

## TECHNICAL ANALYSIS MODULE

Chapter No.	Topic Covered
1)	<b>INTRODUCTION TO TECHNICAL ANALYSIS</b> <b>1.1 What is technical analysis?</b> <ul style="list-style-type: none"> <li>• Price discounts everything</li> <li>• Price movements are not totally random</li> <li>• Technical Analysis: the basic assumption</li> <li>• Strengths and weakness of technical analysis <ul style="list-style-type: none"> <li>○ Importance of technical analysis</li> <li>○ Weaknesses of technical analysis</li> </ul> </li> </ul>
2)	<b>CANDLE CHARTS</b> <b>2.1 The charts</b> <b>2.2 Candlestick analysis</b> <ul style="list-style-type: none"> <li>• One candle pattern <ul style="list-style-type: none"> <li>○ Hammer, Hanging man</li> <li>○ Marubozu, Spinning Top, Dozi, Gravestone Dozi, Dragon Dozi</li> <li>○ Shooting star and inverted hammer</li> </ul> </li> <li>• Two candle patterns <ul style="list-style-type: none"> <li>○ Bullish engulfing</li> <li>○ Bearish engulfing</li> <li>○ Piercing</li> <li>○ Bearish harami</li> <li>○ Bullish harami</li> </ul> </li> <li>• Three Candle Pattern <ul style="list-style-type: none"> <li>○ Evening star, Morning star</li> <li>○ Dark Cloud Cover, Abandoned Baby Top, Three White Soldiers, Three Black crows, Tri Star</li> </ul> </li> </ul>
3)	<b>PATTERN STUDY</b> <b>3.1 What are support and resistance lines Support</b> <ul style="list-style-type: none"> <li>• Resistance</li> <li>• Why do support and resistance lines occur?</li> <li>• Support and resistance zone</li> </ul>

	<ul style="list-style-type: none"> <li>• Change of support to resistance and vice versa</li> <li>• Why are support and resistance lines important?</li> </ul> <p><b>3.2 Head and Shoulders</b></p> <ul style="list-style-type: none"> <li>• Head and shoulders top reversal</li> <li>• Inverted head and shoulders</li> <li>• Head and shoulders bottom</li> </ul> <p><b>3.3 Double top and Double bottom</b></p> <ul style="list-style-type: none"> <li>• Double top</li> <li>• Double bottom</li> <li>• Rounded top and bottom</li> </ul> <p><b>3.4 Gap theory</b></p> <ul style="list-style-type: none"> <li>• Common gaps</li> <li>• Breakaway gaps</li> <li>• Runaway/continuation gap</li> <li>• Exhaustion gap</li> <li>• Island cluster</li> </ul> <p><b>3.5 Other Patterns</b></p> <ul style="list-style-type: none"> <li>• Symmetrical triangles, Ascending Triangles, Descending Triangles</li> <li>• Bullish flag, Bearish flag</li> <li>• Cup and Handle</li> <li>• Breakout, False Breakout, Rising &amp; Falling Wedges</li> <li>• Consolidation &amp; Accumulation</li> <li>• Consolidation &amp; Accumulation, W –Pattern, M- Pattern</li> </ul>
4)	<p><b>MAJOR INDICATORS &amp; OSCILLATORS</b></p> <p><b>4.1 What does a technical indicator offer?</b></p> <ul style="list-style-type: none"> <li>• Why use indicator?</li> <li>• Tips for using indicators</li> <li>• Types of indicators</li> <li>• Simple moving average</li> <li>• Exponential moving average</li> <li>• Which is better?</li> </ul> <p><b>4.2 Trend following indicator</b></p> <ul style="list-style-type: none"> <li>• When to use</li> <li>• Moving average settings</li> <li>• Uses of moving average</li> <li>• Signals – moving average price crossover</li> <li>• Signals – multiple moving averages oscillators</li> </ul> <p><b>4.3 Relative Strength index</b></p> <ul style="list-style-type: none"> <li>• What is momentum</li> <li>• Applications of RSI</li> </ul>

	<ul style="list-style-type: none"> <li>• Overbought and oversold</li> <li>• Divergence</li> <li>• Stochastic</li> <li>• William %R</li> <li>• Real life Problems in use of RSI</li> <li>• Advanced Concepts</li> <li>• Adx – DI + DI-, Parabolic Sar</li> </ul> <p><b>4.4 Moving average convergence/divergence (MACD)</b></p> <ul style="list-style-type: none"> <li>• What is the MACD and how is it calculated</li> <li>• MACD Benefits</li> <li>• Uses of MACD</li> </ul> <p><b>4.5 Using multiple indicators for trading signals</b></p> <ul style="list-style-type: none"> <li>• Price Sensitive technique</li> <li>• Volume sensitive technique</li> <li>• Composite Methods</li> <li>• How to use tool kit of trading techniques</li> <li>• Trading market tool kit application</li> <li>• Bull market tool kit application</li> <li>• Bear market tool kit application</li> <li>• Trading market changing to bull market tool kit application</li> <li>• Trading market changing to bear market tool kit application</li> <li>• Bull market changing to trading market tool kit application</li> <li>• Bear market changing to trading market tool kit application</li> </ul>
5)	<p><b>TRADING STRATEGIES</b></p> <p><b>5.1 Day trading</b></p> <ul style="list-style-type: none"> <li>• Advantages of day trading</li> <li>• Risks associated with risk day trading</li> </ul> <p><b>5.2 Strategies</b></p> <ul style="list-style-type: none"> <li>• Strategies for day trading</li> <li>• Momentum trading strategies</li> </ul>
6)	<p><b>DOW THEORY AND ELLIOT WAVE THEORY</b></p> <p><b>6.1 Introduction</b></p> <p><b>6.2 Principles of Dow Theory</b></p> <p><b>6.3 Significance of Dow Theory</b></p> <p><b>6.4 Problems with Dow Theory</b></p> <p><b>6.5 Elliot Wave</b></p> <ul style="list-style-type: none"> <li>• Introduction</li> <li>• Fundamental Concept</li> <li>• After Elliot</li> </ul>
7)	<p><b>TRADING PSYCHOLOGY AND RISK MANAGEMENT</b></p> <p><b>7.1 Introduction</b></p>

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## **7.2 Risk Management**

- **Components of Risk Management**
- **Stop Loss**
- **Analyse reward risk ratio**
- **Trail stop loss**
- **Booking Profit**
- **Uses of stop loss**
- **Qualities of successful trader**
- **Golden rules of traders**
- **Do's and Don'ts in trading**

## **7.3 Rules to stop losing money**

## **7.4 Choosing the right market to trade**

## **7.5 Introduction to Future & Options Strategies**

## **7.6 Pay Off Discussion and Put Call Parity**

## **7.8 Open Interest Analysis**

## **7.9 Bhav Copy Analysis**

## **7.10 Fibonacci Numbers**



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