Identifying Scripts for Investments

Vivek Bajaj

Let's define Investment First !!!
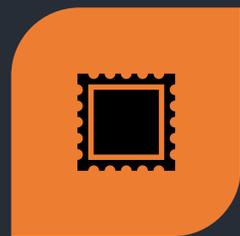
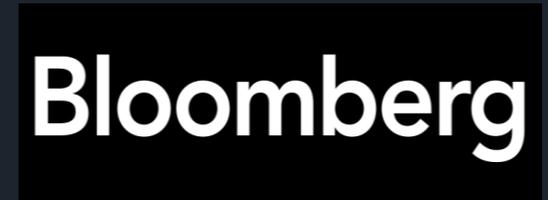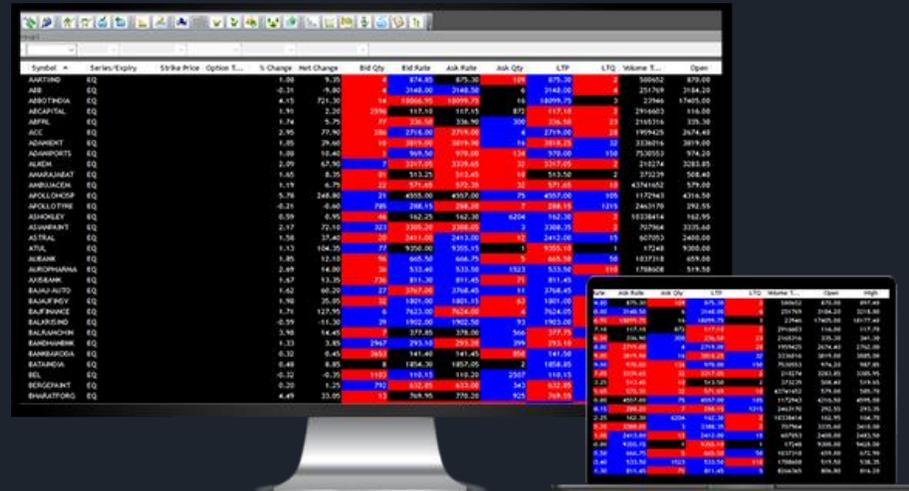**LIFETIME**   **6 YEARS**   **6 MONTHS**   **6 WEEKS**   **6 HOURS**

Which form of fishing would you prefer?

Hobby Vs. Profession

Right Tools and Technique

Common Tools

Common Market Techniques

Fundamental Analysis

- Believes that the current price is WRONG
- Fair value is summation of Intrinsic value and Speculative value

Technical Analysis

- Believes that the current price is CORRECT
- Follows the action of the crowd

Sentiment Analysis

- Sentiments created by Operator
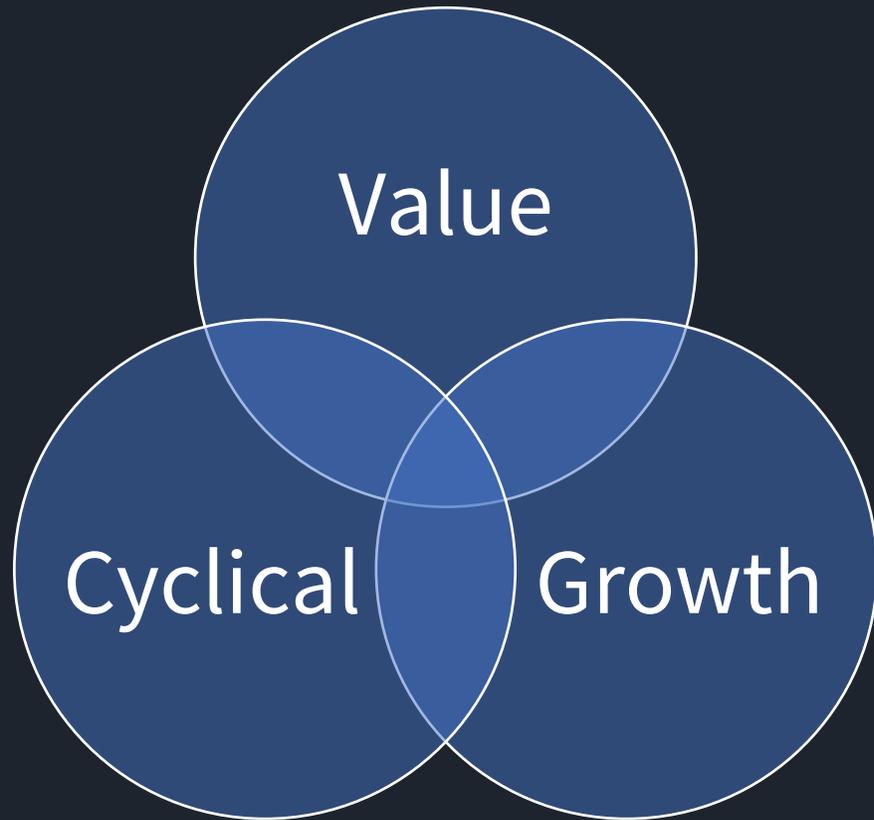- Sentiments created by Public in large

