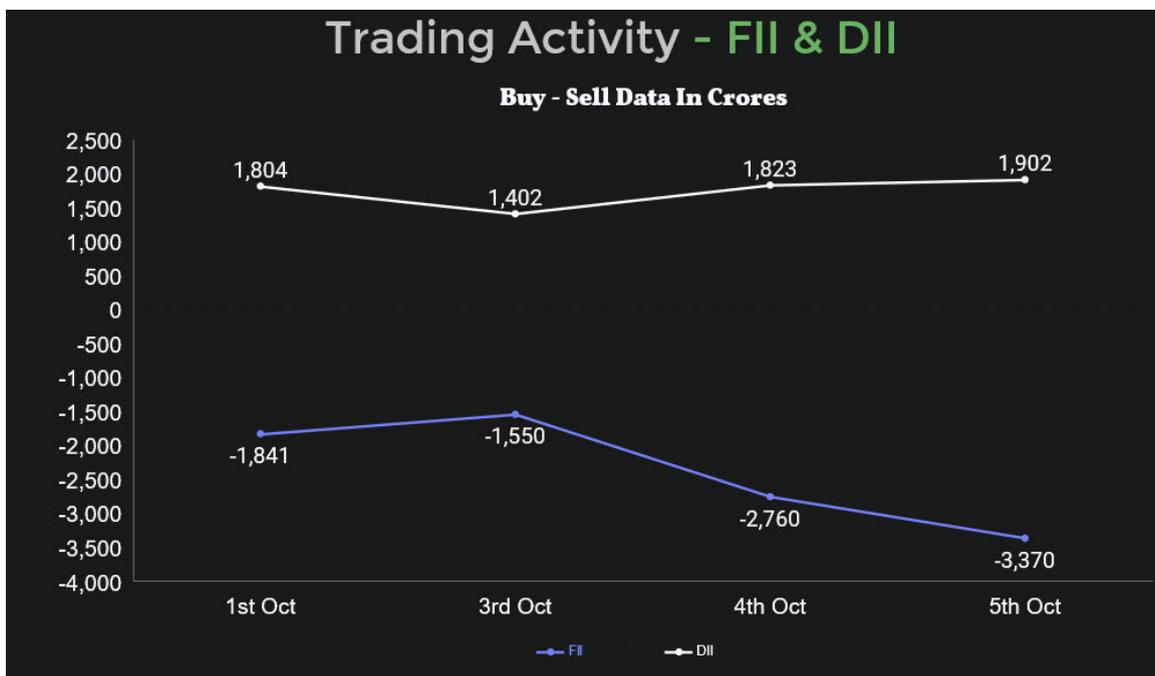




Stocks Newsletter 8th October 2018 - Vol 2

Thank You for Subscribing to **Weekly Stocks Newsletter**. Correction in Market has continued and with some **significant strength on the downside**. Breadth of the market is exceptionally poor with only **6% Stocks now exhibiting a Bullish structure**. This also signifies the extent of damage that has happened this year. Large caps are now beginning to react on the downside with some stocks falling in tue of 20-40% in a matter of two trading sessions.

FII's selling in market has increased quite a bit. In this week alone, FII's have pulled out **9500 crores from the market** whereas DII's have **bought 6933 crores**. While DII's are lending some support to market, the quantum of selling by FII's is just outweighing everything at this moment. Any sort of Trading long positions should be taken with extreme caution. Selling in market has accentuated quite a bit and usually it is during such times that a **short term bottom is made**. This is followed by short covering which is quite vicious in nature and leads to Bear trap over short term. Need to see if this classical way of market functioning plays out this time around. **Risk management** should be at center stage for now. Price damage in market is quite widespread and this will take some time to repair. Psychological damage is evident as well but these are the times to take **advantage and invest over a long term**.



Cipla

Cipla becomes a recent addition to my Systematic Investment Plan list. Again, this belongs to the Pharma sector where I have already started investing into Sun Pharma, Lupin & Dr. Reddy's Lab. I do study mutual fund data very closely and I find that exposure to Pharma sector is increasing gradually. Before attempting to buy into Mid and Small cap stocks of this sector, I am starting with Large Caps first and will then move to Mid and Small Caps once sentiment of the market improves.

CMP 636. Will continue to do SIP till **price is above 520.**

SIP Update

Stock	Sector	SIP Start Date	SIP 1	SIP 2	Average Price
Axis Bank	Banking & Financials	1st October 2018	613.00	568.00	590.50
Dr Reddy	Pharmaceutical	1st October 2018	2530.00	2394.00	2462.00
Lupin	Pharmaceutical	1st October 2018	900.00	838.00	869.00
Sun Pharma	Pharmaceutical	1st October 2018	623.00	597.00	610.00
ITC	Consumer Goods	1st October 2018	297.00	276.00	286.50
Cipla	Pharmaceutical	5th October 2018	636.00		636.00

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.

Nifty is now below 10750. But for the moment, I am not pausing SIP in Stocks mentioned above. Market is falling for now and since I have just started out SIP, some more fall in market would not impact performance significantly. 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.**

Market Analysis 8th Oct – 12th Oct 2018

10.9, Hi 11035.7, Lo 10821.5, Close 11008.3 (0.7%) / Close = 11,008.30

Sifty 50



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