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Swing trading is a fantastic way for beginners to get started in the stock market. It's all about taking advantage of short to medium-term price movements, which allows you to adapt to changing market conditions. As the famous swing trader Mark Minervini puts it, "Swing trading offers the flexibility you need to succeed." In this blog, we'll explore the top three swing trading strategies that are perfect for newcomers and explain why swing trading is such a popular choice among traders. Before we understand the three most powerful swing trading strategies and why swing trading is such a popular strategy, first, let's get the basics clear about swing trading. Swing trading is a simple way to trade stocks by taking advantage of price "swings". It's like riding a wave in the ocean – you catch the wave as it goes up and get off before it crashes down. A stock does not go up and down in a straight line. Generally, a stock in an upward trend makes higher highs and higher lows, whereas a stock in a downward trend makes lower highs and lower lows. Here's a basic example: Imagine you're looking at a stock and notice that it has been going up (making higher highs and higher lows) for a while, maybe a few days or weeks. You think, "Hmm, this stock seems on an uptrend. Right?" So, as a swing trader, your target is to buy the stock at its swing low and sell it at its next swing high to pocket the difference between what you bought it for and what you sold it for. That's your profit from swing trading. Swing trading strategies are a well-defined and systematic approach to identify, execute, and manage trades with the goal of profiting from short to medium-term price swings of a stock. It is a set of rules and guidelines for making trading decisions. These swing trading strategies are typically based on technical analysis, which involves studying historical price charts, indicators, and patterns to forecast future price movements. Before we jump into the complexities of swing trading strategies, let's discuss some of the Do's and Don'ts of Swing trading. These guidelines provide a solid foundation for traders looking to navigate the market effectively. **Do's:** 1. **Education is Key:** Before diving into swing trading, take time to educate yourself on technical analysis, market trends, and risk management. 2. **Start Small:** Begin with a small amount of capital to gain experience without risking too much. 3. **Use Stop-Loss Orders:** Always use stop-loss orders to limit potential losses. 4. **Keep a Trading Journal:** Record your trades, including entry and exit points, to analyze your performance. 5. **Stay Disciplined:** Stick to your trading plan and avoid emotional decisions. 6. **Take Breaks:** Avoid overtrading and take regular breaks to prevent burnout. 7. **Stay Informed:** Keep up-to-date with market news and economic events. 8. **Use Technical Analysis:** Rely on price charts and indicators to make informed decisions. 9. **Manage Risk:** Never risk more than you can afford to lose. 10. **Be Patient:** Wait for the right trading opportunities. **Don'ts:** 1. **Don't Trade Based on Emotions:** Avoid making decisions based on fear or greed. 2. **Don't Overtrade:** Too many trades can lead to losses. 3. **Don't Chase the Market:** Avoid buying or selling at the peak or trough of a move. 4. **Don't Ignore Fundamentals:** While technical analysis is key, understanding the company's financial health is also important. 5. **Don't Neglect Your Job:** Swing trading should be a side activity, not a distraction from your primary responsibilities. 6. **Don't Rely on Tips:** Base your decisions on your own analysis. 7. **Don't Trade During High Volatility:** Avoid trading during major market events or news releases. 8. **Don't Forget to Review:** Regularly assess your trading performance and adjust your strategy as needed. 9. **Don't Trade with Leverage:** Using leverage can amplify losses. 10. **Don't Trade with Debt:** Avoid trading if you have outstanding debts. **Technical Analysis:** Technical analysis is a method of analyzing price charts and indicators to identify trading opportunities. It's based on the idea that price moves in predictable patterns. Key indicators include moving averages, RSI, MACD, and Bollinger Bands. **Swing Trading Strategies:** 1. **Breakout Strategy:** Buy when a stock breaks above a resistance level. 2. **Mean Reversion:** Buy when a stock falls below a moving average, expecting it to return to the average. 3. **Momentum:** Buy when a stock shows a strong upward trend. 4. **Support and Resistance:** Buy near support levels and sell near resistance levels. 5. **Volatility:** Trade stocks with high volatility for larger price swings. 6. **Volume:** Look for increased trading volume to confirm price movements. 7. **News Catalysts:** Trade around major news events. 8. **Seasonal Trends:** Look for recurring price patterns based on time of year. 9. **Market Cycles:** Identify the current market cycle and trade accordingly. 10. **Risk Management:** Always use stop-loss orders and position sizing. **Conclusion:** Swing trading is a powerful tool for traders looking to profit from short-term price movements. By following these guidelines and strategies, you can increase your chances of success in the stock market. Remember, trading is a journey, and it's important to stay disciplined and patient. Happy trading!



