gains. That difference is discussed below.

6. Tools are shortlists, not signals

The sixth idea is easy to miss because it is usually stated as a caveat. A scanner hit, a momentum score, an OI reading, a seasonality table, a fundamental screen or a breadth reading is a reason to look, not a reason to buy. The Ecosystem chapter says it of broker and platform tools ([36,37]). The

Indicators chapter says it of composite scores ([38]). The options chapters say it of open interest ([39]), and the investing chapter says it of growth screens ([40]). The pattern is always filter, then price trigger, then defined stop.

Where the channels agree, and where they do not

Three different voices

Definedge (709 videos) is systematic and tool-centred. Its vocabulary is Point & Figure (double top buy, anchor column, turtle breakout, pattern-failure level), plus D-Smart, MAST and Renko. Its tools are RZone, Zone, TradePoint, Opstra and Momentify. Its daily Market Kya Lagta Hai episodes repeat one template: asset-class relative strength, then index levels with a sustain rule, then breadth, then sector rank, then stock scans. It supplies most of the corpus's backtests, but nearly all are run on its own platform and presented alongside a product.

Elearnmarkets (358 videos) is mostly long-form Face2Face interviews with outside practitioners. The style is more discretionary and more varied, and the most detailed rule sets come from here. Examples include the Minervini and O'Neil family, the weekly RSI system ([5]), Camarilla breakouts, iron flies with adjustment ladders ([41]) and fund-manager value frameworks ([42]). It also runs a large course and mentorship funnel.

A Digital Blogger (311 videos) is consumer-facing. It produces broker comparisons, fraud exposés, SEBI policy commentary and short psychology clips. Its Losses and Lessons interviews are, for a beginner, some of the most useful material in the corpus because they show the failure cases that other channels rarely show.

What they agree on

All three agree on the six ideas above, on the danger of leverage and borrowed money, and on the need to test before trusting. The consumer-protection lessons are especially consistent:

- compare brokers on total cost, not headline brokerage ([43])
- treat intraday exposure as a short-term loan ([44])
- check SEBI registration before paying anyone for advice ([45])
- read guaranteed returns as a fraud signal ([46])

Where they disagree

The disagreements are more instructive than the agreements, because they show which rules are matters of taste rather than settled fact.

- **Is high breadth a buy signal or a warning?** Some sector videos treat a group with nearly all stocks bullish as 'buzzing' and worth trading ([47]). Others treat the same reading as exhaustion and say not to add ([48,12]).
- **Must a breakout have volume?** Most breakout teachers insist on it ([19,49]). One well-specified top-reading method deliberately ignores volume and open interest ([50]).

- **What does an overbought RSI mean?** One systematic weekly method buys when RSI moves above its upper zone ([5]). An intraday system shorts when it falls back below that zone ([51]). Continuation and exhaustion are taught from the same reading.
- **Stop or adjust?** Among option sellers, some use hard per-leg stops and move the surviving leg to cost ([52]). Others use no stop and rely on rolling and adjusting instead ([53]). A third group rolls and doubles quantity, a practice its own presenter linked to his worst day ([54]).
- **Averaging down.** Trend and momentum teachers forbid it ([55,56]). Some value and small-cap investors buy more as prices fall ([57,58]).
- **Breakout or pullback?** Some buy the first close beyond a level. Others wait for a retest or a pullback to a moving average ([59,3]).
- **Which high counts?** Most breakout methods build on the 52-week high. One scanner presenter says that level is now crowded and prefers older highs ([60]).
- **Concentration or diversification?** The corpus covers the full range. At one end is all capital in one researched stock ([61]); at the other, dozens of equal-weighted names ([62]).
- **Market filter or none?** Some momentum portfolios switch to cash, bonds or gold when the index is below its long average ([63,64]). Others say pure momentum should never be overridden ([65]).
- **Fixed timing rules conflict directly.** For example, one condor teacher enters on Friday ([66]) and another avoids Fridays ([67]).

A learner should take two things from this. First, many specific parameters are presenter preference, not established edge. Second, where two credible teachers disagree, the only way to settle it is to test both on your own data.

Substance versus hype

How much is evidenced

The evidence profile of the whole corpus:

- 588 videos support their claims with chart examples, nearly always selected after the fact
- 429 rely on anecdote
- 296 give no evidence at all
- 62 show any backtest, about 4.5% of the corpus
- 3 show anything resembling a live track record

Specificity is similar. On our 0–5 scale, 252 videos score 0 and 119 score 1, so more than a quarter contain nothing a learner could execute. The largest groups score 3 (456 videos) and 4 (324). Only 7 videos reach the top score of 5, meaning a complete, unambiguous rule set.

The common red flags

Our analysis found at least one red flag in 1,361 of the 1,378 videos. The shares of videos carrying each flag are:

- **No costs or slippage: 58.9%.** This is the single most common gap. The few videos that do count costs show why it matters. SEBI's own data shows charges turning gross winners into net losers ([68]). A rolling-straddle demo shows brokerage roughly equal to profit ([69]).
- **No backtest or sample: 49.2%.** Half the corpus offers a method with no systematic test of any kind.
- **Product or course pitch: 48.1%.** Nearly half the videos sell something: a scanner, platform, course, mentorship, broker account or advisory. This does not make the content wrong, but it is a conflict of interest worth naming. It is most concentrated in Definedge tool demos and Elearnmarkets course trailers.
- **Hand-picked examples: 38%.** Winning charts shown with hindsight, rarely with the trades that failed.
- **No stop or exit: 22.4%.** Despite the consensus on defined risk, more than a fifth of videos teach entries without exits.
- **Untested parameters: 14.7%.** Thresholds such as an ADX level, a box size or a breadth band asserted without justification.
- **Guaranteed or hype language: 3.3%.** Loud promises are rare. That is reassuring, but it also points to where the real weakness lies.

The main problem in this corpus is not loud promises. It is quiet omission: a confident method with no costs, no stop, a few winning charts and a link to a product. The fraud material in The Indian Market Ecosystem shows the extreme version ([70,46]). The everyday version is subtler, and it appears in respectable educational content too.

Even the backtests need care

The 62 backtests share recognisable weaknesses:

- **Survivorship.** Parameters are tuned on the same data that is then reported, and the universe is today's index members ([71,72]).
- **Small samples.** Some event trades rest on a handful of instances ([73]).
- **Missing risk figures.** Results often come with no drawdown or no out-of-sample period.

A few presenters are candid about these traps, and their videos are among the most valuable in the corpus:

- [74,75] explain how to test whether a parameter is robust. - [76] warns that backtests can look perfect and fail live. - [77] sizes positions from the worst backtested drawdown. - [78] calls its own volatility-targeted rotation a toy model.

Other recurring problems

- Titles that promise a strategy the video never delivers ([79,80]).
- Videos with no usable transcript, some with very large view counts.
- Self-reported returns presented without audited statements.

- Option selling presented as steady income while gap risk is barely discussed. One presenter notes that stops can fail to fill when premium jumps within a single candle ([81]).

What a beginner should learn first

The corpus is too large to absorb in order of popularity. The most-viewed videos are often the least specific. A sensible order follows the reading sequence suggested for this handbook.

1. The market's plumbing and its traps. Start with The Indian Market Ecosystem. Learn order types, total trading costs, how leverage works, and why most retail derivatives traders lose ([82]). Learn the warning signs of unregistered advisers, pump-and-dumps and fake screenshots. Then read the Losses and Lessons interviews in The Trader's Journey. They are the corpus's best failure cases: averaging down, whole-account option trades, trading on loans, revenge trading ([83,84,85]).

2. Risk before method. Read Risk, Position Sizing and the Trading Process before any setup chapter. The core skills are:

- a stop placed before entry
- position size derived from the stop
- a small fixed risk per trade
- a daily loss limit ([86])
- a written plan and journal ([87])
- testing on history before trusting a rule

Trading Psychology adds the useful idea that watching unrealised profit and loss distorts decisions ([88]), and that a trade should be judged by whether the process was followed.

3. Trend and structure. Then learn to read trend, support and resistance, and the difference between a close beyond a level and a poke through it. Price action before indicators is a recurring and sensible emphasis.

4. One filter, one trigger, one exit. Learn a single relative-strength or breadth filter, a single entry trigger, and a single trailing exit, and test that combination. Candlesticks, classical patterns, oscillators and noiseless charts can come later, as alternative triggers within the same structure.

5. Options last. Options Foundations and Analytics, Option Buying and Option Selling come after the rest. Time decay, implied volatility, volatility crush ([89]), gap risk and margin all add ways to lose money on top of being wrong about direction. Even the experienced sellers in the corpus recommend defined-risk spreads over naked positions.

What to ignore, or at least postpone

- Titles promising daily income, 'sure-shot' trades or secret strategies.
- Trailers, teasers and course promos, as sources of method.
- Single-day 'bullish above, bearish below' index levels from the daily routine episodes. They are a demonstration of a process, not standing advice.

- Wave counts, Gann angles, lunar ranges and harmonic ratios until you can test them. The corpus offers no systematic evidence for them, and they are especially open to relabelling after the fact.
- Proprietary indicators whose formulas are not disclosed. You cannot test what you cannot reproduce.
- Return figures without costs, drawdown or a stated period.
- Expiry-day option selling, until you can survive its worst day.

What is conspicuously missing

The gaps are as informative as the content.

- **Costs.** Most strategies are presented gross of brokerage, STT, exchange charges, slippage and tax. For intraday and options methods with many trades, this omission can change the sign of the result.
- **Systematic tests and out-of-sample checks.** Only 62 videos show any backtest, and very few hold back data for an honest test. Forward testing is recommended far more often than it is shown.
- **Failure cases.** Winning charts dominate. The trades that hit the stop, the months that lost and the strategies that stopped working are mostly absent. The Losses and Lessons interviews and a few candid presenters are the exception, and some edge-decay accounts exist in the option-selling material ([90]).
- **Drawdown and losing streaks.** Win rates are often quoted; the depth and length of drawdowns rarely are, even though they decide whether a trader can actually stick with a method.
- **Live, audited records.** Three videos come close. Everything else is self-reported or illustrative.
- **A buy-and-hold benchmark.** Many active methods are never compared with simply holding an index fund, which is what Investing for the Long Term recommends for much of a beginner's money.
- **Gap and tail risk.** Stops are taught as if they always fill at the planned price. For short options, small caps and overnight positions, that assumption is often false.
- **Position sizing beyond the single trade.** Portfolio heat, correlation between positions and capital needed to survive a losing streak appear only in a handful of videos ([91,77]).

How to use this handbook

Read the chapters as a map of claims, not a list of proven strategies. Where many independent presenters agree, as on trend, relative strength, confirmation and defined risk, the agreement is meaningful even without formal tests. Where the corpus offers a specific number, threshold or setup, treat it as a hypothesis. Every chapter lists testable claims precisely so that you can check them on your own data, with costs, across more than one market regime.

The free handbook PDF is on Nifty Chronicles at https://niftychronicles.com/book. The accompanying article is at https://niftychronicles.com. Every strategy summarised here can be searched and filtered in the strategies explorer at https://strategies.prayush.dev, which links each method back to the video it came from.

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The 25 lessons to keep

1. Decide your stop-loss and maximum rupee loss before you enter, and never widen or remove it once the trade is on.
2. Size every position from the distance to your stop so a single loss costs only a small fixed fraction of your capital, around 1%.
3. Establish the higher-timeframe trend first and take trades only in its direction.
4. Act on a closing break or a follow-through signal, not on an intraday poke through a level.
5. Rank sectors by relative strength before choosing stocks, and pick leaders inside the strongest groups.
6. Treat every scanner hit, score, screen or open-interest reading as a shortlist that still needs a price trigger and a defined stop.
7. Use market breadth as a regime filter, and be cautious with fresh entries when participation is at an extreme.
8. Let winners run with a trailing exit, and judge a method by expectancy rather than by its win rate.
9. Skip any setup whose stop is too far away to afford, and wait for the next follow-through instead of chasing.
10. Never average down into a losing trade unless that add was written into your plan before entry.
11. Never trade with borrowed money, loans, credit cards or pledged family assets.
12. Compare brokers and strategies on total cost, including statutory charges, DP fees and slippage, not on headline brokerage.
13. Treat intraday exposure and margin trading funding as a short-term loan that magnifies losses as much as gains.
14. Backtest a rule across several market regimes with costs included, then forward-test it with small size before committing real capital.
15. Distrust any backtest tuned on the same data it reports, built on today's index members, or shown without drawdown.
16. Check that a parameter is robust by nudging it and confirming the results barely change.
17. Know an option position's maximum loss, breakeven and margin before entering, and prefer defined-risk spreads to naked short options.
18. Remember that time decay and volatility crush work against option buyers, and exit trades that have not moved quickly.
19. Size short option positions for the worst gap or expiry-day spike, because a stop-loss may not fill at your price.
20. Verify SEBI registration before paying anyone for advice, and treat guaranteed or fixed daily returns as a fraud signal.
21. Never share your login, password, OTP or T-PIN, and check your contract notes for trades you did not place.

22. Write a trading plan and keep a journal recording each trade's reason, its result and whether you followed your rules.
23. Set a daily or monthly loss limit and stop trading when you hit it instead of trying to win the money back.
24. Judge your trading by whether you followed your process, not by a single day's profit or loss.
25. Treat titles, trailers, success stories and profit screenshots as marketing until you see audited, verifiable results.

1. The Indian Market Ecosystem

Most trading books start with charts. This chapter starts with the plumbing: exchanges, brokers, regulators and the news and tip machinery that surrounds them. The reason is practical. Before any setup can earn you money, the ecosystem can take it away. Hidden charges, misunderstood leverage, an order type that behaves differently from what you expected, a broker outage, a finfluencer who traded ahead of you, a "lifetime free" plan that stops being free.

The videos behind this chapter come mostly from A Digital Blogger, with Definedge and Elearnmarkets contributing platform tours, explainers and a few interviews. Almost none of it teaches a trading method. What it does teach, often well, is how to protect yourself.

By the end of this chapter you should be able to:

- explain where your money goes when you buy a share, and how IPOs, buybacks and margin funding work;
- compare brokers on total cost rather than headline brokerage;
- use the main order types deliberately;
- read SEBI's F&O loss reports for what they actually say;
- recognise the standard patterns of finfluencer fraud, pump-and-dumps and broker misconduct;
- treat news, commentary and weekly stock lists as information to verify, not as signals.

A word on evidence before we begin. In this part of the material there are no backtests and no live track records. The claims are explanations, opinions, regulatory summaries and case studies. Many figures were read out from secondary sources or dated snapshots. Where a number matters to you, check it against the primary source: the SEBI order, the exchange circular, the broker's current tariff.

Market Basics: Exchanges, Instruments and Corporate Actions

How the market is put together

The first distinction to learn is between the **primary** and the **secondary** market. In the primary market a company issues new securities, such as shares in an IPO or a non-convertible debenture, and the company receives the money. In the secondary market, which is the stock exchange you trade on every day, money passes between investors. When you buy a share on NSE, none of your money goes to the company whose share you bought ([1]). This sounds obvious, but it explains why a company's share price can fall without the company losing any cash, and why buying a stock is not "investing in the business" in the funding sense.

An IPO is the bridge between the two. Elearnmarkets walks through the stages as follows ([2]):

- a merchant banker is appointed;
- a draft prospectus (the DRHP) is filed with SEBI;
- the issue is graded and priced;

- shares are allotted and then listed.

Pricing usually uses **book building**. Investors bid within a price band, and the issue price is set at the lowest price in the band at which cumulative bids cover the shares on offer. The worked example is a 10 lakh share issue with a ₹60–85 band that clears at ₹75 ([2]). The same video makes a sober point that is easy to forget during IPO excitement: a newly listed share has never traded, so its valuation is genuinely uncertain.

Definedge's animated beginner story covers the remaining vocabulary ([3]):

- NIFTY is the NSE index of the top 50 companies, and SENSEX the BSE index of the top 30.
- The cash market runs from 9:15 am to 3:30 pm.
- Market capitalisation is total shares multiplied by price. In the video's example, 40 lakh shares at ₹1,000 gives ₹400 crore.

The same video tells beginners not to borrow money to invest and to spread money across many companies.

Corporate actions: buybacks and dividends

A **buyback** is a company purchasing its own shares. Two A Digital Blogger videos present it as a way to exit above market price. Their reasoning is that the company buys because it thinks its stock is undervalued, the reduced supply supports the price, and earnings per share rise because the same profit is divided among fewer shares ([4,5]).

The more careful of the two adds an important distinction. An open-market buyback and a tender offer have different price terms. You need to read the actual filing for the price, size and acceptance terms before assuming you will exit at a premium ([4]). The skit version frames a buyback as a fix for a losing position. That framing is misleading: a single corporate event is not a risk plan ([5]).

A **dividend** is a share of profit paid to shareholders. Definedge presents a long record of consistent dividends as a sign of sound management, and shows how to list high-dividend payers in its Zone app ([6]). The video treats consistency as a quality signal. The caution that consistency is not proof of quality without checking fundamentals is ours, not the video's.

Margin funding and the derivatives margin framework

Margin Trading Funding (MTF) is a broker loan towards a stock purchase ([7]):

- The client typically posts about 25% and the broker funds up to 75%.
- The required margin can range from 25% to 50% depending on the client–broker relationship.
- The broker charges interest on the funded portion, which the presenter puts at roughly 14% to 24% a year.

The lesson is plain. MTF magnifies gains and losses, and the interest must come out of your return before you have made anything. The video also cites an aggregate MTF book figure, but its numbers are ambiguous: it says both "crossed 1 lakh crore" and about 11.15 lakh crore. Treat that figure as unverified.

A 2020 Definedge discussion explains the then-new derivatives margin framework ([8]). Its main points are that hedged positions such as spreads need substantially lower margin than naked ones, and that option writers faced an extra charge. The specific numbers in the video (a reduction of about 70%, and an extra 5% for writers) are hard to make out from the audio and should be checked against exchange rules. The lesson that survives is sound: *lower margin does not justify a larger position*. Decide your risk per position first.

Consensus lessons

- **Verify corporate actions and rules from official sources.** This applies to buyback terms ([5,4]), margin rules ([8]), your broker's actual MTF rate ([7]) and your broker's end-of-day square-off rules ([9]).
- **Leverage is borrowed money.** MTF and intraday exposure are borrowed money and raise both upside and downside ([7,10]).
- **Single signals need confirmation.** A block-deal buyer ([11]), dividend consistency ([6]) and aggregate MTF levels ([7]) are inputs, not triggers.

Worked examples

Setup: Bracket order (three-legged intraday order) What it is: one order that bundles a limit entry, a target and a stop-loss. The video's example is: buy at ₹700, target ₹750, stop ₹690.
Rules:

- The target and stop legs activate only once the entry fills.
- Whichever exit fills first cancels the other.
- If neither exit is hit, the position is squared off at market at the end of the day.
- If the entry price is never reached, no position is created.
- Some brokers offer a trailing stop on the stop leg.

Where it applies: intraday cash-segment trades, only at brokers that offer the order type. **Stop and exit:** built into the order. No position-sizing rule is given. **Evidence:** none. This is an explanation of an order mechanism, not a tested strategy, and the video does not discuss slippage, gaps through the stop, or charges. **Source:** [9]

The bracket order's real teaching value is behavioural: it forces you to write down the entry, target and stop before the trade is live. Its limitation is the one the video omits. A stop is a price trigger, not a guaranteed fill.

Setup: Block-deal buyer watch Rules:

- Monitor the block-deal disclosures published by the exchange.
- Note the buyer, seller and quantity for each deal.

- Flag deals where a seasoned institution or HNI (an FII, mutual fund or insurer) is the buyer.
- Treat the flag as a possible positive-momentum sign, to be confirmed with other indicators.

Where it applies: delivery trades in exchange-disclosed block deals. **Stop and exit:** none specified, and no holding period is given. **Evidence:** none. No data is shown that block-deal buying leads to subsequent gains. **Source:** [11]

This is the most-viewed video in this section at over 665,000 views. It is worth understanding why it is incomplete. A block deal has a seller as well as a buyer, and the seller may be the better-informed party. The buyer's identity tells you nothing about their horizon or reasons. It is a testable idea, not a rule.

A third, non-trading process is worth knowing if your family has old paper share certificates ([12]):

- Prove your identity and holdings.
- Resolve name, address and succession issues.
- Convert the shares to demat.

Unclaimed dividends move to the government's IPEF after seven years. The video cites timelines of roughly 3–9 months for normal recovery and 18–24 months for IPEF cases. Note that the video promotes a paid recovery service and its success claims are self-reported.

Where the sources differ

There are no direct contradictions here, mostly because each video covers a different topic. The differences are in framing:

- The buyback skit implies a guaranteed premium exit; the explainer warns that terms vary ([5,4]).
- The MTF video gives a typical 25/75 split but says the requirement varies up to 50% ([7]).

Pitfalls

- **Effects asserted without data.** Buyback price effects, block-deal momentum and dividend quality are all claimed, never measured.
- **Product pitches inside explainers.** These include the Zone scanner ([6]), Definedge Securities ([3]) and a paid recovery service ([12]).
- **Survivorship framing.** The beginner story shows a DMart chart at its peak, which can bias a newcomer towards success stories ([3]).
- **Missing content.** Three basics videos in this group, including one on order types ([13]), could not be reviewed because no transcript was available. Their titles tell you nothing reliable.

Brokers, Trading Apps and Analytics Platforms

The concept: your broker is a cost centre and a counterparty to trust

A broker gives you access to the exchange, holds your money and securities, and offers a platform. You pay for this in brokerage and in a long list of other charges, some statutory and some the broker's own. The central lesson of this section, repeated in at least fourteen videos, is to **compare total cost, not headline brokerage**.

The items that add up include:

- account opening fees and annual maintenance (AMC);
- DP charges on delivery sells;
- exchange transaction charges;
- STT, GST and stamp duty;
- per-order minimums.

The videos give examples. Dhan's DP charge was ₹12.5 plus GST per scrip on delivery sells ([14]) and Upstox's about ₹18 ([15]). Zerodha charged zero brokerage on delivery but ₹20 per F&O order ([16]). Treat all of these as dated; the presenters themselves say to check current tariffs.

Two practical habits come up repeatedly:

- **Read your daily contract note** and reconcile every charge against the tariff ([16,15]).
- **Remember that small trades must clear their charges.** One video quotes Groww's brokerage as ₹20 or 0.05% per order, though it states the charge inconsistently. On a tiny position, even that can be a large share of the expected move ([17]).

One review makes a subtle point about how brokerage is quoted. "50 paisa" can sound trivial when it actually means 0.5% of trade value. Always convert to an effective percentage ([18]).

Leverage is a loan

Nearly every broker comparison quotes "exposure": 5x, 10x, 15x or 20x intraday. The consistent framing across these videos is that exposure is a **short-term loan with interest** that amplifies losses as well as gains ([10,19,20,21,22]). One older comparison presents high leverage simply as a benefit, without the cost ([23]). That is exactly the framing to be wary of.

Order types you must know before trading real money

Several app demos double as order-type tutorials. This summary draws on [24,25,26,27,17].

Order / setting	What the videos say it does
Market	Executes immediately at the prevailing price
Limit	Fills only at your specified price or better
SL / SL-M	Stop-loss orders that wait for a trigger price; SL-M becomes a market order once triggered
GFD	Good for the day; lapses at the close unless cancelled
IOC	Immediate-or-cancel
AMO	After-market order; may be rejected if placed during market hours
GTT	Good-till-triggered; one broker allowed validity up to a year
Product type (CNC/cash, MIS/intraday, NRML, cover)	Determines margin and square-off treatment

The advice across the demos is consistent:

- Check the margin required against the margin available on the confirmation screen ([26]).
- Confirm the order and position in the order book rather than assuming execution ([24,25]).
- Test how stop-loss and GTT orders actually trigger with a small order before relying on them ([28]).
- Decide the stop before placing the order, not after the price moves ([17]).

One reviewer also notes that a stop placed too close to entry raises the chance of being stopped out ([28]).

Analytics platforms and scanners

Definedge contributes a series of tours of its own tools:

- the Zone app's scanners;
- the RZone dashboard and Indicator Value Table;
- D-Reports and Script Reports;
- the TradePoint system builder.

Elearnmarkets contributes a StockEdge subscription pitch ([29]). A Digital Blogger contributes a 916,645-view short on using broker scanner apps to shortlist intraday stocks, which points viewers to a broker link ([30]).

What is notable is that the vendor's own presenters keep adding the same caveat: **scanner output is a shortlist, not a buy signal** ([31,32,33,34,35,36]). Open-interest readings are context, not a standalone trigger ([37]). A saved scan or backtest in the platform checks that your rule is coded correctly. It is not proof of an edge, and any proper test should include costs ([38]).

Some practical details are worth carrying over:

- **Universe changes results.** The same NR7 bullish scan returned many names on NIFTY 500 but only four on NIFTY 50 ([31]).
- **Check definitions.** Confirm the tool's exact definition of a pattern like NR7 before trusting its output ([34]).
- **Know your data timing.** End-of-day delivery data is published around 6–7 pm, and mutual-fund holdings arrive with a one-month lag ([36]). Different dashboard feeds refresh at different times ([35]).
- **Intraday scans are snapshots.** Their results change with the time you run them ([32]).
- **Breadth can rank differently from price.** Ranking sectors by how many stocks participate can give a different order from ranking by sector index change ([35]).

Worked examples

Setup: Indicator Value Table ADX/RSI screen (RZone) Steps: Apps → RZone → Table → Indicator Value Table. Choose the chart type (OHLC, P&F or Renko), the group (the example uses NIFTY 100) and the daily timeframe. Select the indicator and run the scan. Optionally save the result as a group. **Filters:**

- ADX above 25 for trend strength. ADX shows strength, not direction; read +DI/−DI for direction.
- RSI above 40. The presenter calls 40–80 the bullish zone and 60–80 super-bullish.
- Price above its moving average.

Entry: a long breakout above a consolidation or U-shaped base while RSI is in the bullish zone. **Stop and exit:** none taught. Weakness is only implied, when ADX drops back into or below 20–25 or RSI falls below 40. **Breadth use:** the share of the group above RSI 40 or 50, read as a rough sentiment gauge. **Evidence:** examples only (Grasim, Godrej, Bank of Baroda), with no outcomes shown. The thresholds are untested. **Source:** [39]

This is the most specific workflow in the section, and it is still not a system. Its useful lesson is the last one in the video: save the filtered group so you can forward-test the rule on the same universe.

Setup: Zone app breakout scanner shortlist Steps: Analyze → Strategy Scanner → Breakout Scanner. Choose a universe (NIFTY 500, a named group, or ETFs). Then choose a scan: 1-month high, 3-month high, swing, 5-day, squeeze, triangle, 52-week, all-time, 5-year, weekly or current-month high. **Entry idea:** the stock appears in a bullish breakout scan. For names already near 52-week, 5-year or all-time highs, the presenter suggests taking the trade on a

lower timeframe. **Stop and exit:** none. Bearish mirror scans are shown without any exit logic. **Evidence:** chart examples only (ATGL, CG Power, HFCL, JSW Steel, JP Power). Results depend on when the intraday scan is run. **Source:** [32]; a near-identical walkthrough is [33].

Both setups depend on a broker-linked platform and both promote it. The claims they imply can be tested independently on historical data: that 52-week-high names outperform, and that ADX above 25 marks trending behaviour. Until someone does that test, they are hypotheses.

Where the sources differ

Dashboard thresholds don't agree. One Definedge presenter uses ADX above 25 as the trend filter ([39]). The RZone dashboard tour uses ADX above 20, with a proprietary "D score" above 0 read as bullish and above 50 as very bullish ([35]). Neither threshold is tested.

Broker figures differ between videos. - SAS Online's intraday equity exposure is 9x in one review ([10]) and about 20x in two others ([22,21]). - Indiabulls' delivery brokerage is 0.03% in one video ([40]) and about 0.3% in another ([41]). The tenfold gap may simply be a misstated figure in one of the videos, so verify it before relying on either. - Angel's model appears as percentage-based in an older video ([42]) and flat ₹20 in a newer one ([26]).

The videos do not explain the gaps. Each figure is a snapshot from the date of its video, so check the broker's current tariff before relying on any of them.

"Zero brokerage" did not stay zero. One review presents mStock as zero brokerage on intraday and F&O ([43]). A later video reports the broker introduced ₹5 per order around 2024 for old and new accounts alike, under terms that reserved the right to change the plan ([44]). The presenter calls this unethical "dumping" pricing. He also notes a charitable reading: the broker may have needed the fee to survive after its account numbers fell. His recourse advice, given for the mStock pricing dispute ([44]), is:

1. Keep records of the offer and what you paid.
2. Escalate to the broker's compliance officer.
3. Then go to SEBI SCORES or the consumer forum.

Full-service versus discount. One view is that full-service is not automatically better, so you should weigh research and service against your needs ([23]). Another is that broker research is simply a cost to set against cheaper discount alternatives ([40]). A third expects discount brokers to give no hand-holding at all ([14,16]). Most comparisons end with split verdicts: one broker is cheaper, the other has the better app ([22,42]).

Pitfalls

- **Dated snapshots.** Many of the head-to-head comparisons are from 2017. Their fees, leverage and app ratings are history, not guidance ([23,22,19,45]).
- **Small rating samples.** Some app ratings rest on fewer than 100 reviews ([40]) or about 136 ([10]).

- **Commercial interest.** Eleven of the broker comparisons end with a call-back or broker-selection service. Nearly all the Definedge tours promote its demat or software. Other examples are a sponsored short that names iron condors and strangles without explaining them ([46]) and a scanner clip with a pinned broker link ([30]).
- **Paid search rank is not quality.** One video explains how brokers bid in keyword auctions and spend heavily to acquire clients. Its own figures, roughly ₹1,000–8,000 per active client, are illustrative and inconsistent within the video ([47]). The useful inference is that a broker that sits at the top of a search result has paid to be there.
- **Unsourced accuracy claims.** A 70–75% "research accuracy" figure for a broker's tips comes with no methodology ([42]). Broker "Ideas" with stops and targets have no track record shown ([48]).
- **Untested chart lore.** A golden cross is read as bullish without any test ([49]).
- **Single-session verdicts.** In one app review the app crashed during the demo, which tells you something, but not much ([43]).

SEBI Rules, F&O Reports and Policy Debates

The concept: base rates before strategies

SEBI is the regulator whose rules decide much of what you can do: margins, expiries, adviser registration, broker obligations. Its research reports also supply the single most important number a new derivatives trader can learn, the **base rate of failure**.

Here is what the videos report from those studies. These are the presenters' secondhand readings, so verify the figures in SEBI's own publications.

Study period (as presented)	Headline	Source
FY2024-25	About 91% of individual option traders lost money. Aggregate retail losses rose to about ₹1.05 lakh crore from about ₹74,000 crore. Trader count fell from about 84 lakh to about 67 lakh	[50]
FY26 reports	About 93% of individual traders only bought options, and about 90% of that group lost. Gross loss share was about 82.1%, rising to about 87.7% after costs. Average loss per loss-making trader rose each year	[51]
Cohort data cited in a campus discussion	About 71% of daily traders lose, falling to about 54% for those trading around three years. About 93% of F&O traders lose	[52]

Three lessons come out of the more careful FY26 discussion ([51]):

- **Costs can turn a winner into a loser.** The jump from about 82% losing before costs to about 88% after costs is the clearest demonstration in the corpus. The video also reports charges per trader up about 21% and STT up about 35% in FY26.
- **A falling loss *rate* can hide a rising loss *size*.** Fewer people may lose while those who lose lose more. Judge outcomes by average net result, not just by the share of winners.

- **Associations are not causes.** Smaller losses went with more cash-market participation, fewer trading days, larger portfolios and older age. The presenter rightly cautions against reading these as recipes. He also warns that a sub-group of about 105 option sellers is too small to conclude anything from.

The FY25 discussion contains an inconsistency: it quotes both ₹15,000 crore and ₹1.05 lakh crore as the aggregate loss ([50]). Go to SEBI's report itself for the figure.

Costs and taxes

One video explains STT as 0.1% of turnover on delivery trades, charged on both buy and sell, and 0.025% on intraday trades, charged on the sell side only ([53]). Rates change, so check the current schedule. The same video then argues that rising STT collections show the market is a good place to invest. That conclusion does not follow: tax revenue tells you about turnover, not about your expected return.

Rule changes and their ripple effects

Peak margin. SEBI's staged peak-margin rule, phased from 25% to 100% between December 2020 and September 2021, forced traders to fund more of their positions themselves. One video ties this to commodity futures turnover falling about 23% between November 2020 and 30 April 2021, while options volume rose about 47% ([54]). The presenter shows a different figure for March, so the headline percentage depends on the dates you pick.

SEBI's own income. A companion video reports SEBI's revenue falling from about ₹970 crore to about ₹813 crore while expenditure rose from about ₹492.34 crore to about ₹588.14 crore. It suggests lower turnover under the margin rule as one possible cause ([55]). It is a plausible candidate, not a demonstrated one.

Broker rules. Recent broker-oversight rules are explained in [56]: - client-wise margin reporting to CCIL; - a floating net-worth requirement of at least 10% of the average daily client cash balance over the prior six months; - a strict payout timeline; - mandatory return of idle client funds.

The video cites 34 broker defaults since March 2018.

Algo software. One video says SEBI planned to regulate algo strategy providers much like advisers, with an exam, third-party validation of return claims, and exchange approval of the software ([57]). The presenter cites no circular. The title promises a 300% return strategy the video never delivers.

Reversal trades. Matched same-day buy and sell trades used to inflate volume are illegal, and exchanges now cancel the second leg through a real-time check called RTPC ([58]). The enforcement figures quoted are unsourced: 14,724 entities flagged on BSE and 1,018 proven. The practical lesson is that a sudden volume spike is not automatically genuine interest.

Currency derivatives. A short notes the RBI's position that currency derivatives exist for hedging a real exposure, and that a square-off norm had been postponed to 3 May ([59]). It gives no circular reference.

Consensus lessons

- **Go to the primary source.** Circulars, reports and tax rates should be checked at the source, not in commentary ([60,53,54,55,59,50]). Media reports citing unnamed "sources" are unconfirmed until SEBI publishes ([61]).
- **Losses are driven by behaviour and credit as much as by rules.** One presenter says he interviewed more than 200 loss-making traders. He names overtrading, borrowed money, revenge and hope trading, and lack of basic options knowledge ([62]). Another names easy credit and leverage ([60]). These are opinions from presenters with a stake in the debate, not corroborating evidence.
- **Rule changes mean retesting.** A strategy tuned to one expiry cycle does not transfer automatically to another ([63,51]), and you should wait for the formal text before changing anything ([61]).

Worked examples

Setup: Worst-case-defined index option selling (VaR sizing) Where it applies: NIFTY, BankNIFTY and FinNIFTY intraday and expiry-day option selling. The discussion took place in a low-VIX regime. **Rules:**

- Buy a cheap far out-of-the-money hedge so the worst-case loss is known in advance.
- Choose the hedge distance so its cost does not eat the average profit per trade. Hedge premiums can rise several-fold when volatility rises.
- Size from worst-case drawdown or value at risk, not from the number of lots the margin allows.
- Stop trading when the unhedged worst-case loss reaches a fixed share of capital. The example given is 10%.
- Keep the maximum VaR visible at all times.

Why: the presenters argue that stops can be cancelled or gapped through, so a stop-loss alone is not protection. **Entry and exit:** not given. The worked numbers (a 20-point average profit, a 5-point hedge) are illustrative. **Evidence:** examples only, with no published methodology. **Source:** [64]

This is the only real risk framework in the section. Its core point, to define the worst case before entering, holds whether or not you ever sell options.

Setup: Broker due-diligence check (not a trade) Steps:

- Look up a broker's complaint record before opening an account.
- Treat delayed payouts, fund mishandling or unauthorised trades as reasons to move.

- Review idle balances in your trading account periodically. Under the rules described, idle funds must be returned to your bank account.
- Larger brokers must hold proportionally more net worth.

Evidence: none beyond the rule descriptions. **Source:** [56]

The weekly-expiry debate

This is the liveliest disagreement in the section, and it is worth reading as an exercise in separating stake from argument.

- **Against removing weekly expiries:** a panel of prop traders, brokers and option sellers argues that removal would cut sellers' theta, raise costs as a share of revenue, and push activity offshore ([63]). An advocacy video argues it would widen spreads and concentrate brokers. It proposes access controls, exposure limits and curbs on lending instead, and links an email template to send to SEBI ([60]). Both have a stake in the outcome, and both cite statistics without sources.
- **Removal would not help much:** a third presenter argues that behaviour, not the expiry calendar, drives retail losses ([62]).
- **Turnover data:** the FY26 discussion reports that the weekly-expiry share of index options turnover dipped to about 82% in December 2024 and returned to about 97%. It reads this as rule changes having little effect, but it does not formally test that claim ([51]).
- **On the news itself:** one video documents media reports of weekly expiry being scrapped that were contradicted within days. Its advice is to act only on official SEBI text ([61]).

Pitfalls

- **Secondhand and inconsistent statistics.** Loss rates appear as 91% in one video ([50]) and 93% in others ([51,60,62]). One video quotes two incompatible aggregate loss figures.
- **Single-cause stories for multi-factor changes** ([55,54]).
- **Comparisons that depend on the window chosen** ([54]).
- **Advocacy presented as analysis** ([60,63]).
- **Clickbait titles** ([57]) and teasers for paid content ([58]).

Frauds, Manipulation and Fake Finfluencers

The concept: who is selling, and how they get paid

All the material in this section comes from A Digital Blogger, much of it in a numbered "Fake Finfluencers" series. The episodes walk through SEBI orders and complaints. Many describe interim orders or allegations rather than final findings, and the presenter sometimes has his own promotional interest. Still, the patterns they document are consistent, and they are the ones you are most likely to meet.

The underlying mechanics are simple. A tip-seller can profit in three ways other than being right:

- **Course and subscription fees.** Free content leads to webinars, which lead to expensive courses ([65,66,67]).
- **Positioning ahead of the audience.** The tip-seller buys first and lets viewer orders move the price ([68,66,69]).
- **Brokerage.** Brokerage is earned on every trade regardless of outcome, which is why a broker offering to "manage" your account using your login has a conflict of interest ([70]).

None of these needs the tips to work.

The cases, briefly

"Baap of Chart." A SEBI order dated 25 October 2023 fined and debarred a self-styled trader who was selling guaranteed-profit courses and tips without registration ([71]). The video reports the person's own net trading loss at ₹2,89,60,828.02 between January 2021 and July 2023. More than ₹17 crore was blocked in linked accounts. A related episode lists his offerings ([72]):

- a guaranteed 30 points a day with a "100% refund";
- "sure-shot" jackpot trades;
- algo software claimed to return 11,800%;
- an unregistered portfolio-management offer with profit sharing;
- payments taken by personal UPI.

The same episode notes that SEBI's 2022 circular requires algo software sold to investors to be exchange-certified.

Bharti Share Market. A Pune "education" firm promised returns of 25% to 1,000%, churned client accounts, and used a dual-phone trick to manufacture recorded consent ([73]). The video reports about ₹12.38 crore of illegal gains ordered disgorged, out of about ₹101.33 crore of collections.

Asmita Patel. A SEBI interim order impounded ₹53.67 crore ([65]). The allegations involve fabricated testimonials, and pressure on students to sell holdings, borrow, or open new demat accounts to join a course.

Sadhna Broadcast. A weak penny stock went from about ₹2.40 in April 2022 to about ₹33.15 by August 2022 ([74]). The scheme as described had several parts:

- coordinated buying;
- roughly ₹3.4 crore of paid YouTube promotion for fake-news videos;
- WhatsApp coordination;
- insider-linked timing, then a dump on retail buyers.

SEBI penalised more than 50 persons and entities. The video's point that penalties typically do not return victims' money is worth remembering. Some figures in the video, including the title amount, are inconsistent, so check the order itself.

Vuenow Infratech. A penny stock went from about ₹3 in March 2023 to roughly ₹194, then traded down to about ₹8.95 by March 2024, with periods stuck in lower circuits ([75]). The video links this to ED raids over an alleged assured-returns scheme. Note that the presenter states some allegations as fact before any conclusion by the authorities, and promotes his own complaint service.

Rajesh Exports. A forensic-audit interim order reportedly found about 99.8% of five years' claimed revenue unsupported ([76]). The video says the case began with one shareholder's email about unusually old receivables. The order's date as given in the video should be checked. Findings are not final.

TV and live streams. SEBI orders reportedly show business-TV guests holding recommended stocks in linked demat accounts before going on air ([68]). Similar alleged patterns appear among YouTube live hosts and Telegram classes ([66,69]). The live-stream video argues that publicly giving specific call/put, entry, stop and target instructions is reserved for a SEBI-registered research analyst.

Hero-zero tips. One exposé covers an unregistered seller of expiry-day "hero-zero" option tips ([67]). The tips often lacked concrete levels, and previous days' live links were deleted, so past calls could not be reviewed.

Jane Street. SEBI's interim order alleges index manipulation in BankNifty and Nifty through large positions reversed near the close and on expiry days ([77]). The video reports about ₹43,289 crore of index-options profit against about ₹190 crore of futures losses over the inspection period. The penalty amount is stated inconsistently between title and narration. For a retail trader the lesson is to be cautious about expiry-day closing-window moves, because large participants may be moving them.

Task scams. Outside the market but marketed through the same channels, these follow a fixed sequence: small early payouts, escalating deposits, blocked withdrawals, then silence ([78]). Scammers use rented bank accounts and SIM cards, so police trace the account holder rather than the scammer.

Consensus lessons

- **Check SEBI registration** as an Investment Adviser or Research Analyst before paying anyone ([71,72,73,69,79,68]). Disclaimers like "education only" or "paper trading" do not turn specific buy and sell calls into education ([71,69]).
- **Guaranteed or assured returns are a fraud signal** ([71,72,73,75]).
- **Never share your login, password, OTP or T-PIN.** Several videos give this warning ([79,70,80]).
- **Don't pay into personal UPI** ([71,72]), and never pay to unlock a withdrawal ([78]).
- **Avoid hyped, illiquid, circuit-bound stocks.** A SEBI-registered analyst on the channel names stocks with 2% or 5% circuit filters and very low volume as especially easy to manipulate and hard to exit ([79]).
- **Read the primary order,** not the summary ([74,68,77]).

Worked examples

Setup: Pump-and-dump warning checklist Warning signs:

- A weak, low-priced stock surges with no company-level news or earnings to explain it.
- "News" arrives in sync with promotional videos.
- The videos are paid ads.
- A far-off RSI or moving-average "target" is used to justify the hype.
- Tips circulate in WhatsApp or Telegram groups.

Applies to: penny and small-cap stocks. **Response:** check who is paying for the promotion, and check the filings for a real reason. Assume a penalty will not return your money. **Evidence:** a regulatory case example. **Source:** [74]; related cautions in [75,79].

Setup: Unregistered tip-seller profile Red flags:

- Fixed daily points or guaranteed returns, especially with a refund promise.
- "Sure-shot" trades.
- Payment to personal UPI.
- Algo software sold with return claims.
- Profit-sharing portfolio management by someone without registration.
- Targeting of people who have already lost money.
- A website disclaimer that quietly admits non-registration.

Response: check the SEBI IA/RA registers and report to SEBI. **Evidence:** a regulatory order ([71]) and the presenter's investigation ([72]). **Source:** [71,72]

Setup: Broker churning and wrongful-pledge self-check Your protections, as the video describes them:

- pre-trade confirmation;
- trades that originate from you;
- recorded F&O risk-disclosure calls retained for five years;
- pledges that need your verifiable instruction and generate an email and statement.

Habits:

- Read contract notes, ledgers and exposure statements yourself rather than relying on broker-supplied profit summaries.
- Never share an OTP or T-PIN for something you don't understand.

> **Recourse:** SEBI SCORES, then the exchange's SMART ODR. The video mentions a six-month escalation window after an unsatisfactory reply, and notes that a "disposed" complaint is a closed file, not a finding in the broker's favour. **Evidence:** anecdote. The allegations rest on media reports and an FIR, and the claim that SMART ODR offers good odds of winning is unsupported. **Source:** [80]

Where the sources differ

Tone towards allegations. One episode, on the NSE colocation story, is careful ([81]). It says that a company's silence is not proof of wrongdoing, and that a consultant's nationality is separate from his conduct. Even so, it adds insinuations about data theft that it does not support. Other episodes reach legal conclusions before SEBI does ([69,75]).

How much to trust indicators. One guest claims indicator setups are only 30–40% accurate and that big players trade against them ([82]). He shows no data. The registered analyst says simply: verify calls on the chart yourself and size from your stop ([79]).

Where to complain. The advice varies by situation: - SEBI, for unregistered advisers ([72]); - SCORES and SMART ODR, for brokers ([80]); - cyber police, for task scams ([78]).

Pitfalls in the exposés themselves

- **Interim orders and allegations reported as conclusions** ([74,76,77,69]).
- **Self-collected evidence,** such as a complaint count of about 55 out of 650–700 subscribers ([69]).
- **Figures that differ between episodes.** One finfluencer's impound appears as ₹53.67 crore in one video and "₹53 crore" in another ([65,68]).
- **The presenter's own promotional interests** ([75,67,52]).

The exposés are valuable as pattern libraries. Use them that way, and form judgements about named individuals from the orders.

Market News, Commentary and Weekly Stock Lists

The concept: news is information, not a trigger

The last group is daily news digests, macro talks, sector overviews, single-stock shorts and "stocks for this week" titles. None teaches an executable method. Seven of the seventeen could not be reviewed because no transcript was available. These include a weekly list of twelve stocks from a broker's research desk ([83]), an "invest now?" timing video ([84]) and a "Nifty near a bottom?" call ([85]). For those, the only lesson is that a title is not evidence of its advice.

The best teaching here comes from an Elearnmarkets lesson on reading a business newspaper ([86]). Its central claim is that front-page market news is usually already priced in by the time you read it. The useful material is in the data tables: advance-decline counts, new 52-week highs and lows, volume spurts, and FII and mutual-fund flows. Those tell you about breadth and sentiment.

A policy-focused podcast takes the opposite emphasis ([87]). It argues that "connecting the dots" between news, government policy and global supply shocks can reveal sector opportunities, provided you only buy on a reason you can verify.

Consensus lessons

- **Verify from primary sources:** exchange filings, SEBI or RBI releases, and the official IPO or OFS document ([88,89,86,87,90]).
- **Don't act on a reason you can't state.** Treat a tip, title or pitch as unverified until you understand its logic and have a risk plan ([87,86,91]).
- **A past return is a hook.** A stock's 100% three-month gain ([92]) or a sector's 43.6% one-year return ([93]) says nothing about the future without a benchmark, a period and a risk discussion.
- **Check the fundamentals behind promoter-driven stories.** This means pledging and shareholding in the filings ([92]), earnings behind new-age IPOs ([94]), and verified orders behind pumped small caps ([95]).
- **Protect the operational side.** Set alerts for any change to your demat's mobile, email or bank details. One episode recounts a broker employee's theft from dormant accounts ([95]).

When the broker itself fails. A news account covers Zerodha's outage on 7 July 2023, which blocked exits ([96]). A trader holding a short Sensex put complained to the BSE Grievance Redressal Committee and was awarded ₹8,275. This is a one-sided, single-trader account whose facts are contested, so treat the lessons drawn from it as cautious suggestions rather than settled rules:

- Record your exit plan so you can prove a failed exit.
- Know the escalation route.
- Size positions so that a stuck exit is survivable.

Worked examples

Setup: Newspaper market-intelligence reading Steps:

- Sort the day's news into economy, sector, company and market-data buckets.
- Assume front-page market news is already priced in.
- Read breadth (advance-decline, new 52-week highs versus lows) alongside the index move.
- Read volume spurts together with the direction of the close.
- Track FII and mutual-fund flows, remembering that mutual-fund data may lag.

Applies to: daily reading of ET, Business Standard or Business Line. **Stop and exit:** none. This is a context framework, not a setup. **Evidence:** examples, and the presenter draws conclusions from a single day's table, which is a simplification. **Source:** [86]

Setup: Verifiable-reason news checklist Rules:

- Buy only for a reason you can verify: a filing, an announcement, the financials.
- Check the products, demand and balance sheet against the company's claims.
- Avoid cash-burning companies and first-time listings until their financials are clear.
- Exit when the reason you bought no longer holds.

Stop, size and target: no numbers are given. **Evidence:** anecdote, including hindsight chart examples. **Source:** [87]

Both are habits rather than setups. Their claims are testable but untested. Examples are that falling breadth coincides with FII selling days ([86]), and that favoured sectors outperform after a change of government, which the podcast illustrates with roads under a BJP government ([87]).

Where the sources differ

News: driver or noise? The newspaper lesson says headlines are already discounted, and that breadth and flow data matter more ([86]). The podcast treats policy news as a source of sector ideas ([87]).

Policy: signal or risk? A value investor interviewed by Elearnmarkets advises the opposite of the podcast: favour large caps and *avoid* sectors heavily shaped by government intervention ([94]). He also cites one historical precedent, that 10–15% shock corrections recovered in about 40–45 days. That is a single episode presented almost as a rule. The interview does not mention the commercial interest of his own fund. The NIFTY Energy overview sits between the two: it lists crude, gas, power, tax and policy sensitivities as risks to research, not timing signals ([93]).

Pitfalls

- **Unreviewable content.** Seven videos in this group have no transcript, including titles promising weekly profits.
- **Single-stock pitches with no risk discussion** ([92]).
- **Engagement hooks dressed as analysis.** One example is "share your favourite stock in the comments" ([93]).
- **Sponsored plugs inside commentary** ([95]).
- **One-sided single-trader stories with contested facts** ([96]).
- **Macro Q&A answers that are partly opinion.** In one webinar the presenter admits missing details on some questions, though his bond-pricing arithmetic is a useful reminder that bond prices fall as rates rise ([90]).

Chapter checklist

- **Compute total cost before choosing a broker.** The broker videos advise counting account and AMC fees, brokerage on each leg, DP charges, STT, GST, stamp duty and exchange charges, and then reconciling the contract note against the tariff every day.
- **Treat every exposure, MTF or margin figure as a loan.** The sources advise including the interest in your return calculation and not sizing up just because the margin requirement fell.
- **Know your order types and test them small.** The app demos advise checking how market, limit, SL/SL-M, GTT and bracket orders fill and trigger on your broker with a small order, and writing down the stop before placing the trade. A stop can gap.
- **Treat scanner and dashboard output as a shortlist.** The platform presenters advise checking the universe, the pattern definition and the data timing, and testing any claimed edge on history, with costs, before relying on it.
- **Learn the base rate.** SEBI's reports, as presented, show roughly nine in ten individual option traders losing, with costs widening the gap. The FY26 discussion suggests judging results by average net outcome, not by win rate.
- **Check the SEBI IA/RA register before paying anyone for advice.** The fraud episodes teach treating guaranteed returns, fixed daily points, personal-UPI payments and "education only" disclaimers on live calls as red flags.
- **Protect login credentials, OTPs and T-PINs.** The sources warn never to share them and advise setting alerts on your demat's contact and bank details. They lay out the complaint route: compliance officer, SCORES, SMART ODR, consumer forum or cyber police.
- **Be suspicious of sudden rallies in illiquid stocks.** The pump-and-dump cases suggest looking for a filing-level reason, and treating a move that coincides with paid promotion or synchronised "news" as a likely pump.
- **Wait for the official text on rule changes and corporate actions.** The sources advise waiting for the official text and reading the SEBI circular, the exchange notice or the buyback filing before changing a strategy or assuming an exit price.
- **Read news, commentary and weekly lists as information.** The news videos advise stating a verifiable reason and a risk plan before acting, and discounting titles you cannot check.

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2. The Trader's Journey

Most of this handbook teaches methods: how to read a trend, where to put a stop, how to build an options spread. This chapter covers what surrounds those methods. It looks at how real people lost money, what experienced traders say about the years it takes to learn, what market history can and cannot teach, and how to judge the books, courses and events that will be sold to you along the way.

The material here is mostly stories, not systems, and that is why it matters. A beginner's biggest risk is rarely a slightly wrong entry rule. It is usually a sequence of behaviours: oversizing, borrowing, averaging down, revenge trading, and trusting someone selling certainty. The loss interviews show that sequence more clearly than any chart.

By the end of the chapter you should be able to:

- recognise the common loss spiral in your own trading;
- pull usable process advice out of an interview without copying someone else's style;
- treat legends and market history as background rather than proof;
- judge an education product by its rules and evidence, not its title.

A word on evidence before we start. Nothing in this chapter is backtested. Every loss story is self-reported and unaudited. The interview "strategies" are fragments recalled on camera. Much of the course and event material is marketing. Treat what follows as lessons from people's experience, which is valuable, and not as proven edge.

Losses and Lessons

How the loss spiral works

The "Losses & Lessons" interviews on A Digital Blogger follow a striking pattern. A guest, often a working professional with a stable income, describes how a trading account turned into debt. The specific instrument varies: index options, single stocks, currency futures, crypto and forex. The sequence of mistakes barely changes.

It usually starts with an early win that feels like skill. One guest describes a ₹25,000 profit that ended as about ₹13 lakh in losses after he raised quantity, bought options, carried them past expiry and borrowed money[1]. Another took a few days of winning tips as proof he understood the market[2].

Next, position size grows faster than skill. One guest put a whole account into a single expiry-day Bank Nifty option trade[3]. Another sized option and forex positions so large that small adverse moves wiped the account out more than once[4].

When a trade goes wrong, there is no exit. Either there is no stop at all, or the stop is moved. One intraday short-seller describes widening his stop from 2015 to 2125 on a single trade[5]. Another guest bought random at-the-money options with no stop, cut his winners and held his losers[6].

Then the loss is averaged and financed. A guest kept buying a falling Yes Bank position, funding it partly with business loans, and lost about ₹12 lakh[7]. A farmer's account grew into roughly ₹18 lakh of losses and ₹27 lakh of debt, including money raised against gold[8]. An Army officer describes about ₹62 lakh lost across F&O and currency trades through tips, advisers, gut trading and loans[9].

Finally comes the attempt to win it back fast: revenge trading, more trades, bigger size, and paid tipsters promising recovery. One short clip describes being shown screenshots and spreadsheets claiming ₹10 lakh in a day[10].

Costs sit quietly underneath all of this. One guest paid about ₹1.5 lakh in brokerage while losing on the trades themselves[7]. In another video, the presenter says a 400-trade day cost him ₹10,000–12,000 in charges. That figure is self-reported and unaudited[5].

The single Definedge story in this group is smaller in scale but makes the same point analytically. The presenter bought Vodafone Idea because it "couldn't fall further", averaged down, and sold at a loss just before a sharp rise. He argues that decisions driven by unrealised profit and loss, in either direction, are the real problem, and that objective entry and exit rules decided in advance are the fix[11].

What the guests agree on

Seventeen loss stories reach remarkably similar conclusions.

- **Decide the stop before entry, and honour it.** This is the most repeated lesson, stated in twelve of the videos, including[5,4,3,2]. Several guests admit they did not honour their stops or risk limits[5,12,9]. Knowing only your entry is not a plan[3].
- **Cap position size relative to capital, and don't change it after wins or losses.** One guest's fix is a single fixed lot regardless of recent results[8]. Another warns specifically against raising quantity after a win or a bonus[1].
- **Never trade with borrowed or family money.** The funding sources named are sobering: a gold loan or pledge[8,13], EMIs and personal loans[9], credit cards[2], and business and mortgage loans[7].
- **Don't average down into losers.** This appears in[4,7,3,11,9]. One guest adds that raising quantity to recover is the same mistake in a different form[6].
- **Distrust tips, tipsters and screenshots.** Ask for audited broker statements[10,14] and check SEBI registration before paying anyone[9].
- **Limit trade count and count your costs.** One guest caps himself at 3–4 trades a day[15]. Another guest claims that at 10 or more trades a day, charges can eat a large share of gross profit and loss[6].
- **Stop after a loss rather than chasing it.** The responses vary, but the instinct is shared[8,10,15].
- **Learn and paper-trade before risking real money, and don't quit a stable income before you have a long, proven history of results**[3,16,1].
- **Option buyers must respect decay and expiry.** Premium can go to zero[4], and carrying positions past weekly expiry is named as the biggest risk for retail buyers[1].
- **Keep a journal** of quantity, entry, stop, outcome and reason[3,9,1].

One episode is about a quieter failure: strategy-hopping. The guest spent ₹7–8 lakh on paid courses, including a "risk-free" hedged-options pitch claiming 95% winners, and switched methods after every small loss without backtesting. The host's conclusion is that risk management comes before strategy. He offers roughly 1% risk per trade as a benchmark, and notes that risking around 3% of capital on a single futures lot can exhaust an account after a short run of stop-outs[16].

How the risk rules compare

The guests agree that you need a risk rule. They do not agree on what it should be.

Rule offered	Source	Note
Rupee stop of about ₹2,000–3,000 on a one-hour trade, one fixed lot	[8]	Derived after the losses
10–15% stop on a stock, at most about 10% of capital per stock	[7]	Hindsight rule for positional holdings
About 1% risk per trade	[16]	Host's benchmark
No more than 10 NIFTY lots per ₹1 lakh, half size on weaker setups	[15]	Expressed in lots, not rupee risk
Stop just above resistance, about 1% target on position value	[5]	Stated, then widened in practice

A practical observation: a cap measured in lots is not the same as a cap on rupee risk, because the loss per lot depends on premium, volatility and where the stop sits. The percentage-of-capital framing in[16] links more directly to how much you can actually lose.

Worked examples: the guests' own methods

Three guests describe a named method they were using while they lost money. These are not recommendations. They are useful precisely because they show that having a "setup" did not protect anyone. In every case, sizing and discipline failed first.

Setup: High-volatility resistance short (intraday cash equity)

- **Where:** MIS intraday trades in midcap and smallcap stocks moving roughly 3–6% or more, with entries only between 9:15 and 11:00.
- **Preparation:** Build a shortlist from Moneycontrol's top gainers and losers. Follow a candidate for two to three days. Check the overnight Dow and S&P direction. Use market depth and prior support and resistance to locate a likely reversal.
- **Capital:** About ₹2 lakh at 5x intraday leverage, giving roughly ₹10 lakh of position value.
- **Entry:** Short when the stock repeatedly fails at resistance. In the presenter's example, it reaches 279–280 but cannot push through 281–282, so he shorts at 280.
- **Stop:** Just above the level, at 283–286 in the example.

- **Exit:** About a 1% move on position value (around ₹10,000), or cover when support breaks. Square off deliberately rather than relying on auto square-off.
- **Evidence:** Anecdote only. One winning example (IRCON) is shown. By his own account the presenter widened stops, added capital after losses and lost about ₹40 lakh overall. Costs are not counted in the 1% target.
- **Source:** [5]

Setup: Order-block scalp with a one-hour trend filter (index options)

- **Where:** Intraday NIFTY, SENSEX and stock options, with mornings preferred.
- **Rules:** Read the trend on the one-hour chart and trade only in that direction. Wait for the trend to form, then enter on a Smart Money Concepts order block once price starts moving with it. Take the first good trade only, and no more than 3–4 trades a day. Skip the day entirely if entry, exit and stop are not all defined.
- **Stop and exit:** About 1:2 reward-to-risk, for example cutting a ₹1,200 loss and booking a ₹2,400 profit. Let the broker's kill-switch enforce the daily limit. No overnight option holds.
- **Size:** No more than 10 NIFTY lots per ₹1 lakh, with half size on lower-probability setups. Before scaling up, practise for two weeks or so on tiny targets (₹100 profit, ₹50 loss).
- **Evidence:** Anecdote. The video does not define how an order block is identified or where its stop sits. The presenter says he backtested his morning EMA variant but shows no results. He describes oversizing and holding losing options as the real causes of his losses.
- **Source:** [15]

Setup: Expiry-day far-OTM option selling with iron flies and credit spreads

- **Where:** NIFTY and BankNIFTY options on expiry days, when India VIX is elevated.
- **Rules:** Read option-chain open interest for support and resistance. Sell far out-of-the-money calls, mostly, and some puts at roughly ₹30–40 premium. Use iron fly, iron condor, butterfly or credit-spread structures at about one lot (around ₹80,000) per position. Adjust by selling an extra leg as the index moves.
- **Stop:** No stop distance or sizing formula is given. The presenter had a daily loss limit but admits he never enforced it.
- **Evidence:** Anecdote. The presenter lost about ₹70 lakh, partly through earlier oversized positions (around 900 BankNifty units) and averaging with no stop. Tail risk is not quantified.
- **Source:** [12]

Look at what these three have in common. Each had something resembling a stop or a limit on paper. Each guest explains his losses through behaviour, not through the entry signal. That is the lesson to carry forward.

Where the stories differ

What to do after a loss. The responses range widely:

- stop for the day[8];
- use a broker kill-switch and freeze after 3–4 trades[15];
- step away for a few days after booking profit[5];
- stop trading until you have studied properly[13];
- if you cannot trade your own plan, use mutual funds or ETFs instead[6].

Strategy first or risk first. One episode argues that risk management must come before any strategy[16]. Yet three other guests still present a named setup as their edge[5,15,12].

Indicators. One trader says he began giving clients tips after a few weekends of learning, and is now sceptical of slogan-style signals such as "this line crossed that line, so buy"[17]. Others still lean on trend, EMA, order-block and resistance reads.

Targets. One guest says a daily profit target without a daily loss limit is incomplete[4]. Another says only that profits should exceed losses over time, but then mentions 25–30% monthly returns without any method behind them[14].

Pitfalls, including in the videos themselves

The behavioural pitfalls are listed above. The videos have their own weaknesses, and a careful reader should notice them.

- **The figures are self-reported.** In one episode, the title says ₹25 lakh lost while the guest says about ₹15 lakh on camera[6]. Most loss totals are unaudited.
- **Return claims creep in, even into cautionary tales.** Examples include 25–30% a month[14] and 10% a month from early trading[3].
- **Critics sometimes sell what they criticise.** The ₹70 lakh guest criticises finfluencer courses while presenting his own uncapped option selling as his edge[12].
- **Predatory offers appear inside the stories.** These include a ₹650-a-month tip broadcast[2], paid account-handling schemes with guaranteed-profit promises[9], unregulated forex platforms with referral commissions, and a prop-firm challenge that closed the account after it was passed[4].
- **Some mistakes are purely operational,** such as entering the wrong quantity units in currency futures[9].
- **Single anecdotes carry hindsight.** "If I had held, I'd have made X" ignores the risk taken along the way[11].

Trader Interviews and Panels

What interviews can and can't give you

Career interviews and panels sit between the loss stories and the method chapters. They show traders who are still in the game talking about how they got there: leaving a job, balancing family and markets, networking, and the years-long learning curve.

They have two built-in limits. The first is **survivorship**. You are hearing from people who survived, not from the many who tried something similar and quit. The second is **recall**. Rules described from memory in a conversation are rarely complete, and they are never shown with a sample of trades.

The most useful thing an interview offers is process advice that many different guests repeat independently. The least useful thing is a one-off number or prediction.

The format also limits what can be learned. Several of the most-watched interviews in this group have no usable captions or are cut short. One options-seller interview with about 861,000 views is available for only its first few minutes, which cover the guest's background and none of the method[18]. Nothing can be said about what such videos teach, however popular they are.

What the guests agree on

A few profitable trades are not grounds for going full-time. A comedic skit makes the point well: profit is not the same as tested skill and grounded confidence[19]. Steven Goldstein describes trading as a performance discipline. In his view a rare few become consistently competent within two to three years, while a raw beginner typically needs five to seven. He advises making sure your living needs are covered while you learn[20]. These figures are his estimates, not measured statistics.

Test before you trust.

- Test any indicator or timeframe on your own data. One podcast guest describes cycling through RSI, Parabolic SAR, Stochastic and various moving-average lengths without finding one that reliably worked for him[21].
- Backtest many times and write down every failure, so you learn where a setup breaks[22].
- Backtest over several years and look at individual days, not only the headline return[23].
- Remember that backtests overstate results when they ignore costs, gaps, illiquidity, rollovers and slippage[20].

Start small. Paper-trade first[22]. Then trade very small real size, treating early losses as tuition[20]. After a drawdown, come back with small size[23].

Have a defined edge, and don't override it. One Definedge guest describes moving from many small discretionary trades to system trading, because trades without a clear edge amounted to guesswork[24]. A panel story from demonetisation illustrates the cost of abandoning a system mid-trade after an adverse gap. The guests recommend deciding your worst-case responses in advance[25].

Don't copy blindly. Avoid tips[26]. Choose a style that fits your temperament rather than your mentor's[20]. Don't rely on an indicator someone simply handed you[22], and be wary of settings justified only because "everyone uses them"[21].

Plan your routine. One woman trader whose screen time shrank after marriage fixed her trading windows around it. She finishes trades before 1:00 PM and takes the next only after 1:30 PM[27]. A panellist keeps a written list of his repeated mistakes, reviews it every few months, and turns each fix into a rule[28].

Worked examples

Setup: Market leaders, breadth and base rules (Indian equities)

- **Where:** Indian stocks across Nifty swings, using weekly charts for trend and daily charts for selection.
- **Regime first:** In a non-trending phase, trade intraday only, or not at all, and exit the same day. One intraday cue given is price trading below the day's open and high while short-side open interest builds.
- **Trending phase:** Rotate into the roughly 50–70 stocks that lead each Nifty swing, buying after they pause and begin rising again or break out.
- **Breadth as a brake:** When a long-only momentum portfolio grows beyond about 30 stocks, lighten up and trail stops quickly.
- **Beaten-down non-cyclicals:** Consider these only after roughly a 50% drop plus a base, such as a double bottom, a cup-and-handle or a moving-average turn. An alternative is a 30–35% Darvas-style base. Do not bottom-fish below long moving averages, and treat the 13-month average as a durability filter.
- **Stop and size:** Not specified.
- **Evidence:** Anecdote. The panellists mention years of research and dozens of rules without showing any of it. Claims such as "9 of the last 13 bottoms came in October" are given without data. The session includes a promotion for a paid club.
- **Source:**[28]

Setup: Higher-timeframe structure reversal

- **Where:** Stocks, forex and MCX commodities.
- **Setup:** Read market structure on at least the 4-hour chart (the guest uses 4-hour or 2-hour for forex and MCX), and mark genuine support and resistance levels.
- **Entry:** Drop to 1-, 5- or 15-minute charts and enter in one of three ways: on breaks of marked levels; after a trendline break, when price crosses back and a candlestick confirms; or on divergence read in the direction of the trend. Elliott wave traders may use the ABC correction after a five-wave impulse.

- **Exit:** Stand aside when the structure flips. Avoid chasing very long, fast candles (marubozu), where late buyers tend to get trapped.
- **Stop and size:** Not specified.
- **Evidence:** Anecdote. The guest says himself that setups often fail when used blindly, and no win rate or sample is given.
- **Source:** [22]

Setup: Backtest-to-conviction ladder (a process, not a trade)

- **Where:** Rule-based NIFTY and BankNIFTY options.
- **Steps:** Backtest a rule over several years and read it day by day. Paper-trade and compare those results with the backtest. Only then add capital. Expect losing days and losing streaks as normal.
- **Stop:** Use pre-set alerts so exits are not emotional. The examples given are a 25% stop on the position or a daily P&L limit of –₹2,000.
- **Review:** Keep a weekly journal that scores whether each trade followed the rule.
- **Evidence:** Anecdote. No backtest results or costs are shown. The presenter promotes his own backtesting platform, and the video's auto-captions are poor, so parts of what he says are uncertain.
- **Source:** [23]

The third box may be the most transferable idea in this section, because it applies to any rule you eventually adopt.

Where the guests differ

System versus discretion. Some guests favour strict systems [24,25]. One uses discretionary exits within a process [22]. Goldstein argues that a rule set alone cannot remove emotion, and that a system has to fit your personality if you are to trade it through drawdowns [20].

Narrow edge versus broad awareness. One panel urges understanding every asset class and how commodities, currencies and yields feed into equities [29]. Another guest stresses a narrow, clearly defined edge [24]. These are differences of emphasis, not direct contradictions.

Timeframes. The structure trader reads the 4-hour chart and enters on 1–15 minute charts [22]. The leaders panel works from weekly and daily charts [28]. Both are legitimate. What matters is knowing which timeframe you are trading.

Stops. One guest offers explicit alert levels [23]. The leaders panel gives none, relying on breadth and moving-average filters instead [28].

Pitfalls

- **Promotion is everywhere.** You will find pitches for a guest's own platform[23], a paid mentorship advertised with a 4.9 rating and 2,500+ enrolled[29], paid events[25], coaching and psychometric profiling[20], and a club coupon[28].
- **Return claims go unverified.** One interview's title promises 4% a month, while the host's introduction mentions 8% in a volatile month. Neither figure is shown[18].
- **Hindsight examples.** One example is a buyback trade reported mid-stream about six weeks after entry[25].
- **Off-topic content.** One "Face2Face" is a dermatology clinic founder discussing his business and IPO plans. It is a business case study with self-reported figures and no market method[30].
- **Behavioural traps the guests name themselves:** quitting a job after a few profits[19], copying a mentor's style[20], chasing long candles[22], and bottom-fishing below long moving averages[28].

Trading Legends and Market History

What history is good for

Five short videos from A Digital Blogger tell stories from market history:

- the life of the rice trader Honma Munehisa[31];
- the American trader Larry Williams[32];
- the origin of the Ichimoku indicator[33];
- the decline of the Calcutta Stock Exchange[34];
- the 1987 Black Monday crash[35].

They are well made and widely watched. None of them gives a tradeable method.

History has real value for a trader, but of a specific kind. It shows how market *structure* fails: settlement systems, order mechanics, regulation. It also shows how stories about great traders get told. What it cannot do is prove that an indicator works because a famous person invented it.

What the videos agree on

Stories are background, not evidence. An indicator's origin story tells you nothing about whether it works[33]. A legend is a story, not a verified method[31]. A reputation and a list of famous indicators do not show how to trade[32].

Check claims against primary sources. That means audited results or contest results for a trader's performance[32], regulatory status for an exchange[34], and independent accounts for the causes of a crash[35].

Structural risk is real. The Calcutta Stock Exchange story runs from its 1863 origins through government recognition in 1980 under the Securities Contracts Regulation Act. It then covers a 2001 settlement scam, SEBI rules in 2012, and the halt of trading in 2013. The lesson to draw is that payment and settlement failures can permanently erode a market institution[34].

Order mechanics matter in a crash. The Black Monday video says the US market fell more than 22% on 19 October 1987, more than the roughly 10% fall associated with 1929, and that circuit breakers were introduced afterwards. Its main argument is that stop-loss and other self-executing orders, clustered at similar levels, accelerated the fall[35].

The Honma story ends with a set of behavioural maxims rather than rules. Keep and study your own price data. Wait for the next opportunity instead of chasing a missed one. Book profits at a planned point. Avoid overtrading. Stay emotionally steady[31]. These are sensible but vague, and they echo the loss stories above.

The closest thing to a setup

No video in this group contains an entry, exit or stop rule. The nearest operational lesson is about how stop orders behave. It is shown below so you can see what it does and does not say.

> **Setup: Stop-loss behaviour in a fast market (a lesson, not a trade)**
>
> - **What it says:** Once a stop-loss is triggered, it effectively becomes an order to sell at the market. In a fast fall, the fill can come well below the stop price. Many stops clustered near the same level can feed the decline they were meant to protect against. Circuit breakers and trading halts change what happens to resting orders.
> - **Where it applies:** Any market, but especially gaps, crashes and illiquid instruments.
> - **What it does not give:** Any rule for where to place a stop, or how to size around gap risk.
> - **Evidence:** None beyond the narrative. The video also leaves out widely cited causes of the 1987 crash, such as portfolio insurance and program trading.
> - **Source:**[35]

The point connects directly to an Elearnmarkets introductory webinar. It explains that a stop order has a trigger price and a limit price, and that the two can differ[36]. Knowing your order type is part of knowing your real risk.

Disagreements and inconsistencies

These videos overlap too little to disagree with one another. Within individual videos, though, there are problems worth noticing.

- The Larry Williams video gives two different figures for the same famous return, 11,300% and 113%[32]. It also uses "messiah" framing.
- The Black Monday video presents a single cause for a crash that had several[35].

Pitfalls

- **Dramatised, unsourced numbers.** The Honma video claims about $10 billion in profit and a net worth of about $100 billion, with no source given[31].

- **Engagement bait.** The Ichimoku video withholds its real explanation until it reaches 15,000 likes[33].
- **Celebrity as credibility.** Being famous for creating Williams %R, or for winning a 1987 futures championship, does not tell you how a retail trader should use those tools today[32].

The claims that can be checked against public history include Hosoda presenting Ichimoku in 1968[33], the Calcutta exchange dates[34], and the 1987 decline figures[35]. Check them before repeating them.

Books, Courses, Events and Trailers

How to read education marketing

About sixty videos across the three channels exist mainly to point you somewhere else. They promote a course, a certification, a mentorship, a workshop, a conference, a full interview or a reading list.

There is nothing wrong with that. Education has to be paid for, and some of these products may be good. But a promotional clip is designed to make you act, not to teach you, so it should be read with a different question in mind. Don't ask whether it sounds convincing. Ask **what concrete rules this product teaches, and what verifiable evidence exists that they work**.

Three kinds of content dominate:

1. **Course and mentorship advertisements.** Examples include NSE-certified technical analysis and capital-market courses[37,38,39,40,41,42,43,44], an Elearnmarkets mentorship tied to the Kredent trading desk and StockEdge Club[45,46,47], and Definedge's 28-day Traders' Nest workshop[48,49,50].
2. **Trailers and teasers** for full interviews or conference talks[51,52,53,54,55,56,57,58,59].
3. **Reading lists** for technical analysis, options and psychology[60,61,62,63].

A handful of videos actually teach something. These are a few introductory doubt-clearing webinars[64,36,65], a tour of free market-data websites[66], and a six-trader panel[67].

Consensus lessons

A trailer is a pointer, not a lesson. A teaser may name a strategy family without giving its rules. Examples are positional credit-spread selling with an exit after the weekly candle closes[53], a moving-average re-entry "second setup"[54], and a Renko swing method for Nifty[58]. None of these is usable from the clip. Some trailers still carry a good idea. One says to judge a method by the ratio of average winning R to average losing R, not by win rate alone[51]. Another guest says a setup works only about 35–40% of the time, so his edge comes from risk management, money management and psychology[52].

Titles often over-promise. Many videos promise "secrets" or a "strategy" and deliver topic labels. Examples include workshop promos[68,69], an "options scalping strategy" trailer[70], an intraday "entry and exit" short with no usable content[71], a "VWAP strategies" promo that teaches no VWAP rule[56],

and a "rule-based approach" ad that shows no rules[49].

A certificate shows completion, not skill. Several promos lean on NSE certification as their main selling point. The sensible advice in the videos themselves is to check the certification on the exchange's own listing, and to remember that a certificate is not evidence that you can trade profitably[42,38,41].

Learn the basics before strategies. Learn options fundamentals before multi-leg structures[62,72]. Use a virtual platform such as NSE Paathshala before real money[66]. Risk only money you could lose entirely while you are learning[73].

Match books to your level. One list rates Schwager's beginner book as an entry point and Pring's text as hard going for beginners[60]. Another suggests a foundation text first, then specialised references, read repeatedly and applied on charts[61]. A short clip recommends Mark Douglas's *The Disciplined Trader* and *Trading in the Zone* before risking money[63].

Behaviour matters as much as content. Fear and greed can ruin a correctly timed trade[74]. When you keep missing big winners, look at your own hesitation[55].

Worked examples

Very little here is specific enough to execute. These two are the most concrete.

Setup: Regime-adaptive options and trend playbook (panel)

- **Where:** NIFTY and BankNIFTY options, and stocks.
- **Choppy markets:** Express a directional view with a debit spread rather than naked futures or options. Use about 20% or less of capital for it, and keep 40–60% free for adjustments. Range-bound markets can be traded with an iron-condor-style structure.
- **Trending markets:** One panellist trend-follows with CPR and pivot points, which she says she has used since 2018. Another runs about 75% trend-following and 25% range-bound sleeves so the two are uncorrelated. He books small profits repeatedly in trends and larger ones in ranges.
- **Sizing:** Fix risk at 1% of capital first, then derive quantity from the spread width. The panel's example of a 100-point spread implying about 10,000 quantity is ambiguous, because the capital behind it is not stated.
- **Stop and exit:** No fixed stop, target or costs are given.
- **Evidence:** Anecdote. Self-reported figures (88% one year, 36% year to date, an 80% success rate said to support 3–4x leverage) are unaudited. The captions are noisy and the session doubles as an event promotion.
- **Source:**[67]

Setup: Pre-defined stop-loss routine (introductory)

- **Where:** Any horizon. The webinar defines intraday as squared off the same session, swing as held from weeks to about three months, and investment as long term.
- **Rule:** Decide the maximum loss before entering, then convert it into a stop level. The example is a ₹100 purchase with a stop at ₹95 and a target at ₹120.
- **Execution:** Place a stop-loss order with a trigger price. The trigger activates the order, and the fill price can differ from it.
- **Evidence:** None. This is a conceptual explanation, and a second worked example in the same series uses noisy, illustrative numbers.
- **Source:** [64,36]

The free-data tour[66] deserves a mention as a routine rather than a setup. It suggests the following daily checks:

- compare the NIFTY 50 intraday chart with the previous close;
- check advance and decline counts;
- read the gainers and losers table together with volume;
- glance at global indices, commodities and currencies;
- compare a company across more than one source.

Where the sources disagree

One approach or several. One career webinar says to pick a single approach that matches your horizon: fundamental analysis for investing, technical analysis for trading[73]. A sister webinar says to combine fundamental, technical and sentiment inputs and treat the result as probabilistic[74].

Hit-rate expectations. "A setup works about 35–40% of the time"[52] sits uneasily beside "an 80% success rate supports 3–4x leverage"[67]. They may describe different styles. Only the first is consistent with the let-winners-run arithmetic taught elsewhere in this handbook.

Mentorship. One promo asserts that market success is proportional to the quality of mentorship[45]. Another says traders need a mentor, a system and a framework rather than tips or hidden indicators[48]. Neither offers evidence. The loss stories add a counterweight: one guest spent ₹7–8 lakh on courses and still lost[16].

Books versus products. The reading-list videos argue that books beat paid tips, and then promote their own app or platform[61,62]. A broker short dismisses Telegram tips but pitches its own research portfolio[75].

Capital. One session claims ₹2–4 lakh "won't do anything"[76].

Pitfalls and red flags

- **Unsupported return claims.** One career webinar cites 15–16% long-run equity returns with no period or source[74]. One session mentions a student making about ₹80,000 on ₹2 lakh in a month and a GBPINR trade returning about 33% overnight, with no costs or losses shown[76]. One course ad calls its learning "foolproof"[37]. One trailer cites a successful gold-rally call but withholds the pattern behind it[77].
- **Backtest claims without numbers.** A momentum book announcement describes testing more than 1,500 variants on Indian data from 2001 to September 2024, but shows no figures, costs or out-of-sample results in the video[78]. The same video sensibly advises looking for independent evidence before accepting any presenter's claimed edge.
- **Urgency and discounts,** such as time-limited discount codes and "reserve your seat now" calls[74,50].
- **Funding or placement offers without terms.** A possible route to the Kredent desk is mentioned with no selection criteria or conditions[45,46].
- **Unverified social proof,** such as about 2,500 course completions[79] or "1,000+ participants"[40].
- **Unsupported premises,** such as the idea that only an Indian can understand the Indian market[62], or time-sensitive comparisons given without dates[55].
- **Popular but empty.** Some of the most-watched titles in this area have no usable captions. A swing-trading introduction with about 558,000 views is one example[80]. So are several book lists[81,82,83]. A view count tells you nothing about content.

