



Stocks Newsletter 22nd October 2018 - Vol 4

Thank You for Subscribing to [Weekly Stocks Newsletter](#).

Correction is still underway and **volatility is clearly very high**. Intraday reversals still remain frequent and this will be the case till **VIX is above the 17-18 range**. Global Markets were fairly stable this week with Dow Jones posting net gains for the week. **Breadth of the U.S. market continues to decline though**.

Breadth in our market remains very poor as well with just **8% Stocks showing positive price structure**. Clearly, any portfolio being built at this stage will likely move lower first before beginning to show any positive returns. Momentum is clearly on the downside and portfolio building will require **conviction and patience**.

Sector Update

My main focus for SIP has been the **Pharma Sector**. I have given the reasons for same in **last week's newsletter**. Nothing changes for this week as Sector allocation does not change from week to week basis. Link to download previous Newsletter's is given below.

I do have some minor exposure in **I.T., FMCG & Banks** in form of **Wipro, ITC and Axis Bank** but overall my focus at present is not on high beta sectors as far as SIP's are concerned. With **Heightened Volatility**, overall risk to portfolio increases and therefore its better to stick with low beta sectors with limited volatility.

Investors who are not certain of picking Stocks, should look to invest through **Mutual Funds**. This way they would **diversify well** and would

remain disciplined as far as systematic investing is concerned.

Stocks Update

This week I have begun SIP in **Wipro & Gold ETF**. Wipro belongs to I.T. sector which is in demand and it may **correct & consolidate more** before returns begin to show up. As such Wipro has **under performed its peers over the last few years and valuation comfort** is more evident in Wipro in comparison with other I.T. sector names.

Gold ETF SIP is a defensive move after looking at U.S. and Global markets in general. Gold as such has not delivered **any significant returns** over the past many years and it may be forming a strong base for the next few years.

Rest of the Stocks remain as it is with SIP continuing in them.

SIP Update

Stock	Sector	SIP Start Date	SIP 1	SIP 2	SIP 3	SIP4	Average Price	Profit/Loss %
Axis Bank	Banking & Financials	1st October 2018	613.00	568.00	585.00	562.00	582.00	-3.44
Dr Reddy	Pharmaceutical	1st October 2018	2530.00	2394.00	2450.00	2552.00	2481.50	2.84
Lupin	Pharmaceutical	1st October 2018	900.00	838.00	846.00	880.00	866.00	1.62
Sun Pharma	Pharmaceutical	1st October 2018	623.00	597.00	590.00	609.00	604.75	0.70
ITC	Consumer Goods	1st October 2018	297.00	276.00	275.00	289.00	284.25	1.67
Cipla	Pharmaceutical	5th October 2018		636.00	623.00	633.00	630.67	0.37
Gold ETF	Gold	19th October 2018				2900.00	2900.00	
Wipro	I.T.	20th October 2018				323.00	323.00	

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 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

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.**

[Download Previous Newsletter Volumes \(Click Here\)](#)

Market Analysis 22nd Oct – 26th Oct 2018

Stress in Trading & Investing

- ❑ Stress largely results from the **fear of 'unknown'**.
- ❑ Trader or Investor fears the ' ' when his/her mind is not Organized
- ❑ By Organized I mean, not |  sial Goals, not knowing How to Fulfill them.
- ❑ In short, when Investor or Ti ionless and acts Randomly.
- ❑ **Stress is the silent Killer.** But its important to know what Stress does to you
- ❑ Stress leads to elevated **Cortisol. Also known as Stress Hormone.**
- ❑ **Elevated Levels of Cortisol** is associated with host of health issues.
- ❑ More importantly with **learning ability, execution ability and decline in overall health.**

TradeWithTrend.Com

Trade With Trend

SHARE

TWEET

FORWARD

mailer lite