



# 7 BEST INDICATORS FOR INTRADAY TRADING

Settings, Entry Rules, Stop-Loss, Targets & Practical Trading Strategies

A practical guide to using complementary technical indicators with price action, volume and risk management.

# How to Use This Intraday Guide

Intraday indicators help traders study price direction, momentum, volatility, trading activity and potential support or resistance. No single indicator should be treated as a guaranteed buy or sell signal. The objective is to combine a small number of complementary tools with price action and disciplined risk management.

## Recommended Chart Approach

Use an intraday candlestick chart and keep the chart clean. Select a timeframe that matches the trading plan. Confirm the broader short-term direction before acting on an indicator signal.

## Important Principle

Entry, stop-loss and target should be defined before taking a trade. This guide describes **where** these levels should be placed on the chart rather than giving fixed numerical examples.

|                  |                                                                                                                                                                                      |
|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Entry</b>     | At the price-action confirmation area where the indicator conditions and market structure support the trade direction.                                                               |
| <b>Stop-loss</b> | At the chart level where the trade setup becomes invalid, such as beyond the relevant swing point, indicator-based support/resistance or the confluence area specified by the setup. |
| <b>Target</b>    | At the next meaningful support/resistance, pivot, band or price-action level in the trade direction, while maintaining an acceptable risk-reward relationship.                       |

## 1. VWAP

VWAP (Volume Weighted Average Price) shows the average traded price based on price and volume during a trading session.



## Recommended Intraday Setting

Session VWAP. Keep the standard session-based VWAP available throughout the trading session.

## How to Read It

Price above VWAP shows price is above the session's volume-weighted reference; price below VWAP shows the opposite. Look for price-action confirmation and supporting volume.

|                       |                                                                                                          |
|-----------------------|----------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b>  | Price holds above VWAP and confirms a bullish structure, preferably with supporting volume.              |
| <b>Bearish setup</b>  | Price remains below VWAP and confirms a bearish structure, preferably with supporting volume.            |
| <b>Entry location</b> | After a confirmed breakout/reclaim or rejection around VWAP, with price action supporting the direction. |

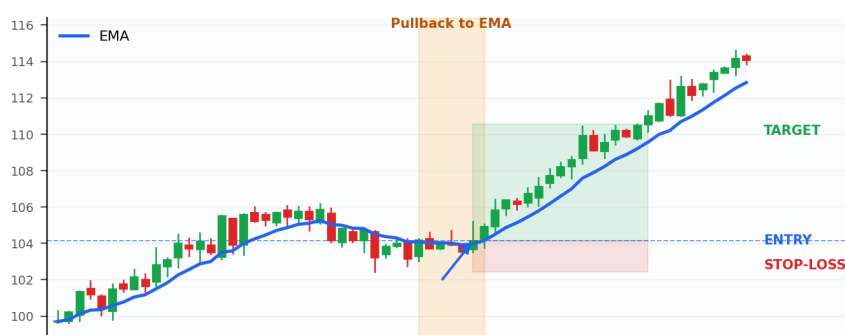
|                           |                                                                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Stop-loss location</b> | Beyond the relevant swing point or the VWAP setup invalidation area. If VWAP overlaps another support/resistance feature, place the SL beyond the confluence area where the setup is invalidated. |
| <b>Target location</b>    | At the next meaningful resistance for a long trade or support for a short trade, or at the next clearly defined price-action objective.                                                           |
| <b>Avoid / caution</b>    | Choppy price repeatedly crossing VWAP without directional confirmation or adequate volume.                                                                                                        |

## Practical Use

Combine VWAP with Volume and price action. VWAP gives price context while volume shows participation.

## 2. Moving Average

Moving Averages smooth price data and help identify the general direction of a short-term trend. EMA reacts faster to recent price changes than SMA.



## Recommended Intraday Setting

For a practical intraday trend setup, use a short-term EMA suited to the selected timeframe. The exact period should be chosen according to the trading plan and instrument rather than treated as universal.

## How to Read It

Price position relative to the moving average, its slope and the surrounding price structure are more useful than a crossover alone.

|                           |                                                                                                                                                      |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b>      | Price is above the moving average and the moving average supports the short-term upward structure.                                                   |
| <b>Bearish setup</b>      | Price is below the moving average and the moving average supports the short-term downward structure.                                                 |
| <b>Entry location</b>     | After price confirms the trend around the moving average through a breakout, pullback or rejection with price-action confirmation.                   |
| <b>Stop-loss location</b> | Beyond the recent swing high/low or the moving-average setup invalidation area. Do not place the SL merely because price touches the moving average. |
| <b>Target location</b>    | At the next visible resistance/support or a clearly defined price-action objective in the direction of the trade.                                    |
| <b>Avoid / caution</b>    | Flat moving average, repeated crossovers and range-bound conditions.                                                                                 |

## Practical Use

Combine a Moving Average with RSI so the moving average provides trend context while RSI provides momentum information.

