



MANU & ASIAN PAINTS

Multiple Time Frame
Analysis

INTRODUCTION

Meet Manu, a MBA Finance aspirant, who is an intern in one of the country's leading financial advisory company. In a training session Manu got to know about multiple time frame analysis. He thought it would be a game changing technique. So, he started looking for stocks according to the guidelines given by the instructor i.e. :-

- ❑ Quantify your goal (long, medium, short term).
- ❑ Use the largest time frame for idea generation and to identify the primary trend.
- ❑ Look medium time frame for secondary moves.
- ❑ Patiently observe its movement in the short term, look for risk minimising opportunities & Open your position.
- ❑ Trail the stops accordingly.



ASIAN PAINTS

While looking for the investment opportunity Manu came across Asian Paints. From December 2015 till April 2016 Asian paint was forming a ascending triangle pattern. Which Manu identified and kept it on his radar. He knew that :-

- Ascending triangle is more of a continuous pattern.
- It usually results in breakout (upward).
- Requires volume conformance.
- Targets are set according to its width.

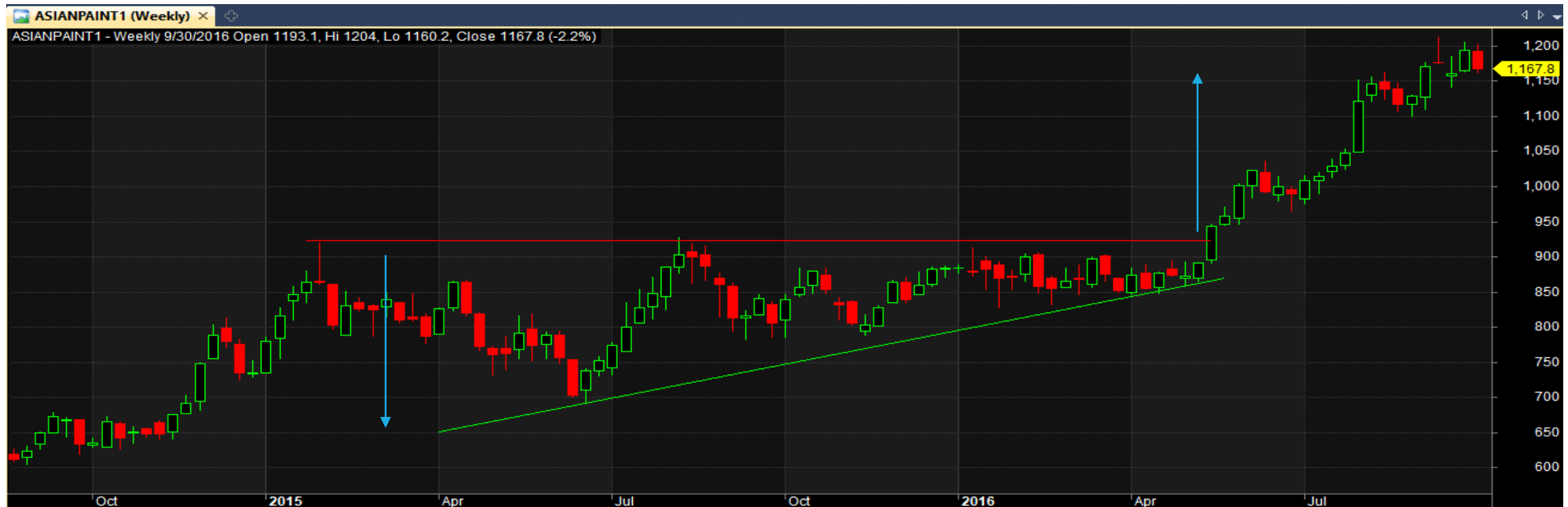


ASIAN PAINTS



OBSERVATIONS

Manu observed that the primary trend was up and ascending triangle is a continuous pattern. So, he got the idea to make a long position in it with 100 shares . With the help of mid term price chart, he calculate the target to be around 1200/-



ENTERING INTO THE MARKET

On 11th May 2016, following actions can be observed :-

- ❑ Gave a breakout at Rs. 909.55 on closing basis.
- ❑ Confirmed by Volume.
- ❑ Price was near to its 200 day Moving average.

After observing the stock Manu decided to open a position with a stop at 870. After that for a whole week the stock sustained its Breakout and rallied till 1022 (approx.). Manu was very happy because In just a month he got a profit of 113 pts and Rs. 11300/- but Manu decided to stay until it achieve his determined target of Rs. 1200/-

On 10th October 2016 he achieved his target too and bagged the profit of Rs.29100/-



ENTERING INTO THE MARKET





Thank
you!!

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TOPIC: MULTIPLE TIME FRAME ANALYSIS

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