Variables defining the decision making

Price

Time

Categorisation of Stocks !

Value

Cyclical

Growth

Buy Low Sell High
(Contrarian)

Buy High Sell Higher
(Momentum)

Plan your Journey : Time available per week ?

If less than 2 hours : Mutual Fund/Fund Managers — 15%

If between 2 hours to 10 Hours : Weekend Trading — 17%

If more than 10 hours : Age(x) could be % of Capital in long-term stocks and (100-x)% could be momentum stocks — 20%

If more than 25 hours : Derivatives Trading — 25%

Returns Expectations

Who am I ?

I run a Prop Trading Firm with 300 traders!

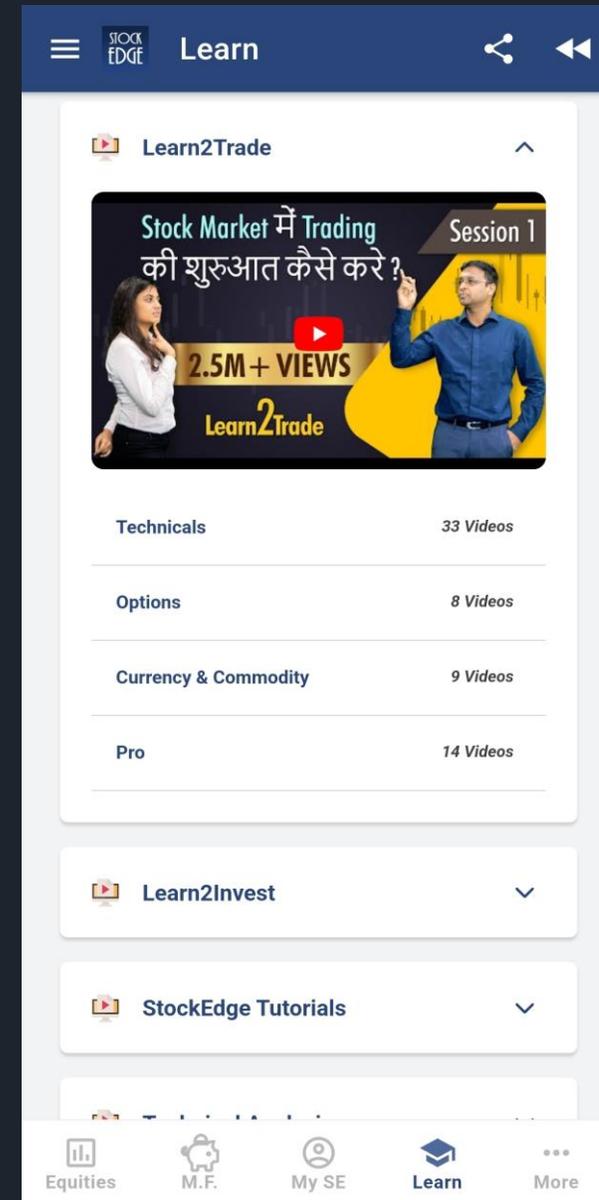I am personally a Momentum Investor !

It's a Race for Money, Honey

For Full Learnings !!

Download StockEdge Free
and visit
youtube.com/vivekbajaj

Before we say Goodbye !!

