

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.



SWING TRADING STRATEGY

PDF GUIDE



by: **EDIJALA
PATRICK**

www.dipprofit.com



Topics

Introduction:.....	3
What is swing trading:.....	4
How to Start Swing Trading for Beginners:.....	6
Advantages of Swing Trading:.....	10
Key Components of Successful Swing Trading:.....	13
Technical Analysis:.....	14
Risk Management:.....	16
Timing your Entry Points: :.....	18
Swing Trading Indicators:.....	19
The Best Swing Trading Strategy in 2024: :.....	21
Conclusion:.....	43

INTRODUCTION TO SWING TRADING AND SWING

TRADING STRATEGY

When it comes to swing trading, strategic moves can instantly translate into remarkable profits while a bad strategy can lead to the trader incurring heavy losses. Therefore, when trading in the financial market as a swing trader, it is very important to have a robust swing trading strategy which would help you better navigate the complexities of the market and in turn help improve your profitability rate.

Thus, the reason behind this educational piece is to make it easy for both beginner traders and struggling traders to properly understand swing trading. I will also be giving a proper and detailed illustration of one of the best swing trading strategies that you can easily learn, master and implement. So kindly grab your notepads, take your bottle of chilled water as I take you through the process, and see you at the end of the article in the comment section.

WHAT IS SWING TRADING?



Now let's immediately go to the main reason why you are reading this article. What is swing trading? Swing trading is a style of trading in the financial markets where traders aim to capture short to medium-term price movements, known as "swings," in stocks, currencies, or other assets. Unlike long-term investors who hold onto investments for an extended period, or day traders who take multiple trades within a day, swing traders typically hold positions for a few days to a few weeks and sometimes even up to a month.

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

Swing trading strategy involves the use of higher timeframes to identify trade opportunities and market trends over a short or long period. As mentioned above swing trading often spans a day to a week and in some extreme cases can last up to a month.

HOW TO START SWING TRADING FOR BEGINNERS



Swing trading has to do with finding short to medium-price movement opportunities, and analyzing and speculating their medium-term direction before eventually taking your trade position. This means that if you decide to start using the swing trading strategy as a trader, you will need to do the following:

Practice Patience: Wait for the Right Setup

Successful swing trading requires patience. Wait for the market to align with your predefined criteria before entering a trade. Avoid the temptation to chase trades impulsively.

Define Your Risk Tolerance and Goals: Set Clear Parameters

Establish how much capital you're willing to risk on each trade and determine your financial goals. This step helps you set realistic expectations and prevents emotional decision-making during trades.

Understand Technical Analysis: Charting Matters

Technical analysis is at the heart of swing trading. Learn to read price charts, identify trends, and recognize key chart patterns. Familiarize yourself with technical indicators such as moving averages, Relative Strength Index (RSI), and Bollinger Bands. As we go on in the article, I

will also be mentioning some of the key components needed in a swing trading strategy.

Select a Watchlist: Focus on a Few Instruments

Avoid information overload by narrowing down your watchlist to a manageable number of stocks or other assets. Concentrate on instruments you understand well, and monitor them closely for potential swing trade opportunities. This will help you easily identify swing trading opportunities each time they appear in these chosen instruments.

Develop a Trading Plan: Your Roadmap to Success

Craft a detailed trading plan outlining your entry and exit strategies, risk management approach, and criteria for selecting trades. Having a plan in place enhances discipline and helps you stay focused during market fluctuations. This is not only for swing trading but every other strategy.

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

As the saying goes if you fail to plan then you are already planning to fail.



ADVANTAGES OF SWING TRADING

Balanced Time Commitment:

One of the major advantages swing trading has is the fact that you don't need to pay constant attention to the chart, looking for opportunities every time in a day like day trading. Swing trading allows for a more balanced and robust time commitment which makes it possible for you as a trader to analyze the market, execute trades and manage your positions without round-the-clock monitoring.

Capture Short to Medium-Term Trends:

Another advantage of swing trading is that it allows the trader to take better advantage of the market trend. This makes trading less risky for the trader and more convenient. As we all know, following the trend is a lot less risky and has a higher profitability rate in trading.

Flexibility for Part-Time Traders:

Swing trading is also well suited for part-time traders who have other commitments and take trading as a side job or business. This is because the traders don't need to spend their entire day or time in the day looking for trade opportunities to quickly exploit. The traders can take their time to look for an opportunity in the market, take the trade and leave it to run for days.

Reduced Stress Compared to Day Trading:

The less frantic pace of swing trading can result in reduced stress levels compared to [day trading](#). Traders have more time to make decisions and are not as susceptible to rapid market fluctuations. Traders are also not constantly under pressure from multiple trades they take daily. It creates a more relaxed trading mindset.

Risk Management Opportunities:

The swing trading strategy naturally incorporates risk management principles. As we all know taking lots of trade over a short period is highly risky. In Swing trading, the trader's trading rate or frequency is reduced, thus reducing the trading risk also and each trades taken are well analyzed and examined.