1. **Swing Trading**: If a stock's price breaks above a swing high, it may continue to rise, indicating a good buy opportunity. Confirmation: Use volume to confirm breakouts. High trading volume during a breakout indicates strong market interest and higher chances of continuation. Reversal trading means buying stocks when they start to change direction, either from a long-term uptrend or a short-term uptrend. A strategy called "early sell" is also used, where traders sell a stock early after a breakout, suggesting a reversal is starting, and sell when the price shows signs of turning down again. This involves watching for signals that the current trend is weakening and a new trend is beginning. Consolidation occurs when the price remains within a tight range, indicating potential for a significant price movement once it breaks out. This happens when a stock is "resting" before making a big move. Practical Use: Patterns: Look for consolidation patterns like wedges, triangles, or cups. For example, a symmetrical triangle pattern often precedes a breakout. Entry Point: Enter trades when the stock price breaks out of the consolidation range. If a stock consolidates between ₹450 and ₹500, buy if it breaks above ₹500. Using these swing trading strategies, you can effectively navigate the stock market's fluctuations and maximize your profits. Each strategy offers unique advantages, so experiment with different methods to find what works best for you. Swing trading and day trading differ primarily in the holding period and time commitment. Swing traders hold positions for several days to weeks, aiming to capture medium-term price movements. They typically spend less time monitoring the markets than day traders, who enter and exit multiple trades within a single day, requiring constant attention. While day trading offers the potential for quicker gains, it can be more stressful and time-consuming. In contrast, swing trading provides more flexibility and can be less intense, though it still requires a solid strategy and market analysis. Swing trading and long-term position trading vary in investment horizon and strategy. Swing traders focus on capturing short to medium-term gains and use technical analysis to identify entry and exit points. They are more concerned with market trends and price action over days or weeks. Long-term position traders, on the other hand, hold positions for months or even years, relying more on fundamental analysis and the overall growth potential of an asset. While long-term trading offers stability and can be less active, swing trading provides more active involvement. Remember, the key to success in swing trading is discipline, patience, and a clear understanding of market conditions. Reversal trading is a strategy where traders enter a trade when the price shows signs of reversing a trend. This can be done by identifying a trend and then looking for a reversal signal, such as a change in momentum or a change in the trend line. Reversal trading can be done in both uptrends and downtrends. Bottom, which suggests resistance and support levels, respectively. The Cup and Handle pattern is a bullish continuation indicator, while Flags and Pennants represent short-term consolidation before a continuation in the trend's direction. Triangles—ascending, descending, and symmetrical—highlight areas of potential breakouts, providing traders with cues on whether to enter or exit positions. Understanding these patterns allows traders to make more informed decisions and better time their trades, ultimately enhancing their strategy's effectiveness. Swing trading offers several benefits, making it an attractive strategy for many traders. Here are some key advantages: 1. Flexibility: Swing trading can be done part-time, making it ideal for those who have other commitments. 2. Potential for High Returns: Swing traders can achieve significant gains over a relatively short period by capturing short-term price movements. 3. Less Stressful: Unlike day trading, swing trading doesn't require constant monitoring of the market. You can set your trades and check them periodically. Overall, swing trading is one of the most profitable strategies in the stock market, especially for those who want to balance trading with other activities. While swing trading can be highly profitable, it is not without risks. Here are some potential downsides to be aware of: 1. Overnight Risk: Holding positions overnight can be risky due to after-hours news or events that can cause significant price changes. 2. Requires Discipline: Successful swing trading requires sticking to your strategy and not letting emotions drive your decisions. 3. Potential for Larger Losses: If a trade goes against you, the losses can be larger compared to day trading due to the longer holding period. Yes, swing trading can be highly profitable when executed with a proper strategy. The key to success is selecting the best swing trading strategy, managing risks, and analyzing trends effectively. Traders who follow disciplined risk management and technical analysis often find swing trading to be a rewarding strategy. If you're new to swing trading, start with a demo account to practice your strategy before committing real money. Remember, the key to success in swing trading is discipline, patience, and a clear understanding of market conditions. Reversal trading is a strategy where traders enter a trade when the price shows signs of reversing a trend. This can be done by identifying a trend and then looking for a reversal signal, such as a change in momentum or a change in the trend line. Reversal trading can be done in both uptrends and downtrends. Bottom, which suggests resistance and support levels, respectively. 