THE 9:20 AM "BREAKFAST" STRATEGY

A Top-Down Sectoral Approach to High-Probability Intraday Trading

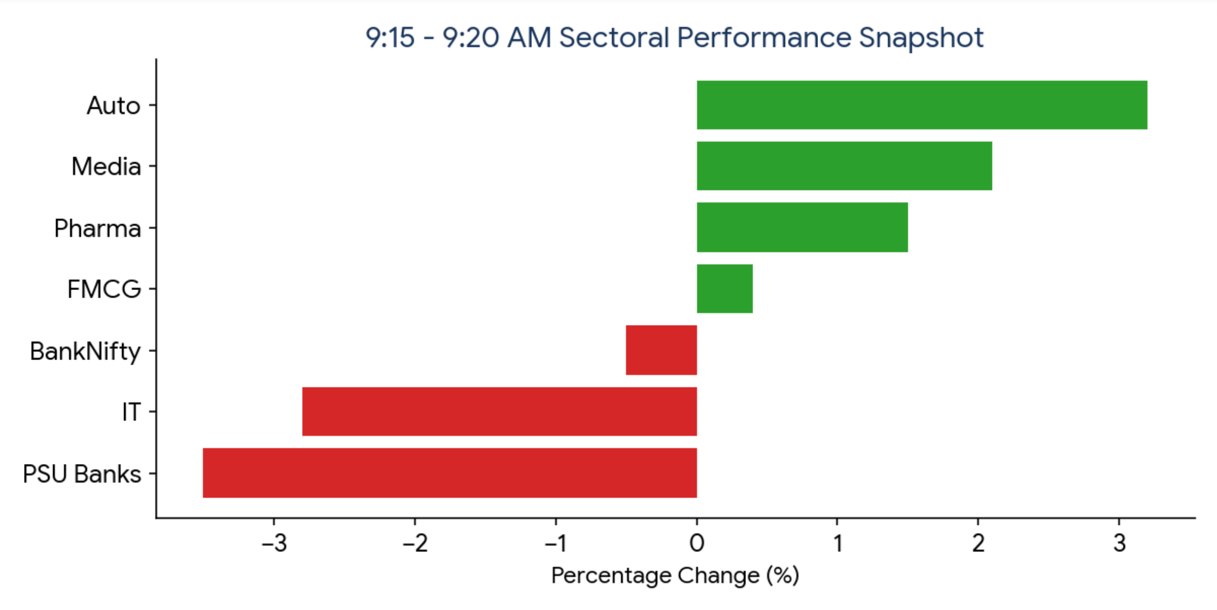
Overview & Philosophy

The core philosophy behind this strategy is simplicity and speed. Rather than cluttering the screen with multiple indicators like RSI, Moving Averages, or Bollinger Bands, this methodology relies purely on **market momentum** and **sectoral strength**. The goal is to capture a rapid 1% movement in the first 10 to 15 minutes of the trading day, allowing for an early exit.

When trading in the opening minutes, demand and supply dynamics are most volatile. By aligning with the day's dominant sectoral flow, the probability of a successful, rapid directional move increases significantly.

Phase 1: Sectoral Filtering (9:15 AM – 9:20 AM)

The process begins the moment the market opens at 9:15 AM. For the first five minutes, no trades are executed. Instead, this time is used to observe the broader market sentiment via a sectoral heatmap.



