

VWAP Pullback (Nifty) strategy

What VWAP is, pullback rules for Nifty futures, a 5-minute example in rupees and a free Pine Script. By M. A. Horaira, updated 10 October 2026.

THE RULES

- **Market:** Nifty 50 futures (NSE:NIFTY1!) on the 5-minute chart; the VWAP needs volume, which the index itself doesn't have
- **Trend:** the VWAP is higher than it was 6 candles ago (lower for shorts)
- **Entry:** the previous candle closed above the VWAP, this one dips to it and closes back above it as a bullish candle; enter at that close
- **Stop loss:** below the signal candle's low, minus a quarter of the ATR
- **Target:** twice the risk (2R); anything still open is closed at 3:15 p.m.
- **Limits:** new trades from 9:45 a.m. to 2:30 p.m., two trades a day at most, whole lots only



Illustrative chart drawn to show the rules, not a real day's prices.

WORKED EXAMPLE

Nifty futures: candle dips to 25,079 below the VWAP and closes at 25,102.5. Stop 25,073.4 (29.1 pts), target 25,160.7 (2R). Risk allows 171 units, margin 149: 2 lots, -₹3,783 / + ₹7,566.

TIMES

	Nifty (IST)	Other markets
Entries allowed	09:45 – 14:30	Set your own hours
Close open trades	15:15	Set lot rounding to 0

Use NSE:NIFTY1! (futures); the index has no volume. Lot: 65 units since January 2026.

BEFORE EVERY TRADE

- ☐ Futures chart, not the index?
- ☐ VWAP higher than 6 candles ago?
- ☐ Previous candle closed above the VWAP?
- ☐ Dip to the VWAP, CLOSE back above, bullish?
- ☐ Fewer than 2 trades today, before 2:30 p.m.?

BACKTEST IT BEFORE YOU TRADE IT

1. Open the chart on TradingView.
2. Pine Editor → paste the free script → Add to chart.
3. Settings → Properties: add your commission and slippage.
4. Look for 100+ trades, a profit factor above 1 after costs, and a drawdown you can live with.
5. Check the same settings on other dates, then demo trade for a few weeks.
6. Free script: pipledgerfx.com/downloads/vwap-trading-strategy.pine

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