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LTCOs of 12.5% without indexation.Taxation on mutual funds can be complex if you are not familiar with financial terms and calculations; however, it may not be as complicated as you consider if you consider the holding periods and type of assets you invest in. Another fundamental rule is that the longer you stay invested for the longer you defer the liability to pay taxes. Hence, it becomes more tax-efficient. Taxes on short-term investments are higher than those on long-term investments.How do you calculate tax on mutual funds?Tax on mutual funds depends on the type of asset class and holding period. Only ELSS funds qualify for a tax deduction of ₹1,50,000 under section 80C.How much income from a mutual fund is tax-free?Long-term capital gains for equity-oriented schemes are tax-free up to a limit of 1.25 lakhs per annum. In the Union Budget 2024, the exemption limit has been increased from ₹1 lakh to 1.25 lakh.Is SIP in mutual funds tax-free?No, SIPs (systematic investment plans) in mutual funds are not tax-free. The taxation depends on the type of mutual fund you invest in and the duration of your investment. Tax implications apply to each SIP installment individually based on the holding period.Tags: capital gainsinvestingtaxation If you hope to become a profitable swing trader, you need to begin by understanding the swing trading basics; and that's what we're going to provide in this beginner guide to the best swing trading strategies. Sure – a swing trading tool like VectorVest can essentially pick winning trades for you and eliminate most of the work on your end. It provides you with a clear buy, sell, or hold recommendation for any given stock – but where do these recommendations come from? VectorVest uses mathematical models to follow trends & patterns and make accurate predictions – which is something you need to know how to do on your own, too. Using technical analysis to make predictions and time the market effectively will make or break your success with swing trading. That's why today, we're going to cover swing trading for beginners. In this short guide, you'll learn how to do swing trading and how the best investment apps for beginners can be your saving grace in winning more trades with less work. What Exactly Is Swing Trading Strategy? First and foremost, what is swing trading? Swing trading is a stock investment strategy in which a trader seeks to take advantage of "swings" in a stock's price. It falls between day trading and long-term investing. Swing traders typically execute their trades over the course of a few days – or at most, a few weeks. While swing traders may earn smaller returns per trade than long-term investors, these quick wins stack up over time and can outweigh the returns long-term investors earn. You're also able to get in and out of the market with proper timing to avoid big drops. And, because you only execute a few swing trades per week – you don't get stuck in front of the screen as much as you do with day trading. Swing trading is less time-consuming, less risky, and maximizes profit potential as compared to day trading or long-term investing. As such, it is one of the most common trading strategies in the investment world today. Let's give you the basics behind any swing trading strategy. Comparison With Day Trading and Long Term Investing The strategy swing traders use varies greatly from long-term investors who look to attain large chunks of profit per trade. The strategy also differs from day traders who get in and out of their trades on the same day. Because a swing trade is executed over the course of a few days, you can take smaller profit margins – between 5-10%. You'll execute more trades over the course of a year than a long-term investor, so these smaller wins add up in the big picture. Because your profit margins are smaller, it's important to minimize the losses. Too many losses will quickly whittle away your profit over the course of a month. The good news is that swing trading isn't a risky approach to investing. If you follow our advice below, you'll minimize losses and enjoy a lucrative career as a swing trader. You can learn more about this in our comparison of day trading vs swing trading or building a stock portfolio for retirement. Otherwise, let's look at the pros and cons of swing trading below. The Benefits of Swing Trading Strategies There's quite a few reasons this is one of the most popular investment strategies for those seeking supplemental income and long-term capital appreciation: Optimal Time Efficiency: Swing trading strikes a balance between the rapid-fire nature of day trading and the slow-paced approach of long-term investing. By holding positions for several days to a few weeks, swing traders can make thoughtful decisions without the constant screen time required by day trading. Enhanced Profit Potential: While individual profits per trade might be smaller compared to long-term investments, the frequency of trades allows these gains to accumulate, potentially leading to substantial overall returns. Reduced Market Exposure: Swing traders aren't as exposed to the overnight risks that affect day traders, nor do they face the long-term uncertainties that long-term investing do. This limited exposure helps in managing risk, especially during volatile market periods. Flexibility in Market Conditions: Swing trading is adaptable to both bullish and bearish market conditions. Traders can capitalize on 'swings' or price fluctuations within these broader trends by going long or short, thus not being strictly dependent on market upswings. Strategic Risk Management: By using stop-loss orders and setting clear profit targets, swing traders can effectively manage risk, ensuring that losses are minimized and gains are preserved. Drawbacks to Consider Any strategy has its downsides and risks, and swing trading strategy is no exception. Here are a few things to be aware of: Requires Active Management: Unlike long-term investments that can be more 'set and