

Twitter Thread by [Aditya Todmal](#)

[Aditya Todmal](#)
[@AdityaTodmal](#)



Want to become better at Positional Trading?

Read this thread...

12 Rules for Professional Positional Traders:

THREAD: ■

Collaborated with [@niki_poojary](#)

Rule 1:

"Trade with a stop loss of 2% on your capital for the week."

If you're losing more than 2%, chances are your reading of the market is wrong. The best would be to call it quits for that week.

(1/N)

Rule 2:

" Don't trade in the first 10 mins of any day"

Every day, there is far too much noise in the first few minutes. Positional traders should avoid some time in order to avoid being butchered right away.

(2/N)

Rule 3:

" Wait for candle closings in your timeframe"

Beware of wicks. They are buyer/seller traps. Rather wait for a good candle to close above your support/resistance to open/close a trade.

(3/N)

Rule 4:

" Don't lose more than 10% of your capital in a big gap"

The day I experienced the greatest Mtm loss to my capital was February 24. The figure was -47 lakhs. It was around 10% of my capital. Losing much more would set me back several months.

(4/N)

Rule 5:

" Avoid taking leverage if you have not made at least 30% ROI on your capital."

Strictly avoid using leverage if you are not profitable for a few months. It will magnify both your wins and losses. So loss-making traders should definitely avoid leverage.

(5/N)

Rule 6:

"Develop different systems to trade different scenarios."

Buying markets are different from selling markets. Build setups to trade these environments differently.

(6/N)

Rule 7:

"Learn Chart patterns"

Patterns keep repeating throughout the stock market. Some are very powerful. For example, the rectangle pattern. Always bet on your favorite patterns.

(7/N)

Rule 8:

"Don't do too many adjustments."

The biggest myth for option sellers is that they can "adjust" any trade/situation. It is completely false. It is preferable to either take profit or stop loss.

(8/N)

Rule 9:

" Deploy your capital slowly"

Don't enter all at once. Deploy additional capital only if you are winning.

(9/N)

Rule 10:

"Don't take leverage before an event."

We used leverage during the daily Russia news cycles because we believed the premiums were favorable. We stopped using leverage during events after that event because the MTM swing was too large.

(10/N)

These were the rules that both [@niki_poojary](#) and I tried to use in our own trading.

Sticking to these has tremendously helped us scale up and increase our returns.

That's a wrap!

If you enjoyed this thread:

1. Follow us [@Adityatodmal](#) & [@niki_poojary](#) for more threads on Price action, Option Selling & Trading growth.

We've got you covered.

2. RT the first Tweet to share it with your audience.

I appreciate it!