Chapter checklist

- **The guests advise setting the stop before entry[3,4] and pairing any profit target with a daily loss limit**[4], and one panel recommends deciding worst-case responses to an adverse gap in advance[25]. Nearly every loss story starts with a stop that was missing, moved or ignored.
- **The guests advise sizing by a fixed rule rather than by mood, but they disagree on the rule.** The options given are a single fixed lot[8], a cap on lots per ₹1 lakh[15], and about 1% of capital at risk[16]. One guest warns against raising quantity after a win[1], and another warns against raising it to recover a loss[6].
- **Never fund trading with loans, credit cards, pledged gold or family money**, and never average down without a predefined exit.
- **Cap your trades per day and count every charge.** Brokerage, STT and slippage are part of your result, not an afterthought.
- **An early winning streak is not proof of skill.** One loss-story guest advises against quitting a stable income before you have a long, proven history of results[3].
- **Several guests describe a ladder of backtesting, then paper trading, then small real size**[23,20], and Goldstein warns that backtests overstate results when they ignore costs[20]. Keep a weekly journal that scores whether each trade followed the plan.

- **Take process advice from interviews, not someone else's style.** Choose methods that fit your temperament and timeframe.
- **Read legends and market history as background.** Check numbers against primary sources, and learn how your order types behave in a fast market.
- **Judge any course, mentorship or event by its concrete rules, costs and verifiable results.** Ignore titles, certificates, view counts, testimonials and urgency.
- **Before paying anyone for advice, the guests advise asking for audited broker statements[10] and checking SEBI registration[9].** Treat screenshots, spreadsheets and guaranteed returns as warning signs.

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3. Risk, Position Sizing and the Trading Process

Every other chapter in this handbook gives you ways to find a trade. This one covers what happens after you find it. Where do you get out if you are wrong? How much do you buy? How do you know whether a method makes money over many trades rather than on one good chart? And how do you turn all of that into a routine you can follow on an ordinary Tuesday, when you are tired and the market is moving fast?

These are the least glamorous topics in the corpus, and the ones where the three channels agree most. They are also where the evidence is thinnest. Almost nothing here has been formally tested. What you get instead is a set of rules of thumb, some careful arithmetic, and a few presenters who are candid about how backtests mislead. That combination is still worth a lot, because most of the rules can be checked against your own data and your own journal.

By the end of this chapter you should be able to:

- place a stop for a stated reason rather than by feel;
- size a position from that stop;
- work out whether a win rate and payoff ratio add up to a positive expectancy;
- read a backtest sceptically;
- judge what an algo platform can and cannot do for you;
- write a plan short enough to follow.

Stop-Losses, Trailing Stops and Exits

How it works

A stop-loss is the price at which your reason for being in the trade stops being true. Everything else in risk management depends on it. The distance between entry and stop is your risk per share, and position size, risk-reward and expectancy are all calculated from that number. If there is no stop, there is no measurable risk, and you are not running a method.

The corpus separates three kinds of exit:

- **The initial stop.** This is where you are wrong, decided before entry.
- **The trailing stop.** This is a stop moved in your favour as the trade works, so that a reversal exits at a smaller loss, at breakeven or at a profit.
- **The profit exit.** This is a planned target, a partial booking, or an exit signal such as a moving-average break.

The mechanics matter as well. One explainer walks through stop-loss and stop-limit orders in a broker app: the trigger price, the validity setting, and the need to reset a carried-forward stop before the next session[1]. That video makes the point that a stop is an instruction, not a guarantee. If price opens beyond your level, the fill is wherever the market is[1]. A widely viewed trailing-stop explainer does not address this gap risk at all[2].

What the sources agree on

Decide the stop before you enter. This is the most repeated rule in the section. Presenters say to set the stop at the moment of entry[1] and to place the stop order together with the entry order, not afterwards[3]. They say to choose the stop method before entering[4] and to write exit rules down in advance so you are not deciding under pressure[5]. A short interview clip frames a clear exit signal as the thing that lets you trade without constant tension[6].

Honour it. Several videos make the same behavioural point: losers are held in hope and winners are held out of greed[3]. A comedy skit from A Digital Blogger makes it memorably, with a stop just below the buy price that is exited on touch, no hoping[7]. One interviewee's version is harsher. Exit fully once price falls below your average cost, without waiting for news, and never average down a falling holding[8].

Give the stop a reason. Arbitrary stops get hit by ordinary noise. The structural anchors offered are:

- just below the most recent support, or a moving-average break[4]
- a multiple of the Average True Range (ATR), so the distance scales with volatility[9,10]
- a moving average matched to your holding horizon: about 9 days for a trader, 20 for a swing trader, 200 for an investor[11]

Trail only once you are in profit. The ATR teachers say not to tighten early. Let the trade move first, then trail[9,10].

Book profit on purpose. Whether you take a partial exit at a first level[12] or scale out progressively as a position rises[8], the idea is the same: an unrealised gain is not yet yours.

Match the exit chart to the instrument. One options short argues that option premium moves fast enough that waiting for a 15-minute signal gives back much of the move. It times exits on 3- or 5-minute charts instead[13]. No test is shown, but the underlying point about speed is sound and easy to check.

The table below shows how the stop methods in this section compare.

Method	How the level is set	Example given	Source
Fixed percentage	Set % below entry	10% (₹90 on ₹100)	[4]
Support	Just below recent support	Support ₹450, stop ≈ ₹445	[4]
Moving average	Exit on a break of the MA	≈ 15 periods mentioned	[4]
ATR, 2×	Entry ± 2 ATR	ATR 2 on ₹100 gives ₹96 / ₹104	[9]
ATR, 1×, stepped	Entry − 1 ATR, then raise in steps	CMP 300, ATR 11 gives 289	[10]
Horizon MA	Close below 9/20/200-day MA	200-day as the investor's line	[11]

Worked setups

Setup: 2× ATR volatility stop with a trailing stop

- **Rules:** Add a 14-period ATR (Wilder smoothing) to the chart that matches your holding style: daily for positional trades, 5–10 minute for short-term, your swing chart for swings. For a long, the stop is entry minus 2 ATR. For a short, it is entry plus 2 ATR. In the presenter's example, ATR 2 at a ₹100 entry gives ₹96 for a long and ₹104 for a short. Once the trade is in profit, trail the stop at 2 ATR from price.
- **Where it applies:** Stocks and commodities, with any entry method. ATR gives no entry signal.
- **Stop and exit:** The initial 2-ATR stop, then the 2-ATR trail. No target or sizing rule is given.
- **Evidence:** Anecdote. The 2× multiple is presented as a thumb rule, demonstrated on one live chart with no outcome shown.
- **Source:** [9]

Setup: Breakout entry with a 1-ATR stop raised in ATR steps

- **Rules:** Go long on a break of a trendline or channel resistance, or above the Camarilla H4 level with H5 as the target. Go short below L4 with L5 as the target. The initial stop is one 14-day ATR from entry. In the presenter's example, CMP 300 with ATR 11 gives a stop at 289. Once price has gained one ATR (311), move the stop to entry (300), then keep raising it in ATR steps. For Camarilla longs, the stop sits at H3. Parabolic SAR is used only as a trail after the trade is in profit, never as the initial stop.
- **Where it applies:** Daily swing trades in stocks, commodities and currencies moving from sideways into a trend. The Camarilla version suits day and 2–3 day trades.
- **Evidence:** Chart examples only. No win rate or backtest.
- **Source:** [10]

Setup: Exit-first profit booking

- **Rules:** Buy only where there is a genuine value reason. Exit fully if price falls below your average cost. Scale out 10–20–30% of the position (up to 50%) as profit builds. Lighten up when the single-stock-futures long-short ratio is extreme; the presenter contrasts 7:1 with a five-year average near 3.77. Never average down.
- **Where it applies:** Indian equities and single-stock futures, mainly in bull markets, where the presenter says an exit plan is essential.
- **Evidence:** Anecdote and an aggregate data slide. The ratio thresholds come with no method, and the claim that the ratio flags tops rests on a few episodes.
- **Source:** [8]

Where they disagree

How far away the stop goes. The two ATR teachers use different multiples, 2× [9] and 1× [10]. One explainer rejects fixed percentages such as 5% or 10% and wants the stop based on momentum, price and volume, but its own worked example is a ₹10 stop on a ₹100 entry, which is 10% [1]. Another video uses a 10% stop alongside support and MA methods [4]. The trailing-stop explainer's example uses a 2% stop [2].

Wide or tight early. The ATR and angle-based teachers want room early in a trend [10,5], though the 1× ATR teacher still uses an initial stop one ATR away and moves it to entry only after a one-ATR gain [10]. The trailing explainer's example uses a stop about 2% below entry that moves up with price [2]. The angle-based method makes this a sliding scale: a loose stop at about 30° of slope, trailing from 45°, very tight at 70°, and exit-only beyond that [5]. It is subjective, because the chart scale used to measure the angle is never defined.

Trail or fix a target. One A Digital Blogger clip prefers a fixed rupee profit target for the day if trailing causes confusion [14]. Most others trail.

How to split an exit. One presenter sells half at the first profit level and warns against lopsided splits such as 70-30, on psychological grounds [12]. Another scales out in smaller progressive tranches [8].

Whether to use stops at all. One video argues that stop orders sit too close to price and get triggered by noise, and proposes buying options instead, with loss capped at the premium [15]. Every other video in the section endorses stops. The argument also leaves out that a bought option can lose its entire premium to time decay. A capped loss can still be a 100% loss.

Pitfalls

- **Gaps.** A stop does not guarantee a fill at the stop price. One video suggests deciding at the open, after a gap past the stop, whether to exit immediately or wait [1]. Either way, the loss can exceed your plan.
- **Trails that are too tight.** A 2% trail on a volatile stock gets shaken out by ordinary swings [2].

- **Inconsistent numbers.** One video pairs a 10% loss tolerance with a 15–20% move target and never explains how the two relate[4].
- **Unverifiable mechanisms.** A claim that algos hunt clustered stop orders, which you can supposedly see in order flow, comes with no data[16].
- **No outcomes.** None of these exit methods is shown with results over many trades. The 2× ATR multiple, the 50-50 split and the angle thresholds are all hypotheses to test.

Position Sizing, Risk-Reward and Expectancy

How it works

Position sizing turns a stop into a quantity. The formula is simple and appears in several forms across the corpus:

Quantity = rupee risk per trade ÷ risk per share (entry − stop)

The clearest version uses a ₹10,000 account and risks 3%, which is ₹300. With entry at ₹100 and stop at ₹97, risk per share is ₹3, so the quantity is 100 shares. A stop-out costs ₹300 whatever the stock's price[17].

Risk-reward compares the planned gain with the planned loss. Buy at ₹100, stop at ₹95, target ₹115, and you risk ₹5 to make ₹15, a ratio of 1:3[18].

Expectancy combines the ratio with how often you are right. Definedge's framework states it as hit ratio × risk-reward, minus miss ratio, in units of risk. At a 60% hit rate and 1:2, that gives 0.6 × 2 − 0.4 = 0.8 units of risk per trade[19].

The key consequence is that a ratio means nothing on its own. The small-cap approach later in this section, for example, aims for roughly 1:3[20]. By simple arithmetic (this handbook's own, not a figure from the videos), a 1:3 trade needs a win rate above about 25% just to break even. The general arithmetic is below. It is gross of costs, and costs push every breakeven figure upward.

Reward : risk	Breakeven win rate (before costs)
1 : 1	50%
1.5 : 1	40%
2 : 1	≈ 33%
3 : 1	25%
5 : 1	≈ 17%

What the sources agree on

Fix the maximum loss before entry. This is near-universal. The forms vary:

- a stop capped at 8–9% that is never removed[20]

- a fixed maximum risk per trade[19]
- a rupee stop set before the order[21]
- a per-trade rupee cap for option writing[22]

Size so a stop-out costs a small, fixed amount. Percentage-of-account[17], fixed rupees[21] and fixed lots[22] are all versions of the same idea. The small-cap approach is easy to miss. About 10% of capital per position with a stop of at most 9% means a full stop-out costs a little under 1% of the account[20].

Judge win rate and payoff together. One Elearnmarkets clip notes that a low-accuracy options system can be profitable over 100 trades if its losses are small. Its real drawback is psychological, because long losing streaks are hard to sit through[23]. Definedge's Prashant Shah splits traders into two types[19]:

- the **"Hitman"**: high hit rate, profits booked early, many trades
- the **"Marathon"**: losses cut fast, stop trailed, winners left to run

Both can work if expectancy is positive. His point is to choose one up front and not switch in the middle of a trade.

When the limit is hit, stop. An option seller's rule is to set a maximum daily mark-to-market loss before the session. When open P&L touches it, exit everything immediately, with no arguments about support, reversal or remaining time decay[24]. A beginner clip makes the per-trade rupee stop double as the day's limit: once it is hit, trading ends for the day[21]. An option-writing tutorial says not to try to rescue a position or chase losses[22].

Limit exposure and scale gradually. The suggestions include:

- leverage capped at about 2×, with extra risk taken only from profits[25]
- one or two strategies at a time, with a fixed lot cap[22]
- capital scaled up gradually, because a sudden jump makes familiar-sized losses feel much bigger and good runs breed overconfidence[26]

Worked setups

Setup: The 3% rule (risk-first sizing)

- **Rules:** Fix risk per trade as a percentage of the account: 3% of ₹10,000 is ₹300. Define entry (₹100) and stop (₹97) before sizing. Quantity = ₹300 ÷ ₹3 = 100 shares. Exit at the stop. A target is mentioned, but the video's reference to it is unclear.
- **Where it applies:** Any stock trade where a stop can be placed. No instrument or timeframe is specified.
- **Stop and exit:** The predefined stop caps the planned loss at ₹300. The presenter does not address gaps past the stop, slippage or costs, any of which can make the realised loss larger.
- **Evidence:** None. A single hypothetical example.

- **Source:** [17]

Setup: Hard daily MTM loss limit

- **Rules:** Before the session, fix the maximum daily mark-to-market loss; the presenter's figure is ₹1 lakh. When open P&L touches it, exit all positions at once, with no re-analysis. Re-entry is optional and only with a fresh, smaller budget, about ₹25,000 in the example.
- **Where it applies:** Intraday, non-directional option selling.
- **Evidence:** Anecdote, from one trader's personal practice. The rupee figures are tied to his capital and are not scaled to account size.
- **Source:** [24]

Setup: Small-cap 1:3 with 10% of capital per position

- **Rules:** Put about 10% of capital in each position (₹10,000 on ₹1 lakh). Keep a stop of at most 8–9% on every position at all times. Aim for a target averaging 25–30%. Hold roughly 8–10 stocks.
- **Where it applies:** Positional trading in Indian small caps.
- **Evidence:** Anecdote. No entry rule is given, so this is a sizing and exit frame rather than a full system. No win rate is shown to support the 1:3 average, and small-cap liquidity and costs are not discussed.
- **Source:** [20]

Where they disagree

Percent, rupees or lots? One beginner clip argues that percentages mean little to someone with small or uncertain capital and prefers a fixed rupee amount: risk ₹50 and buy about 10 shares [21]. A swing trader says to judge risk by absolute rupee loss [25]. The option-writing tutorial uses a lot cap, no more than three lots of Bank Nifty in its example [22].

How much to risk. The 3% in [17] is well above the under-1% that the small-cap approach implies [20]. It is also about three times the 1% used in a regime-based system discussed in the next section [27]. None of these figures is justified with data.

What ratio to demand. Some presenters demand 1:3 [18,20]. Others accept about 1.5:1 as a minimum [19,25], and one of them would ideally prefer 2:1 [19]. A higher ratio usually means a lower hit rate, so the threshold is a style choice, not a law.

Re-entry after a stop. One presenter allows re-entry if price recovers above the level [19]. The option seller allows it only with a separate small budget [24]. The beginner rule allows none that day [21].

Pyramiding. One presenter offers adding to winners only to experienced Marathon-style traders[19]. The 21-day MA system in the Algo Trading section also pyramids, adding 50% more on a Point & Figure double-top buy[28].

Pitfalls

- **A ratio quoted without a win rate.** "Only take 1:3 trades"[18] proves nothing until you know how often the target is hit.
- **A loss cap assumed to hold.** Gaps and slippage break fixed caps[17]. The option-writing tutorial notes that writing carries gap risk in both directions. It suggests pledging shares as collateral and planning funds so a broker margin call cannot force a square-off at a bad level[22].
- **Unsourced statistics.** Claims that 90% of people lose more trying to recover losses, or that running ten or more strategies makes no money, arrive with no data[22].
- **Leverage.** The 2× swing trader says his own early losses came from leverage[25]. His expectation of about 2–2.5% a month is a personal estimate, not a measured result.
- **No tests anywhere.** Not one video in this section shows a backtest or a live record. The arithmetic is sound. The specific thresholds are opinions.

Rule-Based Systems and Backtesting

How it works

A system is a set of decisions written down before the market opens:

- which instruments you trade
- what triggers an entry
- where the stop goes
- how you exit
- how much you buy
- when the system is switched off

Once the rules are explicit, you can replay them on history. That is a backtest. It tells you how often the rules won, how big the wins and losses were, and how deep the worst losing stretch went.

A backtest can mislead in five main ways.

1. **Overfitting.** You tune parameters until the past looks perfect, and the tuning captures noise. One presenter ran something like 5–6 crore variations of a setup, then abandoned it after studying the full spread of results, because the outcome felt entirely market-driven[29].
2. **Repainting.** A candle or Point & Figure column keeps changing until its period closes. A signal you see mid-bar may vanish, so a test run on closed bars overstates what you could have traded live. Definedge's Prashant Shah argues for tick or 1-minute P&F or Renko charts, where a column or brick locks once formed[30]. Another system simply waits for the signal candle to close[31].

3. **Costs.** Many backtests leave out brokerage, taxes, slippage and dividends. One momentum backtest says so openly and treats its results as approximate[32].
4. **Small samples.** Nine signals in ten years[33] is a story, not a statistic.
5. **A single period.** Results tuned on one window may not survive another[32].

What the sources agree on

Write every rule. Entry, stop, exit and size are written in advance, and the stop is never shrunk or widened mid-trade[34,35]. One interviewee adds alarms so the exit is mechanical[33].

Test long and across regimes. Suggested spans run from at least 5–6 years[36] to 5–10 years[34]. One test deliberately includes a stress period such as the Covid crash[32].

Test parameter robustness, not just peak profit. This is the most useful methodological idea in the section. Two Elearnmarkets interviews with Prathamesh Godbole describe the check: after optimising, nudge the parameter a little, say from 65 to 70, and see whether total P&L barely moves. If one exact value produces a spike that its neighbours do not, the result probably depends on a handful of fluke trades[37,27]. He also suggests reviewing the signals by hand in a spreadsheet, recording entry, exit and how far each trade went against you, to catch logic errors[37].

Don't stack look-alike indicators. Two trend tools built on the same price input, such as Supertrend and DMI with matched parameters, produce nearly identical crossovers. The suggestion is one trend tool plus one independent volatility tool, such as ATR or Bollinger Band width[27].

Judge by drawdown and expectancy, not win rate or raw return. Several presenters say this[34,32,38]. Rakesh and Chaitanya Pujara use the phrase "sukh-dukh ratio", return divided by drawdown, as one key measure[39]. Another interviewee tracks profit factor after commissions alongside win ratio[35].

Size from the tested worst case. Rakesh Pujara suggests about 3% of capital per position for a system with roughly 30% maximum drawdown, and under 2% to be conservative[38]. A low-win-rate breakout trader derives capital from the maximum backtested drawdown plus a buffer[34].

Use MAE to set stops. Maximum adverse excursion is how far a trade moved against you before it closed. The idea is to look at how far your winners went against you, then tighten the stop to a level that cuts most of the worst losers while keeping the winners. The examples given are ₹5 instead of ₹10, or 2% instead of 5%[27].

Know when to switch the system off. The same presenter shuts a system after 10–15 consecutive losses or about 10–15% drawdown. He also turns it off when the market regime changes[27].

Worked setups

Setup: Donchian 20-candle breakout on the Nifty 500, with optional filters

- **Rules:** Buy on a daily close above the 20-candle Donchian upper band while the band is rising. Optional filters, added one at a time in the video:
- price within 20% of the 52-week high (later tested at 50%)

- the stock's ratio to the Nifty 500 above its 200 EMA
- 20 DMA above 50 DMA above 200 DMA
- Trend Quality above 50
- price above the 20 EMA on weekly and monthly charts

When more stocks qualify than you can hold, rank by 252-period return and take about 10.

- **Where it applies:** Long-only daily momentum in the Nifty 500.
- **Stop and exit:** Exit when price falls below the Donchian middle band. There is no separate stop.
- **Evidence:** A platform backtest from 2020 onward. The presenter himself warns that tuning on that single period risks over-optimisation, and results exclude taxes, charges and dividends. The market-trend filter is left untested as homework.
- **Source:**[32]

Setup: Daily close above the 20-day MA, with a fixed holding period

- **Rules:** In an uptrend with a supportive market regime, go long when the daily close moves above the 20-day moving average. Exit after roughly 20 days whatever the price, or earlier on a 2% stop or a 3% target.
- **Where it applies:** Illustrated on Reliance, daily chart.
- **Evidence:** Chart examples. The presenter mentions about nine signals in ten years, roughly four winners and five stopped out, and separately an average of about 6% per trade. The 6% figure does not sit easily with a 3% target, so treat both numbers as unverified and rebuild the test yourself. The sample is far too small to draw conclusions.
- **Source:**[33]

Setup: 15-minute candle breakout with drawdown-based capital

- **Rules:** Wait for a 15-minute candle to close beyond the breakout level, optionally with a ₹10 buffer. Enter in the direction of the break; for options, buy the ATM call or put. The stop goes just beyond the triggering candle and is trailed. The target is roughly 350 index points, allowed to run to 600–700 on strong trend days.
- **Where it applies:** Intraday on Nifty, Bank Nifty and stocks. A 10-minute version was also tried.
- **Sizing:** Capital is derived from the maximum backtested drawdown plus a buffer. Lots are added only after profit crosses predefined levels.
- **Evidence:** Anecdote. The presenter describes a profile of about 20% winners at 1:5 and says he must be able to tolerate 8–10 losses in a row. At those numbers the arithmetic gives

a small positive edge before costs: 0.2 × 5 − 0.8 = 0.2 units of risk per trade. That margin leaves little room for brokerage and slippage. No test statistics are shown.

- **Source:** [34]

Where they disagree

Win-rate profile. The 15-minute breakout runs about 20% winners at 1:5 [34]. An interviewee who builds option-writing systems targets a win ratio of 70% or more [35]. Both can be valid. They feel very different to trade.

Stops. Approaches range widely:

- a candle-based stop [31,34]
- an MAE-tuned stop [27]
- a fixed percentage [33]
- no stop at all, only an indicator exit [32]

Filters. Stacking several filters is the Donchian approach [32]. One trend tool plus one independent volatility tool is the regime approach [27].

Timeframe and repainting. One presenter wants tick or 1-minute locked charts [30]. Others are content with candle closes on 5-minute [31], 15-minute [34] or daily charts [33].

Seasonal filters. One options book skips monthly Nifty selling in April, June and December on historical seasonality [39]. That kind of rule is especially easy to fit to the past.

Pitfalls

- **Tail risk hidden by averages.** Rakesh Pujara describes an option-writing system with a worst-case drawdown near 90% in March 2020 [38]. A system can look fine for years and then fail in a single month.
- **Hidden parameters.** One 5-minute options system relies on a custom coded indicator whose settings are not disclosed [31]. You cannot test what you cannot reproduce.
- **Unverified earnings claims.** Claims include turning ₹10 lakh into ₹1 crore [34] and a ₹3,000–4,000 daily target [31].
- **Undisclosed assumptions.** The three-sleeve option-selling book cites about 18% return with 4–6% drawdown. Costs, sample period and stop-execution quality are not disclosed [39].
- **Hand-picked charts presented as tests.** Most videos in this section show winners chosen after the fact. One clip claims stocks that fell 40% in a day later became penny stocks, based on a hand-picked set of names [40].

Algo Trading

How it works

Algo trading means writing your entry, exit and stop conditions so that software places the orders. The corpus is consistent and refreshingly plain about what that does and does not achieve. It solves execution: missed entries, hesitation, being away from the screen, emotional overrides. It does not create an edge. A computer executes bad logic just as faithfully as good logic[41,42], and a coding or stop-loss error can cause a sizeable loss without obvious warning[43].

There are three retail routes:

- **No-code builders** such as Streak, where rules are picked from menus[44]
- **Tradetron-type platforms** for building and deploying strategies[45]
- **White-box platforms**, where the strategy logic is visible to you, such as Definedge's Algostra[28,42]

A widely viewed myth-busting short says you need not be a programmer, and suggests checking ready-made strategies on your platform before learning code[43]. Regulation is covered in the Ecosystem chapter. One panel discusses the new SEBI retail-algo framework and order-rate thresholds in some detail[46].

What the sources agree on

Test, then forward-test, then go small. The advice comes from several directions:

- backtest across regimes, including a full year[45]
- paper-trade before going live[44]
- forward-test for one to three months, because backtests reflect past market character[28]
- forward-test on virtual money[42]
- run any new logic at small quantity first, to catch looping or misfiring orders[46]

Include costs. The panel warns that a backtest without slippage, brokerage and transaction costs can turn from profitable to negative once they are added[46].

Monitor live systems. Suggested safeguards include a kill switch, connectivity and rejection alerts, and being at the screen around the open and close[46]. You should also confirm that the system is actually taking trades, since systems glitch[28].

Learn the discretionary process first. The panel's sequence is observe, trade manually, backtest, then codify. It also says to decide why you trade before deciding how to automate it[46].

Ask providers the right questions. When evaluating someone else's algo, ask for trade count and drawdown, not just returns[46].

Worked setups

Setup: Pivot and Supertrend intraday ATM Nifty option selling

- **Rules:** 5-minute chart with daily pivots (P, R1, S1, S2), Supertrend (ATR 6, multiplier 3) and a 9 EMA.
- Above R1, sell an ATM put. Use either a rejection of R1 or, if the low never touched R1, a green candle with Supertrend closing beneath price.
- Below S1, sell an ATM call.
- A short-covering long is allowed after a dip below S2 followed by a Supertrend flip up.
- Candles must not touch the 9 EMA.
- The entry price is the lower of close + 5 points and high + 2 points.
- Skip the zone between the pivot and R1/S1.
- **Where it applies:** Intraday MIS on Nifty weekly expiry, trades between 9:20 and 2:30, premium at least 20, single leg only, at most 3 trades a day.
- **Stop and exit:** Exit on a Supertrend flip, a close 10 points beyond Supertrend, or a premium stop of about 20%. All positions are closed by 3:00 pm. Maximum loss per trade is ₹6,000.
- **Evidence:** Anecdote. The presenter cites a Sharpe around 12, a Calmar around 16 and a win rate around 71%, with no data period, method or costs shown. He gives no robustness test for the parameters. A rupee cap does not protect against gap moves in short options.
- **Source:** [45]

Setup: 21-day MA and golden-cross long-only system with P&F pyramiding

- **Rules:** In a chosen group such as the Nifty 100, buy stocks closing above their 21-day MA at 3:30 pm, or on a 50/200-day golden cross, preferably confirmed by a weekly golden cross. Add 50% more on a Point & Figure double-top buy.
- **Stop and exit:** Stop 5% below the 21-day MA. Partial exit on a P&F double-bottom sell. Full exit on a death cross.
- **Sizing:** Split capital equally across about 10 stocks (20 at most, ETFs at about 5), with a defined maximum portfolio loss.
- **Intraday futures variant:** Five positions on a 1-minute chart, entered after 9:20 only when the Nifty 50 is in a bullish P&F column. 2% stop, 3–4% target or a 1–2% trail. The presenters note that a 2% stop may in practice fill at 3–4%.
- **Evidence:** Platform demonstration examples. No backtest results are shown, and the P&F signals are not defined precisely enough to code without the platform.
- **Source:** [28]

A simpler no-code demonstration builds a Streak strategy on 5-minute charts of large caps. It buys when RSI returns to about 50 and exits near RSI 70, at a 10% target or a 5% stop. The presenter shows a backtest of roughly 143% on SBI with no costs or period stated. The entry wording ("near" 50) is too loose to reproduce exactly[44].

Where they disagree

Backtests or forward tests? One presenter leans on backtest ratios as support[45]. The Algostra demonstration favours forward testing because backtests reflect a past market's character[28]. The launch video argues that judgement cannot be backtested but mechanical rules can[42].

Learning route. The panel says to learn discretionary trading first[46]. Promotional explainers pitch automation as the way to escape emotion and screen-watching from the start[41,42].

Can a robot match human feel? One short treats this as a trade-off rather than a verdict. Algos suit styles such as scalping or arbitrage that are hard to do by hand[43].

Stops vary widely.

- a percentage of premium plus a rupee cap[45]
- a fixed 5% on stocks[44]
- 5% below the 21-day MA[28]
- the signal candle's extreme[47]

Pitfalls

- **Commercial interest everywhere.** Nearly every algo video here promotes a platform, broker or course. That does not make the content wrong, but you should notice it.
- **Unverified performance ratios.** Sharpe and Calmar figures with no method[45], and a backtest with no costs[44].
- **Operational traps the strategy videos ignore.** The panel lists several: looping or misfiring orders, stop orders that jump past their limit price in fast markets, quarterly settlement, and margin changes on pledged shares[46].
- **Undefined core logic.** One system framework codes "your own technical analysis" into signals but never defines the signal itself[47]. It is a template, not a strategy.
- **Clickbait.** The panel video is titled as if it reveals the best retail algo strategy. It teaches no tradeable strategy[46].

Trading Plans, Checklists and Routines

How it works

A trading plan is a set of decisions made while you are calm, so that you do not have to make them while you are frightened or excited. It covers:

- what you trade and on what timeframe

- what triggers entry
- where the stop goes
- how much you buy
- how you exit
- what you do on days when nothing sets up

A routine is the daily habit that carries the plan out. A journal records whether you followed it.

The process videos in this section carry little hard evidence. They are mostly interviews and short clips. What they offer is a consistent picture of how working traders, especially part-time ones, structure their days.

What the sources agree on

Decide before the trade. The suggestions are:

- fix quantity, entry and stop in writing before entering[48]
- pre-place orders at anticipated levels so execution does not depend on your nerve when prices become frightening, then check that the order actually went through[49]
- set call, put and stay-quiet levels before the open[50]

A stay-quiet level is a zone where you have decided in advance to take no trade.

Keep size fixed, and never move the stop toward the loss. In a process-focused talk, Prashant Shah says position size must be set by rule and never increased out of confidence or because a price looks cheap. A stop must never be moved or removed as price approaches it[51].

Start small and survive. One Elearnmarkets talk suggests a beginner with about ₹5 lakh begin with roughly 5% of capital (about ₹25,000) in quality large caps. It adds a stop on every position, a journal entry after every trade, paper trading first, and a learning horizon of at least two years spanning bull, bear and sideways markets[52].

Journal by process, not outcome. The same talk says to judge each trade by whether the process was followed[52]. A system-trading interview proposes a two-column template: on one side the model, instrument, signal and stock selection; on the other the trade initiation, exit plan and stop. Size is increased only after a review confirms the trades matched the system[47].

Fit the style to your life. Choose an approach that suits your job, temperament and available time[48]. Choose intraday or swing based on time, income needs and stress tolerance, keeping in mind that intraday leverage magnifies losses and swing positions carry overnight gap risk[53]. Assess honestly which segment suits you, whether option selling, scalping or option buying, and master that one[54].

Don't spend ahead of results. Start with minimal equipment and upgrade only out of realised profit, never with borrowed money[55]. Keep a job or other income while learning[53].

Worked setups

Setup: Part-time rule-based positional routine

- **Rules:**
- Trade daily and weekly candles in the direction of the prevailing trend.
- Before entering, fix quantity, entry and stop.
- Enter only after price crosses or turns up, using limit or GTT orders so no screen-watching is needed.
- Keep decisions to roughly one order a day.
- Trail the stop upward.
- Review daily, exit the non-performers first and let winners run.
- **Where it applies:** Someone with a full-time job trading Nifty futures, stock futures or cash stocks. The video's sizing example uses Nifty futures margin of about ₹1.5–1.6 lakh per lot.
- **Stop and exit:** A predefined stop, cut on touch, then trailed. No stop distance or risk-per-trade percentage is given.
- **Evidence:** Anecdote. The guest is anonymous, and the claimed P&L of about ₹1.9 crore is unverified. Costs and futures rollover are not discussed.
- **Source:** [48]

Setup: Nifty Point & Figure trend process with a P&DSmart filter

- **Rules:**
- Nifty daily P&F chart, box size 10, 3-box reversal.
- Stay long while price is above the P&DSmart trend indicator.
- Buy double-top-buy breakouts; optionally buy pullbacks near support within the uptrend.
- Stand aside when price breaks below the indicator, after waiting for a little confirmation.
- Book partial profits on extended moves and re-enter on the next breakout.
- Keep size fixed and never move the stop.
- **Where it applies:** Nifty in a trending market.
- **Evidence:** One hindsight chart, with the trade still running at recording time. No stop distance or sizing formula. The presenter says the process idea works with any charting method, so the indicator's own edge is not demonstrated here.
- **Source:** [51]

A third routine shows what intraday preparation can look like:

- arrive about an hour before the open
- read yesterday's strike-wise open-interest change on Bank Nifty

- mark a level and the support beneath it
- pre-decide call, put and stay-quiet levels
- use a fixed stop of about 20 points, and wait for the next signal after a stop-out rather than forcing a trade

The presenter withholds the core open-interest mechanics for a paid event and shows a single day, so treat it as a model of preparation, not as a setup[50].

Where they disagree

Pre-placed orders or confirmation. One presenter favours pre-placing orders at levels without forecasting[49]. Others wait for a confirmed breakout[50] or a little confirmation before acting[51].

Prediction. One presenter says not to forecast the market at all[49]. The open-interest routine infers direction from yesterday's positioning, while also saying not to predict the size of the move[50].

Specialise or broaden. One clip says master one segment[54]. The beginner talk has the learner cover support, trend, pullbacks and breakouts over several years[52]. This is a difference of emphasis rather than a contradiction.

Stops on quality names. The beginner talk asks for a stop on every position. It also suggests not panic-selling quality large caps after drawdowns, because they tend to recover[52]. Those two ideas pull against each other. The recovery argument rests on a few hand-picked examples.

Pitfalls

- **Missing numbers.** None of the process videos gives a stop distance, a risk-per-trade percentage or a sizing formula.
- **Unsourced statistics.** A claim that about 90% of intraday traders quit within a month is attributed to a US regulator without a source[53]. Strong returns from about 25–30 trades a year are claimed with no records[54].
- **Single-day examples presented as methods**[50].
- **Plans that ignore costs.** Slippage, rollover and option premium costs go undiscussed in the routines above.

Chapter checklist

- **Write the stop before the entry, and give it a reason**: support, a moving average, or an ATR multiple. Place the stop order with the entry order, and remember a gap can fill you worse than planned.
- **Size from the stop.** Quantity = rupee risk ÷ (entry – stop). Pick one risk unit (a percentage, fixed rupees or fixed lots) and keep it constant. Don't raise it because you feel confident.
- **Never quote a risk-reward ratio without a win rate.** Work out your breakeven win rate (by simple arithmetic, 25% at 3:1 reward to risk and about 33% at 2:1, before costs) and compare it with what your journal or backtest actually shows.

- **Set a daily loss limit in advance**, and when it is hit, stop without re-analysing. Decide beforehand whether any re-entry is allowed, and with how much.
- **Trail only once in profit, and test your trail distance.** Too tight and normal noise stops you out; too loose and you give back the move.
- **When you backtest, nudge every parameter** and check that results barely change. Include costs, test more than one period that contains a crash, and judge by drawdown and return-to-drawdown, not win rate.
- **Treat automation as execution, not edge.** Paper-trade, forward-test, start at small quantity, keep a kill switch, and check daily that the system is doing what you think.
- **Keep a journal that records whether you followed the plan**, not just whether you made money. Increase size only after the journal shows you trade the system as written.
- **Read every return figure in this chapter as a claim to test.** None of the stop, sizing or system rules above comes with an audited live record, and very few with a tested backtest.

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4. Trading Psychology

Most traders who fail do not lack a method. They have one, sometimes a good one, and then they stop following it. They exit a winner early because the open profit felt fragile. They hold a loser because closing it would make the loss real. They take a fifth trade at 2 p.m. because the first four lost. Again and again, the videos in this chapter make the same point: the gap between a method on paper and a method in a live account is mostly psychological.

This chapter covers that gap. It draws on a connected Definedge series by Prashant Shah built around the idea of "Shadow P&L". It also uses a large set of short clips and two widely watched panel podcasts from A Digital Blogger, plus a handful of mindset clips on how traders should think about markets. Elearnmarkets barely features here, with only one usable clip on simplicity.

One honest warning before you start. Not one video in this chapter offers a backtest, a live record or any measured outcome. Every lesson rests on a presenter's experience, an analogy or a skit. Many of the ideas are sensible, and some are widely shared across the corpus. None has been shown to work in the way a trading rule can be. Read them as practices to try and evaluate on yourself, not as proven fixes.

By the end you should be able to:

- name the specific emotional traps the presenters describe
- recognise when unrealised P&L is driving a decision
- write a rulebook and journal that make deviations visible
- set up a validation period for a system before trusting it
- tell a market belief that supports a method apart from one that is only motivation

Shadow P&L and the Psychology Series

The concept: two P&Ls, only one of them real

Prashant Shah's series starts from a simple distinction. While a trade is open, your screen shows a running profit or loss. He calls this **Shadow P&L**. It is not money you have made or lost. It becomes **Actual P&L** only when you exit[1]. His argument is that watching the shadow number sets off greed, fear and pleasure, and that decisions made in that state damage the result you actually book[1].

The second episode explains how the damage happens[2]. Two urges pull a trader away from tested rules:

- **Fear of giving back shadow profit.** The position is up, it starts to dip, and you book early to "lock it in".
- **The urge to save shadow loss.** The position is down, and you cut it before the planned stop to stop the pain.

Both feel prudent in the moment. Both quietly destroy the edge the strategy was tested on. A tested strategy already includes its losing trades, and its profitability depends on fully capturing the winners[2]. Cut the winners short and the arithmetic that made the backtest work no longer holds. The presenter offers this as the reason backtested setups so often underperform when traded live[2].

This links to an idea that runs through the trend-following material elsewhere in the handbook. A method can be right less than half the time and still make money if its winners are much larger than its losers. Shadow P&L attacks that asymmetry directly. In the first episode, Shah adds a related point: trend following means accepting that you will give some open profit back to the market before the trailing exit triggers[1]. If watching that giveback is intolerable, you will override the exit, and you are no longer trend following.

His remedy is structural rather than motivational. Use price to *design* a strategy, then trade the *strategy* rather than reacting to price directly[2]. A stop that feels too long to hold in a live trade should be fixed at design time, not improvised mid-trade[2]. He also suggests treating P&L as just a number and looking at it as little as possible[2].

What the series agrees on

Across the episodes, five lessons repeat.

1. Unrealised P&L is not information about what to do next. Treat it as a number, not a signal[1,2]. Episode 5 adds that any unplanned urge to book profit should be recognised as Shadow P&L at work[3]. Episode 7 says to track actual results, not what-if gains and losses[4].

2. Rules are written before the trade, and the exit follows the method. Entry, stop and exit rules belong to the design stage[2]. Episode 5 asks for a written rulebook before any trade and for the stop to be placed in the trading system the moment the trade is taken[3]. Episode 9 puts process, risk management and position sizing in the same pre-trade bucket[5].

3. Judge the process, not the outcome of one trade or one day. Episode 7 makes this explicit[4]. Episode 5 frames each trade and each day as a question of whether the process was followed[3]. Episode 6 stretches the window further: judge your process over a quarter or longer, because individual outcomes are partly random[6].

4. Every method has good and bad phases. Episode 6 says a method with a 50–60% hit ratio must absorb 40–50% losing trades by construction[6]. That is simple arithmetic, but it is easy to forget during a losing run. The advice is to decide in advance how you will reduce size in a difficult phase rather than abandon the system[6]. Episode 9 says to let your risk rules carry you through unfavourable periods[5].

5. Psychology is a practice, not an insight. Shah's view is that traders already *know* their problems and still repeat them, because knowing is not the same as practising[4]. Hence the daily routines below, and the insistence on repetition[5].

A podcast short from A Digital Blogger, outside the series, reaches a similar place by a different route. It treats discipline like physical fitness, trained through reading trader-mindset books, backtesting and brief daily meditation[7]. The presenter also argues, as an untested opinion, that psychology can

be tied to data: if a backtest has shown you how long a normal losing streak runs, a live streak of that length should be less frightening[7].

Worked examples

The series is mostly about routines rather than trade setups. Only one episode attaches a mechanical strategy, and the presenter himself says it is a teaching vehicle rather than a recommendation.

> **Setup: The fund-house rulebook (Point & Figure double top buy / double bottom sell)**
>
> **Idea:** Act as if you were a fund house running a documented mandate. Rules are written in advance, and the person executing them may not change them on impulse.
>
> **Where it applies:** Daily-timeframe swing trades in stocks and NIFTY, in the presenter's example.

> **Setup:** Plot a Point & Figure chart. Before any trade, write the rules and process into a rulebook or checklist.
>
> **Entry:** Buy when the current column of X rises above the high of the previous X column (a double top buy). Take the entry only as part of the pre-written process.
>
> **Stop and exit:** Place the stop in the trading system immediately on entry. Exit when the current column of O falls below the bottom of the previous O column (a double bottom sell). An optional exit applies if the sector or segment's relative strength starts to underperform. Early profit booking is allowed only if the rule is pre-defined, for example a fixed percentage, and then followed mechanically.
>
> **Discipline layer:** Log every rule violation and set yourself a consequence for it.
>
> **What's missing:** No stop distance, position-sizing numbers or cost assumptions are given. The presenter says the bare strategy is not fully recommended and is used for simplicity.
>
> **Evidence:** Anecdote: one live chart, with no systematic test.
>
> **Source:** [3]

The useful part of this example is not the Point & Figure rule, which is covered properly in its own chapter. It is the framing. A fund manager cannot decide mid-trade to double the position or skip the stop, because the mandate forbids it. Writing your own mandate, and logging each time you break it, turns vague "discipline" into something you can count.

Setup: Kicker (the daily mantra list)

Idea: Load the right mindset before the session starts, rather than trying to summon it once a trade is open.

Where it applies: Intraday, short-term and positional traders alike. The lines are tailored to each person's own style and failures.

Routine: Each morning, write a short list of personal mantras tied to your own past mistakes, for example Shadow P&L, revenge trading and over-trading. Read it before trading. Do not skim it once it feels familiar. Repeat it daily until it is a habit, and update the list as your experience grows.

Stop and exit: Not applicable. This is a pre-session routine, not a trade rule. It pairs with judging yourself on process rather than one day's P&L.

Evidence: None. Effectiveness is asserted, not shown.

Source: [4]

Setup: Sizing from the backtested losing streak

Idea: Use history to learn what a normal bad run looks like, so that a live bad run does not panic you into abandoning the method.

Where it applies: Any indicator-based approach. The presenter mentions RSI settings only as illustrations, not as a tested setup.

Routine: The presenter suggests backtesting your setup, for example over the past year, to find the typical and worst run of consecutive losing trades, and sizing positions so that a run of that length does not threaten your capital.

Stop and exit: Not specified. The video gives no stop or exit rules for the underlying setup.

Evidence: Anecdote: a podcast short with no worked numbers.

Source: [7]

This last idea is one you can check for yourself: compare your backtest's losing streaks with what you later experience live.

A fourth technique is worth knowing even though it is not a setup. In Episode 9, Shah suggests giving your inner voice a name, "Genius". When a rule-breaking impulse appears mid-trade, such as moving a stop out of fear, booking out of greed, or a revenge or extra trade, you name it and decline to act, rather than arguing with it [5]. He frames trading outcomes as method multiplied by market, with the trader's mindset deciding whether that becomes success or failure [5]. The evidence is an unverified anecdote about a fund manager.

Where the presenters differ

The series and the outside video offer several different mental tools. They are not in conflict, but they suit different temperaments.

Tool	When it's used	Source
Written mantra list (Kicker)	Before the session	[4]
Named inner voice ("Genius")	During a trade, at the moment of impulse	[5]
Rulebook plus a log of violations with self-set consequences	Before and after trades	[3]
Recording emotional thoughts after each trade, while still following the plan	After trades	[6]
Books, backtesting, meditation	Ongoing practice	[7]

The genuine differences are subtler:

- **Early profit booking.** Episodes 1 and 2 warn against booking because a position has run up or out of fear[1,2]. Episode 5 allows early booking if the rule is defined in advance and followed mechanically[3]. These can be reconciled: the problem is not booking early as such, but deciding to book early while watching the number.
- **Handling a difficult phase.** Episode 6 explicitly says to cut size rather than abandon the system, and to fold in any tweak only after it has been tested[6]. Episode 9 says to let risk rules carry you through without changing the process after short-term results[5]. Only Episode 6 names sizing down as the lever.
- **Where confidence comes from.** The outside video bases confidence on data, through backtested drawdowns and streaks[7]. The Definedge series bases it mostly on behaviour and routine, and defers position sizing to a later episode[6].
- **One system or several.** Episode 6 says to master one method first and add a second only if its returns are statistically non-correlated with the first and have a different payoff[6]. No other video in this section addresses the question.

Pitfalls

The series names the failures clearly:

- exiting winners early and cutting losses ahead of plan[2,6]
- tweaking or abandoning a system to dodge a losing phase[6]
- moving stops on fear, booking on greed, revenge trading and over-trading[5,4]
- hindsight bias: retro-fitting a "prediction" after the outcome is known[5]
- improvising a stop because the planned one feels too wide[2]
- excessive leverage, which Episode 6 rules out entirely[6]

The series has its own weaknesses too. The behavioural claims come without data[1,6]. Episode 2 leans on a single viewer's example, an NTPC position bought at 178 and trading at 325[2]. The episodes promote the presenter's book, the series itself and upcoming "hacks"[1,5,6]. None of this makes the advice wrong. It does mean the claim that Shadow P&L is "a major reason for all trading problems" is a well-argued opinion, not a finding.

Discipline, Overtrading and Emotional Mistakes

The concept: a predictable emotional loop

Read together, the short clips in this section describe a cycle that many traders will recognise from their own accounts.

1. **Early wins breed overconfidence.** One short argues that beginners often profit at first because they have no fear or greed yet and see the market neutrally, and that the profits fade once overconfidence creeps in[8]. Early wins are not proof of skill.
2. **Overconfidence and boredom breed overtrading.** Trade count rises for reasons unrelated to the strategy: boredom, something close to addiction, overconfidence[9], the urge to recover losses[10], or simply the feeling that you must be doing something during market hours[11].
3. **Forced and chased entries follow.** The trader convinces themselves a pattern has formed when it has not, or chases price after it has left the planned level[11]. A tip such as a moving-average crossover sell is acted on before it is confirmed[12].
4. **Losses are held or doubled.** A losing trade is held in the hope of a bounce[13], the stop is delayed out of fear[14], or the trader buys more of a falling price because it "must" turn. One skit calls this last move the gambler's fallacy[15].
5. **Revenge, then paralysis.** The trader chases the loss back[15,10]. When that fails, they swing the other way into undertrading, skipping valid setups out of fear[9,10].

A related beginner pattern ties the loop together: cutting winners early while letting losses grow large[12]. That is the Shadow P&L problem from the previous section, seen from the outside.

The **gambler's fallacy** deserves a precise definition, because it hides inside sensible-sounding thinking. It is the belief that a run of losses makes a win more likely next, or that a price which has fallen a long way cannot fall much further[15]. Each trade should be judged on its own analysis, not on recent results or on how far price has already dropped[15].

What the videos agree on

Pre-defined rules, honoured. This is the strongest consensus, coming from about six videos:

- Write the rules, including the stop, before entering[14].
- Define entry, exit, sizing and pyramiding before the order, and judge a trade by whether you kept to the plan[16].
- Keep stop, lot size and exit fixed during a test period[17].
- Let a tested, written strategy decide trade frequency[9].

- Act only when your own rules and patterns are met[18].

One presenter offers an analogy rather than evidence: snoozing an alarm you set for yourself trains the same habit of self-disobedience that later makes you postpone a stop-loss[14].

Cut at the planned level. Decide the exit before entry and do not hold a loser for a bounce, because a hope-hold can turn into a long loss that erodes the whole account[13]. The same clip contrasts this with a position whose worst case is known up front: a bought option can fall at most to zero. Its numbers are hard to make out, but the example is a low-priced option of around ₹30, and it advises taking just one lot[13].

Overtrading is emotional, not strategic. Five videos agree that the trade count should come from the strategy, not your mood, and that more trades do not mean more profit once commissions are counted[9].

Wait for confirmation, and know when not to trade. Don't force a pattern[11]. Wait for a crossover to confirm rather than acting on a tip[12]. Ask "when should I *not* trade?" as seriously as "when should I trade?"[18]. One presenter treats the itch to have *some* trade on by a certain hour, his example being 10 o'clock with nothing taken yet, as a trap in itself[11].

Step back after losses. Take a break after consecutive losses and zoom out on the chart rather than revenge trading[19]. Accept losses quickly and avoid ruminating after the close about why the market moved[17].

Small, gradual sizing. The panel suggests risking about 1% of capital per trade, keeping the same risk parameters as the account grows, and scaling up gradually rather than jumping in size after a good run[19]. Others suggest one lot for new ideas[20] or one lot as a general cap[13].

Journal and review. Before a trade, be able to state its logic. After it, record the result and a remark on whether you followed your rules. Review weekly and monthly to spot recurring habits[21,19].

Don't tinker after profits. After a profitable stretch, keep the strategy that produced it stable, around a year in one presenter's view, and trial new ideas with a single lot. Shift capital across only gradually, after a long record of clearly better results. Running two strategies side by side is fine[20].

Worked examples

None of these is a trading setup in the usual sense. They are frameworks for executing whatever setup you already have. They are the most structured discipline material in the corpus.

> **Setup: The analyst/trader split and the 51 Trade Challenge**
>
> **Idea:** Every trader plays two roles. The *analyst* fixes risk, sizing, entry, exit and pyramiding rules before the order. The *trader* only executes them. The emotional damage happens when the analyst wakes up mid-trade and starts improvising.
>
> **Where it applies:** Presented in a futures context, but intended for anyone with a written system.

Rules: Write down entry, exit, position sizing and pyramiding rules before placing any order. If you might average into a losing position, the averaging rule must also be written in advance. Any exit or averaging action that is not already in the plan is not taken mid-trade. Then commit to 51 consecutive trades with zero deviation from the plan.

Stop and exit: Whatever your written system specifies. The video gives no stop distance, target or sizing formula.

Also noted: The presenter warns that volatile trends are emotionally draining and that size should be planned with that in mind. He also argues that technical analysis tempts traders to predict reversals.

Evidence: Anecdote. The presenter's own result is described only qualitatively.

Source: [16]

The 51-trade challenge is the most measurable idea in this section. "Zero deviation" can be checked against your journal, which "be more disciplined" cannot.

Setup: The panel's risk-habit kit

Idea: Emotional control and risk habits matter more than technical skill. The habits are concrete enough to adopt.

Where it applies: Any style (intraday, swing, positional), discussed for Indian markets. The panel says style should match personality and purpose.

Habits:

- Risk about 1% of capital per trade, and keep the same risk parameters as the account grows.
- Always keep a stop-loss on capital, and cap the number of trades per day.
- Keep core capital separate from experimental money, using a separate demat account and small lots for experiments.
- Scale size up gradually, not suddenly after profits or to recover losses.
- Take a break after consecutive losses rather than revenge trading.
- Keep a written log of rationale, result and rule adherence, reviewed weekly or monthly.
- Keep an outside "anchor" income.
- Know your capital, income, risk tolerance and personality before choosing a style.

Stop and exit: No trade-level stop or target rules are given.

Evidence: Anecdote. The panel also makes an overstated claim that a neutral view will always be profitable.

Source: [19] (the most-watched video in this chapter, at about 8.4 lakh views)

Setup: Discipline game plan and validation period

Idea: Discipline means following your own *tested* rules across many trades, so the testing and the plan come first.

Where it applies: Discretionary traders building or running a system. The discussion covers NIFTY, BankNIFTY, options and equity, mostly intraday and swing.

Rules:

- Write a game plan covering personal goals, the trading system, general rules such as position sizing, and contingencies such as a connectivity or power failure.
- Backtest, then forward-test on paper and live, aiming for 200–250 trades before trusting the system.
- During the test, keep stop, lot size and exit rules fixed. Changing them mid-run destroys the test.
- Check screens at fixed windows rather than watching continuously.
- Avoid fixed daily or monthly rupee targets. If profits swing wildly from month to month, treat that as a reason to review the system.

Stop and exit: Stops must be placed correctly and never removed. No specific stop or exit levels are given.

Evidence: Anecdote. Panellists quote self-reported discipline rates of 70–80% with no data, and no costs, drawdowns or trade statistics are shown.

Source: [17]

Where the presenters differ

How often to trade. One view says frequency should follow from your strategy, current volatility and your risk:reward [10], or from a tested strategy and setup quality [9]. The panel prefers a hard cap on trades per day [19]. The panel proposes the cap as a guard against overtrading. It does nothing about the opposite error, undertrading out of fear, which two videos explicitly warn about [9,10].

Patience at a level. One clip says to wait for price to return to your planned level rather than chasing [11]. Another warns that waiting for price to reach resistance can miss a reversal that forms *before* the level [18]. Both can be true. The first is about not chasing, the second about not being rigid. Which matters more depends on your setup.

Targets. One panel says to avoid fixed rupee targets altogether [17]. A short on option buyers says the issue is unrealistic targets: buyers who treat huge percentage gains as normal feel modest returns as failure, and over-trade to make up the gap [22]. Its figures are informal and partly unclear. Its point is

that targets should be compared with what your strategy realistically produces, before you trade rather than after a disappointing day.

Stay with a strategy, or keep improving it. Keep a profitable strategy stable for about a year[20], versus study a working setup further while continuing to look for improvement[21].

Averaging into losers. One skit treats buying more of a falling price as the gambler's error[15]. The 51-trade video allows averaging only if the rule existed before the trade[16].

How many trades before you trust a system. The numbers differ widely and none is justified with data:

Presenter's figure	Context	Source
200–250 forward trades	After a backtest, on paper and live	[17]
51 trades, zero deviation	A discipline challenge, not a statistical test	[16]
3–4 months	For a strategy with about a 55% win rate	[9]
About a year	Before replacing a profitable strategy	[20]

These measure different things. The 51-trade challenge tests *you*; the 200–250 trades test the *system*. Keeping that distinction clear is more useful than choosing a number.

Fear or greed as the root. One short frames the problem as both fear and greed, and says a mind free of both stays neutral[8]. Another singles out fear of missing a move as the driver of impulsive entries, and suggests simply accepting that you will miss some moves[12].

Pitfalls

Behavioural traps named in the videos:

- treating a losing streak as a sign a win is due, or a fall as a sign of a bounce[15]
- holding a loser in hope[13], or delaying the stop out of fear[14]
- forcing trades to feel active[11]
- letting an indicator or a viral tip make the decision[12]
- treating option buying as a lottery ticket, especially on expiry days[22]
- changing lot size in the middle of testing a system[17]
- trading into stop-hunting or liquidity-driven moves rather than waiting for them to pass[18]

Weaknesses in the videos themselves:

- The 55% win-rate example comes with no test data[9].
- The discipline-as-habit argument is an analogy only[14].
- The claim that a neutral view is always profitable is overstated in two places[8,19].
- One clip leans on the authority of named experienced traders rather than evidence[18].
- One clip's numbers are hard to make out and its profit figure is unverifiable[13].

- The over-trading skit is entertainment, with no thresholds[10].
- Several videos give no stop or sizing rules at all[9,16].

Most of this material comes as sixty-second shorts. They are good at naming a trap and poor at telling you what to do instead. The two long panels[19,17] and the 51-trade video[16] are where the usable structure is.

Mindset and Market Beliefs

The concept: beliefs decide what you do under pressure

Every method rests on a belief about how markets behave. A trend follower believes trends persist long enough to profit from. A dip buyer believes pullbacks in an uptrend tend to resolve upward. The clips in this section are short statements of such beliefs.

The reason they belong in a psychology chapter is that a mismatch between belief and method is itself a source of emotional error. If you run a trend-following system while privately believing every rally is about to top, you will override the system at exactly the wrong moments. One Definedge short makes this point directly: choose a method first, then build the mindset that matches it, and don't mix trend following with top-picking[23].

None of the beliefs below is tested in the videos. Several are directly testable, and that is the most useful way to treat them.

What the clips agree on

React to price; don't out-think it. One veteran, in a 34-second clip, says roughly two decades of applying his own judgement lost money, and that he now simply reacts to what price does[24]. A trend-following short says to stay with an uptrend rather than hunting for its top, and to switch to reversal thinking only when the trend is exhausted[23]. A third clip notes that indicators are derived from price and volume, so a trader who learns to read price may eventually need fewer of them[25]. All three are attitudes rather than rules. "Just follow the market" does not tell you what to do in a sell-off[24], and "become the indicator" is motivation, not a method[25].

Stops are part of the system, and losses are normal. No indicator, pattern or system works all the time or is clearly better than the rest. So traders must accept that stops will be hit, build them into the system, and honour them to stay in the game long enough to win[26].

Patience with time, not just price. One presenter argues that the market wears traders down with two levers only, price and time[27]. Falling prices push people out of good stories, and long, dull sideways phases exhaust them just before a concentrated move. His advice is to separate the printed price from the underlying story before exiting, and to accept that doing nothing can be correct[27]. An Elearnmarkets clip similarly says to give your approach time rather than expect a one-day profit[28].

Simplicity, and mastery of one method. Keep a strategy simple enough to state and scale, take few high-quality trades, and repeat one approach until you understand how it behaves[28].

Skepticism toward news and paid secrets. By the time news reaches retail traders it is already in the price, so acting on headlines is late. One presenter reads widely reported news as a point where informed players sell to the crowd[29]. A separate clip warns about people paying large sums for indicator or algorithm "secrets"[30].

Anecdote is a prompt, not evidence. Several of these clips, read honestly, support the same conclusion: a success story should push you to examine your own process, not stand in for a tested method[24,31].

Worked examples

No clip in this section gives a complete setup. The two below are the closest, and they are included to show what is missing as much as what is there.

Setup: Trend-follower stance (a belief, not a full system)

Idea: While a trend is up, remain with it. Don't hunt tops or treat each resistance as a reason to exit. Shift to reversal thinking only once the trend is clearly exhausted.

Where it applies: Trend-following approaches in general. No instrument or timeframe is given.

Stop and exit: Not specified. "Exhaustion" is not defined in operational terms, so the stance needs a concrete exit, such as a trailing rule from the trend chapters, before it can be used.

Evidence: None. The claim that many tops cannot be identified in real time is asserted without examples.

Source: [23]

Setup: Buy the retracement (incomplete as taught)

Idea: After reading the trend and marking support and resistance, treat a pullback as a buying opportunity. The clip frames this within a broader argument that practised skill, not knowledge alone, is needed to trade.

Where it applies: Not specified. No instrument, timeframe or regime is given.

Entry: Buy the dip. No trigger level or confirmation is given.

Stop and exit: None given. The clip also implies that dips reliably lead higher, which it does not support.

Evidence: None.

Source: [32]

The retracement clip shows why mindset content needs caution. "Buy the dip" sounds like a strategy. But with no definition of a dip, no confirmation and no stop, it is exactly the open-ended averaging habit the previous section warned against. This handbook's caution, not the clip's, is to practise on paper or in small size, define the retracement with levels and a confirmation signal, and set a stop before entry. Done that way, the belief becomes a testable setup.

Where the presenters differ

- **Judgement versus following.** One veteran says his own judgement cost him money[24]. Another clip celebrates the experienced trader who doesn't search for patterns because they become obvious at the decisive moment, likened to a bowler's delivery that is revealed only when it is thrown[30]. The second offers nothing teachable. This handbook's caution is that intuition of that kind, if it exists, should be built through rule-based study first.
- **Always trend, or regime-aware.** One clip commits to the trend mindset[23]. Another argues that trends are rarer than sideways phases, that option buying needs a trend, and that a trader should switch to sideways-market methods when no trend exists[31]. Its supporting story is a budget-day options trade whose profit figure is ambiguous in the video (it could be ₹20,000 or ₹1 lakh).
- **Trend following versus buying dips.** Staying with the trend[23] and buying pullbacks[32] can be combined, by buying pullbacks *within* a trend, but neither clip explains how.
- **One method or many tools.** Master a single strategy[28], versus keep learning tools such as Renko, Point & Figure and relative strength[31]. The second clip at least adds that new tools should be tested before you rely on them.
- **Is a falling price a signal?** React to price[24], versus separate the printed price from the story before exiting[27]. This is the trader's view against the investor's, and which one applies depends on which you are.
- **Indicators.** Price reading can replace them[25]. None is superior[26]. And one presenter admits using the 61.8% Fibonacci level by rote without understanding its basis[28]. That is a reason for caution, since a tool you cannot explain is hard to rely on.

Pitfalls

- Treating motivational clips as method. Several offer no rules, sizing or stop[24,31,25].
- Generalising from one chart. The idea that stocks consolidating for about six months deliver most of their return in a short final burst rests on a single example[27]. So does the claim that the market *deliberately* traps participants.
- Assuming news is always a sell signal. Inverting the news is offered as a friend's idea with no results and no executable rule[29].
- Believing in an edge you cannot explain or reproduce, whether that is an intuitive pattern sense[30] or a ratio used by rote[28].

The beliefs most worth checking are the testable ones:

- whether Indian indices really spend more time sideways than trending[31]
- whether long consolidations tend to end in short bursts[27]

- whether buying on headlines underperforms [29]
- whether buying pullbacks beats buying breakouts over the same holding period [32]
- whether trend followers do better when they don't try to pick tops [23]

Each can be checked on historical data. Until you have checked a belief, it is a hypothesis, however confidently it is delivered.

Chapter checklist

- **Rules before the trade.** The sources suggest writing entry, stop, exit, position size, and any pyramiding or averaging rule on paper first, and not doing anything mid-trade that is not in the plan [16,3].
- **The stop in the system on entry.** The sources suggest putting the stop in the system the moment you enter. Shah suggests treating the open P&L as a number, not an instruction, and checking it as little as possible [2,1].
- **Your normal losing streak.** The sources suggest backtesting to see how long losing runs typically last, and sizing so that a run of that length does not threaten your capital [7,6].
- **A three-part journal.** The sources suggest recording the logic before each trade, the result after, and whether you followed your rules, reviewing weekly and monthly, and logging every rule break [21,3].
- **Process over a long window.** The sources suggest that one trade or one day tells you little, and that execution is better reviewed over a quarter or a set run of trades, such as a 51-trade zero-deviation challenge [6,16].
- **Both sides of trade frequency.** The sources suggest a daily cap or a "when not to trade" list against boredom and revenge trades, and checking skipped setups against your rules to catch fear-driven undertrading [19,9,18].
- **A break after consecutive losses.** The sources suggest stepping away and zooming out rather than trying to win it back, and remembering that a losing streak does not make a win due [19,15].
- **Small, fixed risk, scaled slowly.** The sources suggest a small fixed share of capital per trade, experiments on one lot or in separate money, and no jump in size after a good run [19,20].
- **A test held fixed while it runs.** The sources suggest not changing stop, lot size or exit mid-test, and folding in a tweak only after it has been tested on its own [17,6].
- **Beliefs as hypotheses.** The sources suggest that whatever you believe about trends, dips, news or consolidations should be checked on data before it shapes your method, and that your mindset should match the method you actually run [23,29].

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5. Trend, Market Structure and Price Action

Every method in this handbook starts from a price chart, whether it ends in a scanner, an option spread or a momentum portfolio. Before you add a moving average, an oscillator or a proprietary score, you need to read what the bare chart is saying. Which way is it trending? Where have buyers and sellers fought before? Has a level genuinely broken, or did price just poke through it and fall back?

This chapter draws on videos from Elearnmarkets and A Digital Blogger. They teach how to define trend from swing highs and lows, how to mark support, resistance, supply-demand zones and trendlines, how to tell a breakout that holds from one that traps, and why many traders put price ahead of indicators.

Be clear about the evidence before you start. **None of the videos in this chapter shows a backtest or a live, audited record.** The best of them illustrate their rules with chart examples. Many rely on the presenter's own story. Several give no evidence at all.

What you get here is a set of shared habits and a handful of well-described setups. You do not get proven edges. The value is in the habits that many independent presenters converge on, and in the specific claims you can go and test yourself.

By the end of the chapter you should be able to:

- define trend objectively from swing points
- mark levels before a session rather than during it
- recognise the confirmation rules different teachers use for breakouts
- see where the presenters disagree
- spot the gaps (missing stops, unmeasured volume, hand-picked charts) that you must fill before any of this is usable

Trend, Momentum and Market Structure

How it works

A trend is a sequence of swing points. In an uptrend, each rally peak is higher than the last (a higher high) and each pullback low is higher than the last (a higher low). A downtrend is the mirror image: lower highs and lower lows. One short clip treats these two conditions, a higher high together with a higher low, as the basic thumb rules of an up-move[1].

This definition is mechanical, and that is the point. You don't have to *feel* that the market is strong. You can check whether the last swing low held above the one before it.

Market structure is the same idea used as a running record. As long as the sequence of higher lows survives, the uptrend is intact. When price breaks below the most recent swing low that mattered, structure has changed and the trend is in question. Several presenters frame invalidation exactly this

way. One treats the trend as intact until a marked support breaks[2]. Another exits when trend structure breaks or the trend channel is violated[3].

Momentum is a different thing: a burst of fast movement. The Elearnmarkets concept videos insist on keeping the two apart. Their argument is that momentum on its own is short-lived and often reverses after a breakout, and that retail traders lose money by buying a strong move that has no trend behind it[2]. The companion video makes trend the base and momentum only the trigger. You establish the trend on the weekly and daily charts, use a momentum burst to time an entry in that direction, and re-check the trend whenever momentum fades[3].

Timeframe hierarchy ties these together. The higher timeframe sets direction, and the lower timeframe times the entry. That might be weekly and daily for swing trades[3], or daily as the primary chart with weekly and monthly for context[4]. An intraday trader in one interview uses a higher timeframe for direction, a 15-minute chart for zones and a 5-minute chart for execution[5].

One precondition is easy to skip: **liquidity**. One presenter says that on an illiquid chart a candle carries no meaningful signal at all, so check liquidity before reading anything[1]. Thinly traded stocks print erratic swing points that break "structure" for no reason.

What the presenters agree on

- **Trend comes first, before indicators and before entries.** Read the pattern and then the trend[1]. Identify trend from the pure price sequence before looking at any indicator[4]. Study the weekly and daily charts first[2,3].
- **Trade with the higher-timeframe direction.** Buy in uptrends and short in downtrends[4]. Take breakouts only in the trend direction[3].
- **Momentum is a trigger, not a thesis**[2,3]. Both videos come from the same channel's concept series, so count this as one house view rather than independent agreement.
- **A break must hold.** The breakout should hold and make a fresh structural high or low[3], and a close above resistance counts for more than an intraday poke[4].
- **Divergence needs structure behind it.** One presenter treats divergence between price and an oscillator as a warning only, not an entry, and says it doesn't reliably mark a bottom without price confirmation[4]. Even the smart-money presenters, who give divergence more weight, want market structure to confirm before acting[6].
- **Moves pause.** Expect a range after a trend move[1], and treat a normal correction as a moment to reassess, not an automatic exit[2].

Worked examples

Setup: Trend-first, momentum-trigger channel breakout

- **Where it applies:** swing trades on NIFTY and BankNIFTY, using weekly and daily charts.
- **Setup:** study the weekly chart, then the daily, to identify the underlying trend. Draw a trend channel and mark key support and resistance.

- **Entry:** only in the higher-timeframe trend direction, when price breaks out of the channel or clears resistance, the breakout holds, and price makes a fresh structural high (or low, for shorts).
- **Exit:** reassess or exit when momentum fades, or when structure breaks (support lost, channel violated). Don't hold just because momentum was strong.
- **Stop and size:** no numeric stop or sizing is given. The structural break is the only invalidation, and you would have to define the exact level yourself.
- **Evidence:** hand-picked chart examples, no systematic test. The presenter says the approach will give good returns but shows no results.
- **Source:**[3]; a close variant marks the support whose break invalidates the trend[2].

Setup: Daily trend-first reading with role reversal

- **Where it applies:** NIFTY, index futures and stocks on daily charts, short-term to positional.
- **Setup:** read the up or down price sequence first. Add a set of moving averages and RSI only as confirmation. Mark prior support, resistance and trendlines. Volume-profile point of control is an optional reference level.
- **Entry:** buy on a close above a resistance level in an uptrend. After a support level breaks, short the retest of that broken level, which now acts as resistance (role reversal). Divergence is a warning, never a standalone trigger.
- **Exit:** stop set before entry. Exits are to be customised per instrument and backtested rather than fixed.
- **Evidence:** live discretionary chart reading and anecdote. The presenter's claim of about 80% accuracy on positional ideas (only when stops are respected) comes with no data. The transcript is partly garbled, so exact rules are uncertain.
- **Source:**[4].

The smart-money vocabulary

A Digital Blogger's clips introduce a second language for structure: **order blocks** (zones where large orders are said to sit), **liquidity zones** (clusters of resting stop orders), and **stop hunts** or liquidity grabs (price running through those stops before reversing). The fullest version comes from an interview. That trader reads higher-timeframe structure, marks order blocks and liquidity on a 15-minute chart, checks for divergence, and enters on a 5-minute tap of the zone with confirmation. He targets roughly 1:3, caps a single loss at about 3–5% of capital, and stops after 3–4 consecutive losses[5].

Treat this cautiously.

- **The performance claim is unshown.** The 63–64% win rate he reports refers to his option-selling setups, not to the zone framework as a whole, and it is a self-reported backtest with no sample,

period or costs[5].

- **The track record includes blow-ups.** The same trader says he blew up accounts several times before arriving at the framework[5].
- **The approach is mixed with naked option selling.** A 3–5% per-trade cap does not protect against gaps in naked short options[5].
- **The stop-hunt clip is barely usable.** It is fragmentary and badly translated. Its one usable idea, that sharp reversals after stop runs belong to reversal markets rather than trending ones, comes with no evidence[7].

The underlying observation, that stops cluster just beyond obvious levels, is reasonable. The narrative about who is hunting them cannot be tested from a chart.

Where they disagree

- **Where to enter.** The Elearnmarkets presenters enter on channel or resistance breakouts[2,3]. The smart-money approach enters on a tap of a zone, which is closer to buying a pullback[5,6]. The daily framework uses retests of broken levels[4].
- **How much weight divergence carries.** It is a sentiment signal with predictive weight in the smart-money clips[6,5], but merely a warning in[4].
- **Which instruments.** Most of these videos apply structure reading to NIFTY and BankNIFTY. The interviewed smart-money trader deliberately avoids them, trading crypto futures, stock options and currency options instead[5].
- **How to handle profit.** One presenter advises keeping profits small and taking small wins, saying trades held past expectations erode accuracy[4]. The smart-money trader holds high-conviction option sales to expiry[5].

Pitfalls

Five of the seven videos in this section give no numeric stop, size or target. One even notes the absence as a flaw[1]. "Confirmed by structure" and "proper trend" are left undefined[2,3].

The concepts here are the right ones. But a trend definition with no rule for *which* swing low counts, and no stop below it, is not yet something you can trade or test. Your first job with this material is to write those definitions down for yourself.

Support, Resistance, Supply-Demand and Trendlines

How it works

A support level is a price area where buying has repeatedly appeared and declines have stalled. Resistance is the opposite: an area where selling has capped rallies. The beginner primer in this set frames it in demand-and-supply terms. Price reflects the balance of buyers and sellers, and levels are where that balance has shifted visibly before[8]. One short explainer uses the image of a ball bouncing between floor and ceiling[9]. That is a useful picture for ranges, but it says nothing about what happens when the floor gives way.

Five related ideas build on this.

1. **Zones, not lines.** Levels are better marked as bands where price has reacted repeatedly and then been tested again[8]. A single-tick line invites you to call a level "broken" because of a few points of noise.
2. **Change of polarity (role reversal).** A resistance that breaks often becomes support on the pullback, and a broken support becomes resistance[10,4]. This is one of the more widely taught ideas in the corpus. It gives a breakout trader a second, often cheaper, entry.
3. **Supply and demand zones.** These are a refinement in which you mark the area a strong move *came from*, rather than every place price paused. The presenters attribute these zones to large players' orders[11], or to unfilled pending orders that draw price back[12]. Both explanations are asserted, not shown.
4. **Psychological levels.** Round numbers where orders tend to cluster[13,14].
5. **Trendlines.** A diagonal line through two swing lows in an uptrend, or two swing highs in a downtrend. It is provisional until a third touch validates it[15].

Two quality ideas recur.

- **More tests and longer duration make a level more important.** Lines spanning weeks or months carry more weight than lines covering hours[15].
- **Confluence strengthens a level.** Where several independent reference levels coincide, the area is stronger. One stock-analysis video builds a "ladder" of prior highs, lows and closes, moving averages, pivots, Bollinger Bands and parabolic SAR, and favours the price where most of them overlap[16].

What the presenters agree on

1. Mark levels before the session and act only when price reaches them. This is the most consistent habit in the section.

- Zones marked the night before, with alerts set rather than watching screens[11]
- Levels marked one day ahead on a 30-minute chart and given a priority order[17]
- A pre-planned price at which the presenter will act, rather than trading every candle[10]
- An alert placed at the confluence level[16]
- Levels mapped before any trade[18,9]

The logic is behavioural as much as technical. A level drawn in advance cannot be bent to fit what price is doing now.

2. Wait for a reaction, not a first touch.

- Confirm the zone's reaction on 15- and 30-minute candles[11]
- Require lower-timeframe "double confirmation"[17]
- Short a shooting star only after a lower-closing candle follows it[10]
- Never enter a break on the first candle[19]

- Wait for a close beyond a trendline, not an intraday poke[15]

3. The level defines the stop. The stop goes beyond the zone[17], beyond the pattern extreme[10], at the first candle's low[19], or a few points past a round number[13]. A trendline is its own invalidation[15]. Several primers give no stop at all, so you must add one[18,9,20,16].

4. Context first. Read momentum before looking for a reversal[17]. Trade only with the trend[20,10]. Check the sector and index before the stock[12].

5. Manage the winner. Book half at the first target and move the stop to cost[17], or trail[19], or let profits run[11].

Worked examples

Setup: Supply-demand momentum system on the 30-minute chart

- **Where it applies:** NIFTY, BankNIFTY and stocks. Intraday on the 30-minute chart; 4-hour and daily for swing trades.
- **Setup:** mark supply and demand zones on the 30-minute chart the day before, allowing for the previous day's open and gaps, and rank them by priority. Read market momentum first to judge which direction is worth trading.
- **Entry:** wait for price to reach a marked zone and print a reversal or confirmation candle. Enter long above the level or short below it only after a lower timeframe agrees (the presenter's "double confirmation"). In options or futures, choose the strike or symbol showing the strongest momentum.
- **Stop and exit:** protective stop on the far side of the level, allowing for gaps. Book 50% at the first target, move the stop to cost on the rest, and trail until reversal. Exit fully if the zone fails or momentum flips.
- **Evidence:** a few hand-picked chart examples. No win rate, costs or systematic test. The presenter also promotes an automated algo.
- **Source:**[17].

Setup: Trendline from two swing points, validated by a third touch

- **Where it applies:** uptrends and downtrends on daily, weekly or intraday charts. Longer-duration lines are preferred.
- **Setup:** join two successive reaction lows for an uptrend line, choosing a second low that is followed by a clean move up. Join two successive rally peaks for a downtrend line. Treat the line as provisional until a third touch, and as stronger with a fourth or fifth.
- **Entry:** a close beyond the line is read as a trend reversal. Buy a close above a falling line; sell a close below a rising one. A break of a long, heavily tested line is expected to give sharp follow-through.

- **Stop and exit:** the line is the invalidation level. A rising line can serve as trailing support, with a downward break as the exit. If price fails to break a falling line on its third test, the downtrend is expected to resume.
- **Evidence:** textbook chart examples (Sensex, Unitech, Axis Bank) described after the fact. No sizing, costs or hit rates.
- **Source:** [15].

Setup: Change of polarity with confirmed reversal candle

- **Where it applies:** stocks, NIFTY and BankNIFTY, in the trend direction. Daily chart for levels and patterns, monthly for long-term context, 1-minute for entries.
- **Long entry:** buy the pullback into a former resistance that price has broken.
- **Short entry:** short a shooting star or inverted hammer at a flipped resistance, once a lower-closing candle confirms it.
- **Head-and-shoulders variant:** sell the right shoulder rather than waiting for the neckline. In the presenter's illustration, left shoulder near 100, head near 110 and entry around 104–105.
- **A discretionary filter:** skip the first pattern at a level. If its stop gets hit, take the next confirmed one.
- **Stop and exit:** stop just beyond the pattern extreme, roughly 10–20 index points (the presenters note this is wider than the 6–8 points that once sufficed). Target the pattern depth or the next support or resistance zone.
- **Evidence:** illustrative screenshots and podcast discussion. No reported results, and the skip-the-first-pattern rule comes with no sample size.
- **Source:** [10].

Where they disagree

Which timeframe to mark zones on. Answers include:

- daily zones with 15- and 30-minute confirmation [11]
- 30-minute zones [17]
- monthly zones, weekly trend, and daily or 5-minute entries [12]
- 5-, 10- and 15-minute horizontal lines [19]

There is no consensus, and the choice changes which levels you see.

Confirmation or touch. Most presenters demand confirmation. One futures trader says he may enter a high-quality demand zone *without* candle confirmation when conviction is high [12]. The round-number trader simply buys at the level with a stop a few points below (buy 227 with a stop at 225, or buy 225 with a stop at 220) [13].

Bounce or break. The simplest primer says buy at support and sell at resistance[9]. Others buy the breakout[18,19]. The round-number presenter takes his full position on the *third* return to the same high[13].

Crowded patterns. The polarity presenters avoid obvious double tops and bottoms because stops cluster there and, they argue, the edge decays[10]. Another presenter trades exactly those patterns, with MACD divergence as confirmation[19].

Indicators. One method exits on the MACD line crossing its signal line[19]. Another works from a naked chart because indicators lag[12]. A third warns against stacking indicators[11], while the ladder method stacks many of them on purpose[16].

Targets. The options-buying zone trader says not to cap winners, yet her worked example uses a fixed spot target (NIFTY entry 17000, target 17100)[11]. Others use 1:1 to 1:2[19], a minimum of 1:3[12], or the next opposing zone[12,10].

Pitfalls

Subjectivity is the core problem. Six of these videos are flagged for discretionary level marking that is open to hindsight[11,17,12,15,20,9]. On a finished chart it is easy to draw the zone that worked. In real time there are several candidates. Until you have a written rule for what qualifies as a level, any test you run is really a test of your hindsight.

Unverified numbers.

- One presenter mentions a 70–80% success rate for support-resistance breaks from a backtest that is never shown[19].
- The futures trader's figures (about ₹40 lakh capital and ₹18 lakh recent profit) are unaudited. He also reports about ₹55 lakh in losses and charges along the way[12].
- The round-number trader's own account suffered large losses after abandoning these rules, including stops[13]. So the method, as he practised it, was not shown to work consistently. His "few points" stops may also be unrealistic on volatile stocks.