Now that we've established the enticing benefits of swing trading, let's examine some of the important factors every trader needs to consider when creating a successful swing trading strategy.

KEY COMPONENTS OF A SUCCESSFUL SWING TRADING

STRATEGY

When it comes to swing trading there are some key factors you need to consider to become a profitable swing trader. Below we will be looking at some of those factors.

TECHNICAL ANALYSIS

Technical analysis is very important for every swing trader just as it is in day trading. You must understand the following if you want to use a swing trading strategy in your trade.

Candlestick Patterns

Candlestick patterns are the language of the market, providing insights into price movements and trend reversals. Understanding the significance of different candlestick formations equips you with the ability to make informed decisions. As I always tell my students, the market is a battlefield and the candles tell the story. Who is winning and who is losing, who is in charge of the market and who is been suppressed?

Everything is shown by the candlestick and the ability to properly understand your candlestick formation is a very important weapon every trader must have in their arsenal. You can get an in-depth understanding of candlesticks and candlestick formation by reading my [candlestick article](#) here on the website.

Trend Analysis

Identifying and following trends is a cornerstone of successful swing trading. Whether it's an upward or downward trend, recognizing the prevailing market direction empowers traders to align their positions with the broader market sentiment. Various technical indicators, such as moving averages and trendlines, can aid in trend identification and confirmation. To learn more about trends and channels and understand them properly, you can also read my article on [trendlines and channels](#) on this website.

Support and Resistance Levels

Swing traders often rely on support and resistance levels to make informed decisions. They can also be called supply and demand levels or zones. Support represents a price level where an instrument tends to stop falling or a level or zone where there is strong buy pressure, while resistance is a level where the price of the instrument is always stopped or restricted from ascending further due to the strong selling pressure. Recognizing these levels allows traders to pinpoint potential entry and exit points, enhancing the precision of their trades.

RISK MANAGEMENT

Setting Stop-Loss Orders

One of the golden rules in swing trading is effective risk management, and setting stop-loss orders is a fundamental practice. These predetermined exit points protect traders from significant losses, ensuring that a losing trade doesn't escalate beyond a predefined risk threshold.

Therefore it doesn't matter if you are leaving your trade for some time, you must implement stop-loss orders to safeguard your capital in the volatile world of trading.

Position Sizing

Position sizing is simply understanding the Lot sizes or leverages you use when taking your trades as a swing trader. It is important to determine the appropriate size for each trade. Position sizing also involves allocating a specific percentage of your trading capital to each trade. Knowing your risk-to-reward ratio and percentage for every trade you take regardless of the trade duration.

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

Position sizing prevents overexposure to a single position and allows for a diversified portfolio, reducing the impact of potential losses on your overall account.

TIMING AND ENTRY POINTS

Identifying Entry Signals

Successful swing traders excel at pinpointing entry signals that align with their overall swing trading strategy. This can involve a combination of technical indicators, chart patterns, and market trends. Whether it's a moving average crossover, a breakout from a consolidation phase, or a specific candlestick pattern, understanding and recognizing entry signals is essential for executing well-timed trades.

SWING TRADING INDICATORS

Swing trading involves the use of technical indicators and here are some of the trading indicators needed for swing trading:

- Relative Strength Index (RSI),
- Moving Averages
- Moving Average Convergence Divergence (MACD), and
- Bollinger Bands.
- Trendline and channels

The above indicators help provide valuable insights into market conditions. Therefore, Integrating these indicators into your analysis can enhance the accuracy of your entry points and guide you toward profitable trading opportunities.

See Also: [The Best Trading Indicators for Beginner Traders in 2024](#)

Now I have been able to cover some of the most important information you need to know as a beginner trader who wants to start or understand swing trading, we can now go to the next step which is taking a look at

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

one of the best swing trading strategy there is. In the next paragraph, as I always do in many of my articles, i will be giving you a detailed example of a swing trading strategy you can practice and implement.

This strategy will make it easy to understand and you can also make use of the strategy if you decide to become a swing trader as I will be making use of chart representations while giving detailed illustrations.

Please note that using this strategy does not guarantee instant profit, but the purpose of giving you this strategy is to guide you through your journey as a swing trader.

You are free to ask your questions at the comment session if you are not clear on any information, also if you find this article useful, kindly share and subscribe to our newsletter, as I will always drop trading articles from time to time.

