

Pointers worth remembering

- ❖ You can become a millionaire in stock market, but not overnight.
- ❖ It requires proper planning & patience.
- ❖ Don't run after those who claim to make you millionaire overnight or in short term.
- ❖ No query or fix system can become success if applied in single time frame.
- ❖ Active analysis is must, which can be done if you know technical analysis.
- ❖ There are many options to earn in stock market. Not all are suitable for all.
- ❖ Do not do blindly what others do.
- ❖ Do what suits you after thorough self-analysis.
- ❖ Remove misconceptions. Know your mistakes so that they are not repeated.
- ❖ Your earning & saving capacity, & age group you belong to decides what suits you better.
- ❖ Technical analysis helps you to answer the following questions:-
 - How much prices will rise of a particular stock after we invest in?
 - When will the prices rise?
 - In what time this rise will come?
 - When to book profit?
 - When to book a loss?
- ❖ Insist on a system that ensures that we take action at right time all the time.
- ❖ Never insist that you must be able to buy at the very bottom, and sell at the very top level. Even so called experts are not able to do that.
- ❖ **Key is** to be able to buy after bottom is established, and uptrend starts, and sell near end of the uptrend and onset of downtrend.
- ❖ This you can do with the help of technical analysis.
- ❖ No one can predict how long a bear cycle will continue.

- ❖ Our money must stay away from the market during such bear move.
- ❖ And enter in the market only near the onset of a bull cycle as and when it happens.
- ❖ Our strategy should be such that it lets the profit run, and cuts the losses immediately.
- ❖ Optimum portfolio strategy is one which allows the performing stock to stay in it, and weeds out the laggards and losers, and removes them from it on active basis.
- ❖ It is as much important to know when to stay away from market, as it is important to know when to stay in the market.
- ❖ Buy only stocks that are performing, and check fundamentals too.
- ❖ Never buy penny stocks.
- ❖ Penny stocks & stocks without fundamentals are like cancer to our portfolio.
- ❖ Buy only that number of stocks that you can monitor easily on daily basis.
- ❖ Be prepared to pay high price for quality.
- ❖ When taking position always think in terms of potential percentage gain, not quantity of shares. Give importance to quality, not quantity.
- ❖ Avoid mixing short term trading strategy, and long term investment strategy.
- ❖ If you want to mix it, then first decide the long term trend, and take short term actions in direction of the long term established trend only.