



# NEOWIRE

Cutting Edge Stock Market Analysis

January 2024

Volume 24

# Founder's Message



At the very outset, A Very Happy New Year to all our clients, subscribers and readers! It is that time of the year again, when we keep wondering where did the last year go? Every year, it just seems to be going by faster and faster! I swear I can remember quite vividly when 2023 was just born! And here we are, bidding good bye to it.

Is it that time is speeding up or our lives are getting filled up with more and more stuff that we don't even notice the passage of time anymore? Perhaps our lives are getting too packed and we need to wind down? Or maybe the pace of life has turned so fast that many things are going by quite unnoticed?

If you are finding that kids known to you are suddenly so much grown up or people known to you have become fatter, leaner, older, smarter, dumber..whatever, maybe your life is too packed and you do need to slow it down a bit. You have not found the time or effort to pay more attention to your own life as it flies past.

But the year is going at a brisk clip for us all at Neotrader as we get ready for new launches and new changes in our product line. 2024 is going to bring about a slew of changes and all for the good! So, everyone stay tuned to changes at our end as we bring them out for you. For sure, it will be for the better, as the new elements are all designed and made with the end user in mind!

Years may come and go but our commitment to creating the best experience for you as a part of the ever growing Neotrader Family shall remain undiminished.

With that, I wish you all again the very best of the new year ahead.

# Blogs



We all know that the market is a challenging environment. More often than not, the ones with additional knowledge seem to be having a greater level of success in the market. This additional knowledge can be about information, methods, or processes. To get the first, most people rely on a network or remain glued to the TV or some WA group or the other. For methods, people attend courses, watch YouTube, etc. For processes, people have to practice what is learned or developed by themselves etc.

In all the three above elements, a bit of curiosity is very necessary to keep us going. Curiosity is the strong desire to learn or know something. Those who are curious may also actively seek out challenges and new experiences to broaden their horizons. When you are curious about something, your mind expects and anticipates new ideas related to the subject. When the ideas come you will recognize them.

[Click here](#)

# Blogs



A few days ago, I met with some eager students of technical analysis, who wanted my opinion on how they should go about their work. They were eager to show me their stuff and almost everyone had a whole lot of analysis thingies on their charts, making for a very crowded screen. It made me think back to the time when I had to draw all charts by hand, on a paper with pencil. It was arduous work, as we had to draw a chart for every tool that we added. One chart for daily, one for weekly, one for monthly, one for Log scaled chart, one for indicators, a separate one for candlestick charts (those had just got introduced at that time!) etc. etc. You get the idea- lots and lots of work. Maybe that is why we all got weaned on keeping matters quite simple. In contrast, today's TAs can simply add things with a mouse click or two- almost next to no work.

But does more do the trick? Does faster do the trick? I don't think so. I told those young chaps to first declutter their screens and have just a plain chart on. Price is everything, isn't it? The rest emerge out of price- averages, lines, oscillators, etc. While those are all additives, the main ingredient is the price.

[Click here](#)

# Events and Seminars



We are glad to inform you that NeoTrader is participating at Association of National Exchanges Members of India (ANMI) **"STOCKTECH 2024" on Friday, 12th January, 2024 at NESCO Center, Western Express Highway, Goregaon East, Mumbai. from 9:00 am to 6:00 pm**

We are proud of this opportunity to present NeoTrader's features and benefits to individuals, traders, investors & Brokers from the stock broking fraternity. Our team will be interacting with all to learn, earn and Integrate through NeoTrader with one Click execution through their desired brokers.

We have also put up a stall wherein we will walk you through your expertise area of choosing stocks and trading to enrich your trading and investment knowledge, with tools & technical analysis and API Integration through the power NeoTrader. Our main Objective at this event is to help you discover the latest technologies and services across NeoTrader.

We welcome one and all to this Event and do meet up with the team at **NeoTrader stalls No 18 & 19**

[Click here](#)

# Christmas Celebration NeoWay!!



# SPECIAL SUPPORT SESSIONS

NeoTrader Team now conducts regular handholding support sessions!

The objective of these sessions is to ensure that you are able to use the NeoTrader pages well. We understand that many of our NeoTrader family members want to fine-tune their trading skills and usage of NeoTrader.