THE BEST SWING TRADING STRATEGY TO USE IN 2024

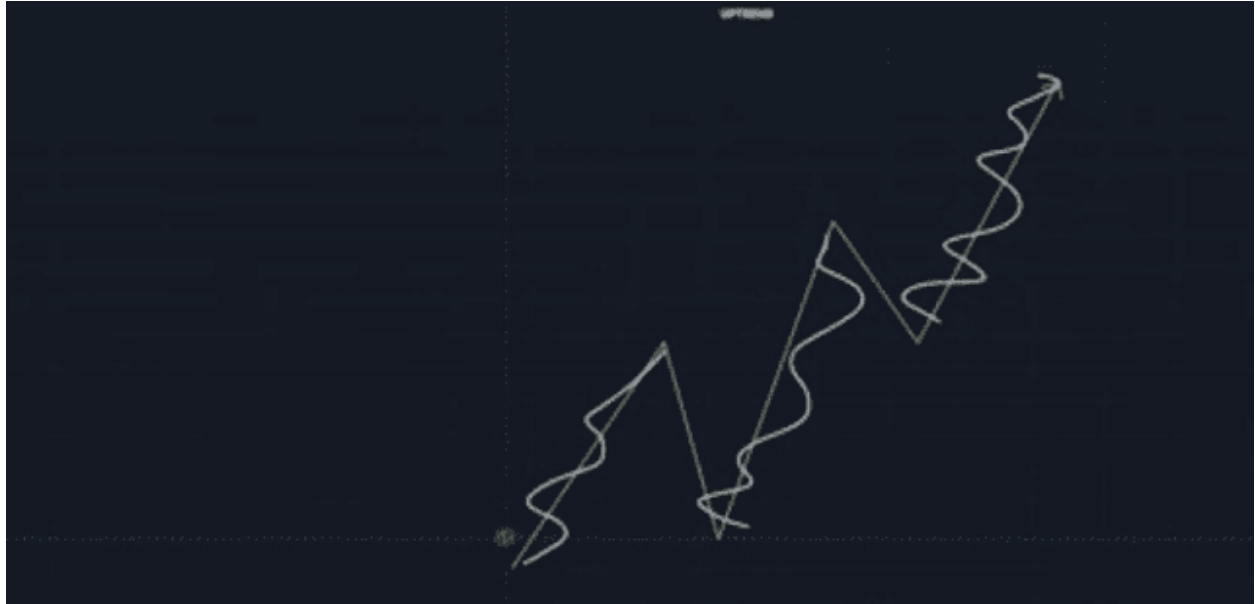
Swing trading strategies are just longer trades that take more time to develop, but less time to manage and monitor making them less stressful and easier to act upon. Now, just as I have mentioned I am going to teach you the best swing trading strategy for both pros and beginners that has systematically provided me with incredible trades over time.

Just in case you might be asking what type of market can you make use of this swing trading strategy? You'll be able to use this strategy on the forex market, stocks market, crypto market, and even commodities market, making it an all-encompassing market strategy.

Just in case you missed an important fact earlier on in this article, let me mention it again here, when it comes to swing trading strategy, there are fewer opportunities as compared to day trading but this also makes it possible for higher win rates as long as you initiate proper trading plans. So let's get into the strategy, with this swing trading strategy I would teach you exactly how to do it so you can go from a beginner to a pro

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

swing trader immediately. As you should have noticed in a lot of my articles, I'm going to teach you this as easily as I possibly can.

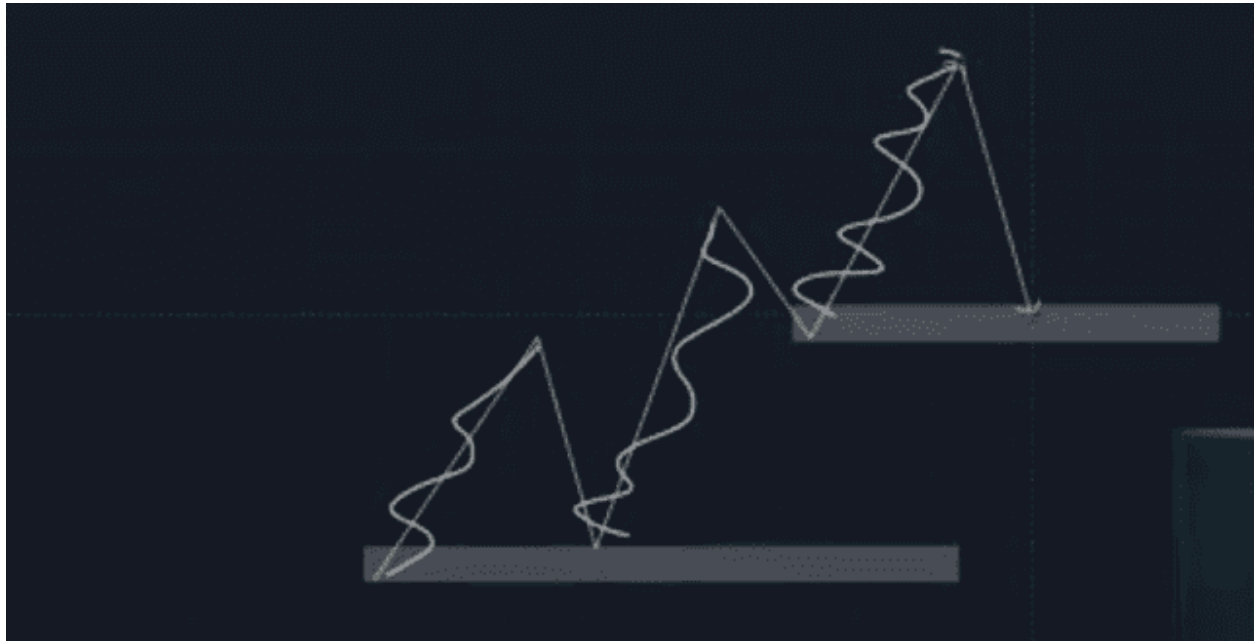


Looking at the diagram above you can see an uptrend movement as the price is pushing up aggressively out of here, out of here, and out of here.

