

# Indicator Free Intraday Trading Strategy for Generating Return from Investment in the Stock Market

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**Abstract:** The present study is undertaken to develop an indicator free simple intraday trading strategy based on price action which can be used by anyone for generating a decent amount of profits in the stock market. The study is analytical in nature. In order to fulfill the objectives of the study secondary data is collected from the trading view platform. For this purpose we have selected the option segment of the derivative market and Bank Nifty as the underlying instrument. Due to high volatility of Bank Nifty Index, it is exceptionally attractive to traders who are looking to generate a quick profit, as price jumps are more likely with this script. A time span of one month i.e from 1<sup>st</sup> of October, 2021 to 31<sup>st</sup> of October, 2021 is considered for the study. This study presents a simple price action based strategy for intraday trading in one of the most popular index of NSE known as Bank nifty and only one month period from 1-10-21 to 31-10-21 is considered for the study. The reason for choosing Bank Nifty index as an underlying instrument is its high volatile nature which is exceptionally preferred by intraday traders. The findings of the study reveals that the strategy developed can be used by anyone who is not having good knowledge of any technical indicators to make a decent amount of profit in the stock market. The major drawback of this study is that this strategy is effective in explaining when to enter into a trade but when to exit is not explained by this strategy.

**Keywords:** NSE, Bank Nifty, volatility, intraday trading, technical indicators, trading strategy

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## 1. Introduction

One of the most fascinating modern innovations is the financial market. Financial market significantly affects variety of fields like business,

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education, employment, technology, and as a result, the economy (Hiransha *et al.*, 2018). Ever since beginning, the models of stock market behaviour have attracted the attention of both investors and researchers all over the world (Fama, 1970) but, given the active and muddled nature of the financial market, predicting stock market movements and price behavior is incredibly difficult (Shah *et al.*, 2019). There are two primary methods used to analyze the financial markets such as fundamental analysis and technical analysis (Park & Irwin, 2007). Investor generally uses these two main ways to make investment decision in the financial markets and earn great rewards with low risks (Arevalo *et al.*, 2017).

### **1.1. Fundamental analysis**

Fundamental analysis is the craft of assessing the intrinsic value of a stock so as to make investment of long term nature. As such fundamental analysis is a strategy for deciding a stock's genuine or honest assessment known as intrinsic value (Shattennavar & Pramod, 2020; Figurska & Wisniewski, 2014). There are three stages to look at the fundamental analysis which can be known as EIC (economy-industry-company) structure or hierarchical methodology (Suresh, 2013). These three stages have inferred a current reasonable worth of stock and also anticipate the future worth (Ozlen & Ergun, 2012). At the point when the economy is performing great, financial backers will more often than not expect the stock to proceed also. For industry level, serious examination of ventures and industry life cycle investigation has been recognized to evaluate the possibilities of different industry groupings (Suresh, 2013). Fundamental analysis at the corporate level examines the financial statements, management, business model, and all other areas of the organisation to gain a deeper understanding of its growth and performance (Nadeem & Muhammad, 2013; Suresh, 2013).

### **1.2. Statement of problem**

Day exchanging has become exceptionally famous worldwide since the beginning of the Covid pandemic. Movement has expanded drastically in the primary quarter of 2020 contrasted to 2019, as per information broke down by Cerulli Associates. An article in Forbes (Godfrey, Neale (July 16, 2017) titled "Day Trading: Smart Or Stupid?" citing somebody from an instructive exchanging site expressed that "the success rate for day traders is estimated to be around only 10%, so 90% day traders are losing their money," annexing ". It is found that only 1% of the day traders really make money. As already explained in the literature review segment that countless of technical indicators are accessible for trading in the securities exchange, but the question is why the majority of day traders lose their hard earned

money in this market. The reason being exceptionally straight forward. First and foremost, these indicators create counterfeit signals. Secondly, intraday exchanging includes taking long or short positions and making their position squared off before the finish of the exchanging day which implies that they must be speedy on their moves. So, which indicator to utilize, whether or not their default settings should be altered or not, if indeed, what is it? These are the complexities with the indicators which makes it hard for the traders to generate profit. Henceforth, this study is an attempt to develop an indicator free simple intraday strategy based on price action which can be used by anybody for generating return in this stock market.