forget,' swing trading requires consistent monitoring and analysis to time the market correctly. This can be time-consuming and demands a higher level of engagement. Increased Transaction Costs: Frequent trading associated with swing trading strategies can lead to higher transaction costs, including commissions and fees. These costs can accumulate quickly and reduce overall profitability. Market Timing Challenges: Swing trading relies heavily on the ability to accurately predict market movements. Incorrect predictions can lead to losses, and the required precision in timing entries and exits adds complexity. Don't worry – we'll show you how to time the market today, including how you can automate your entry and exit strategies with the best stock analysis app! Emotional Stress: The shorter holding period and the necessity for frequent decision-making in swing trading can heighten emotional stress. Managing these pressures without letting emotions influence trading decisions is crucial but challenging. Again, using the best stock research sites can help remove human error and emotion from your decision-making process. Potential for Overtrading: With the allure of capturing profits from short-term market movements, there is a risk of overtrading. This can not only increase exposure but also lead to decision fatigue, where the quality of trading decisions may deteriorate over time. All in all, swing trading strategy is a powerful approach to investing – one you should try yourself to see if it's right for you. We'll cover the basics below before getting in the advanced swing trading strategies you can employ. Overview of Swing Trading for Beginners: How to Swing Trade Step-by-Step This quick beginners guide will provide you with an introduction to getting started – but it is not a comprehensive swing traders guide. It is worth investing in a course or program if you want to understand the principles. With that said, you can execute your first trade today – in complete confidence – with stock prediction software. This eliminates the need to really understand technical analysis – which we'll talk about more in-depth later on. Let's begin with a discussion on risk tolerance and goal setting. Set Your Goals & Determine Your Risk Tolerance Start by setting realistic goals and determine the risk you can handle. These goals and risk levels should be specific to you – don't just take other people's advice. Here are a few stances you can take: Conservative (low risk, moderate reward) Prudent (moderate risk, medium reward) Aggressive (high risk, high reward) Speculative (very high risk, very high reward) Your risk tolerance may change over time – maybe you're aggressive now but after a few heavy losses, you'll find yourself investing more conservatively. Or, perhaps you're very conservative now – but as you start to earn substantial, consistent profits through your trades, your confidence will rise. After these initial wins, you will realize you're capable of being successful through swing trading. You'll trust yourself and your investing strategy more, and thus, get more aggressive and take bigger swings. Your risk tolerance will dictate the types of stocks you buy – and it also dictates the type of swing trading strategies you employ. If you're a highly speculative trader, you may buy more volatile stocks that a conservative trader wouldn't touch. Similarly, you wouldn't waste your time or energy with conservative stocks that yield lower returns. And, a speculative trader will get into stocks earlier than a conservative trader – who may need to see more validation of price swing before they enter their position. Once you've determined the approach you're going to take to finding stocks and executing trades, it's time to actually do it. Set Yourself Up For Success With The Right Stock Prediction Software Fortunately for you, investing is easier than it has ever been. Through mathematical models, you don't even have to conduct technical analysis yourself anymore. Why not let a stocks software do all the heavy lifting so you can just pick your swing trading stocks, find your entrance and exit points, and cash out? That's exactly what VectorVest does. It's a simple approach to investing. Unlike any other software out there to date, it can accurately time market upswings and downswings. We take all emotion out of investing and use mathematical models to deliver three metrics for you: Value, Safety, and Timing. These three metrics consolidate all the best stock indicators you're familiar with, so you don't have to stress about the best macd settings or traditional fundamental vs technical analysis. With just these three metrics, you can make wise investment decisions that pay off. We take things even a step further, though. Based on this VST rating, we can recommend that you either buy, sell, or hold it. You'll also gain detailed breakdowns of the stock – explaining how we arrived at our recommendation. Like we said – trading with VectorVest will transform the strategies you use. Try the best stock picker and see for yourself what a difference it can make. Set Stop Losses & Take Profit Orders You don't have to sit in front of your screen throughout market hours waiting for the perfect time to get into a stock or sell a stock. The beauty of swing trading is the low time commitment required. You can set your stop loss as soon as you get into a stock. This is to mitigate your risk to a certain point. When a stock drops below a determined price point, you will sell off all or some of your position. That way, you know exactly how much you could lose on a trade. Similarly, you can set a take-profit order. When your stock's price rises above a set threshold, you'll sell all or some of your