

Twitter Thread by [sid_MACD](#)

[sid_MACD](#)

[@tradersiddharth](#)



As promised stock trading setup for Intraday is here as per my little knowledge and will come with more different ideas in future ..tagging some good handles so more people can benefit from it [@ArjunB9591](#) [@AnandableAnand](#) [@ManekAgicha](#) [@bhatiamanu](#) [@bankniftydoctor](#)

1/n

Let's get started...here idea is to share a setup for people who are trading randomly like bought this bought that and made loss ..instead it is always a good idea to have system so atleast you can manage your risk trade well ..so let's start with required thing in trading 2/n

To trade stocks ,say intraday or positional you need three things:

- 1) direction
- 2) momentum
- 3) location

To make it rule based system we will use some tools too..

Indicators here we gonna used here are my favorite MACD and second one is RSI. 3/n

Our first requirement to trade is direction ..we will decide the direction by looking at MACD ..i have lot to say about MACD ..we will talk about MACD after but let me clear one thing about this macd is most people look at macd is 4/n

If crossover is positive then trend is bullish and crossover is negative side then trend is bearish ..this totally wrong perception..let me tell my way of looking at it .."AS LONG AS SIGNAL LINE AND MACD LINE ARE ABOVE ZERO LINE ,TREND IS BULLISH ". 5/n

Attaching a screenshot to understand better about MACD trend look at this..both lines are above zero line and trend on daily time frame is bullish ..there were many bearish crossovers but that was not bearish trend ..there is another concept on macd is macd swings using which 6/n

Nifty 50 Index

18102.75 +229.15 (+1.28%)

18102.75

0.00

18102.75

20 INR 0

19500.00

19000.00

18500.00

18102.75

17500.00

17000.00

16500.00

16000.00

15500.00

15000.00

14500.00

MACD 12 26 close 9 EMA EMA

200.00

0.00

RSI 14 close

80.00

40.00



Apr

Jul

Oct



Date Range ▾

13:35:21 (UTC+5:30)

log auto

We can trade but as told I will discuss macd in depth later. here we will continue about our setup..our first requirement was direction which is solved by macd which is : Signal line & macd line > zero line =trend is bullish
Signal line & macd line < zero line = trend is bearish

Now our second requirement is momentum .. momentum is must for trading a stocks ..here we will find momentum using RSI ..if RSI is above 60 level then momentum is upside and if RSI is below 40 level then momentum is downside 8/n

Look at screenshot shared above in which RSI above 60 shows the massive upward momentum ..
Now our third requirement is location .. location is important to take trades ..we can't enter randomly at any price available..we will make rules based entry criteria as below 9/n

We will use RSI for entry ...we will enter a trade when is RSI crosses 50 level ...so let's understand whole setup step by step

..

We will use multiple time frame to trade..for Intraday we will use 5&30 min combination 10/n

Steps :

- 1) switch to 30 min time frame and look for if macd trend is up (we talked earlier about macd trend)
- 2) in 30 min time frame look for momentum means in 30 min RSI should be above 60 level ..11/n

When these both requirements satisfied we can say big timeframe is in uptrend and is in momentum too ...now we will switch to our trading time frame in which we will enter which is 5 min ..

Look for RSI crossing above 50 level ..12/n

Suppose in any chart at 12:00 RSI gives close above 50 level we will put our buy order above the high of that candle ...let's understand better using screenshot 13/n

Look at here our big time frame which is 30 min both criteria satisfied ..macd trend is up and RSI is above 60 level.... 14/n

RELIANCE INDS

2588.00 +38.55 (+1.51%)

2593.10

0.00

2593.10

2660.00
INR

2640.00

2620.00

2600.00

2580.00

2560.00

2540.00

2520.00

2500.00

2480.00

15.00

10.00

5.00

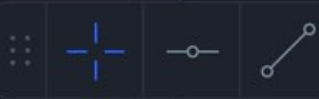
0.00

80.00

60.00

MACD 12 26 close 9 EMA EMA

RSI 14 close



10

15

17



Date Range

13:19:04 (UTC+5:30)

log auto

Now we will enter in 5 min time frame once RSI give close above 50 level which shows as below ...once RSI is closed above 50 level we will enter at the high of that same candle and our stoploss will be recent low ...15/n

RELIANCE INDS

INR

2588.00 +38.55 (+1.51%)

