



Stocks Newsletter 1st October 2018 - Vol 1

From this week, I am also beginning a **Weekly Stocks Newsletter**. 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.**

Axis Bank

After many years of under performance, it does look like that Axis Bank is trying to move higher. There is no doubt that sentiment in Banking Sector is not that great. But, SIP kind of investment can be looked into Axis Bank. Valuations are not that cheap. But Price structure is good. Overall sector is a cause of concern. Other than ICICI Bank, I could not spot any other Bank which is looking good Price pattern wise.

CMP Rs 613. Will continue to buy on dips till Price is above **Rs 500**.

DR. Reddy's Lab, Lupin & Sun Pharma

Pharma sector is showing signs of bottoming out. Again, Price structure of many Pharma Stocks is looking really good. Valuation comfort does exist in these particular Stocks. Mutual fund data also shows Funds increasing their exposure to Pharma Sector. Given how markets are panning out, more defensive exposure should be adopted. In near term, both I.T. & Pharma can give back some gains due to mean reversion.

Will continue to do SIP till Sun Pharma, Lupin and Dr. Reddy's is **above Rs 400, Rs 725, Rs 1800**.

ITC

This is again a defensive play but Price structure and fundamentals wise, this Stock looks attractive. During past market corrections, this stock has typically done well. Stock is also high dividend yield Stock and just gives extra bit of balance to overall Portfolio.

CMP 297. SIP to continue till **Price is above Rs. 240**

Entry Conditions for SIP

I intend to continue doing SIP till Nifty 50 remains above 10750. Once main Index of market slips below this level and sustains, I will simply pause the SIP till further clarity emerges. The thing is, while significant damage has happened in broader market, there are still some Sectors & Index which have not had decisive breakdown. Therefore, there has to be a fail safe level below which one should pause investments till things get more clear. If Nifty 50 also begins to breakdown, then correction will accentuate in months to come. I don't want to be caught in a scenario wherein Prices keep falling and I keep buying as it falls.

Market related observations are posted in the Video below.

You can reach out to me at the email address given below or on Twitter as well (@ST_PYI).

Happy Trading & Investing. Be disciplined.

Trade With Trend,

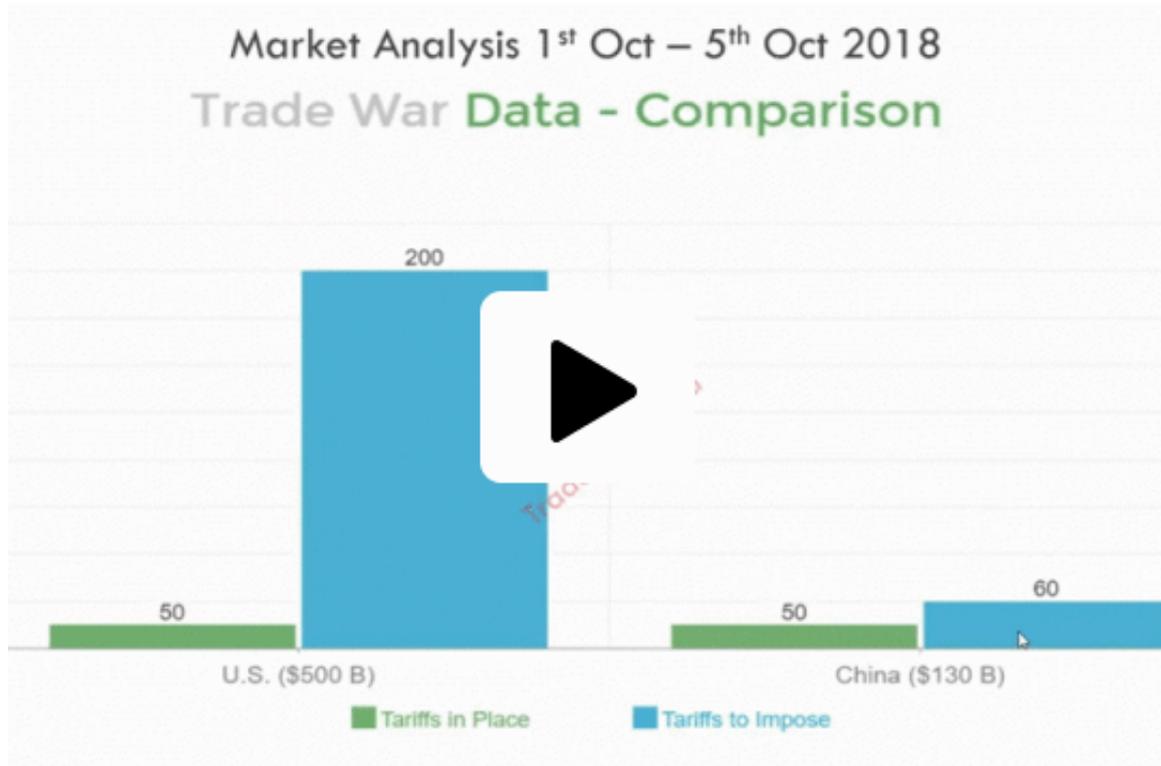
poweryourstocks@gmail.com

What does Systematic Investment Plan (SIP) Mean?

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.



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