

Technical Analysis

- **Introduction to Technical Analysis**
 - ✓ What is Technical Analysis?
 - ✓ Difference between Technical and Fundamental Analysis
 - ✓ Assumptions of Technical Analysis (Price discounts everything, History repeats, Price moves in trends)
- **Basics of Price Action**
 - ✓ Candlestick Charting (Types of charts: Line, Bar, Candlestick)
 - ✓ Understanding OHLC (Open, High, Low, Close)
 - ✓ Types of trends: Uptrend, Downtrend, Sideways
 - ✓ Support and Resistance – Identification and Importance
- **Candlestick Patterns**
 - ✓ Single Candle: Doji, Hammer, Shooting Star, Marubozu
 - ✓ Double Candle: Bullish/Bearish Engulfing, Piercing Pattern, Dark Cloud Cover
 - ✓ Triple Candle: Morning Star, Evening Star, Three White Soldiers, Three Black Crows
 - ✓ Psychology behind each pattern
- **Chart Patterns (Classical Technical Patterns)**
 - ✓ Reversal Patterns: Head & Shoulders, Double Top/Bottom
 - ✓ Continuation Patterns: Flags, Pennants, Triangles (Symmetrical, Ascending, Descending), Cup & Handle
 - ✓ Breakouts and breakdowns – Confirmation techniques
- **Trend Analysis Tools**
 - ✓ Trendlines – drawing and interpretation
 - ✓ Channels – parallel trend lines
 - ✓ Fibonacci Retracement – Key levels and use in support/resistance
- **Major theories in Technical Analysis**
 1. **Dow Theory (The Foundation of Technical Analysis)**

Key Principles:

 - ✓ **The market discounts everything**
 - ✓ **Three trends exist simultaneously:**
 - Primary (long-term)
 - Secondary (corrections)
 - Minor (daily fluctuations)
 - ✓ **Three phases of market trends:**
 - Accumulation → Public Participation → Distribution
 - ✓ **Volume confirms the trend**
 - ✓ **Trends continue until reversal signals appear**
 2. **Elliott Wave Theory**

Core Concepts:

 - ✓ 5-wave pattern in trending phase (Impulse waves)
 - ✓ 3-wave pattern in correction phase (ABC Correction)
 - ✓ Fractals: Waves exist within waves

3. Fibonacci Theory

Based on the Fibonacci sequence and golden ratio (61.8%, 38.2%, 23.6%).

Applications:

- ✓ Fibonacci Retracement: Identify support/resistance levels during corrections
- ✓ Fibonacci Extensions: Predict price targets
- ✓ Fibonacci Fans and Arcs (less common)

▪ Technical Indicators & Oscillators

- ✓ RSI (Relative Strength Index) – Overbought/Oversold zones
- ✓ MACD (Moving Average Convergence Divergence)
- ✓ Bollinger Bands
- ✓ ATR (Average True Range)
- ✓ Moving Averages (SMA, EMA) – Golden Cross & Death Cross
- ✓ ADX (Average Directional Index)
- ✓ Supertrend
- ✓ Exponential Moving Average (EMA)
- ✓ Williams Fractals
- ✓ Williams Alligator
- ✓ Pivot Points

▪ Volume Analysis

- ✓ Importance of Volume in confirmation
- ✓ Volume & Price relationship
- ✓ OBV (On-Balance Volume)
- ✓ Accumulation/Distribution Indicator

▪ Time Frame Selection

- ✓ Intraday vs Swing vs Positional Charting
- ✓ Multi-time frame analysis
- ✓ Which indicators suit which timeframes

▪ Entry, Exit & Stop Loss Strategies

- ✓ How to define entry points using patterns or indicators
- ✓ Stop-loss placement techniques
- ✓ Risk-to-reward ratio understanding
- ✓ Position sizing basics

▪ Backtesting & Trading Psychology

- ✓ Importance of backtesting
- ✓ Building a trading journal
- ✓ Avoiding overtrading
- ✓ Handling emotions in trading (Fear, Greed, Impatience)

▪ Building a Trading System

- ✓ Combining 2–3 indicators or tools
- ✓ Creating a rule-based system

Futures & Options

(From the universe of Derivatives)

▪ Introduction to Derivatives

- ✓ What are Derivatives?
- ✓ Types: Forwards, Futures, Options, Swaps (overview only)
- ✓ Why Derivatives are used (Hedging, Speculation, Arbitrage)
- ✓ Spot Market vs Derivatives Market

▪ Futures Contracts

- ✓ What is a Futures Contract?
- ✓ Contract specifications (Lot size, Tick size, Expiry, Margin, MTM)
- ✓ Index Futures vs Stock Futures
- ✓ Long vs Short Futures Positions
- ✓ Margin requirements and leverage in futures
- ✓ Futures Pricing & Cost of Carry Concept

▪ Options Contracts – Basics

- ✓ What is an Option?
- ✓ Call Option vs Put Option
- ✓ Option Buyer vs Seller (Writer)
- ✓ Strike Price, Premium, Expiry, ITM/ATM/OTM
- ✓ Option Chain – How to read it
- ✓ Open Interest Analysis
- ✓ PCR (Put Call Ratio)
- ✓ India VIX

▪ Options – Advanced Concepts

- ✓ Moneyness of Options
- ✓ Option Greeks: Delta, Gamma, Theta, Vega, Rho (basic explanation)
- ✓ Time Decay and Volatility Effect
- ✓ Break-even Point Calculation
- ✓ Intrinsic Value vs Time Value

▪ Future & Option Strategies

Futures Strategies

- ✓ Long Futures
- ✓ Short Futures
- ✓ Hedging with Futures
- ✓ Short Futures against cash holdings
- ✓ Long Futures to hedge short delivery position

▪ Options – Single-Leg Strategies

- ✓ Long Call
- ✓ Long Put
- ✓ Short Call
- ✓ Short Put

▪ Multi-leg (Spread) Strategies

- ✓ Bull Call Spread
- ✓ Bear Put Spread
- ✓ Covered Call

- ✓ Protective Put

- **Neutral Market Strategies**

- ✓ Long Straddle
- ✓ Long Strangle
- ✓ Short Straddle
- ✓ Short Strangle

- **Advanced Neutral/Volatility Strategies**

- ✓ Iron Condor
- ✓ Iron Butterfly
- ✓ Calendar Spread (Time Spread)

- **Hedging & Risk Management**

- ✓ Using options to hedge equity portfolio
- ✓ Portfolio insurance using Put Options
- ✓ Stop-loss techniques in F&O
- ✓ Risk-to-Reward evaluation
- ✓ Importance of discipline & position sizing

- **F&O Expiry & Settlement**

- ✓ Weekly vs Monthly Expiry
- ✓ Physical vs Cash Settlement (recent SEBI rules)
- ✓ How options expire (in-the-money vs out-of-the-money)

- **Regulatory Framework**

- ✓ Role of SEBI in Derivatives market
- ✓ F&O restrictions on retail investors
- ✓ Ban Period (F&O Ban Stocks)
- ✓ Margin rules (SPAN, ELM)

- **Practical: Strategy Building & Analysis**

- ✓ Building directional & neutral strategies
- ✓ Live market examples using chart + OI data
- ✓ Backtesting basic option strategies
- ✓ Paper Trading F&O

- **Common Mistakes to Avoid**

- ✓ Over-leveraging
- ✓ Misunderstanding time decay
- ✓ Holding positions till expiry blindly
- ✓ Emotional trading (FOMO, Greed)