



A course by Sadanand Kulkarni

# Stock Market

A Guide to Investing



# Introduction

Understand why one should invest in stock market?

Understand the Trading / Investing Psychology



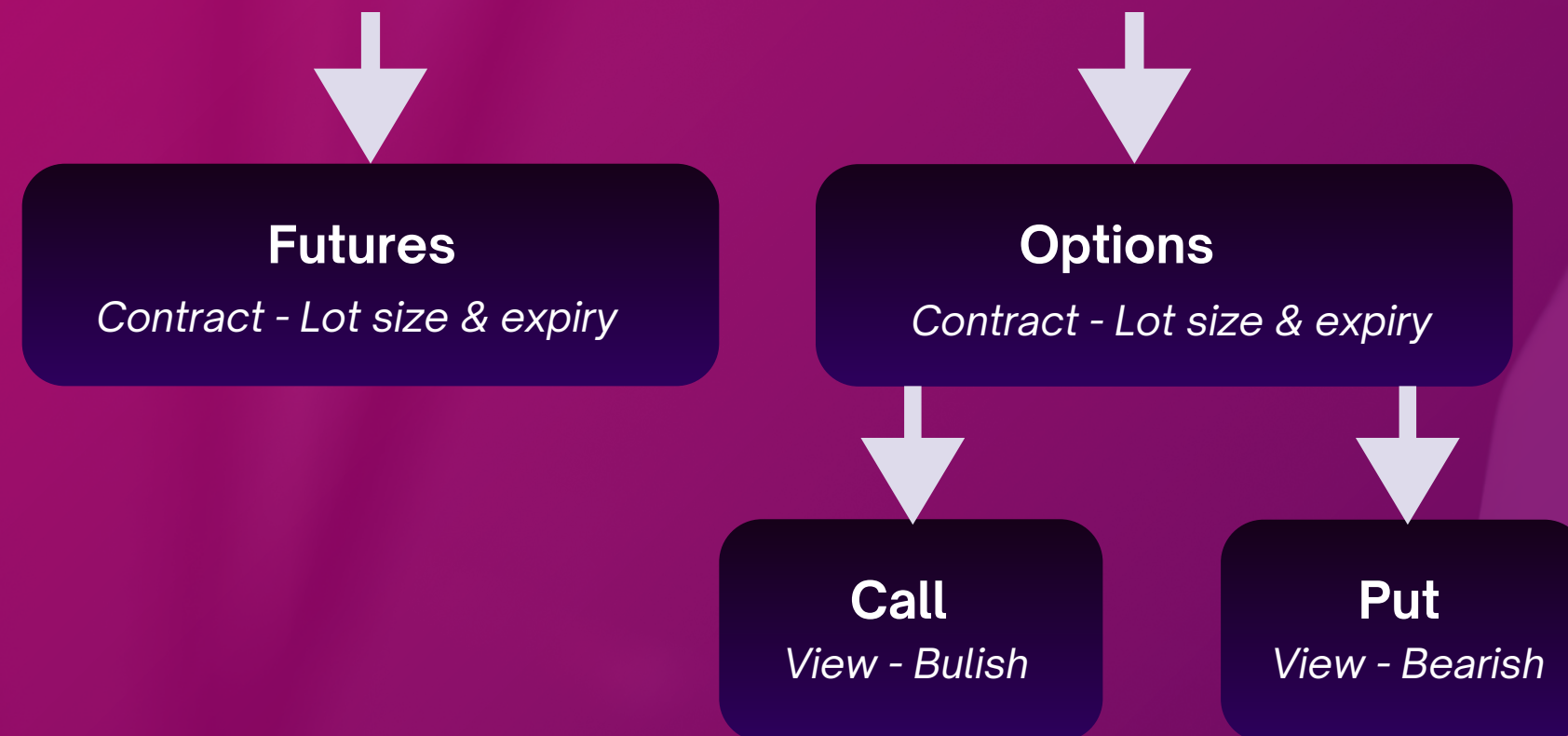


# What is the Equity (Ownership)?

- Capital Market Structure
- Primary Market - IPO, IPO Analysis
- Secondary Market - stock exchanges, its participants
- CMP / Market Capitalization
- Different types of Indices - Sectoral, Thematic Indices
- Types of Accounts required for Trading/Investing
- Types of Trading - Intraday/Swing/Short term
- What is Investing - Long term Investing & its benefits
- Demand & Supply
- Brief about Commodity Market



# Derivative Market



Derivative market is primarily a tool for hedging Equity Investment & Trading.