### **1.3. Technical Analysis**

Technical analysis is a method for anticipating the future advancement of stock costs, considering their past and including a huge number of profoundly differed procedures. This sort of examination verifiably accepts that there is a reliance between the stock's future and its previous movements. At the end of the day, changes in the price of stock from the past are significant to gauge their future development (Morosan, 2011; Dongrey,2022). The technical analysis essentially intend to discover the patterns of prices and uncover any sign that could perceive us about the chance of its change as quickly as time permits so it very well may be utilized for settling on choices of trading the stock at the proper occasions to diminish chances and augment benefits.(Petrusheva & Jordanoski, 2016; Metaghalchi *et al.*, 2012).

Fundamental analysis and technical analysis have forever been utilized as the principle dynamic apparatuses to execute in the securities exchange (Isidore & Christie, 2018; Jakpar *et al.*, 2013). Fundamental analysis and technical analysis can coincide in harmony and supplement each other (Roy, 2013; Clark *et al.*, 2001; Jakpar *et al.*, 2018). Taking into account the complexities of the fundamental analysis and the indicators used in technical analysis, the present study is an attempt to create a straightforward intraday trading technique based on price movement that anyone can use to make a respectable amount of money in the stock market without the use of any indicators as well as the knowledge required in doing fundamental analysis.

## **2. Literature Review**

Technical analysis helps the person in making the investment decisions by pointing in the path that is most likely to lead to the desired outcomes and satisfy investors' expectations (Baral & Chintu, 2013). When used by investors to make investment decisions, technical analysis aids in forecasting

future share prices that can be used to make buy-hold-sell decisions (Pushpa *et al.*, 2017). Smidt (1965) conducted a survey of novice traders in the US commodity futures market and discovered that more than half of the participants used charts exclusively or occasionally to spot trends. Billingsley and Chance (1996) viewed that as around 60% of commodity trading advisors (CTAs) depend intensely or only on computer directed specialized exchanging frameworks. Menkhoff (1997) looked into the actions of dealers, fund managers, and foreign currency specialists in Germany in 1992. The outcomes displayed around 87% of the traders dealing in foreign exchange and 35% experts utilize technical analysis in their trading. Around 34% of times it was utilized for intraday trading and 40% for choices going from 2 to a half year. Academics frequently hold skepticism regarding technical analysis, which contrasts sharply with the opinions of many practitioners. The wariness can be connected to the acknowledgment of the efficient market hypothesis (Fama, 1970), which contends that attempts to profit from currently available information, such as historical price trends, are fruitless.

As a few authors show, technical analysis is connected to the efficiency of the market. Malkiel (2003) contends that on account of strong form of the efficient market, neither technical analysis nor fundamental analysis can create abundance returns contrasted with a haphazardly chosen portfolio. Indeed, even in a weak form of the efficient market, wherein current price of the share completely mirrors the data passed on by verifiable costs and volumes, technical analysis isn't relied upon to add esteem (Bessembinder & Chan, 1998). Anderson and Li (2015) additionally support this by saying that once a technical marker is notable and a standard boundary setup for the technical pointer is very much utilized by and by, its benefit reduces. In light of this, a number of empirical studies examine how well investors can do when making portfolio decisions based on technical guidelines. Bhargavi *et al.* (2017); Chitra (2011); Chong *et al.* (2014) in their investigations directed on Relative Strength Index observed that RSI is one of the most incredible known and most broadly utilize technical indicator which functions admirably in their present frame and can be adequately utilized in the development of portfolio. Rousis and Papathanasiou (2018) tried RSI, MACD and Stochastic Charts in the Greece Stock market. Their outcome showed that the signs created by these indicators are dependable. Comparable discoveries are accounted for by Pushpa *et al.* (2017) who led an observational investigation of the nine stocks recorded in the Indian securities exchange. Naved and Srivasthava (2015) tried RSI, CCI and stochastic Oscillator in NSE (National Stock Exchange) S & P CNX Nifty 50 and observed that these three indicators performed