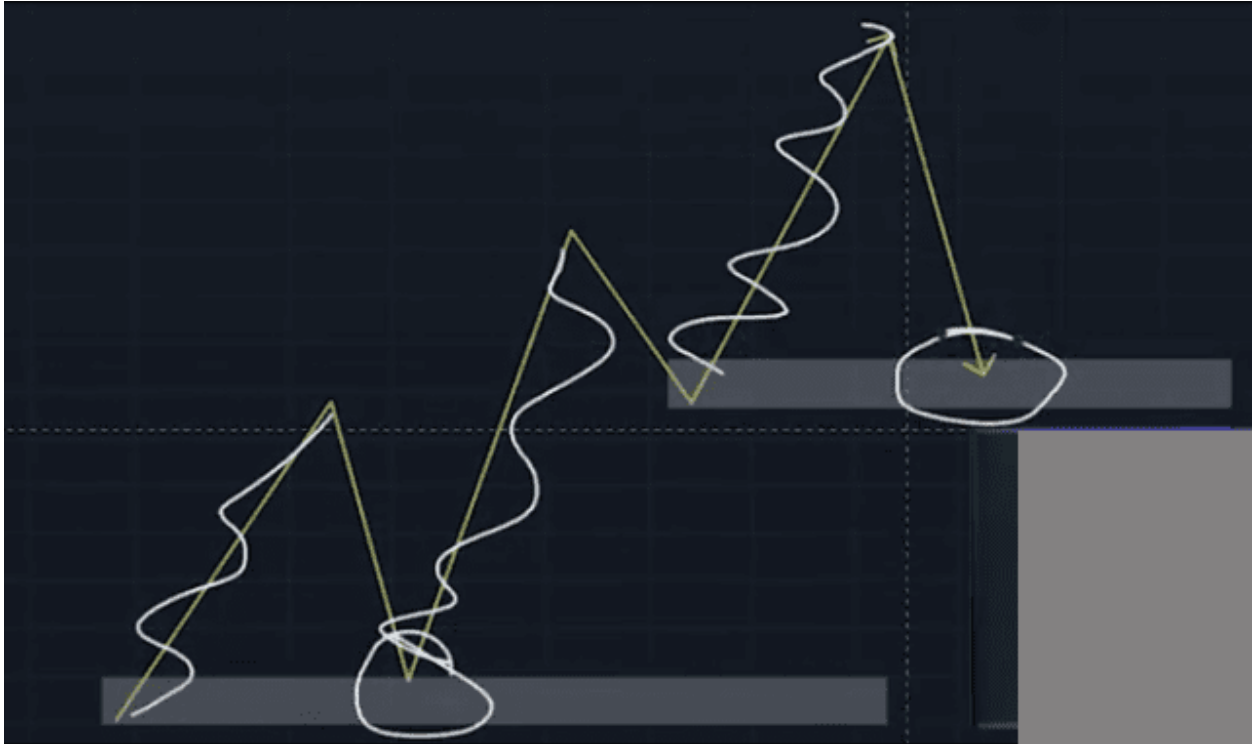


This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

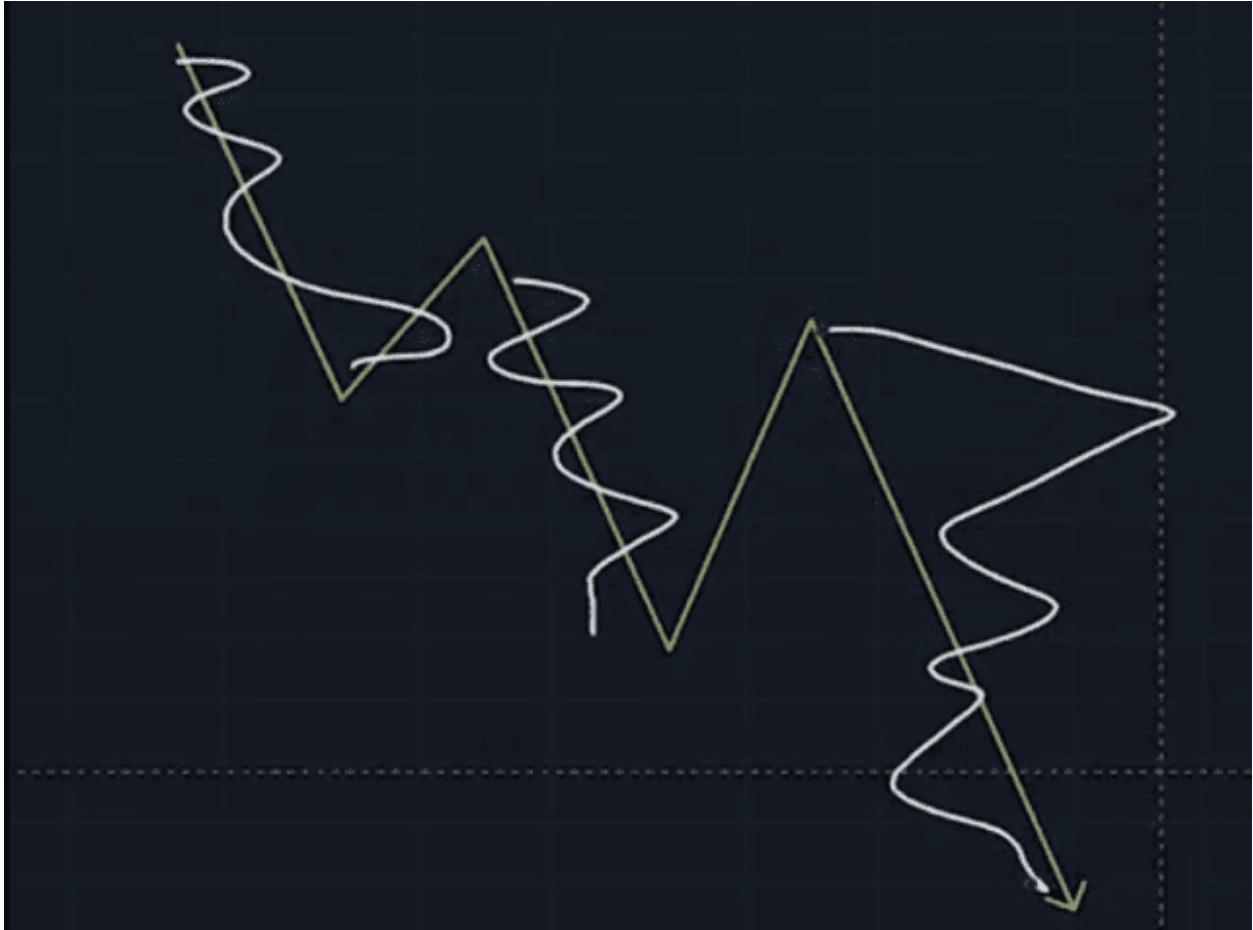
Now looking at the diagram above you can see that each of these pushups creates a new demand zone and each of these demand zones are our point of interest. Now before I continue the swing trading strategy I will be using is based on the supply and demand zone strategy also. In case you