# Futures & Options

## Futures

- What is Future contract?
- Understand Lot size & expiry
- Mark to Market concept
- Future Contract value & Margin money concept
- Near month, next month & Far month Contracts
- Understanding OI (Open Interest)

## Options

- What is Option Contract? Lot size & expiry
- Types of Options- Call & Put, understand with example
- Option Premium - Intrinsic value & Time value
- Strike Price concept - ATM, ITM & OTM
- Option buying Vs Option writing /selling
- BEP - Break Even Point in Options
- Understanding OI through Option Chain
- Understanding Support & Resistance through Option Chain
- Using Option Chain for trading decision



# Derivative Market Strategies

**01.**

## Bullish

- Bull Call Spread
- Protective Put

**03.**

## Neutral

- Short Iron Condor
- Iron Butterfly

**02.**

## Bearish

- Bear Put Spread
- Protective Call

**04.**

## Non directional

- Long Strangle
- Long Straddle



# Technical Analysis

- What is Technical Analysis? Brief @ its History
- Different types of Charts
- Understanding the types of candles/reading candle
- Price action - Trend analysis, identifying Support & resistance, Understand candlestick patterns, Chart Patterns, Breakouts, Trend reversals
- Practical with examples on how to trade using candlestick & chart patterns.
- Technical Indicators - RSI, MACD, Moving Averages, Pivot point standard
- How to use Indicators for Trading decisions with example with different technical setups. (E.g. Intraday setup, short term swing setup, Long term Investment setup)
- Practical on using different tools on charts for analysis
- Fibonacci - retracement tool
- Basic @ Dow theory & Elliott wave theory & Fibonacci retracement
- Risk to reward ratio, Money management



# Fundamental Analysis

- What is Investing?
- Steps in Fundamental Analysis
- Macroeconomic Analysis
- Industry/Sector Analysis
- Microeconomic analysis - Qualitative & Quantitative Analysis
- Qualitative analysis - Corporate Governance, company's brand image, trust, transparency @ management
- Quantitative - Profit & Loss statement, Cash flow statement, Balance sheet, FII/DII shareholding pattern
- Ratio analysis - Profitability ratio, Return ratios, Leverage ratios, Knowing Valuation using EPS, P/E, P/B. NIM, NPA.
- Understanding Investment decisions using Fundamental analysis with example





# Financial Planning

- Financial Goal Setting
- Ranking of Investments
- Expense Pyramid

# Mutual Fund & ETF

- What is Mutual Fund & its benefits.
- Mutual Fund structure
- Different types of mutual fund
- Comparison of Mutual funds
- What is ETF? Difference between Mutual fund & ETF

# Training on Trading software

- Analyzing Trading software for Trading Information
- Different types of orders, basket orders etc.
- Practical on placing different orders e.g. Intraday, Delivery
- Watchlist creation
- Using tools from chart menu