We're here to offer personalized, step-by-step assistance to help you navigate through them successfully.

## Key Features of our Q & A and Strategy Sessions:

**Personalized Guidance:** In handholding sessions, we provide one-on-one assistance tailored to your specific needs. Our goal is to guide you through the process, ensuring a clear and thorough understanding of each step.

**Interactive Learning:** These sessions are designed to be interactive. Feel free to ask questions, seek clarification, or request additional information at any point. We want to make sure you feel confident and comfortable throughout the process.

**Step-by-Step Instructions:** We'll break down the task or process into manageable steps, offering detailed instructions along the way. This approach allows for a smoother learning experience and helps build your confidence as you progress.

**Patience and Encouragement:** Learning something new can take time, and we understand that. We're here to patiently guide you through each step, providing encouragement and support to help you overcome any challenges you may encounter.

**Feedback and Reflection:** Your feedback is crucial to us. We encourage you to share your thoughts, ask questions, and let us know how we can improve our support. Additionally, taking a moment to reflect on what you've learned can enhance the overall learning experience.

Thank you for participating in our handholding support services. Let's work together to ensure you successfully achieve your trading goals.

# SPECIAL SUPPORT SESSIONS



DATE	TOPIC	TIME
05-01-2024	Q & A Session on Option Trading	4pm
06-01-2024	Q & A Session on Expert Alerts Page	12pm
08-01-2024	Q & A Session on RSI	7pm
10-01-2024	Strategy Session (For 2Yrs NT Subscriber)	7pm
11-01-2024	Q & A Session on Options Trading	4pm
13-01-2024	Special Session by CKN Sir (2 Year Subscriber)	TBD
15-01-2024	Q & A Session on Multiday	4pm



# SPECIAL SUPPORT SESSIONS

DATE	TOPIC	TIME
16-01-2024	Q & A Session on Camarilla	5pm
17-01-2024	Q & A Session on CPR	7pm
20-01-2024	NSW DAY 1	10am
21-01-2024	NSW DAY 2	10am
22-01-2024	NSW DAY 3	10am
23-01-2024	Live Session	10am
24-01-2024	Strategy Session (For 2Yrs NT Subscriber)	7pm

# SPECIAL SUPPORT SESSIONS

DATE	TOPIC	TIME
25-01-2024	Q&A Session on SA	7pm
29-01-2024	Q&A Session on Multiday	7pm
30-01-2024	Live Session	10am



# New Workshop Dates Are Out Now

*Your gateway to consistent profits*



NeoTrader Strategy Workshop is a unique workshop designed to help every aspiring or professional trader to excel in their trading endeavours.

The last workshop was an immersive experience which was attended by more than 500 members making it a resounding success. The workshop exceeded all our expectations and left a lasting impression on all the participants. The dedication, passion, and expertise in the subject matter were evident throughout the sessions, making it an incredibly enriching experience for all of us.

What does this workshop focus on ?

- Master Advanced Trading Strategies
- Hands-On Practical Exercises
- Risk Mitigation Techniques
- Trading Psychology Insights
- Post-Workshop Support

We continue to strive to make each version better than the previous one. We are excited to announce the upcoming NeoTrader Strategy Workshop, an immersive and transformative event designed to take your trading skills to new heights!

[Click here](#)