Other gaps.

- Option decay is acknowledged but not quantified by the zone-plus-ITM-options trader[11].
- Stop-hunting and operator stories cannot be falsified[10,12].
- Several of these videos sit alongside a product: an app[16], an algo[17], or a withheld "full system"[9].

Breakouts, False Breakouts and Breakout Failures

How it works

A breakout is price leaving one trading range and *sustaining* trade in a new one[21]. The word "sustaining" carries most of the meaning.

The usual explanation goes like this. At a resistance zone, supply has repeatedly capped price. For a real breakout, buyers must absorb all of it, and then sellers who were short must cover, which accelerates the move[21]. Another presenter frames the same thing as trapped traders on the wrong side being forced out[22].

A **false breakout** (or trap) is the case where that absorption never happens. Price pokes above the level, perhaps runs a stop cluster, and then returns inside the range, often quickly[23].

The central difficulty is that, in the first minutes or the first day, a real breakout and a false one look identical. Every rule in this section is an attempt to wait just long enough to tell them apart, without waiting so long that the move is gone. The corpus rarely measures that trade-off.

What the presenters agree on

1. Wait for confirmation, not a poke. Six of the eleven breakout videos share this idea. They differ on what counts as confirmation, from a single close beyond the level to a hold of several days:

Confirmation rule	Timeframe	Source
One 5-minute close beyond the power candle's high or low	Intraday	[24]
Close beyond the level, plus one more confirmation candle	Not specific (intraday label)	[25]
Daily close beyond the level; a slip back below = failure	Daily/weekly	[26]
Daily close, then check that price stays outside the range	Daily	[23]
Price sustains beyond the level for 2–3 days without retracing	Daily, swing	[21]
Enter on confirmed breakout, not from inside the range	Positional	[27]

2. Volume should back the move. Seven presenters require or prefer it.

- A breakout on very low volume is likely false[21].
- Price can be manipulated but volume cannot[25]. That is a strong claim, stated as fact without support.
- A genuine breakout comes on huge, above-average volume[23].
- Rising volume is a precondition for the power-candle method[24].

None of them defines "high" in numbers[25,28,29].

3. Major levels beat minor ones. Prefer zones touched two or three times after a base of roughly 6–15 weeks or longer, not a break of a 5- or 10-day high[21]. Prefer zones built over about two to two-and-a-half years and ignore small pivots[23]. Look for multi-week range contraction[26] or a long accumulation range[27].

4. A quick return into the range is the failure signal. Different presenters express it as a close back below the level[26], a retracement within 2–3 days[21], a slip back into the range[22], or a reversal on the very next bar[30].

5. Stop and size come before entry.

- About 1% risk per trade with a predefined stop[28,26]
- Size derived from the stop distance[22]
- Prefer setups where a nearby stop makes sizing possible[29]

A few presenters also shrink after losses. One example cuts size to 75% after a 5% drawdown[26]. A trader in a dramatised story steps back and returns smaller after consecutive losses[28].

6. Range projection for targets. The prior range's height, projected from the breakout, is the common target[21,23]. The intraday power-candle method uses twice the range height[24].

7. Don't chase a spike. If a breakout comes as a spike with no prior consolidation, one presenter waits for price to pull back to the 5-period moving average[29]. Another prefers a pullback entry to a fresh breakout in general[26].

Worked examples

Setup: Power candle volume breakout (5-minute)

- **Where it applies:** intraday on indices (NIFTY, BankNIFTY), stocks, silver and copper, in the direction of the weekly/daily trend. Ignore the 09:15 candle and start reading from about 09:25.
- **Setup:** volume must be rising. Find a "power candle": a large-bodied candle with more volume than the previous one, ideally the day's highest-volume candle. Mark its high and low. The video's body-size definition is loose (it mentions roughly 20% of the move and about 80% of the candle's range without precise thresholds), so you would need to fix your own.
- **Entry:** long when a later 5-minute candle closes above the power candle's high with rising volume; short on a close below its low. Range variant: whichever side a candle closes outside the range, with volume.
- **Stop and exit:** stop just beyond the opposite end of the power candle. Trail by re-marking each new power candle. Targets are Fibonacci extensions (1.00 minimum, 1.61 first) or twice the range height. In sideways markets, exit if the target hasn't come within 10–25 minutes.
- **Evidence:** hand-picked chart examples, with targets that appear to be chosen after the fact. No position sizing, costs or slippage, which matter a great deal at this frequency.
- **Source:**[24].

Setup: True breakout versus trap at a major zone

- **Where it applies:** daily swing trading on major support and resistance zones built over long history, shown on NIFTY and Aurobindo Pharma.

- **True breakout:** a break of a major zone on huge, above-average volume, with RSI above 50 offered as optional confirmation for upward breaks. Target is the prior range width added to the breakout level. The presenter's example: a 1300 breakout from a 950 base gives a width of 350 and a target near 1650.
- **Trap:** price breaks a major zone for only one or two days, then returns inside the prior range. Trade the reversal toward the opposite major zone.
- **Stop and size:** none given. You would have to supply both.
- **A related, stricter rule:** a different presenter waits 2–3 days without a retracement through the level, requires a 6–15 week (or longer) base touched two or three times, and wants a fundamental reason behind the break. It also gives no stop[21].
- **Evidence:** a handful of hand-picked charts. "Major" zones and the two-day window are judged by eye. The presenter also admits that an overbought RSI does not reliably flag a false breakout.
- **Source:**[23].

Setup: Breakout failure (two-low rule) for tops

- **Where it applies:** Nifty, BankNIFTY, sector indices and top stocks, mainly through futures. Weekly for major tops, daily for short-term tops, 125-minute for timing.
- **Setup:** mark a distinct past resistance and the bar that first breaks above it. A healthy breakout keeps extending with long bars. If the very next bar reverses, the breakout is a suspected failure.
- **Entry:** stage one is a sell when the breakout bar's low breaks. The failure is confirmed when the previous bar's low also breaks. The presenter's preferred entry comes after a pullback, selling when the pullback low breaks.
- **Stop and exit:** the broken low is the stop. Treat choppy markets as hit-and-run, and don't hold through earnings.
- **Evidence:** selected chart examples. The presenter also uses undisclosed proprietary indicators for context, and his overall market call in the same session was openly 50/50.
- **Source:**[30].

Where they disagree

Volume. This is the clearest split.

- Most breakout teachers require it[21,25,24].
- The two-low failure method deliberately ignores both volume and open interest[30].
- One stock-entry video allows that a breakout bar may rise on low volume[29].
- The weekly Friday-high method doesn't list volume at all[26].

If volume were as decisive as its advocates say, this split would be easy to settle with data. None of the cited videos tests it.

What a reversed breakout means. One presenter trades it in the opposite direction toward the far zone[23]. Another treats it as a top signal and shorts on the two-low break[30]. A third simply exits[26]. These are three different trades from the same event.

Why breakouts work at all. The explanations on offer are:

- a news or results catalyst[23,21]
- a squeeze of trapped traders[22]
- prior accumulation by informed players, inferred from the chart's shape[27]
- no stated reason at all[24,28,29]

How to get in. One presenter enters on the first confirmed break, with a minimum 1:2 reward-to-risk[22]. Another takes a small position *before* the breakout to manage fear of missing it, adds once it confirms, and accepts that a failure costs only the small starter[31]. A third pyramids into a confirmed move and trails the stop up through each new range[27].

Reward-to-risk. A 1:2 minimum[22] versus taking 1:1 in choppy markets rather than holding for 3:1 or more[26].

Pitfalls

Every one of these eleven videos lacks a systematic test. The common problems are:

- Winning charts shown after the fact, sometimes a single chart[27].
- Undefined terms: "high volume", "power candle", "very strong"[21,24,25].
- No stop at all in several videos[21,23,25,31], and no exit in one[29].
- Costs ignored in most, which matters most for the intraday versions.
- Overconfident directional calls ("very high chances") alongside the teaching[23].
- Course promotion during the lesson[22].

The breakout claims are among the most testable in the whole handbook. "Volume-confirmed breakouts beat unconfirmed ones" and "price rarely returns through the level within two to three days of a true breakout" can both be checked on a few years of daily data. Until you have done that, treat them as hypotheses.

Price Action Before Indicators

How it works

Every standard indicator is calculated from price, and usually from past price: moving averages, RSI, MACD. So it cannot know anything the chart doesn't already show, and it reports with a delay. That is the core of the price-action-first argument. The presenters put it in several ways:

- Price moves first, and by the time a crossover prints, much of the move is spent[32].
- Indicators lag and give false signals, especially in fast, liquid stocks[33].
- Moving-average entries arrive late for intraday trading, though they may be fine to follow on positional trades[34].
- Running four or five indicators that conflict pushes traders into overtrading[14].
- Indicators alone simply did not work for one presenter, who went back to volume, moving averages, price action and candlesticks before tackling advanced books[35].

"Price action" in practice means three things together:

1. **Levels marked in advance.**
2. **A candle read in its context.** A hammer in the middle of nowhere means little. A hammer at a pre-marked support after a decline means more[36]. One trader uses hammers only after a big fall, never in sideways markets[14]. The phrase several presenters use is that *placement* matters more than the pattern's name.
3. **A confirmation step.** The candle must complete at the level[37]. A confirmation candle's extreme must break[38]. The pattern must break out[39].

The price-action camp does not, mostly, throw indicators away. It reassigns them. One episode uses a moving average or MACD divergence to ride a trade *after* a price-based entry[38]. Another keeps a single moving average on an otherwise clean chart[39]. One presenter even concedes that indicators can help anticipate trend[33]. Read together, most of these videos point to "price for the decision, indicators at most for context or management," not "indicators are useless." One short goes further and advises positional traders to follow the indicator's entry and exit[34].

What the presenters agree on

- **Mark levels first, then read candles**[36,38,37,40].
- **Don't anticipate.** Wait for the level to break or the pullback to hold[40]. Wait for a completed breakout[39]. Confirm bottoms on weekly and monthly charts, not the daily alone[41].
- **Put the stop at the structural point and never widen it or average a loser.** That point might be the pattern's invalidation[39], the pattern high or low[38], the nearest swing low[40], or just below a marked bottom[41]. The beginner primer's version is blunter: never design a trade around avoiding a stop-loss[8].
- **Keep size small and leverage low.** Trade one position at a time with no borrowed money[37]. Trade cash only[42]. Learn in cash before moving to futures and options[39].
- **Paper-trade or test before using real money**[14,38].

Worked examples

> **Setup: Candlestick at a higher-timeframe level with confirmation-candle break**
>
> - **Where it applies:** intraday NIFTY and BankNIFTY, traded through options. 5- and 15-minute charts, with 1-minute entries only inside a zone already marked on a higher

timeframe.

- **Setup:** identify the daily trend and mark the major support or resistance zone. Drop to lower timeframes to find an ABC correction into that zone. Look for the right pattern in the right place: a shooting star at resistance, or a hammer or piercing pattern at support. The presenters also want chart pattern, candle and indicator to agree.
- **Entry:** for a short, let a bearish confirmation candle close after the shooting star, then enter when that candle's low breaks. For a long, enter when the confirmation candle's high breaks.
- **Stop and exit:** stop above the shooting star's high or below the hammer's low. If the spot stop is hit, exit the option immediately. Ride winners with a moving average or MACD divergence rather than a fixed early target. Never average a losing option.
- **Evidence:** chart examples, including a large BankNIFTY rally and a NIFTY gap-up. The presenters cite roughly 1:10 to 1:20 reward-to-risk and "very high-probability" setups without data, while also acknowledging low accuracy and many small stop-outs. Those two statements only reconcile if the large winners really arrive. No costs, strike or expiry rules.
- **Source:** [38].

Setup: Time-of-day filtered BankNIFTY options price action

- **Where it applies:** intraday BankNIFTY and Nifty options, with about ₹1 lakh capital suggested for BankNIFTY.
- **Setup:** mark support, resistance, range levels and round-number levels. Every entry needs a reason defined in advance. Limit the day to 2–3 setups.
- **Entry:** breakouts mainly between 9:30 and 11:00. Between 11:00 and 2:00, prefer reversals over range breakouts. No fresh breakouts after about 2:00. Buy at-the-money options, not cheap far out-of-the-money strikes. Use a hammer only after a big decline.
- **Stop and exit:** a planned loss of about ₹2,000 per trade. Target at least about 150 index points, while noting that a normal breakout gives perhaps 60–80. Book modest profits, never average a loser, and take no extra trades once the day's setups are done.
- **Evidence:** the presenter's personal account only, including a ₹46,000 loss on an oversized position that led him to shrink his size sharply. The time windows and the 150-point target are not backed by success rates, and costs are not discussed.
- **Source:** [14].

Setup: Pre-marked breakout or pullback for part-time traders

- **Where it applies:** a small watchlist of about 10 liquid stocks, plus index charts, for traders who can't watch screens all day.

- **Setup:** before the session, mark support, resistance and breakout levels, plus the previous day's high and low on index charts, and set price alerts.
- **Entry:** enter when price actually breaks the level, ideally on rising volume, or buy the pullback that retests the broken level and holds. Prefer a nearby breakout to a distant one.
- **Stop and exit:** stop just below the nearest swing low, risking about 1–2% of capital. Trail the stop up as higher lows form, and book profits into strength at planned targets.
- **Evidence:** the guest's personal experience and a live walkthrough with no recorded outcomes. The full breakout rules were deferred to a follow-up video, so this version is incomplete.
- **Source:** [40].

Where they disagree

How many indicators. The range runs from none (price and candles only, on a hand-drawn single support line the presenter calls his "Lakshman Rekha") [37] to one moving average [39], to the 200-day moving average as a trend-change filter [42], to indicators used only for exits [38]. One short says positional traders should simply follow the indicator's entry and exit and not bail mid-move [34].

Breakout or before the breakout. Most of these traders enter on or after the break. One cash-only swing trader does the opposite. He buys cheap near support in an uptrending stock *before* the breakout, refuses to chase, and sells into the breakout buyers [42]. It is a mirror image of the breakout approach, supported only by the trader's own anecdote, and it comes with no stop rule.

Timeframe. The examples run from 15-minute intraday [37] and 1–15-minute charts [39] to weekly and monthly charts for finding bottoms. That last method boxes 10–20 bars of congestion near a 52-week low and buys a retest of support once the weekly and monthly charts confirm. Its transcript is largely garbled, and its entries and stops are not quantified [41].

Stop size. Answers include:

- about 0.5% and no wider [37]
- 1–2% of capital [40]
- about ₹2,000 [14]
- none at all [42]

A 0.5% stop on index options may be too tight to survive ordinary intraday noise once costs are counted [37].

Cash or options first. One trader insists on learning in the cash market to see how far price really moves [39]. Several others teach price action directly on options [37,38,14].

Pitfalls

The "price action versus indicators" shorts are opinion. They don't define what price action is and show no data[33,34,36]. The best one turns on a single illustrative chart[32]. Their claim that indicators lag is consistent with how indicators are calculated from past price, which is this chapter's own reasoning rather than anything the videos demonstrate. Their implied claim, that discretionary price reading therefore does better, is untested here.

Price action is more subjective than it looks. Where to draw the single line is undefined[37]. Pattern identification is a judgement call[39]. The same candle can be named differently on different timeframes[38]. Subjectivity is not a flaw in itself, but it means you can't backtest the method until you write rules precise enough that two people would mark the same level.

The behavioural failures in these interviews deserve as much attention as the setups.

- One trader blew up by increasing size after a run of wins[40].
- Another lost ₹46,000 on a single oversized options position[14].
- A third recalls a tip that won twelve times in a row and then delivered one large loss[39].

Two of these accounts, the blow-up and the ₹46,000 loss, were driven by size, not by a missing indicator.

Chapter checklist

- **Define trend in writing.** State which swing highs and lows count and what break invalidates the trend. Check that definition on the weekly or daily chart before looking at anything shorter[1,3].
- **Treat momentum as a trigger inside a trend,** not a reason to buy on its own, and re-check the trend when momentum fades[2].
- **Mark levels before the session and set alerts.** The presenters teach acting only at levels drawn beforehand, not ones found during the session[17,40].
- **Mark levels as zones and rank them.** Weight major, long-duration, repeatedly tested levels above minor pivots, and treat a two-point trendline as provisional until a third touch[15,21].
- **Pick one confirmation rule and use it consistently.** Options include a close beyond the level, a close plus one candle, or a 2–3 day hold. Know that later confirmation means a later, more expensive entry[25,21].
- **Decide in advance what counts as failure,** such as a close back inside the range or a broken breakout-bar low, and act on it without debate[26,30].
- **Place the stop at the structural point and derive size from it.** Never widen the stop or average a loser. If no video gives you a stop, supply one before you test anything[22,38].
- **Judge a candle by where it forms,** not only by its name[36].
- **Put a number on every vague word.** "High volume", "major zone" and "clean structure" need definitions you can measure. Then test the most-repeated claims (volume confirmation, the 2–3 day hold, range-width targets) on your own data, including costs, before trusting them.

- **Several presenters advise keeping size small while learning,** and shrinking after losses rather than after wins. In two of the interviews, the losses came from size rather than from a missing indicator[14,40].

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6. Candlesticks, Chart Patterns and Wave Methods

Candlesticks and chart patterns are usually the first technical tools a new trader meets. Across the three channels they are also some of the most-watched material, and some of the least tested. A hammer, a cup and handle or a Fibonacci level is easy to recognise on a chart someone else has already chosen for you. It is much harder to trade one well on tomorrow's chart, where you do not know the ending.

This chapter turns that vocabulary into rules. For each family of patterns you will learn:

- what the shape is meant to show
- what the presenters agree on
- the best-specified setups they teach, each with its entry trigger and stop
- where they contradict each other

Two ideas from the rest of the handbook run through every section. The first is to wait for confirmation rather than act on the shape alone. The second is to know where you are wrong before you enter.

Be clear about the evidence before you start. Almost every video in this chapter supports its claims with charts selected after the fact. Only one puts any backtest figures on screen, and those figures are mixed and come from small samples, as you will see. Read every rule here as a hypothesis to test on your own data, with costs included, before you trust it.

By the end you should be able to read a single candle in context and define a trigger and stop for multi-candle, inside-bar and classical patterns. You should also be able to tell which Fibonacci, harmonic, Elliott Wave and Gann claims are testable and which are not.

Candlestick Basics and Single-Candle Signals

How a candle works

A candlestick records four prices for a period: open, high, low and close. A green candle closed above its open and a red candle closed below it[1]. The thick part, the **body**, spans open to close. The thin lines, the **wicks** or **shadows**, show how far price travelled beyond the body before it was pushed back.

That push-back is what single-candle reading is about. Two readings come up in the videos:

- **Body size.** A long body means one side was in control for the whole period. A small body means the two sides roughly cancelled out. One Elearnmarkets interviewee uses only this distinction: long bodies are "momentum" candles and small bodies are "indecision" candles[2].
- **Long shadows.** A long shadow says price went somewhere and was rejected.

Three single-candle reversal shapes recur:

- **Hammer.** A small body with a long lower wick, appearing after a decline[3]. One short-form presenter tells a story about it: large players push price down into retail stop-losses, absorb the selling, and buyers then step in, which leaves the long lower tail[4]. It is a memorable explanation, but no one can see big-player intent in a candle's shape. Treat it as a story, not a mechanism.
- **Hanging man.** The same shape as a hammer, but at the top of an uptrend. A Bengali-language Elearnmarkets lesson stresses that location changes the meaning entirely: identical shapes are a hammer at a bottom and a hanging man at a top[5].
- **Shooting star.** A small body near the bottom of the candle with a long upper wick, after an up-move. Buyers pushed price up and could not hold it[6].

What the presenters agree on

Context comes first. Several videos say to identify the prevailing trend before reading any candle[6,1]. The hanging man and shooting star only count at the top of an uptrend[5]. A hammer only carries reversal weight after a clear series of down moves[3].

Judge proportions, not just the presence of a wick. The most concrete threshold is a shadow at least twice the body[5,3]. Others talk about the body-to-wick ratio without giving a number[6].

The candle is a candidate, not a signal. Every usable video in this section waits for price to confirm the reversal before acting. The confirmation is a break of a specific level, set out in the setups below.

Know your stop before entering. Where a stop is given, it sits at the far end of the pattern candle. Where it is not given, the video's own framing implies you must supply one[4].

Worked setups

Setup: Shooting star with a red confirmation candle

- **Rules:** Confirm a prevailing uptrend. Find a shooting star: a small body at the bottom and a long upper wick. The next candle must be red. Go short when that red candle's low breaks.
- **Where it applies:** Any candlestick chart after an up-move. The video does not specify instrument or timeframe.
- **Stop and exit:** Stop above the shooting star's high. The trade is invalid if price climbs back above it. No target or sizing is given.
- **Evidence:** Illustrative chart examples only, in a short-form clip.
- **Source:** [6]

Setup: Hanging man / shooting star, break of the pattern low

- **Rules:** At the top of an uptrend only. Hanging man: small body, lower shadow at least twice the body, with a red close read as more bearish than green. Shooting star: small body near

the open/close, upper shadow at least twice the body (the presenter also mentions three or four times). Enter short only after price trades below the pattern candle's own low. For anyone already long, the pattern is a warning to prepare to exit, not a reason to add.

- **Where it applies:** NSE large- and mid-cap stocks. The presenter says these single-candle patterns appear more often on intraday charts than on daily or weekly ones. A StockEdge scanner is demonstrated for finding candidates only.
- **Stop and exit:** None given. The video does not even name the pattern high as an invalidation level, so you would have to supply it.
- **Evidence:** Two hand-picked historical charts (Kotak 2016, TCS 2010). No hit rate. The last part of the video is an app pitch.
- **Source:** [5]

Setup: Hammer or dragonfly doji, cross of the high

- **Rules:** After a series of down moves, find a hammer (small body, lower shadow at least twice the body), a dragonfly doji or a bullish engulfing candle. Check volume on the pattern candle. Never enter on the pattern alone. Go long only when price crosses above the pattern candle's high.
- **Where it applies:** Demonstrated on NIFTY daily, weekly and 1-hour charts.
- **Stop and exit:** Stop at the candle low. If the lower shadow is more than two to three times the body, the presenter uses the midpoint of the shadow instead. This handbook's reading is that this gives a tighter stop at the cost of more judgement; the video does not say so. No profit target or sizing.
- **Evidence:** Hand-picked examples, including a move from 5900 to 8500 that was selected in hindsight.
- **Source:** [3]

Where they disagree

Named patterns versus body reading. Most videos teach named shapes. The 58-year-old intraday trader interviewed by Elearnmarkets tells viewers to ignore pattern names altogether [2]. He classifies each candle only by body size on the 5-minute chart of Nifty and Bank Nifty futures, using 15- and 30-minute charts for context. He trades in the direction of the move when price shifts from indecision into momentum, and trails his stop with an open target. The exact entry trigger is not clearly stated in the video, so this is a way of reading candles rather than a setup you could code.

Where the trigger sits. For bearish reversals, one video enters on a break of the pattern candle's own low [5]. Another waits for a red confirmation candle and enters on the break of *that* candle's low [6]. The second approach is later and needs one more candle. This handbook's hypothesis is that it filters out more stars that never follow through, but neither video tests which is better.

Exits. Exits range from none at all[5], to a fixed stop above the star[6], to a trailing stop with no target[2].

Pitfalls

- None of these videos shows a systematic test. The testable claims are clear, which makes them good homework. Does breaking the pattern low after a shooting star lead to larger declines than not breaking it? Is a red hanging man really more bearish than a green one[5]?
- A shadow-to-body ratio is only objective if you write the number down before you look at the chart.
- Scanners list candidates. They do not confirm trades[5].
- The best-viewed videos here are short clips with the least rule content. One that explains hammer psychology has over 170,000 views[4], and its psychology is untestable.

Multi-Candle and Indian Candlestick Patterns

How these patterns work

Multi-candle patterns read a short sequence instead of a single bar: a two-candle engulfing, a three-candle dark cloud cover, a five-candle ladder. Each candle in the sequence adds information about who is gaining control.

Much of this material comes from Definedge's Brijesh Bhatia. His series introduces Indian-named patterns alongside the Japanese classics and finds them with Definedge's RZone scanner. They fall into two families.

Reversal patterns come after a trend:

- **Ladder Top / Bottom.** Four candles of one colour, then a fifth of the opposite colour. Only colour counts; size and gaps are ignored[7].
- **Counter Attack Line (Meeting Lines).** Two opposite-coloured candles that close within a tick or two of each other[8].
- **Bull / Bear Sash.** After three to five trend candles, a candle opens with a gap of roughly 40–50% of the prior candle's range in the reversal direction[9].
- **Gangotri.** A bearish candle, then a gap-down, then a large bullish candle whose full range, shadows included, engulfs the prior candle. Gangotri A is the bearish mirror[10].
- **Dark Cloud Cover.** A bearish candle closing well inside the prior bullish body, then a strong bearish third candle[11].

Continuation or momentum patterns come in the direction of the move:

- **Kudko.** After a bearish candle, the next candle opens above its high. **Bhusko** opens below the prior candle's low[12].
- **High Body Candle.** A large monthly body closing near its high[13].
- **Monthly marubozu.** A near-full-body monthly candle on high volume[14].

- **Dominant candle.** A long candle on heavy relative volume, whose body edges act as support and resistance[15].

What the presenters agree on

Higher timeframes are preferred. Seven videos favour weekly or monthly charts:

- weekly:[7,12,8,15]
- monthly:[13,16,14]

Bigger candles produce fewer, cleaner signals, at the cost of wider stops.

Stops are mostly structural. They sit at the pattern low or high, or at the signal candle's low:

- pattern low or high:[10,16,3]
- signal candle's low:[12,13]

The exception is the backtest video, which tests its patterns with fixed percentage stops[16].

Act on a trigger level, not on the pattern. Buy above the big candle's high[13]. Break the third candle's low[11]. Break the pattern extreme[10]. Enter after the confirming candle[15].

Scanners shortlist; your eyes decide. Six videos say this, and one adds that you should scan at the end of the period because the close is what matters[8].

Prior trend and location matter. For the sash patterns, a signal near prior support after a retracement is valued more than one inside an established trend[9].

The one video with numbers

The most useful video in this section is a demo of Definedge's Pattern Finder, because it puts backtest results on screen[16]:

- A monthly Three Inside Up pattern, tested over 15 years with a 3% stop and 10% target, produced about 58 trades with roughly 27% success and about 1.5% average return per trade.
- Rising Three, with a 2% stop and 5% target, produced about 13 trades at 40% success.
- An intraday 15-minute pattern at 1:2 reward-to-risk over 2023–24 gave about 146 trades at 45% success.
- A 15-minute Doji Star produced 264 trades with returns the presenter himself called weak.

The presenter compares the average return per trade with brokerage and discards patterns that do not clear it. That habit is worth copying.

The numbers also teach two things. First, a widely taught pattern can win barely a quarter of the time and still be worth considering, but only if the payoff is asymmetric. Second, 58 trades in 15 years, or 13 trades in total, is a small sample. The video is also a product demo.

Worked setups

Setup: Dominant-candle weekly breakout with ATR trail

- **Rules:** Filter for uptrending stocks trading above the 30-week moving average and making new 52-week highs. Look for sideways consolidation forming a firm resistance layer. Mark any dominant candle (long, heavy relative volume): the base of its body is support and the top is resistance. Enter on the candle *after* a long green candle closes above resistance on heavy relative volume, not on the breakout candle itself. Inverted piercing or dark-cloud-type patterns can act as triggers once the next candle confirms. Among several candidates, prefer the earliest breakout.
- **Where it applies:** Weekly charts of stocks held for the medium term. The mirror version applies in downtrends.
- **Stop and exit:** Initial stop about 3 ATR below entry. The presenter suggests considering 2 ATR on Indian weekly charts, or below the dominant candle's base. Trail the stop upward. Exit on a close below the 30-week average, or when price is below it and Supertrend (21, 2) is negative. "Windfall" rule: take off a third only if the stock goes ballistic.
- **Evidence:** Chart examples. The presenter says the 30-week average was chosen by guess, not by testing, and that some traders allow trailing stops as wide as 10 ATR. She also promotes her books and courses.
- **Source:** [15]

Setup: Monthly High Body Candle breakout

- **Rules:** At month end, scan Nifty 100 and Midcap 150 for a large-body monthly candle closing near its high, ideally after the first weeks of the month formed a base. Buy above that candle's high.
- **Where it applies:** Positional, multi-month holding in stocks. The presenter mentions futures with put hedges, or bull call spreads, as alternatives.
- **Stop and exit:** Initial stop at the candle's low, often 7–8% away. Skip the trade if that rupee risk is unaffordable. Trail to each previous monthly candle's low, ignoring dojis and small bodies. The presenter expects moves of roughly 15–30%.
- **Evidence:** Cherry-picked examples (Adani Ports, Bajaj Holding and others). "Big body" and "near the high" have no numeric threshold. The presenter says the setup is not foolproof.
- **Source:** [13]

Setup: Gangotri / Gangotri A

- **Rules:** After a clear downtrend: a bearish candle, then a gap-down, then a large bullish candle engulfing the prior candle's whole range including shadows. Go long when price breaks above the bullish candle's high. The bearish mirror (Gangotri A) shorts a break below

the low. If a pattern fails, so that its opposite extreme breaks, the presenter treats that as a separate trade in the other direction.

- **Where it applies:** Nifty 500 and F&O stocks on any timeframe. Weekly charts give bigger stops and targets; 15- and 60-minute charts are for momentum.
- **Stop and exit:** Stop below the low of the engulfed candle, or above the pattern high for the bearish version. A weekly example went long on a break of 844 with a stop at 740. No target or sizing rule.
- **Evidence:** Hand-picked examples. The presenter claims Gangotri follows through better than ordinary body-to-body engulfing, but shows no comparison.
- **Source:** [10]

Where they disagree

Does candle size matter? For Ladder patterns, only colour counts[7]. For Kudko and the High Body Candle, body size and a close near the high are the quality filter[12,13]. The marubozu screen wants a near-100% body, with 80–90% acceptable[14].

Breakout candle or the one after? One method buys the break above the big candle's high directly[13]. Another deliberately waits a candle[15].

How wide a stop? The answer ranges widely:

Approach	Typical stop	Source
Structural pattern level	Pattern low/high (e.g. 844 entry, 740 stop)	[10]
Monthly candle low, then trail	Often 7–8%	[13]
Fixed % from a backtest	2–3% stop, 5–10% target	[16]
Volatility-based	~3 ATR (maybe 2 ATR)	[15]
Monthly screen + P&F entry	~12–15% from a reference level the presenter calls DBS	[14]

The last row belongs to a hybrid method. It screens Nifty 750 each month for near-marubozu bullish candles on high volume, confirms them with a Point & Figure anchor column of 15 or more X's (daily chart, 1% box), and keeps names scoring below 20 on the presenter's "percentage from DBS" measure. Entries come on a P&F Double Top Buy at a 0.25% box[14]. It gives no exit rule, and the presenter admits that roughly half the movers may simply consolidate.

Intraday. The Pattern Finder presenter calls his intraday results weak[16]. Other videos offer intraday variants anyway: opening-window versions of the counter-attack and sash patterns[8,9], and an apparently intraday dark-cloud short[11].

Pitfalls

- **Hindsight charts dominate.** Ten videos rest on hand-picked examples. The Ladder Top video admits its own example failed[7].
- **Approximate definitions.** A gap of "roughly 40–50%"[9] and a body filter "from experience"[12] give you room to see the pattern you want.
- **Missing exits.** Several videos give no stop at all[7,9,11].
- **Hype in short clips.** A 41-second dark-cloud-cover clip promises plenty of money from intraday levels and shows nothing[11]. Its body-coverage figure, given as about 50–70%, is not clearly stated, so treat it as approximate.
- **Product context.** Many of these videos are RZone scanner demos. That does not make them wrong, but it is a reason to test the patterns yourself.

Inside Bars and Narrow-Range Setups

How compression works

An **inside bar** is a candle whose entire high-to-low range sits within the previous candle's range. The larger candle is the **mother**; the smaller one is the **baby**[17]. Variations[18]:

- a **double** inside bar has two babies
- a **multi** inside bar has three or more, often four to six
- a **coiling** inside bar is a three-candle sequence in a trend (bullish–bearish–bullish, or the reverse) that is triggered by the middle candle's extreme

NR4 and **NR7** candles are the narrowest-range candles of the last four or seven[19,20]. One video notes that multi inside bars often overlap with an NR4 or NR7 range[18].

The shared idea is that quiet ranges come before expansion. The pattern itself has no direction. One Definedge clip makes this explicit: the direction of the breakout defines the trend[21]. So the edge, if there is one, lies in how the breakout is handled.

What the presenters agree on

Compression is not a signal; the break is. The videos say to act on a break of the mother's boundary or the coiling candle's extreme[18]. The narrow range needs a defined trigger level, not an intraday poke[20]. Scanner output is a watchlist[19].

The trigger is the mother's high or low. Long above the mother high and short below the mother low[18,17,21]. The NR videos describe only the bullish break.

Trade with the prevailing move. The setup works in trending markets and poorly in sideways ones[17]. The NR setups want a prior rally followed by consolidation[20,19].

Test before trusting. One video adds that failed breakouts must be included in the test[19].

Worked setups

Setup: Mother/baby inside-bar swing breakout

- **Rules:** On the daily chart, find a wide-range mother candle followed by a baby whose high and low both sit inside it. Screen nightly, keep fundamentally sound and reasonably valued names, and watchlist the best one or two. Prefer volume on the breakout. Go long above the mother high or short below the mother low. Enter half the position intraday on the break, even at the open, and add the second half only after a daily close beyond the level.
- **Where it applies:** Cash-market momentum stocks in trending markets. The presenter avoids circuit-locked and operator-driven small caps.
- **Stop and exit:** Stop at the opposite extreme of the mother candle. If the close falls back inside the range, he still treats the setup as valid with that same stop. There is no fixed time exit; he says breakouts usually deliver within about a week to 10–15 days. He books partial profits on parabolic moves. He holds 7–8 stocks across industries with capped capital per name.
- **Evidence:** Anecdotal. One live example and an 80–90% accuracy claim with no data behind it.
- **Source:** [17]

Setup: Coiling inside bar (trend continuation)

- **Rules:** In a prevailing uptrend, find a bullish–bearish–bullish sequence, with the first bullish candle as the mother. Go long when the middle bearish candle's high is taken out. In a downtrend, mirror it: bearish–bullish–bearish, and short when the middle bullish candle's low breaks. Do not trade it against the prevailing trend.
- **Where it applies:** Daily charts of Nifty 50 stocks, found with the RZone scanner.
- **Stop and exit:** Hold while momentum continues. Exit if price fails to break out or reverses. No stop, sizing or target is given. The opposite boundary is the natural invalidation level, but you must define it yourself.
- **Evidence:** Hand-picked chart examples. The scanner and a paid trial are promoted.
- **Source:** [18]

The same Definedge video covers basic, double and multi inside bars with the same mother-high/mother-low trigger. It says these apply regardless of candle colour, and claims that double and multi bars mean tighter consolidation and faster breakouts. That claim is untested [18].

Where they disagree

Trend filter. One video requires a trend only for the coiling variant [18]. Another uses no prior-trend filter at all [21]. A third says the whole setup needs a trending market [17].

A close back inside the range. The swing trader holds with the original stop[17]. The Definedge video exits if the breakout fails or reverses[18]. These are opposite instincts, and they lead to very different results in choppy markets.

More inside candles, bigger move? Both presenters suggest it[18,17]. Neither tests it.

Direction. Inside bars are traded both ways. The NR4 and NR7 material is long-only[20,19].

Pitfalls

- **Leverage.** The inside-bar swing trader uses margin trading facility (MTF) borrowing in momentum stocks. He also says his own largest loss came from leveraged MTF positions in a stock he held without targets[17]. His 3–4% monthly target is stated with no drawdown or cost discussion.
- **Thin material.** The NR4 video is under a minute long and shows nothing[19]. The NR7 video gives no stop or exit[20]. Treat both as screening ideas, not setups.
- **Accuracy claims.** "80–90%" with no sample is a number to test, not to believe[17].

Classical Chart Patterns

How the patterns work

Classical patterns are larger structures drawn with trendlines across many candles. They also come in two families.

Reversal patterns form at the end of a trend:

- **Head and shoulders.** Three peaks with the middle one highest, plus its inverted version.
- **Double top (M) and double bottom (W).** Two touches of the same level[22].
- **Diamond**[23].
- **Wolfe Wave.** A five-point reversal structure with a non-parallel channel[24].

Continuation patterns form mid-trend:

- **Flag.** A short, narrow, slow drift after a sharp "pole"[25].
- **Triangle.** Converging trendlines[26].
- **Wedge.** A "skewed triangle"[27].
- **Rectangle**[28].
- **Cup and handle.** A rounded base followed by a shallow pullback, from William O'Neil's work[29].

Two ideas do most of the work.

The neckline or boundary. This is the line whose break confirms the pattern. In a double bottom it joins the high between the two lows[30]. In a head and shoulders it runs across the intervening lows[27].

The measured move. The target is the pattern's height projected from the breakout point. That means head-to-neckline for head and shoulders, cup depth for cup and handle, pole height for flags, and the widest part for triangles and wedges[27,29,25].

What the presenters agree on

This is the section with the broadest agreement.

Wait for the confirmed break. Eleven of fifteen videos say not to anticipate. "Never pre-empt" a cup-and-handle breakout[31]. Require a close above the neckline, not an intraday poke[30]. Require a weekly close at least 1% beyond it[28]. In a Wolfe Wave, require a close back through the line[24].

Define the stop before entry. Stops sit at the handle low, the flag low, the swing low, the prior bottom or below the breakout candle. Videos that give no stop at all are criticised for the omission[26,23].

Use the measured move as a minimum, then trail. Several presenters switch to a trailing stop once the geometric target is hit[30,25,29,27].

Trend and location first. Patterns only work in the direction of the trend, and at support on the buy side[32]. The videos also look for a stock near its highs and above the 200 SMA[28], or for the parent index also sitting at support[33].

Size from the stop. Two interviewees size positions so that a stop-out costs about 1% of capital, or less[28,31]. A third sizes inversely to entry-to-stop distance[34].

Worked setups

Setup: Weekly inverted head and shoulders / rectangle breakout with a 1% buffer

- **Rules:** The pattern must form near a 52-week or all-time high, with shoulders within about 5% of each other. Do the study at the weekend. The breakout week must close at least 1% above the neckline and above both the daily and weekly moving averages (the 200 SMA is the reference). Place a buy-stop about 1% above the breakout level, sometimes half a percent, for Monday.
- **Where it applies:** Weekly charts of stocks, including Nifty 50 constituents. The presenter says it also works on currencies and commodities.
- **Stop and exit:** Initial stop at a genuine swing low on the daily chart. Risk about 1% of capital per trade, with no position above about 10% of capital (about 20% with pyramiding) and total exposure of 50–70%. Target the measured move or a fixed 1:2 to 1:3. Trail on higher weekly lows. Exit on a close back below the neckline.
- **Evidence:** Anecdotal. The presenter mentions older backtests but publishes no results. He also says he does not use volume.
- **Source:**[28]

Setup: Cup and handle with a handle-low stop

- **Rules:** Find a rounded, U-shaped cup with roughly equal highs on both sides, and ignore sharp V bottoms. The handle should pull back about a third of the cup's height or less, with

volume rising during the handle. Draw a line joining the cup highs and enter long when price crosses above it. The inverted version is the short side.

- **Where it applies:** Daily charts of stocks in an existing trend. The presenter says higher timeframes give better odds.
- **Stop and exit:** Stop at the handle low. A handle that cuts too deep invalidates the pattern. The minimum target equals the cup depth, which the presenter says is typically reached in about the time the cup took to form. Trail the stop after that.
- **Evidence:** One hand-picked live chart. The presenter concedes the equal-highs condition is "not always present".
- **Source:** [29]

Setup: Quantified double bottom

- **Rules:** The W counts only if the bottom-to-neckline distance is at least 10% and the second low is within about 3% of the first. Enter only on a close above the neckline. If the entry-to-stop distance is more than about 2%, skip the trade.
- **Where it applies:** Stocks after a decline. The demo uses the daily chart, but the presenter says any timeframe works.
- **Stop and exit:** Stop at the support (the bottom), with ATR used to judge volatility, though the ATR period is not given. The minimum target is the neckline-to-bottom height projected up from the breakout. Then trail.
- **Evidence:** Anecdotal, one chart. An app is promoted.
- **Source:** [30]

Three more videos add useful rules:

- **Flags.** Use the pole height as the target. Keep a fixed stop at the flag low until that target is hit, then trail [25].
- **Triangles and wedges.** Ignore breakouts that happen after about two-thirds of the pattern's length, near the apex [27].
- **Wolfe Wave.** Enter at point five when price breaks the 1–3 line and closes back on high volume. The stop is the setup low, and the target is the line from point one to point four. The presenter cites roughly 1:5 reward-to-risk, without systematic results [24].

Where they disagree

Stop size varies by a factor of four or more.

Style	Stop	Source
Tight, skip if wider	~2%	[30]
Aggressive, below breakout	2–3%	[27]
Below prior bottom, small position	~8% on a 5–8% position	[31]
Hard stop, never widened	8% (yet rejects setups with >4% entry-to-stop risk)	[34]
Structural	Swing low / handle low / flag low	[28,29,25]

The 8% hard stop that sits alongside a 4% entry filter comes from an interview with a midcap breakout trader[34]. The two numbers sit oddly together, and the video does not reconcile them. His more transferable lessons are elsewhere:

- don't chase a breakout that has already run about 3%
- scale out at 2:1, 3:1 and 4:1
- move the stop to breakeven after the first booking

Before or after the neckline? One short clip shorts a head and shoulders as price crosses the shoulder zone, before the neckline breaks, to avoid chasing[35]. The M/W explainer and the pattern playbook wait for the neckline break[22,27]. The playbook also offers a choice: a conservative entry on the retest of the broken level, or an aggressive entry at the breakout itself when volume and the market backdrop are supportive[27].

Volume. Several presenters want volume confirmation, each in a different place: rising volume on the breakout[27], lower volume on the second touch of a double top or bottom[22], or rising volume in the handle[29]. The weekly-breakout trader ignores volume entirely[28].

Moving averages. One trader gives full weight to the 50-DMA in a cup and handle, but deliberately does not use the 200-DMA for bottoming patterns[31]. Another uses the 200 SMA as his main filter[28].

Success rates. Claims range from 75–80%[27] to 50–70%[31] to 50–60%[34]. None is backed by a sample. The playbook also quotes its own failure rate inconsistently, as 10–15% at one point and 15–20% at another.

Pitfalls

- **Averaging down instead of stopping out.** One swing trader buys W patterns at monthly support. He states a 2% stop but admits he often skips it and averages down instead[33]. That habit can turn a small loss into a large one.
- **Awareness clips sold as method.** A comedy short presents head and shoulders as a stock's horoscope and frames it as easy money[36]. The diamond-pattern short gives no trigger, stop or example and points to a paid class[23].
- **Subjective drawing.** Trendlines, "roughly equal" highs and "U versus V" shapes all leave room to fit what you hope to see. Write the definitions down before you look at the chart[29,26].

- **Costs and gaps ignored.** Buy-stop fills on a Monday gap, and slippage on small caps, are not discussed in the weekly or midcap methods[28,34].

Fibonacci, Harmonics, Elliott Wave and Gann

How these methods work

These tools try to anticipate *where* or *when* price might turn, rather than react to a pattern that has already formed.

Fibonacci retracements measure a pullback as a fraction of the prior swing: 38.2%, 50%, 61.8% and 78.6%. **Extensions** or projections (127%, 161.8%, 200% and beyond) mark possible levels beyond the swing[37,38]. The tool is drawn from swing low to swing high for support, and from high to low for resistance[39].

Harmonic patterns (Gartley, Bat, Butterfly, ABCD and others) are five-point XABCD structures. Each leg must match specific Fibonacci ratios, and the completion point marks a "reversal zone"[40,41].

Elliott Wave reads markets as five-wave impulses (1-2-3-4-5) followed by three-wave corrections (A-B-C). Two rules recur: wave 3 is never the shortest of waves 1, 3 and 5[42], and wave 4 does not overlap wave 1[42,43].

Gann methods draw angle lines (15, 25 and 45 degrees) from swing points[44], or project time-cycle dates from a starting point plus equinoxes, solstices and moon dates[45].

Lunar ranges treat each roughly 15-day lunar phase's high and low as support and resistance[46].

What these methods share is that they draw levels in advance. That is useful for planning. It also means many lines get drawn, and after the fact one of them will always look prescient.

What the presenters agree on

Levels are zones or hypotheses, not triggers. Projections are anticipatory zones, not guaranteed targets[47]. You need your own signal at a level before acting[39]. A wave count is a probability to be revised[48]. Cycle dates need price support or resistance to mean anything[45].

Wait for completion. Don't trade the first leg of a move[49]. Don't pre-empt a harmonic pattern[40]. Wait for the correction to finish[42].

Stack confluences. The combinations taught include:

- divergence plus a Fibonacci level plus a candle[50,37]
- a harmonic pattern plus a demand zone plus the 50 EMA[41]
- a wave count plus MACD plus Supertrend[42]
- a Fibonacci level plus a Point & Figure follow-up[38]
- time plus price[45]

Anchor to clear swings. Never take levels from the middle of a trend[38]. Include wicks when selecting swing points[40].

Stop at the invalidation point. That might be the level where the wave count breaks[49,43], just beyond the Fibonacci level[38], or the high or low of the turn day[45].

Worked setups

Setup: Fibonacci 127/161 extension + RSI(10) divergence + reversal candle

- **Rules:** Mark the previous swing low and high, and draw Fibonacci keeping only the 113%, 127% and 161% levels. Add RSI with period 10 and averaging of 1, and use it only for divergence, ignoring crossovers. Wait for price to take out the previous swing and make a new extreme while RSI diverges, for example a new price low with a higher RSI low. Require a reversal from the 127% or 161% level; the presenter treats 113% as weaker. The reversal candle must be a hammer, bullish engulfing, dragonfly doji or inside bar. Buy above its high, or for shorts, sell below its low.
- **Where it applies:** Nifty, BankNifty and stocks. The 30-minute chart is primary, with 15-minute for more trades and daily also usable. Holding period is about one to two days.
- **Stop and exit:** Stop at the reversal candle's low with a few points of buffer. The minimum target is 1:2, with 1:2.5 or 1:3 used depending on the move. Nifty examples use stops of about 100–200 points and targets of 200–400; BankNifty uses stops of 200–400 and targets of 400–800. Trail using the swing low if the move extends. If the index stop is too wide, the presenter suggests ATM or just-ITM options rather than far OTM strikes.
- **Evidence:** Hand-picked chart examples. No sample or win rate.
- **Source:**[50]

Setup: Elliott Wave golden-ratio entry with MACD and Supertrend

- **Rules:** Map the count top-down, monthly then weekly then daily, working on one timeframe at a time. Wait for a completed five-wave impulse followed by an ABC correction that retraces to about 61.8% (38.2% or 50% accepted). Require a MACD crossover or bullish divergence and price reclaiming Supertrend. Enter on a break of the correction's internal structure. Step aside from flat and triangle corrections.
- **Where it applies:** Nifty, positional, with the daily chart as the decision timeframe. Index futures and options are mentioned.
- **Stop and exit:** The example stop is about 100 Nifty points, or below the level that invalidates the count. The primary target is the 1.618 extension of wave 1 (1.23 or 1.315 also cited). Exit on a fresh bearish MACD divergence.
- **Evidence:** Historical chart examples. The presenter's claim that about 70% of his trades come from the golden retracement is unverified. MACD and Supertrend settings are not specified, so the method is hard to reproduce exactly.

- **Source:** [42]

Setup: Harmonic reversal with a 50 EMA filter

- **Rules:** A volume scanner flags fresh or abnormal daily volume. Draw a Gartley, Bat or Butterfly that completes at a demand zone (from a strong three-candle move) or at a change-of-polarity level. Buy only while price is above the daily 50 EMA, never below it, and only if reward-to-risk is at least about 1:2.
- **Where it applies:** NSE stocks on daily charts. Holds of roughly three to six months.
- **Stop and exit:** Stop of about 10% or a fixed rupee amount, honoured on every trade. About 10% of capital per position. Exit on a daily close below the 50 EMA, or at the 1.27–1.68 projection.
- **Evidence:** Anecdotal. The roughly 30–35% yearly return is self-reported and unaudited, and the presenter admits he occasionally ignores his own 50 EMA rule.
- **Source:** [41]

Where they disagree

The parameters vary more here than anywhere else in the chapter. That is itself a warning sign.

Question	Answers given
How far does wave 3 travel?	1.618 × wave 1 [42]; ~100% of wave 1 [48]; ~double wave 1 [43]
Which extension levels?	113/127/161 [50]; 127/161/200 [37]; 127/161.8/200/224 [38]; 1.61/2.00/2.618 [47]
Timeframe for Fibonacci?	Not for intraday [47]; 15/30-minute, 1–3 day holds [37,50]
Timeframe for Elliott?	Daily positional [42]; 5-minute intraday [48]; any [49]
Harmonic entry?	At completion in the reversal zone [40]; only after a higher-high/higher-low or trendline-break confirmation [51]

What a retracement tells you. One Definedge video uses retracement depth as a regime reading. Shallow pullbacks of about 38.2% mark fast, strong trends; deep pullbacks of about 61.8% mark slow consolidation, where the video advises avoiding fresh short-term or options trades [37]. The Elliott practitioner calls 61.8% the "golden zone" to buy after a completed correction [42]. In this handbook's reading, the two are not directly contradictory, since they work in different contexts, but they treat the same level very differently.

Harmonic entries. One harmonics presenter enters as soon as the pattern completes in the reversal zone [40]. Another treats a completed pattern only as a warning. He sets an alert and waits for structure to confirm, so that the stop comes from that structure [51]. The second approach fits the confirmation

theme that runs through this whole chapter.

A worked index view. One Definedge video shows the confluence method applied to Nifty[52]. It combines a bearish weekly ABCD completing near 22,450–22,500, a shooting star followed by a gap-down week, bearish RSI(14) divergence, and weakening monthly breadth. The view: stay short or avoid fresh longs below a 22,700–23,000 band, taking short-term momentum swing trades on the short side while price stays below that resistance, with a stop about 2–2.5% beyond the pattern. A convincing break above the band invalidates the call. It is a single, dated view, not standing advice.

Pitfalls

- **Relabelling.** Wave counts, harmonic point selection and swing anchors can all be redrawn after the fact. Several presenters admit this. One says wave counts cannot be fully objectified[48]. Another says the textbook pattern is rarely found cleanly in real markets[49].
- **Large unsupported numbers.** These include harmonic success ratios of 75–80%[40] and 70–80%[51], and wave-3 reward-to-risk of 1:10 to 1:20[43]. None comes with a sample.
- **No mechanism.** The lunar-range video gives no causal link between the moon and prices beyond experience and tradition[46]. The Gann time-cycle interview draws on astrology concepts while calling the method scientific, and its flexible starting points allow fitting after the fact[45]. The Gann angle method never defines a "re-test" numerically[44].
- **"Zones" that become targets.** One presenter says projections are only anticipatory, then quotes precise target numbers anyway[47].
- **Promotion.** Several of these sessions plug paid harmonic or wave courses[40,51,37,38].
- **Empty teasers.** A short clip promises four Fibonacci mistakes and never states them[53].

The useful parts of this material are its discipline: wait for completion, demand confluence and put the stop at the invalidation level. That discipline transfers to any method. The specific ratios and counts are the least verified claims in the chapter, and they should be the last thing you trust.

Chapter checklist

- **Read context before shape.** Identify the prevailing trend and the location, such as support, resistance or a recent high, before giving any candle or pattern a meaning[5,32].
- **Write definitions as numbers before looking at charts.** Examples include a shadow at least 2× the body[3], a double bottom at least 10% deep with lows within 3%[30], and a handle no deeper than a third of the cup[29].
- **Trade the trigger, not the pattern.** Name the exact level that must break, such as the pattern candle's high or low, the mother bar's extreme or a close beyond the neckline, and do nothing until it breaks.
- **Place the stop at the invalidation point, then size from it.** Skip setups whose stop is unaffordable[13,30], and keep the loss on a stop-out to about 1% of capital or less[28,31].
- **Decide the exit in advance.** Choose a measured-move minimum and then a trail, or a trail from the start, but choose before entry.

- **Treat scanner hits as a watchlist.** Inspect each chart yourself, and scan after the period closes[8].
- **Be most sceptical of the most precise forecasts.** Fibonacci ratios, wave counts, harmonic ratios and Gann or lunar dates are hypotheses. None of the videos covered in the sections above shows systematic evidence for them, the Fibonacci projection video included[47].
- **Test with costs, and count the failures.** Copy the Pattern Finder habit of comparing average return per trade against brokerage, and notice how low the win rates can be[16]. Then ask whether your sample is large enough to mean anything.
- **Never use averaging down or leverage to rescue a pattern that has failed.** One swing trader shows a habit of averaging down, a flagged risk[33], and the inside-bar trader reports that his largest loss came from leveraged positions[17].

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7. Indicators and Volume

Most retail charts in India carry an indicator or three: a 200-day average, a Supertrend line, an RSI pane underneath. The videos in this part of the library teach dozens of them. Read side by side, though, they reduce to a small number of jobs. An indicator tells you one of four things:

- which way the trend points (moving averages, Supertrend, Ichimoku)
- how strong or smooth the trend is (ADX, Efficiency Ratio)
- how fast price is moving and whether that speed is changing (RSI, MACD, Stochastic)
- how volatile the instrument is (ATR, Bollinger width, Donchian range)

Volume adds a fifth job: it shows how much participation sits behind a price move.

This chapter teaches what each family measures, and how presenters combine them into rules. It also covers where those rules hold up and where they quietly fall apart. By the end you should be able to do four things:

- pick at most a few tools that match your timeframe
- use each one for its proper job, filter or trigger or exit
- read a presenter's backtest claim with the right amount of scepticism
- know which specific numbers are worth testing yourself

One honest warning first. Across these sections, the systematic evidence is thin:

- A handful of backtests exist, nearly all run on one firm's platform. Almost none account for costs (one assumes 0.1% slippage), and none shows an out-of-sample test.
- Everything else is chart examples chosen after the fact, or a trader's own account.
- Treat every number below as a hypothesis to check, not a fact.

Moving Averages and Crossovers

How it works

A moving average smooths price over a lookback. The trend reading is simple: price above a rising average is an uptrend, and price below a falling one is a downtrend. A crossover system uses two averages, a fast one and a slow one. The best-known version is the Golden Cross, where the 50-period average crosses above the 200-period. Its opposite is the Death Cross.

Two refinements recur in these videos.

Moving-average channels. Instead of averaging closes, you average the highs and the lows separately. That gives an upper and a lower band[1]. The presenters argue that a single close-based average gives no clear confirmation and whipsaws often. A band that widens and narrows with

volatility gives a zone instead of a line[2]. Definedge's house pairing is a 62-period channel with a 200-period channel. The presenter cites Fibonacci for choosing 62 over 50, and the video shows no test of that choice[1].

Kaufman's Efficiency Ratio (ER). ER divides the net price change over N bars by the sum of all the bar-to-bar moves[3]. A smooth trend scores high. A choppy market scores near zero. ER measures trend quality, not direction. The Adaptive Moving Average uses it to speed up in clean trends and flatten in noise.

What the presenters agree on

- **Act on a closed signal, not a poke.** Wait for a close above the cross level and enter on the next candle[4]. Wait for a daily close above the channel high, not an intraday spike[2]. Enter only after the crossover actually appears, and cut it if it fails[5].
- **Use a slow average as a filter and stay out when it fails.** Several videos use the 200-period channel this way[6,7].
- **Avoid ranges.** A flat adaptive average, or an ER below roughly 10%, is treated as a reason to stand aside[3]. Another video treats ER near 0.1 as range-bound and untradeable[8].
- **Fix the exit before entry.** The exit might be the opposing cross[4], the channel low[6], or the opposite band of a channel[9].

A caution on the word "consensus" here. Eight of the eleven videos in this group come from one firm, and most from one presenter. Agreement among them is one house view repeated, not independent confirmation.

Setup: 62/200 channel trend rider (long-only)

- **Rules:** Buy a NIFTY 100 stock on a daily close above both the 62-period EMA and the 200-day moving-average channel. No Golden Cross filter is used.
- **Exit:** A close below the low band of the 200-day channel. The band rises with the trend, so it works as a trailing stop.
- **Where:** Daily charts, positional horizon.
- **Reported results:** Rs 1 lakh per trade, 0.1% slippage assumed. 22 trades, about 24% average return per trade, reward to risk about 1:6. Maximum drawdown around 22%, largest loss about 9%. Coal India is shown as a failure, with a 79% maximum drawdown across 34 trades.
- **Evidence:** In-sample backtest on the presenter's platform. The stocks were picked after seeing which ones had worked. The sample is very small.
- **Source:**[6]

Setup: Golden Cross / Death Cross, 50/200 EMA

- **Rules:** Go long when the 50 EMA crosses above the 200 EMA and price closes above the cross level. Enter on the next candle.
- **Exit:** The opposing Death Cross. One variant flips short there; the other is long-only.
- **Where:** Daily NIFTY indices. The presenter also tested Heikin Ashi candles and found similar results.
- **Reported results:** The long-only version on NIFTY 50 returned about 546% in total across 26 trades.
- **Evidence:** Backtest with no costs, drawdown or out-of-sample check. Headline stock figures such as SRF's were picked from a scan of many symbols. The presenter himself notes practical problems with the short side.
- **Source:** [4]

Setup: Efficiency Ratio pullback into a 50 EMA high/low channel

- **Rules:** Plot EMAs of the 50-period highs and the 50-period lows. Wait for price to pull back and test the lower band (for a long) or the upper band (for a short). Then wait for the 10-period ER to rise above a trigger. The presenter uses 25 on Nifty.
- **Stop:** The opposite band, trailed along as the trend runs.
- **Exit:** Book profit when ER reaches around 85, or keep trailing. Both the 25 trigger and the 85 level come from the presenter's own experience rather than a test, and the video's labelling of the ER scale is unclear.
- **Where:** Nifty and Bank Nifty, on daily charts for swings or 15-minute charts for intraday and options.
- **Options:** At-the-money or one strike out of the money. Avoid expiry week and expiry day.
- **Evidence:** Chart examples. The 15-minute version was tried for only several weeks, and the presenter's most recent stop had just been hit.
- **Source:** [9]

Where they disagree

Period choice. The videos use 50/200 [4], 62/200 [6], 20/50 [5] and 5/50 [10]. One presenter says weekly 34/50 or 21/50 channels give nearly the same results as 62/200 [2]. If true, that is quietly a point in favour of robustness: the idea matters more than the exact number.

Breakout or pullback. One video buys a close above the 62-channel high [2]. Another buys pullbacks into the 62 low band [1].

Efficiency Ratio thresholds are quoted on different scales:

Video	Trend emerging	Strong	No-trade
[8]	above 0.2 (0.25 on Nifty)	above 0.4	near 0.1
[3]	above ~20%	above ~40%	below ~10%
[9]	~25 on Nifty	unclear (85 is used as a profit-booking exit)	below about 0.05

The first two are probably the same scale, written once as a decimal and once as a percentage. The third video's labels for its thresholds are ambiguous in places, so check the scale your charting software uses.

Pitfalls

- **No position sizing.** None of these videos gives a sizing rule.
- **Costs are mostly ignored.** Only one of the backtests cited in this chapter states a slippage assumption[6].
- **Untested options overlays.** One video proposes a long strangle on the Nifty 2-hour channel that the presenter says he has watched but not traded himself[1]. Its main weekly signal rests on only two events, 2008 and 2020.
- **Unverifiable sources.** The most-viewed moving-average interview in this group could not be reviewed at all[11].

Supertrend, Parabolic SAR, ADX and ATR

How it works

ATR first, because the others are built on it. True Range is the largest of three distances[12]:

- today's high minus today's low
- today's high minus the previous close
- the previous close minus today's low

The two gap terms catch overnight jumps. ATR is the average of True Range, usually over 14 bars. It is a pure volatility measure and knows nothing about direction. The same video recommends expressing it as a percentage of price, so you can compare readings across stocks and across years.

Supertrend places a line a multiple of ATR away from price. The common default is ATR(10) × 3[13]. The line sits below price in an uptrend and above it in a downtrend. A close across the line flips the signal. In practice it is a volatility-adjusted trailing stop.

Parabolic SAR does a similar job with dots. Each bar, the gap between price and the dot is multiplied by an acceleration factor. In the presenter's example that factor starts at 0.02, rises in steps of 0.02 while new extremes form, and is capped at 0.2[14]. The worked example: a 10-point gap times 0.20 moves the stop 2 points, from 90 to 92. So the stop tightens fast in clean trends and slows in chop.

ADX with DMI separates two questions:

- **Direction:** the +DI and -DI lines show which side dominates price movement.
- **Strength:** ADX, built from the gap between the two DI lines, shows how strong the trend is, whichever way it points.

One Definedge video derives the whole calculation on 14 periods[15].

What the presenters agree on

- **These tools need a trend.** Parabolic SAR gives many false flips in ranges[16]. Supertrend flips falsely in consolidation[17]. One 1-hour Supertrend trader admits his system sits idle or gives back profit in sideways months[18].
- **A rising ADX matters more than a high one**[19,15].
- **Get a second confirmation.** Examples include a moving average for SAR[16], MACD or RSI for Supertrend[17], and ADX strength for a DI crossover[20].
- **Supertrend and SAR are useful mainly as trailing stops** that let winners run[13,14].

Setup: Supertrend (10,3) close-based trend following

- **Rules:** Go long on a close above the Supertrend line. Exit on a close below it, or flip short in the stop-and-reverse version.
- **Filter:** The MAST variant adds a 10-period moving average.
- **Entries:** The presenter prefers pullback entries toward a rising line.
- **Stop:** The line itself, roughly ATR(10) × 3 below price.
- **Reported results:** On NIFTY 500 stocks since inception, about 24,000 trades, 42% hit ratio, about 1:3.5 reward to risk, expectancy about 0.92. A filtered variant cut trades to about 15,500, with reward to risk about 1:4 and expectancy about 1.27.
- **Evidence:** Backtest reported only as averages. No drawdown, costs or out-of-sample period. The best stocks were then picked by in-sample expectancy.
- **Source:**[13]

Setup: 1-hour Supertrend + 50-period MA on Nifty

- **Rules:** Enter on the first 1-hour candle that closes above both Supertrend and the 50-period MA. The trader uses futures, or a synthetic future: long ATM call plus short put at the same strike.
- **Exit:** A 1-hour close below Supertrend. An intraday touch does not count. The 50 MA plays no part after entry.
- **Risk:** In one example the effective stop was about 150 points against a nominal 100. Leverage is capped at 2x, and size is cut once drawdown passes about 5%. About 30–35 trades a year.

- **Evidence:** One trader's self-reported results and charts, not a published test. A spot-versus-futures data mix-up once flipped his indicators spuriously.
- **Source:** [18]

Setup: ADX/DMI directional crossover

- **Rules:** On daily charts, go long when DI+ crosses above DI- with ADX rising above about 20.
- **Exit:** DI- crosses back above DI+. No price stop is specified.
- **Reported results:** The plain crossover on NIFTY 500 gave about 79,000 trades at about 2.4% average. With the ADX filter, about 20,000 trades at about 11% average, and expectancy around 1.6.
- **Evidence:** Backtest, rounded figures only. No costs, drawdown or out-of-sample test. The trading universe was ranked by expectancy on the same data.
- **Source:** [15]

Where they disagree

The ADX threshold is quoted as about 20 [15], about 25 [19], or 24 with an exhaustion line at 44, both picked from Fibonacci ratios [20]. None of these choices is tested against the others.

Supertrend settings and entries:

- The default 10×3 [13] versus an ATR length of 22 chosen by one intraday trader [21].
- Entering on the close [13] versus waiting for price to break the signal candle's high or low [21].

Always in, or selective. A pure stop-and-reverse SAR is always in the market [14]. The filtered version ignores flips that go against the moving average [16].

Pitfalls

- **Missing exits.** Six of these videos give no stop, target or sizing at all. That includes the ADX explainers and an Aroon short idea that has no exit [22].
- **ADX lags.** One presenter acknowledges this yet still uses it as an entry trigger [20].
- **Thin explainers.** The quantitative claims in the ATR explainer, such as high-low being the largest component about 80% of the time, come from the presenter's own unpublished testing [12].
- **Unreviewable videos.** Two Elearnmarkets videos titled as ATR and Supertrend strategies could not be reviewed [23,24].

RSI, MACD and Other Oscillators

How it works

RSI compares average gains with average losses over a lookback, by default 14 bars, and scales the result from 0 to 100[25]. One Definedge explainer calls it a "bull ratio": the share of total movement that was upward[26]. It describes momentum. It does not predict a turn.

MACD is the gap between a fast and a slow moving average, with a signal line drawn as an average of that gap[27,28]. **Stochastic** compares the close with the recent high-low range[29]. **CCI** classifies regimes by its crossings of -100, 0 and +100[30].

The big lesson of this section is that **70/30 is not a buy/sell rule.** Strong trends hold RSI at extreme readings for long periods[25]. One short shows Hindustan Lever at RSI 75, which consolidated sideways and then kept rising[31].

What replaces fixed levels is the idea of **range shift**:

- In bull phases, RSI tends to oscillate roughly between 35 and 75.
- In bear phases, it tends to sit roughly between 20 and 60.
- A rally that cannot push RSI above about 60 is read as weakness[32].

Definedge teaches the same idea. Pullbacks into 40–50 are buys in an uptrend, bounces into 50–60 are sells in a downtrend, and RSI pushing above 70 can mark the *start* of a trend rather than its end[33].

What the presenters agree on

- **Read RSI against the trend.** Don't short just because RSI is overbought in an uptrend[34].
- **Divergence is a warning, not a trigger.** Act only after a trend-line or neckline break[35], a confirming candle[36], or price action[37]. One presenter treats divergence as a sign that a trend is slowing, not ending[38].
- **Understand the formula first**[39,40].
- **Price comes first.** RSI is derived from price, so it follows price rather than leading it[41,42].

Setup: Weekly RSI(13) momentum breakout

- **Universe:** The top ~500 CNX500 stocks, ranked by 125-day average traded value.
- **Entry:** Buy when weekly RSI(13) closes above 70. Enter Monday, or Tuesday after a holiday.
- **Exit:** A weekly close below 55, executed the next trading day. Ignore divergence. Never average down.
- **Sizing:** About 2% per position, up to about 50 positions, leverage up to about 2x.
- **Reported results (2001–2020):** About 46% win rate, average winner about 71%, average hold about 84 trading days. 23–24 consecutive losers at worst, and 20–28% drawdowns.

- **Evidence:** A single backtest with no out-of-sample period and no cost-adjusted figures shown. Results depend on a few large winners. Exits may be optimistic for stocks that hit lower circuits.
- **Source:**[43]

This method specifies its universe, entry, exit and sizing. The video reports a worst-case streak of 23–24 consecutive losing trades, which anyone following the method would have had to sit through.

Setup: RSI(14) 50-cross momentum

- **Entry:** Buy Nifty 500 stocks on the daily chart when RSI(14) crosses above 50.
- **Exit:** RSI crosses back below 50.
- **Variants:** Add a filter of price above the 50-period MA. Or buy RSI back above 30 while price is above that MA.
- **Reported results:** About 26% success, 1.78% average per trade, risk to reward about 1:5.5, expectancy about 0.72. A variant with fewer trades reached about 1:7 and about 1.4.
- **Evidence:** Backtest of averages only. No stop, no drawdown, no costs, and possible survivorship bias. Roughly three of every four trades lose.
- **Source:**[44]

Setup: RSI 30/70 intraday range-shift system

- **Chart:** Nifty and Bank Nifty, 5-minute.
- **Long:** RSI(14) dips below 30, then a candle closes back above 30. Chikou Span must be below price and price near Camarilla L3/L4. Enter at the next candle's open.
- **Short:** The mirror image. RSI closes back below 70, Chikou above price, price near H3/H4.
- **Stop:** Beyond the swing point plus a filter, about 10 points on Nifty and about 50 on Bank Nifty. The video's Bank Nifty filter varies between examples.
- **Exit:** Targets are intraday VWAP and the 200 EMA. Scale out in pairs of lots, trail to swing points, close by end of day.
- **Evidence:** Chart examples, including one admitted false signal. The presenter refined the system over a year to fit her trades.
- **Source:**[45]

Also worth studying is the Stochastic (5,3,3) method on the 60-minute chart[29]:

- It takes %K/%D crossovers only in the direction of higher-highs or lower-lows structure.
- The stop goes beyond the swing point.

- The presenter aims for about 1:3 and skips 1:1 setups.
- He declines to show backtested returns.

Where they disagree

The same RSI reading is taught in opposite ways:

What RSI above 70 means	Video
Buy trigger (weekly close above 70)	43
Possible start of a new trend	33
Profit-booking zone	34
Wait for the retracement, then buy	46
Short when it closes back below 70 (intraday)	45

This is not necessarily a contradiction. The weekly breakout and the 5-minute fade work on different timeframes and different instruments. But it does show that "overbought" carries no fixed meaning. You must decide which behaviour you are betting on, and test it.

Mean reversion versus momentum. Some videos buy RSI turning up from below 30[26]. Others ride RSI above 60 on daily, weekly and monthly charts at once[47].

MACD settings:

- Defaults 12/26/9 with a zero-line filter, buying only when both lines are above zero[28].
- A fast 5/10/3–5 setting that rejects the defaults outright[37].
- A bare crossover with no filter[48].

Divergence handling. Ignore it[43], exit on it[33], or reverse after a channel break[34].

Smoothing. Proprietary smoothers include an Adaptive RSI[49], RSI on Point & Figure swings[50], and RSI plotted on a 21-period average of price[51]. Each claims less noise. None shows that the delay it adds is worth the noise it removes.

Pitfalls

- **Missing risk rules.** At least nineteen of the oscillator videos leave out a stop or a sizing rule.
- **Tiny samples.** The Adaptive RSI backtest rests on 30 trades over two decades[49].
- **Undisclosed formulas.** The King Oscillator blends nine indicators into one reading, but its formula is not disclosed[52,53]. You cannot test what you cannot reproduce.
- **Discretionary exits.** The breakaway-gap method[51] has a sound 1%-of-portfolio sizing rule. But its quoted 1:100 payoffs rest on profit-taking the presenter admits he did not always manage.
- **Unreviewable videos.** Videos on MFI, ROC, TRIX and a classical RSI reversal could not be reviewed at all[54,55,56,57].

Bollinger Bands, Donchian Channels and Turtle Systems

How it works

A **Donchian channel** is mechanical:

- The upper band is the highest high of the last N bars.
- The lower band is the lowest low of those bars.
- The middle is the average of the two[58].

A close above the upper band is, by definition, a new N-bar high. That is the oldest trend-following entry there is. The Turtle rules built on it with 20-day and 55-day breakouts, ATR-based stops and fixed-risk sizing[59].

Bollinger Bands are a 20-period average plus and minus two standard deviations[60]. Narrow bands, the "squeeze", signal low volatility. Price riding the upper band signals a strong trend.

Band slope matters as much as band level:

- Both Donchian bands rising suggests an uptrend.
- Both flat suggests a range[58].

What the presenters agree on

- **Trail the exit with the band.** The Donchian lower band[61], the middle band[62], ATR-based Turtle stops[59], or a Bollinger lower band measured on lows[63].
- **Act on closes or confirmed breaks**[58,64].
- **Read band slope and stay out of flat channels**[65].
- **Treat backtest headlines sceptically.** Several presenters say so about their own results.

Setup: Turtle 20/55-day breakout with ATR sizing

- **System 1:** Go long on a break of the 20-day high, short on a break of the 20-day low. Skip the signal if the previous same-direction breakout was a winner.
- **System 2:** Uses 55 days and has no skip rule.
- **Exit:** As described in this video, exit on the opposite 20-day extreme.
- **Stop and sizing:** Initial stop 1–2 ATR, with ATR as the 20-day average true range. Risk 2% of capital per trade: quantity = 2% of capital ÷ stop distance.
- **Pyramiding:** Add a unit every ~0.5 ATR in your favour, up to four units, trailing the stop ~2 ATR from the latest entry.
- **Where:** Liquid, diversified markets on daily bars. Cut size in correlated markets.
- **Evidence:** A historical story. No performance data is shown, and costs, slippage and gaps are not discussed.

- **Source:** [59]

Notice what makes the Turtle rules worth learning even without data. They are the only rules in this section that turn a stop distance into a position size. Every other Donchian video gives no sizing rule at all.

Setup: Donchian 20 + MACD, long-only

- **Rules:** Buy when all four hold: the upper Donchian band is rising, the bar's high reaches it, MACD (12/26/9) is above zero, and MACD has a positive crossover.
- **Exit:** Price breaks the lower band. A MACD negative-crossover exit was tested and rejected as too early.
- **Where:** Nifty 200, F&O stocks, sector indices; daily or weekly.
- **Reported results:** About 31% annualised over roughly 6,500 trades on the daily chart, 2015–2024.
- **Risk:** The stop is wide. Early losses of 10–14% occurred, and a 2022 Dixon trade gave back 30–40% before exiting.
- **Evidence:** Backtest with no costs or survivorship handling. The exit was chosen after looking at results.
- **Source:** [65]

Setup: Bollinger rising-bands breakout

- **Rules:** Go long when the bar's high exceeds the 20-period, 2-SD EMA upper band and all three bands are rising.
- **Exit:** Price reaches the low of a separate 20/1.5 lower band, measured on lows rather than closes so that wicks don't trigger exits.
- **Weekly investor variant:** A 50-period band at 1.65 SD.
- **Reported results:** Fixed Rs 10,000 per stock. Average maximum loss about 13–14% per trade, typical drawdowns about 25–26%. One stock showed 56%.
- **Evidence:** Backtest. The parameters were picked on the same data, and survivorship is not addressed.
- **Source:** [63]

Where they disagree

The Donchian exit. Some exit at the lower band [61,65]; others at the middle band [58,62]. One presenter explicitly warns against a middle-band stop, because price often dips there and then continues [61].

What a close outside the Bollinger band means. This is the sharpest split in the section:

- **Continuation.** A 5-minute "band burst" enters on the third candle after two closes outside the band, with a stop at the entry candle's low and a minimum 1:3 target[66].
- **Top warning.** On weekly charts, a close outside the upper band followed by a close back inside is read as a warning of a 5–10% pullback toward the average. It is used to avoid or exit, never to enter[67].
- **Buy below the lower band.** A bullish daily candle below the lower band on strong volume becomes a buy once its high breaks. The target is the upper band[68].

Overextension filters. The Disparity Index measures the percentage gap between price and its average. It is offered as a filter that skips breakouts made from an already stretched position[69]. Yet the same presenter's other video warns that a high reading need not fall[70].

Pitfalls

- **Small samples presented as triumphs.** A 13-bar-high plus RSI>60 system is shown returning about 924% on Nifty 50, but from just three trades[71].
- **Implausible statistics.** One backtest reports a 1,700% maximum drawdown, which the presenter himself doubts[61].
- **Cumulative totals.** Headline "total return" figures compound across many trades, and weekly versions inflate them through deeper stops[72].
- **Whipsaw.** Stop-and-reverse Donchian keeps you always in the market, and the videos admit ranges whipsaw it[58].
- **Untested claims.** The squeeze video claims every correction is followed by a trend, without evidence, and gives no exit[64].
- **The presenter's own history.** In the lower-band swing interview, the trader recounts large past losses from holding losers without stops[68]. His current rules are a reaction to that, and worth reading in that light.

Ichimoku, Composite Scores and Indicator Discipline

How it works

Ichimoku packs several readings into one overlay[73,74]:

- **Tenkan:** the 9-period midpoint of high and low.
- **Kijun:** the 26-period midpoint.
- **Cloud:** projected 26 periods ahead.
- **Chikou:** price plotted 26 periods back.

The practical uses in these videos are two. Price inside the cloud means no trade. Price relative to the Kijun is a trend filter.

Composite scores go further and compress many indicators into one number. Definedge's D-Momentum Score runs from -100 to +100 and is said to combine RSI, ADX, Ichimoku and Bollinger readings[75]. The firm also offers tables that print indicator values for a whole basket at once[76,77].

Discipline: the most important idea in this chapter

Across the library, the strongest consensus is not about any one indicator. It is about *how* to use them.

- **Indicators are filters, not triggers.** A score is a filter on your own setup, not an entry[75]. Scanner output describes the current state; it is not a prediction[77]. Shortlist with a scanner, then check the chart[76].
- **Price and volume lead; indicators confirm.** One presenter argues for one or two indicators matched to your timeframe[78]: momentum tools on short charts, trend tools on daily and higher. He also says a stop must match the chart's timeframe. A 1–2 rupee stop on a monthly chart is not realistic.
- **Don't hop between indicators.** Give a system more than a week or two before judging it, and modify before scrapping[78].
- **Stand aside in neutral readings.** That means inside the cloud[79], ADX below about 25[76], or a neutral score band[80].
- **Backtests can mislead.** One short video warns that indicators which look perfect in backtests can fail live[81]. It is anecdotal, and it overreaches by implying all indicators fail. But its point about signals that change after a bar closes ("repainting") and about overfitting is sound.

Setup: Ichimoku cloud filter + ABCD harmonic, monthly first

- **Rules:** Mark the monthly trend. Take no trade while price is inside the cloud. Wait for price to clear the Kijun. Then find a completed ABCD pattern on the daily chart and enter only when its trigger level breaks.
- **Stop:** The pattern's invalidation point, about 200 points in the worked example and about 300 on a wider trade.
- **Target:** The pattern projection, roughly 1:3 reward to risk.
- **Where:** Positional trades on stocks (Tata Steel) and NIFTY.
- **Evidence:** Chart examples. Some on-screen levels could not be verified. The ABCD tolerance setting can be tuned after the fact, and fixed-point stops ignore volatility.
- **Source:**[79]

Setup: D-Momentum Score intraday watchlist

- **Rules:** Build the list the evening before, or by 10–11 am, from F&O, Nifty 500 or sector groups. Keep scores above +85 (bullish) or below -85 (bearish) and discard neutral names.

- **Entry:** Only on chart confirmation, such as a swing-high breakout, a candlestick pattern or a Point & Figure double top. For reversal entries, a cross above -50.
- **Stop and exit:** None given.
- **Evidence:** Scanner and chart examples. The score's weights are proprietary, and the video closes with a promotion for the app.
- **Source:** [80]

Setup: ADX + RSI + 21 EMA trend scan

- **Rules:** On daily NIFTY 100, keep stocks with ADX above ~25, RSI between 60 and 80, and a close above the 21 EMA. Sort by ADX.
- **Avoid:** Names with ADX below 25 or a close below the EMA. Treat RSI between 40 and 60 as neutral.
- **Stop:** None given. The presenter calls it an exploration aid, not a system.
- **Evidence:** Chart snapshots. The thresholds are rules of thumb.
- **Source:** [76]

Where they disagree

How many indicators to use:

- One or two [78].
- Two or three independent tools [74].
- Three or four [73]. That same video then gives rules relying on Ichimoku alone.
- Many indicators compressed into one score [75].

Score thresholds differ between two videos from the same firm: ±85 for an intraday watchlist [80] versus ±50 for direction, with ±25 as neutral [75].

Price action or indicators. One video implies you should drop indicators for price action [81]. Another keeps them as confirmers behind price [78].