exceptionally well. The research likewise presumed that the benefit of technical analysis plainly relies upon the indicator chosen and the days considered in the computation of pointer utilized. Wong *et al.* (2010) led their research on STI (Strait Times Index) and assessed the exhibition of Relative strength index and Moving average indicator by contrasting it with Buy/Hold procedure. The review inferred that technical devices delivered prevalent returns in correlation with purchase and hold methodology. Park and Irwin (2007) reviewed the exact proof on the profitability of technical analysis. Among 95 investigations, 56 report positive outcomes with respect to technical exchange methodologies, 20 analysis lead to adverse outcomes, while 19 investigations show blended outcomes. However, the issue with technical pointers is that once it is notable and a standard boundary arrangement for the technical marker is very much utilized by and by, its productivity decreases (Anderson and Li, 2015). Neely, Weller and Ulrich (2009) figure out that the indicator adjusts and the benefit of technical exchanging rules changes over the long haul. A review by Anderson and Li (2015) tracked down that utilizing the standard setup of  $RSI \leq 30$  and  $RSI \geq 70$  as trade edge, RSI offers no exchanging benefit, yet a little misfortune all things considered. But when the purchase/sell edge boundaries are adjusted, to veer off from the blend most usually utilized, RSI begins producing profit. Similarly, Lento and Gradojevic (2011) concentrate on the productivity of Bollinger Bands in a few US and Canadian total securities exchanges, just as forex markets, for the period 1995 to 2004. They presume that Bollinger Bands don't beat the market anyplace, despite the fact that productivity might further develop when for an antagonist rendition of Bollinger Bands. One more review led by Morosan (2011) suggested that in analysis with the exemplary type of the indicator and for the period considered, the adjusted form of RSI created a higher addition when utilizing an alternate and surprisingly inverse understanding from the exemplary one. Chootong and Sornil (2012) led their research in the Thailand financial exchange and observed that joining different indicators and outlines gives unrivaled returns in analysis while utilizing the technical instruments independently. Lachhwani and Khodiyar (2013) assess the comparative performance of three indicators which includes moving average, MACD and RSI and observed that RSI is a prevalent instrument in analysis with MACD and moving average. Another researcher Naved and Srivasthava (2015) tracked down that among RSI, Commodity Channel Index (CCI) and stochastic Oscillator, CCI was unrivaled device in analysis with RSI and stochastic Oscillator. Pinakin and Manubhai (2015) analyzed two technical pointers such as Bollinger Band and RSI. They culminated that Bollinger Band outperformed RSI.

### 3. Objective of the Study

The main objective of this paper is to develop an indicator free simple intraday strategy based on price action which can be used by anyone for generating decent amount of profits from the security market.

### 4. Research Methodology

The study is analytical in nature and is based on secondary data which is collected from the trading view platform. A time span of one month i.e., from 1<sup>st</sup> of October, 2021 to 31<sup>st</sup> of October, 2021 is considered for the study. For the purpose of our study we have selected the option segment of the derivative market and have chosen Bank Nifty as the underlying instrument. Due to high volatility of Bank Nifty Index, it is exceptionally attractive to traders who are looking to generate a quick profit, as price jumps are more likely with this script.

### 5. Data Analysis and Interpretation

Working principle of the strategy:

The strategy is quite simple. In this strategy what is required to do is just mark the first 15 minute candle high and low and wait for either breakout or breakdown of this range. The long position is created when the first 15 minute candle high is broken which represent a case of breakout and a short position is created when the first 15 minute low is broken which represent a case of breakdown. The daily trading charts of Bank Nifty for the month of October 2021 are discussed as under:



Chart 1: Intraday Trading as on 1<sup>st</sup> of October, 2021\*

\*Source: Tradingview

The above chart is of the day 1st of October, 2021. The first 15 minute candle which is of red colour made a high of 37183.35 and low of 36876.35. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 5<sup>th</sup> candle which is of 15 minute length broke

37183.30 level and the same day chart made a high of 37299.40 which represents a profit of 116 points (37299-37183). The market remain closed on 2<sup>nd</sup> & 3<sup>rd</sup> of October; 2021.



Chart 2: Intraday Trading as on 4th of October; 2021\*

\*Source: Tradingview

The above chart is of the day 4<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 37540.60 and low of 37355.60. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 37540.60 level and the same day chart made a high of 37670.70 which represents a profit of 130 points (37540-37670).



Chart 3: Intraday Trading as on 5th of October; 2021\*

\*Source: Tradingview

The above chart is of the day 5<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 37546 and low of 37364.75. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 15<sup>th</sup> candle which is of 15 minute length broke 37546 level and the same day chart made a high of 37786.60 which represents a profit of 240 points (37786-37546).

