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Stocks Newsletter 12th November 2018 - Vol 7

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This week was a good week for the market. Dow Jones held out quite well despite yesterday's fall and our markets remained stable. **Mid caps and Small Caps gained over 1% this week.** On the currency front, nothing significant happened as **USDINR remained flat for the week.** Similar observations hold true for the Bond market.

Nifty & Bank Nifty are both **very close to their 200 Day moving average.** Needs to be seen how Price behaves in and around these levels. Its important to note that all **major Bull markets happen above the 200 day moving average** and all major Bear markets happen below it. While its **significance is often overlooked**, one **should not ignore the importance of Price above or below the 200 Day moving average.**

Stocks Update

This week I have added a Small company in my Portfolio; **Trident.** This is not the ideal time to get into **Mid caps or Small Caps** but valuations along with growth prospects for this company looks promising. I had covered this company in one of my **weekly videos as well and I was tracking this counter closely.**

Cipla came out with **disappointing set of results** and Stock price fell sharply this week. As a part of my risk management plan, **I don't like**

continuing SIP in any stock which **falls below the 10% loss threshold**. As a result of this, I did not invest in Cipla this week and will avoid doing so **till stock shows some signs of moving up**. This way, I invest in only those counters **which deliver returns** and avoid counters **which deliver negative returns beyond a threshold**.

Benefit of Investing systematically is that you get tremendous **control and flexibility** to manage positions in Stocks. If you think of it, Investing systematically is not at all difficult. The basic premise of **adding to investments which are doing well** and **cutting exposure to those who aren't doing well** is something which makes a huge difference in the long run. I keep 10% threshold because I don't like losing more than 10% on entire Portfolio. This is especially important in such times where risk of **Portfolio falling 10% or more is high**.

SIP Update

Stock	Sector	SIP Start Date	SIP 1	SIP 2	SIP 3	SIP4	SIP 5	SIP 6	SIP 7	Average Price	Profit/Loss %
Axis Bank	Banking & Financials	1st October 2018	613.00	568.00	585.00	562.00	536.00	610.00	613.00	583.86	4.99
Dr Reddy	Pharmaceutical	1st October 2018	2530.00	2394.00	2450.00	2552.00	2398.00	2423.00	2400.00	2449.57	-2.02
Lupin	Pharmaceutical	1st October 2018	900.00	838.00	846.00	880.00	850.00	850.00	878.00	863.14	1.72
Sun Pharma	Pharmaceutical	1st October 2018	623.00	597.00	590.00	609.00	550.00	572.00	597.00	591.14	0.99
ITC	Consumer Goods	1st October 2018	297.00	276.00	275.00	289.00	280.00	283.00	277.00	282.43	-1.92
Cipla	Pharmaceutical	5th October 2018		636.00	623.00	633.00	601.00	607.00		620.00	-15.00
Gold ETF	Gold	19th October 2018				2900.00	2904.00	2890.00	2880.00	2893.50	-0.47
Wipro	I.T.	20th October 2018				323.00	318.00	318.00	325.00	321.00	1.25
ICICI Bank	Banking & Financials	26th October 2018					316.00	354.00	357.00	342.33	4.28
Trident	Textiles	9th November 2018							70.00	70.00	

Legend - SIP 1, SIP 2, SIP 3 represent Week 1, Week 2, Week 3

Average Price - This is Average Price of SIP

Market related observations are posted in the Video below.

You Can contact me on the following mediums below,

Tc & Be Safe.

ST.



Systematic Investment Plan (SIP) & Methodology

SIP is a wonderful way to Invest in Stocks that interests you for the long term. The main benefit of SIP is to invest small amount of money each week/month as per your requirement. Markets are cyclical and whenever markets undergo prolonged period of correction, it is better to allocate small amount of money in Stocks you prefer as you can average out buying cost over a period of Time. Its important however to not buy indefinitely. There has to be a Stop loss wherein you stop investing or even think of investing money elsewhere if current Stock falls.

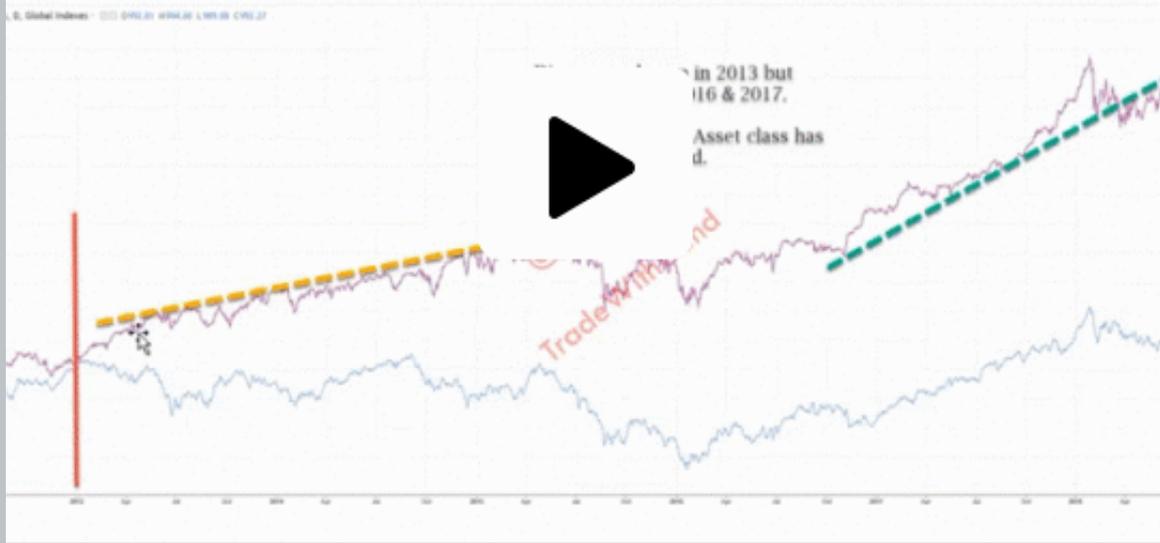
In times like these where some Stocks are falling 30-50% in a day, whatever you buy will more often than not move lower. Which is why for these stocks, I am starting out small and will increase positions as volatility subsides. One more filter I use while doing SIP is that as a Stock falls 10% or more after I begin SIP, I stop allocating more money till further clarity emerges. Its important to not confuse Trading with Investments. In volatile times, this is the most common mistake that market participants commit.

These are Stocks which I am looking to Buy or am already buying into. **Again, these are not recommendations but just what I am doing as an individual Investor.** All Stocks I am buying are from a **Systematic Investment Plan** point of view. Not attempting to Trade in these Stocks. **This is not the time to be brave in the market. Risk management should be of prime importance.**

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Market Analysis 12th Nov – 16th Nov 2018

Decoupling of India with Global Markets



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