Pitfalls

- **No systematic results anywhere.** None of the videos cited in this section shows a backtest.
- **Missing stops.** Five give no stop at all.
- **Black boxes.** Composite scores, however convenient, cannot be checked independently. Three tools agreeing inside one score may simply be the same price information counted three times.
- **Hearsay.** The Ichimoku history video presents unverified stories about the indicator's creator, with inconsistent student numbers [74].

Volume, VSA and Delivery Data

How it works

Volume tells you how many shares changed hands, not who won. The videos read it in four ways:

- **Relative volume.** Today's volume against the stock's own average, typically 10 or 20 bars[82,83].
- **Volume Spread Analysis (VSA).** A wide high-to-low candle on above-average volume marks a decisive level. Its high and low then act as reference points[84].
- **Delivery volume.** Shares actually taken into demat, as opposed to intraday churn. It is treated as a better gauge of real positional buying[85].
- **Margin Trading Funding (MTF) book.** Leveraged delivery positions funded by brokers. These are read as crowding risk[86].

There is also a scoring tool, the Price Volume Matrix. Each bar scores ±2 on above-average volume and ±1 on below-average volume, and the scores are summed over a lookback matched to your moving average[87].

What the presenters agree on

- **Volume shortlists; it does not trigger.** Scanners are filters[88,87]. A spike is a candidate, not a confirmed signal[83].
- **Wait for price to follow through.** Examples: a next-day break of the spurt candle[82], a close beyond the big candle's high[89], or an anchor follow-through candle rather than the spike day itself[85].
- **Trade with the trend.** Skip strong volume moves against the trend filter[88,90].
- **Demand a large excess.** Over 100% above average is the common threshold. One presenter treats 20–40% increases as insignificant[82].
- **Pair volume with price direction.** Rising delivery on falling price means selling[85]. A gap spike that fully retraces is likely a fake-out[89].
- **Check for non-market causes.** An FPO, for example, can inflate volume[83].

> **Setup: Big-volume candle high/low breakout (VSA)**
>
> - **Rules:** Find a wide-spread candle with volume more than 100% above its 20-period average. On monthly charts, use only the month's highest-volume candle. Optionally check for 2–3 consecutive above-average candles.
> - **Entry:** Buy when price closes beyond the candle's high. Short on a break of its low.
> - **Stop:** The opposite end of the candle. If the low breaks before the high, stand aside.
> - **Trailing:** Trail behind swing lows. Skip the trade if the stop is about 15% or more away.
> - **Where:** Daily for swing trades, up to monthly or quarterly for investing. The best context is a first big candle at a 52-week or range extreme.
> - **Evidence:** Chart examples only.

- **Source:** [89]

Setup: Unusual-volume breakout with second confirmation

- **Scan:** Volume at least 2x the 20-period average on NIFTY 100 or Midcap 150.
- **Entry:** A breakout from a basing or consolidation structure on a large bullish candle, plus a second confirmation: RSI, MACD, ADX, or a Bollinger squeeze followed by expansion.
- **Stop:** In the Bollinger variant, the band average or the lower band. Otherwise none is specified.
- **Evidence:** Hand-picked examples. The presenter concedes a single-day spike doesn't guarantee follow-through.
- **Related:** A near-duplicate adds Supertrend and MA-cloud trend filters but gives no exit rule [90].
- **Source:** [83]

Setup: MTF-book crowding filter

- **Measure:** Days to liquidate = MTF fund value ÷ average daily delivery volume. Prefer stocks where this is zero or small.
- **Entry:** A daily breakout while price, volume and the MTF book all rise together. Use this only as confirmation of your own method.
- **Exit:** Get out before prior support breaks, because that is where forced leveraged selling begins. Step aside if a stock turns rangebound while its MTF book keeps building.
- **Evidence:** Hindsight chart examples. MTF data is end-of-day and lagged. The presenter's platform supplies the tool.
- **Source:** [86]

Where they disagree

Threshold and baseline:

- 100% above a 20-period average [89].
- 50% above a 10-day average [91].
- More than 100% above a 10-quarter average, for investing [92].
- A rough jump from 2–3 lakh to about 20 lakh shares [93].

Volume as confirmation or as warning. Most videos treat rising volume as bullish confirmation. The MTF video treats a building leveraged book as crowding risk [86]. And on weekly charts, an exceptional volume spike above both the 4-week and 12-week averages is read as a possible top. The same

presenter notes that the first spike often comes before further gains[67].

Stops or sizing. Some anchor stops to the big candle[89]. One experienced guest uses no stop at all. He relies instead on 3–6% per stock across 30–35 names, and says he does not believe in backtesting[91]. That is a deliberate trade-off, not an oversight. But it rests on his own unaudited account of returns.

Delivery or total volume[85] versus total volume everywhere else.

Pitfalls

- **No systematic test.** None of the thirteen volume videos shows one. Eleven rely on examples chosen in hindsight, with no failed cases.
- **Exits left to the viewer.** Most volume scanners leave stop and exit to "your own system"[82,88]. The edge then lives somewhere the video never specifies.
- **Wide stops on long timeframes.** Monthly and quarterly candles can put the stop thousands of rupees away[89].
- **Unaudited performance.** Claims include 30–35% CAGR[91] and about 80% net on a single leveraged trade[86].
- **Name-only lists.** One short simply lists five volume indicators (OBV, NVI, MFI, Volume RSI, VWAP) with no method[94].

Chapter checklist

- **Give each tool one job.** Decide whether it is your trend filter, your strength filter, your trigger or your trailing exit. Don't let two tools do the same job and call it confirmation.
- **Match the tool to the timeframe.** Trend tools and weekly RSI suit positional work. Fast oscillators belong on short charts. Scale your stop to the chart you are trading.
- **Act on closes.** A close beyond a band, line or level, not an intraday touch, is the most common entry rule in these videos. There are exceptions: one Donchian video enters on a break of the high[61], and another exits on a touch of the band[72].
- **Treat 70/30 as a description, not an instruction.** Learn whether your method bets on continuation or exhaustion, and test that specific behaviour.
- **Read divergence and volume spikes as warnings.** Wait for price to confirm before acting.
- **Know your stop and size before entry.** The Turtle formula is the template: quantity = fixed % of capital ÷ stop distance. Skip setups whose stop is unaffordable.
- **When you read a backtest, ask five questions.** How many trades? What drawdown and losing streak? Were costs included? Was there an out-of-sample period? Were the stocks or parameters chosen after seeing the results?
- **Be wary of black boxes.** Proprietary scores and oscillators whose formulas aren't disclosed cannot be reproduced or tested.

- **Test before trusting.** Pick one published rule, such as weekly RSI(13) >70/<55, a Donchian breakout with a lower-band exit, or a 62/200 channel rider. Run it on your own data, with costs, across more than one market regime, before trusting any number in this chapter.

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8. Noiseless Charts: Heikin Ashi, Renko and D-Smart

Most traders who have run a trend-following rule on ordinary candlesticks know the problem. A moving-average cross triggers, the next candle gaps the other way, the stop is hit, and a few bars later the trend resumes without you. These are whipsaws. On time-based charts they come with the territory, because every candle prints whether or not price has done anything meaningful.

The charts in this chapter try to reduce that noise. There are two broad approaches:

- **Heikin Ashi** averages each candle with the one before it, so short-lived wiggles blend into smoother runs.
- **Renko and line-break charts** remove the time axis altogether. A new brick or line prints only after price has moved a set amount.

Definedge then layers its own trend tools on top: the D-Smart line and cloud, the MAST cloud, and the Super Swing Line. These turn the smoothed picture into stop-and-reverse or trailing-stop systems.

Be clear from the start about where this material comes from. Nearly all of it comes from one firm. Definedge accounts for 11 of the 12 Heikin Ashi videos, 11 of the 14 Renko and line-break videos, and every one of the D-Smart and MAST videos. Elearnmarkets contributes a primer and a few Renko and three-line-break sessions[1,2,3,4]. So this is mostly one house's view, and the tools are mostly that house's products.

By the end of the chapter you should be able to:

- build and read each chart type
- explain what the smoothing hides as well as what it reveals
- recognise the handful of setups the presenters specify well enough to test
- tell a tested claim from a hand-picked chart, so you can test these ideas yourself

Heikin Ashi Charts

How the chart is built, and what it hides

A Heikin Ashi candle is an averaged candle. The Elearnmarkets primer describes it as being built from the previous period's open and close together with the current period's open, high, low and close[1].

The standard construction works like this:

- **Close:** the average of the current bar's four prices.
- **Open:** the midpoint of the previous Heikin Ashi candle's body.
- **High and low:** stretched to include the actual extremes.

Because each open is anchored to the previous candle, consecutive candles overlap. Up-moves tend to show as long runs of one colour and down-moves as long runs of the other.

The primer makes one point that every learner should absorb before anything else: **Heikin Ashi candles do not show the actual open and close of the period**[1]. The body you see is a computed value, not a traded price. Two consequences follow:

- An "entry at the close of the Heikin Ashi candle" may not be a price you could actually have traded.
- A stop placed at a Heikin Ashi low is a level on a synthetic series, not on the real chart.

None of the videos treat this as a deal-breaker. You should still know which price each rule actually refers to before you test it.

The appeal is consistent across presenters. Six videos say Heikin Ashi filters noise, so trends and reversals become easier to see[1,5,6,7,8,9]. Another stresses its objectivity and gap-free reversals instead[10]. One presenter frames this partly as psychology. Ordinary candles around large gaps trigger emotional reactions, and the smoothed chart gives more conviction to hold a trend[5].

Reading Heikin Ashi as a cycle, not a colour

The most useful conceptual lesson comes from a Definedge video that warns against treating "green means buy" as the whole method[7]. It reads Heikin Ashi as a repeating cycle with four stages:

1. **Transition.** After a bearish run, a candle with little momentum appears, then the first strong bullish candle.
2. **Expansion.** Successive bullish bodies get larger. The presenter reads body size as a measure of which side is being aggressive.
3. **Exhaustion.** Bodies shrink, and dojis or narrow candles with wicks on both sides appear.
4. **Reversal.** Only when exhaustion turns into an opposite-colour candle is the trend treated as over.

A short companion clip makes the same distinction: a cluster of two to four dojis signals a tiring trend, not necessarily a reversal[11]. The practical rule that follows is not to exit on a doji alone. The trade-off is accepted openly. Waiting for an opposite candle means giving back some profit from the top, and the presenter remarks that exiting at the exact top is rare[7].

Treat this as a way of reading the chart, not a system. Neither video gives a stop or position size, and the doji-cluster claim comes with no examples or data[7,11].

What the presenters agree on

Across the videos with usable content, a recognisable structure emerges:

- **A colour flip is the trigger.** Bearish-to-bullish starts a long, and the reverse starts a short[10,9,12]. An opposite-colour candle also serves as the exit in some systems[8,13].
- **No fixed target.** Ride the trend and leave on a rule, either a trailing stop or an opposite signal[10,5,9,14,6].

- **Trail with a short channel low.** Variations include the lowest low of the last three candles[9,12], a 13-period Donchian low[6], and a channel built from a 20-period average of highs and lows[14].
- **Filter before you trigger.** A moving average or MACD's position relative to zero decides which direction is allowed, and signals against the filter are skipped[13,8,14,6].
- **Set direction on a higher timeframe and trigger on a lower one**[7,6,9].
- **If the stop is too wide, change the timeframe or contract size, not the stop.** This appears in four videos[9,6,14,10].

That last point deserves emphasis because it runs against a common beginner instinct. When a trailing-stop system produces a stop you cannot afford, the presenters do not tell you to tighten it arbitrarily. They tell you to:

- move to a shorter chart, whose natural stop is closer, or
- trade a smaller contract, such as mini Gold or Silver[14], or
- skip the name altogether[6].

Worked example setups

Setup: Heikin Ashi reversal with a Donchian-3 trailing stop

- **Chart:** Heikin Ashi on the 2-hour timeframe, with a Donchian channel set to period 3 (changed from the default 20).
- **Entry:** Wait for a bearish-to-bullish colour change (bullish-to-bearish for shorts). Let the signal candle close, then enter at the open of the next 2-hour candle. The presenter says to take every signal mechanically, even after a 4–5% gap candle.
- **Stop and exit:** The initial stop is the lowest low of the previous three Heikin Ashi candles, shown by the Donchian-3 lower line (highest high for shorts). Trail it at each candle close. Exit as soon as price touches the stop, without waiting for a close. Ignore dojis while the stop holds. There is no profit target.
- **Variants:** On the daily chart, use an 11-candle low. On the weekly chart, use a 5-candle low, enter on Monday, and hold the stop as a good-till-cancelled order.
- **Where it applies:** Nifty, BankNifty, stocks (long only) and futures (both ways). A curated watchlist of about 30–50 fundamentally strong stocks, or a scanner on Nifty 500/200. Capital is split 40/40/20 across large, mid and small caps, with no sector above 25%.
- **Risk as described:** The 2-hour stop is typically around 2%. A Nifty futures stop of about 250 points risks about ₹15,000 per lot. Weekly examples carried stops of 5–15% or more.
- **Evidence:** Chart examples (Nifty weekly, Laurus Labs, L&T Finance) chosen by the presenter. No backtest, win rate or drawdown. The presenter notes that brokerage, GST and STT matter but does not quantify them.
- **Source:**[9]. A near-identical 2-hour version enters at the signal candle's close instead of the next open[12].

This is the most completely specified method in the whole chapter, and it is also the most-watched Heikin Ashi video. That makes it a good candidate for your own testing, because the rules are unambiguous. It still remains untested in the video itself.

Setup: Multi-timeframe Heikin Ashi with RSI and MACD, 13-period Donchian trail

- **Qualify:** Monthly Heikin Ashi candle bullish (the presenter defines this as open equal to low) with monthly RSI above 60. Weekly Heikin Ashi bullish with weekly RSI above 60. Daily RSI above 60 and daily MACD above zero.
- **Entry:** Long on the daily chart once all three timeframes align. A short-term variant uses weekly and daily trend with a 2-hour Heikin Ashi entry.
- **Stop and exit:** Trail at the 13-period Donchian low on the entry timeframe (20-period on the 2-hour variant). Exit when price breaks it, or rotate out if the stock moves into consolidation.
- **Selection and risk:** Scan the Nifty 500. Before buying, measure the distance to the stop and skip names where it exceeds what you can afford. The presenter's example: if 8% is affordable, avoid a stop around 20%. Hold only two or three names.
- **Where it applies:** Long-only stocks, medium to long term.
- **Evidence:** Chart examples (Reliance, Bajaj Auto) picked in hindsight. The presenter says about 38 Nifty 500 stocks qualified at recording, rising to around 200 in strong phases such as June–August 2024. No returns are shown, and the video sits alongside a scanner and platform promotion.
- **Source:**[6].

Setup: Hourly Heikin Ashi moving-average channel with a MACD zero-line filter (Gold and Silver)

- **Chart:** 60-minute Heikin Ashi. Plot a channel: the simple average of the last 20 highs (upper line) and of the last 20 lows (lower line). Add MACD.
- **Entry:** Long when a Heikin Ashi candle closes above the 20-high line and the MACD line is above zero. Short when one closes below the 20-low line and MACD is below zero. The presenter prefers the zero-line condition to a crossover so that small pullback trades are avoided. The crossover version is mentioned only as an aggressive variant.
- **Stop and exit:** The trailing stop sits at the opposite channel line. It is not stop-and-reverse, has no target, and MACD is not used to exit. Pyramiding on later signals is optional.
- **Where it applies:** Gold and Silver futures. The presenter advises against crude oil and base metals because they whipsaw in ranges.
- **Risk as described:** Example stops of about 3,000 points on Gold and about 1,000 points on a Silver short. If that is too large, use mini contracts or fewer lots rather than changing the rules.

- **Evidence:** A handful of hand-picked charts. Some example figures in the video are garbled, so the specific trade outcomes cannot be relied on.
- **Source:** [14].

Where the presenters disagree

The broad structure is shared. The details differ, and the details are where a system's results actually come from.

Question	One answer	Another answer
Where is the stop?	Low of last 3 HA candles [9,12]	13-period Donchian low [6]; opposite 20-period channel line [14]; fixed 2–5% [10]; no stop, only an opposite-colour candle [8,13]
When to enter?	Next candle's open [9]	At the signal candle's close [12]
When is the stop hit?	On a touch, intrabar [9]	On a Heikin Ashi close beyond the line [14]
How to use MACD?	Crossover as trigger [13,8]	Above/below zero as a filter, crossover only as an aggressive variant [14]
Which timeframe?	2-hour as the "sweet spot" [12,9]	Hourly for stocks [10]; 60-minute for metals [14]; daily [8]
Reversal or breakout?	Enter at the reversal extreme, timed with harmonic patterns [10]	Enter the breakout after a long, tight consolidation [5]

Touch-versus-close is not a minor detail. An intrabar stop protects you from a candle that closes far beyond your level, but it also takes you out on spikes that reverse. A closing stop does the reverse. Neither presenter shows data on which works better.

Pitfalls

- **Nothing here has been systematically tested.** Of the 11 Heikin Ashi videos cited in this section, none shows a backtest or a live history of results. Seven rest on chart examples, two on anecdote, and two give no evidence at all.
- **Colour-change exits lag.** Exiting on an opposite-colour candle or a channel line will give back part of every move, and more in fast reversals. Three videos acknowledge or imply this without measuring it [9,8,14].
- **Some systems have no stop at all.** The MA-filtered MACD methods use only an opposite-colour candle as the exit and give no stop or position size [8,13]. The trend-cycle reading gives none either [7].
- **Large risk-reward claims come without trade logs.** One video cites risk-reward of around 1:40 on some trades and frames the upside as unlimited, but shows no trade log [10]. Read that as an illustration of what a winner looked like, not as a typical result.

- **Wide stops on higher timeframes.** Weekly stops of 5–15% or more are presented as acceptable without any drawdown figures[9].
- **Costs.** Shorter timeframes multiply the number of trades. Most of these videos do not count brokerage, STT or slippage.

Renko and Line Break Charts

How Renko works

A Renko chart throws away time. Each block, called a brick, represents a fixed price move. A green brick prints when price rises by one brick size from the last brick, and a red brick prints when it falls by one brick size. If price drifts within a brick's range all afternoon, nothing prints[15].

The noise filtering is therefore controlled by one setting: the **brick size**. The two videos that cover construction both stress choosing it deliberately[15,2].

Two refinements matter in practice:

- **Percentage bricks.** Instead of a fixed number of points, the brick is set as a percentage of price. A ₹100 stock and a ₹3,000 stock then filter the same relative move, and the chart stays meaningful as price changes over years[2,16].
- **Two-brick reversal.** By default, continuing the trend needs a one-brick move, but turning the chart needs a move of two bricks against it[16]. This builds hysteresis into the chart, so small counter-moves do not flip the colour.

The presenters tie brick size to holding horizon. Their figures cluster as follows:

Use	Brick sizes mentioned
Intraday on 1-minute data	0.15%[2,3]; 0.25%[17,16]; 0.05% for Nifty[16,18,19]; 0.1%[20]
Swing / short-term daily	0.5%[2,19]; 1%[21,20,17]
Medium term	1.5%[2]
Long term	3%[2,3,17]
Options-oriented	2–3%[17]; 3%[16]

The table shows conventions, not optimised settings. No video tests one brick size against another.

Repainting is a technical trap. On tick or 1-minute data, a brick that has printed stays printed. On daily data, a brick can appear during the session and then vanish if price moves back before the close[16]. The Panch Ka Punch presenter flags the same problem and suggests a staggered entry to reduce it: half intraday when the brick forms, half at 3:25 pm, or wait until after the close[17].

How line-break charts work

A line-break chart is a cousin of Renko. It also ignores time, but it draws a new line only when price closes beyond earlier lines.

In the two-line-break version, which one Definedge clip calls "snakes and ladders", a new up-line prints when price closes above the top of the last two lines. The chart flips down only when price breaks below the low of the last two lines[22]. Line length reflects momentum: a big move prints a long line.

The three-line-break version requires breaking three lines to reverse. It filters more noise but turns later. Rakesh Bansal's Face2Face session uses it on daily charts[4].

What the presenters agree on

The Renko material is remarkably consistent in shape, even though its parameters vary.

- **Trade with a trend filter.** Most of the Renko videos take signals only when they agree with a reference line:
- a triple moving average[2]
- a single 40-period average[16,17,18]
- a moving average used as dynamic support[3,21]
- an MA filter on breakouts[20]
- the D-Smart cloud[19,23]
- **Prefer pullbacks within the trend to chasing.** The typical entry is the first bullish brick after a bearish pullback brick near the average or support[2,3,21,19,23]. Bansal makes the same choice on three-line break[4].
- **Act on a closed brick, not an intraday touch**[16,3,24,17,21].
- **Place the stop at a structural level decided before entry.** Examples: one brick below the entry brick[21], below the swing low[16], below the pullback low[19], or at a pattern-failure level[24].
- **Exit by trailing or on an opposite signal, not a fixed target.** One presenter explicitly rejects fixed price targets[2]. Others trail the moving average or exit on an opposite swing breakout[16,17].

Renko also gives a clean way to mark support and resistance. One Definedge video uses an "Anchor Line" tool that draws a horizontal level wherever price reacted by five or more bricks. It then plans trades around breakouts, retests and weak breakouts, where price breaches a level, fails, and reverses[20]. Another uses prior swing highs as resistance and repeated bounce zones as support[21]. Both stress checking how much room there is to the next level before entering.

Worked example setups

Setup: Renko Swing Breakout with a 40-period moving average

- **Chart:** Percentage Renko with the default two-brick reversal, plus a single 40-period moving average on the bricks. The presenter shows 1-minute Nifty at 0.05% for intraday and 1%

daily bricks for swing trades.

- **Entry:** After a bullish run forms a swing high and a bearish brick retraces, go long on the close of a bullish brick that closes above that swing high (a bullish Swing Breakout). Ideally take it only above the moving average. Shorts mirror this on a Swing Breakdown.
- **Stop and exit:** The initial stop goes just below the swing low. Hold while bullish bricks continue. Exit on a bearish Swing Breakdown, or trail with the moving average and exit on a close below it.
- **Risk as described:** The presenter says a stop of about 3–4% is normal with a 1% brick. No sizing or target is given.
- **Where it applies:** Nifty, BankNifty and stocks, intraday or swing.
- **Evidence:** One illustrative intraday example chosen to show a clean pattern, inside a scanner product demo. No sample statistics.
- **Source:** [16].

Setup: Renko moving-average pullback with a brick-reversal entry

- **Chart:** 1-minute Nifty Renko with a 0.15% percentage box and a moving average as dynamic support. RSI is plotted on the Renko chart. Trend direction is checked on a 3% "investing" Renko chart.
- **Conditions:** Price above the moving average. RSI holding above 50, with dips bouncing near 40. Not for ranging markets, where the Renko average flattens.
- **Entry:** When price pulls back to the average, enter long on a green brick that follows a red reversal brick.
- **Stop and exit:** The stop goes a fixed brick distance below entry. The video's figure is ambiguous: it is described both as "one brick" and as about 0.45%, which would be three 0.15% bricks. Exit on a red brick reversal below the average. Treat sideways RSI, MACD divergence or falling volume on new highs as warnings to tighten.
- **Extra context:** The presenter flags 94–95% of stocks above their average as breadth exhaustion.
- **Evidence:** Anecdote and selected charts within a course-promoting live session. The RSI and breadth thresholds are not tested.
- **Source:** [3]. A daily 1% version anchored on marked support, with a stop one brick below the entry brick, appears in [21].

The presenter makes a useful point here. On Renko, a "one-brick stop" is a standardised risk that a time-based candle cannot give you, because a candle's range varies [3]. That is a genuine structural advantage. The cost is that a stop measured in fractions of a percent on 1-minute bricks can be swamped by slippage and charges. The video does not discuss this.

Setup: Three-line-break trend entries on pullbacks

- **Chart:** Three-line-break chart on daily data, used for positional and short-term trades in stocks and Nifty.
- **Entry:** Go long when a white (up) line forms. In a bull trend, prefer buying pullbacks toward support over chasing the breakout. Confirm with clean price patterns across timeframes rather than indicators. One trick the presenter offers is to flip the chart upside down in a bull market, so pullbacks can be judged as small rallies.
- **Stop and exit:** A hard stop of about 2% (roughly 200 points on Nifty). Exit when a black (down) line forms, or book profit at pre-decided levels; the presenter cites moves of roughly 25–35%. Never average a losing trade.
- **Risk framework:** A fixed risk capital of about ₹1.5 lakh with a monthly loss cap of about ₹5,000.
- **Evidence:** Anecdote and hand-picked stock examples (Reliance, Vodafone Idea, BHEL, Adani Transmission). No test.
- **Source:**[4].

One gap in this setup is that the 2% stop and the black-line exit are two different exits. A black line can form much further away than 2%, and the video does not say which comes first. If you test it, you have to decide that yourself.

Where the presenters disagree

Breakout, pullback or continuation? The Renko material covers every philosophy:

- Buy the brick that closes above the swing high[16].
- Buy at support, because, the presenters say, many traders are more comfortable there than chasing breakouts[21].
- Buy the continuation. The Panch Ka Punch setup enters on the sixth brick after five same-coloured bricks, but only if the 40 EMA agrees[17].
- Buy the failed breakdown: a weak breakout followed by a multi-brick move up[20].

Is a stop required? Bansal uses a hard stop and forbids averaging down[4]. Panch Ka Punch gives no fixed stop and merely advises a live one[17]. The Budget-day Renko method treats the stop as optional and relies on a daily loss limit and a cap on the number of trades[18].

Which trend filter? Options include:

- a triple moving average whose periods are never stated[2]
- a single 40 average[16]
- the proprietary D-Smart cloud[19]
- moving average plus RSI and breadth[3]

- no indicator at all, only patterns[4]

Does the chart type even matter? The Budget-day video points out something easy to forget. Switching between Renko, Point & Figure and candlesticks changes the signals, even though the price action is identical[18]. A "noiseless" chart is not neutral. It is a modelling choice that produces its own set of trades.

Pitfalls

- **No backtests at all.** None of the thirteen Renko and line-break videos shows one. Six rest on chart examples, four on anecdote, and three give no evidence.
- **The pattern on its own is weak by the presenters' own account.** The Panch Ka Punch presenter concedes that the five-brick run alone often fails[17]. The support-reversal presenters admit one example had poor risk-reward because of overhead resistance[21].
- **Costs on small bricks.** A 0.05% brick on 1-minute Nifty data prints many bricks a day. None of the intraday Renko videos counts costs or slippage[3,23,18,16].
- **Repainting on daily bricks.** A signal you see at 2 pm may not exist at 3:30 pm[16,17].
- **Whipsaw in ranges.** Line-break and Renko charts both flip back and forth in sideways markets[22,3]. Removing time does not remove ranges.
- **Rules you cannot reproduce.** Moving-average periods are left unstated[2,21]. The D-Smart "P" pullback criteria are not disclosed[19,23]. Level marking is discretionary[20].
- **Selective reviews and stale levels.** Daily market reviews report earlier calls as successes without showing the failures. Their price levels date quickly[24,20].

D-Smart, MAST Cloud and Stop-and-Reverse Systems

What these tools are

This section moves from chart types to the indicators Definedge draws on them. All the material comes from one firm, so read it as an internal view, not an independent consensus. Several different presenters do appear, which gives some variety of voice, but they all use the same platform.

D-Smart. The launch video describes D-Smart as a single adaptive trend line that fuses ideas from Supertrend, moving averages, Donchian breakouts and price-to-average disparity. The aim is a line that speeds up in strong moves and slows in chop[25]. It has the following parts:

- **Running Line:** fast, near price.
- **Walking Line:** slower, further away. This is the line most presenters use as the stop.
- **Cloud:** the band between the two. Price inside it is treated as consolidation, a no-trade zone[25,26].
- **Optional markers:**
- Donchian breakout arrows: the 40-brick high or low.
- "P" pullback markers.
- A "Star" for large disparity from the average, read as an exhaustion warning[25].

The default period depends on the chart: 40 bricks on Renko[25], 6 on Point & Figure and 10 on candlesticks[26]. The launch presenter says the formula itself changes by chart type[25].

The important point is that **the formula is not public**. One video's own caveat is that results cannot be reproduced outside the Definedge ecosystem[26]. You can observe what the line does, but you cannot independently code it.

MAST (also called MUST) cloud. This is a cloud formed from a moving average and a Supertrend. Green means bullish, red means bearish[27,28,29].

Super Swing Line. This is a simpler and more transparent idea. A line sits a fixed percentage away from price, below price while closes are bullish and above while they are bearish. It flips when a close crosses it[30].

Stop-and-reverse (SAR). A system that is always in the market. When the long stop is hit, you exit and go short at the same moment, and vice versa. The appeal is that you never miss the start of a trend. The cost is that every whipsaw costs you twice: once on exit and once on the new, wrong-way position.

What the presenters agree on

- **The line is the stop and the exit.** Nine videos use the indicator line as the stop and reverse or stand aside when it is crossed[31,32,30,33,25,26,34,29,28].
- **Trade only in the direction of the line or cloud**[35,36,32,25,26].
- **Know your loss before entry.** Several presenters make this concrete:
- Convert a percentage line into points, so you know the rupee risk per lot[30].
- Measure the distance from entry to the line and skip the trade if it does not fit[33].
- Set a total loss budget for the system and stop if it is spent[34].
- **Require confirmation:** a close, a sustained break or an extra brick, not a touch[31,34,26,36].
- **Stay out when price is inside the cloud or the setup is neutral**[25,26,35,36]. A related idea is to take only a light position when price breaks out but breadth has not confirmed[32].
- **Expect a low win rate and judge on expectancy and drawdown over a fair sample**[30,28,29,34,27].
- **Pick one system and leave its defaults alone**[29,36,34].
- **Plan for gaps before they happen**[32,34,29].

The gap lesson is taught most vividly in a market-review episode from the day of the 2024 election result. The presenter's point is that you cannot control a gap, only decide in advance what you will do when one hits. His answer was to exit at the line even at a loss, so that the full mark-to-market damage is avoided and capital remains to re-enter in the new direction[32]. The examples were selected after the event. Some of the levels quoted for Silver in that video contradict each other, so treat the specific numbers as unreliable.

Worked example setups

Setup: D-Smart line Renko stop-and-reverse with a confirmation brick

- **Chart:** Nifty and BankNifty futures, positional. A 1-minute Renko chart. The video gives the brick size as "10" without making the unit fully clear. Only the D-Smart line at its default 40 is plotted, and the presenter insists it is never modified.
- **Entry:** Long when price crosses from below to above the line, short on the reverse. The crossing brick is the signal. The presenter's refinement is to enter only after one more brick beyond the signal brick.
- **Stop and exit:** This is stop-and-reverse, trailing the line. If price makes one brick against the position beyond the signal brick, exit and wait. Re-enter when price crosses and confirms again. After roughly two stop-outs in a range, abandon the idea and wait for a fresh signal. On an adverse gap beyond the stop, exit into the gap.
- **Risk as described:**
- Capital of about ₹4 lakh per Nifty lot (₹2 lakh margin plus ₹2 lakh buffer).
- A fixed maximum loss for the whole system (example ₹1 lakh), after which it is stopped.
- A pre-assumed worst gap of about 500 points on Nifty and 2,000 on BankNifty.
- The presenter says the confirmation brick cut typical stops from about 250–350 points to about 150–275.
- Add one or two lots only when the stop is close: on a pullback to the line or a swing breakout.
- **Evidence:** Anecdote and selected single trades from an experienced trader's interview. The presenter himself says a backtest of a different system had failed live, which is why he discounts backtests. No systematic results are shown.
- **Source:**[34].

This interview is the most-viewed video in the section, and it is valuable for its risk thinking more than its signal. Look at what it asks you to decide before any trade:

- a capital buffer beyond margin
- a system-level loss budget
- a worst-case gap figure
- a rule for when to stop trading a choppy patch

Those habits transfer to any trend system, proprietary or not.

Setup: Super Swing Line percentage trailing stop-and-reverse

- **Chart:** Nifty on the 30-minute timeframe (15-minute behaved similarly in the presenter's tests; daily was weaker). The line is set at 1.2%; the presenter suggests a range of 1.1–1.5%.

- **Entry and exit:** Long when price closes above the line, short when it closes below. Always in the market. The line is the only exit, and there is no target. The presenter deliberately does not exit early, arguing that the occasional very large trend pays for everything.
- **Risk as described:** At Nifty around 25,000, 1.2% is about 300 points per lot; on BankNifty it is about 600. The presenter admits the system gives back about 300 points on reversals.
- **Evidence:** A backtest run on the presenter's broker's tool, covering about August 2023 to July 2024, with roughly 18 trades on Nifty 30-minute and about 28% return on the long side. The daily version shows about 14 trades and about 7.6%. The presenter describes the period as strongly bullish. The 1.2% figure was chosen after testing many percentages. Costs, slippage and futures rollover are not discussed.
- **Source:** [30].

This is one of the more transparent setups in the chapter, because the rule is simple enough to rebuild yourself. It is also a good illustration of why one bull year and 18 trades cannot validate anything. A parameter picked as the best of many on that year will almost certainly look worse on the next one. The useful exercise is to test 1.0%, 1.2% and 1.5% across several years, including sideways ones, and see whether the result holds or collapses.

Setup: Renko MAST cloud signal expressed through options (long call versus short put)

- **Signal:** Nifty continuous futures on a 0.05% Renko chart with the MAST cloud. Long when a brick closes above the bullish cloud. Exit when it closes below the bearish cloud.
- **Expression:** Either buy the at-the-money call on the nearest monthly expiry, or sell the at-the-money put on the same signal. Exit both on the signal exit.
- **Capital as described:** About ₹20,000 for the call and about ₹1.3 lakh margin for the put. Brokerage is assumed at ₹60 per leg.
- **Reported results:**
- Long call: negative expectancy with roughly 44% maximum drawdown.
- Short put: positive expectancy with roughly 15% drawdown and a profit factor around 1.52.
- Total profit is quoted at about ₹1.66 lakh for the call and ₹1.37 lakh for the put. That sits oddly beside the call's negative expectancy and probably reflects how returns were computed on different capital bases, so treat the comparison as ambiguous.
- **Evidence:** A two-year backtest in Definedge's Optest tool, presented as a product demo. There is no parameter sensitivity check, and slippage and taxes are excluded. The short put's gap-down risk is mentioned but not quantified.
- **Source:** [27]. A companion demo on a 0.5% Renko stop-and-reverse finds that alternating a long call and a long put had negative expectancy and about 50% drawdown, while pairing a long call with a short call cut drawdown to about 9% [28].

The lesson from this pair of videos matters more than any number in them. **The same directional signal can have very different outcomes depending on how you express it.** A long option bleeds time value in the sideways stretches that every trend system spends much of its life in [27,28]. A short option collects that decay but takes on open-ended gap risk. The sources suggest testing whether a trend signal works in the instrument you plan to trade, not only whether the signal itself works.

One more practitioner system shows how far the same idea can be pushed [29]. It runs a 1-minute Point & Figure chart with a 1% box and reversal 3, and the MUST cloud sets direction:

- Go long on a red-to-green flip, entering at the column's L2 value.
- The stop sits at the cloud's extreme and is reviewed only at 9:30 and 12:30.
- When the stop is hit, reverse with **double quantity**.
- A second lot is traded in and out at support and resistance marked on a 4-hour chart.

The presenter describes a three-month losing streak. She also claims the system is net positive in nine of twelve months, and that claim is not independently shown.

A regime-filter use for long-term investors is described in [37]. A NIFTYBEES monthly SIP runs while a 0.25% Renko MUST cloud is green. Everything is sold when it turns red and price closes below the L2 support. A 25% GOLDBEES sleeve runs on its own cloud. The presenter cites about 118 trades since 2007 with one losing year, but declines to show the backtest, so the claim cannot be checked from the video.

Where the presenters disagree

Question	Positions in the videos
Always in, or selective?	Always reversing [30,34]; reversing with double size [29]; long or cash, never short [37]; only when a breakout and the trend agree [33]
How often to move the stop?	Continuously along the line [26,34]; only at 9:30 and 12:30 [29]; a flat 30% option stop as an optional extra [28]
Confirmation or not?	Wait one extra brick [34]; never exit early, the line is the only exit [30]
Pure system or discretion?	One indicator, never modified [34]; a discretionary second lot [29]; a breadth and relative-strength overlay [32]; three interchangeable systems offered side by side [36]
Which options expression?	Buy calls with a D-Smart walking-line stop after a filtered Turtle breakout [33]; sell puts [27]; pair a long and a short call [28]

The deepest split is between doubling on reversal and fixing a loss budget. Doubling quantity on each flip means the losing streaks that every SAR system goes through get more expensive at exactly the wrong moment [29]. The confirmation-brick trader instead caps the total loss for the system and adds size only when the stop is close [34]. Both are experienced traders describing what they do. Only one of them has a built-in limit on how bad a bad run can get.

Pitfalls

- **Thin evidence.** Of the videos in this group:
- three show backtests: two are short Definedge product demos[27,28], and the third was run on the presenter's broker's tool[30]
- one describes a backtest but declines to show it[37]
- the rest rest on examples, anecdote or no evidence at all
- none shows an independent live history of results
- **You cannot test what you cannot rebuild.** D-Smart's formula is proprietary[26,25]. The Super Swing Line and a plain moving-average-plus-Supertrend cloud can be reproduced elsewhere; D-Smart cannot.
- **Curve-fitting and short windows.** One bullish year with a parameter picked after the fact[30]. A single two-year window with no sensitivity test[27]. A headline return of about 1400% quoted for a version whose expectancy the same presenter reports as negative[28].
- **Titles that overpromise.** One video's title promises entry, exit, stop-loss and trailing rules, but the content gives only a cloud-colour bias, with no stop or sizing[35].
- **Gaps and undefined risk.** Unhedged futures positions[29] and short puts[27] are exposed to overnight gaps that a line-based stop cannot prevent.
- **Theta for buyers.** Long options in a trend system lose value during the frequent sideways phases[27,28]. The Turtle-breakout option-buying method does not discuss decay at all[33].
- **Product context.** Nearly every video in this group sits inside a platform, tool or course promotion. That does not make the ideas wrong. It does mean the incentive is to show the tool at its best.

Chapter checklist

- **Know what your chart is drawing.** Heikin Ashi bodies are computed, not traded prices[1]. Renko and line-break charts drop time entirely. Before testing any rule, decide which real price your entries, stops and exits refer to.
- **Presenters recommend setting Renko bricks as a percentage of price, matched to the holding horizon,** and checking whether the data can repaint, especially on daily bricks[16,17].
- **Use the higher timeframe or a trend filter to decide direction,** and the noiseless chart only to time entries in that direction. Skip signals that conflict[6,8,16].
- **Act on a closed candle or a completed brick, not a touch,** and decide in advance whether your stop triggers on a touch or a close[9,14].
- **Treat a doji cluster as a pause, not a reversal.** Exit on your stop or an opposite signal, and accept the giveback that costs[7,11].
- **Convert every line or channel stop into rupees per lot before entering.** If it is too wide, change the timeframe or contract size, or skip the trade, rather than abandoning the stop[30,9,14].
- **For any stop-and-reverse system, set a total loss budget and a worst-case gap assumption before the first trade**[34]. Be wary of doubling size on reversals[29].

- **Test the instrument, not just the signal.** The same trend signal can show negative expectancy as a long option and positive as a short one, with very different drawdowns[27,28].
- **Prefer rules you can rebuild yourself.** A percentage trailing line or a Donchian channel can be tested anywhere. A proprietary line can be checked only on its vendor's platform[26].
- **Count costs, and test across several years and regimes.** Nothing in this chapter has been tested with costs over a long period, so every parameter here is a hypothesis to check on your own data.

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9. Point & Figure Charting

Most charts plot price against time. A Point & Figure (P&F) chart drops time altogether. It records a new mark only when price moves by a set amount, and it switches direction only when price reverses by a set amount. Quiet sideways days add nothing, and a sharp move adds many marks. What remains is a chart of supply and demand, and its patterns can be defined precisely enough for a scanner to find them.

That precision is why P&F holds such a prominent place in this handbook. Nearly all the material here comes from one house, Definedge, which also builds and sells P&F scanners, charting software and automation tools. Two Elearnmarkets interviews add an outside voice. Read the chapter as one well-developed school of thought taught by several presenters, not as independent confirmation from many sources. Evidence is thin. A handful of videos show backtests, almost all run on the presenter's own platform. Most show chart examples chosen after the move.

By the end of this chapter you should be able to:

- build a P&F chart and explain what box size and reversal do
- read the two basic signals and the named patterns built from them
- understand why presenters wait for a "follow-through" instead of buying the first breakout
- draw 45-degree trendlines and read vertical-count targets with appropriate scepticism
- combine several box sizes the way the sources combine timeframes

Most importantly, you will know which claims are testable and how little of this material has been tested.

P&F Construction and Double Top Buy / Double Bottom Sell

How the chart is built

A P&F chart has two settings, the **box size** and the **reversal**.

The box size is the price move one mark represents. Rising prices are drawn as a column of X, one X per box gained. Falling prices are drawn as a column of O. The chart stays in the current column until price moves against it by the reversal amount. The standard reversal is three boxes. At that point a new column starts in the opposite direction, one column to the right. The basic construction is set out in the long Elearnmarkets walkthrough[1] and the Definedge complete guide[2].

Two practical choices follow.

What price to plot. The guide in[2] uses the closing method: only the close decides whether a box is added or a reversal occurs. This keeps intraday spikes out of the chart.

Percentage or absolute boxes. You can set a box as a fixed number of points, a percentage of price, or a multiple of ATR[1]. One Definedge discussion argues for percentage (logarithmic) boxes. ATR boxes can change after the fact, and fixed-point boxes are not comparable across stocks at different price levels[3]. To illustrate with an example of our own, not one from the video: a 1% box behaves the same way on a ₹100 stock and a ₹5,000 stock. A 10-point box does not.

Because the box decides how much movement is needed before anything is drawn, box size works like a timeframe. One presenter is careful to say that box size is *not* literally a timeframe[4]. The rough mapping several videos use is:

Box size (stocks)	Rough horizon it is used for	Sources
~0.25%	Short term / daily swing	3,2,5
~1%	Medium term / weekly	3,2
~3%	Long term / monthly	3,2
~0.05 box on 1-minute data (units not clearly stated); one video allows widening to 0.10	Intraday index	2,6

These are rules of thumb. None of the videos show a test of why these particular values were chosen.

The two basic signals

Everything else in this chapter is built from two signals.

- **Double Top Buy (DTB):** the current X column rises one box above the top of the previous X column.
- **Double Bottom Sell (DBS):** the current O column falls one box below the bottom of the previous O column.

These definitions are used consistently across the material, for example in[2,1,7]. Because they are mechanical, two people looking at the same chart with the same settings will see the same signal. This is the main reason presenters prefer P&F to hand-drawn patterns[3].

A DTB on its own is just a new high relative to the last swing. To turn it into a trade, presenters add a **trend filter**. The most common is a 10-column moving average, calculated over columns rather than days. In one version it uses the column high for X columns and the column low for O columns[2]. The rule is to take DTBs only above the average and DBSs only below it[2,1,8]. Other videos use Definedge's own D-Smart line as the filter[9].

One explainer frames this as a "setup". Pattern and trend agree, and the setup is bullish or bearish. They disagree, and the setup is neutral and you do nothing[10].

What the presenters agree on

The stop is known before entry, and it usually comes from the opposite pattern. For a long taken on a DTB, the stop is the level at which a DBS would print, or the pattern low[2,8,1]. This is the strongest consensus in the section. It also gives P&F a natural exit: hold until the opposite signal appears.

Skip or resize trades whose stop is too wide. One presenter says to reduce quantity instead of changing the box size to make the stop look smaller[1]. Another considers a pattern-failure stop of about 5–6% at most to be affordable. In his examples, HUDCO at around 11% was rejected and Power Grid at around 3.3–3.8% was accepted[11]. The Elearnmarkets trader interview sets size from a fixed 1% risk per trade. A stop about 1% away allows a large position, and a stop about 7% away a much smaller one[12].

Act on the close, not the intraday poke. Entries are taken on the closing value that breaks the level[2]. An automated version only allows entries after about 3:05–3:10 PM so that the daily close is effectively known[9].

P&F can sit on top of candlesticks. Two discussions describe P&F as a confirmation layer that removes candle noise, such as long shadows and single rejection candles, rather than as a replacement for price-action reading[13,3].

Setup: DTB/DBS with a 10-column moving-average filter

- **Chart:** closing-method P&F, percentage box matched to horizon, 3-box reversal; 10-column moving average built from column closes.
- **Long:** take a DTB only when price is above the average, entered on the closing value that breaks the level.
- **Short:** take a DBS only when price is below the average.
- **Stop:** the opposite pattern's value. In the presenter's example, a long entered at 25309 had its stop at 25132 and was exited when a DBS formed at 25897.
- **Counter-signals:** a DTB forming below the average is treated as an exit for shorts, not a new buy; a DBS above the average exits longs.
- **Target:** none; hold while pattern and trend stay aligned.
- **Where it applies:** NIFTY, BankNIFTY, futures and stocks, daily or 1-minute.
- **Evidence:** hand-picked chart examples; the claim that the filter improves accuracy is asserted, not measured.
- **Source:**[2]; parallel versions in[1] (stop one box beyond the pattern extreme) and[8] (trail to the column midpoint once the breakout column extends beyond five boxes; move to breakeven at the first count).

Setup: DTB above D-Smart, swing portfolio

- **Chart:** daily P&F with 3-box reversal. The video states the box as "25%", which is almost certainly 0.25% given the other daily-swing material, but the figure is ambiguous as stated.
- **Universe:** F&O stocks, long only.
- **Entry:** a DTB, only if price is above the 6-period D-Smart line, and only after about 3:05–3:10 PM.
- **Exit:** a close below D-Smart 6 (trailing). The alternative DBS exit is faster but produces many more trades and higher costs.
- **Portfolio:** ₹1 lakh starting capital with reinvestment, capped at 5 or 10 open positions.
- **Reported results:** about 27% CAGR from 2015 with 5 positions; a 43% win rate over 326 trades; drawdown about 16% with 10 positions, which the presenter says was lower than with 5.
- **Evidence:** a backtest on the presenter's own platform, with several losing years (2019, 2022, 2025), parameters chosen after trying variants, and a universe of today's F&O stocks, which introduces survivorship bias. Costs are not shown.
- **Source:** [9]

The second box shows what a modest-win-rate trend system looks like on paper. More than half the trades lose, and the result depends on the winners being larger. Notice what is missing: costs, an out-of-sample period, and a universe drawn from historical rather than current index membership.

Where they disagree

Which side of the average? Most presenters require a DTB *above* the moving average [2,8,1]. One Definedge video says DTBs forming *below* a moving average backtested better [14]. That claim comes with no period, sample size or costs. These are opposite rules from the same house, and only your own test can settle them.

How to exit. The options range widely:

- a fixed 2% target, reported at about a 48% success rate on Nifty [14]
- vertical-count targets [7]
- no target, holding until the opposite pattern [2,5]
- a structural investing version that treats count targets as "indicative only" and exits on the first bearish pattern [15]

How wide a stop is acceptable depends on the horizon. The investing version accepts roughly 12–15% to the DBS on a 3% box [15]. Swing presenters want a few percent.

Which pattern to buy. One explainer prefers the Triple Top Buy, five columns X-O-X-O-X breaking the equal highs of the two earlier X columns. He falls back to a later DTB when the triple top's stop is too wide [5]. Others simply take the DTB.

Pitfalls

- **Box size is a hidden parameter.** The Elearnmarkets presenter admits the method is "not as easy as it looks" because so much depends on the box chosen[1]. Change the box and the signals, stops and results all change.
- **Always-in reversal systems have no hard stop.** The budget-day intraday system flips long and short on every opposite signal on a 1-minute 0.05 box[6]. That can mean many small losses and heavy costs, none of which are shown.
- **Failed patterns are common.** One video shows a failed triple top alongside its successes[5]. Another treats a DTB that immediately reverses into a DBS as a trap, not as something to hold[8].
- **Product context.** Most of these lessons end in a pitch for a scanner or platform. That does not make them wrong, but it explains why the tests shown are friendly ones.

Advanced P&F Patterns

From two signals to a vocabulary

Every named pattern in this section is a DTB or DBS with extra conditions about what came before it. Seen that way, the vocabulary is easier to learn:

Pattern	What it adds to a plain DTB/DBS
Triple Top Buy	Two earlier X columns topped at the same level, so the breakout clears a tested resistance[5]
Turtle breakout	Price clears the high of the last five X columns (a longer base); bearish turtle is the mirror below five O columns[16,17]
Affordable breakout	The pullback before the DTB was shallow, so the stop is small[18]
Bear trap / bull trap	A DBS fails and the very next column prints a DTB, or the reverse[19,20]
Low Pole Follow Through	After a DBS, a rally column retraces at least half the prior fall; buy only the next DTB[21]
Triangle	Each column stays inside the previous one; buy the DTB out of it[22]
Quadruple top	Four or more X tops at one level, read by one presenter as resistance to sell, not a breakout to buy[23]
Objective H&S / cup and handle	Western patterns encoded as P&F rules so a scanner can find and test them[24]

The idea underneath is consistent. A pattern describes *where the stop goes* as much as where the entry is. A turtle breakout after a long base, a trap that has just failed, and an affordable breakout with a shallow pullback all give a defined invalidation point close to the entry.

Consensus lessons

The stop sits at the pattern's structural failure point. This is the DBS cell, the anchor low, the shoulder, or the failed trap level[17,18,24,25].

Cap that risk objectively. Presenters use boxes or percentages:

- a pullback of 7 boxes or fewer[18]
- a stop capped at 8–9%[17]
- only trap trades with stops around 2–4%, skipping those at 8–10%[20]

Filter by trend or relative strength:

- the 10-column average[18]
- D-Smart[26]
- RS ranking[17]
- a ratio of midcap/smallcap to Nifty 50 above its average[27]
- a "trend ratio" of X boxes minus O boxes over the last four columns, with above 50% preferred[28]

Do not chase. Wait for a column reversal, a pullback or a follow-through DTB rather than buying into the breakout column[17,21]. One scanner presenter takes a different route: after end-of-day scanning, place a GTT order at the probable breakout level in advance, and skip stocks already in the breakout column[16].

Setup: Affordable Bullish Breakout

- **Chart:** daily end-of-day P&F, 0.25% box, 3-box reversal; F&O stocks.
- **Conditions:** the chart is in a column of X; the retracement column before the breakout is no more than 7 boxes (3–5 also acceptable, never below 3); the breakout column itself is no more than 12 boxes; price is above the 10-column moving average.
- **Entry:** when the X column rises one box above the previous X column (closing method). Optionally, watch a "probable" list and place a buy-stop at the DTB level in advance.
- **Exit:** a DBS; no target.
- **Backtest portfolio:** ₹1 lakh, reinvested, maximum 5 positions.
- **Reported results:** 2005–2026, about 1,984 trades, about 28% CAGR, about 35% win rate, risk-reward about 3. The presenter notes drawdown roughly equal to CAGR.
- **Evidence:** a backtest, but on the presenter's own parameters, with no out-of-sample test, no costs or taxes, and a possibly survivorship-biased universe.
- **Source:**[18]; the indicator settings alone appear in[29], which gives no exit and no box size.

This is one of the more complete tests in the chapter, and also a good example of what to question. Seven boxes, twelve boxes, a 10-column average and five positions are four tunable numbers. Changing any one of them is likely to move both the CAGR and the drawdown, as the presenter

himself acknowledges. A drawdown roughly the size of the annual return is something most traders cannot sit through.

Setup: Turtle breakout with pullback entry

- **Chart:** daily P&F, 0.25% box; mid/small-cap stocks in a trending market.
- **Turtle definition:** price above the high of the last 5 columns.
- **Two scans:** (A) a turtle breakout in the latest column followed by a pullback of about 7–11 boxes with no DBS; (B) a turtle breakout 2–3 columns back with a shallow pullback, and the last column back in X.
- **Ranking:** by relative strength.
- **Entry:** on the column reversal, or more conservatively on the next DTB.
- **Stop:** below the DBS cell, never more than 8–9% from entry; deeper patterns get smaller size or are skipped.
- **Exit:** trail with a moving average, a bearish turtle, or the most recent minor bottom.
- **Evidence:** chart examples only; the presenter calls it a candidate-finder rather than a complete system, and exits are partly discretionary.
- **Source:** [17]

Setup: Bear trap / bull trap reversal

- **Chart:** daily P&F, 0.5% box; Nifty 200 scan.
- **Bear trap:** a downtrend breaks the previous low, then reclaims the prior swing level. Go long on the recovery.
- **Bull trap:** a breakout above the previous high fails into a series of O. Go short.
- **Stop:** set from the previous day's close and known in advance. Only take names where it is roughly 2–4%; skip those at 8–10%.
- **Exit:** into the fast recovery, which the presenter says tends to play out over a day or two; no fixed target.
- **Evidence:** anecdote from a single example day on which 24 Nifty 200 stocks showed traps; no backtest or win rate.
- **Source:** [20]; an intraday automated variant (failed DBS followed in the very next column by a DTB, exit on the next DBS) is in [19], where the video's "15 box size" is ambiguous as stated.

Where they disagree

Is a quadruple top bullish or bearish? One presenter shorts the column reversal after four or more equal tops on 1-minute charts. He says that in his journal roughly 90% of triple-top buys failed, but shows no data. His trades last about an hour, with a stop at the nearest box [23]. Another presenter,

scanning daily 3-point charts for long-term ideas, lists triple tops, diagonal triple tops and quadruple bottoms among his bullish setups[30]. He does not address the bearish reading at all. Setting the two side by side is our own comparison, not a debate either presenter engages in. Part of the contrast is timeframe: the bearish reading is explicitly an intraday one, and its author says it works worse on daily charts[23]. Still, it is a reminder that similar shapes can be read in opposite ways.

Pattern or pullback? Some buy the breakout trigger itself[18,24]. Others wait for the pullback and column reversal[17]. One presenter lays out four acceptable entry methods:

- enter immediately
- split 50/50 between the breakout and confirmation
- execute at a fixed time
- enter the next day if the breakout was missed

His one rule is to choose one method and use it every time[26].

Fixed target or trail? Measured-move targets appear in[24]. Pure DBS exits appear in[26], whose presenter openly admits the DBS can shake you out early. His example exited around 900 before a run to about 1600, and re-entering means buying back higher.

Box size and timeframe vary from 0.15% boxes on 1-minute charts[22] to 3% daily for stocks[16]. One presenter calls small-box 1-minute trading a trap risk[16], while others build automated 1-minute systems on it[22,21].

Pitfalls

- **Tiny samples dressed as statistics.** The objective H&S tests report hit rates from 6 to 17 trades, and some stocks show "100%" success on a handful of instances[24]. Three or four trades cannot establish anything.
- **Patterns with no exit.** Several videos teach the trigger well and leave out the exit or the stop[29,28,16]. In one options-turtle video the trade-management rules could not be recovered at all[31].
- **Unsupported claims.** Examples include the "90%" failure figure[23] and the claim that long strategies statistically beat short ones, made without data[22].
- **Event trades.** The pre-result setups enter 3–4 days before results in the direction of the P&F setup[32], or buy options 1–3 days before[33]. The second video itself notes gap risk and volatility crush after results. Both rely on a few chosen examples.
- **Plan for losing streaks.** One automation presenter advises allocating margin for five or six consecutive stop-losses[22]. That is sensible advice for every pattern here.

Anchor Columns and Follow-Through

What an anchor column is

An **anchor column** is a long column, usually of X, with no meaningful correction inside it. It is the P&F picture of a strong, one-sided move. The definitions cluster around 15 boxes:

- 15 or more X as a scanner default[34]
- more than 15[35]
- about 14–15[36]
- 15 boxes with no correction[37]

The idea behind it is the "establish the trend first" principle that runs through this handbook. A stock that has just printed an anchor column has shown demand overwhelming supply.

Why wait for follow-through

The natural instinct is to buy the anchor column itself. The presenters argue against this for two reasons.

The stop is too far away. If you buy near the top of a 15-box column, the DBS that would prove you wrong sits a long way below, so the reward-to-risk is poor[4,34].

There is no proof yet that the move has strength. If buying leads to more buying, a follow-through signal will come. If it does not, the move fizzles and you were never in it[4].

So the rule is: let the anchor column end, let price pull back in a column of O, and enter on the *next* DTB. That next DTB is the follow-through[38,4,35,34]. If you miss it, wait for the next continuation follow-through instead of chasing[35,39]. If no follow-through ever comes, there is no trade[4].

This is the "confirmation, not the first touch" idea in its purest P&F form. Its cost is the one the wider handbook keeps noting: you enter later and miss some of the move, and nobody here measures how much.

Consensus lessons

- **The stop and exit come from the pattern.** Use the opposite signal, a DBS for longs[4,34], or a named pattern-failure level[40,41].
- **Add a trend or timeframe filter.** Use a moving average[4,35], or agreement across box sizes, such as 3% and 1% charts both bullish[42].
- **Check affordability before entry.** One trader skips anything with a stop above about 3% and prefers under 2.5%[43]. Another accepts about 9 boxes, roughly 2–2.25%, on a 0.25% chart[40]. A third notes that volatile momentum stocks may need 3–10% stops[41].

> **Setup: Anchor Column Bullish Follow-Through (daily, long only)**
>
> - **Chart:** daily P&F, 0.25% box, 3-box reversal.

- **Setup:** a single column of 15 or more X.
- **Entry:** the next DTB after the anchor, whether immediate or in a later column. Fresh signals only. The setup is invalid if the anchor column's low breaks. Optional filters: price above D-Smart or a moving average, or a strong sector.
- **Exit:** the next DBS, which doubles as the trailing stop; no profit target.
- **Sizing in the example:** about ₹1 lakh per stock, maximum 5 positions.
- **Where it applies:** NIFTY 500 stocks.
- **Reported results:** a 38% success rate with average risk-reward close to 3; about 13 fresh candidates on the day scanned. Stops were about 2–3% in the examples but about 9% in one scanner case.
- **Evidence:** a backtest whose period, sample and cost treatment are not shown; the claimed benefit of the filters was not demonstrated. Presented alongside an automation product.
- **Source:** [34]

Setup: DTB after an anchor, with stop-affordability and breadth checks

- **Setup:** a long O column overcome by an X column, with the stock near its 52-week high (watchlist sorted by distance from the high) and no strong sell signal below the moving average.
- **Market gate:** positional trades only when fewer than about 15% of NIFTY 500 stocks have ATR% above 5%; otherwise stick to intraday index trading.
- **Entry:** a DTB after a small pullback, only if the stop distance is under about 2.5% (skip above about 3%).
- **Stop:** the DBS level. On a 0.25% box, seven O equal about 1.75%.
- **Exit:** book at the first count, roughly 10 boxes; then wait for a fresh follow-through before re-entering; trail as the next count approaches.
- **Sizing:** about 8 positions on average; options limited to 1–2 BankNIFTY lots.
- **Evidence:** anecdote from a trader interview. The trader also describes a trade held 29 days without a stop that then lost 10% in one day, a candid illustration of what happens when the rule slips.
- **Source:** [43]

Setup: Follow-through with moving-average filter, including trap variants

- **Long:** the next DTB after a bullish anchor column, only with price above the moving average. Short is the mirror below the average.
- **Bull trap:** if a DTB fails into an immediate DBS, short the *next* DBS. Bear trap is the reverse.
- **Stop and exit:** the opposite signal, trailed.

- **Box sizes given:** NIFTY 0.10, BANKNIFTY 0.15, index intraday 0.05 on 1-minute; stocks 0.25% short, 1% medium, 3% long term; options 3% (1% aggressive) on 1-minute.
- **Evidence:** presenter-chosen chart examples; no systematic test.
- **Source:** [4]

Where they disagree

Is a 15-box column a launchpad or an exhaustion point? This is the sharpest internal conflict. Most videos treat the anchor as the base for a follow-through entry [34,35]. A column-analysis video argues the opposite from a stock's historical distribution of column lengths. For JB Chemical, about 15 boxes was the most common length, so it is treated as the probable exhaustion point where you *book* profit, and you enter only adjacent patterns [44]. That presenter also admits the percentages are noisy and shift with box size. Between these sits a preference for anchors *under* 20 boxes for one follow-through variant [40].

Exits. The options include:

- the DBS only, with no target [34,4]
- the first count, then breakeven or trail, half-booking in cash trades [40]
- VC1/VC2 projections [35]
- partial profit when price is stretched far from its average [42]

Breadth gates are stated differently. One trader allows positional trades only when fewer than about 15% of NIFTY 500 stocks have ATR% above 5% [43]. Another allows aggressive follow-through only while ATR% breadth stays below 5% and turns cautious above 15% [40]. These may describe the same dial read from two different angles, but as stated they are not the same rule.

Holding period runs from intraday option buys held at most one or two days [36] to positional swings [34].

Pitfalls

- **Concept without risk rules.** The dedicated explainer gives no stop, size or exit while claiming risk is small, and says the idea works "everywhere and in every instrument" [38]. The short teaser gives no exit at all [37].
- **Options add decay.** The options version buys calls (or puts, in the bearish mirror) on a break of the anchor column's extreme on a 1-minute chart. The worked example gives an entry near 9.7 and a stop near 7.8, called about 1:2 [36]. The video quotes the DBS level inconsistently (8.4 and 9.18) and warns against buying in expiry week because of time decay.
- **A 38% win rate is fragile.** Most trades lose, so everything rests on the reward-to-risk holding up after costs and slippage, neither of which is shown [34].
- **Discretion creeps back in.** Market-view episodes layer breadth, open interest and other ratios on top of the anchor read [39]. One index method uses a subjective 15–20 point buffer around its "anchor point" [45]. Each extra judgement makes the method harder to test.

45-Degree Trendlines and Vertical Counts

The 45-degree line

On a candlestick chart, a trendline is a judgement call: which two points, which angle. P&F offers a more mechanical alternative. Because each column advances one box sideways, a line rising one box per column runs at 45 degrees on a square-box chart. The presenters argue this angle is fixed by the chart's geometry, so the line is objective[46,47].

The mechanics, from the clearest tutorial[46]:

- A **bullish** 45-degree line rises from a single Mini Bottom, the low of an O column.
- A **bearish** line falls from a single Mini Top, the high of an X column.
- Price above the bullish line means X (demand) dominance. Price below the bearish line means O (supply) dominance.
- A break of the bearish line flips the bias to bullish, and vice versa.

The same tutorial makes one exception. In the ABC pattern, the line is drawn from the anchor column instead.

The key rule is the same as everywhere else in P&F: do not enter on the break. Enter on the next DTB after the bearish line is broken[46,48]. Another video offers a related pullback entry: a DTB when price comes back to a bullish line and holds[48].

The lines are trend tools. In a sideways market, treat them as support and resistance rather than breakout triggers[46]. Where bullish and bearish lines criss-cross, stand aside[48].

A screening variant looks for stocks in "new territory", with no bearish 45-degree line left above price, and buys a bullish pattern breakout there. In the demo, about 500 stocks were screened[47].

Vertical counts

A **vertical count** projects a price target from the length of a column. The idea is that a long breakout column implies a proportionate further move. One presenter gives a simple rule of thumb: VC1 is about 50% of the breakout column and VC2 about 100%, the conservative and aggressive targets[7]. The exact calculation, which uses box size and reversal, is deferred to other videos in the material. One presenter admits his own quick mental estimate in the video was wrong[25].

What the presenters agree on is how to *treat* counts:

- **As milestones, not reversal points.** Book partial or full profit there and possibly re-enter[49].
- **As invalidated if price breaks the base** the count was drawn from[49], or trades below the anchor column[50].
- **Only when established and activated**, not while merely "open"[50].
- **As indicative only**, not a tradable idea on their own[15,40].

Setup: Objective 45-degree trendline break with DTB confirmation

- **Line:** anchored at one Mini Bottom (bullish) or Mini Top (bearish); from the anchor column in the ABC case.
- **Bias:** a break of the bearish line turns the chart bullish; a break of the bullish line turns it bearish.
- **Entry:** not on the break, but on the next DTB after it.
- **Stop:** the next Double Bottom.
- **Where it applies:** trending phases on daily or intraday P&F; in sideways markets, use the line only as support and resistance.
- **Evidence:** chart examples (DCB Bank, Vishal Mega Mart, Bank Nifty); no sizing or target. The choice of which Mini Top or Bottom to anchor on remains a judgement call despite the objectivity claim.
- **Source:**[46]; a two-sided variant with no stop numbers in[48].

Setup: Auto Open Vertical Count as profit milestones

- **Chart:** set the recommended box value. The presenter suggests about 10 points daily or about 0.05 on 1-minute for the index, about 25 daily or about 1% on 1-minute for frontline stocks, and about 2% daily for midcaps. Cross-check on 2–3 box values.
- **Tools:** auto 45-degree lines and an auto tool that plots only counts still open.
- **Direction:** trade with the open count; if both bullish and bearish counts are open (for example, in a triangle), trade with the breakout.
- **Exit:** when the count is achieved it disappears; treat it as a milestone for partial or full profit. The count fails if price breaks the base it was plotted from.
- **Reported statistics, Nifty, Jan 2016 to Sep 2024:** bullish VC1 achieved about 81.5% and VC2 about 71% of the time across 76 counts; bearish first count about 73% and second about 56% across 56 counts.
- **Evidence:** a backtest by the vendor of the tool. No stops, payoffs, costs or drawdowns, so a high hit rate says nothing about how much was lost when counts failed.
- **Source:**[49]

Setup: ABC pattern (anchor, consolidation, 45-degree breakout)

- **Anchor:** a column of 15 or more X (bullish) or O (bearish).
- **Consolidation:** at least O-X-O after the anchor. A single immediate down-then-up flip does not qualify.

- **Entry:** a break of the 45-degree line drawn from the anchor column out of the consolidation; mirror for bearish ABC.
- **Targets:** conservative and aggressive vertical counts.
- **Stop:** the immediate DBS below the anchor-column low.
- **Re-entry:** if stopped out but the pattern has not failed, re-enter on the next bullish pattern such as a DTB.
- **Evidence:** chart examples, one shown failing. The claim that it works on any box size including 1-minute is not demonstrated.
- **Source:** [25]; a 5-minute timing variant using Definedge's SMART indicator, whose presenter says the setup fails often, is in [51].

Where they disagree

Where to anchor the line. Options include a single Mini Bottom [46], every significant top and bottom [48], tool-plotted major and minor pivots [47], or the anchor or base column [50,52]. Different anchors give different lines. That undermines the "objective" claim more than the presenters acknowledge.

What confirms the break. Answers include:

- a DTB [46,48]
- a candle pole-flag breakout plus breadth inside a 25–75 "comfort zone" [52]
- a triple top buy with an anchor-column bear trap, which one presenter calls among the strongest patterns without statistics [50]

Universality. One tutorial claims the method works on any instrument and timeframe [48]. The counts presenter is more careful. Bearish counts reportedly do better on lower timeframes and usually fail in clear uptrends [49].

Stops. The anchor-tutorial fixes the stop at the next Double Bottom [46]. The new-territory method leaves it to the trader's preferred indicator [47]. The two-sided tutorial gives no numeric stop, but suggests using the cluster of 45-degree lines as dynamic support or resistance for placing stops [48].

Pitfalls

- **The objectivity claim is partial.** The angle is fixed, but the anchor point is not.
- **Hit rates without payoffs.** An 81% target-hit rate could still lose money if the 19% of failures are large. The counts study gives no stop or payoff figures [49].
- **Visible failures alongside universal claims.** One tutorial shows a follow-through that failed immediately while claiming the method works everywhere [48]. A market-view presenter notes his own earlier sell signal had no follow-through [52].
- **Day-specific index levels.** Episodes such as [50,52] attach counts and levels to a single day's chart. In our view, they demonstrate a reading process and should not be treated as standing advice.

Multi-Timeframe and Multi-Box P&F

Box sizes as a timeframe ladder

On candle charts, multi-timeframe analysis means looking at weekly, then daily, then hourly. On P&F, the equivalent is to look at the same instrument at several box sizes. Large boxes (3%, 5%) filter out everything but major moves and act like a monthly chart. Medium boxes (1%, 2%) confirm. Small boxes (0.25%, 0.15%) show the fine structure needed to time an entry and place a tight stop[53,54,55].

The logic is the same as elsewhere in this handbook: set direction on the bigger picture, then time the trade on the smaller one. One presenter argues that most strategy failures are really single-timeframe failures. A daily signal can be a counter-trend trade against a monthly picture you never looked at[53].

There is also a practical reason. **Large boxes give stops that are too wide for short-term trading**, so they are used only as filters. Two explainers make this explicit[53,54]. One sector-RS example shows how wide it gets: on a 3% box, the pattern-failure level sat near 89.39 against a price of about 118[56].

Consensus lessons

- **Larger box first, smaller box for entry.** This is stated or used in most of the videos in this section[53,54,55,57,58].
- **The trigger is still a DTB or Triple Top Buy**, taken only on an actual close beyond the level, not on a scanner's "probable" flag[53,55].
- **The exit and stop are still the opposite pattern**, usually the DBS on the entry box[53,56,58].
- **Add a second filter.** Use a moving average[53], relative strength against an index charted in P&F itself[56,58], or a sector RS matrix[56].
- **A column reversal is a warning, not automatically a trend change**[55].

Setup: Positional F&O futures system with multi-box, RS and volatility filters

- **Universe:** 30 F&O stocks, of which 20 are fixed and 10 rotate weekly by six-week performance. Long only.
- **Entry (all must hold, end-of-day):**
- a DTB on the 0.25% chart, above the moving average
- the same pattern on the 1% chart, above the MAST cloud (moving average plus Supertrend)
- the stock's relative-strength chart against NIFTY 50 or NIFTY 500 (1% box) above both its average and Supertrend
- stock ATR% below 3%, and margin not above about ₹2–2.5 lakh
- **Initial stop:** whichever is nearer of the DBS or a customised High Pole (10 or more boxes after the DTB with more than 50% retracement, closing basis). It is widened to about 2.5% if ATR% is low.

- **Execution:** basket stop orders placed 9:15–9:17. If an order is rejected because price gapped past the stop, wait for 9:30 and use the 9:30 low; exit if that candle is red.
- **Risk:** about 1% of capital per trade; contract value capped near ₹8 lakh per position on ₹25 lakh; maximum 15 positions; no new position until one exits; review the system after 4–5 consecutive stops.
- **Regime pause:** stop fresh longs when ATR% breadth is above 15% or P&F breadth above 80%.
- **Self-reported results:** roughly 50% hit rate, 7–8 day average hold, about 1:2.5–3 reward-to-risk, 20–22 trades a month.
- **Evidence:** anecdote in a podcast interview. There is no audited record or backtest, and the High Pole rule was widened from 5 to 10 boxes after whipsaws, which is tuning after the fact.
- **Source:** [58]

This is the most complete risk framework in the chapter, and the most-viewed video in this section. It is worth studying for its structure even though its numbers are unverified. The trader also says he tests a new system in the live market for about three months before committing real capital [58].

Setup: BOOST reversal (higher-box support, lower-box breakout)

- **Higher box (5%, 3% or 2%):** an "OPS" pattern, meaning two O columns bottoming at the same level (within a box or two, or a higher low). It is confirmed by a following X column; on the 2% box, the last column must be X.
- **Scan:** Definedge's RZone "OPS Reversal Bullish / Probable", then filtered for no DTB yet on the 1% box.
- **Entry:** a DTB on the lower box, 1% for mid caps or about 0.25% for front-line F&O stocks.
- **Stop:** at or just below the trigger, needing no more than about 8–10 boxes; skip setups where it is wider.
- **Exit:** if the lower-box breakout fails, the support did not hold, so get out. Otherwise ride the trend with no target.
- **Optional filter:** NIFTY itself in a column of X.
- **Evidence:** example charts only; sizing is described only as "keep it small". Buying falling stocks at support carries the risk of catching a falling knife.
- **Source:** [57]

Setup: Multi-timeframe DTB swing

- **Higher timeframe:** a 3% box that is bullish, cross-checked against monthly and weekly candles.

- **Medium:** 1% and 2% boxes in a column of X or forming a DTB.
- **Entry:** a DTB on the entry box, with retracement no deeper than 8 boxes. The video gives the entry box as 2.5%, which sits oddly against the 1–2% "medium" boxes; the figure is ambiguous as stated.
- **Filters:** price above a 20 SMA on candles and a 10-column SMA on P&F.
- **Stop and exit:** a DBS on the entry box.
- **Scale:** about 25 of roughly 2,125 stocks qualified on the day scanned.
- **Evidence:** hand-picked examples; the benefit of the moving-average filter is asserted, not shown.
- **Source:**[53]; a shorter version with 3% and 1% filters and 0.25% entries, but no exit, is in[54].

Where they disagree

The ladders differ. Examples include:

- 3%/1% filters with 0.25% entries[54]
- 5%/3%/2% for identification, with 1% or 0.25% entries depending on the stock[57]
- 3% for price and sector with 1% for relative strength[56]
- 0.5% to strip noise and 1% for the trigger[59], from a heavily garbled transcript

No video explains why its ladder beats another.

Trend-following or reversal. Most buy when the big box is already bullish[53,55]. BOOST deliberately buys stocks resting on long-term support after a decline[57].

Relative strength. Some videos make RS a hard condition[58,56]. One builds a numeric score: a maximum of 8 for price across timeframes, or 16 with RS, with longs avoided if the combined score is below zero[60]. Its thresholds are asserted rather than tested, and it gives no stop. Others use no RS at all.

Intraday use. Some say the ladder extends to 1-minute charts[53,55]. The most complete system is end-of-day positional only[58].

Discretion. An older Nifty analysis reads three box settings together with trendlines and counts, and admits that not every count works and that choosing among them is discretionary[61].

Pitfalls

- **More filters, fewer trades, more parameters.** Each added box size, average and RS condition makes the results look cleaner on chosen examples and harder to test honestly. One presenter warns that requiring confirmations across many charts shrinks the candidate list sharply[53].
- **Wide stops hide on the big box.** If you take the trade off the 3% chart, your stop is the 3% chart's DBS[56].

- **Gaps.** The one system that addresses gaps past the stop[58] is the exception. Elsewhere, stops are drawn as if they always fill.
- **Product dependence.** Most of these workflows run on named Definedge scanners. You can reproduce the logic on any P&F software, and you should, to check that the rules work without the vendor's presets.

Chapter checklist

- **Fix your box size and reversal before you look for trades, and keep them constant.** Changing them mid-stream changes every signal and every stop[26,1].
- **Use percentage boxes matched to your holding period.** The usual rough mapping is about 0.25% for short swings, 1% for medium term and 3% for long term. Treat it as a starting point to test, not a law[3].
- **Pair every pattern with a trend filter, and stand aside when pattern and trend disagree**[10,2].
- **Write the stop before the entry.** Use the opposite signal or pattern-failure level, and skip any setup whose stop exceeds your limit rather than widening it[11,43].
- **Size from the stop.** A fixed small percentage of capital per trade means a wide stop gives a small position[12,58].
- **After a big move, wait for the follow-through DTB instead of buying the anchor column.** If you miss it, wait for the next one[4,35].
- **Treat vertical counts as milestones for partial profit, not guaranteed targets.** Ask for the payoff on failed counts, not just the hit rate[49].
- **Set direction on the larger box and time the entry on the smaller one.** Never take your stop from a box too large for your holding period[53,54].
- **Before trusting any backtest, check its sample size, period, costs, drawdown and universe.** A drawdown close to the annual return, or a "100%" hit rate on a handful of trades, are warnings, not selling points[18,24].
- **Test the rule yourself on data the presenter did not choose,** including a live or paper period, before risking capital. Plan your margin for a run of five or six consecutive stops[58,22].

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10. Relative Strength, Breadth and Sector Rotation

An index can rise while most of its stocks go nowhere. A sector can lead for months while the headline index drifts sideways. A stock can climb 10% in a month and still lag the market that carried it. The material in this chapter is about seeing these differences clearly. Instead of asking only "is this going up?", it asks "is this going up *faster than the alternative*, and are enough stocks joining in?"

The method most presenters teach is a funnel:

1. Check whether equities are beating gold, bonds and the dollar.
2. Check how many stocks are participating in the market's move.
3. Rank sectors against each other.
4. Rank stocks inside the leading sector.
5. Use a price trigger and a predefined stop to decide when to act.

Seasonality is sometimes added as a tie-breaker.

By the end of the chapter you should be able to:

- build and read a ratio chart
- explain what a breadth reading of 80 does and does not mean
- run a sector-to-stock shortlist
- recognise where these methods are well specified and where they are thin

Two caveats shape everything that follows.

First, this chapter is very heavily drawn from one house, Definedge. Most of the tools named here are its own: RZone, the Ultimate Matrix, D-Smart and X% breadth. Most of the videos also promote those tools.

Second, almost none of the methods has been tested systematically on screen. Out of well over a hundred videos behind this chapter, only one claims a backtest, and it describes the results verbally. Treat everything here as a set of well-reasoned hypotheses, not proven edges.

Relative Strength and Ratio Charts

How it works

Relative strength (RS) compares one instrument with another. The simplest version is a ratio chart: divide the price of A by the price of B and plot the result.

- A rising line means A is outperforming B.
- A falling line means A is underperforming B.

This holds regardless of whether both are rising or both are falling. A stock that falls 5% while its index falls 15% shows a rising ratio, and the presenters treat that as a sign of strength worth noticing.

The same idea scales across every level of the market:

- **Asset classes.** Nifty divided by gold, bonds (the GS Composite) or REITs. This tells you whether equities deserve your attention at all[1].
- **Market-cap segments.** Midcap 100 or Smallcap 100 divided by Nifty 50 on a weekly chart. This tells you which part of the market is leading[2]. It helps to know how NSE's indices nest inside each other. Nifty 500 is Nifty 50 plus Next 50 plus Midcap 150 plus Smallcap 250, and the Total Market index adds 250 micro caps on top[3].
- **Sectors and stocks.** A sector divided by Nifty, or a stock divided by its sector index[4].
- **Pairs.** One stock divided by a same-sector peer, such as PFC versus REC[5].

A raw ratio line is noisy, so presenters smooth it or apply a trigger to it. The main variants are:

Construction	How it is read	Source
Plain ratio with support/resistance	Breakout above consolidation = rotate in	[2]
Ratio with "Mast" overlay (MA + Supertrend)	Above Mast = active in that segment	[1]
RS Alpha: stock return minus benchmark return	Above zero = outperforming	[6]
RSC (ratio read against 100), 12-period SMA, sign of 1-period ROC	Positive ROC = long bucket	[4]
Ratio converted to Point & Figure	Double Top on ratio = trigger	[5]

What the presenters agree on

Compare against a benchmark, not raw price. Nine of the ten videos devoted to this topic build their decisions on a ratio or RS line.

RS tells you where to look; price tells you when to act. One presenter chooses the segment by RS and enters on a price pattern[3]. Another states plainly that his RSC filter gives no entry or exit prices at all. It only decides which breakout signals are worth taking[4].

Leaders tend to keep leading, so stay with them until RS turns. The Elearnmarkets webinar presenter says strength and weakness tend to persist over 6–12 months[4]. Two Definedge presenters use a ratio breakdown, or a drop below the Mast, as the signal to leave a segment[2,1].

Use higher timeframes for allocation. Weekly charts are preferred for multi-month decisions, and one presenter says weekly RS works better than daily[4,2].