## 3. Relative Strength Index (RSI)

RSI is a momentum indicator ranging from 0 to 100. It is commonly used to assess momentum and overbought/oversold conditions.



## Recommended Intraday Setting

Standard RSI with the conventional overbought and oversold reference zones. Use the selected chart timeframe consistently.

## How to Read It

Do not treat an overbought or oversold reading as an automatic reversal. Strong trends can keep RSI elevated or depressed. Look for momentum confirmation, price structure and divergence where relevant.

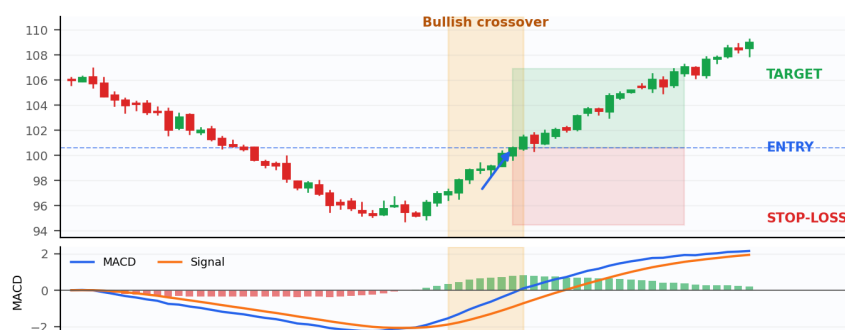
|                           |                                                                                                                                                              |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b>      | Momentum supports the upside and price action confirms the bullish structure; an RSI recovery can add confirmation.                                          |
| <b>Bearish setup</b>      | Momentum supports the downside and price action confirms the bearish structure; an RSI decline can add confirmation.                                         |
| <b>Entry location</b>     | Only after price action confirms the direction. For reversal-style setups, wait for confirmation rather than entering solely because RSI reaches an extreme. |
| <b>Stop-loss location</b> | Beyond the price-action swing point that invalidates the momentum setup. RSI should generally be confirmation rather than the sole SL location.              |
| <b>Target location</b>    | At the next meaningful price-action resistance/support or other predefined market-structure objective.                                                       |
| <b>Avoid / caution</b>    | Using overbought/oversold readings alone as reversal signals, especially during strong trends.                                                               |

## Practical Use

Combine RSI with a Moving Average so trend and momentum are assessed together.

## 4. MACD

MACD (Moving Average Convergence Divergence) is a trend and momentum indicator using the MACD line, signal line and histogram.



### Recommended Intraday Setting

Common MACD setting: 12, 26, 9. These are periods based on the selected chart timeframe, not automatically days.

### How to Read It

Use the crossover, histogram and price structure together. A crossover alone can be delayed or unclear in sideways markets.

|                           |                                                                                                                                       |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b>      | MACD and histogram support improving bullish momentum, preferably with price structure confirming the direction.                      |
| <b>Bearish setup</b>      | MACD and histogram support weakening/bearish momentum, preferably with price structure confirming the direction.                      |
| <b>Entry location</b>     | After a crossover or momentum shift is confirmed by price action and market structure rather than immediately on the crossover alone. |
| <b>Stop-loss location</b> | Beyond the relevant swing point or price-action structure that invalidates the MACD signal.                                           |
| <b>Target location</b>    | At the next significant support/resistance or price-action objective.                                                                 |
| <b>Avoid / caution</b>    | Sideways markets with frequent crossovers and weak price structure.                                                                   |

### Practical Use

Use MACD with price action. MACD provides momentum/trend-change context while price action provides market structure.

## 5. Bollinger Bands

Bollinger Bands help traders understand market volatility through a middle band and upper/lower volatility bands.



## Recommended Intraday Setting

Standard Bollinger Bands with the commonly used middle moving average and volatility-based upper/lower bands. Keep the setting consistent with the selected strategy.