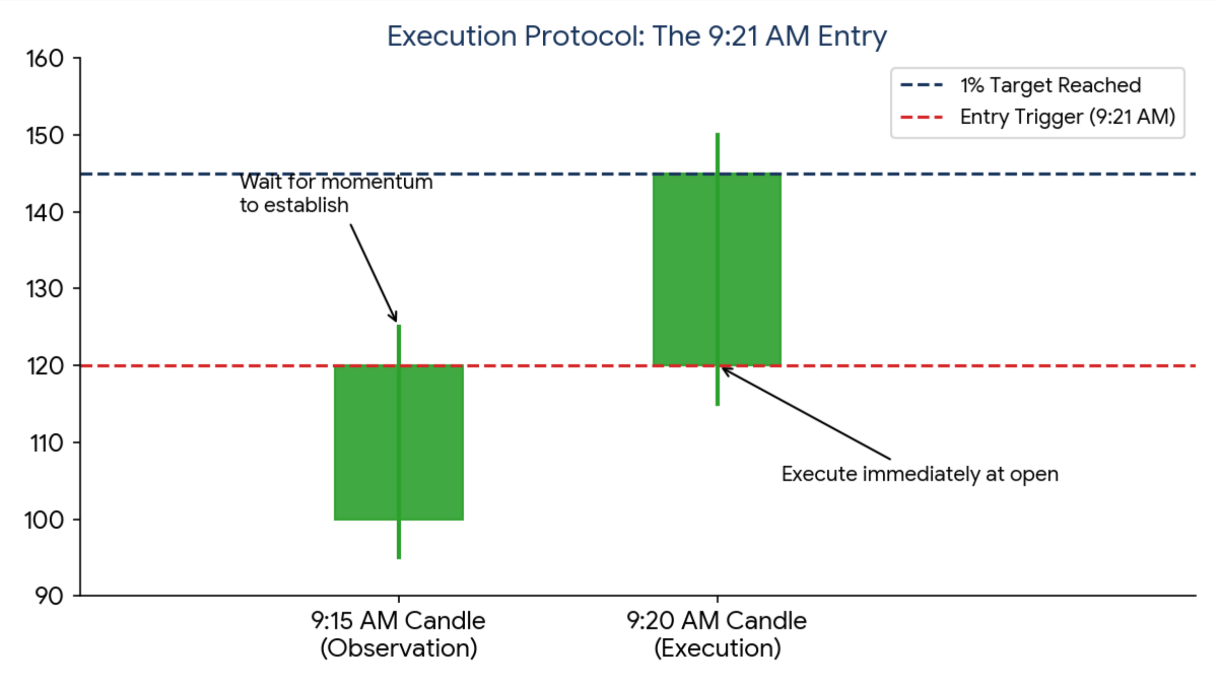
Identify the sector showing the strongest momentum. If the overall market is positive, look for the highest-gaining sector (e.g., Auto). If the market is bleeding, identify the top-losing sector (e.g., IT) for short-selling opportunities.

Phase 2: Stock Selection & Execution

Once the leading sector is identified, drill down into that sector's constituents to find the highest-performing stock by percentage gain.

> **Critical Constraint:** The chosen stock must **not** have surged more than 5% within the first five minutes. A sudden 5% gap or surge invites immediate profit-booking, heavily increasing the risk of a reversal.

With the target stock selected, execution is highly mechanical. There is no waiting for candle closes or indicator crossovers.



At exactly **9:21 AM**—the opening tick of the second 5-minute candle—the entry order is placed at market price.

Risk Management & Target Matrix

The strategy utilizes a strict 1:1 risk-to-reward ratio on the equity chart. Position sizing is critical, as intraday margin limits (up to 5x) are typically leveraged to maximize the absolute return on the short holding period. Targets should be dynamically adjusted based on broader market alignment (Nifty 50).

Nifty Trend	Sector Trend	Direction	Target	Stop Loss
Positive	Positive	Long	**1.0%**	1.0%
Negative	Positive	Long	**0.5%**	1.0% (or match 0.5%)
Negative	Negative	Short	**1.0%**	1.0%

Options & Algorithmic Integration

Executing via Index or Stock Options

While the analysis is exclusively conducted on the cash/equity chart, execution can be seamlessly transferred to At-The-Money (ATM) options. If the equity chart triggers a long signal, buy the ATM Call. If a short signal, buy the ATM Put. **Do not analyze the option chart.** The exit trigger for the options trade occurs the exact moment the underlying equity hits its 1% target or stop loss.

Systematizing for Custom Trading Dashboards

Because this ruleset is strictly mathematical and time-bound, it translates flawlessly into automated scanner algorithms. When coding broker API integrations, scanners can be configured to ping the NSE server at 9:19:45 AM, calculate the highest percentage change across predefined sectoral index arrays, cross-reference the top constituent stock, and filter out any ticker exceeding a 5% variation threshold.

This simplicity is highly effective for content creation as well; explaining these clean, logic-based setups provides high-value, reproducible educational content for trading audiences across video platforms and real-time messaging communities. The lack of lagging indicators ensures the methodology remains accessible yet mathematically sound.