

## Intraday Trading - Tool

Off late, I have found a system where we can make decent profits in Intraday Trades. With this system we will also have good **emotional control**. In the sense you just follow the **trading tool** to make profits and not a gambling where emotions are out of control.

I have found this system works when we use it properly (Entry & Exits). We always buy the stock and when it falls below the buy price we tend to panic/desperately wait for it to come above our price just to exit with mere profits. This was earlier, now I use the system for Entry and Exit Meaning my emotions are mapped to the system which controls everything. I just buy when I get signal in the chart and I exit based on the signal in the system. So now Greed & Fear both are controlled by the **trading tool**. We all know 95% traders loose only because we do not have control of our emotions. Even an illiterate can say looking at the chart that this stock will go up or down so technical is very simple. What differentiates between professional traders and a newbie is the control of emotions. In my view if we follow any system which gives you good profits then your emotions are in your control no matter how the markets move.

I must say thanks to [www.candlesticksforum.com](http://www.candlesticksforum.com) where I learnt over the years that there is a system by which we can make money. I have learnt many systems in this website, but found EMA system is easy to use with the knowledge of candlesticks and trend lines.

With the system, which I have come across we can make good profits and success rate is almost 80% and above. This system works not only for intraday also for the positional trades. Only difference is Intraday our stop loss is limited where as positional trades need a bit extra stop loss.

*Enough of all these introductions let me reveal the system which I was ga ga about.*

It is a very very simple tool. Just use the chart and draw 3,8,13,34 EMA & 50,200 SMA.

1. Always trade short below the 34 EMA for more conserve traders short below 50 SMA.
2. Always trade long above the 34 EMA

Now what are the **entry** and **exit** points.

Always buy a stock which was trading above 34 EMA and when it retraces (*EMA 3,13,34 Meeting Point*) to 13/34 EMA. Always exit (**Never enter the stock here**) when you see a huge gap between the 3,13,34 EMA, if you want to continue the position do so unless you find a reversal in candles or even I advise to exit if your position loses 2-3%.

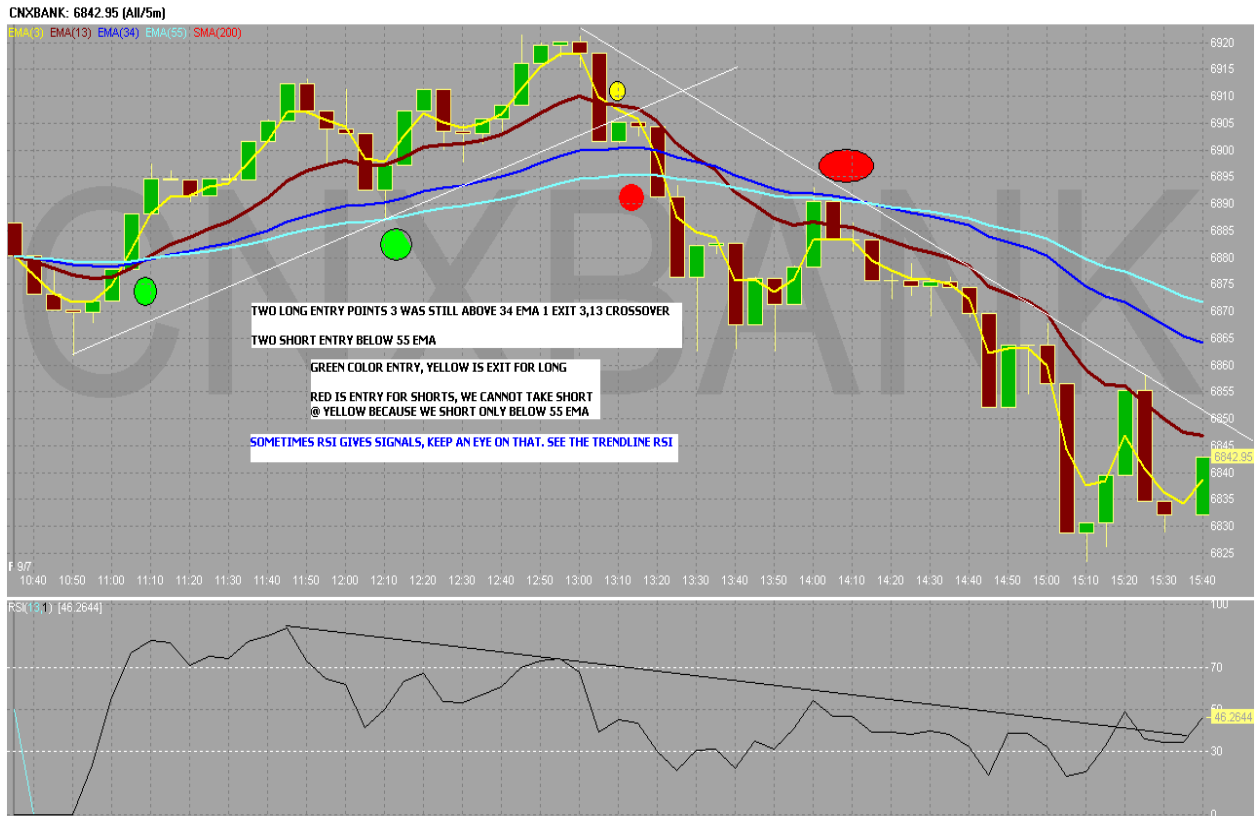
Always short a stock which was trading below 34 EMA and tries to *retraces(EMA 3,13,34 Meeting Point)* to 13/34 EMA. Always exit (**Never short the stock here**) when you see a huge gap between 3,13,34 EMA, if you want to continue the position do so unless you find a reversal in candles or even I advise to exit if your position loses 2-3%.