### How to Read It

Widening bands indicate increasing volatility; contracting bands indicate lower volatility. A squeeze shows lower volatility but does not predict the direction of the eventual move.

|                           |                                                                                                                                            |
|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b>      | A bullish breakout or rejection is stronger when price action and volume support the move. A lower-band touch alone is not a buy signal.   |
| <b>Bearish setup</b>      | A bearish breakout or rejection is stronger when price action and volume support the move. An upper-band touch alone is not a sell signal. |
| <b>Entry location</b>     | After price confirms a breakout/rejection or a clearly defined price-action setup around the bands.                                        |
| <b>Stop-loss location</b> | Beyond the relevant swing point or beyond the band/setup invalidation area, depending on the strategy.                                     |
| <b>Target location</b>    | At the next meaningful support/resistance or price-action objective rather than automatically targeting the opposite band.                 |
| <b>Avoid / caution</b>    | Low-quality squeezes without confirmation, weak volume, or treating band touches as automatic reversal signals.                            |

### Practical Use

Combine Bollinger Bands with Volume to add participation context to volatility and price movement.

## 6. Volume

Volume shows the level of trading activity during a period and helps traders judge participation behind price movements.



## Recommended Intraday Setting

Use the standard volume histogram supplied with the chart. Compare current activity with recent volume to identify unusually strong participation.

### How to Read It

A price move accompanied by higher-than-usual volume can provide stronger confirmation of participation.

|                      |                                                                                                                   |
|----------------------|-------------------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b> | An upside move accompanied by higher-than-usual volume can provide stronger confirmation of buying participation. |
|----------------------|-------------------------------------------------------------------------------------------------------------------|

|                           |                                                                                                                                              |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bearish setup</b>      | A downside move accompanied by higher-than-usual volume can provide stronger confirmation of selling participation.                          |
| <b>Entry location</b>     | Enter after price confirms the move and volume supports the breakout or continuation rather than entering solely because volume spikes.      |
| <b>Stop-loss location</b> | At the price-action level where the volume-supported setup is invalidated, such as beyond the relevant swing point or failed breakout level. |
| <b>Target location</b>    | At the next meaningful support/resistance or price-action objective.                                                                         |
| <b>Avoid / caution</b>    | Isolated volume spikes without clear price structure. High volume alone does not guarantee continuation.                                     |

## Practical Use

Volume works especially well with VWAP for price context plus participation, and with Bollinger Bands when assessing volatility expansions.

## 7. Pivot Points

Pivot Points provide potential intraday support and resistance levels, usually calculated from the previous session's high, low and close.



## Recommended Intraday Setting

Use the standard daily Pivot Point framework with the central pivot and associated support/resistance levels.

## How to Read It

Use pivots as reference levels and study how price reacts around them. They are not guaranteed reversal levels.

|                           |                                                                                                                                                   |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bullish setup</b>      | Price holds above a relevant pivot level and confirms bullish price structure.                                                                    |
| <b>Bearish setup</b>      | Price holds below a relevant pivot level and confirms bearish price structure.                                                                    |
| <b>Entry location</b>     | After price confirms a breakout, rejection or retest around a pivot level.                                                                        |
| <b>Stop-loss location</b> | Beyond the pivot level or relevant swing point that invalidates the setup. Place the SL beyond actual invalidation, not arbitrarily at the pivot. |
| <b>Target location</b>    | At the next relevant pivot/support/resistance level or a clearly defined price-action objective.                                                  |
| <b>Avoid / caution</b>    | Treating every pivot as a guaranteed reversal level.                                                                                              |

## Practical Use

Combine Pivot Points with price action and volume to confirm how the market reacts around important levels.

## Intraday Trading Checklist

- Market direction identified
- Important support and resistance marked
- Indicator conditions aligned
- Price-action confirmation received
- Entry location defined
- Stop-loss location defined at setup invalidation
- Target location defined before entry
- Risk-reward considered
- Volume/participation checked where relevant
- Trade is not being taken solely because one indicator produced a signal

### Disclaimer

This guide is for educational and informational purposes only and does not constitute investment, trading, financial or legal advice, or a recommendation to buy or sell any security or instrument. Technical indicators are based on historical and current market data and cannot guarantee or predict future prices; a setup can fail even when several indicators appear aligned. Intraday trading involves a high level of risk, and you may lose some or all of your capital. The entry, stop-loss and target guidelines are general chart-location concepts, not personalised advice. Please do your own research and consult a qualified financial advisor before making any trading decision. The author and publisher accept no liability for any loss arising from the use of this material. Charts shown are hypothetical illustrations created for explanation and do not represent actual trades or market data.