

The Top 5% Strategy – By Divyam Parashar

Before we get into this strategy, would this give you a 100% accuracy, and will all your targets get hit?
The answer is NO!

Now, you must be thinking, how come this is what the big players do if this can give us stop losses as well, so the answer is, if you want to make money in the market, you have to distribute it first so that you can collect it later with much more interest!

So, does this mean the big players also lose money? The answer is yes, but they don't consider this "lost money" because they know their process will make more money than they have lost.

Still not sure? Just reflect upon your trading and see whether you lose or gain more? Your answer must be we've lost more than we've gained, simple! Your gain is their loss, and your loss is their gain.

Until you will make money, how will you lose it to the big players? Well, I won't get too much into psychology; kuch chize baad ke liye chodte hai!

What's the strategy?

You must follow these set of rules:

- ✓ Mark resistance and support points
- ✓ Wait for a breakout or breakdown
- ✓ As soon as you see the breakout failing, Take a reversal entry.
- ✓ Maintain a minimum risk reward of 1:2
- ✓ Follow proper stop loss and target
- ✓ Always keep trailing your stop loss as your targets are achieved
- ✓ This is an Intraday strategy – use it the way it's meant to be!
- ✓ The timeframe used – is 5 minutes.

Here are some references with proper commentary on what we have done in each trade. (These are the trades in which I have using this strategy in the past few weeks)

1. 29th December 2022 – Adani Ports 5 Minute Timeframe



So, we can see that 800 is a support level, and the market breaks it with a weak Doji candlestick; right after the Doji, a bullish engulfing candle is formed, which makes this breakout fake; this is your entry; your stop loss would be a bit away from the low of the fake breakout candle (in this case below the low of the Doji).

2. 5th January 2023 – Bajaj FinServ 5 Minute Timeframe



Here 1457 was a support level, the market broke the level with a strong candle, and right after that, a bullish candle was made with a long upper wick, so we waited for a strong bullish candle and then took our entry.

3. 4th January 2023 – Nifty 50 (5 Minute Timeframe)



Here, 18239 is a resistance from where the market was reversing, but it gives a weak breakout with a higher wick rejection, and then a shooting star and then a bearish engulfing candle is formed, which marks your entry, and you get your target.

4. 26th December 2023 – Nifty 50 (5 Minute Timeframe)



Here 18004 was a resistance level, and the market here gave a breakout, and then a bearish engulfing candle was made where we took our entry, with the stop loss above the high of the breakout candle, and this trade hit our stop loss.

5. 7th December 2023 – Nifty 50 (5 Minute Timeframe)



In this trade, 18655 was a resistance that was broken with a weak candle with a small body, right after than a reversal candle was formed with higher wick rejection which gave us an entry signal; with proper stop loss and target, we maintained a good risk-reward and booked profit at final target.

I hope you have understood the strategy and how this works... this is something that I have noticed for the past 3 years, and I have been using this ever since. Whenever I find the right opportunity, I trade these setups.

Some Important points I have learned from my experience with this strategy are:

- ✓ This strategy works best when the trade is against the trend; for example, if the market's going up, we take a short entry using this strategy.
- ✓ Another thing is that this has greater accuracy when the Breakout candle (Fake out) is weaker and combined with a stronger reversal candle like in examples 1 & 3.

Pro Tip: Don't get obsessed with using this strategy; find the appropriate setup that resembles the one shared above (not the patterns but the market structure). Follow your plan and risk management, practice the strategy, run some backtests, and then start using it yourself!

If you want a complete detailed video on this strategy, just comment here.

If you liked this strategy, share this video with your friends so they can also access this pdf and learn trading in a new way with us!

Hope you love it!

Good Luck!

Divyam Parashar,

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