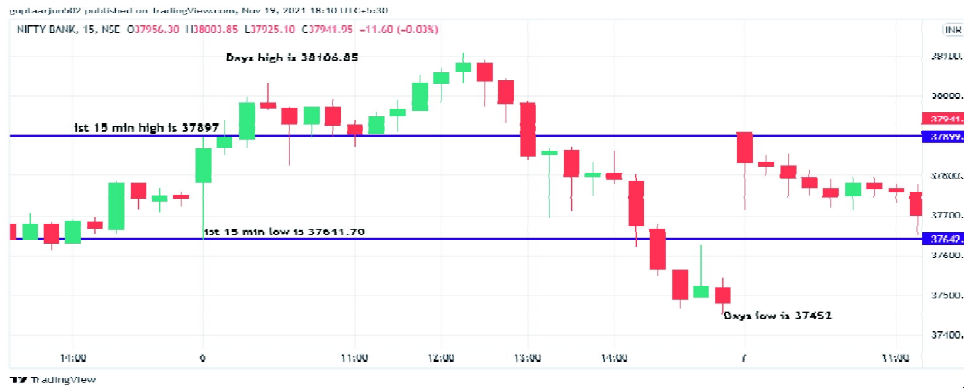


Chart 4: Intraday Trading as on 6th of October; 2021\*

\*Source: Tradingview

The above chart is of the day 6<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 37897 and low of 37641.70. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when the 2<sup>nd</sup> candle which is of 15 minute length broke 37897 level and the same day chart made a high of 38106.85 which represents a profit of 209 points (38106-37897). Another trade got triggered when the 21<sup>st</sup> candle which is of 15 minute length broke 37641.70 level and the chart made a low of 37452 which represents a profit of 189 points (37641-37452).



Chart 5: Intraday Trading as on 7th of October; 2021\*

\*Source: Tradingview



The above chart is of the day 7<sup>th</sup> of October; 2021. The first 15 minute candle which is of red colour made a high of 37910.45 and low of 37714.30. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 9<sup>th</sup> candle which is of 15 minute length broke 37714.30 level and the same day chart made a low of 37650.25 which represents a profit of 64 points (37714-37650).



Chart 6: Intraday Trading as on 8th of October; 2021\*

\*Source: Tradingview

The chart 6 is of the day 8<sup>th</sup> of October; 2021. The first 15 minute candle which is of red colour made a high of 37938.60 and low of 37804.70. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when the 4<sup>th</sup> candle which is of 15 minute length broke 37938.60 level and the same day chart made a high of 38105.20 which represents a profit of 116 points (37299-37183). Another trade got triggered when the 12<sup>th</sup> candle which is of 15 minute length broke 37804.70 level and the chart made a low of 37674.35 which represents a profit of 130 points (37804-37674). On 9<sup>th</sup> & 10<sup>th</sup> of October; 2021, the stock market is closed.



Chart 7: Intraday Trading as on 11th of October; 2021\*

\*Source: Tradingview

The above chart 7 is of the day 11<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 38022.35 and low of

37744.65. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 38022.35 level and the same day chart made a high of 38495.30 which represents a profit of 473 points (38495-38022).



Chart 8: Intraday Trading as on 12th of October; 2021\*

\*Source: Tradingview

The above chart 8 is of the day 12<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 38429.15 and low of 38144.60. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 20<sup>th</sup> candle which is of 15 minute length broke 38429.15 level and the same day chart made a high of 38606.90 which represents a profit of 177 points (38606-38429).



Chart 9: Intraday Trading as on 13th of October; 2021\*

\*Source: Tradingview

The chart 9 is of the day 13<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 38779.05 and low of 38639.65. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 4<sup>th</sup> candle which is of 15 minute length broke 38639.65 level and the same day chart made a low of 38502.70 which represents a profit of 137 points (38639-38502).



Chart 10: Intraday Trading as on 14th of October; 2021\*

\*Source: Tradingview

The chart 10 is of the day 14<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 38782.70 and low of 38673. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 38782.70 level and the same day chart made a high of 39363.65 which represents a profit of 581 points (39363-38782). On 15<sup>th</sup>, 16<sup>th</sup> and 17<sup>th</sup> of October; 2021, the stock market remains closed.