Vivek@stockedge.com
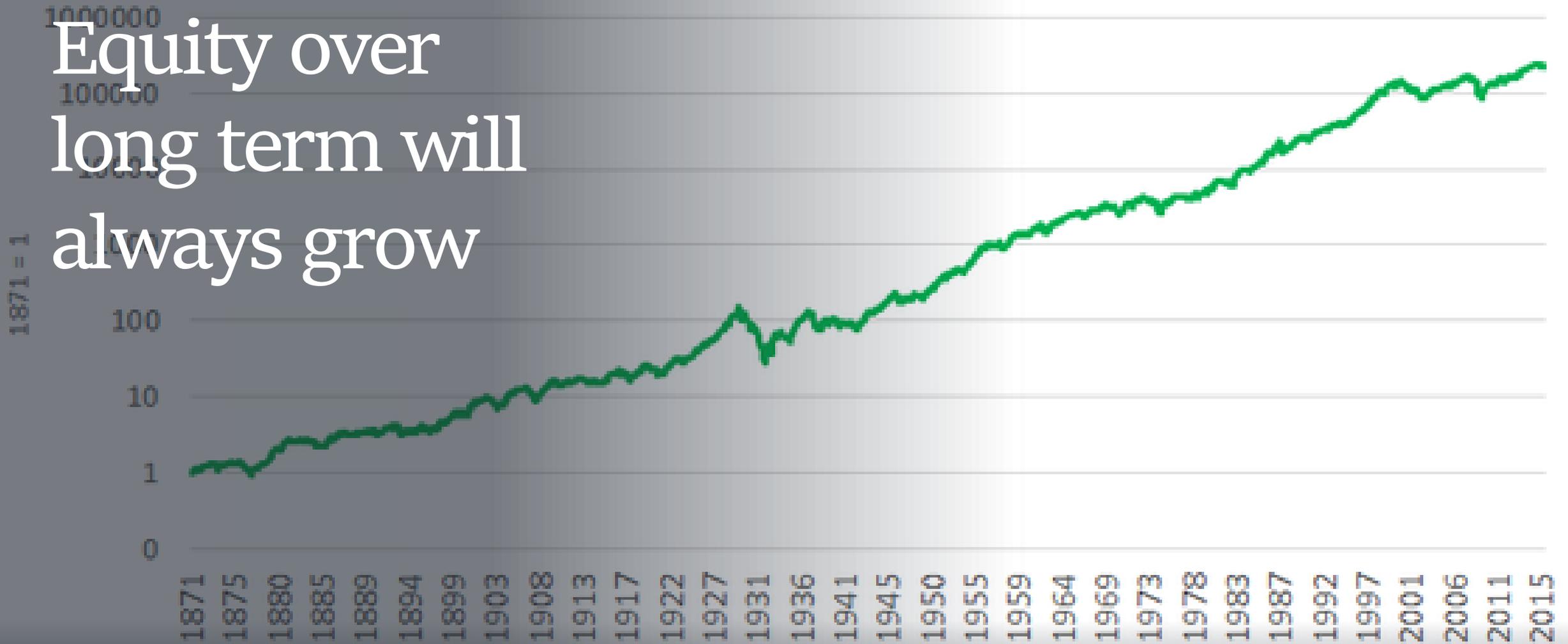
Yearly US market closings

Less than -40	-40 to -30	-30 to -20	-20 to -10	-10 to 0	0 to 10	10 to 20	20 to 30	30 to 40	40 to 50	50 to 60
.5%	1.1%	3.2%	9.0%	15.3%	24.3%	20.1%	12.7%	8.5%	2.6%	2.6%
				29.1%	70.9%					
1	2	6	17	29	46	38	24	16	5	5
				55	134					