haven't read my article on [supply and demand zone trading strategy](#), I will advise you to read it now, it will help to better understand this swing trading strategy.



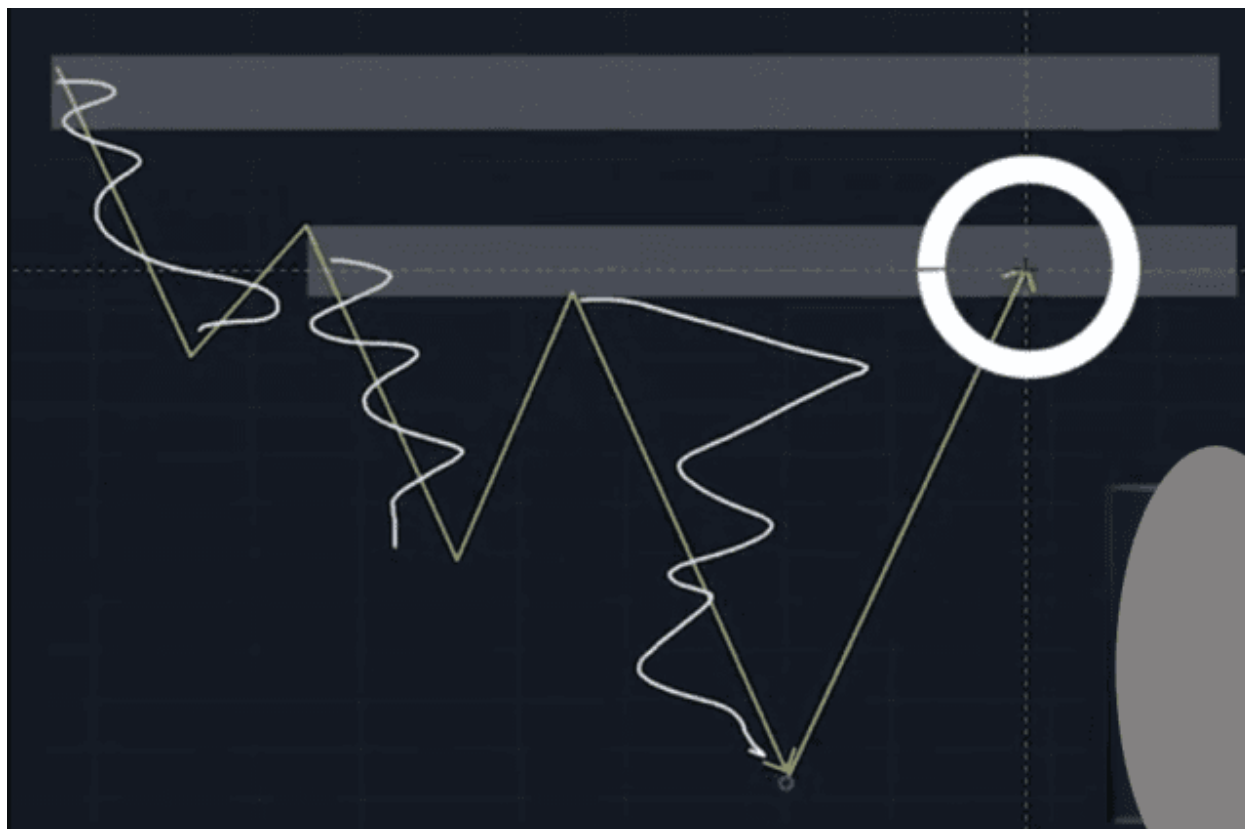
Back to the strategy what we want to see or what we should always look at for as illustrated in the above diagram is for the price to come back down to that demand zone right here making it a good trade opportunity.



