

Twitter Thread by Swapnil Kommawar

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Generally, VWAP is used to know the strength in a buying or selling. VWAP means VOLUME WEIGHTED AVERAGE PRICE

A thread ■■■■■■

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■when price starts rising it would be pulled back to VWAP line. Then buyers would again rush in to buy the stock taking price higher.

■If we compare the CALL and PUT charts, we can identify the correct entry. On trending days VWAP acts as support/resistance.

■If market is trending UPSIDE, VWAP acts as support in CALL option charts of ATM STRIKES and same VWAP acts as RESISTANCE in PUT option charts of ATM STRIKES

(Use VWAP on 5 minutes chart on OPTION CHARTS)



<https://t.co/TLmAiypV45>



■ If market is trending DOWNSIDE, VWAP acts as support in PUT option charts of ATM STRIKES and same VWAP acts as RESISTANCE in CALL option charts of ATM STRIKE



<https://t.co/jarNCPVOHT>



■ We can take the entry or average the buying price of an OPTION when price comes near to VWAP with STOP LOSS PRICE below VWAP

■ VWAP also helps in identifying the trend and also gives good Risk:Reward if followed in long run

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