position to secure that profit. Keeping consistent stop loss/take profit orders will ensure a successful, well-managed trading strategy. If you want a more hands-on approach – and want to be the one to push the button and either sell off your position – you can set alerts for specific prices. Monitor Your Position Over The Course Of A Few Days & Exit If your stop-loss or take-profit orders don't fire, you can manually close your position after a few days depending on your swing trading strategy. Sometimes the price will go stagnant – and because you're not a long-term investor, you'll want to get out and move those funds into the next opportunity. Build Your Portfolio Slowly & Diversify Once you have begun implementing these strategies to find stocks that fit your investing style, you can slowly add stocks to your portfolio. You'll want to build your portfolio slowly over time. You should also remember to diversify your portfolio. While your specific style and strategy may bring up many of the same industries/stock types, putting all your eggs in one basket is a surefire way to feel industry-specific downturns. Over time, you want to build up a diverse portfolio where no single stock takes up more than 10% of your capital. The Best Swing Trading Strategies: Advanced Methods for Earning More Profits Now, before we wrap this guide up we want to cover some of the best swing trading strategies for more advanced traders who are looking to push the limits of their potential. Fibonacci Retracement This technical analysis tool is based on the idea that markets will retrace a predictable portion of a move, after which they will continue to move in the original direction. By plotting Fibonacci levels between the high and low of a price chart, traders can identify potential reversal levels. This is particularly useful in swing trading for setting entry points during pullbacks and determining optimal exit points during recoveries. Support and Resistance These are fundamental concepts where prices historically tend to stop and reverse. Swing traders look for price patterns that oscillate between support and resistance levels, buying near support with stop-loss orders placed just below this point and selling near resistance or setting short positions with stops just above this level. Recognizing these zones can help traders capitalize on price rebounds or retreats within a larger trend. Breakout Swing Trading Strategy Often used in markets that exhibit tight trading ranges or consolidation patterns, this strategy involves entering a trade when the price moves beyond a defined resistance (for buys) or support level (for sells) with increased volume. This suggests a potential continuation of the trend. Swing traders use breakouts to capture quick movements in price, adjusting stops to lock in profits as the trade progresses. Learn more about trading ranges in our blog. Breakdown Swing Trading Strategy This is the bearish counterpart to the breakout strategy. Traders look for prices to break below support levels, which can signal the start of a downward trend. Short selling on a breakdown can be profitable in bearish market conditions, particularly when coupled with high trading volumes and bearish market news that may fuel the downtrend. Bollinger Bands A statistical chart characterizing the prices and volatility over time using a formulaic method without requiring subjective input, unlike other indicators. The bands adjust themselves to current market conditions. When the market becomes more volatile, the bands widen. Conversely, the bands contract during less volatile periods. Swing traders often use these bands to identify overbought or oversold conditions. Buying when the price hits the lower band and selling at the upper band can provide opportunities for quick profits. Trend-catching Strategy This strategy involves identifying the primary trend and entering trades that align with this direction. It's based on the principle that securing gains in a major trend is more probable than betting against the trend. Traders use moving averages, trend lines, and other indicators to confirm the trend before entering trades to 'catch' the trend at optimal points. Fading Trading Strategy This contrarian strategy involves betting against the prevailing trend in the expectation that the trend will reverse. It is risky and requires precise timing and often relies on identifying potential exhaustion points where a trend might start to lose momentum. Tools such as the Relative Strength Index (RSI) or other momentum indicators are often used to identify overbought or oversold conditions that may precede a reversal. Using VectorVest As we've said throughout this guide, using VectorVest simplifies the process of identifying viable trading opportunities by evaluating stocks using a proprietary system that rates stocks for value, safety, and timing. Of all the best swing trading strategies, this is our recommendation. For swing traders, VectorVest's tools can highlight current undervalued stocks that have strong upside potential and optimal entry and exit points, thus maximizing the chance for profits on swings in stock prices. Wrapping Up Our Guide To the Best Swing Trading Strategies For Beginners We've covered the basics around swing trading, and discussed swing trading strategy. We even walked you through how to do swing trading and execute your first trade. So, it's time to wrap up our guide to swing trading for beginners. You can learn swing trading more in our blog. We have swing trading tips like how to find stocks to swing trade, how long is a swing trade, how to buy the dip, when to buy stocks, when to sell stocks, investing after retirement, blue chip investing, how to pick a stock, and more. Swing