Setup: RSC sector filter (12-SMA ROC sign)

- **Rules:** Compute RSC as the stock or sector divided by the benchmark. Apply a 12-period simple moving average to the RSC line, then take a 1-period rate of change of that average. A positive ROC puts the name in the long bucket; a negative ROC puts it in the short bucket. Screen sectors against Nifty first. Inside a strong sector, require the stock to be positive against both Nifty and its own sector index. Then take breakouts, MA crossovers, Supertrend or MACD buys only in positive-ROC names, and shorts only in negative ones.
- **Where it applies:** Weekly charts, Indian sector indices and their stocks, with a 6–12 month horizon. Not meant for intraday trading.
- **Stop and exit:** Exit a long when the ROC turns negative. The filter sets no stop of its own; stops come from whichever trigger strategy you pair it with. The presenter caps risk at 1% of capital per trade.
- **Evidence:** A few single-chart examples only. The 12-period choice is justified as roughly a quarter, not tested against alternatives. The presenter also admits the RSC calculation differs between software packages.
- **Source:** [4]

Setup: RS Alpha above zero with price above its average

- **Rules:** Plot RS Alpha (stock return minus benchmark return) with period 50 on daily charts, or about 52 on weekly charts. Add a 20-period MA to the RS Alpha line. Go long only when RS Alpha is above zero *and* price is above its 50-day average (20 for short term; 100 also acceptable). In the presenter's scanner, filter for "Rising" and "Above Average".
- **Where it applies:** Stocks compared with their own sector or broad index. A bearish mirror version is described for shorts.
- **Stop and exit:** Exit or avoid when RS Alpha drops below zero, even if price is still above its average. Skip names whose RS Alpha hovers near zero. No price stop is given; the presenter suggests layering your own system (P&F, Supertrend, Renko) for timing and stops.
- **Evidence:** Hand-picked chart examples and one week of scanner output, with no follow-up results.
- **Source:** [6]

Setup: Ratio-chart pair trade with a P&F trigger

- **Rules:** Choose two stocks in the same sector (the example is PFC versus REC). Plot their ratio and note its long-term support zone. Wait for a Point & Figure Double Top (buy) or Double Bottom (sell) breakout on the ratio itself. Then buy the outperforming leg and sell the other.

- **Where it applies:** Same-sector pairs on daily charts. The trade is intended to be market-neutral.
- **Stop and exit:** Exit when the ratio reaches its pattern-failure level.
- **Evidence:** One pair, a few charts, no P&L. Borrowing costs and short-selling constraints on the sold leg are not discussed.
- **Source:** [5]

Where they disagree

How to build the RS measure. Plain ratio, return difference and smoothed rate of change are all used, and the denominator varies too: Nifty 50, Nifty 500, a sector index or a peer stock. Because the measures differ, two videos can disagree about the same stock simply because they measure it differently.

Follow strength, or fade it at support? Most presenters say to follow current strength. One long-horizon video instead favours PSU banks because the private/PSU ratio sits near a multi-year support zone dating from 2017 [7]. That is closer to a contrarian bet on mean reversion than to momentum.

Pitfalls

- **No stops or targets.** Six of the ten videos give no stop, target or position size at all [2,1,7].
- **Undefined indicators.** The Mast's parameters are not given [1]. An intraday RS method relies on a proprietary "10 smart line" and "Star" formation that are not fully defined [8].
- **Teasers with no rules.** One heavily viewed video defers all its actual rules to a paid webinar [9].
- **Cherry-picked windows.** Performance tables over chosen start dates can make either side of a ratio look right [7].
- **Shorting the second leg.** Pair trades and "short bucket" ideas need F&O access and borrowing, which none of the videos addresses.

RS and Price Scanners for Stock Selection

How it works

The scanner videos turn RS into a daily or weekly shortlist. Almost all of them use Point & Figure (P&F) charts, so a few terms are needed:

- **Box size** is the percentage move one box represents. A larger box means fewer signals, wider stops and longer holds.
- **Double Top Buy (DTB)** is a column of X that rises above the previous X column.
- **Double Bottom Sell (DBS)** is the mirror sell signal. It often doubles as the stop level.
- **Pattern-failure level** is the price that invalidates a setup.
- **Vertical count** is a P&F price objective projected from a column's height.

The core idea is to intersect two conditions:

1. The stock's **price** chart shows a fresh bullish pattern, such as a Turtle breakout (above the high of the last five columns), an anchor-column follow-through or a DTB.
2. The stock's **RS** chart, the stock divided by an index, also shows strength. That might be a DTB, a column of X, or an all-time high.

"Fresh" means the signal fired today. "Running" means the condition is still in force from earlier.

What the presenters agree on

Price and RS must agree. Roughly fifteen videos require this. A stock rising only because the whole market is rising does not qualify[10,11,12].

A scan is a watchlist, not a buy signal. The presenters wait for a DTB, a breakout close or a column reversal before entering. One of them says explicitly that a high RS score is not a timing signal[13].

Set the stop at a structural level before entry. Usually this is the pattern-failure or DBS level[14,15].

Skip trades whose stop is too far away. This is one of the most consistent rules in the chapter. One presenter drops any candidate whose stop exceeds 10%[16]. Another filters out stops wider than about 5% for F&O swing names[17]. A third prefers setups with 10 boxes of risk or fewer[18]. If the risk is too wide, they wait for the next follow-through rather than chase.

Match box size to the holding period, and keep it identical across the charts you combine[19,16].

Setup: F&O swing watchlist with a Double Top Buy trigger

- **Rules:** 1. Scan F&O stocks for an RS chart (versus Nifty 50) in its last column of X, while price has *not yet* given a Double Top Buy. 2. Drop names whose DBS stop distance exceeds about 5%. 3. Save the survivors as a group and run a DTB scan on that group. 4. Enter only when the daily DTB triggers, either through a pre-placed good-till buy-stop for high-confidence names or through a price alert. 5. Refresh the watchlist once or twice a week.
- **Where it applies:** F&O stocks on daily P&F charts, swing to positional holds. The video gives the swing box size as about 2.5%, alongside 1% for medium-term use and finer 0.5%/0.25% settings. The swing figure is unclear, so check it before copying.
- **Stop and exit:** The P&F stop shown for each stock, set at the same time as the order. No profit target is given.
- **Evidence:** One worked example (Bharti Airtel). The claim that this beats price-only scans is asserted, not shown.
- **Source:**[17]

Setup: Price + RS P&F momentum scan (Nifty 750)

- **Rules:** Run two scans on Nifty 750 with a box size of 1 and "Fresh" applied to both:
- **Price scan:** "AT Strong Bullish", meaning a Turtle breakout or an anchor follow-through.
- **RS scan:** stock divided by index, showing a simple Double Top Buy.

Keep only names that pass both. Then confirm a bullish ABC structure and a clear pattern-failure level on each chart.

- **Where it applies:** Daily end-of-day review. The demonstration was recorded in a strongly bullish market with breadth in its extreme zone.
- **Stop and exit:** Exit on a close below the pattern-failure level. The target is the projected P&F count. If the stop distance is unaffordable, wait for a smaller follow-through pattern. Keep size light when breadth is extreme.
- **Evidence:** Three example stocks, with no statistics. Results in a different market regime are unknown.
- **Source:** [10]

Setup: Expectancy-ranked universe for a 20-day average strategy

- **Rules:** Backtest a simple rule (long when the close crosses above the 20-day moving average, exit on a close below it) separately on each of about 500 NSE stocks. Sort the results by expectancy, meaning average profit minus average loss. Trade the rule only on the top 20–50 names.
- **Where it applies:** Daily charts, long only. The presenter mentions an optional Nifty trend filter.
- **Stop and exit:** Exit on a close below the 20-day average. An optional fixed stop or profit target was left out of the demonstration.
- **Evidence:** This is the most statistics-minded approach in the section, but the ranking is in-sample. The best-ranked stocks may simply have been lucky on the data used to rank them. The universe is also today's listed stocks, so survivorship bias applies, and no out-of-sample test is shown.
- **Source:** [20]

Where they disagree

Which benchmark? Most scans divide by Nifty 500 [10,11]. Several F&O-focused scans divide by Nifty 50 [17,21].

Breakout or pullback? Some presenters enter on the breakout itself [11]. Others wait for a pullback and then a break of the prior day's high [22], or for a P&F column reversal [23].

What does an RS all-time high mean? One presenter says that if only the RS line (not price) is at a record, you should trade pullbacks rather than breakouts[22]. Another says to judge strength on the price chart and never trade the RS chart itself[23].

How to exit? Most Definedge scans exit on the pattern-failure stop and target a P&F count. The most-viewed non-Definedge video, an Elearnmarkets interview, instead exits when the RS line turns down, with no price stop at all. Its presenter concedes that roughly 6 of 19 of his past calls underperformed[24].

Pitfalls

- **Parameter sensitivity.** Changing the box size changes the shortlist materially[16]. In one weekly episode, a 1% box on Nifty 750 produced a stop risk of about 16%. Switching to a finer box on the F&O list cut the highest risk to about 6.5%[25]. Box size is a risk decision, not a cosmetic one.
- **Black boxes.** One momentum score is described as a composite of more than 120 studies with undisclosed weights[16]. You cannot test what you cannot reproduce.
- **Whipsaw.** In the intraday RS-score method, one example buy was followed almost immediately by an exit signal[13]. That video also quotes box sizes of 15% (intraday) and 25% (end of day), so confirm those figures in the video before using them.
- **Single-regime samples.** Scans shown in strong bull phases say little about how the same scan behaves in a correction[10].

Market Breadth

How it works

Breadth measures participation: the percentage of an index's or sector's stocks that meet some bullish condition. The calculation is simple. If 20 of the 50 Nifty stocks are above their 200-day average, breadth is 40%[26].

The condition varies by presenter:

- above the 200-day (or 50-day) moving average[26,27]
- in a P&F column of X, which Definedge calls "X% breadth"[28]
- any condition a scanner can check: RSI above 50, MACD above signal, or ATR above 5% of price, which gives a volatility-breadth reading[29]

The reason to look at breadth is that a cap-weighted index can be pulled up by three or four heavyweights while most stocks fall. A breadth reading exposes that kind of narrow rally[30].

Most presenters read breadth in zones:

Breadth reading	Typical interpretation	Typical action
Above ~75	Extreme bullish, possible exhaustion	No fresh longs, book profits earlier, don't short on this alone
50–75, rising	Healthy uptrend	Run normal setups and breakouts
25–50	Weak to neutral	Breakouts in trend direction, smaller size
Below ~25	Extreme bearish, possible exhaustion	No fresh shorts; watch for recovery

These zones are summarised from [28,31,32].

What the presenters agree on

Judge participation, not the index alone. About nine videos make this point.

Extremes mean reduce, not reverse. In five videos, above 75 means slow down on longs and below 25 means stop adding shorts. Neither reading is treated as a signal to bet on the opposite side.

Take breakouts in the middle zone. Breakouts are favoured between 25 and 75, in the direction of the trend [31,33].

Wait for confirmation. Usually this means the breadth line crossing its own moving average, rather than acting on a single day's reading [31,33].

Breadth is a filter, not a standalone signal [31,33].

Cut size when conditions turn weak or volatile. One A Digital Blogger presenter uses an informal version: he trades fewer setups and sizes down when Nifty and small caps trend down, and after a run of four to five consecutive stop-losses [34]. This is an anecdote from about ten trades, not a tested rule.

Setup: X% breadth zone strategy

- **Rules:** Compute breadth as the share of stocks in a P&F uptrend on a 1% box, or 0.25% for short-term sector rotation. Mark lines at 25, 50 and 75, and optionally add a 5-period MA.
- Above 50 and rising: run your normal setups.
- Between 25 and 75: take simple breakouts in the trend's direction.
- Above 75 or below 25: reduce allocation, book profits earlier and add only small amounts. Do not exit everything.
- A cross below the 5-period MA is a possible reversal warning.
- After a correction, re-enter corrected stocks on fresh bullish patterns once breadth recovers.
- **Where it applies:** Nifty 50, Nifty Total Market and NSE sector indices, daily swing horizon.

- **Stop and exit:** No fixed stop. Exposure is scaled by zone. An option-writing idea at the extremes is mentioned without specifying the protection.
- **Evidence:** Chart illustrations over selected periods. The 25/50/75 thresholds and the 5-period MA are not tested out of sample.
- **Source:** [28]

Setup: Breadth zone and crossover filter

- **Rules:** No fresh longs above 75. No fresh shorts below 25, and especially not below 20. Between 25 and 75, trade breakouts in the trend's direction. Buy on a bullish cross of breadth above its moving average and short only on a bearish cross. Cover shorts on a bullish cross; trim or exit longs on a bearish cross.
- **Where it applies:** Nifty 50, Nifty 500, Bank Nifty and sector indices. End-of-day for positional trades, intraday breadth for short-term trades.
- **Stop and exit:** Left entirely to the trader's own rules. Breadth only decides where *not* to trade.
- **Evidence:** Hand-picked chart episodes. The presenter describes breadth in two different ways (above the 200-day average, and P&F column of X) and is inconsistent about crossover direction at one point. Claims such as rallies following IT breadth hitting zero are anecdotal.
- **Source:** [31]

Where they disagree

What counts as "bullish"? P&F column of X, above the 200-day average, or RSI above 50. These produce different readings on the same day.

How hard to exit above 75? One presenter exits aggressively, saying the zone typically holds only one to two sessions [32]. Another reduces but explicitly does not exit everything [28].

What to do below 25? It is treated as a pullback-buy zone in strong sectors [32], as a reason to hold existing shorts [33], or as a setup for a rally once a bullish crossover appears [31].

Can you short on a crossover? One video allows shorts on a bearish crossover [31]. Another warns against shorting on exhaustion signals at all [29].

Pitfalls

- **No backtests.** None of the breadth videos tests its zones. The 75/25 thresholds are rules of thumb.
- **Study the range first.** One presenter rightly suggests studying any breadth indicator's typical range over three to four years before trusting a reading [29]. Most viewers will skip this step; you should not.

- **Illustrative data.** One Q&A video worked from a mock data feed, so its live readings were illustrative only[32].
- **Records can be broken.** The market-phase video admits breadth was at historical highs and could reverse without warning[27]. A high reading describes the present; it does not promise the next week.

Buzzing Sectors and Sector-to-Stock Rotation

How it works

This section combines the previous three into a funnel:

1. Find the outperforming sector, or sometimes asset class.
2. Find the leader inside it.
3. Enter on a price trigger.

"Buzzing" is the Definedge term for a sector showing fresh momentum.

The sector-ranking tools include:

- breadth scanners
- multi-timeframe RS matrices that score each sector against every other at three P&F box sizes (commonly 0.25%, 1% and 3%, for short, medium and long term)
- DeMAP scatter charts[35]
- equal-weighted sector indices, which stop one heavyweight from distorting the reading[36]
- ratio charts with conventional indicators[37]

What the presenters agree on

Sector first, then stock. This is the strongest consensus in the chapter, with 27 videos[38,39,40].

Require RS on several timeframes, not one[41,39].

Gate on the benchmark. Sector signals only count while the benchmark itself is bullish[38,42].

Don't chase. Wait for a follow-through, a pullback or a confirmed close[41,43].

Pattern-failure stop, and skip unaffordable risk. One presenter rejected a candidate with an implied stop of about 18–19%[42].

Trend overrides the score. A top-ranked stock in a downtrend is still not a buy[40].

Don't buy laggards because their sector is moving[44]. Equally, don't buy a sector just because it has fallen and looks cheap[45].

Setup: Sector breadth crossover with a D-Smart ETF trigger

- **Rules:** 1. For each sector, compute breadth as the share of its stocks in a P&F column of X on a 1% box. High-beta sectors are preferred (CPSE, Realty, Defence, PSU Bank, Small Cap). 2. Enter the sector ETF when breadth crosses above its 5-day average *and* the ETF breaks above the D-Smart walking line on a 1-minute, 1% box chart. 3. Avoid breakouts while breadth is still falling. 4. Size at about ₹1 lakh per sector, one position per sector.
- **Where it applies:** Cash sector ETFs, long only, since ETFs cannot be shorted. Daily breadth context with intraday execution.
- **Stop and exit:** The initial stop is the swing low (about 3.5% in the FMCG example). Trail on the D-Smart line or anchor-column support, and optionally book 50–75% on strength. Do not hold a stopped-out ETF as an "investment"; re-enter on the next crossover. Whipsaw losses are put at about 2–2.5%.
- **Evidence:** Chart examples plus a "visual" backtest over roughly two years, with no win-rate or drawdown statistics. The ETFs may have modest liquidity.
- **Source:** [46]

Setup: Three-step asset class → sector → stock rotation

- **Rules:** 1. **Asset class.** Plot gold, USDINR and GS Composite as ratios against Nifty 50, each with a D-Smart line. Favour whichever holds above its line. 2. **Sector.** Run the P&F RS matrix across NSE sectors at 0.25%, 1% and 3% boxes. Take sectors scoring above Nifty 50, but only if the benchmark itself is bullish. 3. **Stock.** Divide each stock by its sector and take the highest total scores.

Enter on the first day RS crosses above Nifty 50. An optional tighter trigger requires a bullish P&F pattern on both price and RS. The presenter suggests scanning around 3:15–3:20 pm or in the evening.

- **Where it applies:** Positional, daily charts, Indian sectors and stocks.
- **Stop and exit:** Exit when the RS ratio crosses back below the D-Smart line. Cap risk at 3% per stock. If a gap-up of about 5% pushes risk beyond that, skip the trade.
- **Evidence:** Live chart examples only. The automation product is pitched in the same video.
- **Source:** [38]

Setup: ETF relative-strength rotation with a trailing D-Smart exit

- **Rules:** Score each asset from −3 to +3 on P&F against Nifty 50 and Nifty 500, on daily and weekly views, for a maximum of 18. Apply the scoring to a group of 55 ETFs and keep positive scores within the top 20 ranks. Buy when price is above the D-Smart line (6-period

on P&F, 10 on Renko) and D-Smart is positive. Enter on Fridays and rebalance weekly. A narrower variant holds only the single strongest of Nifty 50, gold, silver and the G-Sec composite.

- **Where it applies:** ETFs across non-correlated asset classes.
- **Stop and exit:** Exit on a close below D-Smart, which also serves as the trailing stop. In the single-asset variant, also exit when the holding is no longer ranked first.
- **Evidence:** This is the only video in the chapter labelled a backtest, and the results are described verbally (over 150 tests) with no equity curve, drawdown or cost assumptions. The roughly 5–6% alpha over 2.5 years is the presenter's own recollection. The parameters look tuned, and the automation product is sold alongside.
- **Source:** [47]

Where they disagree

Is high breadth a buy signal or a warning? This is the sharpest split in the chapter.

- One video treats a group at 100% bullish breadth as a strong "buzzing" signal [48]. Another counts the 80–90 band as buzzing [49].
- Others treat 100% as exhaustion [41], trim or hedge at 90–100 [37], or prefer sectors with breadth in the neutral zone [50,39].
- A third camp buys only *after* oversold breadth turns up. Its ETF system states a hit rate below 50% with profit coming from risk-reward [51].

The same reading is being taught as a reason to buy, a reason to sell and a reason to wait.

Other splits:

- **Cap-weighted or equal-weighted.** Equal-weighted indices are argued to avoid heavyweight distortion [36]. One Elearnmarkets presenter instead buys only a sector's six or seven heaviest stocks [52].
- **Stops.** Pattern-failure stops, D-Smart trails, a holding-period ladder (3–5% stops for swing trades up to 15–20% for multi-year holds) [53], or index puts in place of stops [52]. Ten of the 33 videos give no stop at all.
- **Shorts.** Some short the weakest stocks in weak sectors [44]. One presenter says a non-professional should never short [53].

Pitfalls

- **Chasing.** The "buzzing" framing invites buying what has already run. Even the presenters who use the word warn against chasing [41,38].
- **Undefined terms.** "Buzzing" itself is not defined by a rule [54]. One threshold is read visually off a bar chart [49].
- **Sales funnel.** Many of these videos promote a tool, platform, event or fund [38,47].

Weekly and Monthly 3P Market Outlooks

How it works

Definedge's "Market Kya Lagta Hai" episodes run the whole funnel every week under a checklist called 3P: Price, Performance, Participation. The order is fixed:

1. **Asset classes.** Gold, GS Composite bonds and USDINR as ratios against Nifty 50, each against the D-Smart line. Equities are favoured only while these sit below their lines[55,56].
2. **Index structure.** Nifty and Bank Nifty P&F charts and 45-degree trendlines, with explicit bullish-above and bearish-below levels on a closing basis.
3. **Breadth.** Nifty 50 and Nifty 500 participation, read in zones and by crossovers.
4. **Sectors.** About 47 NSE sectors ranked by last week's performance and by the multi-timeframe matrix.
5. **Stocks.** A saved price + RS P&F scanner on Nifty 750 or the F&O list.

A useful habit these episodes demonstrate is the **no-trade band**. One episode set a daily-close buy level of 25436 and a bearish trigger at a trendline objective of 24488 on Nifty, and stated plainly that nothing should be done between the two[57].

Every one of those numbers is stale now. The presenters repeatedly describe the episodes as process demonstrations rather than recommendations[58,59]. Learn the routine and ignore the levels.

What the presenters agree on

Order the analysis top-down. Asset classes, then index, then breadth, then sector, then stock (23+ videos for the asset-class step, about 32 for sector ranking).

Act on closes, not intraday pokes[55,60].

Measure each candidate's stop distance as a percentage and drop names that are too wide[55,59,58].

When the index is directionless, go stock-specific or stay out[61,62].

Two episodes suggest seasonality is a weak filter. One episode's own August consumption call lost about 1.5%[63], and another found May was roughly a coin flip for Nifty[64].

Setup: Fresh AFT/Turtle + RS Double Top Buy watchlist scan

- **Rules:** Scan Nifty 750 on daily P&F with a 1% box (the video gives the reversal setting as 3) and the signal set to "fresh". Price must show an AFT or Turtle strong bullish pattern; RS against Nifty 500 must show a Double Top Buy (running is allowed). Open every chart and check candles, weekly and P&F views. Prefer the lowest percentage distance from the DBS level. Names that recur week after week go onto a standing watchlist.
- **Where it applies:** Daily swing selection inside a weekly routine.
- **Stop and exit:** The DBS level is the risk reference. No exit or target is taught, and some candidates carried about 12% risk with no sizing guidance.

- **Evidence:** Chart examples from one week.
- **Source:** [65]

Setup: Three-P filter with a DBS stop and a 10% extension cut-off

- **Rules:** Act only when a price breakout, RS against Nifty 500 and breadth all agree. Buy double-top, triple-top or Turtle breakouts (or retests) in high-RS names from top-ranked sectors. Skip names already extended beyond the 10% filter; the video's examples were at about 15% and 18%. Trade Bank Nifty long only above its upper trendline and stay flat between trendlines. Favour equities only once the GS Composite ratio falls back below its D-Smart line.
- **Where it applies:** Swing trades in Nifty, Bank Nifty, sectors and stocks.
- **Stop and exit:** The DBS level, kept within a 2–5% band for F&O stocks. Exit Bank Nifty longs on a close below the lower trendline.
- **Evidence:** Hand-picked examples from one episode, plus course promotion.
- **Source:** [59]

Where they disagree

How much risk is acceptable?

Stance	Sources
Cut anything above 10%	55,59
15–18% called unaffordable	58
10–15% accepted	60
About 12–13% risk shown on picks without sizing	62,65

What is the neutral breadth zone, and what do you do in it? Some presenters take breakouts in either direction [61]. Others wait for a bullish crossover before trading aggressively [64,66].

What to do with existing positions at extremes? Book and stop trailing [67], keep running on a trailing stop [56], or hold the existing stop but add nothing [68].

Are stocks at all-time highs a feature or a reason to skip? Some presenters prefer them [60]. Others skip names that are already extended [59].

Pitfalls

- **Hindsight is admitted.** One presenter concedes his own filtering logic would have excluded stocks that went on to rise another 100% [58].
- **Wide stops left unsized.** Stops of 14–17% appear without any guidance on position size [69].

- **Tuned risk.** Box sizes and denominators were adjusted by eye until the displayed risk looked acceptable[25].
- **Overconfidence.** Phrases like "bullish with no doubt" appear[70].
- **No sizing formula anywhere.** None of the episodes gives one.
- **Garbled levels.** Some numbers in these videos are garbled by speech-to-text, for example a Bank Nifty trigger quoted as "5850"[43]. Re-derive any level from your own chart.

Seasonality and Event Windows

How it works

A seasonality scanner reports two things for each index or stock in a given month:

- its **average return**
- its **month positive ratio**: the share of past years in which it rose that month

The presenters use these numbers to shortlist names for the coming month, then wait for a chart pattern to confirm. Related ideas include:

- sector cycles, such as chemicals from March to September[71]
- the financial-year-end week[72]
- election windows[73]
- budget-themed sector watchlists[74]

All the core seasonality videos come from Definedge, so there is no second channel to compare against.

What the presenters agree on

Seasonality is a roadmap, not a buy signal. Wait for a breakout, a Double Top Buy or a moving-average reclaim[75,76]. One episode puts it the other way round: don't *sell* only because seasonality says a stock is weak[77].

Check the sample before trusting the statistic. Seven videos make this point in some form.

Confirm RS against the right index. A small cap should be compared with a small-cap benchmark[73].

Re-run the scan every period, because leaders rotate from month to month[78,79].

> **Setup: Monthly seasonality scanner with pattern confirmation**
>
> - **Rules:** 1. On the first trading day of the month, run the seasonality scan on all NSE indices, then on F&O stocks. 2. Sort by positive ratio and average performance. 3. Chart the shortlist on daily P&F. 4. Go long only on a bullish breakout or Double Top Buy. Short historically

weak names only on a bearish swing breakout.

- **Where it applies:** Monthly horizon, NSE indices and F&O stocks.
- **Stop and exit:** A stop at the pattern trigger. The example was a long in AB Capital with its stop below 170.
- **Evidence:** Chart examples. The number of years behind each seasonal statistic is not stated.
- **Source:** [75]

Setup: Chemical-sector seasonal cycle with a ratio filter

- **Rules:** 1. Use an equal-weighted chemical index of about 68–69 stocks as the sector proxy. 2. Require the chemical index / Nifty 500 ratio to have broken out and turned up. 3. Run a weekly RS scan of chemical stocks against Nifty 500 and shortlist the top four to six by the scanner's score. 4. The historical pattern being exploited is weakness from January to March and strength from April to September. Enter in April near the seasonal low, where structure and risk-reward look favourable.
- **Where it applies:** A holding period of about four to five months, using weekly and monthly charts.
- **Stop and exit:** Book profits around August–September and trim names that stop outperforming. No stop-loss is specified.
- **Evidence:** Chart examples over a few years. The presenter acknowledges exceptions such as 2020, and the stocks are shown with current scan results, which invites hindsight.
- **Source:** [71]

A related video works top-down from sector index averages. It identifies April–August as historically favourable for Nifty IT (data since 2004) and March–June for FMCG (data since 2011). It then picks stocks by month positive ratio, citing examples around 63–71%, adds a golden-cross filter, and plans to book profits within about two months [79].

Where they disagree

Accumulate early or wait? One presenter starts accumulating in the favourable month, before the move [79]. The monthly-scanner episodes wait for chart confirmation [75].

What threshold counts as "seasonally strong"? One episode starts at a 25% positive ratio and optionally raises it to 50% on the fly [78]. Thresholds adjusted while you watch are a red flag.

Do event windows work? The evidence is mixed by the presenters' own account:

- The election-window video rests on only three cycles, with very different Nifty outcomes in each, and notes that 2019's post-result momentum faded after about 30 days[73].
- The financial-year-end week has reportedly been positive about 68% of the time since 1996, averaging about +1.4%. That is roughly 19 of 28 years, and the video gives no stop or exit. The same presenter warns against squaring off positions purely to save tax, since a rally can follow the exit[72].

Pitfalls

- **Small samples.** Monthly statistics over 10–28 years are thin, and a seasonal tendency found by scanning hundreds of stocks will throw up many coincidences.
- **No stops.** Nearly every seasonality video lacks a stop or sizing rule.
- **Narrative standing in for evidence.** The budget-sector video uses an Adaptive RSI with no stated parameters to support a government-spending story[74].

Chapter checklist

- **Build one ratio chart yourself.** Start with Midcap 100 / Nifty 50 or a sector / Nifty 500 on a weekly chart. Write down, before looking at the past, what you will count as a breakout and a breakdown.
- **Separate the filter from the trigger.** Use RS, breadth and seasonality to decide *where to look*. Use a defined price trigger, such as a breakout close or DTB, to decide *when*. Never let a scanner hit or a score be the entry by itself.
- **Fix your stop before entry and set a maximum distance.** For example, skip anything wider than your chosen limit. In the videos that filter on stop distance, cut-offs vary from video to video, and some accept stops as wide as 10–18%[60,69]. When a setup is too wide, wait for the next follow-through instead of chasing.
- **Size from the stop.** None of the weekly routines gives a sizing rule, so supply your own. A fixed small percentage of capital at risk per trade, like the 1% cap in[4], is the simplest place to start.
- **Treat box size and denominator as risk settings.** Keep them identical across charts you combine, and check how much the shortlist changes when you alter them.
- **Read breadth as a regime gauge, not a signal.** Note the zone and whether breadth is crossing its average, then adjust size and activity. Study at least three to four years of the indicator's range before trusting thresholds like 25 and 75.
- **Decide your own stance on high breadth.** The sources disagree on whether it means "buzzing" or "exhausted". Pick one rule and test it rather than switching between them.
- **Check seasonal statistics for sample size.** Ask how many years they cover, require a price confirmation, and never adjust thresholds after seeing the output.
- **Keep a log of every scan, not just the winners.** Record what you would have bought, where the stop was, and what happened, including the trades that failed. That record is the evidence these videos almost never show.

- **Count the costs.** Weekly rebalancing, ETF spreads and short-selling a pair leg all cost money that the presenters leave out of their examples.

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11. Momentum, Breakout and Swing Trading

Most stock traders in this collection of videos end up doing some version of the same thing. They look for stocks that are already strong, wait for a defined trigger, set a stop before they buy, and try to hold the winners much longer than the losers. The presenters call it many things: breakouts, VCP, Stage 2, pullbacks, momentum systems. Underneath the labels, the ideas overlap heavily.

This chapter is long because the methods are numerous, and the differences between them matter. A 52-week-high breakout with an 8% stop is a different trade from a ten-year-base breakout with a 12% stop and a two-year hold. A weekly RSI system with no hard stop is different again.

By the end of this chapter you should be able to:

- tell the main breakout families apart
- read what a growth-leader base is supposed to look like
- structure a pullback entry with a defined stop
- judge whether a "rule-based system" is actually testable
- watch a weekly stocks-to-watch episode as a lesson in reading charts rather than a tip sheet

One caution applies throughout. Very little of this material has been tested systematically. A handful of videos show backtests, a few show self-reported results, and most rely on chart examples chosen after the fact. Each setup below states its evidence level so you can judge for yourself.

Range and N-Period High Breakouts

How it works

A breakout is price leaving a defined level. The level can be:

- a rolling N-day high, such as 5, 10 or 20 days (a Donchian-style rule)
- the 52-week high or its daily equivalent, the 250-day high
- a Darvas box
- a hand-drawn consolidation range

The trade assumes that a stock able to clear its recent ceiling is showing demand that can carry it further.

The presenters give two reasons why it might work. The first is contraction before expansion: a stock that rests quietly after a strong move tends to move again. One trader describes a high-volume spike near the all-time high, then one to two weeks of rest, then the next leg[1]. The second is that a stock near its highs has fewer trapped holders above it waiting to sell. Neither reason is tested in these videos. They are explanations, not evidence.

What the presenters agree on

- **The stop comes before the entry.** Stops are set at a percentage below entry[2], at the range low[3], below the box floor[4], or at the swing low that forms after the breakout[1]. One position-sizing formula appears more than once: quantity equals capital times risk percentage, divided by the distance from entry to stop[5].
- **Cut wrong entries at once and never average down.** This appears in the Darvas material[6,4], in a swing trader's rules[1], and in a Wyckoff range trader who exits when the setup level breaks, even at a worse price[5].
- **Volume should confirm.** Low-volume breakouts are to be ignored[5,7].
- **Breakouts should come from contraction.** Examples include weekly inside bars[2], a 3–4 month range with an inside bar[3], and a 1–4 month accumulation range[5].
- **A scanner list is a list of candidates, not a buy signal.** Several short scanner clips say this about their own output[8,9,10,11].

Setup: Weekly 52-week-high inside-bar breakout

- **Where:** NSE cash stocks on the weekly chart, positional holds of weeks to months. The presenter prefers low free-float small caps.
- **Weekend scan:** stock within about 2.5% of its 52-week high, roughly 100% above its 52-week low, with a 200-day average that has been rising for at least three months.
- **Setup:** weekly inside bars, each smaller than the one before. A weak stock is not the same as a contracting one; the bars must actually shrink.
- **Entry:** buy the breakout above the contraction high.
- **Stop and exit:** hard stop normally 8–10% below entry, occasionally about 20% on high-conviction setups. Let winners run while the trend holds, and drop stocks that stop progressing. Stop trading for the day after two or three stop-outs.
- **Sizing:** about 20–25% of capital per stock across 5–6 positions. The presenter estimates effective risk at about 2–3% of the account per trade after slippage.
- **Evidence:** anecdote and hand-picked charts. No backtest.
- **Source:** [2]

Setup: Darvas box after a 250-day high

- **Where:** growth stocks in strong sectors during a bullish market, on the daily chart.
- **Setup:** the stock makes a new 250-day high on above-average volume. The ceiling is the highest high of the three candles after that breakout. The floor is the lowest low after the ceiling that holds for about three candles.
- **Entry:** a small pilot position on a daily close above the ceiling, not an intraday touch. Add as new boxes form.

- **Stop and exit:** stop below the floor, trailed up with each new box. Exit when price breaks the floor.
- **Sizing:** position size is set inversely to box height, so the rupee risk stays roughly equal from trade to trade.
- **Evidence:** anecdote. The presenter estimates a hit ratio of 30–40% but gives no source for it. He also converted Darvas's original weekly 52-week rule into a 250-day daily rule without showing a test.
- **Source:** [4]

Setup: Chartless 10-day closing-high trade on Bank Nifty

- **Where:** Bank Nifty, daily, long only. It fires mostly in up-phases.
- **Entry:** buy at the close when that close is the highest of the last 10 sessions. Skip Thursdays.
- **Exit:** sell at the next day's close. There is no stop; the presenter argues that position sizing is the real risk control.
- **Reported results:** an Excel backtest over about five years shows a drawdown of roughly 10% for the plain 10-day version and about 5% when Thursdays are skipped. The presenter advises assuming roughly double that in live trading.
- **Evidence:** this is one of two Excel backtests in the chapter (the other is the expiry-week options spread in [12]), and the presenter is frank about its limits. He admits it excludes costs. The weekday filter was chosen after seeing the results. The sample is small, about 57 trades. There is no out-of-sample test. He also mentions a single-day loss of about 2,000 Bank Nifty points.
- **Source:** [13]

Where they disagree

Lookback length. The presenters use 5 days [7], 10 days [13], 20 days [10], the previous month [9], 52 weeks [2], 250 days [4] and two years [11]. One presenter says the 52-week high is now so widely watched that its edge has faded, and prefers two-year highs [11]. He offers no evidence for this. It is a claim you could test yourself.

Close or intraday cross. Some presenters want a candle close beyond the level [4,1]. One buys a starter position on the intraday cross because the stock might hit its 20% upper circuit the same day, and only exits on a real breakdown below the range low [3]. That trade-off is genuine: a close-based entry costs you the occasional runaway move, while a cross-based entry exposes you to more false breakouts.

Stops. They range from 8–10% [2], to a structural range low [3], to none at all [13].

Pitfalls

- **Hindsight.** The examples are winners chosen after the move[2,3].
- **Incomplete methods.** Two Definedge scanner clips give an entry with no stop or exit at all[7,11].
- **Liquidity risk.** Low free-float small caps carry liquidity and manipulation risk that is not discussed[2].
- **Hidden tail risk.** The Wyckoff range video calls its method "sure-shot" and plays down the risk of selling puts below a breakout range. A sharp reversal can make that trade very expensive[5].
- **One trade as proof.** A scanner demo by a product founder uses a single cement trade as its evidence[8].

Multi-Year and All-Time-High Breakouts

How it works

This is the same idea on a much longer clock. The presenters argue that the older the high, and the longer the base beneath it, the more significant the breakout. A stock that has gone nowhere for five, ten or fifteen years and then clears that ceiling is said to be starting a new phase, often because something has changed in the business.

Positions are held for months or years. The usual tools are:

- **Entry:** monthly or weekly charts, a strong breakout candle and volume.
- **Targets:** projected from the height of the base.
- **Exits:** a trailing indicator.

What the presenters agree on

- **Break an old high, not a recent one.** Thresholds vary: at least about 3 years[14], 5 or more years and ideally 8–14[15], a five-year lookback[16], and 10–15 years as typical[17].
- **Volume and a strong candle.** Several want a large-bodied "king candle" or marubozu on high volume[15,14,18]. One adds that volume should be high relative to the stock's own 10- and 20-day averages, and that delivery volume matters more than intraday churn[19].
- **Range-projected targets.** Add the height of the prior range to the breakout level[15,18,17].
- **Hold and trail rather than sell the top.** Trails include the weekly Supertrend[15], a moving average[20] and Dow Theory structure[17]. One presenter makes a point of not trying to exit at the exact top[21].
- **The examples are hindsight winners.** Several videos say so about their own charts, which is to their credit[15,14,22].

> **Setup: Multi-year breakout with Supertrend trail**
>
> - **Where:** stocks on monthly and weekly charts at an all-time high or a high of five or more years, after a long base, in a market with broad momentum. Stay in cash when momentum

fades.

- **Entry:** a large, high-volume breakout candle. The presenter prefers to enter about 4% above the breakout level rather than at it; this is his untested preference.
- **Stop:** fixed at 8–12%, never more than about 12%.
- **Target and exit:** measure from the prior top down to the low it made, and add that range to the breakout level. Sell 50–60% at the target and trail the rest on the weekly Supertrend.
- **Risk notes:** concentrate in the top two names out of about ten candidates. Avoid illiquid stocks in roughly the ₹200–400 crore range, where a circuit can trap you. Expect about 25–30 trades a year.
- **Evidence:** anecdote and well-known winners (Force Motors, ABB India, Tata Motors). No failed breakouts are shown.
- **Source:** [15]

Setup: Point & Figure multi-year top breakout with moving-average trail

- **Where:** stocks that have retested the same top two or more times, priced above their moving average, on 1% and 3% box Point & Figure charts. Holds run from about two months to several years.
- **Setup:** an anchor column of roughly 15 or more boxes at the top level.
- **Entry:** the follow-through double-top buy after the anchor column, not the first crossing.
- **Exit:** a bearish anchor column plus a double-bottom sell with price below the moving average. If price closes below the average without that pattern, check the stock-versus-Nifty relative-strength chart before deciding. Book 10–20% near a 50% gain and trail the rest.
- **Sizing:** 2% of the portfolio at risk per trade, sized by the distance from entry to the moving-average stop, across 20–25 stocks.
- **Evidence:** chart examples. The quoted CAGRs are hindsight selections.
- **Source:** [20]

Setup: Multi-year cup and handle in strong sectors

- **Where:** fundamentally sound stocks in strong sectors near their 52-week highs. Only long, deep multi-year cups count.
- **Entry:** about 4–5% above the old high.
- **Stop:** 10–12% below entry.
- **Target and exit:** the cup depth projected upward, roughly a 70–80% move. Exit if the stock stalls 4–5% short of the target.
- **Sizing:** about 10 equal positions inside a bucket of 20–25% of capital.

- **Swing variant:** buy at the close of a confirmed breakout candle, with the stop at that candle's low.
- **Evidence:** self-reported live results. The presenter says 6–7 of 10 cup setups reached target within a year, shown on selected profit-and-loss panels rather than a full trade history.
- **Source:** [23]

Where they disagree

Entry price. - Buy about 4% above the level[15]. - Buy the breakout itself and do not wait for a dip[18]. - Wait for a Point & Figure follow-through[20]. - Buy only on a closing-price break with a volume spike[17].

Stop width. - 8–12%[15]. - The breakout candle's low, which the presenter says historically ran 12–13% and sometimes 15–20%[18]. - The last bottom before the breakout[17].

Profit-taking. At one extreme, sell 50–60% at the target[15]. At the other, book only 10–20% near +50%[20].

Concentration. Two names[15] versus 20–25[20]. These are different risk profiles, not different flavours of one method.

Pitfalls

- **Survivorship bias.** It dominates this section. The famous names (Reliance, ABB, Persistent, M&M) are stocks you already know rallied[14,18,21].
- **Incomplete rules.** Several videos give no stop or exit at all[14,22,16]. One never defines its range calculation[21].
- **Time risk.** Bases of 10–15 years are a real cost. The X-factor presenter also admits that stocks can re-consolidate after breaking out. He says no indicator or volume filters are used yet insists on a volume spike, which is a contradiction[17].
- **The only backtest presented in this section is not a breakout test.** It comes from an all-time-high session whose breakout charts are hindsight examples, and the test itself covers a Bank Nifty expiry-week options spread: 46 signals over 72 expiries, about 23% reaching an 800-point target. It tells you nothing about stock breakouts[12].
- **Intraday all-time-high breakouts are a different trade.** One small-cap intraday version quotes self-reported accuracy of 80–90% and leaves both the consolidation criteria and the stop distance undefined[24].

Growth Leaders, VCP, SEPA and CAN SLIM

How it works

This is the Minervini and O'Neil tradition, brought to Indian viewers mostly through long Elearnmarkets interviews. It combines four ideas.

- **The stock is a leader.** Its sales, earnings and margins are accelerating, and it outperforms its index. It often holds up or even rises while the market corrects.
- **The base is tight.** A Volatility Contraction Pattern (VCP) is a base in which each pullback is smaller than the one before, usually with volume drying up. That suggests sellers are running out[25]. The breakout point is called the pivot.
- **The stock is in Stage 2.** In Weinstein's four stages (base, advance, top, decline), only the advancing phase is bought[26,27].
- **The market is cooperating.** Many breakouts fail in poor markets, so the overall market's direction acts as a gate.

The arithmetic matters as much as the chart. These traders expect to be wrong often. Quoted win rates run from 25–35%[28,29] to 45–55% (the same video elsewhere gives about 45–50%)[30]. They stay profitable only because losses are cut small and winners run to several times the risk.

What the presenters agree on

- **Predefine the stop, usually tight.** Figures include about 5% and up to 10%[30], 6–7% below the pivot low[31], 7–8% below the pivot[32], and 8–9%, never wider than 10%[26].
- **Never average down; add only to winners**[30,28,31,27,33].
- **Buy at the pivot and do not chase.** One limit is within 5% of the pivot[30]. A stricter one is within about 1%, and at most 2% allowing for slippage[28].
- **Relative strength is the main filter.** Stocks that hold up while the market falls are flagged as future leaders[28,33].
- **Cash is a position.** Trade only in favourable markets, or reduce size[30,27,26].
- **Sell into strength and trail a moving average**[28,31,34].

Setup: Follow-through day, then an early Stage 2 entry in a relative-strength leader (CAN SLIM style)

- **Where:** liquid growth stocks, positional, in a US-index context. The market gauge is the Nasdaq or S&P 500.
- **Market gate:** a follow-through day. That means the index rises at least 1.75% on higher volume than the prior day, ideally on days 4–7 of a rally attempt and valid up to about day 23. Stop buying when distribution days cluster.
- **Entry:** accumulate during the transition from Stage 1 to Stage 2. Prefer stocks whose relative-strength line makes a new high before price does. Start with about 5% of the intended size on a powerful high-volume move, add 15–20% when price breaks the line of declining tops, and optionally add 5–10% later.
- **Stop:** at most 7–8% below the pivot.
- **Exit:** sell a third on the second close below the 10-day average and the rest on the second close below the 21-day. The presenter chooses the exit line from each stock's own history.

- **Sizing caution:** five or six positions, with two or three at roughly 20–40% each. That is heavy concentration.
- **Evidence:** anecdote and hindsight charts.
- **Source:** [32]

Setup: Momentum-leader breakout, with a catalyst-gapper variant

- **Where:** long only. The presenter applies it to US stocks, Indian stocks and commodities.
- **Scan:** top 8–10% relative strength over 1, 3 and 6 months; average daily range above 2.5%; a tight consolidation with higher lows and drying volume.
- **Entry:** on the breakout day above the pivot.
- **Gapper variant:** after an earnings gap of at least 5–6% with heavy pre-market volume (the presenter's US threshold), enter on a 1- or 5-minute opening-range breakout. If the day's low breaks, re-enter on a reclaim of VWAP.
- **Stop:** the low of the breakout day, or the low of the day for gappers, kept under one ATR from entry.
- **Risk per trade:** 0.2–0.3% of the account, with a maximum of about 25% of the portfolio in one name.
- **Exit:** take 1/5 to 1/4 off after a move of 2.5–3 times the average daily range and move the stop to breakeven. A close below the 10-day average sells another third; a close below the 20-day exits the rest.
- **Evidence:** chart examples. The presenter states a 25–35% win rate with average winners of about 4–5R, but shows no drawdown figures. At that win rate, long losing streaks are normal.
- **Source:** [29]

Setup: Stage 2 plus VCP in Indian small and mid caps

- **Where:** daily swing trades held for weeks to months, in stocks with a market cap under ₹10,000 crore.
- **Filters:** Stage 2 only. A VCP forming over roughly 5–20 weeks. Fundamentals: profit growth, no promoter pledge, ROCE around 20%, ROE above 7%. A stock with strong technicals but weak fundamentals is skipped.
- **Entry:** at the breakout from the contraction, not after the stock has already run.
- **Stop:** 8–9%, never wider than 10%.
- **Sizing:** about 10% of capital per stock across 18–20 stocks.
- **Exit:** half off at a 25–30% first target and trail the rest. Exit a stock that stays flat for about two months. After 4–5 consecutive stops, cut size and go defensive.

- **Evidence:** anecdote. The presenter's 25–30% annual returns are self-reported.
- **Source:** [26]

Where they disagree

Many of these choices look like personal preference rather than settled method:

Choice	One view	Another view
Stop width	Under 1 ATR, risking 0.2–0.3% of account [29]	8–9%, never over 10% [26]
Position size	5–10% typical, 25% cap [30]	20–40% in the best two or three names [32,34]
Entry timing	Strict pivot breakout [28]	Early accumulation before the crowded breakout [32], or a pullback to the 20-day / "mini coil" [34]
Profit-taking	Near 20%, unless the stock jumps 20% in 1–2 weeks [34]	No fixed target, trail only [27,33]
Market gauge	Follow-through day [32]	A –6 to +6 score from Nifty, mid-cap and small-cap positions against their 21/50/100-day averages [27]

The market-score idea in [27] deserves a closer look because it is unusually concrete. Total exposure is scaled to the score: about 100% invested at 5–6, falling to around 10% near –5 or –6. It is testable, although the video shows no test.

Pitfalls

- **No systematic evidence anywhere in this section.** The 220% annual returns in the Minervini interviews are self-reported [30,28].
- **The rules may not travel.** The presenter himself notes that his leverage and sizing come from a US trading championship and may not transfer to Indian markets [28].
- **Pattern-spotting is discretionary.** A "perfect VCP" and "base character" are judgement calls [30,33], and one presenter admits stage definitions are subjective [27].
- **Inconsistent exits.** One presenter teaches a 25–30% first target while also saying his biggest mistake is booking profits too early [26].
- **Incomplete videos.** One VCP explainer gives no stop or exit [25], and the CANSLIM lesson has no usable transcript [35].

Trend Pullbacks and Swing Entries

How it works

A pullback trader agrees that strength matters but refuses to pay up for it. The sequence is:

1. Confirm the trend on a higher timeframe.
2. Wait for price to dip back toward a support level.
3. Enter only when a candle shows that buyers have returned.

The appeal is mechanical. The stop goes just below the swing low or signal candle, which is usually close by, so the reward available relative to risk is better than on an extended breakout.

What the presenters agree on

- **Higher-timeframe trend first.** This is the most widely shared rule in this section.
- Swing structure on the monthly and weekly charts[36].
- ADX above 25 on monthly or weekly charts[37].
- A rising weekly average[38].
- An EMA stack[39].
- One presenter adds that in a downtrend you should not hunt for support to buy[40].
- **Do not chase.**
- Avoid stocks stretched far from the 10-day EMA[39].
- Do not buy a gap after results; wait for a pullback to the 20-period average[41,42].
- Wait for a throwback after a breakout, and act only if the level holds. The video offers this as anecdote, with no supporting evidence[43].
- **Stop at structure, set before entry**: the swing low or signal-candle low[36,37,44].
- **Look for confluence.** Wait for support, the 38.2% retracement and a rising average to line up[38]. Wait for next-day confirmation of a reversal candle[37].
- **Never average down**[45,46,47]. Add only after the trade proves itself[46,36].
- **Size from the stop distance**[36,48,49].
- **"No trade" is a valid outcome**[50,51,48].

Setup: ZigZag swing-low pullback

- **Where:** Indian stocks. The trend is read on monthly and weekly charts, entries on the daily. Long only when both higher timeframes are up.
- **Entry:** buy a pullback to the latest swing low or demand zone. Prefer strong stocks in strong sectors. Add only after a confirmed breakout and retest.
- **Stop:** just below the swing low, trailed up to each new higher low. Exit when a swing low breaks. Do not exit on a single red candle while the structure holds. There is no profit target.
- **Sizing:** risk 1% of capital, with size equal to that 1% divided by (entry – stop). The presenter's example: ₹10,000 of risk, entry at 1,000, stop at 950, gives 200 shares. Hold about 15 stocks, avoiding correlated positions.
- **Evidence:** anecdote and hindsight charts. Terms like a "clear candle" are not defined.

- **Source:** [36]

Setup: "Keep it Simple": the first two pullbacks into a value zone

- **Where:** frontline F&O stocks, daily chart, after a breakout from a long accumulation base. The presenter cites bases of seven months to a year.
- **Trend condition:** the 10, 20, 50 and 200-day EMAs stacked in that order and rising.
- **Value zone:** where prior resistance (now support), the 38.2% Fibonacci retracement and the compressed 10/20 EMAs overlap. Only the first or second pullback after the breakout counts.
- **Entry:** a bullish candle closing above the 10-day EMA.
- **Stop and exit:** stop at the swing low, trailed with Supertrend (10,2). Exit on a bearish engulfing candle, a weak candle, or a broad market correction.
- **Evidence:** chart examples. "Strong close" and "long base" are not quantified.
- **Source:** [39]

Setup: Anchor-trend pullback with a daily reversal candle

- **Where:** stocks and other instruments in a monthly or weekly uptrend confirmed by ADX above 25 with DMI support. Below 25 counts as "no trend" and is skipped.
- **Setup:** a weekly oversold reading, either Stochastics below 20 or RSI below 30.
- **Entry:** a daily morning star or bullish engulfing candle, entered only after it is confirmed the next day.
- **Stop and exit:** stop at the low of the reversal candle. Exit when the anchor trend "bends", which is not defined numerically. There is no target.
- **Sizing:** 0.3–0.4% of the account per trade, derived from modelling the system's likely longest losing streak, with total drawdown kept under 10%.
- **Evidence:** anecdote. The losing-streak reasoning assumes trades are independent of each other, which may not hold in real markets.
- **Source:** [37]

Where they disagree

Pullback depth. - Only shallow pullbacks [43]. - A 38.2% retracement [38]. - A roughly 50% retracement before a "second leg" [52]. - Daily RSI below 30 [53].

Exits. - Fixed targets: 1:2 or better [44]; about 3%, with a time exit after roughly three days [53]. - No target and a trailing stop only [36,39].

Risk per trade. - 0.3–0.4%[37]. - 1%[36]. - 3%[48].

The highest of these per-trade figures is roughly ten times the lowest. In this handbook's view, choosing between them is a decision about how much drawdown you can live through, not a detail of chart reading.

Position caps are a separate control from risk per trade. One presenter limits any single name to 7–8% of the portfolio[47].

Counter-trend trades. Allowed only as very quick trades[51], or allowed on a slower confirmation candle[54].

Pitfalls

- **No backtests and no audited live results** anywhere in this section.
- **Unsupported win rates.** Claims of 50–70%[38], 70–80%[55,56] and reward-to-risk above 1:10[45] come with no data.
- **No stop at all.** One Nifty futures system holds open-ended positions overnight with no stop or target, and the presenter admits the maximum loss is undefined[54].
- **Very wide stops with undefined tools.** One pyramiding method uses a 20–25% stop and relies on a trailing method and sector matrix that are never explained[57].
- **Honest failures, rarely shown.** Two presenters do admit their setups fail often: one shows a short stopped out the same day[49], and another says about half his harmonic patterns work[45].

Rule-Based Momentum Trading Systems

How it works

A rule-based system answers four questions in writing: what to buy, when to buy, how much to buy, and when to exit. Definedge frames it in exactly those terms[58,59].

The building blocks are familiar:

- a universe filter, such as distance from the 52-week high, the 200-day average or relative strength
- an entry trigger, such as a Donchian breakout, an RSI threshold or a Supertrend flip
- an exit by trend break, not prediction
- a position-sizing rule
- often a market filter that stops new entries when the index weakens

The advantage over discretionary methods is not that the rules are cleverer. It is that you can test them, and you can follow them on a bad day. The disadvantage is that most systems in this collection have been tuned on past data, and some have no hard stop at all.

What the presenters agree on

- **Align with the higher timeframe.** The usual form is weekly and monthly RSI above 60, with a daily Supertrend or average as the trigger[58,60]. Another version requires RSI above 50 on daily, weekly and monthly charts[61].
- **Exit on a trend break, not a prediction.** Examples include a Supertrend flip[58], a weekly close below the 20-week average[62], a 10-day low[61], and a 62-week low or RSI falling below 50[63].
- **Act on closes, not intra-period pokes.** A weekly close, not an intra-week pierce[64].
- **Use relative strength against Nifty to select stocks**[65,66,67,68].
- **Gate on the market.** Stop new entries when Nifty closes below its 20-period average[61], or require Nifty above its 200-day average[68].
- **Fix sizing in advance.** Options are equal, risk-based or ATR-based[58,61]. Another is to divide capital so every signal can be taken[69].

Setup: Momentify core (20-day high in, 10-day low out)

- **Where:** cash-segment positional trades on NIFTY 500 and similar universes, daily chart.
- **Universe:** a stock that has made a 52-week high and now sits within a 20–50% retracement of it, with RSI above 50 on daily, weekly and monthly charts.
- **Optional filters:** above the 200-day average, a 20>100>200 moving-average stack, "trend quality", relative strength.
- **Entry:** a 20-day high breakout.
- **Exit:** a 10-day low. When Nifty closes below its 20-period average, exit and stop new entries, or tighten to a fixed 5% stop or target while Nifty is weak.
- **Sizing:** fixed (recommended for beginners), risk-based or ATR-based, across 5–20 stocks.
- **Evidence:** backtest results shown as examples on the presenter's own platform. No costs, no out-of-sample period, and a universe that may carry survivorship bias. Many optional filters invite curve-fitting.
- **Source:**[61]

Setup: Weekly RSI-60 with a 20-week average trail and pyramiding

- **Where:** liquid large-cap or A-group stocks, scanned from roughly the top 200 names, weekly chart.
- **Entry:** weekly RSI(14) crosses above 60.
- **Optional filters:** weekly RS21 above zero; price above the 21 and 55-period averages.
- **Exit:** a weekly close below the 20-week simple average. The presenter notes that the original Malhan version exits on an intra-week pierce and prefers the close. Exits are reviewed at the weekend and executed with GTT orders on Monday.

- **Pyramiding:** once the rising 20-week average reaches the entry price, add shares, using that same average as the stop for the new portion.
- **Evidence:** chart examples and anecdote. The presenter states a goal of roughly 20–25% CAGR, unaudited. Calling the position "risk-free" once the average reaches cost[62] overstates the protection, because a gap below the average still loses money. The initial stop before the average catches up is not specified.
- **Source:**[62,64]

Setup: Turtle Quants rolling relative strength (weekly)

- **Where:** Nifty 750 stocks after a fundamental quality screen, weekly closes.
- **Entry (all conditions together):**
- 52-week and 13-week relative strength against Nifty 50 both positive, with the RS value in a 0–0.5 band. The presenters deliberately avoid stocks whose RS is already very high.
- ADX around 20 or above, with DMI confirming.
- RSI(21) above 55.
- Price above SuperTrend(10,3).
- A rising 13-week volume average.
- **Exit:** RS below –0.25, RSI below 45, or a SuperTrend flip with ADX/DMI weakening and price below the 13-week average.
- **Sizing:** 15–18 stocks at roughly 6–7% each.
- **Evidence:** a backtest is claimed: about 919 signals across roughly 400 stocks over 20 years, about 75% positive, with an average return of about 6.8x against an average loss of about 30%. It is unverified, the parameters came from extensive optimisation, and there is no hard stop. The presenters' own Titan example implies a notional drawdown of about 50%.
- **Source:**[65]

Two other systems are worth knowing.

- **The "laidback" weekly RSI(100) method.** Enter on the Monday after a weekly RSI(100) close above 55. Exit on RSI below 50 or a close below the 62-week low[63]. The presenter says 62 weeks tested best among many lookbacks, which is exactly the kind of choice that can be curve-fit.
- **An intraday ETF system on Point & Figure charts.** Go long high-beta sector ETFs above a D-Smart(10) line on a 1-minute chart[69]. The presenter recalls typical whipsaw losses of 2–3% and a worst case of about 4–5%.

Where they disagree

RSI levels. - 60 on weekly or on three timeframes[62,60]. - 55 to enter, 45 to exit, on a 21-period RSI[65]. - A 55/45 band with a neutral zone in between[70]. - 50 on all three timeframes[61].

One presenter treats RSI above 70 as the point of peak speed and peak risk rather than "overbought"[70].

Buy high RS or moderate RS? Turtle Quants buys only in the 0–0.5 band[65]. The STEP system buys leaders at 52-week highs[67].

Distance from the 52-week high. Some systems want 20–50% below it[58,61]; others want stocks at the high[67]. One template describes its filter as both "retraced 50% from the 52-week high" and "above the 252-period high". That wording is ambiguous, and possibly contradictory[59].

Hard stop or not. Several systems rely entirely on the indicator flip[71,63,65]. Others use a 10–13% stop[67]. One skips a trade if the required stop is around 15% or wider[60].

Fundamental filters. Two systems screen on fundamentals first[65,72]. Another warns that a fundamental filter can exclude the strongest momentum names[64].

Pitfalls

- **Optimised parameters and survivorship.** Look-ahead universes and tuned settings appear repeatedly[58,61,63].
- **Costs are rarely counted.** This matters more as trade frequency rises[73,74].
- **Promotion.** Most Definedge systems are demonstrated on Definedge products[58,69,60].
- **No stop, unverified returns.** One Supertrend ETF system claims about 20% CAGR over ten years with no stop and no test shown[71].
- **Leverage without risk rules.** One short clip suggests buying momentum stocks through the broker's margin facility at 4x leverage, with no stop and no definition of momentum[75]. Leverage multiplies losses as well as gains, and the interest has to be earned back before any profit.

Weekly Stocks-to-Watch Episodes

How it works

These episodes, almost all from Elearnmarkets, follow a fixed template:

1. Read the Nifty and Bank Nifty structure.
2. Run a handful of named stocks through a checklist: pattern, moving averages, RSI, relative strength, volume and delivery.
3. Mark a support (the stop reference) and a resistance (the target) on each chart.

The most useful way to watch them is as worked examples of a checklist, not as a list of things to buy. The stocks change every week. The reasoning does not.

What the presenters agree on

- **Every substantive episode marks the invalidation level before entry**[76,77,78,79].
- **Volume on the breakout**, often with delivery percentage as a conviction check[76,77,80].

- **Relative strength against Nifty as a core filter**[76,81,82,83].
- **Index first, then stocks**[78,84,85].
- **A close beyond the level, not an intraday poke**[77,80].
- **Prefer a pullback or retest to chasing**[84,82].

Setup: Index-gated weekly momentum breakout

- **Where:** weekly swing trades.
- **Gate:** a bullish MACD crossover or rising histogram on the Nifty weekly chart, and weekly RSI above 50.
- **Stock conditions:** above its short and medium averages, RSI at a fresh high, MACD bullish, relative strength positive against Nifty.
- **Entry:** a breakout from a consolidation or flag, ideally a gap-up or strong close above a multi-swing high, with volume expanding. Alternatively, a pullback into support or the moving average.
- **Stop and exit:** stop below the breakout base, flag low or last swing low. Book or trail at resistance. Avoid new longs when RSI shows negative divergence or index momentum slows.
- **Evidence:** five hand-picked charts. The presenter acknowledges that several picks still had relative strength below zero and included them anyway, which breaks the episode's own rule.
- **Source:**[86]

Setup: Neckline-retest checklist

- **Where:** swing holds of days to weeks, taken only while Nifty and Bank Nifty hold their marked supports.
- **Pattern:** a breakout that pulls back to the neckline and then moves on, or an inverted head-and-shoulders after the stock leaves a downward channel.
- **Confirmations:** price above all its moving averages; RSI positive; MACD above its signal line; relative strength turning positive; volume above average with supportive delivery.
- **Entry:** the confirming move after the retest, not the anticipated breakout.
- **Stop and exit:** stop below the marked support. Target the next resistance. Exit on a close back below the neckline or the moving-average support.
- **Evidence:** chart examples. The transcript is noisy, and some names and levels cannot be read reliably.
- **Source:**[87]

One variation stands out: a fundamentals-first screen. It shortlists companies with improving ROE, capital employed, profit and EPS, then waits for the chart to confirm[88]. It gives no numeric thresholds for the fundamentals.

Where they disagree

Entry timing. Some episodes buy the breakout candle or gap-up[81,79]. Others explicitly avoid it and wait for the continuation after a pause[84].

Shorts. Only one episode adds a weak list, to be sold on rises or shorted after a volume breakdown[78].

What matters most. A short Definedge clip claims stock selection matters more than the entry pattern, and that almost any method works once about 5,000 stocks are cut to 100–200[89]. It offers no evidence, but it is a fair question to ask of these multi-indicator checklists. Are the confirmations adding anything beyond the relative-strength filter? The episodes cannot tell you. Only a test can.

Pitfalls

- **Nothing is tracked.** No episode follows up on earlier picks. In one, a previous pick that missed its level is mentioned and then dropped without analysis[85].
- **Garbled transcripts.** Most of these episodes have auto-generated transcripts that mangle stock names and price levels, so quoted levels cannot be trusted. One episode cites a Nifty level of "1750" as a trend-change exit, a figure that looks like a transcription error[82].
- **Levels drawn by eye.** No sizing and no percentage risk are given in any episode.
- **Unusable videos.** Two have no transcript at all[90,91]. The lesson drawn from both is not to act on a list whose reasoning cannot be verified.

Chapter checklist

- **Set direction on the higher timeframe first.** Presenters across the pullback, growth-leader and systems material use the weekly or monthly chart to decide whether to be a buyer at all, and the daily chart only to time the entry. They stand aside when the higher timeframe is down or directionless.
- **Rank by relative strength before looking at patterns.** Many presenters compare each stock with Nifty and its sector, and several scanner clips describe their own output as a shortlist, not a buy signal.
- **Write the stop before looking at the target.** Presenters anchor the stop to structure (a swing low, the box floor, the pivot low, the breakout-candle low) and size the position as risk budget ÷ (entry − stop). Some skip the trade if the stop is too wide to afford.
- **Decide the close rule.** Presenters split between a candle close beyond the level and an intraday cross; the trade-offs are discussed above. Some presenters prefer the close.
- **Never average down.** Presenters stress never averaging down and adding only to positions that are already working, with the stop protecting the earlier shares.

- **Do the expectancy arithmetic.** With quoted win rates of 25–55%, the presenters rely on winners being several times larger than losers. That arithmetic makes average win, average loss and longest losing streak more informative than hit rate alone.
- **Add a market regime check.** Presenters use a follow-through day, Nifty against its 20- or 200-day average, or a breadth score, and reduce exposure when it turns against them.
- **Treat every number in this chapter as a hypothesis.** In this handbook's view, figures such as RSI 60, a 2.5% distance from the high, a 62-week low or an 8% stop need testing on your own data, including the failed breakouts and the costs, before they can be trusted.
- **Discount hindsight and self-reported results.** Several presenters themselves acknowledge that their examples are hindsight winners. Famous winners, P&L screenshots and stated CAGRs are not evidence of an edge; the question is what happened to the trades that did not work.
- **Be sceptical of missing stops and added leverage.** Some methods here have no stop, and one adds margin. In this handbook's view, such methods need far more evidence before use, not less.

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12. Investing for the Long Term

Most of this handbook is about trading: entries, stops and exits measured in days or weeks. This chapter covers the other half of the corpus, money meant to stay invested for years. It includes:

- fundamental and value frameworks
- methods that screen on fundamentals and then time entries with charts
- ranked momentum portfolios
- trend rules on weekly and monthly charts
- thematic, small-cap and IPO ideas
- mutual funds and index funds organised by goal

Long-term money matters more than any single trade. For most readers it will be the larger share of their capital. It is also where some of the most expensive mistakes happen quietly: holding a broken business "because it is long term", buying a fund because it topped last year's table, or owning a small cap you cannot sell.

By the end of the chapter you should be able to:

- read a business on return on capital, debt and valuation
- use a screen as a shortlist rather than a buy list
- explain how a ranked momentum portfolio works and where it breaks
- compare weekly and monthly trend rules
- judge exit liquidity before buying a small company
- match each rupee to the date you will need it

One caution applies throughout. The evidence here is thin. Many videos show no backtest at all, and very few show any live result. Almost none count costs or taxes. Treat every number below as the presenter's claim, and treat every rule as something to test.

Fundamental and Value Analysis

How it works

The simplest version of fundamental analysis says three things move a share price: sentiment, liquidity and the company's fundamentals. You estimate the business's intrinsic value from its model, industry, management and financial statements. You then buy when price is below that value and sell when it is above[1]. That explainer gives no method for calculating intrinsic value, which is the hard part.

A more useful split comes from a lesson on wealth creation. It divides returns into two parts[2]:

- **Investment return:** earnings growth.
- **Speculative return:** the change in the price investors will pay per rupee of earnings.

Over long periods, the presenter argues, market value tracks profit. In his M&M Financial Services example, market cap compounded near 28% while net profit compounded near 14%. Since 2014, in the presenter's example, analyst buy ratings kept rising even as profits fell. His point is that the gap between price and earnings is where sentiment lives, and it does not last.

Aswath Damodaran adds a practical correction[3]. Most investors *price* companies with multiples rather than *value* them with a discounted cash flow (DCF). The right multiple depends on the company's stage of life. DCF, he says, suits a patient individual investor more than a portfolio manager. His most transferable lesson is to translate every story into a number, such as margins, turnover or debt ratio, and to discard stories that never show up in the numbers.

Qualitative tools such as Porter's Five Forces and SWOT are useful for structuring that story. They are inputs to judgement, to be checked against financial data, not conclusions[4].

What the presenters agree on

Return on capital, checked over several years, is the core quality test.

- One investor requires ROCE and operating margin both above 20% for five to seven years[5].
- A fund manager's screen wants ROCE above about 20% and *improving*[6].
- A US-focused checklist uses 15%+ return on capital and gross margins over 50%[7].

Debt is judged by how easily it is serviced, not only by the debt-to-equity ratio.

- One presenter wants interest below about half of operating profit[5].
- Another stresses interest coverage[8].
- A short scanner clip makes the simple case that negligible debt protects margins[9]. It gives no evidence that low-debt names do better.

Selling is triggered by a broken thesis, not by price. Several presenters say almost the same thing:

- write down why you bought
- review it each quarter against reported results
- sell when the reason is gone, not because the price moved[10,7,5]

A useful corollary from one forensic-minded presenter: a good business bought at an expensive price can still lose money[11].

Promoter behaviour is a clue to investigate, not a verdict.

- Short clips present a rising promoter stake as positive[12] and a falling one as negative[13].
- Neither offers evidence.
- An editorial caution, not a teaching from these videos: promoter stakes can change for tax, pledge unwinding or restructuring reasons, so it may help to look up the filing and find the reason.

Verify before you believe. The forensic interview suggests concrete checks[11]:

- auditor fees compared with peers

- sales routed through related parties
- receivables against the stated credit period
- for IPOs, where earlier money went

The presenter also recommends ground research with suppliers, dealers, ex-employees and competitors rather than current staff.

Setup: Four-step process with an improving-quality screen

- **Universe:** NSE 500, Nifty 50, or any stock whose daily volume is roughly 10–20 times your intended trade size.
- **Screen:** ROCE above about 20% and improving; PE below about 20; low debt-to-equity; a growth filter; market cap above about Rs 500 crore. The presenter says this leaves roughly 100 names.
- **Selection:** Sort by net profit and take the top 20. Optionally keep names with rising ADX or higher RSI.
- **Sizing:** Hold 10–20 stocks at about 5% each, equal-weighted, with a single-stock cap of about 20% and a sector cap whose level is not specified. A new idea replaces a holding only if it beats the weakest one.
- **Exit:** Recheck quarterly and sell names that no longer pass. A portfolio-level stop of 15–20% drawdown, executed in graded steps, with a rule for re-entry.
- **Where it applies:** Multi-year Indian equity investing.
- **Evidence:** Backtest. The presenter cites about 940% for the screen against about 280% for the index from 2008 to March 2023, with a raw drawdown of 50–60%. The video does not state costs, point-in-time data or survivorship handling, and does not quantify how the stop changes the return. The presenter also runs an advisory business.
- **Source:** [6]

Setup: Counter-cyclical price-to-book and margin reversion

- **Market gauge:** Compare Nifty's trailing price-to-book with its long-run average of about 2.8x.
- **Sector map:** Classify NSE 500 sectors by current index weight against their history: red (over-owned), white (around average), green (under-owned). Fresh money goes to green.
- **Stock rule:** Buy companies trading 20–50% below their own historical valuation, with operating margins 5–10% below their average, while operating cash flow stays intact. Valuation is measured as EV/operating cash flow.
- **Exit:** Sell when margin and multiple revert to average. The presenter's Maruti example was about 15% margin and 5–6x book. Also sell once the crowd arrives.

- **Stop:** None. The fund manager allows 10% or more of the fund in one name, but only at historic-low valuation.
- **Evidence:** Examples, hand-picked after the fact (UPL, Maruti, IPCA and others). No backtest.
- **Source:** [14]

Setup: Monopoly-quality compounder

- **Filters:** Screen out weak companies on debt-to-equity, ROE, promoter holding and pledges. Then require ROCE and operating margin above 20% for five to seven years, low or zero debt, a growing sector, and a business that can plausibly compound around 26% a year for a decade.
- **Entry:** Buy after a temporary, solvable problem crushes the price. The presenter's example is Divi's Lab around Rs 700 after a fall of roughly two-thirds. Start small and add as conviction grows.
- **Exit:** Sell if the 26% compounding case no longer holds or the dominant position breaks. Do not trim winners to fund laggards.
- **Sizing and stop:** About 15 names, with position size tied to the loss you can afford; no stop-loss.
- **Evidence:** Anecdote. "Monopoly" has no objective definition, and the presenter is a broker affiliate.
- **Source:** [5]

Where they disagree

- **Concentration.** One fund manager will put 10% or more in a single name[14]. A turnaround clip argues for doubling up on high conviction[15]. Against that:
- 10–20 names at about 5%[6]
- about 20 low-correlation names[16]
- about 45 stocks with roughly 15 making up the bulk[7]
- **Cheap versus quality at any price.** Some wait for out-of-favour sectors and depressed multiples[14,8]. The 100-point checklist buys quality at reasonable valuation, even at all-time highs, rather than waiting for a correction[7].
- **Market timing.** One presenter uses market cap-to-GDP[11] and another uses Nifty price-to-book[14]. A third removes timing by buying quality at reasonable valuations[7].
- **Trimming.** One trims any holding above about 15% of the portfolio[7]. Another refuses to trim winners[5].

Pitfalls

- **Almost every case study is a past winner.** UPL, Maruti, Divi's and MasterCard are all chosen after the fact.
- **Most of these frameworks have no downside rule.** Only one gives a portfolio stop.
- **Some key inputs cannot be reproduced.** One presenter's buy trigger is a self-built intrinsic value model he does not disclose[8].
- **Indicators can be described inconsistently.** The forensic interview calls market cap-to-GDP a big leading indicator while also describing it as lagging[11].
- **Some videos have no usable content.**
- A bank income statement lesson has no transcript[17].
- A value-investor clip is a garbled teaser[18].
- A Bajaj Group profile offers history but nothing to act on[19].

Funda-Techno Stock Selection

How it works

"Funda-techno" methods split the job in two:

1. **Fundamentals answer *which* stocks deserve attention.** Usually this is recent quarterly growth in sales and profit, sometimes return on capital or valuation.
2. **Technicals answer *when* to act and *when you are wrong*.** Usually a breakout, a Point & Figure signal, a moving average or relative strength.

The reasoning given is that a business in momentum and a price in momentum together have better odds than either alone[20]. That is a hypothesis, not a demonstrated result.

The workflow repeats every results season:

1. Run the growth screen.
2. Save the output as a watchlist.
3. Wait for a price trigger on names in that list.
4. Re-screen next quarter and drop names whose growth has faded.

Several presenters stress that the screen output is a watchlist, not a buy list[21,22]. Another treats the output as a starting point for research, without a separate price-trigger step[23]. One adds a sensible detail: compare a quarter with the same quarter last year rather than the previous one, to strip out seasonality[24].

What the presenters agree on

Quarterly growth is the core filter. Thresholds vary widely:

Threshold	Source
25% year-on-year sales and profit growth	22,25
30%	20
About 50%	26
10%	27
All-time-high quarterly results	23,24

Build positions in stages rather than buying all at once. Examples:

- a 50/50 two-tranche entry[28]
- a 5-3-2 pyramid that adds only on continuation buy signals[29]
- small starter tranches[30]

Diversify with caps. Typical books hold 20–30 names, with single-stock caps of around 7%[28] or about 2% each across 45–50 names[27].

Choose the strong segment or sector first. Rank market-cap segments against the Nifty before screening stocks[26,25].

Setup: BEST framework breakout portfolio

- **Screen:** Start from the Nifty 500 and research each shortlisted name against the "BEST" thesis: Big market, accelerating Earnings, trustworthy Management, high relative-strength Technicals.
- **Book:** 20–30 names, each capped at 7% and starting at about 1.5–2%, with no more than about 30% in any one sector.
- **Entry:** Only on a proper breakout, range breakout, cup-and-handle or resumption of strength. Buy about half the intended quantity on the base and the second half roughly 5% higher (up to about 12% for some names).
- **Exits:**
- a hard stop about 8% below the first-buy average
- a close below the 200-day moving average
- a result or thesis break
- valuation running far ahead of growth (the example is P/E of 70–80x on about 30% growth)
- signs of distribution
- **Where it applies:** Indian equities, daily chart, two-to-three-quarter outlook.
- **Evidence:** The only live result in this section. It is one year of a competition, with statistics computed by a broker, and it is unaudited. The transcript is auto-generated, so some figures are inferred. The presenter also promotes broker tools.

- **Source:** [28]

Setup: Point & Figure anchor-column follow-through with 5-3-2 pyramid

- **Quarterly screen:** Positive year-on-year sales and operating profit, positive ROCE, and quarterly sales growth of about 8% or more. This typically yields 150–200 names. Keep the top 50 by weekly relative strength.
- **Chart:** Point & Figure, with a 0.25% box for large caps and 1% for mid and small caps. The presenter's description of the large-cap box is ambiguous in places.
- **Entry:** A Double Top Buy follow-through after an anchor column of at least 15 X boxes. Skip the trade if the stop would be more than about 9 boxes away.
- **Adding:** Only on continuation buy signals, in a 5-3-2 sequence. This is reversed to 2-3-5 when Nifty 500 breadth looks overheated. Trail the stop with each add.
- **Exit:** The first bearish signal after entry, then a full exit on a Double Bottom Sell once fully pyramided. Never average down.
- **Sizing:** 40% of capital, up to 20 positions, long only.
- **Evidence:** Anecdote with hand-picked charts. None of the parameters (15 boxes, 9 boxes, top 50) is tested out of sample.
- **Source:** [29]

Setup: Fresh earnings-surprise breakout

- **Signal:** Revenue, operating profit and EPS jump well above the company's own last 8–12 quarters. It must be only the first or second improving quarter, and operating margin should not already be at the top of its historical range.
- **Entry:** Buy at the open after the result. If unsure, wait for a heavy-volume gap-up as confirmation.
- **Sizing:** 3–5% per stock across 25–35 names. The allocation acts as the stop; there is no fixed price stop.
- **Exit:** Start trimming around the fourth or fifth good quarter, or when margins peak. Hold through market corrections and decide at the next result.
- **Where it applies:** Mid and small caps over 2–8 quarters. The presenter says the hit rate drops below 50% in bear phases.
- **Evidence:** Examples of past multibaggers. The stated 60–70% hit rate and losers cut at 10–15% come with no published data.
- **Source:** [31]

Where they disagree

Stops. Some methods use hard price stops:

- 8% plus a 200-DMA exit[28]
- a P&F stop within about 10% with at least 1:3 reward-to-risk[32]

Others use none and let the screen or fundamentals act as the stop[27,33].

Averaging. One presenter forbids averaging down[29]. Others buy more as a crisis deepens, provided the negative is "curable"[34].

Growth thresholds. One presenter deliberately avoids 40–50% growers as over-expected and prefers 25%[25]. Another uses about 50%[26].

Value versus strength at entry. One method buys mid caps trading below their 200, 100, 50 and 20-day averages stacked in that order[27]. A downtrend screen looks for PE 1–2 standard deviations below its own history alongside all-time-high sales[21]. Most of the others buy fresh strength.

What fundamentals are for. One presenter uses them only to eliminate weak companies[29]. Another uses earnings acceleration to pick winners[31]. A third calls its fundamental layer optional[25].

Pitfalls

- **Many screening demos leave the stop, sizing and exit to you.** Examples:[23,22,24]. These are selection tools, not complete methods.
- **Look at a screen's own losers.** In one presenter's three-month table, about 27 of 48 names were positive and roughly 10–12 were down more than 10%[20].
- **A single quarter can mislead.** One presenter warns that a strong quarter may be temporary, then builds the screen on single-quarter signals[23].
- **Hit rates can look very different in a bad patch.** A presenter claiming about a 60% hit rate also describes a recent quarter with about 80% losing trades[32]. Judge any method over long samples.
- **Start dates and regimes matter.** One demo dates its segment ranking from the March bottom, which the presenter himself says may not be confirmed[26].
- **Most of these videos demonstrate a paid platform.** That does not make them wrong, but it is worth keeping in mind.

Momentum Investing and ETF Rotation

How it works

Momentum investing replaces judgement with a ranking:

1. Take a universe, such as the Nifty 500, Nifty 750 or a group of ETFs.
2. Rank every name by trailing return, usually over about a year (252 trading days).
3. Buy the top N in equal amounts.

4. On a fixed date, usually monthly, sell holdings that have fallen out of the ranking and buy the new leaders.

The stated rationale is that trends tend to persist until they stop[35,36]. One round-table cites the academic momentum literature[37].

Three refinements recur.

1. An exit band wider than the entry band. You might enter the top 20 but sell only below rank 40. This cuts churn, because names hovering near the cut-off do not flip in and out every month. Examples:

- hold 5, exit below rank 10[38,39]
- hold 20, exit below 30 or 40[40]
- hold 25, exit below 50[41]

2. A trend or regime filter. A stock must be above its own 200-day average. Sometimes the whole model also pauses when the index is weak.