Looking at the diagram above, you should know that the reason it's good to take trades out of the area circled in the above diagram is because there are a lot of buyers in these areas. That's why we had these huge pushes up. So those are the areas we set on our chart, and that's where we trade from.



The same rule also applies in a downtrend right here. In the diagram above, we can see a downtrend movement, which means we're to look for sell trades. Looking at the diagram you can see major bearish movements on 3 different occasions showing that the bears or sellers are in charge of the market and are moving forcing the market down with good volume.



As shown in the diagram above there are a lot of sellers in those areas creating supply zones in each one of these areas. Now we want the price to come back to the supply zones highlighted in the diagram above. We want the price to come back to the area circled in the diagram as that will be a good area for us to place our trade because there are a lot of sellers there or the selling pressure is extremely high at that zone.

At this point, I believe that you already have an idea of how the strategy works. Now let's look at real live trading examples.

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

Just as I mentioned earlier in the article, you should understand that swing trading involves the use of higher timeframes. So the first thing we are doing is setting the time frame to 4 hours, this will help us identify the trend easily.



Looking at the diagram above using the 4 hours timeframe we can see that And you can see here we are clearly in a downtrend. We've been in a downtrend for a very, very long time.



So the next thing we do is to identify our supply zone on the 4-hour timeframe. Looking at the diagram above, You can see we have a huge push down out of this area/zone highlighted on the diagram, it can be confirmed by the huge bearish candlesticks that are formed from the zone telling us there are a lot of sellers right here sitting at this supply zone.



The next step is to set the supply zone off of the green candle before the massive bearish candle as indicated in the diagram above with the yellow circle. That's how I do it and that's how to draw my supply zone.



Then If it was a demand zone, we would be setting it off this red candle highlighted in the diagram above before the green candle up, this is because we're in a downtrend and our point of entry needs to be supply zones.



The next step after getting our 4-hour supply zone, is to come down to the 1-hour time frame. On the 1-hour time frame, it's easier to get a better entry on the trade. Once again looking at the diagram above you can see that the price has started to push up and is about to get to the supply zone we got on the 4-hour timeframe. So at that point, it is time to place our trade.

There are a couple of things you can do here, right? We can put a limit order, which means as soon as the price enters the supply zone, it automatically triggers the trade. And then we're hoping to push down and smash our profit. You could wait for the price to come up a little bit and then start pushing down. You could have a sell stop, which means as soon as the price crosses over this area, it starts the trade. Or you could just wait and see what happens at this level and do a manual execution to sell.

Now confluence is one strategy I always preach, and it is simply having more than one confirmation signal to make the strategy solid. In this strategy also there is one more confluence to it, and it's important.

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.



If you are using trading view, you go to the indicators tab and You want the SVPhD, which is the session volume profile HD, click on that and it will show on your chart. Now looking at the diagram above you can see that we have a high volume in the circle area on the chart.



