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Stocks Newsletter 19th November 2018 - Vol 8

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Bank Nifty is now above its 200 day moving average. Nifty and Sensex are pretty close to 200 Day moving average as well. In the weekly video, **I have outlined reasons as to why current rally in Equities is still weak** and Traders should seek more confirmation from Market instead of making big bets at this stage. There has been substantial **cool off in Crude and USDINR** but subsequently Equities have not recovered as expected.

There are couple of important events which are lined up as well. Along with **State Elections Results in December**, there is **RBI board meet on 19th November** followed by Monetary policy in **first week of December**.

Stocks Update

I have not added any new Stock this week. Reasons outlined in the previous volumes remain valid still. SIP in all the Stocks barring Cipla is continuing. **Sun Pharma came out with disappointing results** and Stock fell sharply this week. While Sun Pharma is below the 10% return mark, I have continued with SIP in it. The main reason being that Sun Pharma is the leader within the Pharma pack and while results were not good, I will wait **1-3 weeks to decide if I want to continue with SIP**.

Typically I invest in a **Stock or Sector for 30 Weeks**. That is, **I like to do**

a SIP for 30 continuous Weeks if underlying conditions prevail. If I have 30,000 to invest in one Stock, I will break down this amount into 30 equal parts (1000) and invest it then for the next 30 weeks. The main reason for doing this is Risk management.

Lets take Cipla as an example here. I have done SIP in Cipla for 5 weeks only. Cipla fell 15% in week 7 and I had invested only 5 parts of my total investment in Cipla. So **open loss that I have taken is only on 5 parts (out of 30 parts)** in Cipla and hence I have **saved** a lot of money in comparison to if I had invested all the amount at once. This is the Power of SIP. **Add as an asset performs, pause as it starts falling.**

SIP Update

Stock	Sector	SIP Start Date	SIP 1	SIP 2	SIP 3	SIP4	SIP 5	SIP 6	SIP 7	SIP 8	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	617.00	588.00	4.93
Dr Reddy	Pharmaceutical	1st October 2018	2530.00	2394.00	2450.00	2552.00	2398.00	2423.00	2400.00	2472.00	2452.38	0.80
Lupin	Pharmaceutical	1st October 2018	900.00	838.00	846.00	880.00	850.00	850.00	878.00	862.00	863.00	-0.12
Sun Pharma	Pharmaceutical	1st October 2018	623.00	597.00	590.00	609.00	550.00	572.00	597.00	520.00	582.25	-10.69
ITC	Consumer Goods	1st October 2018	297.00	276.00	275.00	289.00	280.00	283.00	277.00	277.00	281.75	-1.69
Cipla	Pharmaceutical	5th October 2018		636.00	623.00	633.00	601.00	607.00			620.00	-14.35
Gold ETF	Gold	19th October 2018				2900.00	2904.00	2890.00	2880.00	2825.00	2879.80	0.01
Wipro	I.T.	20th October 2018				323.00	318.00	318.00	325.00	325.00	321.80	0.99
ICICI Bank	Banking & Financials	26th October 2018					316.00	354.00	357.00	367.00	348.50	2.44
Trident	Textiles	9th November 2018							70.00	69.00	69.50	-0.72

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 19th Nov – 23rd Nov 2018

RS Analysis – NIFTY Bank



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