GRADUATE SCHOOL OF MANAGEMENT STUDIES

Gujarat Technological University

(Accredited with A+ Grade by NAAC)

(Finance Club Activity)

Workshop on

Stock Market Trading Strategies

Date: 6th November, 2023

Time: 9:30am to 12:30pm

Venue: Acharya Chanakya Seminar Hall

Finance Club of the Graduate School of Management Studies (GSMS), Gujarat Technological University organized a workshop on Stock Market Trading Strategies. The event was held on 6th November, 2023 from 9:30 am to 12:30pm, at Acharya Chankya Seminar Hall, GSMS, GTU. More than 28 students of finance specialization of MBA (IB) Sem-3 have participated in the event. The expert speaker for the session was Mr. Gaurav Aggarwal, a Financial Expert serving as Branch Manager, Master Trust Capital, New Delhi.

The event aimed to shed light on the challenges and opportunities on the Indian Stock Market. The expert has highlighted A trading strategy is different from a trading style. He mentioned that a trading strategy is a plan that employs analysis to identify specific market conditions and price levels. While fundamental analysis can be used to predict price movements, most strategies focus on specific technical indicators.

He shared that there are five main strategies which are required to be used by an investor or a trader.

1. Trend trading
2. Range trading
3. Breakout trading
4. Reversal trading
5. Gap trading

1. Trend trading

A trend trading strategy relies on using technical analysis to identify the direction of market momentum. This is usually considered a medium-term strategy, best suited to the trading styles of position traders or swing traders, as each position will remain open for as long as the trend continues.

The price of an asset can trend up or down. If you were going to take a long position, you'd do so when you believe the market is going to reach higher highs. If you were going to take a short position, you'd do so if you thought the market would reach lower lows.

2. Range trading

Range trading is a strategy that seeks to take advantage of consolidating markets – the term to describe a market price that remains within lines of support and resistance. Range trading is popular among very short-term traders (known as scalpers), as it focusses on short-term profit taking, however it can be seen across all timeframes and styles.

While trend traders focus on the overall trend, range traders will focus on the short-term oscillations in price. They will open long positions when the price is moving between two clear levels and is not breaking above or below either.

3. Breakout trading

Breakout trading is the strategy of entering a given trend as early as possible, ready for the price to 'break out' of its range. Breakout trading is commonly used by day traders and swing traders, as it takes advantage of short to medium-term market movements.

Traders who use this strategy will look for price points that indicate the start of a period of volatility or a change in market sentiment – by entering the market at the correct level, these breakout traders can ride the movement from start to finish. It is common to place a limit-entry order around the levels of support or resistance, so that any breakout executes a trade automatically.

4. Reversal trading

The reversal trading strategy is based on identifying when a current trend is going to change direction. Once the reversal has happened, the strategy will take on a lot of the characteristics of a trend trading strategy – as it can last for varying amounts of time.

A reversal can occur in both directions, as it is simply a turning point in market sentiment. A ‘bullish reversal’ indicates that the market is at the bottom of a downtrend and will soon turn into an uptrend. While a ‘bearish reversal’ indicates that the market is at the top of an uptrend and will likely become a downtrend.

5. Gap trading

A gap occurs when where no trading activity has taken place. This happens when an asset’s price moves sharply high or low with nothing in between, implying the market has opened at a different price to its previous close.

If you’re a gap trader, you are likely a day trader that watches these price gaps from a previous day and seek opportunities between this and the opening range of trading for the next day. An opening range that rises above the previous day’s close is a ‘gap’ that usually signifies going long, while an opening range that is below the previous day’s close signifies an opportunity to go short.

The expert has shown live trading through NSE and BSE website and carried out few transactions based on technical analysis. The students were highly interested in this session and appraised a lot.

Report prepared by:

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