3. Better ranking measures. Options include:

- return divided by volatility, to avoid overweighting erratic stocks[40,42]
- 12-month return minus the last month[37]
- blends of long and short lookbacks[38,43]

ETF versions apply the same logic across sector, commodity, bond and cash ETFs. Because the universe includes gold and liquid funds, the ranking can rotate into defensive assets on its own[39,44]. A sensible step is to clean the universe first so that several ETFs tracking the same index do not fill every slot[38,45].

What the presenters agree on

- **Fix the rules in advance and do not override them.** Several presenters insist on this[35,46,47].
- **Expect a J-curve.** A momentum portfolio often lags for months before compounding[38,42].
- **Judge over years, not monthly statements**[48,40].
- **Match the lookback to the horizon.** One presenter warns that short-period indicators on a long-term portfolio drive churn[48].
- **Momentum crashes are the known failure mode.** These are sharp reversals in market-wide falls[37]. One presenter openly says his model will not do well in bear markets[40].

Setup: MIP-12 momentum investing plan

- **Universe:** Nifty 500 (mid, small and micro caps) or Nifty 100 large caps. Kept separate from trading capital, with a 3–5 year horizon.
- **Eligibility:**
- **Breakout leg:** price above its 252-day high.

- **Pullback leg:** price retraced no more than 50% from its 52-week high, with the trend still up.
- **Both legs:** price above the 200-day EMA, and the stock/Nifty 500 ratio above its own 200-day average.
- **Ranking:** 252-period volatility-adjusted return.
- **Entry:** On the monthly date, buy the top 20 equal-weighted. No new entries if the Nifty 500 is below its 20-day EMA.
- **Exit:**
- sell any holding ranked outside the top 40
- optional 30% intra-month stop, with re-entry only at the next rebalance
- if the Nifty 500 closes below its 20-day EMA, exit everything and pause
- **Evidence:** A backtest shown inside a platform demo, without full figures or costs. The presenter says the parameters can be adjusted and that starting at a market top such as January 2008 gives the worst drawdown.
- **Source:**[42]

Setup: Relative-strength top 10 with a gold switch

- **Rule:** At month-end, rank a liquid universe by 12-month return minus 1-month return and hold the top 10 for the next month. Names that drop out of the top 10 are sold at month-end.
- **Regime filter:** Run the model only while the Nifty is above its roughly 5-month (about 200-day) moving average. When it closes below, exit the whole basket into gold.
- **Stop:** None per position. Defence is at portfolio level.
- **Evidence:** A backtest described in a round-table. The universe, period and costs are not given in verifiable form, and the transcript is garbled. The presenter admits the filter reduced returns as well as drawdown.
- **Source:**[37]

Setup: Domestic ETF dual-lookback rotation

- **Universe:** A domestic ETF group with one highest-volume ETF per underlying and no international ETFs.
- **Rule:** Each month, rank by 252-day and 90-day performance and hold the names common to both, up to five, equal-weighted. Keep only ETFs above a 10-period DSmart trend line (3% box).
- **Exit:** Sell when an ETF ranks below 10 or falls below the DSmart line. Gold, silver, bond and liquid ETFs can be added for cushioning.

- **Evidence:** Backtest from 1 June 2022, about 27.84% CAGR on roughly 40 trades. This is a short window that starts once ETF liquidity arrived, run on the presenter's own platform, with no costs. Near relatives hold 10 and exit below 20[49], or rebalance weekly with an exit at rank 9[44].
- **Source:**[38]

Where they disagree

Question	One side	Other side
Market filter?	Gate entries on Nifty vs bonds[50] or the 200-DMA[37]	Pure momentum should not be overridden; the presenter claims about a 20% entry advantage over the 200-DMA filter approach[46]
What the filter does	Exit everything[42]	Block new entries only and let winners run[50,43]
Rebalance frequency	Weekly, to catch sector moves[44]	Presenters claim weekly and monthly perform about the same, without showing results[48,39]
Number of holdings	5[51]	20[40,52], or 25[41]
Stops	None; the ranking is the exit[46]	15% hard plus 20% trailing[43]

Two presenters report the trade-off of a regime filter. One says that adding a top-30 exit and a regime filter together cut drawdown from about 30–32% to about 24%, while CAGR fell from 63% to 47%. Those backtests were gross of costs, and he raises his own concern about curve-fitting[43]. The other admits his filter reduced returns as well as drawdown[37]. That is the realistic shape of the choice: filters buy smoother equity curves at the price of return.

Pitfalls

- **Costs and taxes are missing almost everywhere.** Monthly turnover across 20 names is not free.
- **Short and favourable ETF windows.**
- One ETF backtest from June 2022 shows about 24.6% CAGR against the Nifty's 13.73%, with 4.5% drawdown. The presenter credits gold and silver strength for part of it[49].
- The same video quotes a random large-cap momentum portfolio since 2008 at about 12.39% CAGR with a 32% drawdown. That is a more sobering, longer-run number.
- **Headline anecdotes.** A 43% versus 7.22% result comes from a single virtual portfolio over about 18 months[44].
- **Unproven drawdown claims.** "Drawdown never above 10%" is asserted without the underlying data[38].
- **Tiny samples.**

- An oversold-market momentum basket rests on six or seven historical RSI signals[51].
- One presenter says plainly that he has not backtested his own system[41]. The presenter's own holdings ended up with about 10 of 25 in public-sector names.
- **Survivorship and history.** One presenter notes that India's limited history is mostly a bull market[40].

Technical Long-Term Investing

How it works

These methods ignore most fundamentals and let a slow price trend decide both entry and exit. The shared ideas are:

- use a high timeframe (weekly or monthly)
- act only on closes
- hold while the structure holds
- define in advance the event that ends the trade

The tools differ:

- a breakout above a multi-year range on the monthly chart[53]
- holding while higher bottoms continue[54]
- staying above the 200-week or 200-day average[55]
- a long-period weekly RSI[56]
- about two years of relative strength, from a low-confidence summary of a video that gives no defined exit[57]

What the presenters agree on

- **A slow trend filter first, then hold while it persists.** Six of seven methods work this way.
- **The exit is structural and set before entry.** Examples include a floor break[53], a failed higher bottom[54], and a loss of the 200-week average[55].
- **Small, equal positions make volatility bearable**[53].
- **Keep long-term and swing baskets separate, and do not judge multi-year holdings on 5- or 15-minute charts**[53].

> **Setup: Weekly RSI-55 entry with a 62-week Donchian trailing stop**
>
> - **Universe:** Nifty 500, 200 or 50, screened over the weekend after Friday's close.
> - **Entry:** Weekly RSI(100) closes above 55.
> - **Exit:** Weekly RSI(100) closes below 50, or a weekly close below the lower line of the 62-week Donchian channel, which acts as a trailing stop.
> - **Sizing:** An equal-weighted basket of about 10 stocks. No profit target; winners run.

- **Evidence:** The presenter cites a backtest with a hit rate of about 63–64% and average gains of 15–20% per trade, but gives no methodology. The 62-week period was chosen after testing 55, 60, 80 and 100, which invites curve-fitting. The video also shows long flat periods (Suzlon) where capital sat idle.
- **Source:** [56]

Setup: Monthly consolidation breakout basket

- **Universe:** The top ~500 liquid stocks, excluding PSUs, politically connected promoters, names with negative news and businesses the investor does not understand. Preference for stocks above their averages with higher bottoms.
- **Entry:** A monthly breakout above multi-year resistance on a volume surge, starting with a small, uniform quantity.
- **Exit:** Sell when the consolidation floor breaks, regardless of fundamentals. Re-enter only if the breakout level is reclaimed. Never average down into a broken chart.
- **Evidence:** Examples chosen after the fact (Bosch, Castrol). "Consolidation" and "breakout" are not precisely defined, and the presenter promotes his programme.
- **Source:** [53]

Setup: 52-week-low rebound with ownership filters

- **Filters:** Promoter holding of at least 60%, profits for three to four years, no pledged shares, and institutions increasing their stake.
- **Entry:** About 40% above the 52-week low, sometimes as early as 15–20%.
- **Sizing:** A cap of roughly Rs 50,000–56,000 per stock across 400+ holdings, with about 5% in cash.
- **Exit:** Sell when institutions reduce their stake. Sell enough of a winner to recover the capital invested and hold the rest as "free shares".
- **Stop:** None. The presenter holds through 10–20% corrections and adds on dips.
- **Evidence:** Personal anecdote listing winners. Averaging down into Yes Bank is presented as a success, and the presenter admits small caps are often operator-driven.
- **Source:** [58]

Where they disagree

- **Averaging down.** One method forbids it [53]; another depends on it [58].
- **Role of fundamentals.** One presenter calls his price-only approach a deliberate contrarian choice [54]. Others add quality or ownership screens.

- **Basket size.** About 10 names[56] versus 400+[58].
- **Direction.** One trend system trades both long and short off a proprietary Adapt RSI crossing above or below the 200-day EMA[59]. The rest are long-only.

Pitfalls

- **Every example in this group is a stock that worked.** Lupin's long run and exit are described entirely in hindsight[54].
- **Long-average entries are late.** The 200-week scan's presenter says so himself, and gives no exit rule[55].
- **Proprietary indicators cannot be tested independently.** The Adapt RSI method gives no stop, no sizing and no evidence[59].
- **Low-confidence material.** One weekly-strength video gives a loose exit condition, and the summary of it was itself low-confidence[57].

Themes, Multibaggers, SMEs and IPOs

How it works

The thematic approach runs top-down:

1. A macro event or structural change.
2. Its business consequence.
3. An explicit theme.
4. The best listed beneficiary.

One presenter adds a check that sets his method apart: a data series that *leads* earnings[60]. Examples include:

- the yarn-cotton spread for spinners
- refining cracks for refiners
- Google search interest for home loans

Another calls the trigger a "kicker". This is a real change, such as a sector upcycle heard across concalls, a new generation of management, or rising profits on a strong cash position. He finds it through a daily routine of headlines, exchange announcements, concalls and AGMs[61].

Small companies add a constraint that large caps do not have: **you may not be able to sell.**

- One presenter's smallcap stake, trading below its IPO price three years after listing, took about five to six months to exit[62].
- A micro-cap hitting daily upper circuits can leave buyers with no exit when the circuit reverses[63].

What the presenters agree on

- **Do your own homework instead of following tips**[64,61]. One presenter budgets 30–50 hours per company[60].
- **Plan the exit before entry.** For small and illiquid names, judge position size by how many days it would take to sell[62]. Prefer the largest, most liquid beneficiary of a theme[60].
- **Judge promoters.** Look at integrity, treatment of minorities, and warning signs such as silence or outsized salaries[65,62].
- **Success stories are anecdotes.** The all-in-one-stock story[66] tells you nothing about the concentrated bets that failed.

Setup: Macro-to-theme, data-confirmed multibagger hunting

- **Process:** Trace a macro event to its second-order business effect, then name the theme. Confirm it with a leading data series. Pick the top one or two quality names, judged on promoter, balance sheet and minority treatment.
- **Entry:** Add as the data confirms, including into a rising price, rather than buying everything on day one.
- **Exit:** When the theme plays out, the inflection reverses (for example, the yarn-cotton spread falling back), or regulation removes the windfall.
- **Sizing:** 40–50 names at 3–7% each (up to 10–12% after a run), 20–40% cash, no leverage. No stop-loss.
- **Where it applies:** Indian listed equities over 2–3 years.
- **Evidence:** Past ideas shown as examples. The presenter admits he often sells winners early. Results depend on a few big macro events. The lead-lag relationships, such as the yarn-cotton spread leading margins by 2–3 months, are testable claims, not proven ones.
- **Source:**[60]

Setup: SME and microcap: promoter first, exit first

- **Process:** Source ideas through field work. Hold a first promoter meeting of three hours or more and visit the factory. Check:
- related-party transactions
- cash flow
- electricity bills against claimed production
- Walk away on any integrity doubt, regardless of price.
- **Entry:** Only if an exit after about five years looks possible, with a margin of safety near scrap value. Size by how fully the checklist is satisfied.
- **Exit:** Sell when everyone wants to buy, or trim in a bull run. There is no stop-loss.

- **Evidence:** Anecdote. The presenter cites SME failure rates of roughly 50% and describes once holding 99.6% in one stock, though he does not advise it.
- **Source:** [65]

Setup: Post-IPO staircase or "Mount Everest" base breakout

- **Filter:** Only IPOs where demand clearly exceeded supply, judged by subscription and grey-market premium. Ignore the first two weeks after listing.
- **Pattern:** Classify the chart as a "staircase" or a "Mount Everest" (a spike, then a plateau). Wait for a tight base near the highs.
- **Entry:** A break above the previous high out of the base, preferring institutional leaders.
- **Stop and exit:** A close back below the horizontal line at the peak. Scale out near all-time highs; targets of roughly 40–100% are cited.
- **Evidence:** Examples, mainly IRCTC. No failure rate, and the transcript's numbers are unreliable.
- **Source:** [67]

Where they disagree

- **IPOs.** One presenter argues for avoiding them altogether because promoters hold an information advantage, and waiting for secondary-market entries [68]. That view rests on a single example (Paytm). Another gives a post-listing setup.
- **Concentration.** "Diversification is bullshit" [66] versus 40–50 names [60] or a diversified core with a small satellite [69].
- **Buying after a run.**
- Buy only while still reasonably valued, and exit if results fail for two to three quarters [64].
- A 50–60% run need not disqualify a stock if the change is still playing out [61].
- **Selling on overvaluation.** Some sell when a stock gets expensive [64]. Others hold structural themes through overvaluation [60].
- **Cash.** About 15% [69] versus 20–40% [60].

Pitfalls

- **Few methods in this section reach a complete rule set.** None has a backtest. Most have no stop.
- **Theme watchlists built after a big move.** A gold-proxy list of jewellers and gold lenders was compiled after gold's rally, with entry levels but no stops [70].
- **Missing content.** One SME IPO review has no transcript at all [71].

Mutual Funds, Index Funds and Allocation

How it works

The organising principle here is simple: **match each rupee to the date you need it.** Equity can fall a long way and stay down for years, so money needed soon does not belong there.

One adviser's horizon map[72]:

Horizon to the goal	Suggested category
Under 3 years	Debt or liquid funds
3–5 years	Hybrid or multi-asset (20–80% equity)
5+ years	Equity

A goal-based planning video defines horizons slightly differently: mid term is 3–7 years and long term 7–10 years or more. It also shows why targets must be inflated. At about 6% inflation, a cost of 54 lakh today becomes roughly 1 crore in ten years[73].

The second principle is behavioural. The same adviser cites a study where investor returns of about 13.8% trailed fund returns of about 19%. He attributes the gap to switching in and out, panic selling and pausing SIPs[72]. Treat that as a claim to check, but the mechanism is familiar to anyone who has watched people stop a SIP in a crash.

What the presenters agree on

- **Start early, invest regularly, and do not pause in a crash**[72,73].
- **Keep a diversified core and a limited number of funds.** One adviser says 3–4 funds avoid duplicated holdings[72]. Another puts about 70% in a large-cap or index core[74].
- **Judge over long windows.** Ignore the top one-year performer[75]. Use rolling returns and whole-portfolio XIRR[72]. Judge your own record over five to ten years[76].
- **Compare costs.** Brokerage, expense ratios and exit loads all reduce returns[77].

Setup: Goal-horizon category allocation with SIP discipline

- **Rules:** Give every goal a date and assign it to debt, hybrid or equity using the horizon map above. Hold 3–4 funds with no duplication. Choose the category first, then the fund, on rolling returns and the manager's record.
- **Investing:** Start a SIP anywhere from Rs 100 to Rs 5,000 and raise it with income. Never pause in a crash. Deploy lump sums counter-cyclically.
- **Exit:** Redeem only when the goal falls due. When consolidating many funds, the presenter suggests waiting for a 20–25% correction to limit capital gains tax.
- **Evidence:** Examples, many from 2020–2025 bull-market returns. The presenter runs an advisory that defends regular plans. He claims they beat the Nifty 50 over five years after

expenses (19.72% against 16.38%). That is a testable claim, not an established one.

- **Source:** [72]

Setup: Core-satellite fund allocation

- **Rules:** About 70% in a large-cap, index or diversified core via SIP. About 30% in a satellite of sector, theme or international funds. Each year the satellite rotates into the theme with the strongest momentum.
- **Exit:** Rotate when the theme's momentum fades. Reduce or zero the satellite in a crisis. Drift toward hybrid funds when markets look stretched.
- **Evidence:** Anecdote from a noisy transcript. Rotation and crisis triggers are vague, and momentum data comes from a promoted platform.
- **Source:** [74]

Setup: Four-step ELSS screen

- **Rules:** Check four layers in turn: 1. Fund size (the presenter prefers about Rs 2,000–8,000 crore AUM). 2. The split between equity and cash or treasury. 3. The large, mid and small-cap mix. 4. The top holdings and their weights.
- Invest only if you believe the top holdings will outperform over 3–5 years and the fund's own NAV chart shows a trend or consolidation. Review monthly or quarterly.
- **Exit:** After the three-year lock-in, move on if the fund has lagged.
- **Evidence:** A single case study, alongside a platform pitch.
- **Source:** [75]

Where they disagree

- **Active tilting versus passive holding.**
- Rotate the satellite yearly [74].
- Rotate sectors and market caps about every six months, with tactical cash up to 15–20% [78].
- Do neither, invest at set intervals and ignore the noise [77].
- **Direct versus regular plans.** A commission-free direct plan [77] versus advice through regular plans [72]. A third view mixes funds with a smaller direct-equity book [76].
- **How many stocks if you go direct.**
- Concentrate in a few [63].
- Hold 20–30 weighted by conviction [78].

- Build about ten names gradually, adding roughly one a month from within your circle of competence[79].

Pitfalls

- **Platform promotion runs through this group.** Glide Invest[73], Finity[77], StockEdge[74,79] and MFZone[75] all appear.
- **Unsupported figures.** "Around 90% better performance" comes with no period or benchmark[77].
- **Self-reported results.** One all-season portfolio claims to have beaten its benchmark in 8 of 10 years. The record is unaudited, and the presenter manages money[78].
- **No transcript.** The open-ended versus close-ended fund lesson cannot be verified[80].

Chapter checklist

- **Presenters advise writing the thesis and the sell condition before you buy.** They suggest reviewing it each quarter against reported results and selling when the reason is gone[10,7,5].
- **Presenters check return on capital and margins over five to seven years, not one quarter**[5,6]. They judge debt by how easily interest is covered, not by the debt-to-equity ratio alone[5,8].
- **Several presenters treat a screen as a shortlist, not a buy list**[21,22]. In their workflow, a price trigger and a defined exit decide the trade.
- **For small and illiquid names, one presenter judges position size by how many days it would take to sell**[62]. Another prefers the largest, most liquid beneficiary of a theme[60].
- **Momentum presenters insist the rules are fixed in advance and not overridden**[35,46,47]. The rules cover:
- the ranking measure
- the entry and exit ranks
- the rebalance date
- what happens when the market filter triggers

Costs are missing from almost every momentum video, so turnover cost has to be estimated separately. - **Several presenters use an exit band wider than the entry band to reduce churn**[38,40,41]. Its effect on returns is untested. - **Presenters of long-term technical methods set a structural exit in advance.** Examples are a floor break[53], a lost average[55] or a Donchian low[56]. One forbids averaging down into a broken chart[53], while another's method depends on averaging down[58]. - **Advisers map every goal to a date**[72,73]. In their framework, money needed within about three years stays out of equity, and SIPs keep running through falls. - **Editorial caution: distrust figures that come without their context.** Discount any CAGR that arrives without: - costs - drawdown - start date - universe

Short ETF windows from 2022 and single virtual portfolios are anecdotes. - **Editorial caution: test before trusting.** Test any rule you like from this chapter on your own data, net of costs, across at least one bear phase. Compare it with simply holding an index fund.

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13. Intraday Trading: Opening Ranges, Session Levels, Scalping and Stock Selection

Intraday trading is the part of the market most beginners try first and most often leave poorer. The appeal is obvious. Positions are closed by the end of the day, so there is no overnight news risk. Results arrive quickly, and the charts look as though they repeat. The difficulty is just as real. Every trade pays brokerage, STT and slippage. Stops are tight, so noise hits them often. A small edge per trade can be erased by costs. One video cites SEBI data that 89% of option traders lose money; the figure is quoted in the video and is not verified here[1]. Another, an options trader who presents himself as profitable, claims in the video's title to have paid about ₹50 lakh in brokerage and ₹30 lakh in STT in a single year[2]. Together, the two claims frame this chapter.

The chapter is built from the videos cited below, drawn from three channels. They cover four families of method:

- **Reference levels** fixed by the clock: the opening range and the previous day's high and low.
- **Levels computed from the session or from yesterday's prices**: VWAP, pivots, CPR, Camarilla and Market Profile.
- **Scalping**: holds of seconds to roughly fifteen minutes.
- **Stock selection**: how traders pick intraday names, including the separate risks of short selling.

Before going further, one point applies to the whole chapter. **None of these videos shows a systematic backtest with results, and none shows audited live results.** The evidence is presenters' stories and charts they chose. That doesn't make the ideas worthless. Several are clear enough to test, and the risk rules are sound. But treat every number below as a hypothesis.

By the end of the chapter you should be able to:

- explain why traders use each type of level;
- read the best-specified rule sets well enough to test them yourself;
- spot where presenters contradict each other;
- recognise the omissions that most often turn an attractive intraday method into a losing one.

Opening Range and Previous-Day Levels

How it works

These methods start from a simple observation. A few prices are visible to almost every trader on the screen, so orders tend to cluster around them. Two families dominate.

The **opening range** is the high and low of the first part of the session. Depending on the presenter, that means the first 5 minutes, the first 15 minutes, or a specific candle such as 9:45. The reasoning is that the open is noisy. Overnight news, budget days and geopolitical headlines all provoke impulsive orders in the first minutes. Once the range has formed, a break of it is meant to show the day's genuine direction[3].

Previous-day high and low (PDH/PDL) are treated as "decision points". One Elearnmarkets presenter argues that these are the levels most traders watch. Volume and order flow therefore concentrate there, and when price breaks a level and fails to hold, one side is left trapped and has to exit, which fuels the move[4,5]. He asserts this mechanism; he does not demonstrate it with data. His instructions are also notably plain: mark only PDH and PDL, and ignore the previous close and today's open[5].

What the presenters agree on

Across all ten videos in this family, the structure is remarkably consistent, even where the parameters differ.

- **Use a predefined, objective level and wait for price to reach it.** If price never reaches the level, there is no trade. One presenter rules out trades in the middle of the range entirely[4]. Another simply drops stocks that never cross the trigger[6].
- **Fix the stop before entry, tied to the trigger candle or the level.** One presenter explicitly rejects the "textbook" stop below yesterday's range low as too wide. He uses the low of the first 5-minute candle instead, and derives quantity from that distance[6].
- **Trade with a larger trend or filter.** The filters used include the daily trend[4,2], a stock that closed green in an uptrend[7], an 89-period EMA[3], and the index's direction[6].
- **Require acceptance, not the first poke.** One presenter waits for price to hold above PDH for 5–10 minutes[7]. Another waits for a third candle to close beyond the second[3]. Another wants a 5-minute close beyond the range[2], and one prefers a continuation or reclaim to the first direct breakout[4].
- **Cap the number of trades per day.** Caps range from one trade[7], to two[4,8], to two or three[6], to three[2]. One presenter pressed the broker's kill switch after her single trade so she could not re-enter[7].
- **Risk a small fixed fraction and size from the stop.** Figures quoted are 1% of capital[4], about 0.5% of deployed capital[7], and 1–2%[2]. One systematic trader sizes from the worst backtested drawdown instead[9].
- **Skip choppy days.** One presenter sat out an entire month of range-bound trading[3].

The table below lays the main variants side by side. It shows how much the "same" idea varies between presenters.

Variant	Level	Entry trigger	Stop	Target	Source
PDH/PDL decision point	Previous day high/low, 3-min chart	Continuation or reclaim in daily-trend direction, after 9:30	Entry candle or level	Half at 1R, rest at 2R	[4]
PDH breakout, one trade	Previous day high, 5-min	Break and hold 5–10 min	~0.5% of deployed capital	Stated as ~2:3	[7]
Plain 15-min ORB	First 15-min candle	Break of first candle high/low	Opposite end of that candle	Time exit ~3:15	[9]
15-min ORB + 89 EMA	First 15-min range, 5-min chart	Third candle closes beyond second	Day's low/high	Trail; exit on reversal or EMA cross	[3]
First 5-min + NR7	9:15–9:20 candle	Break of that candle's high	That candle's low	None given	[6]
9:45 candle (options)	9:45 five-minute candle	Break of high/low	10 points on premium	20 points	[8]
15-min range options scalp	First 15-min candle	5-min close beyond range	Entry candle extreme (~20 pts)	~1:3, up to 1:6–1:7	[2]

On the "2:3" target, the presenter's own example risks about ₹1,500 to make about ₹2,000–2,250[7]. That works out to reward of roughly 1.3–1.5 times the risk. Read the ratio as stated in the video as ambiguous, and work from the rupee example.

Setup: PDH/PDL decision-point system

- **Trend first:** On the daily chart, a downtrend lasts until a daily close above PDH; an uptrend lasts until a daily close below PDL. The presenter uses the 3:30 last traded price as the close, not the exchange's averaged closing price.
- **Chart:** 3-minute candles, with only PDH and PDL marked and no indicators.
- **Window:** roughly 9:30 to 11:00–11:30. No trades in the first 15 minutes.
- **Entry:** Trade only on the trend side: shorts around PDL in a downtrend, longs around PDH in an uptrend. Prefer a pullback or reclaim after the level to the first direct breakout, which is often a trap. Skip that first breakout unless price opens right at the level.
- **Stop and exit:** Stop at the entry candle or the defining level. Book half at 1R, move the stop to cost, and exit the rest at 2R. The presenter treats 20–50 points as a good intraday target and does not wait for 80–100.
- **Risk:** At most 1% of capital per trade (about ₹5,000 on ₹5 lakh). If the stop is too wide, take a smaller quantity or skip the trade. Two trades a day at most. Never average a loser.

- **Variants:** Breakout of a 2–2.5 hour consolidation after a gap or one-sided move (about 40 three-minute candles, larger ranges preferred, inside days skipped). Also a VWAP rejection or acceptance after price has stayed on one side of VWAP for 2–2.5 hours.
- **Applies to:** NIFTY futures and liquid stocks.
- **Evidence:** Anecdote. The presenter cites about 18 trades in 40 days (13 wins, 3 losses, 2 scratches), with the period later corrected. No costs or full trade log are shown. He also mentions a live stop 64–95 points wide, which sits awkwardly with the "small stop" framing.
- **Source:** [4]; same idea, without numbers, in [5].

Setup: 15-minute opening range break with 89 EMA filter

- **Range:** Mark the first 15-minute high and low. Thirty minutes is acceptable; never more than 60. Never enter before 9:30 or after 2:45.
- **Entry:** On the 5-minute chart, do not enter on the first or second breakout candle. Enter only after the third candle closes beyond the second, with price on the correct side of the 89-period EMA. VWAP or a simple moving average are offered as alternative filters.
- **Stop:** The day's low for longs, the day's high for shorts. This is a wide stop.
- **Exit:** On a reversal candle, or when price crosses back over the 89 EMA. No fixed target.
- **Timing:** The presenter's best window is 10:00–11:30. He avoids roughly 11:00–13:00 as a sideways stretch.
- **Applies to:** Nifty, Bank Nifty and the top 20–25 liquid stocks in trending markets.
- **Evidence:** Anecdote. The presenter puts the win rate near 20%, with roughly 8 of 10 trades losing small, and says the edge comes from occasional large winners. The worked example is a single trade that was stopped out. The 89 EMA and the time window are personal choices he has not tested.
- **Source:** [3]

Setup: First 5-minute candle breakout with an NR7 watchlist

- **Evening before:** Scan for NR7 stocks (today's range is the smallest of the last seven sessions) and stocks repeatedly in a narrow range over 5–15 days. Keep only two or three.
- **Morning:** Read the index. Look for longs if it is rising, shorts if it is falling.
- **Condition:** The stock's 9:15–9:20 candle must close outside the previous day's range.
- **Entry:** Long on a break above that first candle's own high, not above yesterday's high. Mirror the rule for shorts.
- **Stop:** The first 5-minute candle's low for longs; the day's high for shorts. Quantity is derived from this distance.
- **Exit:** Leave if the level fails. No profit target is given. Two or three trades a day at most.

- **Evidence:** Anecdote, with a few named examples. The transcript is auto-generated Hindi captions with recognition errors, so the specifics are only partly reliable. The presenter notes the scanner is public and widely used, so the edge may be crowded.
- **Source:** [6]

Where they disagree

Win rate. The PDH/PDL presenter expects 60–65% accuracy[4]. The 89-EMA presenter expects about 20%[3], and an options scalper expects 20–30%[2]. These are not contradictions so much as different payoff designs. A 1R/2R scale-out needs a high hit rate; a trailing exit with a wide stop can live with a low one. Know which design you are testing.

When in the day. Most presenters trade the morning. A podcast panel argues instead that the last hour, 2:30–3:30, is the most active part of the session and favours momentum trades in the final 45 minutes[10]. Both that panel and the 89-EMA presenter describe midday as sideways[3]. They simply trade opposite ends of the day.

Overnight carry. The last-hour panel allows a buy-today-sell-tomorrow trade, but only when a pattern and rising long-side open interest confirm late in the day, and only hedged with an opposite option[10]. Others are strictly intraday[7,8].

What a failed break means. One presenter treats a slip back inside the previous day's range as an invalid breakout and steps aside[11]. The PDH/PDL presenter treats a similar failure as the moment one side is trapped, which makes it a potential trade[4].

Pitfalls

- **Untested parameters and curve fitting.** The plain 15-minute breakout presenter says he backtested ten years but shows no results. He also admits choosing between 15 and 30 minutes by picking the more profitable variant[9]. That is how backtests overstate future results.
- **Rules decay.** The same presenter says a pure 9:20 straddle had not worked for about six months[9]. The 15-minute options scalper later moved to option selling[2].
- **Poor track records.** The 9:45-candle presenter's own account shows large cumulative losses[8].
- **Rules abandoned under leverage.** The one-stock, one-trade method in[7] comes from a cautionary story. The trader used about 5x intraday leverage, later dropped her rules, and went on to large losses.
- **Garbled figures.** A rule-based trader's interview mentions an 85% accuracy figure and a stop of about 210 points[11]. The transcript is too garbled to rely on either.
- **Overnight gaps.** The last-hour panel warns that one overnight gap can exceed the whole planned risk on an unhedged option[10]. Their own figure for the size of such a gap is hard to interpret. Their claim that a short gaps down "80–90% of cases" after lower bottoms and a close near the day's low is shown with no data[10].
- **Costs.** Most of these videos ignore them. With 20-point stops and 20–50 point targets, costs are a large share of every trade.

VWAP, Pivots, CPR and Market Profile

How it works

This family replaces clock-based levels with computed ones. Each tool answers a slightly different question.

VWAP is the session's volume-weighted average price, roughly the average price paid by everyone who traded today. Price above VWAP is read as buyers in control; below, sellers. **Anchored VWAP** restarts the calculation from a chosen point, such as a swing high or low, a gap, an earnings date or a breakout. It shows the average cost of everyone who has traded since that event[12]. One presenter adds that a flat anchored VWAP means "stay away until it breaks"[12].

Classic pivots and CPR come from the previous day's high, low and close:

- the pivot is (H+L+C)/3;
- the bottom central line is (H+L)/2;
- the top central line is twice the pivot minus the bottom line[13].

The width of this three-line band is read as a forecast of day type. A narrow CPR suggests a trending day; a wide one suggests a sideways day[13].

Camarilla pivots add and subtract fractions of the previous day's range around the previous close. This produces levels H1–H5 (or H6) above and L1–L5 below[14]. H3/L3 and H4/L4 get most of the attention.

Market Profile organises price by time rather than by candle. Each 30-minute period is given a letter, and the letters stack at the prices traded, building a TPO profile[15]. From it traders read:

- the point of control, the most-traded price;
- the value area, which holds roughly 70% of activity[16];
- **tails**, single-print extensions where one side rejected price;
- **balance ranges**, brackets with roughly equal highs and lows.

The **Initial Balance** is the first hour's high and low[17].

The most useful framing comes from a Definedge presenter. He shows a whole stack of these levels and then says plainly that no level reverses price by itself, and each works only occasionally[14]. A level tells you where to pay attention. What price does when it gets there is the signal.

What the presenters agree on

- **Levels are references; act on confirmation at the level.** The forms of confirmation vary:
- a price pattern at the level[14];
- price moving away from the zone[12];
- a rejection wick or close[17];
- a candle close beyond a Camarilla level, never an intrabar touch[18,19];

- price holding on one side of VWAP[20,21].

CPR in particular is described as a filter, not an entry[13]. - **Put the stop at a structural point.** Examples are just beyond the tail[22,15], beyond VWAP[20], at the opposite Camarilla level[19,18], or at a VWAP standard-deviation band[16]. - **Use a higher timeframe for context and a lower one for timing.** One presenter reads the 30-minute profile and enters on 5-minute candles[22]. Another works down from the daily chart to 65- and 30-minute charts and then to 5- or 2-minute for entry[12]. - **Scale out.** Variations include thirds, with the stop moved to break-even after the first[12]; two lots, one booked and one trailed[21]; half, a quarter, then the rest[17]; and a partial at the range midpoint[16]. - **Skip event and unclear days.** RBI policy, the Budget and election results are named[20]. So are expiry days and the first fifteen days of the month[17]. - **Set daily limits.** One presenter stops after a 1% loss or a 0.5–1% gain[17]. Another stops after three stop-outs[20]. - **Test before trusting.** Almost every presenter says it. One suggests about two years of data across many stocks[18]. None shows a test.

Setup: Camarilla breakout with VWAP and a 200 EMA channel (NIFTY ATM options)

- **Levels:** Camarilla H3–H5 and L3–L5 from the previous day's high, low and close, plotted on NIFTY spot and futures 5-minute charts. VWAP goes on the futures chart only. A high/low 200 EMA channel goes on the 1-minute chart of the ATM call and put.
- **Entry (long):** Buy the ATM weekly call when spot or futures break and hold above a Camarilla resistance such as H3, price is above VWAP on futures, and the call's 1-minute 200 EMA channel slopes up. No longs while that channel slopes down. Puts mirror the rule.
- **Stronger signal:** VWAP and a Camarilla level within about 10 points of each other.
- **Stop:** Below VWAP, below H5, or below the latest swing low. About 20–30 points in the example.
- **Exit:** Trade at least two lots. Book the first at the opposite Camarilla level, as the presenter puts it. Trail the second while the channel and level structure hold.
- **Expiry day:** Use the next weekly expiry.
- **Applies to:** Strictly intraday trend days. The presenter says 30–50 point moves occur only on a few days a week.
- **Evidence:** Examples, chosen after the fact. In one, the put's high landed exactly on H5, which the presenter calls a remarkable coincidence and then adopts as a booking level. No win rate, losing days or costs are shown, and premium decay and bid-ask spreads are not discussed.
- **Source:**[21]

Setup: Camarilla H3/H4 close-breakout template

- **Levels by horizon:** Daily Camarilla levels on 3- or 5-minute charts for intraday trading. Weekly levels on a 15-minute chart for swing trading. Monthly levels on daily or weekly charts for positional trading.

- **Entry:** Long only when a green candle closes above H3/H4; short only when a red candle closes below L3/L4. Never enter intrabar. Prefer confluence with CPR or standard pivots, and the higher-timeframe index trend should not be against the trade.
- **Stop and target:** Stop at L3 for longs (H3 for shorts). Target H5 (L5).
- **Other exits:** Exit early on a close back against the level. An optional trail exits on a cross of about a 30-period moving average.
- **Sizing:** The presenter fixes allocation upfront, about 20% of capital per stock. In options he uses a debit spread (buy ATM, sell OTM) to cap risk.
- **Evidence:** Examples from the presenter's favourite stocks. He recommends backtesting but shows none. He also says the exact exit is up to the viewer, which leaves the rules partly open.
- **Check before use:** A long entered above H4 with a stop at L3 puts the stop on the far side of the whole H3–L3 band. Work out the reward-to-risk this template actually gives on your instrument.
- **Source:** [18]

Setup: Market Profile balance-range edge trade

- **Setup:** On a 30-minute TPO chart, mark a balance range with two roughly equal highs and two roughly equal lows, formed after a directional move. Plot VWAP with three standard-deviation bands.
- **Entry (short):** Price looks above the top of the balance, fails, and rotates back inside. Act only when there is evidence of supply, such as a gap lower or trapped longs. Mirror the rule at the bottom for longs. On equity charts, wait for price to come back under the level rather than shorting at the top.
- **Stop:** At the VWAP band just beyond the level. The presenter's ES futures example: short at 14, stop at 15.
- **Exit:** A partial at the middle of the range. The main target is the range height doubled and projected from the range, a rule the presenter attributes to Jim Dalton. Levels are never redrawn, only extended outward.
- **Sizing:** The presenter recommends starting on micro futures so that a bad day costs very little.
- **Applies to:** Slow or consolidating markets. Shown on Nifty, BankNifty, ES and US stocks.
- **Evidence:** Single hand-picked charts, with targets said to be hit "to the tick" after the fact. Choosing which highs count as "roughly equal" is subjective, which makes the method open to hindsight fitting. The presenter says it took him six months to trust it.
- **Source:** [16]

Two other methods are worth knowing. The BankNifty VWAP method trades only on the side of an anchored VWAP on the 5-minute chart[20]. It buys an ATM or ITM option only when that option's own premium is above its VWAP and option open interest is building the right way. The stop is 20–30 points beyond VWAP, trading stops after three stop-outs, and the presenter avoids the last ten or so days before expiry. The transcript is heavily garbled, so some rules may be misreported. The Market Profile tail method enters on the 5-minute chart after a selling or buying tail forms, places the stop just beyond the tail, and trails the trade through a presumed trend day[22,15]. Its presenter takes only about 3–5 such setups a month[22].

Where they disagree

What H3 is for. In one Camarilla method, H3 is the stop for a long triggered above H4[19]. In another, a candle close above H3 is the entry trigger[18], and in a third, a break and hold above a Camarilla resistance such as H3 on spot or futures is[21]. Yet another treats H3/L3 as mean-reversion targets and H4–H5 as continuation[14]. The same level carries three different meanings.

Which timeframe of pivots. One presenter uses weekly and monthly Camarilla levels only and discourages daily pivots[19]. Others use daily levels for intraday trading[18,21].

VWAP as trend filter or reversal level. Some trade only on the side of VWAP[20,21]. Another trades rejections of VWAP, the 20 EMA and the Initial Balance high and low[17].

Fade or follow. The balance-range method fades the edges[16]. The tail methods ride trend days[22,15]. The Camarilla methods follow breakouts[18,19].

Add confirmations or not. One VWAP method adds open interest[20], and the Camarilla options method adds an EMA channel[21]. A Market Profile presenter deliberately uses no volume, delivery, open interest or extra indicators[15].

CPR width. One video reads a narrow CPR as a trending day[13], and another reads a narrow Camarilla pivot width the same way[19]. The Definedge level video describes CPR as narrow on balanced days and wide on trending days[14]. This is exactly the kind of claim to settle with your own data before you rely on it.

Pitfalls

- **Everything is illustrated, nothing is measured.** No video in this family gives a win rate, a sample size or costs.
- **Discretion hides in the definitions.** "Relevant high", "tight consolidation"[12], "roughly equal highs"[16] and the reading of a tail[15] are all judgement calls, so results will be hard to reproduce.
- **Fixed point targets.** A target of 150–200 Nifty points or 400–500 Bank Nifty points[19] ignores how volatile the day is.
- **Missing exits.** The CPR video gives no stop, target or sizing at all[13]. You would have to build those yourself.
- **Paid tools.** The tail presenter says paid software is needed to see the edge[22]. Several videos promote a book, a trading room or a platform.

- **Unusable material.** One anchored-VWAP excerpt has captions too degraded to recover any rule[23].

Scalping

How it works

Scalping is intraday trading compressed to its limit: many trades, each held for seconds to about fifteen minutes, each aiming for a small gain. The arithmetic is unforgiving. Each trade's expected profit is small, so costs, spread and slippage take a much larger share than they do in slower trading. One presenter illustrates how thin the margins are: he treats anything above about 25 paise per unit as profit, on the assumption of an unlimited-brokerage plan, and does not calculate his other costs[24]. Holding options for long is also expensive. The same presenter argues that holding index options beyond about fifteen minutes loses to time decay[24].

The scalping methods covered here combine three kinds of input:

1. **A directional bias** formed before or early in the session. Inputs include global cues (Dow, Asian and European closes), India VIX, and open interest by strike[25,24]. Some also read futures OI in four quadrants: long build-up, short build-up, short covering and long unwinding[26].
2. **A trigger**, usually an unusually high-volume candle on a 3-minute index chart[25,24,27]. Heikin Ashi colour changes are another option[28].
3. **A very fast exit.**

What the presenters agree on

- **Volume as the trigger.** On 3-minute index candles, presenters treat about 50,000 contracts as significant[24,25,27]. Higher thresholds of about 125,000[27] or about 200,000[25] count as stronger signals.
- **Open interest as the directional filter.** One presenter, in two videos, says a crossover of call and put OI at a strike precedes a 30–40 point move[25,24].
- **Never act on a single signal.** Several inputs should agree[26,27]. A short clip about an order-book scalp shows why. It went long or short according to which side of the five-level market depth showed more volume[29]. That display can be spoofed or refreshed in an instant.
- **Trade with the prevailing direction**[1,27].
- **Know the exit before entering, and leave fast.** Holds of 3–5 minutes[26], 2–5 minutes[24] and 5–7 minutes[28] are typical.
- **Keep size small, and never average down a losing option**[1,30]. One presenter ties lot size to implied volatility: one or two lots when IV is high, 10–20 lots when it is low[26].
- **Cap the day.** Stop at a daily target[24,30]. One presenter withdraws 5% of capital by the 10th of the month and then stops trading for that month[1].

Setup: Two-candle volume scalp with OI direction

- **Instruments:** Bank Nifty, Nifty and Fin Nifty only. The presenter avoids midcap, Sensex and Bankex.
- **Chart:** 3-minute for entries (5-minute acceptable, never 1-minute), with the daily chart for context.
- **Trigger:** Two consecutive candles whose volume exceeds the threshold (50k, or 125k) in the same direction. Enter on the third candle in that direction, and only if OI build-up points the same way. Rejection trades at a Supertrend level or a marked support or resistance are also allowed.
- **Stop:** The first candle's high for shorts (its low for longs), trailed candle by candle to the previous candle's extreme.
- **Exit:** About 100–150 premium points, expected within about 15 minutes. Exit at once if the OI evidence disappears. Avoid 2:30–3:30.
- **Sizing:** One or two lots, about ₹50,000 of capital for option buyers. Step up gradually (2, 4, 8, 16 lots) only after reviewing performance every three to six months. The presenter warns that traders who scale up after two strong months tend to give back 20–40% of capital.
- **Evidence:** Anecdote, from one expiry-day session in a course promotion that points to a paid OI tool. The "1% a day" consistency target is presented without costs or drawdowns.
- **Source:** [27]

Setup: Heikin Ashi momentum scalp with a two-candle trailing stop

- **Instruments:** Bank Nifty futures (preferred over Nifty) and active stocks such as DLF and Tata Steel.
- **Chart:** Heikin Ashi candles on 1- or 3-minute charts, checked against the daily chart.
- **Entry:** After a bullish (green) Heikin Ashi candle forms, buy on the next candle. In a range, trade only after two momentum breaks of the previous swings.
- **Stop and exit:** Initial stop at the low of the previous two candles, trailed forward candle by candle. Trades typically last 5–7 minutes.
- **Kagi variant:** On a 0.05 percentage Kagi chart, buy the flip from bearish to bullish and exit at the previous swing low.
- **Evidence:** A handful of chosen examples. Rough average moves are quoted (about 50–70 points on 1-minute, 85–110 on 3-minute) with no sample described. No costs or sizing are given.
- **Who it suits:** The presenter is candid that scalping is only for someone who can watch the screen all session and decide quickly.
- **Source:** [28]

Setup: BankNifty OI bias with a 3-minute volume trigger (shown with its caveats)

- **Bias:** Before the open, check global cues, India VIX and the previous day's end-of-day OI by strike.
- **Entry:** Buy ATM or ITM options, never OTM, after a 3-minute BankNifty candle prints more than 50k volume in the bias direction and the following candle confirms.
- **Exit:** Hold about 2–5 minutes. Trail once the trade moves. Book small per-unit gains (₹10–50). Stop for the day at the daily target.
- **Risk:** No stop orders on the options. Risk is managed per account instead: the previous day's profit serves as the next day's stop, or 10% of deployed capital after a losing day.
- **Experience required:** The presenter says opening (9:15) trades should wait until a trader has 6–12 months of live experience.
- **Market type:** He prefers zigzag, low-volume days over strong trends.
- **Evidence:** A few live examples from an interview with a webinar context. A 90% success rate is mentioned and not verified. The presenter also trades large quantities across several accounts.
- **Source:** [24]; a close variant using deep ITM strikes and an immediate trigger near 200k volume is in [25].

Where they disagree

Stops. Some use hard price stops: the first candle's extreme [27], the low of the previous two candles [28], or a fixed stop with the exit order ready [1]. Others use no option stop at all and manage risk per account [24], or state none [25,26]. This is the single most important disagreement in the section, and the post-mortem below shows where "no stop" can lead.

Strikes. Deep ITM [25]; ATM or ITM, not OTM [24]; nearer strikes, because far OTM options can decay to zero [1].

Market type. One presenter prefers zigzag days [24]. Another needs moving markets and finds fewer chances when VIX is low [27]. A third wants clear trends [1].

Entry trigger. One volume candle plus a confirming candle [24]; two volume candles, then entry on the third [27]; a dip followed by one or two green 5-minute candles [1].

What to trade. Index only, not stock F&O [26]; high-volume stocks gapping more than 1% [30]; one to three fast-moving stocks [31]; MCX copper [29].

Pitfalls

- **The post-mortem everyone should read.** A Losses and Lessons guest scalped Nifty and BankNifty options on expiry days using candlesticks, RSI near 80/20 and volume-based levels [32]. He deployed his whole capital on each trade. He stated a stop but rarely honoured it, let losers run, averaged in when price was stretched, and traded with borrowed money. He describes about

₹2 crore in losses offsetting his gains. He names the core mistake himself: position size and unenforced stops, not the entry signal.

- **Data that arrives late.** One presenter says the intraday OI data he uses is about 15 minutes old[25]. For a 2-minute trade, that is a long time.
- **Displays that can deceive.** Order-book depth can be spoofed[29].
- **Methods that are only principles.** One scalping explainer gives no stop, target or trigger values at all[31]. The gap-and-volume scalp claims 3–4% moves for stocks gapping more than 1% on volume above 1 lakh, with no test shown[30]. The same guest also sells monthly BankNifty strangles with no stated stop, which carries unlimited tail risk.
- **Rules held back for a paid course.** One framework withholds its executable rules and leaves "all dots aligned" as its entry criterion[26].
- **Costs ignored.** Costs are flagged as a concern in several videos, but none calculates them against a set of trades.

Intraday Stock Selection and Short Selling

How it works

Index traders have one or two instruments to watch. Stock traders have hundreds, so selection becomes a step of its own. The pattern that works across these videos is a funnel:

1. **Universe.** A watchlist of liquid names. Examples include a self-built list of 40–50 stocks[33], 10–15 high-beta stocks[34], and liquid stocks that move ₹5–10 a day without daily news[35].
2. **Shortlist.** A scan or screen reduces the list to a few names.
3. **Trigger.** A specific chart condition at a meaningful location.
4. **Stop.** Defined before entry, with size derived from it.

Scanners belong at step 2 only. A Definedge app demo shows several built-in scans[36]:

- Strong Bounce From Bottom;
- Strong Gap Up;
- Open = Low, where an open equal to the day's low marks strength;
- Open = High and Opening Breakdown, which mark weakness.

Even in that demo, the presenter says not to buy a gap-up directly. Wait for a bullish pattern first: a Point & Figure double-top buy, a Renko swing breakout or a candlestick swing breakout[36]. Another Definedge clip sorts NSE's equities data by number of contracts and traded value. It then shortlists stocks whose price is nearly unchanged while positions build, a "hidden buildup"[37]. As the video's own critique implies, that screen says nothing about direction.

Short selling adds risks of its own. A Big Bull podcast guest argues that short-side intraday moves were larger than long-side moves on his limited capital[35]. His method was to let a liquid stock rise about ₹2–3 over roughly 15 minutes, short the stretched move, and book quickly. He used options or

currency when cash-short margin wasn't available. He also describes a 2020 short that went into circuit. It emptied his account and left him paying the broker personally. He later stopped shorting altogether and calls naked option and currency shorts gambling-like.

What the presenters agree on

- **Define the stop before entry and honour it.** Use a real, placed stop order rather than a mental one[35]. Put the stop below the pattern low and size from that distance[34]. Skip the trade if the stop is too far away[38].
- **Wait for confirmation.** The forms differ: price clearing a marked level first[38], a completed pattern followed by a break of its high[34], or a break of the mother candle's range[33].
- **Location and context matter.** A candle shape means little away from support or resistance[34]. Check Nifty, BankNifty and the sector first[33], and use breadth as background[38].
- **Size so one loss is survivable.** One presenter caps the loss per trade at a fixed amount of about ₹20,000–25,000[33]. Another insists on no averaging of losers[35].
- **Scanners are shortlists to verify and test**[36,37].

Setup: 15-minute inside-candle breakdown short

- **Pattern:** The first 15-minute candle (the "mother") is green and is followed by at least two consecutive inside ("child") candles whose ranges stay within it.
- **Entry:** Short on a break below the mother candle's low.
- **Filters:** The stock should open within about 2–3 points of the planned level. Check the trend of Nifty, BankNifty and the sector first, preferring a stock moving independently of its sector. Avoid options when India VIX is high, because premiums are then seen as expensive.
- **Stop and size:** A hard stop on every trade, with the position sized so the maximum loss is about ₹20,000–25,000. Quantity is doubled only for a momentum breakdown that forms after 12:30.
- **Exit:** One version targets 15–18 points, or 20–40 points when the view is expressed in options, with option exits timed on 3- and 5-minute charts[33]. A shorter Bajaj Finance clip expects a 50–60 rupee fall and gives no stop at all[39].
- **Applies to:** Bajaj Finance and a pre-selected watchlist of 40–50 stocks, including Kotak Bank and IndusInd Bank.
- **Evidence:** Anecdote. The presenter's memory of seeing the pattern many times, described with "definitely"-style language, and no sample or costs. One version says the mother candle's colour does not matter while also requiring a green first candle, so the definition is internally inconsistent.
- **Source:**[33,39]

Setup: Candlestick reversal at support, long on a break of the pattern high

- **Pattern:** A completed hammer, inverted hammer, morning star or piercing line on the 15-minute chart, forming at a known support or at previous resistance.
- **Entry:** Do not act on the forming candle. Go long when the next candle breaks the pattern's high.
- **Stop:** Just below the pattern low; for multi-candle patterns, below the lowest point. Size from the entry-to-stop distance.
- **Exit:** About 100–150 points for a normal-sized pattern. Exit if price closes back below the pattern high. Trail the stop and take partial profits as the trade moves.
- **Applies to:** NIFTY, BankNIFTY and a watchlist of 10–15 high-beta stocks. The presenter keeps targets modest because correlated instruments tend to fire the same pattern at once.
- **Evidence:** One live walkthrough chart. "Support" is not defined, and the fixed 100–150 point target is not tied to the instrument's price or volatility.
- **Source:** [34]

A third method sits between selection and trigger. A Definedge presenter takes stocks from the house's weekly momentum list and trades them on the 1-minute chart [38]. The long entry is a double bottom or pullback, taken only after price trades above the list's marked level (a 0.5% box). It is taken only if an "affordable" stop exists; otherwise he waits for the next double bottom. No target or sizing is given, "affordable" is not quantified, and the list is distributed through the firm's Telegram channel.

Where they disagree

Timeframe. Most use 15-minute charts [33,34]. The momentum-list method uses the 1-minute chart, and its own presenter warns how noisy that is [38].

Direction. Some short the stretched rise [35] or the inside-candle breakdown [33]. Others buy reversals at support [34] or pullbacks above a level [38].

Targets. A fixed rupee figure [39]; a fixed point figure [34]; no target but book quickly [35]; none at all [38].

Whether shorting is worth it. The short-seller argues the moves are larger, yet he abandoned shorting after his losses [35].

Pitfalls

- **Titles with no content behind them.** Two Elearnmarkets videos titled as a simple, good method for intraday share trading have more than 350,000 views between them, and no transcript was available for either [40,41]. Two A Digital Blogger list videos ("7 strategies", "7 tricks") are in the same position [42,43]. A clip promising a "smart way" to select stocks only hints at sorting by average volume, with no lookback period or threshold [44]. You cannot test what was never stated.
- **"Very high probability" with no data** [37].

- **Product pitches as the stock source.** A paid list[38], a platform[37] and an advisory context[33].
- **Costs.** One video in this group tells the viewer to check a screen's results after brokerage and slippage[37], and it shows no such check.
- **Short-side tail risk.** A stock locked in an upper circuit can trap a short[35]. Leverage turns that into a debt.

Chapter checklist

- **Write the rule before the session.** Record the level, the confirmation you need (a close or a hold, not a poke), the stop, the exit and the daily trade cap. The presenters describe exactly this; the two who reported large losses describe abandoning it[7,32].
- **Size from the stop.** Pick a small fixed risk per trade, often 0.5–1% in these videos, and derive quantity from the stop distance. Skip setups whose stop is too wide[4,6].
- **Check which payoff design you are trading.** A 1R/2R scale-out needs a high win rate; a wide stop with a trailing exit can survive a 20% win rate[3]. Test the design you actually use.
- **Treat every level as a place to pay attention, not a reason to trade.** Wait for price to show acceptance or rejection there[14].
- **Pin down vague terms in numbers before testing.** "Narrow CPR", "sustain", "affordable stop", "roughly equal highs" and "support" all need thresholds, or you will fit them with hindsight.
- **Put costs into every test.** For scalps and option trades with 10–30 point stops, brokerage, STT, spread and slippage can decide the result[2].
- **Use hard stops, and never average a losing intraday position.** One scalping method uses no stop orders on its options and manages risk per account instead[24]. It is the exception among these videos.
- **Set a daily loss limit or stop-out count, and honour it.** Examples include stopping after a 1% loss[17] or after three stop-outs[20].
- **Use scanners only to shortlist.** Confirm on the chart and test the scan over many sessions before trusting it[36].
- **Treat overnight carry and short selling as separate, larger risks.** Gaps and circuits can jump past any stop[10,35].

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14. The Daily Index Routine (Market Kya Lagta Hai)

Most traders start the day by reacting. They see a gap, a headline or a red screen, and decide on the spot. The daily routine in this chapter is the opposite habit. You do the thinking the evening before and write down what would make you bullish, bearish or idle. The next morning you only check whether price has met one of those conditions.

The template comes almost entirely from one source: Definedge's daily show *Market Kya Lagta Hai?* ("What does the market look like?"), presented by Raju Ranjan. There are roughly two hundred episodes, and they follow the same skeleton:

1. Read the end-of-day (EOD) chart to set a bias.
2. Publish next-session "bullish above X, bearish below Y" levels for NIFTY, BANKNIFTY, FINNIFTY, SENSEX, gold and silver.
3. Check open interest (OI), breadth and relative strength (RS) for context.
4. Scan for strong sectors and stocks.
5. Sometimes, turn a chart view into an options spread.

Two cautions before you start. First, this is one house's method. There is no second channel to compare against, so where the chapter says the material "agrees", it means the same presenter is consistent with himself. Second, no episode in this set shows a backtest, a hit rate or a live track record. Every example is a chart from the day of recording. Treat the levels and setups as a process to learn and test, not a record of edge.

By the end of this chapter you should be able to:

- build your own EOD bias and next-day level plan
- use OI and Total Open Interest (TOI) charts as timing hints rather than signals
- run a sector-then-stock scan with a defined stop
- turn a directional view into a defined-risk options structure
- know which parts of the routine are testable and which are presenter judgement

EOD Setups and Intraday Index Levels

How the two-layer plan works

The routine has two layers. Most of its discipline comes from keeping them separate.

Layer one is the EOD setup. After the close, the presenter classifies each index as bullish, bearish or neutral. The tool varies by episode. Common choices are:

- a Point & Figure (P&F) chart: a column of X is rising, a column of O is falling

- a 45-degree trendline drawn on the P&F chart
- a moving average
- Definedge's proprietary D-Smart line (price above it bullish, below it bearish)

One episode states the classification rule cleanly. The setup is bullish only when the P&F pattern is bullish *and* price is above the trading moving average. It is bearish when both are bearish, and any mismatch is neutral[1]. A weekend review applies a similar pattern-and-trend reading to indices, commodities and stocks[2]. A neutral label means no fresh position. The show repeats this often: when the EOD setup is neutral, stay out[3,4].

Layer two is the next-session level ladder. For each instrument the presenter gives an upper and a lower number. Above the upper number intraday longs are allowed. Below the lower number intraday shorts are allowed. Between them the market is treated as a range. In one episode, for example, NIFTY is bullish above 22,665 and bearish below 22,500, and BANKNIFTY bullish above 48,020 and bearish below 47,777[5]. The levels are then filtered by the EOD bias, so in that episode index trades are taken only in the direction of the bullish P&F setup.

The sustain rule is what makes a level usable. A level does not count when price touches it. It counts when price *holds beyond it*. Several episodes define this as at least five minutes[6,7,8,9]. The opposite level serves as invalidation, so a long taken above the upper number is wrong once price sustains below the lower one[9].

Two further filters sit on top:

- **Breadth.** This is the share of stocks in a group that are in a P&F column of X. When it reaches roughly 75 and above, the show advises against fresh positional trades and fresh breakouts[10,11]. One episode also restricts fresh positional trades when breadth is 25 and below[11], although another treats breadth below 25 in a bull trend as a normal pullback[12]. At a reading of 100 the show advises booking intraday profits quickly and cutting size[13,14].
- **OI.** The strikes with the highest put and call open interest frame the likely range. They are context, not a trigger[15].

What the episodes consistently teach

- **Act on a sustained break or a close, not a poke.** This is the single most repeated rule in the series. It appears in phrasing like "never trade on the first touch of a level"[16] and "wait for the level to be broken and the candle to close beyond it"[17].
- **Name the invalidation before entering.** For stocks this is almost always the P&F pattern-failure level, the price at which the pattern stops being valid. For index trades it is the opposite level[18,19].
- **Skip the trade if the stop is unaffordable.** If the distance to the pattern-failure level is too large for the expected move, wait for the next follow-through, such as the next double-top buy, rather than chasing[18,7]. One episode adds a useful alternative: drop to a smaller timeframe to get a tighter stop, rather than widening the stop on the larger one[20].
- **Trade only with the prevailing bias.** Treat neutral as no trade[21,22]. One episode puts it as deciding "which side of the market to avoid" before looking for entries[22].

- **Treat breadth extremes as a reason to be careful, not a reason to reverse.** Tighten trailing stops and book partially rather than exit outright[6].
- **Treat published levels as dated.** The levels are for one session and must be recomputed from the chart each day[4].

Worked example setups

Setup: 45-degree EOD setup with staged entry

- **Rules:** Draw a 45-degree trendline on the daily chart and label the instrument Bullish, Bearish or Neutral. Trade only Bullish or Bearish. Confirm with the 3:30 pm close beyond the line, not an intraday cross. On a confirmed breakout, enter half the intended size. Add the other half only if a retest close holds. If the retest fails, exit the first half. The episode's intraday levels were NIFTY 22,400 / 22,250 and BANKNIFTY 47,710 / 47,380.
- **Applies to:** NIFTY, BANKNIFTY, FINNIFTY, SENSEX and NIFTY 50 stocks. Fresh positional trades are restricted when NIFTY 50 breadth is above 75 or below 25.
- **Stop and exit:** The stop is the pattern-failure level beyond the line. In the NIFTY example it is about 22,000. Targets are P&F counts along the line (22,629 and 22,740 in the example).
- **Evidence:** One day's chart commentary. There is no record of how the labels or staged entries performed.
- **Source:**[11]

Setup: D-Smart stop-and-reverse with fixed index levels

- **Rules:** On a 1-minute P&F chart (percentage box, D-Smart line at its default value of 6), stay long while price is above the line. Flip short on a close below it, and flip back on a close above. The episode's index levels were NIFTY futures long above 23,000 if sustained and short below 22,700. For positional trades, NIFTY is bullish only on a close above 23,300 and bearish on a close below 22,850.
- **Applies to:** Index and metal futures intraday.
- **Stop and exit:** The opposite side of the D-Smart line, which makes the method always in the market until the line flips. If the risk to the failure level does not fit your risk-reward, wait for a retracement rather than chasing.
- **Evidence:** Hindsight chart examples. The D-Smart line is proprietary, so the formula cannot be reproduced from the video.
- **Source:**[23]

The level ladder only becomes a trading plan once size is added. One episode gives the arithmetic plainly: per-share risk is entry minus the pattern-failure stop, and quantity is your rupee risk budget divided by that per-share risk[24]. Almost no other episode in the series states a sizing rule, so you will

need to supply this yourself.

Where the episodes disagree with each other

Even within one presenter's work, the details move around.

Question	Versions taught
How long is "sustain"?	At least 5 minutes[6,5]. A 1-minute close[20,25]. 2–5 minutes[26]. 15 minutes on NIFTY, with 5 minutes on BANKNIFTY in the same episode[27]. "A few minutes"[22]. A daily close[28]. One episode's daily-close rule confirms a 45-degree trendline break rather than defining an intraday sustain[11]. Undefined[16,29].
What sets the bias?	P&F column and 45-degree line[18]. D-Smart line[13]. Mast cloud[30]. D-Fase and MAST[31]. Trend Intensity (TI) bands[32].
How do you exit?	A fixed pattern-failure stop (most episodes). A trailing system signal[31,33]. A fixed 2–5 point stop described as "more objective"[34]. A percentage stop for indices because GTT stops on P&F levels can be too wide[35].
What do you do inside the range?	Buy support and sell resistance[36,37]. Trade only the side that breaks[38,39].
What does extreme breadth mean?	At 100, avoid breakouts and book profit[13]. Below 25 in a bull trend, a normal pullback[12]. Neutral breadth favours breakouts[40,39].

The sustain-duration question matters most, because it decides how many trades you take and how late you enter. It is also easy to test: run each definition across a year of 1-minute data and compare.

On event days the advice shifts. Around the 2024 exit polls the presenter recommends smaller size, partial profit booking and limited-risk option structures if you participate at all[41]. On results day he discourages shorting resistance in a bull tape and suggests widening chart box sizes so signals do not whipsaw[42].

Pitfalls

- **Levels with no derivation.** Most episodes never explain how the day's numbers were chosen[4,43]. You cannot test a rule you cannot reproduce, so derive your own levels from a stated method, such as P&F column-reversal values or prior anchor points.
- **Garbled or inconsistent numbers.** One episode lists gold "short below 6550" next to a long trigger of 65,550, which is almost certainly a missing digit[21]. Another lists silver bullish above 26,100 but bearish below 7,535. The bearish figure looks like a transcription or unit error, so the video's figures are ambiguous[44]. One episode gives SENSEX the same 74,333 as both the bullish and bearish level[41]. Always check numbers against a live chart.
- **Spot versus futures.** Some levels are futures prices[5,45]. Some are spot, especially on expiry day[46]. One presenter acknowledges data issues with the continuous series[47]. A futures level applied to the spot chart can be off by the futures premium.
- **Stale levels.** Several episodes note that levels may shift between recording and publishing[48,49].

- **Stacked signals with no tie-break.** Levels, P&F, OI, RS and breadth are often read together with no rule for resolving conflicts[17]. Scenarios offered in both directions can fit almost any outcome[16].
- **No costs.** Intraday index trades on 1- and 5-minute triggers are exactly where brokerage, statutory charges and slippage matter most, and no episode in this section counts them.

Daily OI and TOI Timing

What OI and TOI are doing in the routine

The routine uses open interest in two ways.

Strike OI as a range map. The strike with the heaviest put OI is read as support and the strike with the heaviest call OI as resistance. In one episode, for example, 22,000 puts were treated as support and 22,500 calls as resistance[15]. A break out of that band may trigger short covering[50]. Other episodes caution that OI levels shift day to day and must be recomputed[51,52].

TOI as a timing hint. Total Open Interest adds up OI across the at-the-money (ATM) strike and several strikes on each side. It is plotted as its own chart, usually a Renko chart with Donchian-style bands drawn on top. As general background (not drawn from the videos), a Renko chart is built from fixed-size bricks and ignores time, and Donchian bands track the highest high and lowest low over a lookback period.

- A break above the upper band is read as a bullish hint.
- A break below the lower band is read as a bearish hint.
- The middle band (the "D-Smart cloud") is used either as a trigger or as an exit, depending on the episode.

The central idea, stated in several episodes, is that the TOI band break *hints* at direction and price must then *confirm* it[53,54,55].

What the episodes consistently teach

- **A TOI turn is a prompt to look for a price pattern, not an entry.** Confirmation means a P&F double-top buy, an anchor follow-through or a Renko swing breakout[54,55].
- **The sustain rule still applies to the index level.** Examples include a 2–5 minute hold above 19,655[3], a 1-minute futures close above 18,300[52], and 5-minute sustains[56].
- **Check the daily bias first.** Skip when the setup is neutral[3]. In a sideways range, trade only the breakout[54].
- **Test the indicator over many sessions** before trusting the day's example. Six of the nine OI/TOI episodes say this themselves, while showing only one session each[3,56].
- **Reduce exposure when breakouts are whipsawing.** Losses from several small stops add up[10].

Worked example setups

Setup: TOI Renko with Smart Donchian 20/28

- **Rules:** Plot NIFTY TOI as Renko on a 1-minute chart, using the ATM strike plus 6 strikes each side at a 50-point strike step, with a 0.50 brick. Apply the Smart Donchian template with parameters 20 and 28. Go long when a brick breaks above the upper band and short when one breaks below the lower band. If the upper band is never tested after the open, avoid longs. Options variant: on a lower-band break, open the relevant strike's put chart (box 3, 1-minute) and enter only on a breakout pattern there.
- **Applies to:** NIFTY intraday. The video notes this Renko TOI chart needs the desktop version of the presenter's platform.
- **Stop and exit:** Exit when price crosses back through the middle cloud, then wait for the next band-break signal. There is no stop-loss and no target.
- **Evidence:** One hand-picked session. The claim that Renko breaks do not repaint is asserted, not shown.
- **Source:** [57]

Setup: TTOI band hint plus price confirmation

- **Rules:** On 5-minute charts, treat a TTOI upper-band break as a bullish hint and a lower-band break as a bearish hint. Enter only after price confirms with a P&F anchor follow-through, Turtle breakout, triple top, or a Renko breakout above the D-Smart line. The episode's levels were a 5-minute sustain above NIFTY 22,000 (targets 22,100–22,150) or below 21,800 (target 21,600), and BANKNIFTY above 46,400 (target 46,800) or below 45,400 (target 44,860).
- **Applies to:** NIFTY and BANKNIFTY futures and options intraday. Stock picks come from a P&F Price & RS scan of the NIFTY 500.
- **Stop and exit:** Trail with the D-Smart line. Exit stocks at the pattern-failure level. The presenter skips stocks whose risk to that level is around 8% or more and prefers about 4%.
- **Evidence:** Example charts that show captured moves and no misses. The band calculation is not disclosed.
- **Source:** [53]

Setup: Expiry-day level breakout confirmed by a 1-minute ATM Renko band

- **Rules:** Preset levels the evening before: NIFTY 22,500 / 22,290, BANKNIFTY 48,450 / 48,100, FINNIFTY 21,620 / 21,400, SENSEX 73,800 / 73,300 and gold 71,500 / 70,800. Act only on a sustained move beyond a level, confirmed by an upper- or lower-band break on a 1-minute, 0.50-box ATM Renko TI chart. Context: the OI range was 22,000–22,500.
- **Applies to:** Expiry-day intraday sessions.

- **Stop and exit:** No fixed stop distance for the index trades. Exit or reverse when price fails to hold the trigger. The broader risk line was a NIFTY spot close below 21,850.
- **Evidence:** Examples recounted after the fact. The episode itself notes that indices were moving 100–300 points a day, so trading levels without a stop carries large risk that is not quantified.
- **Source:** [58]

Where the episodes disagree

The TOI chart is not one indicator. It is a family of variants.

Element	Variants
Construction	Renko 0.5 brick with Smart Donchian [57,10]. DeSmart upper, middle and lower bands [56]. Two "change channels" [54]. A 15-minute TOI line against an undefined "blue line" [59]. Raw strike OI with no band [52].
Timeframe	1-minute [57]. 5-minute [56,54]. 15-minute [59].
Middle band	Entry trigger [3,54]. Exit, without flipping direction [56,57].
Confirmation	Price pattern required [53,55]. Band break acts directly [56,57].
Sizing	Tied to the number of open positions and whether breakouts are working [10]. Skip at about 8% risk [53]. Not given in the others.

The middle-band question is a real contradiction. Crossing the middle band cannot be both the reason to enter and the reason to leave. Pick one role and test it.

Pitfalls

- **Single-session evidence.** All nine OI/TOI episodes rest on one day's chart. One describes a TOI signal "at 11:30" that caught a one-sided move, with no count of false signals [54].
- **Undefined or proprietary parameters.** The DeSmart bands are not disclosed [56]. The "blue line" is never defined [59].
- **Contradiction on the day.** In one episode the presenter notes that breakouts were failing that day, yet still recommends breakout entries [10].
- **Data lag.** One episode admits TOI updates can lag [60]. A timing tool that arrives late is a smaller edge than it looks on a recap.
- **The cost of waiting.** Waiting for confirmation sometimes means the move is gone [59]. That cost is real and never measured.
- **Call-OI "walls".** The idea that call writers must cover above a high-OI strike is asserted, not tested [50]. A strike with heavy OI can also simply be where the market spends its time.

Daily Sector Scans and Stock Setups

How the top-down scan works

The stock half of each episode runs a funnel from broad to narrow.

1. **Asset class.** Equity is compared with gold, a bond composite and USD/INR on ratio charts. When those are in a column of O against NIFTY 50, the presenter reads it as favouring equities[43].
2. **Sector.** A breadth scanner, shown as a chart, flags "buzzing" sectors by a long tail bar, meaning a high share of the sector's stocks are in a column of X[61,62]. The alternative is a sector RS ratio crossing above its own moving average[63].
3. **Stock within the sector.** Definedge's Ultimate PnF RS Matrix scores each stock 1 (outperforming) or 0 against its peers or sector, across short, medium and long box sizes. The highest totals make the shortlist[62,64]. The alternative route is a P&F Price + RS scanner on the NIFTY 500 that needs a breakout on *both* the price chart and the RS chart[65].
4. **Trigger.** A P&F pattern: double-top buy (a column of X exceeding the previous X top), bullish ABC, Turtle or multi-column breakout.
5. **Stop.** The pattern-failure level.
6. **Affordability check.** If that stop is too far away, wait for the next follow-through.

The teaching point is that each layer narrows the field and none of them is a buy signal by itself. "A buzzing sector alone is not a reason to buy," as one episode puts it[66]. Another says to pick stocks that outperform their sector, not just stocks that rise[64].

What the episodes consistently teach

- **The pattern-failure stop is defined before entry.** This holds in nearly every stock episode, with concrete levels such as KPIT below 1,520[65] and Bajaj Auto below 5,048[61].
- **Wait for follow-through or a closing trigger** rather than buying the first poke or chasing[67,68].
- **Skip trades whose stop is unaffordable.** One episode flags a stop roughly 35% away as unworkable[66]. Another notes that a 100% pole (a very long P&F column) leaves no affordable stop until the next follow-through[69].
- **Use two independent confirmations.** A price breakout plus an RS breakout. Discard the name if RS did not break out[65,70].
- **Treat the scan output as a shortlist.** Check each chart before acting[67,71]. "No trade" is a valid result[71].

One episode turns affordability into a usable filter. Before entering, compute the percentage distance from entry to the pattern-failure stop, rank candidates by it, and drop anything above a cap you choose, such as 10% or 20%[72]. This is the closest the series comes to a mechanical risk screen, and it is worth adopting.

Worked example setups

Setup: P&F Price + RS momentum scanner on the NIFTY 500

- **Rules:** Run the scanner on the NIFTY 500. The price chart must show an AFT or Turtle bullish breakout, and the RS chart against the NIFTY 500 must show a double-top buy. Both are required. Then check each chart: price above its moving average and a live upside P&F count. Enter only on a close above the breakout level. The episode's examples were TCS above 4,145 and KPIT above 1,553.
- **Applies to:** Daily-chart swing trades in NIFTY 500 stocks.
- **Stop and exit:** The stop is the pattern-failure level. For KPIT this was 1,520, about 2% below the breakout. Exit on a double-bottom sell or a column reversal.
- **Evidence:** Chart examples from one episode. The presenter notes that a "100% bullish" index level printed without the expected breakout that day, and the auto-generated Hindi captions mean some numbers may be approximate.
- **Source:** [65]

Setup: Sector RS ratio rotation (Media example)

- **Rules:** The sector's RS ratio must be above its moving average. In the example, the Media RS ratio was above 118 and NIFTY Media closed above 2,295. Rank the sector's stocks on the Ultimate PnF RS Matrix. Buy a double-top buy, bullish ABC, bear trap or Turtle breakout on a close. Examples: Nazara above 885–890 with a stop near 810; TV18 above 47 with a stop at 43.
- **Applies to:** Short-term sector rotation on daily P&F charts.
- **Stop and exit:** Pattern-failure levels for each stock. Exit the sector long if its RS ratio closes back below its moving average. The presenter himself judged Nazara and Sun TV unaffordable on the day and said to wait for the next follow-through.
- **Evidence:** Hand-picked examples. Several box sizes are used at once, which invites fitting levels after the fact.
- **Source:** [63]

Setup: Multi-timeframe retracement into a double-top buy

- **Rules:** Keep stocks that are in a column of X on the 1, 2 and 3 P&F charts. Wait for a small column-of-O retracement on the 25 chart. Enter on the next double-top buy. The example was Grasim above 1,980 with a stop at 1,954, about 25 points. The bearish mirror uses a double-bottom sell.
- **Applies to:** Any scanned group, such as the NIFTY 50 or a buzzing sector.
- **Stop and exit:** Stop just beyond the pattern. Exit at the double-bottom sell or the next target.

- **Evidence:** A handful of examples. The favourable reward-to-risk is claimed, not measured.
- **Source:** [73]

Where the episodes disagree

- **Box size.** The scanner episodes use box 1 [70,74], box 0.25 [71], or 0.25/1/3 clusters [75]. One presenter says 0.25 proved too aggressive across a 750-stock run [70]. Box size directly sets how many signals you get and how wide your stops are [43].
- **First breakout or follow-through.** Buy the first breakout if affordable [76], or wait for a small retracement and column reversal [67,73]. One episode says intraday traders may buy every double-top buy [69].
- **Breadth.** Avoid chasing at 100% breadth [61] and take no breakouts in the extreme zone [71]. Yet one episode treats NIFTY 50 breadth near 80 as acceptable for breakouts [76].
- **Direction.** Most episodes are long-only. One runs a bearish scanner: a fresh triple-top bearish breakout on price plus a double-bottom sell on the RS chart [77]. Another shorts names at all-time lows on the RS chart [67].
- **Exits.** These vary widely: the opposite P&F pattern [65], a 45-degree trendline break [68], the RS ratio falling below its moving average [63], or an indicator arrow [78]. Choose one and keep it.

Pitfalls

- **No hit rate, anywhere.** None of the sector or stock episodes reports how its picks performed. Past calls are recalled, not audited [63,2].
- **Scanner output can be wrong.** One episode had to re-run a scan after the first result was incorrect [79].
- **Undefined discretion.** Words like "clear trend", "affordable" and "small retracement" carry the decision but are never quantified [80,67].
- **Wide stops hidden in plain sight.** Some named stops are far from entry. The bearish scanner episode itself warns that the risk on some names is too large [77].
- **Product context.** Many of these episodes promote the platform's scanners, courses or events. That does not make the method wrong, but the scanners cannot be reproduced exactly without the product. You can build approximations with free ratio charts and a P&F tool, but test them as your own rules.

Daily Option Structures

From chart view to structure

Options appear in the routine as a way to *express* a view the chart has already produced. They are not a separate source of ideas. The sequence is:

1. Get a directional read from the EOD setup or a P&F breakout.

2. Decide whether futures or a naked option makes sense given margin and risk.
3. If not, build a defined-risk spread.

A **bear put spread** buys a higher-strike put and sells a lower-strike put. A **bull call spread** buys a lower-strike call and sells a higher-strike call. As general option theory (not specific to these videos), both cap the maximum loss at roughly the net premium paid, and cap the maximum profit at the strike width minus that premium.

The presenter builds these in a broker strategy builder, which reports:

- maximum loss
- maximum profit
- breakeven
- margin
- a probability of profit (POP)

That last figure is model output, and the episodes are fairly candid about it.

A second idea runs through these episodes: use the *option's own chart* as a trigger. Plot the option on a P&F chart with a small box and a short timeframe, and enter when it breaks out. For example, the HindPetro 360 put had a swing-breakout trigger[81], and the ZEE 285 call was to be bought once its chart held above about ₹1[82].

What the episodes consistently teach

- **Prefer a defined-risk structure** to naked options or futures when lot size or margin is large, or the view is uncertain[83,81].
- **Know the maximum loss, maximum profit and breakeven before entering**[84,85].
- **Treat builder probability and risk-reward as estimates.** Check them against the actual premium and margin[82,84].
- **Still wait for the underlying breakout or breakdown to hold.** A spread does not excuse a premature entry[83,81].
- **Match the exit timeframe to the entry timeframe.** Don't let an intraday trade become a positional hold[83].
- **Trade options only on liquid underlyings**[83]. One episode warns to avoid illiquid option names and flags BALKRISIND's options as illiquid[86]. Another acknowledges poor liquidity in a stock call it discusses[87].

Worked example setups

> **Setup: P&F breakdown bear put spread (HindPetro)**
>
> - **Rules:** Price breaks below the bullish 45-degree trendline and pauses near the bearish one. The P&F count projects 350 and then 342. On a closing basis, buy the 360 put and sell the

342.50 put. The alternative trigger is a swing breakout on the 360 put's own chart, at about ₹1.43.

- **Applies to:** A stock-level bearish view in a liquid F&O name.
- **Stop and exit:** The target is about 342. The setup fails above 365 or above the bearish trendline. Breakeven is 354. The presenter says to book profits rather than trail them when market breadth is extreme. Stated figures: maximum risk about ₹15,200, maximum reward about ₹31,900, POP about 45%, margin about ₹51,000.
- **Evidence:** One example. The payoff numbers are quoted from the builder, and the option-price trigger shifts during the video.
- **Source:** [81]

Setup: EOD bearish flip expressed as a NIFTY bear put spread

- **Rules:** NIFTY's EOD setup flips bearish (a double-bottom sell below the moving average) for the first time in months, and BANKNIFTY is bearish on pattern, trend and setup. Buy the 19,400 put and sell the 19,000 put. The episode notes that selling 19,000 instead of 19,100 improves reward at slightly higher risk. A companion idea was a Titan bull call spread (buy 3,100 call, sell 3,200 call) after a 45-degree trendline breakout with follow-through.
- **Applies to:** Liquid index and stock options only.
- **Stop and exit:** Exit as NIFTY approaches 19,000, where maximum profit was shown as about ₹14,350. The builder showed about 43% POP, roughly 1:2.54 risk-reward and about ₹26,000 margin. Titan's maximum loss was about ₹10,000 against a maximum profit of about ₹27,000.
- **Evidence:** Anecdote. Several simultaneous bets were taken with no portfolio-level risk discussed.
- **Source:** [83]

Setup: One view, several same-risk expressions (TVS Motor)

- **Rules:** The stock outperforms NIFTY 50 on RS. After about a month of column consolidation on the daily P&F chart, a multi-column triangle breakout forms. Enter on the bullish ABC breakout. Compare the expressions: cash, futures, futures plus the 2,040 put, or a 2,060/2,140 bull call spread.
- **Applies to:** RS-leading F&O stocks after consolidation breakouts.
- **Stop and exit:** The underlying stop is below 1,970, about 60 points. The target is about 2,200, with about 2,034 as the conservative count. Stated losses: about ₹22,000 for futures plus put, and about ₹9,500 for the spread.
- **Evidence:** One illustrative example, presented alongside a course promotion.