# Using different Stock screeners

**01.** Chart ink.com  
website

**03.** Moneycontrol  
website

**02.** Screener.in  
website

**04.** Angleone  
Trading software



# What makes Stock Prices to change?



**Supply and demand**

*Technical Analysis*



**Company performance**

*Quantitative Analysis - Fundamental Analysis*



**Economic factors**

*Macroeconomic View - Fundamental Analysis*



**Market sentiment**

*Investors Sentiments*



# Risks in the Stock Market



## Market Risk

Investors sentiment



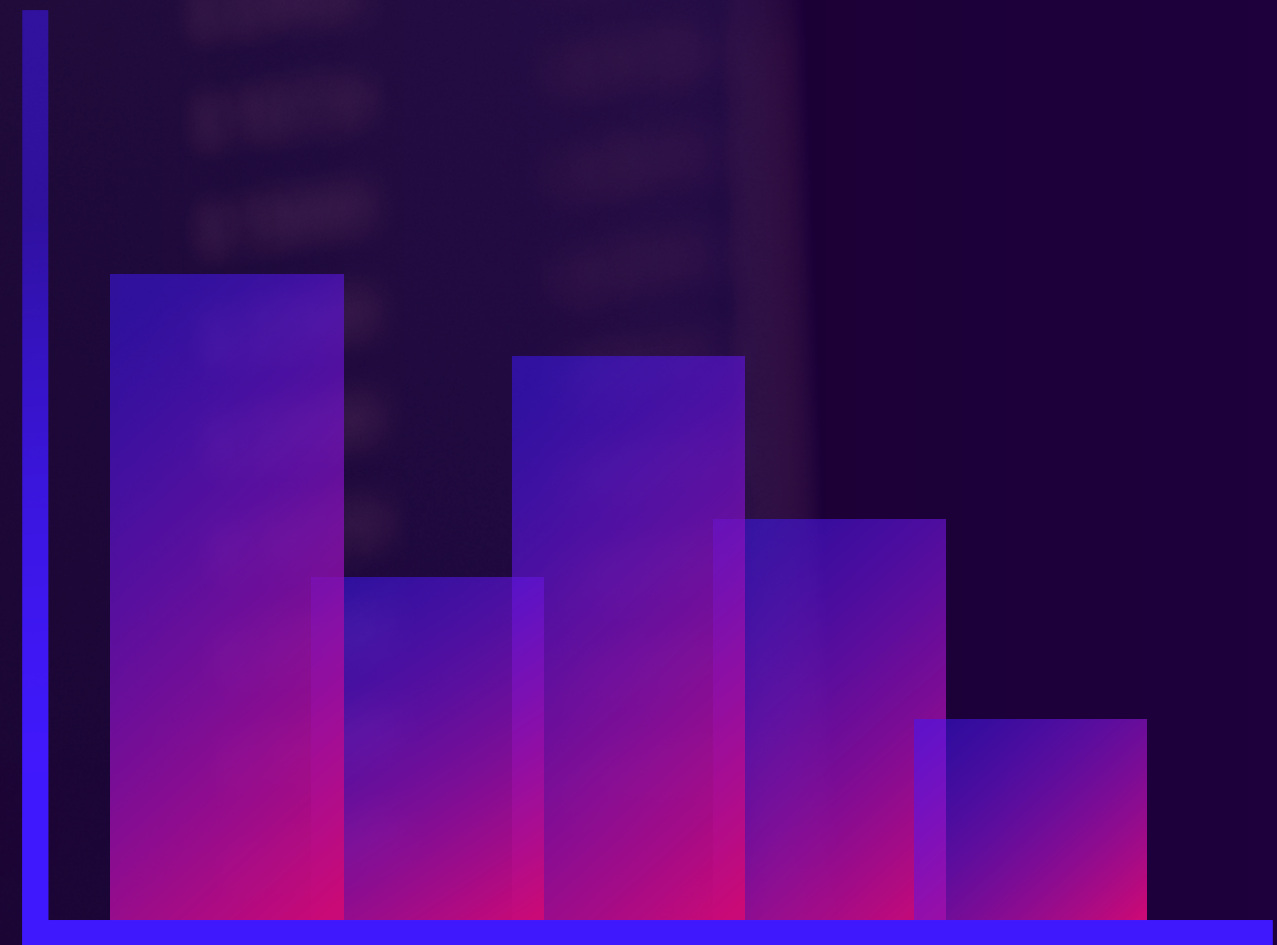
## Economic Risk

Global - local economic scenario



## Company Risk

Performance of the company





# How to Start Investment Journey

**01**

**Short/Long Term  
Investing**

*Very Important*

**02**

**Futures**

*If required & after  
successful in 01*

**03**

**Intraday Equity**

*If required & after  
successful in 01 & 02*

**04**

**Options**

*If required & after  
successful in 01, 02 & 03.*

It is always good to start with Investment & if required switch to other choices like Future, Intraday Equity & lastly Options. It is Investment which can make you wealthy in long run.



# Golden Rule in Investment Capital Allocation

**Investing**

**80%**

*Very Important, always  
good to start with*

**Trading**

**20%**

*Not necessary, can avoid.  
Do only if time Permits*



# Remember three I's in Investment

**Invest  
Early**

**Invest  
Regularly**

**Invest  
Long term**



**Thank You!**  
**See you in Course**

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