2593.10 0.00 2593.10

2600.00

2592.25

2590.00

2588.00

2580.00

2570.00

2560.00

2557.05

2550.00

Stoploss level

MACD 12 26 close 9 EMA EMA

4.00

2.00

0.00

-2.00

RSI 14 close

80.00

60.00

40.00



12

12:00

13:40



Date Range

13:17:38 (UTC)



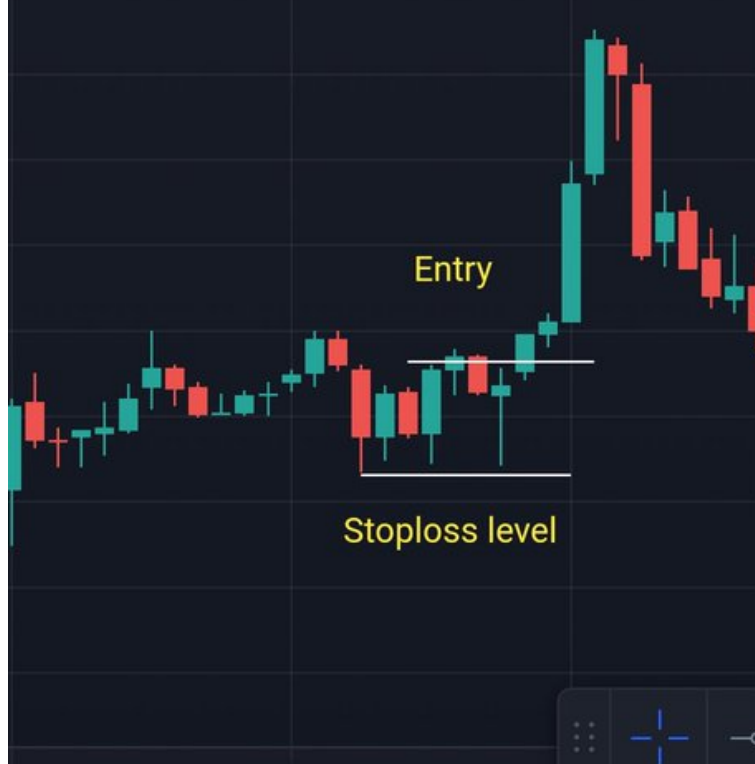
Attaching some charts to understand ...look below as soon as RSI gave close above 50 level we entered at the break of the high and sl level is recent low but never forget to analyse a bigger time frame as per rule we discussed above 16/n

MAHINDRA & MAHINDRA

936.45 +13.05 (+1.41%)

937.80 0.00 937.80

937.50
935.00
932.50
930.00
927.50
925.00
922.50
920.00
917.50
915.00
912.50
910.00



12:00 13:00

Date Range ▾ 13:29:35 (UTC+5:30) log auto

Example..

MUTHOOTFII

3m 5m 15m 1h 30m

MUTHOOT FINANC...

1689.50 +4.90 (+0.29%)

1691.35

0.00

1691.35

INR

1720.00

1700.00

1696.95

1689.50

1680.00

1660.00

1640.00

8.00

4.00

0.00

80.00

60.00

40.00



You can use this setup for short sell and rules will be vice versa ...now important thing is how to trail a stoploss once it is in profit ..in Intraday trading always book 30 to 40 percent quantity at 1:1 RR ..there are lots of way to trail a sl ..18/n

I can give u a one idea one can use as per their comfort:. Suppose u took the trade on buying side and goes in favour ...when stock will goes in favour RSI will also go up ...look for RSI gone above 60 level or not 19/n

If it's above 60 level then aggressive trailing is started ..once RSI comes below 60 level exit full tradeanother way to trail sl is switch to smallest time frame ..for Intraday it is 1 min and and trail as per swings made in 1min ...20/n

This is not a holy grail strategy and there is nothing a holy grail ...even worst strategy starts working but condition is u have to trade ..once u start trading any strategy u will learn about the pros and cons of it 21/n

And improve it update it and follow it ...this setup I shared here Is just to give any new trader a idea about how one can develop a strategy and not trade randomly as I used to do earlier in my starting phase ...I said that I will share a positional setup also but 22/n

This thread has become too big ...it's weekend take this idea, backtest , tweak it if u want and trade it ...practice first ...and trade less trade better ..will come up with many new ideas in future as I am open to share ..like kar dena boht mehnat lagi hai ■■ thanks family