Chart 11: Intraday Trading as on 18th of October; 2021\*

\*Source: Tradingview

The chart 11 is of the day 18<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 39918.75 and low of 39569.55. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 15<sup>th</sup> candle which is of 15 minute length broke 39918.75 level and the same day chart made a high of 39947.60 which represents a profit of 29 points (39947-39918).



Chart 12: Intraday Trading as on 19th of October; 2021\*

\*Source: Tradingview

The above chart is of the day 19<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 40011.15 and low of 39826. As per the strategy we take a trade when either of the two lines is broken. So



Chart 13: Intraday Trading as on 20<sup>th</sup> of October; 2021\*

\*Source: Tradingview

our trade is triggered when 4<sup>th</sup> candle which is of 15 minute length broke 39826 level and this candle made a low of 39394.25 which represents a profit of 432 points (39826-39394). Another entry got triggered when the same day when the 14<sup>th</sup> candle which is of 15 minute length broke 39826 level again and the chart made a low of 39417.60 after that candle resulting into a profit of 409 points (39826-39417).

The chart 13 is of the day 20<sup>th</sup> of October; 2021. The first 15 minute candle which is of red color made a high of 39607.80 and low of 39292.80. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 4<sup>th</sup> candle which is of 15 minute length broke 39607.80 level and the same day chart made a high of 39774.55 which represents a profit of 167 points (39774-39607).



Chart 14: Intraday Trading as on 21<sup>st</sup> of October; 2021\*

\*Source: Tradingview

The above chart is of the day 21<sup>st</sup> of October; 2021. The first 15 minute candle which is of red colour made a high of 39768 and low of 39603.95. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 39603.95 level and the same day chart made a low of 39442.15 which



Chart 15: Intraday Trading as on 22<sup>nd</sup> of October; 2021\*

\*Source: Tradingview

represents a profit of 161 points (39603-39442). Another entry got triggered when the 22<sup>nd</sup> candle broke 39768 and after that chart made a high of 40200.45 resulting into a profit of 432 points (40200-39768).

The above chart is of the day 22<sup>nd</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 40325.70 and low of 40153.10. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 40325.70 level and the same day chart made a high of 40587.35 which represents a profit of 262 points (40587-40325). Another entry got triggered when the 18<sup>th</sup> candle again broke 40325.70 level and after that chart made a high of 40498.90 resulting into a profit of 173 points (40498-40325). On 23<sup>rd</sup> & 24<sup>th</sup> of October; 2021, market remain closed.



Chart 16: Intraday Trading as on 25<sup>th</sup> of October; 2021\*

The chart 17 is of the day 25<sup>th</sup> of October; 2021. The first 15 minute candle which is of red colour made a high of 41024.55 and low of 40508.10. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 6<sup>th</sup> candle which is of 15 minute length broke 41024.55 level and the same day chart made a high of 41829.60 which represents a profit of 805 points (41829-41024).



Chart 17: Intraday Trading as on 26<sup>th</sup> of October; 2021\*

\*Source: Tradingview

The above chart is of the day 26<sup>th</sup> of October; 2021. The first 15 minute candle which is of green colour made a high of 41298.40 and low of 41035.95. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 41298.40 level and the same day chart made a high of 41367.25 which represents a profit of 69 points (41367-41298). Another entry got triggered when the 5<sup>th</sup> candle again broke 41035.95 level and after that chart made a low of 40829.15 resulting into a profit of 206 points (41035-40829).



Chart 18: Intraday Trading as on 27<sup>th</sup> of October; 2021\*

\*Source: Tradingview

The chart 18 is of the day 27<sup>th</sup> of October; 2021. The first 15 minute candle which is of red color made a high of 41257.05 and low of 41055.55. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 3<sup>rd</sup> candle which is of 15 minute length broke 41257.05 level and the same day chart made a high of 41347 which represents a profit of 90 points (41347-41257). Another entry got triggered when the 21<sup>st</sup> candle again broke 41055.55 level and after that chart made a low of 40750 resulting into a profit of 305 points (41055-40750).



Chart 19: Intraday Trading as on 28<sup>th</sup> of October; 2021\*

\*Source: Tradingview

The above chart is of the day 28<sup>th</sup> of October; 2021. The first 15 minute candle which is of red colour made a high of 40931.05 and low of 40602.65. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 2<sup>nd</sup> candle which is of 15 minute length broke 40602.65 level and the same day chart made a low of 39350.20 which represents a profit of 1252 points (40602-39350).