**Stops:** This is very important aspect of trading. Always keep stops below or above 34 EMA based on the trade and no matter what just exit with appropriate stops. I recommend using 15/60 Min chart for intraday with (3,13,34 EMA & 50 SMA) and 6 months charts for positional (3,8,21/34 EMA & 50 SMA) trading.

**Note:** For long trades you must analyse the EOD charts for entry and market should be bullish, for short trades market should be bearish. *Enter a stock where there is a trend. Means consolidation never enter, only bargain traders make money in the consolidation scrip's/markets.*

I have attached few charts, I have marked on few charts in Green-Entry Points and in Red-Exit Points. You see to yourself how we can utilise the tool to make profits and most important **controlling our emotions. No Panic No Tension No Huge Losses.**





Please let me know if you have used it and the result. Let us use the system and hopefully earn decent profits.

### Few simple techniques to select the stocks

**Long:** Select the script which is above 3,8 EMA best case above 34 EMA, and also watch previously stock has not faced resistance @ 34 EMA example BALRAMCHIN u see stock makes above 34 EMA but bears pull it back. Look for trendline and support resistance which is easily identifiable looking at chart.

Apart from EMA consider volumes and candles stick pattern (sometimes I use MACD and RSI). Many candles will be continuation pattern and few are reversal signals. Based on the candle pattern select the scrip if you are confused based on reversal signals wait for a day.

**Short:** Select stocks which are below 3,8,34 EMA & 50 SMA also on reversal candle signals. One reliable reversal signal is dark cloud cover.

### Reading

[http://www.candlestickforum.com/PPF/Parameters/16\\_20\\_/candlestick.asp](http://www.candlestickforum.com/PPF/Parameters/16_20_/candlestick.asp)

<http://www.fxwords.com/j/japanese-candlesticks.html>

[http://www.stockcharts.com/school/doku.php?id=chart\\_school:chart\\_analysis](http://www.stockcharts.com/school/doku.php?id=chart_school:chart_analysis)

Please let me know (palio.rocks@yahoo.com) if you have used it and the result. Let us use the system and hopefully earn decent profits.