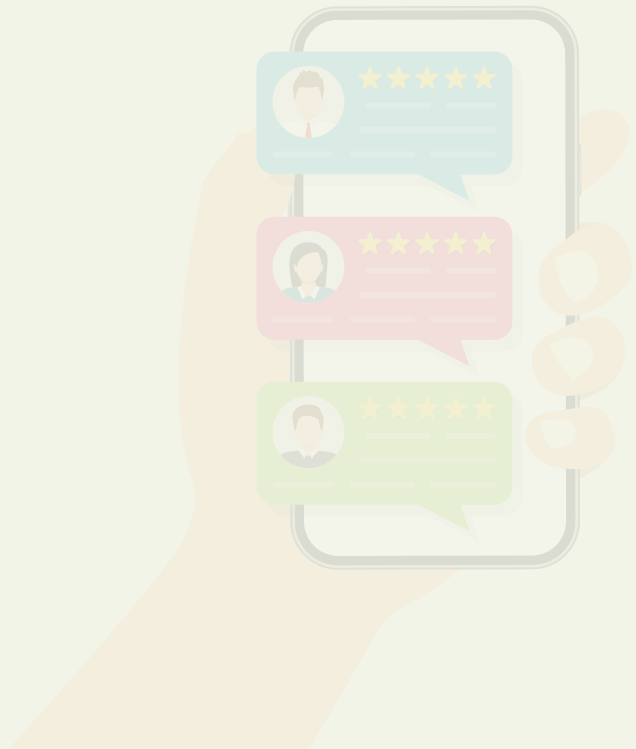
# CUSTOMER REVIEWS AND FEEDBACK

“

Wonderful experience and teaching facilities while trading ....!!!

**Kartik Goyani**  
★★★★★

”



“

very friendly great experience love to know more about trading

**Tejas Dandekar**  
★★★★★

”

# CUSTOMER REVIEWS AND FEEDBACK

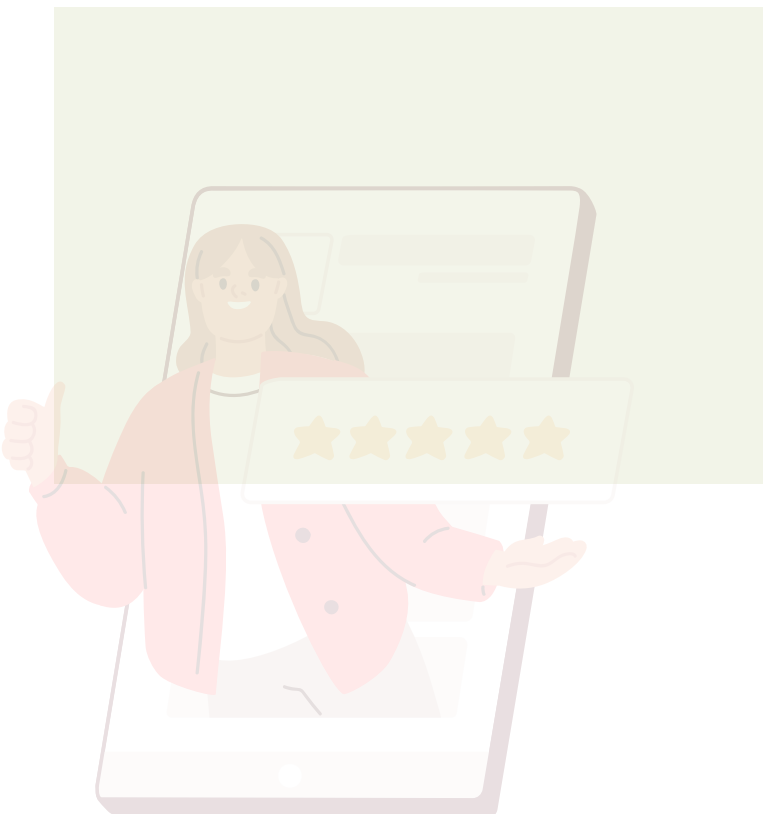
“  
The 3 days workshop was very impressive. The explanation on various topics was covered to the very minute details. It was an amazing experience to get such deep knowledge.

**Carlisle Pereira**



“  
Amazing tool for traders who are new to trading as well as traditional traders.

**Pramesh Netiyil**



# INSIGHTS FROM A TRAILBLAZER: A THOUGHT-PROVOKING ARTICLE BY RAJA VENKATRAMAN



## WHY SECTOR ROTATION INFLUENCES DECISION MAKING ?

A wise man once said "Fortunes favour the prepared", while we all believe in this phrase, majority of the traders are unable to encash it. While trading, the objective is to be ready and be early; it is about being smart and knowing precisely where to put your money when the time is right. While traders often struggle with the unpredictability of financial markets, it is possible to clear the air of uncertainty to an extent if we browse through the sectors that are active for the period of your choice to maximise your returns.

Well, according to investing legend Peter Lynch, it absolutely is! He once remarked, "If you are in the right sector at the right time, you can make a lot of money real fast." The question is how do you figure out the right sector at the right time? How do you know when to hold onto a sector and when to let it go? This is where the fascinating world of sector rotation comes into play. So, let us dive deep into the topic to understand sector rotation and how it can help you make better trading and investment decisions.