- **Source:**[88]

The third box is the most transferable lesson in this section. The trade idea and the stop come from the chart. The instrument is a separate choice made by comparing defined losses.

Where the episodes disagree

- **Spreads or naked options?** The spread episodes argue for defined risk. Other episodes buy ATM calls and puts directly on TI band breaks or P&F signals on the option chart[89].
- **Exit rule.** Exit at a target or on pattern failure[81], or hold to expiry for maximum profit[82,85]. One recap holds while the pattern stays valid, with no separate stop[84].
- **Is the maximum loss fixed?** Most episodes treat a spread's maximum loss as fixed. One episode states that the builder's displayed maximum loss is not fixed and could grow to around ₹24,000 if implied volatility rises mid-trade[85]. The video does not explain this or spell out the exact legs, and the claim conflicts with the standard description of a defined-risk spread, so do not treat it as a general property of spreads. At most, take it as a reminder that builder figures are snapshots that move with price and volatility.
- **Shifting strikes.** One episode suggests moving the option strike each time the market moves 150–200 points in your favour[90]. The rule is vague on expiry, premium and how to choose the strike.
- **Expiry and probability.** One episode shows that a shorter expiry lowers the probability of profit for the same strikes[91]. Probability of profit is therefore not a property of the chart view alone.

Pitfalls

- **Survivor recaps.** The only spread outcome cited in the episodes reviewed here is a single winning RECLTD trade, about ₹45,000 in profit at the time of the recap. No stop was defined beyond holding while the pattern stays valid[84]. One winner says nothing about expectancy.
- **POP as false comfort.** A 43–45% probability from a builder snapshot, with no costs, slippage or liquidity, is not evidence that the setup has an edge.
- **Costs and liquidity.** Stock options in India are often thin. Wide bid-ask spreads on both legs can take a meaningful share of the projected reward, and none of these episodes models that.
- **Portfolio risk.** Running an index spread and two stock spreads at once, as one episode does[83], concentrates risk if all three depend on the same market move.

Chapter checklist

- **Write the plan the evening before.** For each instrument you trade, record the EOD bias (bullish, bearish or neutral), the upper and lower trigger levels, and the invalidation for each side. If the bias is neutral, your plan is no fresh trades.
- **Pick one sustain definition and write it down**, such as a 5-minute close beyond the level. Use it every day, then test it against a 1-minute close and a daily close on your own data.

- **Derive levels by a stated method you can reproduce**, not by copying a published number. Check every level against a live chart, and confirm whether it is a spot or futures price.
- **Size every trade from the stop.** Quantity equals your rupee risk budget divided by the distance from entry to the pattern-failure level. Drop any candidate whose stop exceeds a percentage cap you set in advance.
- **Treat OI strikes and TOI band breaks as hints.** Act only when a price pattern confirms. Decide whether the TOI middle band is your entry or your exit, because it cannot be both.
- **Run the scan top-down**: asset class, then sector, then stock, then trigger. Require both a price breakout and an RS breakout, and treat "no trade" as an acceptable output.
- **Use breadth extremes to cut size and book profits**, not as a reason to reverse. Keep a log of whether breakouts taken at extreme breadth actually fail more often for you.
- **For options, choose the instrument after the chart view.** Compare defined losses across cash, futures and spreads. Recheck the builder's maximum loss and probability against real premiums, liquidity and costs.
- **Keep a full journal of every planned level and setup**, including the ones that failed or never triggered. After a few months, that record will tell you more about this routine than any single episode can.

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15. Futures, Commodities and Pairs

Futures are where the ideas from earlier chapters meet leverage. You can be long or short with equal ease. One margin deposit controls a large notional position, and every day your account is marked to market. Those features make futures the natural home of mechanical trend-following systems. They also make futures unforgiving of vague rules.

This chapter collects what the three channels teach about four related topics:

- **Mechanical trend systems** on index, stock and commodity futures.
- **Futures open interest**, read together with price to infer who is adding or closing positions.
- **MCX commodities**, traded with reference to overseas benchmarks and relative strength against gold.
- **Market-neutral and regime strategies**: pairs, NIFTY against USDINR, and NIFTY against gold.

By the end you should be able to read a trend-following rule set and spot what is missing from it. You should be able to classify an OI-and-price reading and know why it is a filter rather than a signal. You should understand what a Z-score pair trade or a volatility-targeted rotation actually does.

The evidence here is thin, and the chapter says so plainly.

- Most methods are supported by chart examples chosen after the fact.
- Two cross-asset strategies come with presenter backtests.
- One coding demonstration shows a backtest but claims no profitability.
- Some claims, including Galrani's reported results and the Seykota and Covel accounts, rest on anecdote.
- Nothing in this chapter has an audited live history behind it.

Read the setups as well-specified hypotheses worth testing, not as proven edges.

Trend-Following Futures Systems

How it works

A trend-following system makes no attempt to predict tops or bottoms. Michael Covel's description is the clearest in the corpus[1]. You enter late, once a move is established. You ride the middle of it, and you exit late, after it has turned. You will be wrong often. A handful of large trends are meant to pay for many small losses.

That arithmetic drives everything else in the design. Covel gives an expected win rate of around 40%, with winners roughly three times the size of losers[1]. Prithvi Khithani, who trades commodities with a related system, puts his hit rate at 35–40%. He says markets trend only about 30–35% of the time[2]. If those figures are anywhere near right, the system must be built to survive the 65–70% of the time when nothing trends.

Every complete system in this section has the same five components:

1. **A fixed trigger.** This might be a moving-average crossover, a new N-day high, an RSI threshold or a close beyond a line.
2. **An initial stop set at entry.** It can be based on the entry price, on ATR, or on a chart level.
3. **An exit that lets winners run.** This is usually an opposite signal or a trailing stop, not a profit target.
4. **Position size derived from the stop**, so the rupee loss at the stop is a small fixed share of capital.
5. **Diversification and a cap on total open risk**, so that one bad week across correlated positions cannot sink the account.

Futures add their own mechanics. A NIFTY lot needs far more capital behind it than its margin. Rajandran R suggests allocating roughly ₹3–4 lakh per NIFTY lot against about ₹1.1 lakh of margin, plus a buffer[3]. Khithani keeps 60% of his funds in pledged liquid funds and 40% in cash. The cash is a cushion for mark-to-market swings, so that a volatile day does not force him out[2]. Commodity contracts can be very large. One Definedge presenter notes that a gold lot represents around ₹1 crore of notional exposure, against ₹8–10 lakh for a typical equity future[4].

What the presenters agree on

Define stop, exit and size before entry. Seven of the eight trend videos say this in one form or another.

- Covel puts it most bluntly: if you have not defined both the loss exit and the profit exit, you are gambling[1].
- The Ed Seykota biography stresses that size and stop are fixed at entry and that exits are taken without exception[5].
- The Definedge positional futures talks ask you to define the stop and the reverse condition before entering, and to check the stop before acting[6,7].

Risk a small fixed share per trade. The figures cluster between 1% and 3%:

- 1% in the Seykota account[5]
- 1–2% for Covel[1]
- 1% as standard and never above 2% for Saahil Poojara[8]
- up to about 3% for Khithani[2]

The Seykota video gives the arithmetic. At 1% risk, twenty losses in a row cost about 18% of the account. At 10% risk, five losses cost more than half[5].

Cap total open risk, not just risk per trade. The Seykota video describes a heat limit of roughly 4–5% across all open positions. A sixth trade is skipped if five open positions already carry that much risk[5]. This is one of the few places in the corpus where portfolio-level risk is made explicit.

Don't cap profits. Most presenters exit only on an opposite signal or a trailing stop:

- the opposite crossover[5]
- an opposite breakout such as a 20-day low[1]
- a stop trailed in roughly 1R steps or by Supertrend[2]
- a trailing stop or stop-and-reverse[7,6]

Judge the system over many trades. Rajandran warns that win rate alone can mislead in trend following, because profit factor is what drives returns[3]. Poojara says to judge a system only over a large sample[8].

Expect drawdowns in trendless periods. Four videos say this explicitly[5,1,3,2].

Diversify across markets that do not move together. Covel wants 20 or more low-correlation markets. He makes the useful point that ten highly correlated stocks behave like a single bet[1]. Khithani notes that different commodities trend at different times, so one can be in drawdown while another pays[2].

Wait for a confirmed trigger. Acting only when price closes beyond the level, rather than ticks through it, recurs in[7,8]. Poojara adds that you should not chase a gap that opens far beyond the trigger[8].

The table below lines up the six systems discussed in this section. It shows how differently the same skeleton can be filled in.

System	Trigger	Timeframe	Initial stop	Exit	Risk per trade
Seykota-style[5]	5-day MA crosses 20-day MA	Daily	Predefined, distance not given	Opposite crossover	1%, heat ≤4–5%
Covel breakout[1]	New N-day high/low (100, 55, 52-week)	Daily	Entry-based (e.g. 100 → 90)	Opposite breakout (e.g. 20-day low)	1–2%
Khithani RSI[2]	RSI(14) crosses 60 / 40	1-hour	2 × ATR	Stop to cost at ~1R, then trail	Up to ~3%
Poojara P&F[8]	Close beyond 45° trend line, RS filter	Daily, 0.25% P&F	14-column ATR	2:1 target or ATR trail	1% (max 2%)
Rajandran demo[3]	20 EMA crosses 50 EMA	15-minute	None coded	Reversal only	1 lot
Definedge positional (approximate; exact rules unverifiable)[6]	Price clears a marked level (approx.)	Daily	Level-based stop-and-reverse (approx.)	Trail or reverse (approx.)	Not specified

Worked example setups

Setup: Price-only N-day breakout basket

- **Where it applies:** a diversified basket of at least about 20 liquid, low-correlation markets (equity, rates, currencies, metals, commodities), on daily closing prices.
- **Entry:** go long on a new N-day high and short on a new N-day low. The examples given are 100-day, 55-day and 52-week breakouts. Use price only, with no patterns, trend lines or oscillators.
- **Stop and exit:** an initial loss stop based on the entry price; the presenter's example is a long at 100 with an exit at 90. Trail with an opposite breakout, such as a 20-day low for a long. There is no profit target. After a stop-out, re-enter on the next new high.
- **Size:** fixed risk of about 1–2% of capital per trade, kept constant.
- **Evidence:** anecdote. Covel cites audited performance of past trend followers but shows no backtest of this exact rule set. He also claims the breakout length "can even be random", which he does not test.
- **Source:** [1]

Setup: RSI 60/40 ATR trend system for commodity futures

- **Where it applies:** gold, crude oil, silver and natural gas futures, with signals on the 1-hour chart and positions held for several days.
- **Entry:** long when RSI(14) crosses above 60, with a limit order at the signal candle's high plus 0.5 × ATR(14). Short when RSI crosses below 40, with a limit at the low minus 0.5 × ATR. A 200 EMA is shown as an optional filter, but the presenter does not use it.
- **Stop:** 2 × ATR from entry, rounded up slightly, placed as a stop-market order. The presenter warns that limit stops can fail to fill in volatile sessions.
- **Exit:** at about 1R of profit, move the stop to cost. At the next ~1R step, trail the stop to the previous target, or trail with Supertrend. There is no fixed profit cap.
- **Size:** quantity = risk budget ÷ (2 × ATR × lot size), risking no more than about 3% of capital. If the stop is too wide for a full contract, move to mini or micro contracts.
- **Evidence:** examples. The backtests were manually built monthly summaries. A single natural gas trade drove most of a +266% year in 2022.
- **Source:** [2]

Setup: Sector-RS, P&F trend-line breakout with ATR stop (stock futures)

- **Where it applies:** NSE stock futures on daily data, using 0.25% Point & Figure charts, long and short.
- **Filter:** choose sectors with a positive relative-strength ranking against NIFTY 50. Within them, choose stocks whose RS-versus-NIFTY P&F chart shows one of three things: a double

top buy above the 10-column MA, a low pole above it, or a double top buy above it after a retracement.

- **Entry:** a close beyond the 45° trend line on the price chart, taken intraday when it triggers. Do not chase a gap far beyond the level.
- **Stop:** entry minus 14-column ATR. Skip the trade if that stop is around 9–10% or wider.
- **Exit:** a 2:1 reward-to-risk target, with 1.5:1 to 3:1 acceptable. Alternatively, trail to close minus ATR, or to a double bottom sell or high pole after a fresh double top buy. Exit if the close falls back below the breakout level. Do not re-enter after a target is hit.
- **Size:** 1% risk as standard (0.5–2% range). Lots = risk ÷ (lot size × ATR distance). The presenter's example uses ₹1 crore capital, entry 1450, stop 1410 and a lot of about 850, which gives roughly 3 lots.
- **Evidence:** examples, with both winners and losers shown, but no systematic backtest.
- **Source:** [8]

Two more systems are worth knowing about, even though they are not set out as boxes above.

The Seykota-style 5/20 crossover is clear on risk (1% per trade, heat capped at 4–5%) but vague on mechanics. It gives no stop distance, no sizing formula and no rollover handling [5].

Rajandran's 20/50 EMA always-in system on NIFTY futures (15-minute) is the one system in this section presented as code in TradingView's Pine Script. He presents it explicitly as a teaching demo of how to turn a rule into a backtestable strategy, not as a profitable system [3]. It is useful precisely because you can reproduce and test it yourself, though the costs it builds in are only rough assumptions.

Where they disagree

- **Target or no target.** Poojara fixes a 2:1 target and forbids re-entry after it is hit [8]. Covel, the Seykota account and Khithani impose no cap [1,5,2]. This is a real trade-off. A target raises the hit rate but removes the large winners that the trend-following argument depends on.
- **Re-entry.** Covel re-enters on the next higher high after a stop-out [1]; Poojara stays out once a target is reached [8].
- **When to reverse.** One Definedge talk flips sides when price falls back through the trigger level [6]. A second says to reverse only on a clear change in momentum, not on a single adverse candle [7]. Rajandran's demo reverses on every crossover [3].
- **Do parameters matter?** Covel suggests the breakout length can be close to arbitrary [1]. Others specify exact numbers. Abhijit Paul's trend-and-momentum framework admits its parameters drift over time [9].
- **Filters.** Covel rejects everything except price [1]. Poojara relies on a top-down sector RS filter [8]. Paul requires trend and momentum to be in sync, using tools such as MACD, stochastics, an 8–13 EMA and Supertrend with an EMA-slope check before any short [9]. Khithani shows a 200 EMA filter but

says that in his own manually built backtests it lowered returns along with losses, so he leaves it off[2].

- **Sizing in drawdown.** Poojara reduces size as the account falls[8]. Khithani keeps quantity constant, arguing that this keeps recovery feasible[2].
- **Order type.** Khithani uses a limit order offset by 0.5 ATR[2]. Poojara takes the breakout intraday and accepts slippage[8]. Rajandran's demo enters at market on the signal close[3].

None of these disagreements is settled by evidence in the videos. They are design choices you would need to test.

Pitfalls

- **Unaudited returns.** The Seykota figures are a biography's retelling, built on famous episodes such as the 1979 gold rally and the 1980 silver crash, with no full list of trades[5]. Covel refers to audited results of other traders without naming them[1].
- **Concentration in a few trades.** Khithani's own numbers show how lumpy trend returns are. He describes gold returns dominated by two months, and one natural gas trade carrying a whole year[2]. Miss that one trade and the year looks very different.
- **Real drawdowns.** Poojara describes a streak of 30 positions stopped out[8]. Rajandran mentions a separate Supertrend example with a 74% maximum drawdown on ₹1 lakh capital[3]. An always-in system with no coded stop, like his demo, can string together long losing sequences.
- **Costs barely appear.** The Rajandran demo assumes about 0.03% commission and 0.03% slippage[3]. The Seykota video asserts that short-term systems lose more to costs but shows nothing[5]. It is a reasonable inference, though not one any video measures, that a 15-minute system on NIFTY futures could trade often enough for costs to matter a great deal.
- **Data limits.** TradingView's history of roughly 5,000–10,000 bars on intraday charts may not cover the decade of data Rajandran prefers[3].
- **Rollover is rarely addressed.** The Seykota-style system gives no rollover handling[5]. Rajandran mentions using continuous futures data for backtesting but does not set out how contract expiries are handled in live trading[3].
- **Vague talks.** The two Definedge #ChitChaRt positional talks survive only as low-quality auto-captions. Their exact rules cannot be verified[6,7]. Treat them as a general outline, not a system.
- **Counter-trend shorts.** Paul says contrarian shorts against the higher-timeframe trend are not for everyone and have backfired[9].
- **Selling alongside teaching.** Books, mentorships, courses or platforms are promoted in several of these videos[5,1,9,2].

Futures Open Interest and Price Buildup

How it works

Open interest is the number of futures contracts outstanding at the end of the day. It rises when a new buyer and a new seller open a position. It falls when existing holders on both sides close out. Volume tells you how much traded; OI tells you whether positions were added or removed.

Reading OI alongside the day's price change gives the four-quadrant vocabulary used by the videos in this section:

Price	OI	Label	Usual reading
Up	Up	Long buildup	New longs are driving the rise
Down	Up	Short buildup	New shorts are driving the fall
Up	Down	Short covering	Shorts are exiting; the rise may lack fresh buying
Down	Down	Long unwinding	Longs are exiting

The appeal is that OI seems to reveal intent behind a price move. The difficulty is that every contract has a buyer and a seller. "Who is in control" is an inference, not an observation. The three videos in this section use the same vocabulary in three quite different ways:

- as a confirmation filter for breakouts[10]
- as a multi-day screen to find candidates before a move[11]
- as a spreadsheet calculation from NSE's daily bhavcopy file, combined with the futures series' average price[12]

This section rests on three videos. "Consensus" here means two or three presenters, not a broad body of opinion. Index-level OI views get only passing mention.

What the presenters agree on

OI is a filter, not a trigger. All three say so.

- In the Elearnmarkets breakout video, a level crossed without a rise in OI is simply not confirmed[10].
- Dinesh Nagpal's screen only flags a stock. The chart decides direction, and nothing happens until price hits a trigger[11].
- Pankaj Prasade treats bhavcopy OI as end-of-day confirmation, not a live signal[12].

Use settled end-of-day data. Intraday OI figures are not final[10]. The bhavcopy method is analysed after the close and executed the next session[12].

Compare OI against a baseline, not yesterday. Each presenter normalises in a different way:

- against roughly a three-month average[10]

- as a five-day change instead of a one-day change[11]
- as a percentage change, comparing the near and next series so that rollover does not distort the picture[12]

The last point deserves emphasis. Near expiry, positions migrate from one series to the next. Near-month OI falls even though nobody has changed their view.

Wait for price to confirm. The breakout video wants a real-body breakout, not a poke through the level[10]. Nagpal wants a sustained close beyond the key level and warns against chasing a big candle[11]. Prasade cautions against entering too early[12].

The quadrants double as exit cues. Price falling with OI falling is used as an exit for longs, and price rising with OI falling as an exit for shorts[10]. Nagpal reads price up with OI down after a big move as longs unwinding, and uses it as an exit[11]. Strictly, the quadrant table above calls that pattern short covering. The labels are applied loosely across videos, which is itself a reason to treat them with care.

Worked example setups

Setup: 5-day futures OI buildup shortlist, chart-decided direction

- **Where it applies:** Indian F&O stocks, for swings of about 3–5 days.
- **Screen:** look at the five-day change in futures OI, using Definedge's Opstra tool, and find stocks with a small five-day price change but a large OI change. For Nifty stocks, roughly 4–5% or more is treated as significant. For broader CNX 200/100 names, much larger moves are needed. A ~5% price move with a ~30% OI jump in those names is treated as noise.
- **Direction and entry:** mark a key chart level using whatever the trader prefers, such as Ichimoku, harmonic ABCD, RSI divergence or support/resistance. Set alerts above and below, and stay neutral until one triggers. Short if price sustains below the level. Go long only after a one-to-two-day sustain above it. After a large green candle, wait for a pullback to support rather than chasing.
- **Exit:** an opposite chart signal, the target, or price up with OI down after a big move. Hold derivative trades at most 3–5 days.
- **Stop and size:** none specified. Risk is managed mainly by avoiding stocks that have already spiked and by skipping results season, which is roughly 5–10 days each quarter.
- **Evidence:** examples (Lal Path Labs, LIC, Tech Mahindra and others), narrated with hindsight. The video ends with a pitch for the Opstra subscription.
- **Source:**[11]

Setup: Bhavcopy OI change plus series-VWAP long

- **Where it applies:** stock futures, and also NIFTY and BankNIFTY contracts. Analysis is end-of-day, with execution the next session. The presenter says it is meant for experienced

traders, not beginners.

- **Preparation:** build a day-by-day sheet from NSE bhavcopy files. For each contract, compute the percentage change in OI from the previous day. Compare near and next series to strip out rollover. Compute the series average price as turnover divided by volume.
- **Entry:** long a contract trading above its series average price while OI is building. Hold only one or two positions at a time.
- **Stop:** about 0.5% beyond the day's low (or high, for the opposite side). The stop sits just past the obvious level rather than on it, because obvious stops tend to get swept.
- **Exit:** book profit when the opposite side shows strong support or resistance rather than at a fixed target. Exit if price loses the series average or the OI build reverses.
- **Evidence:** anecdote, from a few worked examples. The presenter admits that one entry never triggered and that one setup completed only after price had run away in a single day. The source audio is badly garbled, so some specifics are uncertain.
- **Source:** [12]

The third approach, OI as breakout confirmation, is easy to state. Mark a clear level on a stock future: support or resistance, a range boundary, or a gap. Act only on a strong real-body breakout where end-of-day OI rises against its roughly three-month average, with volume also confirming. Rising price with rising OI confirms a long; falling price with rising OI confirms a short [10].

It gives no stop, target or size, and rests on a single Kotak Mahindra Bank example. That makes it a framework for reading charts rather than an executable setup. The presenter also advises building experience in the cash segment before trading derivatives at all [10].

Where they disagree

The most interesting disagreement is about **sequence**.

- In the breakout-confirmation approach, price moves first and OI confirms it afterwards [10].
- In Nagpal's screen, OI builds first while price is quiet. A stock that has already spiked is the one to avoid [11].

These are close to opposite readings of the same data. One looks for participation behind a move that has happened. The other looks for positioning before a move that might happen.

Who decides direction?

- In the breakout video, OI and price together set direction [10].
- For Nagpal, OI is neutral and the chart decides [11].
- For Prasade, the series average price is the directional filter [12].

Thresholds. Only Nagpal gives screening thresholds, and he labels them "roughly" [11].

Stops and holding periods. These range from a defined 0.5% buffer stop [12], to a time limit with no price stop [11], to nothing at all [10].

Pitfalls

- **No test anywhere.** None of the three videos offers a systematic backtest or any results. Each relies on a few chosen charts[10,11,12].
- **Unverifiable "smart money" stories.** The breakout video says heavy OI at a level reveals hidden smart money entering[10]. Nagpal says smart money accumulates quietly before big moves[11]. Both are argued, not demonstrated. Remember that a rise in OI always means both a new long and a new short.
- **Lag.** Bhavcopy OI arrives after the close, so a fast move can be over before you act. Prasade's own example of price running away in one day shows this[12].
- **Results season.** A quiet OI build may simply be positioning ahead of earnings[11].
- **Chasing spikes.** Nagpal cites 3–4% of immediate risk in futures, and much larger risk in options, after a stock has already moved about 5%[11].
- **One-day noise.** He also says a one-day OI top-ten list is dominated by broader-index names, and can reflect a pump that early buyers have already discounted[11]. A price fall of about 3% with an OI change around 1% shows no fresh participation and is not a signal[11].
- **Garbled sources.** Both Elearnmarkets videos survive only as auto-generated transcripts, so levels and figures quoted from them are approximate[10,12].

Commodities and Currency

How it works

MCX commodity prices are, for the most part, the rupee price of a globally traded product. A Definedge presenter states the consequence directly. India follows international prices, and MCX near-month futures replicate overseas moves almost immediately[4]. He gives the relevant benchmarks:

- COMEX for gold and silver
- NYMEX for crude oil and natural gas
- LME for base metals such as aluminium, copper and zinc

He adds that arbitrage between COMEX and MCX is no longer possible because of government restrictions. That is his assertion, and it is not examined further.

Two practical consequences follow.

First, the news that moves MCX is mostly overseas news. The same presenter lists US jobless claims, nonfarm payrolls, inflation data, the Wednesday crude inventory report and LME data in the early-afternoon Indian session as things to watch while holding a position[4].

Second, contract sizes are large. With a gold lot near ₹1 crore of notional and higher charges than equity futures, he says margin and costs must be checked before anything else[4].

The three commodity videos in this section, all from Definedge, follow a common sequence: a reference trend first, then the instrument's own chart. Two of them then set a stop; the metals video gives only implied invalidation levels. They differ in what counts as the reference:

- the international benchmark chart[4]
- the commodity's relative strength against gold[13]
- the Nifty Metal index and the CRB commodity index, before any single metal stock[14]

Khithani's RSI 60/40 system, covered in the trend-following section, is also a commodity method. It is applied identically across gold, crude, silver and natural gas[2].

A note on currency. None of the videos in this section treats USDINR as a standalone trading instrument. The rupee appears in this chapter only as one leg of the NIFTY/USDINR strategies in the pairs section below. If you came looking for a dedicated currency method, the corpus does not supply one here.

What the presenters agree on

Stop before entry. All three videos define invalidation before the trade:

- the opposite Point & Figure pattern[4]
- the opposing pattern, with the trade skipped if that stop is too wide[13]
- an invalidation level such as a failed retest[14]

Check the reference trend first. All three also do this, as listed above[4,13,14].

Wait for a confirmed breakout or pattern.

- A double- or triple-top buy on the benchmark and on MCX[4].
- A double top buy on both the RS chart and the price chart[13].
- A breakout with rising up-week volume and quiet down-weeks[14].

The metals video adds a useful nuance. A bearish bar with no follow-through selling can be read as a sign of support, but you should still wait for confirmation[14].

Avoid sideways markets. The RS swing method takes no trade while both charts are range-bound[13].

Worked example setups

> **Setup: P&F relative-strength commodity swing against gold**
>
> - **Where it applies:** MCX gold, silver, crude oil and copper, on daily Point & Figure charts.
> - **Charts:** an RS chart of the instrument divided by gold (box 0.1, reversal 3) with a 10-column simple moving average. Beside it, the instrument's own price P&F chart (box 1) with the same 10-column SMA.
> - **Bias:** the RS chart above its 10-column SMA means the commodity is outperforming gold, a bullish bias. Below it means a bearish bias.

- **Entry:** first a double top buy (or a double bottom sell, for shorts) on the RS chart, as the selection filter. Then the same pattern on the price chart as the trigger. If the move is already extended or a large anchor column has formed, wait for a column reversal and enter on the follow-through, so the stop is only a few boxes away.
- **Stop:** the opposing pattern, a double bottom sell for a long. Skip the trade if that is too many boxes away.
- **Exit:** trail with each successive pattern in your favour (the aggressive option), or exit when price crosses the 10-column SMA against the position. Also exit when RS or price confirmation is lost.
- **Size and costs:** not discussed.
- **Evidence:** examples. The method is demonstrated on a few current charts (silver, crude, copper) with no backtest.
- **Source:** [13]

Setup: MCX replica of an international P&F breakout

- **Where it applies:** MCX near-month futures in gold, silver, base metals, crude oil and natural gas. The presenter favours shorter intraday or swing horizons but says any timeframe can be used.
- **Entry:** go long when a Point & Figure double-top or triple-top buy appears on the benchmark chart (COMEX, NYMEX or LME) and the same pattern appears on the MCX near-month chart. A platform scanner can find double top buys across MCX contracts.
- **Stop:** the double bottom sell level of the same pattern.
- **Exit:** no target. Manage the position while momentum holds, watching US and LME data releases.
- **Size:** not given, apart from the warning about very large contract notional.
- **Evidence:** examples (a gold triple top, a silver double top, aluminium) from a Q&A video that doubles as a product pitch. No box size or reversal parameters are stated.
- **Source:** [4]

The third video is a thematic watchlist rather than a rule set[14]. It reads a copper breakout above about 800 on MCX, with rising weekly volume, as a signal for the wider metals space. It then picks stocks on weekly charts:

- accumulating a steel major near a 153–160 zone
- buying a SAIL breakout retest near 140
- preferring SAIL to Hindalco on risk-reward
- avoiding zinc and lead

It projects 15–20% upside for aluminium, to roughly 265–270, once 204–210 is cleared. There is no stop, no size and no timeframe for that projection. It is best read as an example of top-down thematic reasoning, from commodity trend to sector index to stock, not as a setup.

Where they disagree

- **Timeframe:** weekly charts for metals[14], daily P&F for the RS swing[13], shorter swing or intraday P&F for the replica method[4].
- **Reference:** an overseas price[4], gold as the yardstick[13], or broad commodity and sector indices[14].
- **Exit:** a fixed pattern stop with no target[4], a trailing pattern or SMA exit[13], or only implied targets and invalidation levels[14].

Since all three videos come from one channel, these are variations within one school, not a debate between schools.

Pitfalls

- **No backtest and no sizing** in any of the three[4,13,14].
- **Wide stops.** Opposite-pattern stops in P&F can be very wide. The workaround of waiting for a reversal depends on judgement[13].
- **Gap risk in big contracts.** The replica video calls the stop "basically" the risk but does not discuss slippage or overnight gaps on a contract worth around ₹1 crore[4]. Commodities trade through events that happen while Indian markets are shut.
- **Untested lead-lag claims.** The idea that MCX follows overseas prices within seconds, and that double top buys on MCX pay after costs, is exactly the kind of statement you can and should test on historical data, including timing lags[4].
- **Projections without probabilities.** The aluminium target has no timeframe or likelihood attached[14].
- **Promotional framing.** The replica method is presented within a Definedge product and course pitch[4].

Pairs, Correlation and Regime Strategies

How it works

Everything so far has been directional: you profit if the instrument goes your way. The strategies in this section trade a **relationship** between two instruments instead.

The first step in almost all of them is to put the two on the same scale. NIFTY and USDINR, or two bank stocks, move by very different amounts on a normal day. Comparing raw returns would mostly measure which is more volatile. So the presenters divide by volatility:

- a Z-score of the price spread over a rolling 30-day window[15]
- each day's return divided by its standard deviation[16]

- a 21-day mean return divided by the 21-day standard deviation[17]

From there, the strategies split into two families with opposite beliefs about what happens next.

Mean-reversion pairs assume that a stretched relationship snaps back. Take two same-sector stocks whose prices have historically moved together. When the spread between them is unusually wide, go long the laggard and short the leader, and wait for the gap to close. The presenter's rationale is that same-sector stocks share market conditions and regulatory risks. The position is roughly market-neutral because the legs hedge each other[15].

Regime or rotation strategies assume leadership persists. They hold whichever asset currently has the stronger risk-adjusted momentum and switch when that changes.

- Ankit Garg's NIFTY/USDINR switch rests on a flow argument. Global risk-off sends foreign funds out of Indian equities, which pushes NIFTY down and USDINR up, and risk-on does the reverse[17].
- Souvik Das's NIFTY/gold rotation adds volatility targeting. Position size shrinks as volatility rises, and leverage brings the whole book back to a target volatility[18].

Every strategy here depends on a relationship staying stable. That is the central risk of the whole family.

One Definedge explainer on pair trading is part of this topic, but no usable transcript exists for it, so it contributes nothing to this chapter[19].

What the presenters agree on

Normalise by volatility before comparing. Three of the four usable videos do this[15,16,17].

Test that the relationship is stable, and keep testing it.

- The pairs presenter says correlation alone is risky, and that a pair's statistics should be re-checked while the trade is open[15].
- Shiva Galrani advises testing an inter-market correlation across several regimes[16].
- Garg notes that the NIFTY/USDINR correlation can weaken, break or flip, for example as domestic participation rises or interest-rate differentials change[17].
- Das admits that assumptions about returns and volatility drift over time[18].

Signal on daily bars, act afterwards. Entries are taken at the next day's open[16,18] or the next day's close[17]. You cannot trade a daily signal on the candle that creates it, and doing so in a backtest is look-ahead bias. Garg also warns against going below daily or two-hour bars, because the flow effects he relies on play out over days[17].

Size from predefined risk, not conviction.

- About 2% of average notional, or a fixed ₹20,000–30,000, as a stop on a pair[15].
- A 2% cap per position, with at least five more 2% instalments held in reserve and deployed in tranches[16].
- One lot each and no leverage[17].

- Volatility-based sizing[18].

The main payoff of a regime filter is a smaller drawdown. Garg reports that a flat-switching variant, which goes flat instead of holding USDINR, cut drawdown to about a third of long-only NIFTY; that figure belongs to the flat-switching variant, not to the main version that holds USDINR[17]. Das reports that volatility-weighting cut NIFTY's maximum drawdown from about 38% to about 21%[18].

Worked example setups

Setup: Z-score pairs trade with a statistical screen

- **Where it applies:** two same-sector stocks, both traded through futures, on daily bars, with holds of roughly three weeks to three months. The presenter suggests the margin needs make it better suited to institutions or wealthy individuals.
- **Screen:** score each candidate pair on three tests:
- Correlation of log returns over about a year: above 80% scores 2, above 70% scores 1.
- Augmented Dickey-Fuller cointegration on the log-price spread (using a hedge ratio): at least 99% confidence scores 3, 95% scores 2, 90% scores 1.
- Hurst exponent: below 0.5 scores 1.

Require a net score of at least 3, out of a maximum of 6.

- **Balance the legs:** match the notional value (futures price × lot size) of the two legs within about 5%. Use lot ratios, cash on the long leg, or a delta-matched option.
- **Entry:** when the 30-day spread Z-score reaches about ±2 (2.0–2.5 acceptable). Below −2, buy the first stock and short the second; above +2, do the reverse.
- **Exit:** as the Z-score returns toward zero. There is an optional stop-and-reverse if the Z-score keeps running and the pair still scores 3 or 4. Re-check the statistics while the trade is open.
- **Stop:** optional, suggested at about 2% of the average notional of both legs, or ₹20,000–30,000 according to risk appetite.
- **Evidence:** examples plus a short backtest on tiny samples. The presenter himself warns that the all-profitable examples are not representative. The video launches a paid Opstra feature.
- **Source:**[15]

Setup: NIFTY vs USDINR 21-day normalised momentum switch

- **Where it applies:** NIFTY futures and USDINR futures on daily bars, positional.
- **Signal:** for each asset, compute the 21-day rolling mean of daily returns divided by the 21-day rolling standard deviation.
- **Rule:** at each daily close, if NIFTY's normalised value is higher, hold long NIFTY. Otherwise hold long USDINR rather than going flat. Execute at the next day's close.

- **Size:** one lot each, unlevered. The presenter's figures are about ₹1.25 lakh margin for a NIFTY lot and about ₹2,000 for a USDINR lot, out of roughly ₹8 lakh of capital.
- **Exit:** the switch itself; no other stop is described.
- **Variants:** hold NIFTY only above its 200-day SMA, which he says roughly halves both return and drawdown, so he suggests halving size. Or exit after about a 15% fall from the all-time high.
- **Evidence:** a presenter backtest over 2008–2022. He reports that the switching version roughly doubled long-only NIFTY's return with a smaller drawdown. He reports that the 21-day correlation averaged about −0.5, with about 80% of readings below zero. He says results held at lookbacks of 42, 63 and 126 days. He also reports results with transaction costs of "about 3%"; that figure's basis is ambiguous in the video, and slippage, tax and rollover are not included. There is no out-of-sample period or live history. A long-short version, shorting the weaker asset, did not beat buy-and-hold.
- **Source:**[17]

Setup: Volatility-weighted NIFTY/gold rotation with a volatility target

- **Where it applies:** NIFTY futures and Gold MCX futures, daily data.
- **Rule:** hold NIFTY futures while NIFTY outperforms gold; switch to gold futures when gold leads. Enter on the next day's open after the signal.
- **Sizing:** reduce position size as volatility rises. Then apply leverage to restore a book volatility of about 17%. That is about 1.7× for the volatility-weighted NIFTY sleeve, which runs near 10% volatility, and about 2.8× for the rotation, which runs near 6%.
- **Stops:** price stops are explicitly not relied upon, because the presenter considers them unreliable when liquidity dries up.
- **Evidence:** a presenter backtest. He reports volatility-weighting cut NIFTY's maximum drawdown from about 38% to about 21% (Sharpe about 1.14) and recovery time from about 10 to 6 years. He reports the rotation at a Sharpe of about 2, CAGR about 12% and maximum drawdown about 12%. He calls it a toy model. No costs, slippage, taxes or out-of-sample test are given, and some longer-run figures come from simulations that assume constant return and volatility.
- **Source:**[18]

A fourth strategy, Galrani's NIFTY/USDINR pair, divides each day's return by its standard deviation and trades a "stretched" move at the next open[16]. It never states what counts as stretched, and its exit is simply whatever the system signals. His claimed results of about 2–3% per cycle over roughly 90 cycles are given from memory, with no test shown. His most transferable idea is the capital plan: a 2% cap per position and several 2% instalments kept in reserve[16].

Where they disagree

- **Reversion or momentum?** The pairs trade fades stretched spreads[15]. Garg's switch and Das's rotation follow the stronger asset[17,18]. The Galrani video does not say whether his approach is mean-reverting or momentum-following, and it is too loosely specified to classify with confidence[16]. The disagreement is not about the data but about what you believe the relationship does when it stretches. It deserves a test, not an opinion.
- **Lookback:** 30 days for the spread[15], 21 days for momentum[17], unspecified for the Galrani pair[16].
- **Leverage:** none at all[17], versus up to about 2.8× to hit a volatility target[18].
- **Stops:** optional[15], deliberately not relied upon[18], replaced entirely by the signal switch[17], or a fixed 2% cap per position[16].
- **Why it should work:** shared sector conditions[15], foreign flows and risk-on/risk-off[17], a bare assertion that the two have historically moved oppositely[16], or no rationale for the rotation at all[18].

Pitfalls

- **The relationship breaks.** In a pairs trade, the danger is a spread that trends instead of reverting. The presenter describes the Z-score running from −2 to −4[15]. Stock-specific news can hit one leg alone[15]. Neither NIFTY/USDINR presenter shows what a broken-correlation period does to the account[17,16].
- **Costs on two legs.** A pair pays costs on both sides, and the pairs examples ignore costs, slippage and the cost of funding margin[15]. The rotation backtest ignores costs too[18].
- **Parameter selection.** Garg explored several lookbacks and filters on the same data he reports[17]. Robustness across lookbacks is reassuring, but it is not an out-of-sample test.
- **Leverage from a target.** Scaling to 2.8× because the backtested volatility was low assumes volatility stays low. Das himself rejects choosing leverage from historical return and volatility alone[18].
- **Unspecified rules.** An optional stop[15] and an undefined entry threshold[16] leave the hardest decisions to the trader in the moment.
- **Commercial context.** The pairs method launches a paid screener[15]. The rotation video promotes a tool and the presenter's extensions[18]. The USDINR switch promotes a free signal website and the presenter's firm[17].

Chapter checklist

- **Write the whole rule set before trading a future.** That means trigger, initial stop, trailing exit or target, and size. If a video leaves any of these out, as several here do, you have to fill the gap and test it yourself.
- **Size from the stop.** Khithani and Poojara both size from the stop: lots = rupee risk ÷ (lot size × stop distance), with risk per trade at a small fixed share of capital (1–3% across these presenters). Where the stop is too wide for a full contract, Khithani moves to mini or micro contracts, and Poojara skips trades whose stop is around 9–10% or wider.

- **Cap total open risk and keep a margin cushion.** Know your portfolio heat. Hold enough spare cash that a mark-to-market swing cannot force you out of a position your rules say to keep.
- **Covel and Khithani describe trend systems as having a low win rate and long flat spells.** Before trading one, find out how its returns depend on a few big trends. Ask what its worst losing streak was and whether you could sit through it.
- **Use open interest only as a filter.** Read it on settled end-of-day data, against a multi-day or multi-month baseline, with near and next series compared for rollover. Then wait for price to confirm.
- **Check notional, gap risk and the overseas calendar before any MCX trade.** Commodity contracts can be very large, and they move on data released while Indian markets are shut.
- **Before trusting any pair or regime switch, test the relationship itself.** Check whether it held across several regimes and when it broke. Count costs on both legs and the funding of margin.
- **Treat every result in this chapter as a hypothesis.** Rerun it on your own data, with costs and slippage, and with a period held back that you did not use to choose the parameters.

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19. What Is Pair Trading Strategy? | Explained In Detail · Definedge · www.youtube.com/watch?v=HBC6PjyoQag

16. Options Foundations and Analytics

Many Indian retail traders lose their first serious money in options. A large part of that loss comes from not understanding what they bought. An option premium is not a simple bet on direction. It is a price built from time, volatility and distance to the strike, and each of those can move against you while your directional view turns out right. A presenter in one short clip says that the biggest reason options traders lose is not knowing whether a premium is over- or under-priced. The clip offers no method for judging this, but the diagnosis is a fair place to begin[1].

This chapter covers the foundations that the strategy chapters assume you already have. After reading it you should be able to:

- Break a premium into intrinsic and time value, and read the Greeks in rupees.
- Judge whether implied volatility is high or low against its own history, and know what that means for buyers and sellers.
- Read open interest across strikes, while understanding how weak the evidence behind most OI signals is.
- Read a payoff chart and a backtest report critically, including those produced by tools the presenters sell.

A word on evidence before starting. Across the roughly forty videos behind this chapter, the only systematic backtests come from vendors' own platforms, and none has an out-of-sample check. There is no audited live record. Most of what follows is concept, rules of thumb and hand-picked examples. Treat the concepts as solid and the thresholds as hypotheses.

Options Basics, Greeks and Beginner Rules

How an option gets its price

An option premium has two parts:

- **Intrinsic value** is the amount by which the option is already in the money.
- **Time value** is everything above that, and it decays toward zero as expiry approaches[2].

An out-of-the-money option is all time value. That is why buying cheap far-OTM options feels like a lottery ticket and usually behaves like one.

Definedge's Greeks episode builds the price from the Black-Scholes model. The inputs are the underlying price, strike, time to expiry, interest rate and dividend yield, together with volatility. Since every input except volatility is observable, you can run the model in reverse and solve for the volatility the market is paying for. That figure is the **implied volatility**[3]. This is the first conceptual step: before you call an option cheap or expensive, you need a model of what it should cost.

The Greeks then tell you how that price responds to change[3]:

Greek	What it measures	Practical reading from the video
Delta	Change in premium per one-point move in the underlying	Multiply by lot size to get rupee exposure per point
Gamma	How fast delta itself changes	Rises sharply in the final days, especially near the money
Theta	Premium lost per unit of time	Negative for buyers, positive for sellers
Vega	Sensitivity to changes in volatility	A drop in IV can hurt a long option even if price is unchanged

The same presenter makes two useful practical points. First, convert each Greek into rupees. Second, express it as a percentage of the premium, so that a ₹20 option and a ₹200 option can be compared on equal terms[3]. The transcript of that episode is badly degraded, so its specific numbers could not be checked. The framework itself is standard.

A common shortcut is to treat delta as the probability that an option finishes in the money. One A Digital Blogger video uses delta this way to decide whether to hold overnight[2]. It is a rough approximation and not a true probability. It works as a guide, not a forecast.

What the presenters agree on

Time decay is the buyer's opponent. Five videos make the same point in different words:

- Theta erodes a long option even when the underlying does not move[3].
- Overnight holds pay decay[2].
- A buyer has to be right quickly[4].
- Options are wasting assets that need a fixed holding period[5].
- A price view alone is not enough[6].

For a buyer, timing is half the trade.

Decide your exits before you enter. Set an upside exit, a downside exit and a time exit before you buy[6]. Define your entry and target in advance[5]. Use a stop-loss, because intrinsic value on its own does not protect you[2]. Cut losing intraday option trades quickly[4].

Keep size small, per trade and in total. One video keeps a full loss to about 5% of capital[4]. Another allocates about 5% per trade and caps all option exposure at about 10% of the portfolio[5]. A third simply warns against putting everything into one contract[6].

Check implied volatility before buying premium. Look at IV especially before quarterly results[6]. Avoid overnight holds when IV is unstable or news is due[2].

Don't average down, and don't turn a losing intraday option into a "holding." Both rules come from a video on Nithin Kamath's view of option buying, as presented there[4].

Worked example setups

Setup: Six beginner rules for options

- **Rules:** Put no more than about 5% of capital into a single options trade. The presenter's example is a ₹1 lakh account with about ₹5,000 per trade, roughly one contract. Cap total options exposure at about 10% of the portfolio. Hold 2–3 open contracts, never more than 4. Before buying, set both the entry and the profit target. Set levels on the underlying, then translate them to the option. Fix a short maximum holding period, because the contract has roughly a one-month shelf life. Ignore news as a reason to enter or exit. If a better opportunity appears, replace the weaker contract rather than adding another.
- **Where it applies:** Beginners in Indian options; NIFTY context is only implied. No specific expiry is given.
- **Stop and exit:** Pre-set target or stop, translated from levels on the underlying, plus the time limit. No stop distance is quantified.
- **Evidence:** None. The limits are stated without data.
- **Source:** [5]

Setup: Overnight-or-intraday four-parameter check

- **Rules:** Apply this only when the market is clearly bullish. The instrument is NIFTY weekly calls, with the Thursday expiry that applied at the time. Enter early in the week, Monday in the example, so several days of time value remain. Use ITM strikes, or ATM when spot is near the strike. Avoid late entries on expiry day; the example is 2 pm Thursday. Carry overnight only if all four conditions hold: intrinsic value is positive, meaningful time value remains, delta is around 0.7, and IV is stable. Avoid low-delta strikes in the 0.1–0.3 range for overnight holds.
- **Where it applies:** NIFTY weekly call buying in a trending-up market.
- **Stop and exit:** Book profit if the premium has risen. Otherwise square off before the close. Always keep a stop-loss, though no distance is given. Avoid carrying positions through news or results that could spike IV.
- **Evidence:** Anecdote. The figures are illustrative, costs are ignored, and a broker-app promotion runs through the strike-selection walkthrough.
- **Source:** [2]

Setup: Disciplined option buying (Kamath's view)

- **Rules:** Buy options only to express a directional view when you expect a quick, sizable move. For directional bets, prefer monthly expiry to weekly, because it gives the trade more time. Size so that losing the whole position costs about 5% of trading capital.
- **Where it applies:** Intraday, leveraged directional buying in BankNIFTY and stock options.

- **Stop and exit:** Cut losing intraday trades fast. Never average down. Never convert a losing intraday option into a position held to wait for recovery. No price stop or target is defined.
- **Evidence:** Anecdote. The headline claim that over 80% of open option-buy positions end the day in loss is attributed to an unnamed broker statistic, with no data shown.
- **Source:** [4]

A fourth video adds a liquidity check worth borrowing:

- Confirm the underlying stock is actively traded.
- Check that the contract itself has healthy open interest (the presenter suggests roughly 500 or more) and active volume.
- Prefer near-the-money contracts.

The OI threshold is loosely stated and not tied to any particular instrument [6].

Where the presenters disagree

- **Weekly or monthly expiry.** The Kamath video prefers monthly expiry so a directional bet has time to work [4]. The overnight framework is built around weekly NIFTY calls [2]. A third video says to choose expiry by expected move, IV and the event calendar [6].
- **Which strike.** One video favours near-expiry, near-the-money contracts for liquidity and discourages cheap OTM calls [6]. The overnight framework wants high-delta ITM strikes [2].
- **Where the stop goes.** One video sets the stop on the underlying and applies it to the option [5]. Another frames it on the premium [4].
- **Overnight at all?** An Elearnmarkets Q&A advises against carrying option positions overnight if you want to control risk [7]. The four-parameter video allows it under strict conditions [2].
- **Taking delivery after a loss.** A short A Digital Blogger clip on option *writing* prefers naked puts to naked calls, because a stock can fall only to zero but can rise without limit. It also suggests that if a written put goes wrong you can take delivery and wait, on the presenter's claim that stocks recover within six months to a year [8]. That directly contradicts the buyer-side rule never to turn a loser into a holding [4]. The recovery claim rests on one personal anecdote. This handbook adds the caveat that some stocks never recover.

Pitfalls

- **Missing numbers.** Several of these videos give no stop level, size or target [3,6,2].
- **Untested statistics.** The 80% losing-buyer figure [4] and the "sellers win more often than buyers" rule of thumb [7] come without data. The 5% and 10% sizing caps are sensible-sounding but untested [5].
- **Promotion embedded in teaching.** This includes a broker app [2], a brokerage call to action [4], courses and Telegram groups [7], and a teaser that points to longer content [1].
- **Costs ignored.** Two of the more specific videos do not mention brokerage or slippage [2,4].

- **An unreviewable video.** An Elearnmarkets video titled "How to make money by buying options," with about 269,000 views, could not be reviewed, so nothing from it appears here[9].

Implied Volatility, VIX Regimes and Skew

What implied volatility is, and how to judge it

Implied volatility is the volatility backed out of option prices. It is the market's expectation, not something you can observe directly[10]. Definedge's IV Rank episode turns it into an expected price range. Under a normal-distribution assumption, about 68% of outcomes should fall within one standard deviation of the IV-implied range[10]. The same video flags the catch: market returns have fatter tails than a normal curve, and events cause jumps. Read the one-standard-deviation band as a rough guide, not a boundary.

An IV number on its own means little. India VIX at 16 is low in one year and high in another. So the presenters judge IV against its own past year, using two measures[10]:

Measure	How it's built	What it tells you
IV Rank	Where today's IV sits between its one-year low and high	Position within the range; distorted by a single spike
IV Percentile (IVP)	Share of days in the past year with IV below today's	How unusual today's level is, less sensitive to one outlier
Absolute IV level	A fixed number, e.g. "buy near 14–15"	Simple, but ignores that "normal" drifts over time
India VIX	Index-wide implied volatility	Used as a market regime gauge, sometimes contrarian

Two more ideas complete the picture.

Skew. If you plot IV across strikes for one expiry, you get the volatility smile. Skew compares the IV of OTM puts with the IV of calls the same distance from spot[11]. Compare equidistant strikes, not raw premiums. A put and a call priced at ₹50 can carry very different IVs.

Event re-rating. IV tends to rise into a scheduled result and collapse afterwards. This is the "IV crush"[12,13]. Results, elections and rate decisions all re-rate IV[10]. This is how a buyer can call the direction correctly and still earn little: the premium was already inflated and deflates as IV cools[14]. Sellers face the same mechanism in reverse. In one presenter's example, a 15–20% rise in IV roughly doubled the loss on a short straddle[15].

What the presenters agree on

- **Read IV in context before choosing to buy or sell.** High IV means expensive premium, which favours selling or defined-risk credit structures. Low IV means cheap premium, which favours

buying or long-vega structures. Most of the videos in this group say a version of this [16,17,10,18,15,14,12], though one of them has a badly degraded transcript, so its support is low-confidence [16].

- **Use the one-year IV history as the yardstick** [16,10,18,17]. Again, the first of these is low-confidence because its transcript is degraded.
- **When selling, or when IV is high, keep risk defined.** Use butterflies, credit spreads or calendars rather than naked shorts [12,18,11,17].
- **Plan around events.** Mark result dates, read past IV behaviour around them, and plan the next-morning exit for companies that report after the market closes [12].
- **Verify claims yourself.** That includes checking the normality assumption [10] and checking live chain prices before acting on a skew reading [11].

Worked example setups

Setup: IVP-based NIFTY range structure

- **Rules:** Mark the likely weekly NIFTY range on the weekly chart using RSI, Bollinger Bands and trend lines. Look for confluence zones where the Bollinger mean, a trend line and prior support or resistance coincide. Confirm on more than one timeframe that the market is ranging. Then check IVP. When it is low, buy optionality with debit or calendar spreads. When it is high, sell optionality with butterflies, iron butterflies or credit spreads. Prefer entries when price sits near the middle of the range. Use only structures with a defined maximum loss.
- **Sizing:** Risk about 0.25–0.5% of capital per trade (the presenter cites roughly ₹25,000–50,000). Lots = risk budget ÷ maximum loss per lot.
- **Where it applies:** NIFTY weekly and monthly expiries, non-directional conditions, no intraday trading.
- **Stop and exit:** Book profit near maximum profit; structures are sized for roughly 65% probability of profit. If price leaves the range, adjust rather than panic: roll, convert a calendar into a double calendar, or add an opposite leg. Exit at the planned maximum loss. The stated aim is 2–4% a month.
- **Evidence:** Anecdote. The presenter's ~95% accuracy and 40%+ returns are self-reported, with no costs, slippage or drawdown shown, and the video carries promotional context.
- **Source:** [18]

Setup: India VIX regime with chart confirmation

- **Rules:** Treat India VIX above 25 as high, a sign of excessive bearishness and a possible bullish turn. Treat VIX below 20 as low, a sign of complacency and a possible bearish turn. Never act on the VIX extreme alone. Wait for a printed reversal: a double top or swing-high breakout on the VIX Point & Figure chart, an ABC breakout on the index P&F chart, a daily RSI break below 60 (for shorts), or a Supertrend flip. For option structure, use short

straddles or strangles only while VIX is falling from about 25 toward 20 and below. Use spreads while VIX is rising.

- **Where it applies:** NIFTY and Bank Nifty, daily and intraday charts.
- **Stop and exit:** Stop at the P&F anchor column's high pole. Exit or reverse on a column reversal. Take targets from P&F counts. In low VIX, trail the stop to the hourly, two-hourly or daily low. The video's specific index levels (Bank Nifty stop about 42,901–43,000, target about 44,740) belong to the day it was recorded and are not standing rules.
- **Evidence:** Anecdote. The presenter's study says VIX above 25 was followed by a bullish turn about 87% of the time since 2008, and VIX below 20 by a bearish reversal only about 67% of the time. It rests on roughly 22 high-VIX cases from hand-picked swings, with subjective scoring and no out-of-sample test.
- **Source:** [15]

Setup: IV skew as a defined-risk spread

- **Rules:** For one NIFTY expiry, plot IV across strikes. Compare OTM put IV with the IV of the call the same distance from spot. If puts are richer, the presenter reads this as demand for downside protection, and therefore the crowd's expected direction. Sell the high-IV strike and buy a cheaper, further-OTM strike as protection.
- **Where it applies:** NIFTY options, single expiry. It is largely a conceptual walkthrough.
- **Stop and exit:** Exit when skew normalises, when the expected move has played out, or when the underlying moves against the implied direction. The further-OTM leg serves as the hedge. No stop distance or sizing is given.
- **Evidence:** Examples only. The video shows no evidence that skew predicts direction, and its example strikes are not clearly tied to NIFTY levels.
- **Source:** [11]

The earnings version of this thinking is to sell elevated IV before a result through a defined-risk multi-leg structure (a butterfly is mentioned) and close it after the crush. It is the least specified of these ideas. The video gives no strikes, expiries, sizing or stop, and its transcript is degraded [12].

Where the presenters disagree

- **Absolute level or relative rank.** One short A Digital Blogger clip uses fixed IV levels: buy around 14–15, avoid buying above roughly 23, and prefer selling there [14]. The Definedge and Elearnmarkets material uses rank or percentile [16,10,18]. A fixed threshold is easy to apply but goes stale as the volatility regime shifts. The clip also does not say which instrument's IV it means.
- **Level or direction.** The VIX setup cares whether volatility is *falling*, not just whether it is high. Short premium is allowed only on the way down from 25 [15]. Most other videos look only at the level.

- **VIX as a market signal or a pricing input.** The VIX setup reads high VIX as contrarian-bullish for the index[15]. The IV-threshold clip treats high IV purely as a reason not to buy[14].
- **What to do when IV is low.** The suggestions are calendar spreads[17], debit or calendar spreads[18], or outright buying[14].
- **A puzzling band.** The IVP range strategy pairs about the 90th percentile with a calendar spread and the 25–50% band with a butterfly[18]. Definedge's IV grid treats calendars as long-vega structures for *low* IV[17]. The first video does not reconcile the two, so treat its band thresholds as unclear.
- **Events.** One video sells the pre-event IV[12]. Another simply avoids buying into events[14].
- **Naked or defined.** An A Digital Blogger podcast guest sells naked NIFTY options with a stop order[19]. The IVP range strategy forbids any structure with unlimited risk[18].

Pitfalls

- **Gap and spike risk on short options.** This is understated almost everywhere. The naked-selling guest says a nominal 1:1 stop can turn into roughly a 3x loss when premium spikes. He also admits to breaking his own sizing rules by trading 35–40 lots with most of his capital in one approach[19]. His practical tip is to leave a gap between the stop's trigger and limit prices so a fast move still fills. His example figures are ambiguous about which price should sit higher, so check how your broker handles stop-limit orders before copying them.
- **Low-confidence rules.** Four of the Definedge IV episodes have degraded transcripts[12,16,17,10]. None of the nine videos in this group has a backtest or live record.
- **Normal-distribution ranges understate tails**[10].
- **Recommending selling without its risk.** The IV-threshold clip suggests selling when IV is high without discussing the large risk of short options[14].
- **Small samples dressed as statistics.** The 87% and 67% VIX figures sound precise but rest on about 22 cases[15].

Open Interest, Option Chain and TOI

What open interest can and cannot tell you

Open interest is the number of outstanding contracts at a strike. Change in OI (COI) is the day's change. The put-call ratio (PCR) compares put OI with call OI. Max pain is the strike at which option writers, taken together, would lose least if the underlying settled there[20]. Total Open Interest (TOI), as Definedge uses it, sums OI across a basket of strikes around the at-the-money strike. It becomes one line you can chart, smooth and run indicators on[21,22].

The hard part is interpretation. Every contract has a buyer and a seller. A rise in call OI tells you that more calls exist, not who was keen and who was reluctant. The videos fill that gap with one of two stories:

Story	Rising put OI means	Rising call OI means	Who uses it
Writers are informed	Put writers defending a floor: support, bullish	Call writers capping price: resistance, bearish	[23,24,21,25]
Retail buyers are wrong	Retail buying puts: fade it, bullish	Retail buying calls: fade it, bearish	[26,27,28]

The two stories reach the same conclusion for different reasons. Neither premise is shown with data. The "about 90% of retail are option buyers" figure is asserted without a source[26,28]. The intent of option writers cannot be seen on a chart[22]. Definedge's Prashant Shah, presenting the TOI line, says he does not fully subscribe to the smart-money assumption himself[21]. An Elearnmarkets short makes the underlying point plainly: every buyer needs a seller, so "only sellers make money" is a slogan, not an analysis[29].

What the presenters agree on

- **OI is a filter, not a trigger.** Ten videos say so explicitly. The TOI line is a filter, not a system[21,22,30]. A TOI crossover is only a trend filter[31]. A price trigger or technical agreement is required[24,23,26,28]. Max pain is secondary only[20].
- **Aggregate across strikes rather than reading one.** The most common window is the ATM strike plus about six strikes on each side[21,22,32,25,28]. One Elearnmarkets interview uses four strikes each side[26]. A configuration video shows the default basket as 13 strikes, or 26 call and put contracts[33].
- **Ignore the opening window.** The TOI crossover method waits 15–30 minutes after the open[31]. Separately, three COI readers wait until about 10:30 or later. One calls the 9:15 and 9:30 readings inaccurate and reads the data only after 10:30[26]. Another prefers to wait until after 11:00[27]. A third reads after 10:30, preferably after 11:00[28].
- **A weak signal is a reason to stand aside.** A small call-put COI difference means a sideways day[26,27,28]. Diverging Nifty and BankNifty TOI means a non-trend day[30]. No fresh band break means no trade[32].
- **Be careful with expiry-day data.** Last-hour OI and PCR on monthly expiry can be distorted[24]. Max pain needs recomputing as OI changes[20].
- **Use spreads where possible**[24,23,28].

Worked example setups

Setup: TOI 10/30 EMA crossover with P&F anchor-column confirmation

- **Rules:** Build a TOI line for the Nifty ATM strike, next-week expiry, 50-point spacing and six strikes each side (three each side for BankNifty). Use a 5-minute line chart with 10 and 30 EMAs. Plot the ATM call and put on Point & Figure charts with a 1% box and 3-box reversal. After about 9:30, wait for a fresh crossover: for a bullish signal, the 10 EMA crosses above

the 30 with OI rising. Confirm with a large anchor column of X on the ATM call chart for bullish setups, or of O on the put chart for bearish ones. Buy at the double-top-buy level the software prints.

- **Where it applies:** Intraday Nifty and BankNifty weekly options, bought for momentum.
- **Stop and exit:** Stop at the low pole of the anchor column. In the presenter's example: buy at 166, stop at 140, targets 200 and 230, about 1:3. Scale out two lots at each pivot, Camarilla or P&F target and carry the rest to the close. Exit early if OI "fizzles." No overnight carry.
- **Evidence:** Anecdote. The presenter says it works on about 14–15 of every 15 days, a self-reported figure with no sample, period or P&L. It depends on Definedge's TradePoint software.
- **Source:** [31]

Setup: Contra-retail change in OI with a VWAP-touch entry

- **Rules:** After 10:30, preferably after 11:00, sum call-side COI and put-side COI over roughly six strikes either side of ATM. If retail looks put-heavy, look to buy calls; if call-heavy, buy puts. Skip the day if the difference is small. Wait for price to come back to or near VWAP and turn in the trade's direction, and never chase far from VWAP. Buy ATM or slightly ITM, not OTM. As an optional advanced step, plot the COI difference as a 15-minute line and trade its breakouts.
- **Where it applies:** Intraday NIFTY and BankNIFTY options.
- **Stop and exit:** Stop at about 20–25% of premium. Add a time stop: exit if the trade is not in profit within two days. Trail while the COI difference keeps widening and exit when it fades. The presenter does not apply the premium stop on expiry day. A spread (buy a call, sell a higher call) is suggested to cut premium risk.
- **Evidence:** Anecdote. The claim of about 70% live accuracy is the presenter's own, supported by two examples. The 90% retail-buyer premise is asserted without a source. With about 1.19 million views, it is one of the most-watched videos behind this chapter.
- **Source:** [28]

Setup: Put-minus-call writing with VWAP, expressed through spreads

- **Rules:** Track a cumulative "data line" of put writing minus call writing for the expiry. Compare the current week, next week and monthly expiries. Go long only if the line is positive *and* price is above VWAP; go short only in the mirror case. Trigger the long on a break above the highest call OI strike or the opening-range high, and the short on a break below the highest put OI strike or the opening-range low. If mildly directional, use a credit spread about 200 points wide. For a fast, large move, use a debit spread. The presenter

favours credit spreads from Tuesday afternoon into Wednesday, and debit spreads on Friday or Monday morning.

- **Where it applies:** Nifty and BankNIFTY, intraday to 1–3 days.
- **Stop and exit:** For credit spreads, a "double stop": exit at a loss equal to 50% of the premium received. For debit spreads, exit when half the premium paid is lost. Maximum loss is about 2.5% of capital per trade. Book profit at highest-call-OI resistance or round numbers, or when the data line flips sign. A monthly variant looks for PCR near 1.5–1.6 (bullish) or 0.6–0.7 (bearish) at the highest put OI strike, for a 1–1.5% move within 2–3 days.
- **Evidence:** Hindsight-chosen examples. The presenter himself warns that last-hour monthly-expiry data is distorted and that the old monthly playbook no longer works.
- **Source:** [24]

Definedge also teaches a mechanical variant: plot TOI as a Renko chart with a Donchian band. Buy a call when TOI breaks the upper band, buy a put when it breaks the lower band, and treat a return to the middle band as the caution or exit signal. Neither video gives a price stop or sizing, and both rest on single-day illustrations [25,32].

Where the presenters disagree

- **How to build TOI.** Options include a net line of total put OI minus total call OI [21], aggregated OI with a futures overlay [22], an ATM-strike line [31], and three adjacent strikes, or Nifty against BankNifty, on one chart [30].
- **Smoothing and timeframe.** The settings are a 10/30 EMA on 5-minute data [31], a 10/30 MA on 15-minute data [22], and a 20-period MA on 15-minute data [21]. Renko brick sizes differ between videos, and one suggests raising the brick from 0.50 to 3 to cut whipsaw [32,25]. None of these defaults is tested against alternatives.
- **Expiry.** One presenter prefers monthly and calls weekly "too choppy," and finds Bank Nifty TOI choppier than Nifty [22]. Another trades weeklies intraday [31].
- **Entry time.** The suggestions are about 9:30–9:40 [31], after 11:00 [27], and "10:30, 11:00 or 12:00," left unresolved [26].
- **Stop style.** Stops are placed at a P&F pole [31], at 20–25% of premium plus a time stop [28], at 50% of premium [24], or at a band exit with no price stop at all [32,25].
- **Max pain.** Only one video treats it as a magnet into monthly expiry. Even that presenter calls it a secondary reference that still needs a stop, and the video shows no statistical test [20].

Pitfalls

- **Exits are often missing.** Most of these videos give no stop or sizing [21,26,27,32,25,30,22]. One clip promises an entry technique and never discloses it [27]. Another configuration tutorial ends before explaining how to read the line [33].

- **Accuracy figures with no record behind them.** Examples include "55% rising to 70–75%"[26,27], "about 70% live"[28] and "14–15 of 15 days"[31]. None comes with a sample or an audit.
- **Single-day, hindsight examples** are the norm across this group.
- **Data lag.** One presenter notes that option OI data lags by at least about three minutes[23]. That matters for any intraday trigger.
- **Product context.** Several Definedge TOI videos and the anchor-column interview depend on Definedge's TradePoint, Opstra or Zone tools[31,21,30,32,25,22]. Some Elearnmarkets guests promote follow-up sessions or Telegram channels[23,28].
- **Costs and decay** are almost never discussed. For intraday option buying, they are often the whole story.

Options Analytics and Backtesting Tools

What the tools do

Three kinds of software come up repeatedly.

Strategy builders draw the payoff of a position at expiry and at intermediate dates. They show breakeven and maximum loss in rupees. A Sensibull tutorial walks through buying a call and a call-plus-put on NIFTY using the payoff graph[34]. In its example, an 18,000 call shows a cost of 2,295 and a breakeven of 18,045. Those figures fit if 2,295 is the rupee cost of one lot rather than the premium per unit. Read the units on any tool carefully.

A Definedge episode shows the more useful habit: move the date slider to your planned exit day, not just expiry, and stress-test a ±5% spot move. If a short iron condor goes wrong, split it into its put credit spread and call credit spread to see which leg is losing[35]. On the Opstra trading demo, the presenter advises reviewing each leg's payoff separately so a naked leg is not hidden inside the combined picture[36].

Probability tools estimate the probability of profit (POP). One spread-finder screens defined-risk structures by minimum POP and minimum risk-reward. The founder of that platform says POP comes from the Black-76 model, so it is only as good as the volatility input, and he calls his platform execution help rather than an edge[37].

Backtesters replay a rule set on historical option prices. Definedge's Optest and Opstra backtesting modules are the main examples[38,39]. To read their output you need four numbers together[38]:

- **Expectancy:** average profit per trade.
- **Profit factor:** gross profit divided by gross loss.
- **Win rate:** share of trades that made money.
- **Maximum drawdown:** the largest peak-to-trough fall in equity.

Total return on its own tells you very little.

What the presenters agree on

- **Know your maximum loss and read the payoff before entering**[37,34,35,36]. Hedge any naked short with a further-OTM long[40].
- **Judge a backtest by its full set of figures.** Use expectancy, profit factor, win rate and drawdown together[38]. Check the number of trades and look at 1-, 3- and 5-year windows[41]. Read returns against capital employed[39].
- **Tool output is a hypothesis.** A screener shortlist is something to check, not a recommendation[41]. A tool's menu of methods is not evidence that any of them work[42]. An IV-minus-realised-volatility reading is context to test, not a directional signal[13].
- **Costs and data limits matter.** Count brokerage and STT on every leg[37]. High-frequency tests can be dominated by brokerage and slippage[38]. Weekly-expiry data starts much later than monthly data[39]. Free tiers can be delayed[36].
- **Tweak parameters sparingly**, because repeated adjustment to one period is curve-fitting[38].

Worked example setups

These three come from the only videos in this chapter with any backtest. Read them as lessons in how to read results, not as recommendations.

Setup: Intraday 50-delta short straddle (Optest demonstration)

- **Rules:** Sell an ATM (50-delta) straddle at about 9:20 on the weekly expiry. Exit at 15:20 or on a stop at 30% of premium, with no target. The tool can also filter by IV percentile and offers VWAP, Point & Figure and Renko variants.
- **Where it applies:** The demo uses NIFTY, BankNIFTY and FINNIFTY on 1-minute data from 2019.
- **Results the presenter reported:** About 22% total return over 491 trades, alongside a maximum drawdown of about 133% and brokerage of about ₹58,000. The video does not discuss the drawdown in depth. Adding an "IVP above 60" filter cut trades from 491 to 136 without improving returns. The VWAP, intraday P&F and Renko variants showed negative expectancy. A 15-minute 10-EMA long call produced 32 winners out of 150 trades. A monthly straddle entered 13 days before expiry and exited 6 days before (rolled to ATM when delta reaches ±30) is claimed to have expectancy of about 2.4 with a small drawdown.
- **Evidence:** In-sample backtest on the vendor's own tool, with parameters adjusted during the demo and no out-of-sample test. To its credit, the video shows failing variants alongside the better ones.
- **Source:**[38]

Setup: Opstra screener "Sell the Top" and post-earnings strangle

- **Rules:** Sell the Top: price crosses below the 200 SMA, price is below the 10 EMA and RSI is above 30. Buy a 50-delta put and hold it to expiry, about 35 days. Post-earnings: sell a strangle one day after results and exit ten days later.
- **Where it applies:** F&O stocks and indices, daily end-of-day signals.
- **Results the presenters reported:** The screener shows only signal-and-strategy pairs with positive P&L and at least three instances. In the example, adding an optional 50%-of-premium stop and target *lowered* returns from about 105% to 87%.
- **Evidence:** Backtest, but filtered for survivorship by design (only winners are displayed), with defaults chosen by optimising across many parameters. Costs, slippage and margin are not discussed.
- **Source:** [41]

Setup: CPR pivot bull put / bear call spread

- **Rules:** From the previous day's high, low and close, compute Pivot = (H + L + C) / 3, then the top and bottom of the Central Pivot Range. If the market opens above the CPR and the first one-hour candle closes above it, sell a bull put spread. If it opens below and the first hour closes below, sell a bear call spread. A narrow CPR is read as a likely trending day, so trade only in the breakout direction. A wide CPR suggests a range.
- **Where it applies:** NIFTY and BankNIFTY weekly options.
- **Stop and exit:** Hold to expiry to collect time decay. Exit, or stop adding, if the underlying closes back across the CPR, and use a stop if the bias is not confirmed. No stop level or sizing is given.
- **Evidence:** Backtest described only verbally (about six years on a one-hour chart), with no statistics, costs, drawdown or sample size. Interview format with promotional context. Holding short options to expiry carries gap risk that the video does not discuss.
- **Source:** [40]

Where the presenters disagree

- **Stop logic.** The presenter of the Optest demonstration claims that per-leg stops can lose less than a combined stop in trending markets, a claim worth testing yourself [38]. The spread-finder uses a combined-premium stop that is trailed [37]. Testing on daily closes changes which stops count as hit, since an intraday breach that reverses by the close is ignored [39].
- **Default stop size.** The examples use 30% of premium [38], 10% [39] and 50% [41]. None is shown to be better.
- **IV filters.** "IVP above 60" did not help the intraday straddle [38]. Opstra shows "IVP above 50" as an optional filter [39]. The screener uses IVP crossing *below* 90 as a short-strangle trigger [41]. These sit

uneasily with the "sell high IV" consensus of the previous section, and they show why that consensus needs testing.

- **Event trades.** Both Definedge tools cover pre- and post-earnings ideas. In Optest's own tests, the pre-earnings long call was often negative[38].

Pitfalls

- **Vendor-run tests.** Almost every video in this group sells the tool it demonstrates[37,38,41,39,36,13,34,40]. That does not make them wrong, but nothing here has been independently tested.
- **Headline return without the drawdown beside it.** A 22% return with a 133% drawdown[38] is the clearest example in this chapter of why drawdown must be read alongside return.
- **Survivorship and curve-fitting.** A screener that shows only profitable combinations[41] will always look good.
- **Unbounded risk not discussed.** The Opstra walkthrough backtests short straddles and strangles without mentioning their unlimited loss or margin[39].
- **Unreviewable demos.** Two Opstra strategy-builder walkthroughs, one with about 248,000 views, could not be reviewed, so they contribute nothing here[43,44].

Chapter checklist

- Before any options trade, split the premium into intrinsic and time value. Know your theta in rupees per day and how gamma will behave if you hold into the final days[3].
- Write down the upside exit, downside exit and time exit before entering. For buyers, add a time stop to the price stop[6,28].
- Cap size per trade and in total, with the maximum loss computed in rupees from the structure, not from hope[4,18].
- Judge IV against its own one-year history (rank or percentile), and check the event calendar for results that will re-rate it[10,12].
- When selling premium, use defined-risk structures. Assume stops can be jumped in a spike, and size so a 3x premium move is survivable[19].
- Read OI aggregated across strikes, after the opening window, and only as a filter that a price trigger must confirm. Stand aside when the signal is small or mixed[21,26].
- Be sceptical of any accuracy percentage without a sample, period, costs and drawdown. That covers almost every figure in this chapter.
- Read every payoff chart at your planned exit date as well as at expiry, and stress-test a plausible index move[35].
- Read backtests as a set: expectancy, profit factor, win rate, drawdown, trade count and costs. Distrust any result that has been tweaked in-sample or filtered to show only winners[38,41].
- Treat every threshold in this chapter (IV 14–15 or 23, VIX 20/25, ATM ±6, 10/30 averages, PCR bands) as a hypothesis to test on your own data before you rely on it.

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17. Option Buying: Direction, Strikes and Timing

Buying an option looks like the simplest trade in the derivatives market. You pay a premium, your loss is capped at that premium, and the upside can be several times what you paid. That simplicity is misleading.

When you buy a stock or a future, being right about direction is enough. When you buy an option, you also need three other things to go your way:

- **Size.** The move has to be large enough to beat the premium you paid.
- **Speed.** The move has to arrive before time decay (theta) eats the premium.
- **Volatility.** Implied volatility must not collapse after you buy. A fall in volatility can shrink the premium even when the underlying moves your way.

One presenter puts the hardest part plainly. The index can move in your favour while the premium you hold barely follows[1].

This chapter covers how the presenters across the three channels try to handle those problems. It is organised around three questions:

- How do you buy index options (NIFTY, BankNIFTY) with a directional edge?
- How do you choose and time stock options, where liquidity and events such as quarterly results matter more?
- What changes when you stop looking at the underlying and read the option's own price chart?

After working through it, you should be able to:

- tell a well-specified option-buying method from a vague one;
- choose a strike and expiry that fit your holding period;
- decide where your stop lives (on the underlying, the premium, or a chart pattern);
- recognise which "rules" are one presenter's preference rather than tested fact.

A word on evidence before we start. Roughly two dozen videos feed this chapter. Only two present any quantified backtest results, and one of those is described only verbally[2]; the other is a single-platform test[3]. One other presenter mentions backtesting but gives no results[4]. One shows a self-reported, unaudited account record[5]. Everything else rests on chart examples selected after the fact, or on personal anecdote. Read every number below as a hypothesis to test, not a result to rely on.

Directional Index Option Buying

How it works

Most option-buying videos aimed at retail traders focus on NIFTY and BankNIFTY. These are the most liquid contracts, and their weekly and monthly expiries give many chances to trade. The basic logic is straightforward:

- Form a view on the index.
- Buy a call if bullish, a put if bearish.
- Pick a strike and expiry.
- Decide in advance where you are wrong.

Each choice involves a trade-off.

Strike. An at-the-money (ATM) option has a delta of about 0.5. It moves roughly half a point for each point the index moves, and it carries the most time value. A deep in-the-money (ITM) option behaves more like the underlying but costs more. A far out-of-the-money (OTM) option is cheap, but most of its price is time value. It needs a large, fast move just to break even. One presenter works an example: a 300-point NIFTY move on a 0.5-delta call yields about 135 points of premium[6]. That is less than a naive "half of 300", and the video doesn't explain the gap.

Expiry. A weekly option is cheap and responsive, but it decays fast. A monthly option gives the trade room to breathe, at a higher price. One presenter prefers monthly or later expiries and rolls to the next cycle when about 15 days remain[6]. Others trade weekly options intraday or specifically on expiry day.

Where the stop lives. You can place it on the underlying chart, on the option premium, or on a pattern drawn on the option's own chart. That choice matters more than it first seems, and it is a recurring disagreement.

Almost every method in this section uses the same two-layer structure seen across the rest of the handbook:

1. A higher-level filter decides which side you may trade.
2. A lower-timeframe trigger decides when to enter.

The filter might be a daily Supertrend, open interest or breadth. The trigger might be a candle close or a breakout.

What the presenters agree on

Define the stop before you enter. Seven of the videos put this first, though each anchors the stop differently:

- the Supertrend line[2];
- a stop chosen before any thought of profit[5];
- an underlying-chart level[6];

- a level below an EMA on the option chart[7];
- a level just below a Point & Figure breakout[8];
- a pattern failure level[9];
- the entry candle[4].

Size so a losing run is survivable. This is the most widely shared lesson, and the presenters put it in concrete terms:

- Divide capital into slices so that ten consecutive stops are survivable[4].
- Keep enough buffer for about ten days of losses[5].
- Size from ATR volatility and never add to losers[2].
- Size inversely to stop distance[8].
- Cut momentum trades to half or one-third of normal size when the stop is wide[1].

The interviewee in one "Losses & Lessons" episode explains how random sizing and over-trading drove his losses[10].

Wait for confirmation. Act on a candle close, a retest or a follow-through, not an intrabar touch. Examples:

- the Supertrend system requires a candle close[2];
- the expiry-day level method requires a sustained move beyond a level[9];
- one method waits for a break and retest with a candlestick confirmation[4];
- one interviewee insists you never enter a momentum trade in anticipation[1].

Avoid cheap far-OTM options. Several presenters are explicit about this[6,11,10,12]. Two others do buy OTM or low-premium options, which is covered under disagreements below.

Check volatility before buying. The three presenters who use India VIX as a filter agree on the principle that buying when volatility is high means overpaying. Their thresholds differ:

Video	Buying acceptable	Avoid or reduce
6	VIX about 14–20	above about 23
11	VIX about 15–20, plus the stock's IV percentile or rank below about 50	reduce above 25–30
10	(mostly skips high-VIX days)	trades mostly skipped above about 15

Theta is the buyer's enemy, so don't let a stalled trade sit. Presenters handle this in different ways:

- exit within two to three days if the trade hasn't moved[11];
- exit if the market consolidates and premium starts decaying[6];
- book at about a 70% premium gain rather than waiting for the full move[2].