Chart 20: Intraday Trading as on 29<sup>th</sup> of October; 2021\*

\*Source: Tradingview

The chart 20 is of the day 29<sup>th</sup> of October; 2021. The first 15 minute candle which is of red colour made a high of 39440.25 and low of 38426.65. As per the strategy we take a trade when either of the two lines is broken. So our trade is triggered when 3<sup>rd</sup> candle which is of 15 minute length broke 39440.25 level and the same day chart made a high of 39775.25 which represents a profit of 335 points (39775-39440). The stock market remained closed on 30<sup>th</sup> and 31<sup>st</sup> of October; 2021.

Table 1: Performance Summary for the Month October 2021\*

Date	Market opened	No of times Long position triggered	No. of times short position triggered	Profit from long position (in points)	Profit from short position (in points)	Total profit (in points)
1	Yes	1	0	116	Nil	116
2	No	0	0	Nil	Nil	Nil
3	No	0	0	Nil	Nil	Nil
4	Yes	1	0	130	Nil	130
5	Yes	1	0	240	Nil	240
6	Yes	1	1	209	189	398
7	Yes	0	1	Nil	64	64
8	Yes	1	1	116	130	246
9	No	0	0	Nil	Nil	Nil
10	No	0	0	Nil	Nil	Nil

contd. table 1



Date	Market opened	No of times Long position triggered	No. of times short position triggered	Profit from long position (in points)	Profit from short position (in points)	Total profit (in points)
11	Yes	1	0	473	Nil	473
12	Yes	1	0	177	Nil	177
13	Yes	0	1	Nil	137	137
14	Yes	1	0	581	Nil	581
15	No	0	0	Nil	Nil	Nil
16	No	0	0	Nil	Nil	Nil
17	No	0	0	Nil	Nil	Nil
18	Yes	1	0	29	Nil	29
19	Yes	0	2	Nil	432+409	841
20	Yes	1	0	167	Nil	167
21	Yes	1	1	432	161	432
22	Yes	2	0	262+173	Nil	435
23	No	0	0	Nil	Nil	Nil
24	No	0	0	Nil	Nil	Nil
25	Yes	1	0	805	Nil	805
26	Yes	1	1	69	206	69
27	Yes	1	1	90	305	90
28	Yes	0	1	Nil	1252	1252
29	Yes	1	0	335	Nil	335
30	No	0	0	Nil	Nil	Nil
31	No	0	0	Nil	Nil	Nil
Total						7017

\*Source: Data analysis

### 5.1. Findings

- 1) The study found that anyone who is not having good knowledge of any technical indicators may also use this strategy and make decent amount of profit in this market.
- 2) On 28<sup>th</sup> of October; 2021 this strategy made a profit of 1252 points which is the highest of this month. Thus, it signifies that this strategy works exceptionally well in case of trending market.
- 3) On 18<sup>th</sup> of October; 2021 this strategy made a profit of 29 points ,the lowest of this month which signifies that in case of sideways/non trending market this strategy gives either no trade or if it gives then the amount of profit shall be too small.
- 4) As per the performance summary for the month of October, the use of this strategy yields a profit of 7017 points and as the bank nifty lot size is 25 so one could made a profit of RS. 1,75,425 in the month of October.

## 6. Conclusion

This study presents a simple price action based strategy for intraday trading in one of the most popular index of NSE known as Bank nifty and only one month period from 1-10-21 to 31-10-21 is considered for the study. The reason for choosing Bank Nifty index as an underlying instrument is its high volatile nature which is exceptionally preferred by intraday traders. The study found that using this strategy anyone not having good knowledge of any technical indicators makes decent amount of profit in this market. This strategy works exceptionally well in the days of trending market and in the days of sideways/non trending market this strategy gives either no trade or if it gives then the amount of profit shall be too small.

### Limitation of the Study

- 1) This strategy is effective in explaining when to enter into a trade but when to exit is not explained by this strategy.
- 2) The study was done for a very short period from 1st October;2021 to 31<sup>st</sup> October; 2021 on the Bank Nifty Index of NSE. To understand if the strategy has a good success ratio, the study needs to be done for a longer period of time.

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