WSJ

Very short window to buy in dips

Gray bars represent recessions

61 months
183.9%
22.8%

77 months
143.7%
14.9%

61 months
108.4%
15.5%

30 months
75.6%
25.3%

34.1%

181 months
935.8%
16.8%

815.3% total return
17.2% annualized

155 months
845.2%
19.0%

153 months
816.5%
19.0%

6 months
−22.3%

6 months
−21.8%

19 months
−29.3%

3 months
−29.6%

25 months
−44.7%

21 months
−42.6%

16 months
−50.9%

34 months
−83.4%
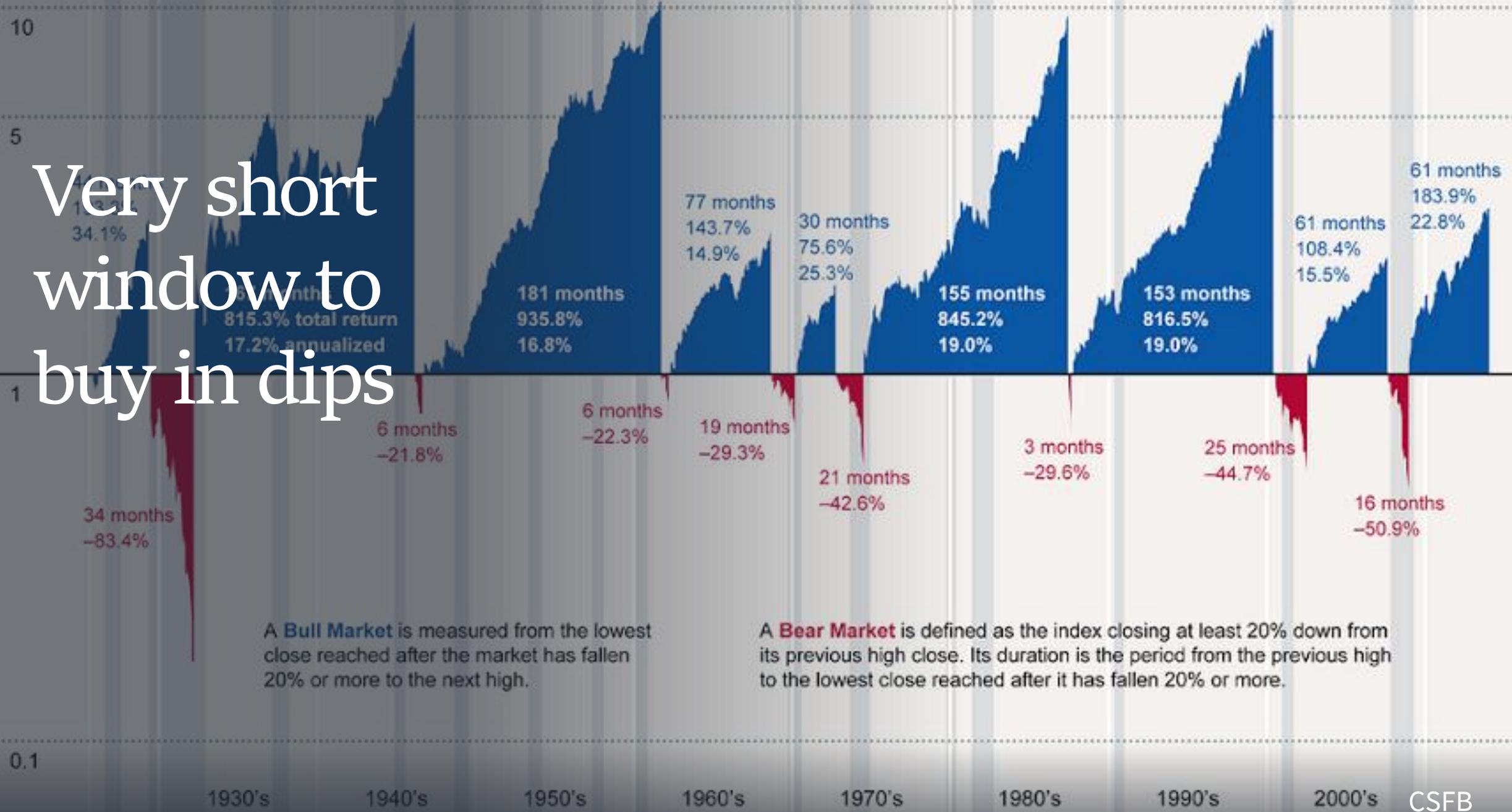
A **Bull Market** is measured from the lowest close reached after the market has fallen 20% or more to the next high.

A **Bear Market** is defined as the index closing at least 20% down from its previous high close. Its duration is the period from the previous high to the lowest close reached after it has fallen 20% or more.

1930's   1940's   1950's   1960's   1970's   1980's   1990's   2000's   CSFB