Skip absent setups and cap your trading. Examples include:

- a limit order at a pre-planned premium, with the trade skipped if that price never comes[10];
- a maximum of three trades a day[5];
- standing down after three losses[2];
- accepting that many expiries give no trade at all[8].

Worked example setups

Setup: 5-minute Supertrend BankNifty intraday option buying

- **Where it applies:** BankNifty, intraday only. The presenter prefers BankNifty over Nifty because it moves more on news.
- **Chart:** Supertrend on the 5-minute BankNifty futures chart. The presenter describes an ATR-based line of about 10 periods with a multiplier of roughly 2–3, but does not fully pin these down.
- **Entry:** When a 5-minute futures candle closes above the Supertrend, buy a call. When one closes below, buy a put. Act only on the close. The option itself should also close beyond its Supertrend.
- **Strike:** Round the Supertrend value to the nearest hundred. The video's example is 36,307, which gives the 36,300 call.
- **Expiry day:** No entries in the first five minutes.
- **Stop and exit:** The Supertrend line is the stop, trailed as the trend advances. Book around a 70% premium gain. Never hold overnight. If the market gaps through the stop, exit and cancel the stale order. Stop trading for the day after three losses.
- **Sizing:** Derived from ATR volatility. Never add to losers.
- **Evidence:** A verbal backtest. The presenter says a test since 2016 averaged about 27 points a day with roughly a 60% win rate, after about 2% costs. No equity curve or trade count is shown, and the presenter himself notes that backtesting options is hard. The signal on the option can also diverge from the signal on futures.
- **Source:**[2] (the most-viewed video in this chapter, at over 1.5 million views).

Setup: Daily Supertrend side filter plus 3-day breakout

- **Where it applies:** NIFTY and BankNIFTY options, mainly intraday, with buy-today-sell-tomorrow (BTST) and positional carries allowed.
- **Filter:** A daily close above Supertrend (10,1) means calls only; below means puts only. The market must also have broken its last three-day high (for calls) or low (for puts) in the trend direction. Mark the last four to five days' swing high and low.
- **Trigger:** A three-to-four candle setup on the 15-minute chart, in the filter's direction.

- **Premium:** Buy only options priced at or below about Rs 100.
- **Scaling:** Take half the intended quantity in the morning. Add the rest only as price moves the right way towards the 3 pm close.
- **Stop and exit:** Set the stop before thinking about profit. The intraday target is about 1:2 reward to risk. Take at most three trades a day, and stop for the day if the first trade hits target. The exact stop distance is never stated.
- **Sizing:** The presenter deploys about Rs 3–3.5 lakh out of roughly Rs 28 lakh. He keeps about four times his maximum expected loss in reserve and raises lot size only after sustained profit.
- **Evidence:** A self-reported, unaudited live record. Accuracy is shown for selected months only, ranging from the low teens to the mid-seventies in percent. He says roughly 50–55% of trades hit the stop. Most of the profit is attributed to BTST trades that are not broken down.
- **Source:** [5].

Setup: ATM 40–60 delta buying in a trending, low-IV market

- **Where it applies:** NIFTY, BankNIFTY and stock options on the daily chart, with two-to-three-day holds.
- **Conditions:** A trend backed by momentum. Avoid sideways markets where the stock isn't even covering its daily ATR. India VIX roughly 15–20 (acceptable up to 25). The underlying's IV percentile or rank below about 50.
- **Strike:** ATM, 40–60 delta. Never below 40 delta. Avoid deep ITM (80+ delta) and cheap deep OTM.
- **Exit:** Leave within two to three days if the trade hasn't moved, even if no stop is hit. Exit if the view is proved wrong. If you exit early and the view still holds, re-enter at a *different* strike, never the same one.
- **Stop:** A premium stop is mentioned, but no figure is given.
- **Evidence:** Illustrative chart examples. The thresholds are not backtested.
- **Source:** [11].

The third setup also makes an argument worth testing. The presenter suggests that buyers lose more to being wrong on direction (delta) than to time decay[11].

Where the presenters disagree

Question	Positions taken
Expiry	Monthly or later [6]; weekly intraday, mostly skipping expiry days [10]; expiry-day afternoons specifically [8,9]
Strike	ATM or ITM near 0.5 delta [6]; ATM 40–60 delta [11]; Supertrend rounded to the nearest hundred [2]; premium capped near Rs 100 [5]; OTM [4]; "strike matters little" [8]
Direction source	Supertrend [2,5]; total open interest [7,8]; the max-OI strike as a wall to trade against [4]; pure price action [6,1]; contrarian fade of a gap-up into resistance [10]
Stop location	Underlying chart [6]; option's own chart [7,8]; entry candle [4]
Target	Fixed 1:2 [4,5]; roughly 1:2, applied flexibly [1]; trail with no target [8]; about 20 index points [10]
Holding period	Intraday only [2]; intraday plus BTST [5]; two to three days [11]

Two disagreements deserve more thought.

Fixed targets versus trailing. One presenter links reward-to-risk to hit rate. At about 50% accuracy you need at least 1:2, while at about 70% a 1:1 target can work [4]. That is just expectancy arithmetic. It tells you the choice depends on your measured win rate, which few of these videos show in verified form.

Daily profit caps. One interviewee books about ₹7,000 and stops once the day's profit passes about ₹10,000 [1]. That protects against giving profits back. But it sits awkwardly with his own claim that most of his profit comes from momentum trades, which are exactly the trades that run [1].

Pitfalls

- **Missing stops.** Despite the consensus, some methods never give one. The gap-up fade has no stop or invalidation level [10]. The delta-and-IV method names a premium stop without a number [11]. The Supertrend-filter method never states its stop distance [5].
- **One-day examples and stale levels.** The expiry-day level video gives exact numbers, such as a NIFTY long above 22500 and a short below 22340. These are levels for a single session, and the presenter notes that some may already have shifted by release. The method is also oriented more to index futures than to option buying [9]. Treat such videos as demonstrations of a process, not standing levels.
- **Costs.** Most of these videos ignore brokerage, slippage and the bid-ask spread [4,7,1,8]. The one that includes costs uses a flat assumption of about 2% that is not broken down [2].
- **Self-reported performance.** Figures such as roughly ₹36–37 lakh over three years [1] come without audited statements, and that presenter partly credits volatile markets for them.
- **Losses are real and large.** The same channel's interviews include a trader who lost ₹80 lakh in options [10] and a buyer who lost ₹2.5 lakh in one day [1]. The first traces his damage to random sizing and over-trading [10]; the second warns against revenge trading [1].

- **Promotional framing.** Several of these videos sit alongside a presenter's own systems, courses, tools or broker[2,11,7]. One video that also teaches directional buying promotes a short strangle with unlimited-loss risk[6].
- **Titles that deliver nothing.** One video titled as a "delta drifting" method has an unusable transcript with no recoverable rules[13].

Stock Option Buying

How it works

Stock options use the same mechanics as index options, but they behave differently in practice:

- **Liquidity varies.** Liquidity is much thinner and more uneven than in index options. Spreads can be wide, and a strike can simply stop trading. One presenter describes an option that lost liquidity and failed to move even though the stock signal was valid[14].
- **Lot sizes and premiums differ** widely from stock to stock.
- **Events matter.** Quarterly results can gap a stock overnight. After the announcement, implied volatility usually collapses (the "volatility crush"), which can shrink a premium even if the stock moves your way[15].

So the stock-option methods in the corpus share a pattern: filter hard first, then trade only the most liquid strike. The filters include:

- relative strength versus the index and sector;
- a Bollinger squeeze;
- unusual volume and unusual option activity;
- a Point & Figure pattern before results;
- open-interest levels.

Only then does the presenter look at the option itself.

The filter-then-trigger structure is the same as for indices. The filtering just carries more of the load, because the universe is large and many contracts are not tradable.

What the presenters agree on

Require several independent confirmations. Five videos stack filters:

- Definedge's "Trividh" (three-filter) system needs unusual volume, unusual option activity across several strikes, and a bullish Adaptive RSI reading on the ATM strike, all within 9:15–10:15[16]. Its sister video adds futures volume to cash volume on an hourly scan[17].
- A top-down relative-strength method needs a bullish sector, a bullish stock, a stock breakout and an option-premium breakout[14].
- The results-season method needs a pattern *and* a trend reading to agree[15].
- An option-chain framework takes a trade only when at least two of three signals agree[18].

Use the option's own chart, or at least its liquidity, to time entry.

- Enter on the option's price chart at the candle close[19].
- Buy only if the ATM premium itself breaks out, and stand aside if it doesn't or if the option is illiquid[14].
- Pick the most liquid, highest-volume strike[17].
- Confirm liquidity before sizing up[16].

Wait for confirmation.

- Spot should hold above resistance for 15–20 minutes, three to four five-minute candles, before you buy a call. The same presenter avoids acting before about 9:30[18].
- Buy on a Point & Figure double top buy rather than in the middle of a consolidation[16].

Take profits on a rule, often in stages.

- Book half and trail the rest[19].
- Book at 70–80% of the maximum potential profit[18].
- Book on a 3–4% rally in the underlying[15].
- Book when the option goes deep ITM, because spreads widen and the option stops responding the same way[17].

Never average a losing option. Two presenters state it flatly[19,18]. A short clip makes the related point that a single refusal to take a stop can wipe out capital[12].

Prefer ATM. Four videos default to at-the-money strikes[12,14,16,17]. An Elearnmarkets session also prefers near-the-money strikes[20].

Worked example setups

Setup: Bollinger Bandwidth squeeze breakout with long options

- **Where it applies:** NIFTY and stock options. Use a daily screen and a 5-minute entry.
- **Filter:** Scan for the narrowest Bollinger Bandwidth, then confirm visually a long, tight daily consolidation (often a pattern such as a symmetrical triangle).
- **Strike:** The strike with the highest open interest (or change in OI). Long calls or long puts only; no selling.
- **Entry:** When the underlying breaks out of the range, take the trade on the option's own price chart, acting on the candle close rather than a running candle.
- **Stop and exit:** The initial stop is the low of the entry candle on the option chart, trailed as the trade works (the presenter references Supertrend). Book half at the first resistance and trail the rest. If the breakout fails and price returns to cost, exit near entry. Don't book the whole profit early.

- **Sizing:** About 2% of capital at risk per trade (Rs 10,000 on Rs 5 lakh), with quantity derived from the stop distance. Never average down. The presenter expects about 50% accuracy.
- **Evidence:** Chart examples in an interview. No systematic test, and no costs or decay quantified.
- **Source:**[19].

Setup: Point & Figure results-season call

- **Where it applies:** Roughly 30–40 liquid F&O stocks, on a daily P&F chart, around quarterly results.
- **Filter:** A bullish P&F pattern (double top buy or low pole) *and* a bullish 10-column P&F moving average. This is an average of the last ten swings, not ten days. If pattern and trend disagree, the stock is neutral and should be skipped. Skip charts you'd "need a magnifying glass to read".
- **Box size:** The video gives 0.25 for stocks and 0.25% for NIFTY. It is ambiguous whether the stock figure is meant in points or percent.
- **Entry:** Buy the call one to two days before the result. Use slightly OTM with about two weeks to expiry, or ATM if only a few days remain. If no bullish trigger prints, don't go hunting for a bearish one instead.
- **Exit:** Book on a 3–4% rally in the underlying, immediately if it comes as a gap-up. Exit after the result regardless, because of volatility crush and decay. Exit if the cash chart closes below the setup level.
- **Stop:** No stop on the option itself, because the presenter considers option stops unreliable through gaps. The premium is treated as the full known risk. For risk-averse traders he offers a debit spread (buy ATM, sell a call three to four strikes higher) or a ratio-style structure.
- **Evidence:** Five worked examples, including both winners and losers. The presenter's own estimates, that roughly 5 of 15 trades fail and winners run 2.5–3 times the size of losers, are asserted rather than measured.
- **Source:**[15].

Setup: All-Bullish relative-strength top-down ATM call

- **Where it applies:** Liquid F&O stocks, including in results season.
- **Filter:** On a multi-timeframe relative-strength scanner against Nifty 50, keep only sectors that are bullish on the daily, weekly, monthly and quarterly charts. Within those sectors, keep only stocks that are bullish on all four.
- **Stock trigger:** A bullish breakout on a 3% P&F chart of the stock: an ABC breakout, a range breakout, or support at the moving average.

- **Option trigger:** Plot the ATM call on a 1-minute chart with a 3% brick and Adaptive RSI at its default settings. Buy only when the premium itself breaks out (the presenter's OFSS example enters near 190). If the stock breaks out but the option doesn't, or the option is illiquid, don't trade.
- **Stop:** A close below the lower Adaptive RSI line, around 110–115 in that example. That is a wide stop relative to a 190 entry.
- **Evidence:** A few chart examples, with no win rate, drawdown or costs. The presenter also describes a case where the option went illiquid and didn't move.
- **Source:** [14].

Two related methods are worth knowing about. The Trividh opening-hour method [16] is well specified on entry: three filters, then a double top buy or anchor-column buy on the ATM option. Its stop goes at a double bottom sell or the prior swing low and is moved to cost after a favourable move. Its sister video [17] gives no hard stop at all. Its example entry and exit prices for a TRENT call are quoted as ranges that are hard to reconcile, so treat those figures as ambiguous.

A different, simpler idea comes from an Elearnmarkets live session [20]. The rules are:

- the stock's daily open and low are almost equal;
- open interest shows long buildup (price and OI both rising);
- the previous day's low holds.

The presenter then buys a near-the-money call, aiming for an 8–10% premium gain in four to five days. She pairs a price stop just below the day's low with a *time stop*: exit if the move doesn't arrive when expected. She also caps the capital in any single option, for example about Rs 25,000 per position on Rs 1 lakh. Her roughly 60% strike rate is stated, not shown, and the auto-generated transcript means some numbers may be misheard.

Where the presenters disagree

- **Stop on the option or not.** Most methods use a hard stop:
- the entry candle [19];
- the Adaptive RSI line [14];
- a double bottom sell or swing low [16];
- half the target distance [18].

The results-season method deliberately has none, because gaps make it meaningless. It exits instead on the cash chart or after the event [15]. That is a real philosophical split. One side says a stop that might not fill is still better than nothing. The other says the premium *is* the stop, so size accordingly. - **Strike.** Highest OI [19], ATM [14,16], slightly OTM with two weeks left [15], or the nearest round strike [17]. One short clip warns specifically against defaulting to cheap OTM [12]. - **What open interest means.** - A support or resistance level: the highest put OI as support, the highest call OI as resistance [18]. - A strike selector [19]. - A breadth-of-activity filter across strikes [17,16].

These are three different claims about the same data. - **The opening hour.** Trividh qualifies its signals *inside* 9:15–10:15[16]. The option-chain framework won't act before about 9:30[18]. - **Naked versus hedged.** One presenter stays naked long only[19]. Another converts to a bull call spread for overnight holds[18]. A third offers a debit or ratio spread for the risk-averse[15]. - **Trail versus cap.** Some trail to ride trends[19,16]. The results method caps the trade at a 3–4% underlying move and does not trail[15]. - **Expected hit rate.** About 50%[19], roughly one in three for buyers in general[18], or, for the results setup, the presenter's estimate that roughly 5 of 15 trades fail[15]. None of these is measured on a stated sample.

A note on what is *not* here. Short-covering trades around the maximum-OI strike are sometimes described as a stock-option buying setup. None of these videos actually teaches one. The closest material uses the highest-OI strike as a level[18] or as the strike to buy[19].

Pitfalls

- **Every method here rests on examples.** None of the nine stock-option videos shows a systematic test or a live record.
- **Illiquidity can break a correct trade.** A valid stock signal is worthless if the option doesn't trade[14]. Check volume and spread before checking the chart.
- **Results are a double-edged event.** Gaps and volatility crush can take a naked call to near zero, and the presenter acknowledges this[15].
- **Undefined components.** The Adaptive RSI used in the Trividh and relative-strength methods is given without parameters[17]. The option-chain framework's "third signal" is never defined[18]. A rule you cannot reproduce is a rule you cannot test.
- **Wide stops relative to premium.** In some Trividh examples the stop is large compared with the option price[16]. The same is true of the relative-strength example's 190-to-about-110 stop[14]. Size from that distance, not from the lot.
- **Product links.** Most of these methods are taught inside a specific scanner or analytics platform, or a course[17,16,15,19,18]. That doesn't make them wrong, but it is a conflict of interest worth noticing.

Trading from the Option's Own Chart

How it works

So far, most methods read direction from the underlying and use the option only as the vehicle. This section reverses that. You plot the option premium itself, as a chart, and take your entries, stops and exits from it.

The argument for doing so is simple. Theta decay and changes in implied volatility act on the instrument you actually hold, not on the index[21]. The index can drift sideways while your premium bleeds. A pattern on the premium chart already has that decay built in. One presenter adds a subtler claim. When a trend is about to change, the option on the losing side reacts first, so its chart can show the turn before the index trend is obvious[22].

Almost all of this material comes from one house, Definedge, and uses its Point & Figure (P&F) vocabulary. A short primer:

- A **P&F chart** plots columns of X (rising) and O (falling) with no time axis. A new box is added only when price moves by the box size. A new column starts only when price reverses by a set number of boxes, usually three.
- A **double top buy** is an X column rising above the previous X column's top. A **double bottom sell** is the reverse.
- An **anchor column** is an unusually long column: more than 15 boxes in one video[22], about 12–13 or more in another[23]. It is treated as a reference level, not a signal on its own.
- A **Turtle breakout** here means a breakout above the high of the last five columns.
- **D-Smart** is a proprietary trend line. One video describes it as a simple moving average of 6[24]. Its "walking line" serves as both trend filter and stop.

Two other tools appear:

- **Renko** charts, made of fixed-size bricks.
- **Straddle charts**, which plot the ATM call plus put as a single series. A falling straddle means both legs are decaying in a sideways market. A rising one means one leg has turned strongly directional[25].

Because nearly every source here is one company presenting its own tools, treat this section as one school's view rather than cross-channel consensus.

What the presenters agree on

Plot the option, and check both sides.

- Look at the ATM call *and* the ATM put before forming a view[22].
- Never go long while the call's chart is bearish. If both call and put are bearish or neutral, a directional buy isn't the right trade[26,23].

Enter on a completed pattern, not a hint. Double top buys[22,24,3] and Turtle breakouts[21,23] are the standard triggers. Several videos stress that a big anchor column is context, not an entry. You still need follow-through after it[22,26].

The same logic drives the index methods mentioned earlier:

- One reads total open interest for direction. It then buys a follow-through pattern on a 3-minute P&F chart of the ATM strike, but only above its EMA, and skips the trade if the anchor column is so long that the stop would be too wide[7].
- The other is an expiry-afternoon method. It buys the ATM put when its chart breaks out of a double top buy above its moving average, after open interest turns bearish[8].

Take the stop from the chart, and skip trades where it's too far away. Turtle and D-Smart users skip the trade if the gap between entry and walking line is too large to afford[21]. Others size so the chart stop is affordable or stand aside[26].

Trail with something that needs a real reversal.

- Trail on the D-Smart walking line[21,24].
- Trail on a triple bottom sell or Turtle bearish breakout, explicitly *not* a plain double bottom sell, which the presenter considers too easily triggered by noise[23].
- Hold while the straddle keeps rising[25].
- Exit when the Renko brick averages lose alignment[27].

Filter by regime and avoid dead periods. The regime filters include:

- NIFTY 50 breadth in the neutral 25–75 band[21];
- the direction of a breadth crossover[24];
- India VIX bands[27].

Several presenters avoid the last week of expiry[21,24], or new trades after Tuesday or Wednesday of the expiry week[27]. One avoids any period when the straddle is drifting down[25].

Worked example setups

Setup: D-Smart Turtle breakout on the option's own chart

- **Where it applies:** Stock options in Definedge's "Liquid Options Group", traded intraday or as a three-to-four-day swing. Not in the last week of expiry.
- **Environment:** The stock is outperforming on relative strength, and NIFTY 50 breadth is between 25 and 75. The presenter's view is that breakouts tend to fail in extreme breadth zones.
- **Chart:** P&F of the ATM option itself, on 1-minute closes. Box 1% (2–3% for conservative traders), with a 3% reversal.
- **Entry:** A bullish five-column Turtle breakout above the consolidation high, with price above the D-Smart walking line. Take every qualifying signal rather than picking favourites. Skip it if entry minus walking line exceeds your risk tolerance.
- **Stop and exit:** The walking line is both the initial stop and the trail. Exit on a close below it. Intraday trades go flat by 3:30. In the video's example, entry is 47 with the walking line at 43, so about 4 points of risk.
- **Evidence:** Chart examples chosen by the presenter, with no win rate or costs. The 1% box, the 25–75 breadth band and the exit time are asserted, not tested.
- **Source:**[21].

Setup: Breadth crossover with D-Smart double top buy

- **Where it applies:** Liquid ATM stock options. The presenter uses it intraday, positionally and over multi-day holds.

- **Side:** A bullish NIFTY 50 breadth crossover means calls only; a bearish one means puts only.
- **Candidates:** Each morning, keep the stocks whose call is above D-Smart (or whose put is below it).
- **Chart:** 1-minute P&F, box 3, D-Smart as an SMA of 6.
- **Entry:** A double top buy above D-Smart, with the order placed in advance. If no follow-through comes, there is no trade.
- **Sizing:** On a bullish crossover with breadth below 50, half size; above 50, full size (mirrored for bearish). Extreme breadth zones mean minimum size.
- **Stop and exit:** Trail on the D-Smart line. Book at 1:1 reward to risk or on a column reversal. If the stop is already at breakeven and momentum is strong, hold instead. After booking, look for a fresh ATM strike and the next double top buy. The presenter rejects partial profit-booking for options.
- **Evidence:** Anecdote and worked examples. The claimed 60–70% hit rate is asserted, not shown. One example call was stopped out after a gap, and only the winners are discussed at length.
- **Source:**[24].

Setup: Triple moving average plus double top buy intraday long call (backtested)

- **Where it applies:** NIFTY and BankNIFTY weekly ATM calls (chosen by 50 delta around 9:20), intraday, one lot.
- **Chart:** P&F built from 1-minute data with a 2% × 3 box, and simple moving averages of 10, 15 and 20 plotted on it.
- **Entry:** After 9:20, when the price closes above the triple moving average with a double top buy.
- **Exit:** A close below the triple moving average with a double bottom sell, or 15:20, whichever comes first. **There is no stop.**
- **Costs assumed:** Rs 60 brokerage per entry and per exit, plus slippage that the video quotes as Rs 20,000, described as the platform's default for long-only systems. That figure looks implausibly large and may be misstated.
- **Reported results (about two years):**
- roughly 490–500% total return on an average capital employed of only about Rs 20,000;
- about Rs 250 per trade, over 500+ trades;
- maximum drawdown around 30%;
- an average gain to average loss stated as roughly 1:2;
- a single trade lost about Rs 5,000;
- a losing month (August 2022) appears in the results.

- **Evidence:** A single-platform backtest by the tool's maker, with no out-of-sample or forward test.
- **Source:**[3].

The third setup is valuable mainly as a lesson in reading backtests. Dividing profit by a small average capital figure produces a dramatic headline percentage. The numbers that matter more are these:

- a 30% drawdown;
- a profit of about Rs 250 per trade, against costs of Rs 120 per round trip plus slippage;
- no stop, so one trade can lose about Rs 5,000.

The video deserves credit for showing a losing month at all.

Three other well-specified methods are worth knowing about:

- **Anchor-column monthly-expiry call buying**[23]. Look for a long bullish anchor column (about 12–13+ boxes) on the ATM call in the first two to three days of the monthly expiry. Buy on a continuation pattern. The stop goes below the anchor low, or below the lowest O for a tighter version. In the Axis example the entry is about 30, and the stops are about 14 and about 20. Book on a 3–4% underlying move (every 150–200 points for NIFTY), then re-plot the next strike. Spread capital across three to five stocks in different sectors.
- **Weak-side reading**[22]. With a 3% log box and a three-box reversal on the ATM call and put, a bullish trade waits for the put to break down. Only then does it buy the call, after a break above the previous swing high or a double top buy. The stop goes at the previous swing low, trailed on mini tops and bottoms. The presenter insists the three-box reversal never be changed.
- **VIX-regime Renko buying**[27]. Buy only when India VIX is low (13–15) or ultra-low (below 13). Use deep ITM 70+ delta strikes as a debit spread with a 20–30 delta hedge leg. Enter on a brick reversal on a 1% Renko of the premium once the 20/30/40-brick averages line up. Take 25–50% of size first and add the rest on the next brick reversal. Exit on three opposite bricks (about 3%) or loss of alignment, for a stated risk of about 3–5% of premium.

Where the presenters disagree

Even inside one company, the chart parameters vary widely:

Video	Chart parameters
[22]	3% log box, 3-box reversal (5% box for straddles)
[21]	1% box, 3% reversal
[24,26]	3-point box, 1-minute
[3]	2% × 3 from 1-minute data
[28]	0.5% box on straddles
[27]	1% Renko bricks

None of these values is justified by a test. Pick one, fix it, and test it, rather than switching between them after the fact.

Other splits:

- **Partial booking.** Rejected for options in one video[24]; used in another, which books about half at a count target[26].
- **Targets.**
- 1:1[24];
- a 3–4% underlying move[23];
- an 8–10% premium gain[20];
- trail only, with no target[21,25].
- **Breadth.** In one method, breadth is a gate: trade only in the 25–75 band[21]. In the other, it chooses the side and scales the size, and extreme zones mean small rather than none[24].
- **Strike.** ATM in most videos. Deep ITM 70+ delta inside a debit spread[27]. Straddles two to three strikes ITM for bullish stocks and OTM for bearish ones[25].
- **What a straddle chart tells you.**
- One presenter reads direction from straddles 200 points above and below spot. A rising +200 straddle is read as bearish for NIFTY, for example. The trades he lists include short futures, a short call, buying a put or a credit spread, and the video also pitches straddle selling[28].
- Another uses a rising ATM straddle only as confirmation that momentum exists. He reads direction from the individual leg and holds the long option while the straddle keeps rising[25].

Pitfalls

- **Nine of ten videos rely on hand-picked examples.** One straddle method is illustrated with a single week of moves[25]. The other uses two days, and rests on the untested observation that both straddles falling together is "almost impossible"[28].
- **Costs on 1-minute option charts.** Trading off 1-minute premium charts means many signals, and every signal crosses a bid-ask spread. Seven of these videos ignore that or mention it only in passing. One describes re-entry as "just a brokerage away", which normalises frequent trading[27].

- **Thin options give false patterns.** Far-from-the-money options that trade rarely can print chart patterns that mean nothing[25]. This is one reason the Definedge methods restrict themselves to a curated liquid list.
- **Missing stops.** The backtested method has none[3]. The straddle methods give no stop level[28,25].
- **Subjective patterns.** Terms such as "T20" and "super pattern" are used as entry triggers without a precise definition[26].
- **One company, one toolkit.** The vocabulary, the proprietary indicators and the platforms all come from the same source. Six of these videos promote that platform, a course or a scanner. You cannot independently reproduce a proprietary line like D-Smart without knowing its exact formula. One video gives it as an SMA of 6[24]; check that before relying on it.

Chapter checklist

- **Write down which side you're allowed to trade before the session.** Use one higher-level filter (daily trend, breadth, open interest or volatility regime), and don't take the opposite side when your trigger fails to fire.
- **Choose strike and expiry to fit your holding period.** Several presenters favour ATM to slightly ITM and avoid cheap far-OTM options[6,11,10,12]; one gives the range as roughly 40–60 delta[11]. Others do buy OTM or low-premium options[4,5]. Give multi-day trades more expiry room than intraday ones.
- **Decide where your stop lives:** underlying, premium or option-chart pattern. Write the level down before entering. If the distance is too large for your risk budget, skip the trade.
- **Size from the stop, not from the lot.** Set a fixed small rupee risk per trade, enough reserve to survive a long losing run, and never average a losing option.
- **Add a time exit.** If the premium hasn't moved within the window your method expects, get out. Decay is a cost every hour you wait.
- **Check volatility and liquidity before the chart.** Look at India VIX or the stock's IV rank, the bid-ask spread and volume. An illiquid option can fail even when the signal is right.
- **Treat events as a separate risk category.** Around results or on expiry day, gaps and volatility crush can make stops meaningless. Either accept the full premium as your risk or use a spread.
- **Pick one method and one set of parameters, and test it.** Use many sessions, including losing ones, and include brokerage, slippage and spreads. Only two videos here present any quantified backtest results, so the testing is your job.
- **Cap your activity.** Set a maximum number of trades and a daily loss limit, and stop when either is hit. One interviewee attributes an ₹80 lakh loss to random sizing and over-trading[10]; another, who lost ₹2.5 lakh in a day, warns against revenge trading[1].

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18. Option Selling, Spreads and Hedges

Option selling is the most heavily promoted income idea in Indian trading video. The pitch is simple. Most options expire worthless, time decay pays the seller every day, so sell premium and collect. The videos behind this chapter test that pitch in practice: expiry-day straddles, weekly iron condors, chart-timed credit spreads, calendars, covered calls on long-term holdings, and puts bought to insure a portfolio.

The reason this deserves careful study is the shape of the payoff. A seller collects many small wins and occasionally takes a large loss. A method can win 60–80% of days and still lose money overall, and several presenters say this about their own trading. One expiry-day seller with a claimed 80% win rate also cites a worst-case gap or halt loss of about 15% of capital, far above his 1% daily stop[1]. Another describes a 2024 spike day on which his stops and hedges both failed[2].

After this chapter you should be able to take any short-premium setup and ask four questions of it:

1. **Where does the edge come from?** Time decay, implied volatility trading above realised volatility, or a directional view?
2. **What is the maximum loss, and does the stop actually cap it?** Consider a gap open, a spike within one candle, or a stop that does not fill.
3. **How was it tested?** Did the test include brokerage, STT and slippage, and was the sample larger than a handful of trades?
4. **How is it sized?** By broker margin, which is the trap, or by the worst loss you can survive?

A note on evidence before we start. Across the six sections, only about fifteen videos show any backtest. Most of those run on the presenter's own platform, several leave out costs, and none shows an audited live record. Everything below is a description of what presenters teach, not proof that it works.

Expiry-Day and 0DTE Selling

How it works

On expiry day (DT0, or 0DTE) and the day before (DT1), an option has very little time value left, and that value disappears fastest in the final sessions. Sellers are paid that disappearance. Many presenters state the rationale in this form[3,4,5]. One frames it as a volatility risk premium, earned when implied volatility exceeds what the market actually delivers[6].

The same property that makes decay fast also makes expiry dangerous. Gamma, the rate at which an option's delta changes, is highest near the money and near expiry. A cheap option can multiply in minutes when the index moves toward it. One presenter, arguing against expiry options altogether, says premiums near ₹2 can jump to ₹6–7 within a single candle when India VIX sits around 11–12, and that stops then fail to fill at the planned price[7]. Another notes that spikes to ₹50–60 on an option sold for under ₹10 can erase many small wins[8].

So expiry selling trades a high hit rate against rare, violent losses. Every rule below is an attempt to manage that trade.

What the presenters agree on

Set a hard maximum loss before entry, and stop when it is hit. This is close to universal. The caps take different forms:

- percent of capital per day: 1% on BankNIFTY and 0.3–0.5% on NIFTY[1]; 1% a day with a full square-up at 2% drawdown[6]
- fixed rupees per day[9,10]
- a broker kill switch[11]
- a monthly loss limit after which trading stops for research[12]

Use per-leg percentage stops and move the surviving leg to cost. When one leg of a straddle stops out, several sellers move the other leg's stop to its entry price. Examples are 50% per leg[3] and 25% per leg[10]. The "Chain Ki Neend" presenter notes that this keeps the day's loss to roughly one stop[3].

Stay intraday. Many expiry sellers hold nothing overnight, because a gap can jump past any stop[1,13,9].

Discount backtests heavily. One presenter suggests halving backtested returns and doubling drawdown before judging a strategy[12], and another uses the same normalisation as part of his own process[2]. A third expects live results at roughly 75% of backtest[14].

Start small and scale only after a record. This appears across interviews[15,16,5].

How far from the money?

The biggest design choice is strike distance, and presenters split sharply.

Approach	Example	Trade-off
At the money	ATM straddle, never OTM[17]	Most premium, most gamma
Fixed premium	Strikes near ₹75 on NIFTY[3]	More predictable daily exposure as VIX changes
About 100 points out	₹8–10 premium after noon[8]	Small credit; spikes are proportionally huge
Far OTM	1,500–2,000 points apart on BankNIFTY[13]; 800+ points on Nifty[4]	Tiny credit, needs large size, tail risk remains

Setup: "Chain Ki Neend" fixed-premium intraday straddle/strangle

- **Rules:** On NIFTY DT1 and DT0, skip the first five-minute candle. Between 9:20 and 9:25, sell one call and one put each priced near ₹75 (about ₹225 for SENSEX). The presenter deliberately picks a random minute in that window so the system is not fitted to one exact time.

- **Stop and exit:** About 50% stop on each leg. When one leg stops, move the other to cost. Square off everything at 3:15 PM. No overnight positions.
- **Where it applies:** NIFTY and SENSEX expiry windows, intraday only.
- **Evidence:** Backtest over roughly 2.5 years. About 60% winning days, average monthly profit near ₹15,700 with 0.8% slippage assumed on about ₹6 lakh margin, maximum drawdown about ₹23,000, and a 41-day drawdown period. The presenter warns that a 60% win rate needs 100+ trades to show itself, and his sample contains runs of four to five losing days. No out-of-sample period is shown, and the video sits alongside a platform pitch.
- **Source:** [3]

Setup: ATM straddle with a VWAP filter

- **Rules:** Estimate the expiry range from where call and put open interest is heaviest. Sell the ATM call and put together, but only when each premium trades below its own one-minute VWAP. Never sell OTM for income.
- **Stop and exit:** The stop sits 20% above VWAP. The presenter equates this with twice the lower leg's premium; in his example, legs at 19 and 25 give a stop of 38. If one leg stops and the strike is unchanged, he expects the surviving leg to offset it. If the strike shifts, he closes and builds a fresh ATM straddle.
- **Where it applies:** Nifty, intraday, mainly expiry day.
- **Evidence:** Anecdote: one live example and a P&L snapshot. The presenter admits the open-interest range is right only about 70% of the time, calls part of his headline return luck, and funds mark-to-market losses partly through an overdraft.
- **Source:** [17]

Setup: Late-session OTM sale after a 15-minute close

- **Rules:** Expiry day only, after 12:00. On the 15-minute chart, mark the latest swing high and low and a support or resistance level that is not an obvious round number. Wait for a 15-minute candle to close beyond the level. Then sell the call (or put) about 100 points out of the money when its premium is about ₹8–10.
- **Filters:** Skip the day if that premium is only ₹3–5, or if India VIX is above 30.
- **Stop and exit:** Stop near ₹14–15. Target is the option decaying to ₹0–2.
- **Evidence:** Anecdote. The presenter describes two near-total capital losses earlier in his career, and he himself notes that spikes can exceed the stop.
- **Source:** [8]

Where they disagree

Stop or adjust? One far-OTM seller uses no stop at all. He manages by rolling legs through the day and claims about 99.5% success with no data shown, yet he cites a loss of about ₹70,000 when a sold call went against him[13]. Another seller uses roll-and-double adjustments, and she says her worst day, about ₹90,000, came from exactly that practice[10]. A third cuts immediately on a small premium stop and does not adjust[6].

Do Greeks matter? One presenter says Greeks do not help and that he picks strikes purely from quoted premium[4]. Others reason in delta and gamma throughout[2].

When to enter? Answers include:

- 9:15 at the open[1]
- 9:20–9:25[3]
- 9:40[10]
- 9:50[12]
- after noon[8]
- triggered by premium level rather than the clock[9]

That spread of answers is itself evidence that entry time is mostly presenter preference.

Does low VIX kill the trade? One presenter says that with VIX near 12 there is no easy income left[7]. Another says selling stayed profitable for much of a year with VIX under 12[2].

Pitfalls

- **Win rate without payoff.** An 80% win rate means little until you see the average loss against the average win[1].
- **"Unlimited loss is a myth if you use a stop."** One presenter says this, then describes a 1.5% gap-down that blew up a leg[18].
- **Curve-fitting.** One entry time was picked by AI on the same minute data used to test it[12]. One algo builder says his first backtest showed about 500% a year, and he himself calls it data fitting[19].
- **Edge decay.** One full-time writer reports his expiry-day hit rate falling from about 74% in 2020–21 to near 60%. He says returns dropped to about 1.5–2% a month, margins rose more than twofold, and broker leverage fell from about 4x to 2x[2].
- **Costs.** One presenter, trading a DT1 ratio/calendar strategy rather than expiry-day selling, measured slippage between live and paper of about 3 basis points on normal days, and says it was higher, about 4–11 basis points, on expiry days. His framing is that this can erase a thin edge[14].

Non-Expiry Straddles, Strangles and Delta-Neutral Selling

How it works

Outside expiry day, a short straddle (sell the ATM call and put) or a short strangle (sell an OTM call and put) is a bet that the index will move less than the premium implies. Two things drive the result:

- **Theta:** time passing works for you.
- **Vega:** implied volatility falling works for you; rising works against you.

"Delta-neutral" means keeping the position's net directional exposure near zero, usually by rolling the tested leg when the index moves.

The distinctive idea in this section is the **volatility regime**. Selling premium when it is cheap gives poor odds. Several presenters gate entries on implied volatility being rich:

- IV percentile above about 70[20]
- implied volatility above historical volatility[21]

Others add a separate, trend-based filter: they want India VIX falling rather than rising[22,23]. One presenter makes a useful distinction: a high VIX that is still rising is a warning, not a sell signal. He waits for the VIX trend to turn down before selling[22].

What the presenters agree on

- **Fix the stop or maximum loss and honour it.** Per-leg premium stops are common: 40 points on BankNifty[24], 25% intraday or 100% positional[25], 20%[26]. So are account-level caps, such as roughly 1% of capital[20] or 2.5% a day[27].
- **Size by worst case, not by margin.** One presenter sizes capital at three times the backtested maximum drawdown plus margin[25]. Another uses Monte Carlo drawdowns[26]. A third sizes by account exposure and says one Nifty strangle lot needs about a ₹5.5 lakh account[20].
- **Avoid the last days and hours before expiry.** Sellers square off by 1:30 PM on expiry day[28], exit two days before expiry[29], or avoid the last hour because of gamma[30].
- **Take small profits early.** Examples include 20% of premium received[20] and 20–25%[31].
- **Count costs.** The clearest warning comes from a tool demo of a rolling straddle. At one lot, brokerage was about ₹62,000 against P&L of about ₹64,000[32]. Frequent rolling can hand nearly all the profit to costs.

Setup: The 9:20 time-based short straddle

- **Rules:** At 9:20, sell the ATM call and put. There is no discretionary trigger.
- **Stop and exit:** 20% stop. Exit at 15:15 if the stop has not hit. Never hold overnight. A daily risk cap of 1% of capital switches the automation off once reached. Size from historical and Monte Carlo worst-case drawdown.
- **Where it applies:** NIFTY and SENSEX, intraday.

- **Evidence:** Backtest over 2021–2024. The presenter cites about 70% return after charges and 0.5% slippage on five lots, with a maximum drawdown around ₹1.92 lakh. He reports that the zero-DTE version supplies about half the return, and that a 2-DTE version of the same system loses money. He presents it as a framework, not a recommendation, and says his own live results lag his backtests.
- **Related variant:** A BankNifty version enters around 9:45 with a 40-point premium stop per leg and moves the surviving leg to breakeven. It is backtested on the presenter's own platform[24].
- **Source:**[26]

Setup: "Melting Straddles" on a Point & Figure chart of premium

- **Rules:** Plot the combined premium of the ATM straddle, and of straddles 200 points above and below (500 for SENSEX), as a 5% Point & Figure chart on one-minute data, with VWAP overlaid. Short only on a sell signal that closes below VWAP, such as a double-bottom sell or anchor follow-through.
- **Stop and exit:** Stop at the swing high above VWAP, typically about 10 points of combined premium. Book profit in 10-point steps. Move the stop to cost after 10–20 points. Exit outright if the straddle closes back above VWAP.
- **Where it applies:** Weekly NIFTY and SENSEX on the days before their expiries. The presenter excludes BankNifty and stock options.
- **Evidence:** Examples from about one week of charts. The presenter tracks average decay by weekday, but uses language like "mathematically certain", and his own costs are only described as acceptable, not quantified.
- **Source:**[30]

Setup: Budget-day volatility-crush straddle

- **Rules:** On a known event morning, sell the ATM Nifty straddle between 9:20 and 9:30 if IV percentile is above 50. The rationale is that implied volatility collapses once the outcome is known.
- **Stop and exit:** 30% stop. Exit the next day around 3:20 PM.
- **Evidence:** Backtest of only **eight** Budget-day trades. Results across hold lengths show different win rates, and the cost model is not stated. One losing example had IV percentile around 82, which shows that high IV does not guarantee profit. Treat this as a hypothesis, not a result.
- **Source:**[33]

Where they disagree

Stop versus adjust is the central split.

- Some presenters say exit rather than adjust once a loss reaches about 1% of capital[20].
- Some use no hard stop and roll the losing leg instead[31].
- One replaces frequent stops with structural adjustments inside a pre-set monthly loss budget[34].
- One calls most adjustment ego-driven and says it needs extra capital and skill[22].

How to pick strikes varies widely:

- delta, from 12.5[31] to 30[35]
- outside the historical Friday-to-Friday range of about ±3%[29]
- outside the previous month's high and low[21]
- beyond the strike with the most open interest[36]
- from price action only, explicitly rejecting open interest and indicators[37]

Which instrument? Some prefer BankNifty[25], one excludes it[30], and one trades stock options only and excludes indices[38].

Pitfalls

- **Regime dependence.** One seller attributes part of his early success to India VIX falling sharply through 2020–21, which made selling both sides unusually easy[39]. Another notes his 2021 drawdown exceeded his 2020 one[25], so historical maximum drawdown is not a ceiling.
- **Unsupported return claims.** One Face2Face episode claims 6–12% a month, but its transcript is a poor machine translation and shows no record[40]. A widely watched strangle video asserts that sellers win 75% of the time without data, and leaves its stop level unquantified[29].
- **Adjustments that quietly become averaging down.** Each roll adds cost and often adds exposure.
- **A separate point, outside options.** One interviewee recommends averaging down in cash-market delivery trades, not option rolls, without defining a maximum loss for doing so[28].

Iron Condors and Iron Flies

How it works

An **iron condor** is a short strangle with wings. You sell an OTM call and put, and buy further-OTM options beyond each. An **iron fly** sells the ATM straddle instead, with wings on both sides. The wings do two jobs: they cap the maximum loss, and they cut margin.

For a hedged structure, maximum loss can be computed before entry. One presenter gives it as (the gap between sold and bought strikes, minus the credit received) multiplied by the lot size[41]. Another illustrates the margin effect: a hedged condor needs about ₹60–70k, against about ₹1.7 lakh for an unhedged strangle[42].

The choice between condor and fly is a trade between probability and payoff. One presenter puts a plain fly's probability of profit at about 40–42% and a condor's at 80–85%. He adds that the condor's risk-reward is only about 0.15–0.2[43]. A high probability of profit with a tiny reward is the familiar option-seller shape, now with a defined maximum loss.

What the presenters agree on

- **Define maximum loss and exit rules before entry.** Every video in this section does so in some form. Examples: a stop at 50% of maximum profit[42], at 50% of the premium collected[44], or at 2.5% weekly mark-to-market[43].
- **Keep it hedged, never naked.** This is stressed widely, including for any overnight position[45].
- **Short strikes near 15–20 delta.** Common for condors[46,47,42].
- **Skip bad conditions.** Avoid event weeks and high or rising VIX[46], trending days[45], and the final week's gamma[42].
- **Take profit early.** Around 50% of maximum profit[42,48].
- **Cut the tested side rather than average into a trend**[46,42].

Setup: VIX-conditional delta-neutral iron fly with an adjustment ladder

- **Entry:**
- On Friday around 10:00 AM, sell a ~50-delta ATM call and put on NIFTY or BankNIFTY weekly options, and buy ~20-delta wings.
- Only when India VIX is above 14. Below 14, use a diagonal fly or double diagonal instead.
- **Adjustments:**
- First adjustment when spot has covered 60% of the distance to breakeven: sell an option on the untested side at a delta equal to the position's imbalance.
- Buy a deep-OTM overnight hedge at 3:20 PM and close it at 9:20 AM.
- Second adjustment at breakeven, or when the extra option has lost 50%.
- Close the extra option if its premium triples or it goes in the money.
- **Exit:** Target 1–1.5% a week. Hard stop at 2.5% mark-to-market. Square off by 2:30 PM on expiry day.
- **Sizing:** About ₹1.75–2 lakh per BankNIFTY lot, of which about ₹75,000 is margin and the rest an adjustment reserve.
- **Evidence:** Backtests of the plain fly without adjustments show about 60–67% annualised, without costs. The presenter acknowledges they do not reproduce live results. The live walkthrough is one volatile week chosen for demonstration. He describes a gap loss about double his plan and four consecutive losing weeks of roughly ₹8,000–10,000 each in trending markets. This is the most fully specified video in the chapter, and also one that demands constant screen time.
- **Source:**[43]

Setup: Nifty monthly 20-delta condor with a delta-15 roll

- **Rules:** Enter 30–40 days before monthly expiry, near 15:20. Sell roughly 20-delta puts and calls. Buy wings 300 points beyond each. Use 100-point strikes only, because 50- and 250-point strikes are illiquid.
- **Management:** Take profit at 50% of maximum profit; stop at 50% of maximum profit. If the position's delta breaches ±15, roll the threatened spread or buy a long option to re-neutralise. If a short strike is tested, close everything and start again. Close by the Monday of expiry week.
- **Sizing:** One or two lots, with about ₹80,000 including mark-to-market buffer.
- **Evidence:** One worked, backdated example. The presenter founded the analytics platform used in the demo, and his 4–6% monthly figure comes without drawdown or cost data.
- **Source:** [42]

Setup: Weekly NIFTY condor with VIX and event filters

- **Filters:** Enter Thursday afternoon, or Friday morning if Thursday has a rate or Fed announcement. Only when VIX is roughly 14–22 and not rising, no major event is due, and the market is range-bound. The presenter skips about 5–6 of 52 weeks.
- **Structure:** 15–20 delta short strikes, 400–500 points wide, on full hundred-point strikes. He refuses to narrow the width for more premium.
- **Exit:** Exit all legs Wednesday afternoon. If one side's breakeven breaks, exit that spread at once, book the other spread's profit, and re-sell it further out. One adjustment per week.
- **Evidence:** Anecdote and live examples. Note that his percentages are computed on about ₹1 lakh deployed per lot against ₹45–50k margin, which affects how returns read. He treats skipping bad weeks as the core of the edge.
- **Source:** [46]

Where they disagree

Friday is contested. One pair of hosts avoids selling on Fridays and closes positions before Friday [45]. The three setups above all enter on a Friday or the day before. No video tests the difference.

Adjustments split three ways.

- None: exit the whole position at a 50% loss of credit [44].
- One per week [46].
- A full ladder, checked every 15 minutes [43].

A related approach moves the bought wings inward toward the shorts, turning a condor into a fly, but gives no trigger level for doing so [41].

Weekly versus monthly remains a matter of taste. On the monthly side, one presenter points to higher premium[41] and another enters 30–40 days before expiry[42]. The weekly condor presenter simply holds through the week[46]. No video makes a weekly-versus-monthly decay comparison.

Pitfalls

- **Claims that outrun the data.** One weekly condor episode says the method "always stays positive", but its transcript is too degraded to verify the rules[49]. A pre-expiry condor video asserts black-swan losses cannot exceed about 5% without showing it[44].
- **Close-to-close statistics.** One presenter bases strike distance on BankNIFTY's weekly close-to-close moves, which he says stayed below about 3% roughly 85% of the time. He also admits intra-week moves can exceed 5%[41]. A condor is hurt by the move during the week, not only by where the week ends.
- **Defined risk is not zero risk.** "Capped" means capped at the wing width. A full-width loss is still many weeks of credit.

Vertical, Calendar and Exotic Spreads

How it works

Vertical spreads use two strikes in the same expiry.

- A **credit spread** sells the nearer option and buys a further one, for a net credit. A bull put spread when bullish, a bear call spread when bearish. Maximum loss is the width minus the premium received[50].
- A **debit spread** buys the nearer option and sells the further one, paying a net debit that is its maximum loss.

Calendar spreads sell a near expiry and buy a later one at the same strike. **Diagonals** use different strikes across the two expiries. The logic, as presenters explain it, is that the short near-dated leg decays faster, while the long far-dated leg gains more when implied volatility rises. The calendar is therefore long vega. Its maximum loss is the net debit[51,52].

What the presenters agree on

- **Know the rupee maximum loss before entering.** About a dozen videos state this.
- **Hedge every short leg.** One presenter adds a sharp reminder: a spread caps risk only if the long leg is actually bought[53]. A related tip on exits: close the short leg before the long hedge, or you are briefly naked[54].
- **Enter calendars when IV is low or expected to rise**[55,51,56].
- **Exit before the last days of the front expiry.** Variants include covering the short leg 2–3 days before expiry[55] and placing no trades in the last three days[50].
- **Book around 50% of maximum profit** rather than holding to expiry[55,57].
- **Check liquidity.** One presenter avoids 50-point Nifty strikes[53].

Setup: Trend-filtered credit spread on Renko / Point & Figure

- **Trend state:** Read the underlying index on one-minute Renko or Point & Figure charts. Use one indicator: RSI above or below 50, a stacked triple moving average, or MACD versus zero.
- **Trigger:** Wait for a confirming trigger in the trend direction (Swing Breakout, Turtle Follow Through or Strike Back), not a bare breakout.
- **Structure:** Sell the ATM round-number option and buy one 200–300 points further out, on next-week expiry.
- **Exit:** Book 75% of maximum profit on bullish trades and about 40–50% on bearish ones. The presenter argues that falls in Indian indices tend to snap back. Exit when the trend indicator flips. Never trade the last three days before expiry.
- **Sizing:** By the collective loss you could survive in a black-swan gap, not by margin.
- **Evidence:** Backtests over 11 years of one-minute data, run on the **underlying index, not on the spreads**. Option fills, slippage and spread P&L are therefore untested. His own figures show win rates in the mid-30s percent, and he promotes his algo platform.
- **Source:** [50]

Setup: PICS — put calendar plus a one-standard-deviation iron condor

- **Rules:** On Friday between 9:30 and 9:45, sell the current-week ATM put and buy the next-week put at the same strike. Add an iron condor on the current week with short strikes at about one standard deviation and longs about 200 points further out. Example: spot about 15,850; sell the 16,100 call and 15,600 put; buy the 16,300 call and 15,400 put.
- **Exit:** By Wednesday end of day at at least half of maximum profit, or more conservatively Thursday morning. Adjust by rolling condor strikes along the one-standard-deviation line.
- **Risk:** Budgeted maximum loss about ₹9,000–11,400 with margin around ₹59–62k. The presenter names a large gap beyond the wings as his residual worry.
- **Evidence:** Examples and a three-to-four-month personal journal. The probability figures come from a software payoff model, not a test.
- **Source:** [57]

Setup: Low-IV put calendar with roll on breach

- **Rules:** Sell the near-month ATM Nifty put and buy the same-strike back-month put when IV percentile is low, about 9–10 days before front expiry.
- **Exit:** Book at roughly 10–30% of capital deployed. Stop at about 10%. Exit the Friday or Monday before front expiry. If the range breaks before target, close and reopen a fresh calendar.

- **Evidence:** The presenter mentions a one-year backtest returning about 22%, shown briefly without parameters, costs or a trade log. He also founded the tool used.
- **Source:** [56]

Where they disagree

Credit or debit? One presenter favours credit spreads, citing roughly 65% probability of profit against 42% for debit [53]. Those numbers came from a broker's strategy builder at a single moment, not from trading results. Another uses Camarilla levels to choose direction and trades both debit and credit spreads [58].

What IV condition suits a calendar? "Low IV" is the common answer, but one video also allows entry when front-month IV exceeds back-month IV [55]. One ratio-calendar trader ignores IV entirely and judges the regime from ATR bands, Heikin Ashi candles and open interest [59].

Is a structure ever riskless? A reverse jade lizard presenter claims no loss on the downside even if the stock goes to zero [60]. Others stress residual gap and put-side risk in their own structures [57].

Pitfalls

- **Adjustments that add size.** The reverse jade lizard rolls the far short call to the next strike at **double** quantity when it is touched, which increases exposure into a rally [60].
- **Assertions about the Greeks.** One short clip says a four-leg double bull spread is insensitive to implied volatility, without analysis [61]. A risk-reversal episode includes a "no risk" remark despite a short put carrying substantial downside and margin [62].
- **Tool probabilities treated as edges.** A payoff tool's probability of profit is a model output. Check it against your own trade log.

Directional Option Selling

How it works

Here the seller has a view. Sell puts when bullish and calls when bearish, and you are paid by both time decay and the index moving away from your strike. The trade-offs come from the strike:

- **ITM or ATM:** more premium and more delta. The position behaves almost like a future.
- **OTM:** less premium, but more room to be wrong.

Hedging the short turns it into a credit spread. It also cuts margin sharply. One presenter cites about ₹2 lakh naked against ₹60–65k for a 150-point spread [63]. Another estimates the far hedge cuts margin by about one-third [64].

What the presenters agree on

- **Fix the stop before entry and never remove it.** About 12 of 15 videos insist on this.

- **Size from a fixed loss budget.** Examples are 1% of capital per trade[65] and about ₹5,000 per lot[66].
- **Use no-trade filters.** Examples: skip narrow pivot ranges and conflicting signals[64]; skip gap days and oversized candles[65]; skip budget and election periods[67].
- **Stop for the day after repeated losses.** One trader stops after two stop-losses[68]. Another warns against revenge trading[69].

Setup: Weekly CPR + Supertrend credit spread

- **Entry conditions:** Every Monday at 10:15, on the one-hour chart, check the 9:15 candle against the weekly Central Pivot Range (CPR).
- Bullish: the candle closes above the CPR, Supertrend (10,3) is below price, and price is above the 21 SMA. Sell a bull put spread.
- Bearish: the mirror image. Sell a bear call spread.
- **Strikes:** Sell at the Supertrend level or just beyond the CPR. Buy the hedge roughly 500–600 points away on Bank Nifty, 200–250 on Nifty.
- **No-trade filters:** Skip the week if the candle closes inside the CPR, the CPR is narrow (under 2%), indicators conflict, or a major event is due.
- **Exit:** Take half off when premium has halved, and trail the rest toward 80–90%. Stop at a 70% rise in premium, but wait about 15 minutes to confirm it is not an expiry spike. Square off before expiry. All exits are judged on the option premium, not the price chart.
- **Evidence:** A manual backtest by the presenter over 203 weeks (October 2020 to August 2024). He reports about 69.5% of weeks profitable, 25.6% no-trade and 4.9% losing. No costs or slippage are included, and strike choice involves judgement. It is still the only setup in this section with a reported backtest.
- **Source:**[64]

Setup: Close-at-extreme candle break

- **Alert candle:** On a five-minute chart, ignoring the first 15 minutes, a candle that closes at or almost at its high is a bullish alert. One that closes at its low is a bearish alert.
- **Entry:** Sell the ATM put on a break of a bullish alert's high. Sell the call on a break of a bearish alert's low.
- **Filters:** Skip candles larger than roughly 0.3–0.35% of spot, and skip gap days.
- **Stop and exit:** Stop on spot about 5 points beyond the candle. Target 1.5 times the stop. Exit only at stop or target. Risk at most 1% of capital per trade.
- **Where it applies:** Nifty, Midcap Nifty and stock options, intraday.
- **Evidence:** Anecdote. The claimed 60–65% hit rate is not shown with data.

- **Source:** [65]

Setup: 20/34 moving-average channel on Heikin Ashi

- **Entry:** On the Nifty 15-minute Heikin Ashi chart, a close below the lower line of a 20-period channel means sell a weekly call. A close above the upper line means sell a weekly put. Use the strike nearest the 20-line.
- **Stop and exit:** Stop when price **touches**, not closes beyond, the 34-period channel line on the same side, roughly 25–50 spot points. Exit at the open on an adverse gap. Reverse on a close back across the 20-channel. Take profit or switch strikes around ₹10–20 of premium. Optionally use a 150-point credit spread instead of a naked short.
- **Where it applies:** Nifty weekly, trending markets. The presenter says it works poorly on Bank Nifty.
- **Evidence:** Examples. He promotes the related tools.
- **Source:** [63]

Where they disagree

Moneyness ranges across the whole chain:

- ATM [70]
- ITM [69]
- deep ITM with ₹300–500 premium [71]
- around 0.2 delta [66]
- far OTM, 4,000–5,000 points away on BankNIFTY [67]

Hedged or naked? One presenter always hedges a sold put but allows naked calls [72]. Others sell naked or treat the hedge as optional.

Profit-taking varies too:

- hold to zero [73]
- book half at 50% [64]
- book about ₹5–6k per lakh with roughly 20 days left [72]
- a fixed 1:1.5 target [65]

Supertrend settings range from (10,3) [64] to period 40 [68] to an unexplained triple setting of 141/142/143 [74]. The variety suggests these parameters are presenter preference.

Pitfalls

- **Calling a naked short "hedged".** One far-OTM call writer describes his trade as hedged, but the further-OTM purchase is optional and taken only for margin benefit. He also uses a fixed ₹3,000–

4,000 stop on a position whose strike is thousands of points from spot[67].

- **Stops too tight for the instrument.** An 8–10 point stop on BankNifty is tight relative to intraday noise. That presenter accepts roughly 50% accuracy and several small stops per winner[69].
- **Big unaudited return claims.** Examples include about 20% a month[68] and about 12% a month[70].
- **Rules break under pressure.** The Fibonacci 1.6 presenter shows a live losing trade in which his own stop rule was not followed[72]. Another method re-enters after a stop-out, which can compound losses in chop[75].

Covered Calls, Put Writing and Portfolio Hedges

How it works

This section moves from trading to overlays on holdings you already own or intend to own.

- **Covered call:** sell a call against shares or a long future. You collect premium and cap your upside at the strike. Your downside is unchanged apart from the premium cushion[76].
- **Put writing to acquire stock:** sell a put at a price where you would happily buy, with cash ready for delivery. If exercised, you own the stock at strike minus premium[77].
- **The wheel:** sell puts, take delivery, then sell covered calls[78].
- **Protective puts and index hedges:** buy puts to insure a portfolio, paying premium as an insurance cost.

The key point is that **income overlays do not reduce crash risk**. A covered call on a stock that falls 30% still loses close to 30%. Several presenters say so plainly[76,77].

What the presenters agree on

- **Never sell naked calls.** Cover with shares, futures or a bought leg[78,79,80].
- **Write puts only on stocks you want, with cash for delivery**[77,79,81].
- **Keep a cash or liquid buffer.** Figures range from 20–25%[81] to 25–50%[82].
- **Treat hedge cost as a real premium, sized to portfolio value.** One election hedge cost about 2.2% of the portfolio[83]. One panel's put spread cost about 2%[84].
- **Stay flat or hedged through known events**[85,86].

Setup: Chart-triggered covered call

- **Precondition:** Hold at least one full F&O lot of a long-term stock you never intend to sell.
- **Trigger:** On the daily chart, wait for RSI to reach about 70, then cross down through its own moving average. Then require a bearish price confirmation, such as a Point & Figure double-bottom sell or a close below a swing low.
- **Trade:** Sell one ATM or first-OTM call, ideally in the first five days of the month.
- **Stop and exit:** Stop above the swing high. In his Infosys example the call was sold at 25 with the swing high at 36 and the stop at 35. Trail with mini tops and bottoms. The presenter

expects about 2–2.5% a month in premium.

- **Evidence:** A few chart examples. A backtest is mentioned but not shown, and he notes a single stop-out can erase several months of premium.
- **Source:** [80]

Setup: "Money-back" LEAPS put hedge funded by weekly put sales

- **Sizing:** Divide portfolio market value by the Nifty level to get the hedge quantity. His example: ₹1 crore ÷ 18,314 ≈ 546 units, rounded to 12 lots of 50.
- **The hedge:** Buy a far-December Nifty put, staggered over several days with limit orders 50–100 rupees from the last trade. The presenter calls these deep in-the-money puts, but also describes the strike as about 2,000 points below spot. The video's description of moneyness is ambiguous, so check it yourself before copying.
- **The funding leg:** Every Thursday, sell next week's ATM or nearby put on about 75% of the hedge quantity, for roughly ₹80–100. Move 200–400 points away when volatility is high.
- **Roll rules:** Let the short expire if it is OTM and below about ₹1. Otherwise close it and roll. Roll the long put to the next year as expiry nears.
- **Where it applies:** Portfolios of about ₹40–50 lakh or more, with at least ten stocks correlated with Nifty.
- **Evidence:** One worked example and his 2020 experience, when he exited the long puts on 12 March with Nifty near 9,600. He stresses that the deep-ITM "discount" is cost of carry, not a bargain.
- **Source:** [87]

Setup: Pre-election put-and-call hedge

- **Hedge:** Before the 2024 results, buy one long-dated Nifty 22,000 put per roughly ₹5.6 lakh of portfolio, at about ₹12–13k (about 2.2%). Midcap-heavy books buy two lots per roughly ₹6 lakh (about 4.4%).
- **Upside leg:** Add June 23,000 and 24,000 calls, to be booked near Nifty 24,500–25,000 on a large win.
- **Exit:** Let the puts lapse if no crash comes. The premium is the maximum loss. The presenter argues for buying early because VIX tends to rise into results.
- **Evidence:** Examples resting on one historical analogue: a roughly 28% fall after the 2004 result. The session also promotes courses.
- **Source:** [83]

The most quantified portfolio-level idea is a roughly 2x NIFTY core (ETF plus futures on a pledged portfolio) that switches to liquid funds when a weekly Pivot Point Supertrend turns bearish, with a put-writing wheel layered on top. Its cited backtest shows about 30 switches from 2000 to 2024, about 12% a year unlevered and about 17% with futures. The presenter also notes that NIFTY fell about 58% on a weekly-close basis in 2008, which shows what leverage means in a crash[78].

Where they disagree

When to write covered calls:

- mechanically every month, skipping months when a sharp rally is expected[82]
- only after a bearish chart trigger[80]
- only after checking that the stock is not in a clear uptrend[78]

What to do when a short is breached:

- a hard stop above the swing high[80]
- cut about 200 points before the strike goes at the money[79]
- no stop; take delivery and switch to a covered call[88]

Expected income differs by a factor of several: about 1% a month on blue chips[76] against 3–5% a month on ATM calls on F&O stocks[82]. The higher figure comes with more capped upside and more assignment.

Hedging philosophy:

- hedge in order to stay invested[87]
- switch to cash on a trend break[78]
- switch on a US yield-curve flip[84]
- hold 90% in safe assets and 10% in cheap tail options[89]

Pitfalls

- **Compounding a falling stock.** One put-writing approach writes more puts as the stock falls[77]. A staged-accumulation presenter admits violent crashes break his method[79].
- **Selling far-OTM calls into a rally.** The presenter who takes delivery instead of stopping out attributes his October 2021 loss to exactly this[88].
- **Hidden growth in short exposure.** In the LEAPS hedge, weekly shorts are pushed deeper when volatility is high, which is precisely when a crash is most likely[87].
- **Annualising one good month.** One covered-call pitch extrapolates single-month premiums into large annual figures and is tied to an AIF with a one-crore minimum[82].
- **Tail-buying is not free either.** The barbell story itself includes four years of decline and a fund closure before the payoff[89].

Chapter checklist

- **Write the maximum loss in rupees before every short-option trade.** For spreads, condors and flies, several presenters compute width minus credit times lot size[41,50,48]. For naked shorts, assume your stop can be gapped through, and size for that.
- **Size from survivable loss, not broker margin.** Use your worst historical drawdown, then roughly double it, as several presenters advise, and keep a cash or liquid buffer for mark-to-market swings.
- **Prefer defined-risk structures.** If you sell naked at all, keep it intraday, and remember to close the short leg before the hedge.
- **Check the volatility regime before selling.** Look at implied versus realised or historical volatility, IV percentile, and the direction of VIX, not just its level. Stand aside around scheduled events unless the event itself is your trade.
- **Decide adjustments in advance.** Fix how many you will make, at what trigger, and when you will simply book the loss. Never double quantity into a trending move.
- **Exit before the last days or hours of an expiry** unless your method is explicitly built for expiry-day gamma.
- **Put costs into every test.** Include brokerage, STT, exchange charges and realistic slippage. Frequent rolling at small size can hand most of the gross profit to costs.
- **Treat win rates, probability-of-profit figures and monthly return claims as hypotheses.** Test any rule over many expiries and more than one volatility regime, with a full trade log that includes losing weeks.
- **For covered calls and put writing,** sell only against holdings or cash you genuinely want to commit. Treat the premium as a small cushion, not crash protection.

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Glossary

% above 200-DMA
The share of an index's or group's constituents closing above their 200-day moving average, used as a breadth measure.

100% pole
A bullish pattern variant with a follow-through entry and the anchor low as the stop.

12-minus-1 return
The 12-month return minus the most recent 1-month return, used to rank momentum.

252-day return
The return over roughly one trading year (252 trading days).

3-in-1 account
A bundled bank, trading and demat account offered together.

45° trendline
A trendline drawn at 45° on a Point & Figure chart (one box per column), used to define a bullish or bearish trend. Its angle is fixed by the chart geometry.

ABC breakout
A breakout of a bearish 45° line drawn from the anchor column.

Absolute (time-series) momentum
A rule of holding an asset only when its own trend is positive.

Adaptive RSI
A Definedge proprietary RSI plotted on the price panel and used with its 9-period average.

ADR / ATR
Average daily range and average true range, used to size stops and targets.

ADX
A trend-strength indicator, with direction read from +DI and -DI.

All One ETF
A group holding one highest-liquidity ETF per underlying.

AMC (Annual Maintenance Charge)
A yearly fee charged for maintaining a trading or demat account.

AMO (After-Market Order)
An order placed outside market hours, which may be rejected if placed during market hours.

Anchor column
The reference column in a Point & Figure formation from which an ABC trendline or count is drawn.

Anchor point (one-box chart)
The most-revisited price row of the day on a one-box chart.

ATR%
Average true range as a percentage of price, used for volatility breadth and stop checks.

ATR% breadth
The share of stocks whose ATR is above 5% of price, a volatility-breadth measure.

Auto Open Vertical Count
A tool that plots only open vertical counts.

Bear put spread
Buying a higher-strike put and selling a lower-strike put; a defined-risk bearish position.

Bear trap / bull trap
A false breakdown (bear trap) or false breakout (bull trap) that reverses against those who acted on it.

Black Monday
19 October 1987, the day of the US stock market crash.

Black-76
An options pricing model used for the probability-of-profit estimates.

BOOST
Definedge's multi-timeframe reversal scan, combining a higher-box OPS with a lower-box Double Top Buy.

Box size
The price move each X or O represents on a Point & Figure chart (e.g. 0.25%, 1%, 3%). Larger boxes work like higher timeframes, but box size is not itself a time frame.

Bracket order
An order with a linked target and stop-loss, where one cancels the other when triggered.

Breadth
The share of a group of stocks meeting a condition, used as a sentiment gauge.

Breadth crossover
The breadth line crossing above or below its moving average.

Breakaway gap
A gap against a long trend that may signal a reversal.

Breakeven
The underlying price at which a spread neither gains nor loses.

Bull call spread
Buying a lower-strike call and selling a higher-strike call; a defined-risk bullish position.

Bull put / bear call spread
Credit spreads sold with a bullish (bull put) or bearish (bear call) view.

CAGR
Compound annual growth rate.

Camarilla levels
Intraday support and resistance levels (L3/L4, H3/H4).

Candle 0 / Candle 1
TradePoint numbering for the most recent bar (0) and the prior bar (1).

Candlestick analysis
A charting method credited to Honma Munehisa.

Catalyst gapper
A stock gapping up on news, mostly earnings, traded on the opening-range breakout.

CCI
Commodity Channel Index; crossings of -100, 0 and +100 classify regimes.

Change of character
The largest down-day since a move began, used as an exit signal.

Cheat area
An early, low-risk pivot inside or near the end of a base.

Chikou Span
The lagging line of Ichimoku, used as a trend and momentum filter against price.

Circuit breaker
An exchange halt triggered by extreme price moves, introduced after 1987.

Climax top
A sharp, high-volume run-up that marks exhaustion.

Column count
A Point & Figure method of projecting a price target.

Column of X / O
A Point & Figure column of rising prices (X, bullish) or falling prices (O, bearish).

Column reversal
A switch from X to O or back; a warning, not automatically a trend change.

Comfort zone (breadth 25–75)
The 25–75 band of a Point & Figure breadth indicator, also called the neutral zone, where breakouts are taken.

Competitive exclusion
The idea that a firm owning a niche faces little direct competition.

Contract note
A daily emailed statement used to reconcile trades and charges.

CPC / Keyword Planner
Cost-per-click, and Google's tool for estimating it, used for broker client-acquisition cost estimates.

CPR (Central Pivot Range)
A range built from the previous day's high, low and close.

D-Smart
A Definedge trailing trend line or trend filter.

D/E (Debt-to-Equity)
A company's debt divided by its equity.

DCF (Discounted Cash Flow)
A valuation method that discounts expected future cash flows to today's value.

Delta (50-delta)
Selecting option strikes by delta; a 50-delta option is roughly at the money.

Discount broker
A low-cost broker offering little or no advice, research or tips.

Disparity
The distance of price from a moving average.

Distribution day
An index down-day on heavier volume that signals selling.

Divergence
When price makes a new extreme but the indicator does not.

Double Bottom Sell (DBS)

A Point & Figure sell signal when an O column falls below the prior O column's low; also used as the exit and stop for longs.

Double Top Buy (DTB)
A Point & Figure buy signal when an X column rises above the prior X column's top.

DP charge
A per-scrip charge levied on delivery sells (e.g. Rs 12.5 plus GST at Dhan, about Rs 18 at Upstox).

DSMA
Definedge's noise-filtering trend line or filter, used alongside Renko and Point & Figure charts.

Dual momentum
Combining relative ranking with an absolute filter, such as equity versus bond or gold.

EOD setup
The end-of-day signal state of a system.

Established and activated count
A Point & Figure count that is confirmed and live, as opposed to open.

EV/Operating Cash Flow
Enterprise value divided by operating cash flow; a valuation metric.

Exit rank / rank buffer
A rule that a holding is sold only when its rank falls below a threshold wider than the entry cut-off.

Expectancy
The average profit per trade.

Exposure / intraday leverage
Buying power provided by a broker, effectively a short-term loan.

Extreme zone
Breadth above about 75 or below about 25, treated as exhaustion.

F&O
Futures and options; also the stocks on which they trade.

Follow-through
The next Double Top Buy (bullish) or Double Bottom Sell (bearish) after an anchor column.

Follow-through day
A strong index up-day on higher volume, on days 4-7 of a rally attempt, which confirms a new uptrend.

Full-service broker
A broker bundling research, service channels and branches, at higher fees.

GFD (Good-for-Day)
An order validity that lasts until the end of the trading day.

Golden cross
The 50-day moving average crossing above the 200-day, read as a bullish sign.

Grandfathering
Keeping existing customers on their original terms.

GTT (Good-Till-Triggered)
An order that stays active until triggered, valid up to one year.

Heikin Ashi trigger bars
Small, doji-like Heikin Ashi candles whose breakout is used as the entry.

High Pole
A tall X column followed by a deep O retracement, customised to 10+ boxes and more than 50% retracement.

Ichimoku Kinko Hyo
An indicator developed by Goichi Hosoda.

Interest coverage
Operating profit relative to interest cost.

Intrinsic value
The estimated worth of a business, compared against its market price.

IOC (Immediate-or-Cancel)
An order validity where any unfilled portion is cancelled immediately.

Iron Condor
A put credit spread combined with a call credit spread.

IV / IVP
Implied volatility and its percentile rank; changes in IV can alter maximum loss and payoff.

IV-RV spread
The difference between implied and realised volatility.

J-curve
The early lag or drawdown before a momentum portfolio compounds.

Jensen's alpha
Actual return minus the return expected from beta.

Kill switch

A Zerodha control that blocks trading in chosen segments for 12 hours.

King Oscillator
A Definedge blend of nine oscillators on a 0-100 scale.

Line Break chart
A non-time-based chart type that filters noise.

MACD
Fast moving average minus slow moving average, plotted with a signal line.

Margin of safety
Buying at or below estimated value to leave a cushion.

Market breadth
Advance-decline or percent-above-average measures, used as confirmation.

Market cap-to-GDP
Total market capitalisation divided by GDP; a broad market-valuation gauge.

MAST
A Definedge filter combining a moving average with a Supertrend cloud.

MAUKA
Definedge's "opportunity" momentum basket, used in oversold or large-cap-lagging markets.

Max drawdown
The largest peak-to-trough fall in equity.

Mean reversion
The tendency of margins or multiples to return to historical averages.

Mini coil
A pattern where, after a large-range bar, the next two bars stay inside its range.

Mini Top / Mini Bottom
The high of an X column or the low of an O column, used as line anchors.

MIP-12
Definedge's momentum investing plan holding 20 stocks near the 52-week high.

Moat
A durable competitive advantage.

Momentify
Definedge's portfolio back-test and auto-rebalance platform.

Momentum crash
A sharp reversal during market-wide falls, the main failure mode of momentum strategies.

MTM (Mark-to-Market)
Profit or loss marked to current prices, at account level.

New territory
Price trading above all left-side bearish trendlines.

Nifty Alpha 50
An index of the top 50 stocks by Jensen's alpha, rebalanced quarterly.

Noiseless RSI
RSI(14) computed on Point & Figure swing columns.

NSE group hierarchy
Total Market 750 = NIFTY 500 + Micro-cap 250; NIFTY 500 = Nifty 50 + Next 50 + Midcap 150 + Smallcap 250.

OI (Open Interest)
The number of outstanding contracts at a strike.

Open count
A count whose target has not yet been reached or invalidated.

OPM (Operating Profit Margin)
Operating profit as a percentage of sales.

OPS
Two O columns bottoming at the same level, marking support; a multi OPS has three or more bottoms.

Opstra
An options strategy builder and analyser.

Optest
Definedge's options backtesting engine.

Option chain / Greeks
Strike-wise options data and the sensitivities used to analyse it.

Order types (Limit / Market / SL / SL-M)
Price-specified (limit), immediate (market), stop-loss and stop-loss-market orders.

P/B (Price-to-Book)
Share price divided by book value per share.

Pair trade
Buying the outperforming stock and selling the underperforming one in the same sector.

Pattern failure level
The price at which a chart or breakout pattern is invalidated; used as the stop.

Payoff chart

A profit/loss graph of a position at expiry or at a chosen date and spot price.

Pivot
The breakout price level of a base or tight area.

Pledge
Promoter shares offered as collateral for loans.

Point & Figure (P&F)
A chart of X and O columns that ignores time.

Pole-flag breakout
A small-candle pattern used as breakout confirmation.

POP (Probability of Profit)
The model-estimated chance that a position or spread finishes profitable.

Porter's Five Forces
A framework scoring supplier power, buyer power, new entrants, substitutes and rivalry.

Price Matrix
A five-swing scoring scheme with a maximum of 8 (16 with RS).

Product types (Cash / Intraday / Cover / NRML / MIS)
The product types that define how an order is held and margined.

Profit factor
Gross profit divided by gross loss.

Program trading
Automated trading, cited as a cause omitted from the 1987 crash explanation.

Promoter holding
The percentage of a company's total shares held by its promoters.

Pyramiding / free-roll
Adding to winning positions, with stops placed so the added shares carry no extra net risk.

R
The initial risk per trade, used as the unit for measuring profit.

R Zone, XPRT and TradePoint
Definedge platform tools.

Range shift
RSI oscillating in a higher band in bull phases and a lower band in bear phases.

Ratio chart
One instrument's price divided by another's; RSI above 50 on it means outperformance.

Reference levels
Bullish and bearish levels that define when to trade or stand aside.

Regime filter
A market-level condition that blocks new entries or switches a model off.

Relative momentum
Ranking assets by return versus peers or a benchmark.

Relative strength (RS)
The performance of an asset versus a benchmark or peer, often charted as a stock/benchmark ratio.

Renko
A time-independent chart built from fixed-size bricks, used to filter noise.

Retracement filter
A limit on the allowed fall from the 52-week high (e.g. 20% or 50%).

Reversal (P&F)
The number of boxes price must move against the trend to switch columns; 3 boxes is the standard.

RMI (Rohit Momentum Indicator)
A smooth cycle oscillator that crosses its 9-EMA signal line.

ROC (Rate of Change)
The percentage price change over a lookback period, e.g. 12 months.

ROCE (Return on Capital Employed)
A measure of profit generated per unit of capital employed.

ROE (Return on Equity)
Profit as a percentage of shareholders' equity.

RS Alpha
Stock return minus benchmark return, plotted around zero.

RS chart
A chart of a stock divided by a benchmark, e.g. ADANIENT/Nifty 50, often drawn in P&F.

RS matrix
A display that scores relative strength across sectors or stocks.

RS rating / RS line
A stock's strength versus the index, shown as a rating or as a price-over-index line.

RSC (Relative Strength Comparison)

The ratio of a stock to a benchmark, read against 100.

RSI (Relative Strength Index)
A momentum indicator; 40–80 is treated as bullish and 60–80 as super-bullish.

RSI breadth
The share of a sector's constituents with RSI above its average or above a set level.

RSI compression
A tight RSI range, read as a precursor of a breakout.

RV (Realised Volatility)
The volatility actually observed in past price moves.

SCRA
The Securities Contracts (Regulation) Act, under which the CSE was recognised.

Script Report / D-Reports
Definedge's one-window, multi-indicator reports.

SEBI
The Securities and Exchange Board of India, the Indian securities regulator; it issued rules in 2012 affecting the CSE.

SEBI SCORES
SEBI's complaint route, used after the broker's compliance officer.

SEPA
Minervini's method combining fundamentals, trend, base setup, risk control and exits.

Short straddle / strangle
Selling a call and a put at the same strike (straddle) or different strikes (strangle).

Stage 1/2/3/4
Weinstein-style market phases: base, advance, top and decline.

Stochastic %K/%D
A momentum oscillator with fast and slow lines and key levels at 20 and 80.

Stop-loss order
An order to sell at a trigger price, which becomes a market order once triggered.

Super-performance stock
A stock capable of 300%+ moves, per Richard Love's research.

SWOT
Strengths, weaknesses, opportunities and threats.

TC/BC
The top and bottom central pivot levels of the CPR.

Theta
Option time decay.

Trend Template
Minervini's checklist of trend conditions a stock must meet.

Triple Top Buy
A five-column X-O-X-O-X pattern breaking above the previous swing top.

Ultimate Matrix / D-Sector
TradePoint tools for ranking sectors against each other and for studying a single sector.

V/O or volar
Return divided by volatility.

VCP (Volatility Contraction Pattern)
A base where successive price swings get smaller, usually with volume drying up, before a breakout.

Vertical count (VC1/VC2)
A Point & Figure price-target method that projects a target from a column.

VIX
The volatility index; a high reading favours passive approaches.

VWAP
Volume-weighted average price.

X / O dominance
Demand (X) or supply (O) prevailing on a Point & Figure chart.

X% breadth
The percentage of stocks in a column of X (uptrend) on their P&F charts, plotted from 0 to 100.

Zero-line filter
Taking MACD crossovers only on the matching side of the zero line.

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