What is sector rotation?

Sector rotation is the movement of funds from one stock market sector to another in order to make the most of changing economic conditions and optimise returns. According to the S&P forecast, it is projected that India's GDP will grow at the rate of 6.3% through 2030 and is to become the third largest economy by then. Some sectors are expected to play a key role in the growth of the economy in the coming decade.



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When we attempt to read through the sector movements you will notice that not all sectors shine at the same time. When one sector does great, its glory might fade, and another could shine brightly. For example, in the past month, paper, railway, coal and textile industries have been the talk of the town. On the flipside, the stocks of oil and gas and healthcare equipment and supplies sectors have shown limited upside. It is essential to understand that not all sectors hit their peak simultaneously. Each sector is closely linked to different phases of the economic cycle. But why is that? It all comes down to how the economic cycle affects a company's profits, which, in turn, has a massive impact on stock prices.

For instance, let us consider a recession. During this period, you might think twice about splurging on a brand-new car but continue to visit the grocery store for daily staples, right? During these times, you might observe the rise of FMCG (Fast-Moving Consumer Goods) stocks while the stock prices of luxury companies take a dip. On the flip side, in a growing economy, you will likely notice technology companies flourishing as businesses embrace new technology for increased productivity, while traditional sectors like utilities stay quite steady. This constant shift from one sector to another as the economic landscape changes is what we call Sector Rotation.

## Review Of Sector Performance over the years

Now, let us take a look at how the sectors have performed over the last ten years to get some perspective of how the trends shift with time.



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### ANNUAL PERFORMANCE OF SECTORAL INDICES

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Metals	-15.7%	8.0%	-32.0%	44.9%	47.8%	-20.0%	-10.8%	16.6%	69.4%	21.8%	13.8%
IT	56.8%	18.5%	-0.4%	-6.9%	11.2%	24.9%	8.8%	55.6%	58.2%	-26.0%	24.5%
Realty	-34.7%	7.3%	-13.4%	-6.0%	110.3%	-31.7%	25.4%	6.2%	53.0%	-10.8%	76.7%
PSU Bank	-31.5%	66.9%	-32.3%	2.5%	23.4%	-14.7%	-19.5%	-28.4%	39.8%	70.7%	29.3%
Infra	-4.7%	22.9%	-8.9%	-2.9%	34.1%	-12.3%	2.3%	12.6%	34.7%	6.1%	35.8%
Media	0.5%	32.5%	10.5%	-0.6%	32.6%	-25.6%	-30.3%	-7.5%	33.7%	-10.2%	20.0%
Energy	0.0%	8.8%	-0.4%	19.5%	37.7%	1.5%	11.4%	6.2%	33.3%	14.3%	26.8%
Auto	8.7%	57.2%	0.1%	9.8%	30.1%	-22.8%	-10.6%	12.9%	17.9%	15.3%	41.0%
Bank	-10.0%	64.7%	-9.1%	6.7%	39.3%	8.2%	17.2%	-2.7%	13.6%	21.2%	10.5%
Pharma	26.6%	42.5%	9.7%	-14.3%	-6.3%	-7.7%	-9.4%	61.6%	9.4%	-11.4%	30.1%
FMCG	11.7%	17.6%	0.6%	2.8%	28.6%	13.9%	-0.5%	13.8%	9.3%	17.5%	24.7%
Nifty 50	5.9%	31.5%	-3.9%	2.8%	27.5%	4.5%	11.7%	15.1%	23.8%	4.3%	17.9%

A close introspection of the image above reveals that none of the sectors across each year has witnessed a sequential growth thus indicating that the trends will keep fluctuating. The average maximum upside seen across the sectors in the last 10 years has been around 70% while on downside is at 30%. Once a sector reaches this threshold it has shown a propensity to get exhausted.

For example if you see in 2022 PSU Banks was by 70% then it retreated in 2023 while IT was down by 26% then it bounced back in 2023. This highlights that once a sector gets exhausted there is a shift in trend. Hence, it is important for us to track on a regular basis which sector in demand and which is not, so that we can plan our trading and investing. While we all say that "Trend is our friend", we need to keep checking the situation on the ground as many times we get caught with lack of clarity.