traders can make their job as simple or as difficult as they like. If you truly enjoy reading through the charts yourself and employing different swing trading strategies, more power to you. But these days, it can be as easy as pulling up our top searches, vetting them yourself, and identifying your entrance and exit points. We'll tell you what to buy, when to buy it, and when to sell it. It's really that simple – all you have to do is trust our process and realize profits. Sounds good? Head over to our site to start your free trial for our stock advisory today. There is one rule the market always follows. No matter how strong a trend higher or lower is, price will always have swings. For example; if price is in a strong trend higher, price will still make swings back lower before continuing on with the trend. As a swing trader you can take advantage of these swings by making entries at the best areas and profiting from the next swing in the market. In this post we go through exactly what swing trading is and how you can use it to find profitable trades. Note: You can download your Free Swing Trading Strategies PDF Below. What is Swing Trading? When swing trading you are looking to profit from the next swing higher or lower in the market. Whilst a lot of swing traders will be using higher time frames such as the 4 hour time frame and above, you don't have to be using higher time frames to be a swing trader. Swing trading is trading the 'swings' and you can do this on any time frame. The other misconception is that swing trading can only be done in trending markets. Whilst a trending market is a lot more favorable to swing trading, you can still use a range to swing trade from the range highs and lows. As a swing trader your goal is to find profitable trades and ride the next swing or wave in the market. See the example chart below. Price is in a clear uptrend. You don't want to enter at the top of the trend so you wait for price to make a swing lower where you can then enter a long trade. You can then profit as price swings back higher inline with the strong trend. What are the Advantages of Swing Trading? Swing trading is definitely not for everyone. Unlike scalping or breakout trading you will have to have more patience and you will not have as many trading opportunities. Swing trading however can offer you the ability to find very high probability trade setups. It can also offer you the chance to enter large reward trades. These trades will often be with the trend. Because the trend can at times continue running for long periods of time you can be making swing trades that run in your favor for long periods giving you very large risk reward winning trades. Swing trading can also be carried out on many different time frames and as long as the market or Forex pairs is liquid, then it is suitable for swing trading. Swing Trading Basics Swing trading is one of the most simple and basic forms of trading. At its simplest you are looking to make a trade from one swing point and ride the wave higher or lower for a profit. For an example see the chart below. Price is in a trend lower. As a swing trader you are looking for price to make a swing high within this trend to give you a chance to make a short trade. When price makes a swing high you can enter this short trade and start riding the wave back lower. Swing Trading Simplified The two most common questions with swing trading are; #1: How to identify a trend? #2: How to identify a swing point? Whilst there are many different methods and strategies to do both of these things, the simplest is using a moving average crossover. Using a moving average crossover such as the 50 EMA and 200 EMA crossover will show you when a trend has begun and also how strong the trend is. You can also use the 200 EMA (exponential moving average) as a dynamic support or resistance level to find swing highs and swing lows. The chart below is an example of how you might do this. First the shorter period 50 EMA crosses above the longer term 200 period EMA showing us there is a new trend higher. The EMA's also begin to widen showing us that the trend higher is getting stronger. Using the 200 EMA we can then look for the times that price pulls back lower to test the longer term moving average and makes a swing low to get long inline with this trend higher. Profitable Swing Trading Strategies The other simple swing trading strategy that involves no indicators and uses only raw price action is looking for swing highs or lows at key support and resistance levels. This is an extremely popular strategy because of how often this pattern continues to repeat itself and time again. The chart below shows how this pattern works. First you see that price is in a trend lower and has found a support level. You then see price breakout lower and through this level. When price makes a swing higher you are looking to see if this old support level will act as a new role reversal and swing high resistance level. This is the level you will look for potential short trades. How to Master Swing Trading Swing trading is not suited to all traders and it is definitely not going to be mastered in a weekend of back testing. This strategy will take a lot more work than using indicators or a strategy that is more automated. With that said, if you want to trade higher time frames, find high probability trades and make trades that have the chance to be very high reward, then swing trading is for you. If you want to start testing out swing trading strategies, then the best thing to do is download some free demo trading charts and test out different methods, markets and time frames to see what works best for you. Note: You can download your Free Swing Trading Strategies PDF Below.