

High Tight Flags (HTF) (also known as Powerplays)



HIGH TIGHT FLAG begins with an explosive price move ($\geq 100\%$) in a short period of time (~4-8 weeks). It then corrects sideways (10-25%) for a short duration (~3-6 weeks).

The situation could even be the beginning of an even larger advance

Occurs rarely

Strongest of other patterns

Very Risky, but Highly Profitable

Most Misinterpreted



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Stock makes a massive move $\geq 100\%$ in a short period of time (~4 to 8 weeks)

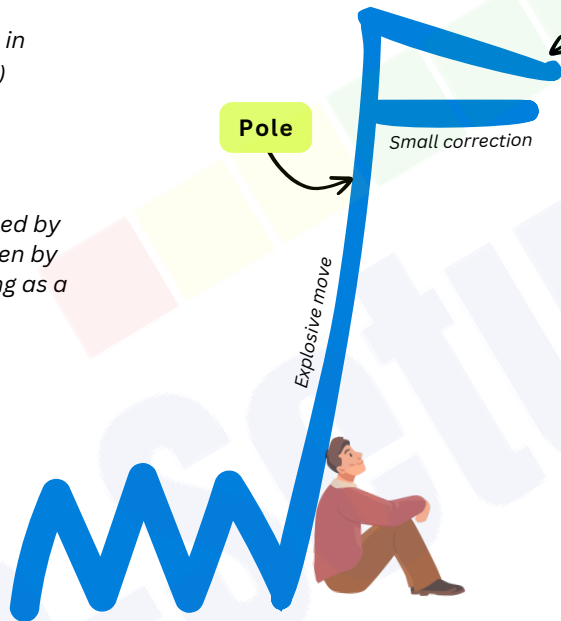


The massive run-up (the "Pole") is caused by huge demand (high volume), often driven by some "N" factor ("N" of CANSLIM) acting as a catalyst for the upside rally.



NEW!

N in CANSLIM refers to NEW product, service, order, management or anything else new that can alter the path of the company for better!



Flag

Corrects sideways, no more than 10-25%, usually in 3-6 weeks



The shallow base formation (the "Flag") on low volume shows despite the massive move, nobody is interested in selling their holdings.



WHEN IS IT MOST EFFECTIVE?

Stocks coming out of a **Stage 1 Base**. A rally at the end of an advance that developed over many months is better to avoid.

A **Shakeout** in the Flag makes it a high probability one.

The **length of the Flag** generally depends on the urgency of the stock to rally higher and the market condition, though it is preferable to be between 3-6 weeks long.

Flag should largely be contained above and respecting 10EMA & 20EMA.

Though not necessary but if the pole is formed on the weekly with each bar being an extended range bar forming Higher High, Higher Low, it makes it a "clean pole" and is highly desirable.

Small & midcap segment are more likely to give explosive returns, compared to Large caps.

NSE:MAZDOCK made three High Tight Flags in last 2 years, first in Oct 2022, as shown in this picture. The next two were made in June 2023 and June 2024.



How to scan for High Tight Flags in the Dashboard

The screenshot shows the Pro-Setups Dashboard interface. The top navigation bar includes 'Show Data for: Latest trading day (1)', 'Pro-Setups Dashboard', and 'as on 16 Aug 2024'. The dashboard is divided into several sections:

- Sector, Segment & Size:** Includes dropdowns for Sector, Industry, Segment, and Market Cap.
- Pro-Setups Trend & Dots:** Includes filters for Weekly Trend, Daily Trend, Dots on Weekly charts, and Dots on Daily charts.
- Volume Filters:** Includes filters for Pocket Pivot Volume, Low Vol Zone, Up Down Volume Ratio, and Fresh Institutional Volume (IV).
- Moving Average Filters:** Includes filters for 10EMA-20EMA on Rising 20EMA, Rising 50EMA, New Rising 50EMA (last 2 days), 50EMA > 200EMA, and Away from 20EMA (%).
- Flags (1):** A dropdown menu with options: Bear Flags (6), Powerplays/HTF (25), Bull Flags (excl. Powerplays) (49), and None of the above (1.5K). The 'Powerplays/HTF' option is highlighted with a red box.
- Earnings Growth Filters:** Includes filters for Sales, Earnings, Margins Acceleration, Easy Earnings Comps, Power Earnings Gap, Code 33, Fundamental Score, Sales Growth % (Y/Y) - Recent Qtr, and PAT Growth % (Y/Y) - Recent Qtr.
- Some Readymade Combinations:** Includes filters for Compressed Blue cloud in Uptrend with Tight Range, Beaten down Fundamentally sound companies changing Trend, Convergence of 20, 50 & 200 EMAs, Weekly & Daily Trend: Green, and Convergence of 10, 20 & 50EMAs.
- Chart / Candlesticks Patterns:** Includes filters for Probable VCP, Minervin's TTC, 3WTC, Inside Bars / 1, 123 Shaper, and Flags: Powerplays/HTF (0). The 'Flags: Powerplays/HTF' dropdown is highlighted with a red box.
- Weekly change % > Enter a value**, **Monthly change % > Enter a value**, and **Quarterly change % > Enter a value** input fields. The 'Quarterly change %' field is highlighted with a purple box.

The bottom section displays a table of stocks with the following columns: Symbol, Sector, Market Cap (cr.), Price, Today's change, Weekly Trend, Daily Trend, PP Count (21 days), U/D Vol Ratio, RS Rating, BB Gap, Away from 52WH, Growth in last 2 Quarters, Inside Bars / Mini Coil, Results Date, Insider Trading, and Setup (if any). The table lists 8 stocks, including NSE ZOMATO, NSE NEULANDLAB, NSE NAVA, NSE WOCKPHARMA, NSE ZENTEC, NSE INDIACEM, NSE IFBIND, and NSE EPIGRAL.

There are two ways you can find out High Tight Flags in Pro-Setups Dashboard:

First (highlighted in red) - Using our **readymade Powerplays/HTF filter** under Chart/Candlestick Patterns. If the gap between the highest high & lowest low of last 60 days $\geq 80\%$, and certain other conditions are met for the flag, the stock comes under this scan.

Second (highlighted in purple) - Enter a percentage change (say 100%) that you want to see that has happened in last 3 months in the input option. This will give you stocks that have risen over the % number that you entered in last 3 months. This method will give you those names also that have had slightly deeper pullbacks than the previous method.

HTF setups for your watchlist

Please note that the following charts is not an exhaustive list. There can be better setups out there. Please use them only as samples. Click on the chart to open the image.



Sportking India
NSE: SPORTKING



Pondy Oxides
NSE: POCL



Neuland Lab
NSE: NEULANLAB



Lux Industries
NSE: LUXIND



Nava
NSE: NAVA



The India Cements
NSE: INDIACEM