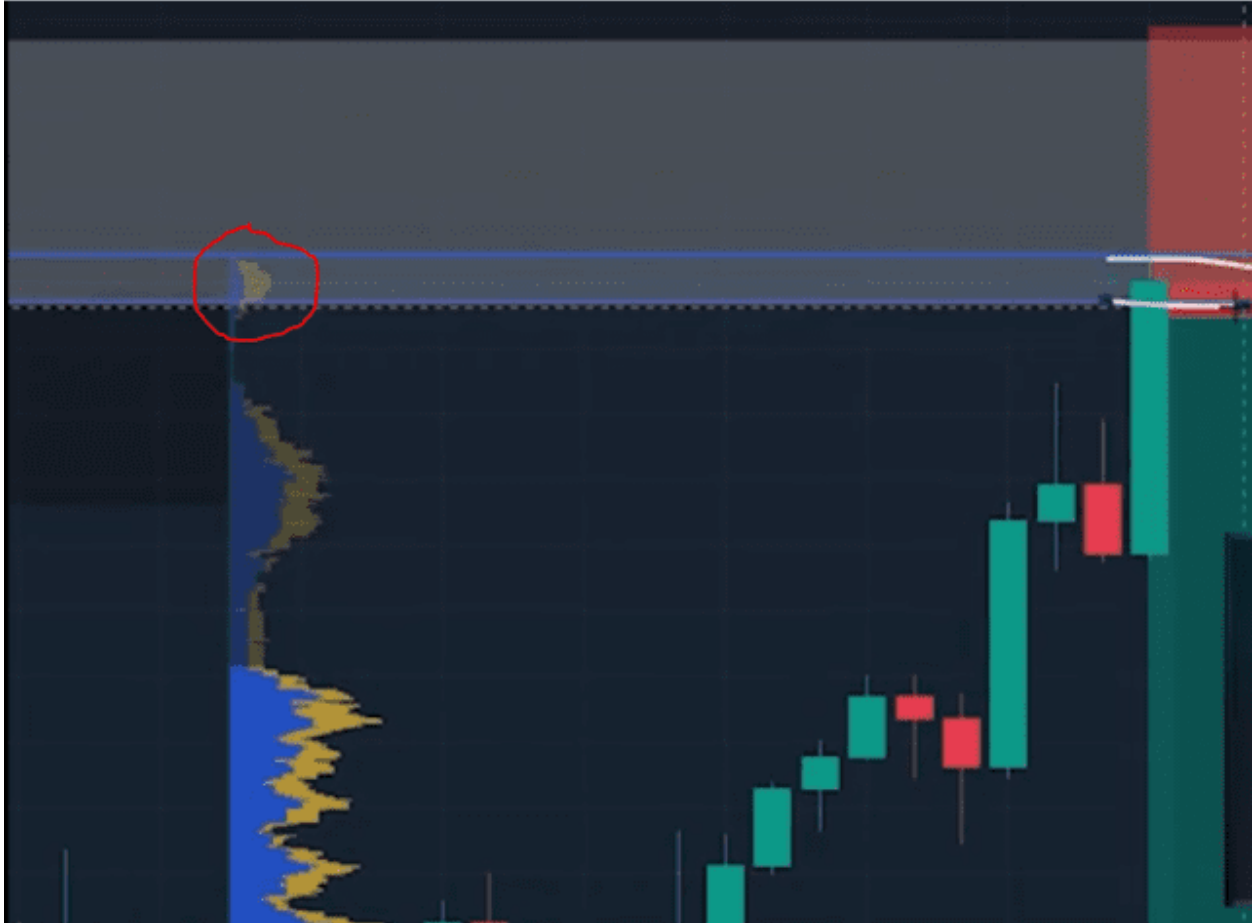
Having a ton of volume in our supply or demand zone is what we want to see when using this swing trading strategy, If there's a ton of volume like we have in the double-circled area of the diagram above, that means there are a ton of orders here. There's a lot of action. People think that this is a good price to sell from.



But when you see something like what is in the diagram above, showing that there's almost no volume here at all, that's a low-volume node. That means there's no resistance. The price is just going to shoot right through that area. This is not good for our strategy.

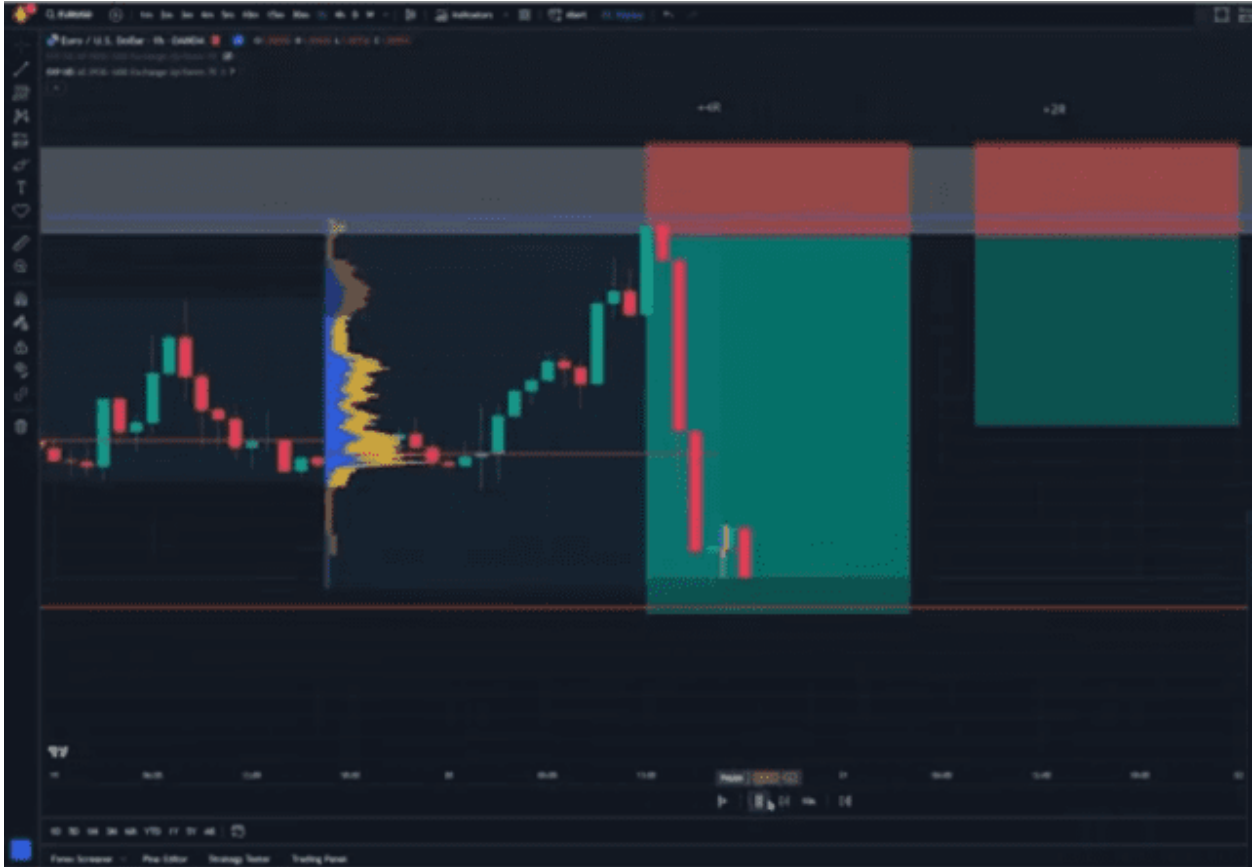


So with the volume, if we look at the diagram, you can see the highest volume is at this area where we got our supply zone, making it valid.



Now if we look closely at this chart above, you can see the volume is also high making it a valid entry point for us to take our trade, because the supply zone we have established is still a high volume area even with price retesting the zone.

So we enter our trade at this level placing our Stop loss just a little above the supply zone and then take profit in the next high volume area, and then we wait for the trade to play out.



From the diagram above you can see that this trade was a success and it was an amazing trade. Do you see how fast that went? We tapped into the high-volume nodes in the areas we identified as having a confluence with our already established supply zone. After which a limit order was set instantly triggering the trade as soon as the price entered our supply zone.



The price shot down, smashing the first take profit at the level circles in the chart above. Now you may want to ask why the first take profit level was set at that point.



The take profit was set at the level shown in the chart above because if you look at the area with a large circle in the chart you will notice there was a lot of consolidation in that area, which makes it likely for the price to return to that area again.

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.



While the second take profit right here was based on this previous price level indicated in the chart above and as you can see in the chart below price also hit the second T.P.

I hope at this point you have been able to properly understand this swing trading strategy and as I always advise every student I teach when learning a new strategy it is important to test it severally using your demo account. Understand the instrument to work with, the timeframes, the win ratio and if the strategy is compatible with your trading attitude.

After mastering and understanding all you need to about the strategy, you can move to using your live account, but as you do, make sure to backtest also on your live account, check your win rates against your losses and also your total profit and loss of a period. This will help you know if you should stick to the strategy or look for a more suitable one.

Now, another thing of note is the fact that most persons who do swing trading are people who don't have all the day to trade and therefore the swing trading strategy suits them. Opportunities that align with your strategies are not easy to come by and you don't want to miss out on them when they eventually come.

The best way to make this easy is to set alerts using alert applications on your phone or web browser. Trading View is one such application which you can use in setting price alerts, although it has some limitations it is free.

This will make it easy for you to jump on opportunities as soon as they present themselves. You can make an analysis on the higher timeframe and identify your supply and demand zones, set your price alert to

This document is the property of dipprofit.com, therefore any attempt to duplicate and reproduce for promotional purpose without the consent of dipprofit.com is illegal and will be penalized.

those zones, so as soon as price retest them, you can be instantly notified and then able to examine the zones for any trade opportunities.

See Also: [Smart Money Concept Trading for Beginners: Learn How the Banks Trade](#)

CONCLUSION

Every trading strategy requires months to years of practice and several back-testing before it becomes a profitable strategy and it's the same for swing trading strategy. In this article, I hope I have been able to do some of the heavy lifting for you by providing some illustrations of the swing trading strategy I have been able to back-test over time.

Swing trading is really easy to implement if you have the proper materials and I hope this article has been able to provide you with a bit more information that will assist your journey to profitable trading. Also, if you have any questions or comments, leave them below the article. Please click the like button and also subscribe to our newsletter to get updates on new articles and information on trading.