### Interpreting sector rotation as an approach

Understanding sector rotation is like knowing when to catch the right wave in the ocean. To get it right, you must monitor what is happening in the economy. Apart from this, in a growing economy, you can take note of some government initiatives for different sectors which might bring significant profits for companies in those sectors.



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But that is not all. Sometimes, specific actions can boost a particular sector. For instance, when the European Union lifted the ban on waste paper exports, paper stocks rallied. When the government introduced the National Education Policy (NEP), it created a huge demand for educational products like textbooks and workbooks, benefiting paper companies. To ensure that you do not miss any opportunity one should keep an eye on economic trends and developments. However, we should ensure that once you have identified a promising sector, you don't want to buy up all its stocks. That can be expensive, and you might miss out on hidden gems.

Now, if you wish to take advantage of the sector as a whole one can choose sectorial ETFs. These funds are your shortcut to investing in a whole sector without picking individual stocks. They mirror the performance of a sectorial index, allowing you to ride the wave of the sector's success.

How to trade or invest when sector rotation is happening?

The first thing to do is to expect it.

This means that a sector can be turning around and every such turnaround presents an opportunity. So our job would be to check for which direction the turn could be. For eg. IT sector was in great demand for a long time. But the recent emergence of AI and its impact on existing IT business, has seen a big exit by institutional holders over the last year and the sector turned negative. During that decline, most stocks got into oversold mode, technically. This led to a revival from the lows and many stocks have rallied over the past month or two.

So, it can be seen that sector turns can be on fundamental as well as technical grounds. So sector tracking can be done from both schools of analysis.



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The second item of note is when a sector gets into play.

The leader stocks almost always do well when a sector is back in demand. So one should track the leaders of sectors that we believe are turning around. Generally, if leaders are not moving, the turnaround may be suspect. The second set of stocks start moving behind the leaders and try to keep pace with them. Many times, the percentage gains in the second set can be more than that of the leaders. Continuing with the IT sector example, a leader like Infy dropped around 30% when declines occurred but a second rung stock like Zensar Tech dropped 46% in even lesser time. But the same stock significantly outperformed Infy during the upmove during 2023. So, the finding here is that second rung stocks also move in tandem with the leaders but tend to outperform the leaders on both the up or down movements, with a lag.

The third item of note is the associated moves triggered in allied stocks and sectors.

The advantage of identifying a sectoral rotation is that it tends to impact associated stocks as well. For eg. if the Auto manufacturing group moves, there is also some accompanying move that happens in the auto ancillary segments. There are many such allied relationships between sectors and their offshoots. Often we can spot some additional stocks to invest into once the main segment is identified.

In a nutshell, remember that sector rotation does take time and experience to master. You must observe and learn to pick the best sectors to invest in. So, keep an open mind and stay informed. With sector rotation, you can ride the waves of the economy, generating better returns than ever.

An important thing to note is that you also have to take into account your risk tolerance and financial goals. That's because sector rotation is at least partly based on speculation. Hence, it's also important to not get overly fixated on the changes in the economy and markets, and to maintain a long-term investment strategy.

# ADITYA IYER: NAVIGATING THE FINANCIAL MARKETS WITH EXPERTISE AND INNOVATION



## RECAPPING 2023 AND CHARGING INTO 2024 WITH GUSTO

New Year brings new beginnings, we are planning many new initiatives at NeoTrader and of course our users can expect a plethora of new features that will power your trading ahead in amazing ways. But going into the New Year is incomplete without reminiscing all the highlights of the year.

Starting from the best trades to the best strategies we will try and study them all.

Best Strategy of 2023 for Intraday - Momentum -1

With a hit ratio of 69% this strategy has delivered a great intraday performance. With this strategy we will look to profit from breakouts that happen in stocks that are showing good trends. The best part about this strategy is that the Risk rewards becomes near 1:1 at T1 target itself and at T2 it goes to nearly 1-1.5x and at T3 its way above 2-2.5x times - so that profit potential is significant.

<b>Total Trades</b>	<b>272</b>
<b>Winning Trades</b>	<b>188</b>
<b>Losing Trades</b>	<b>84</b>
<b>Average Winner</b>	<b>6950</b>
<b>Average Loser</b>	<b>-6631</b>
<b>Hit Ratio</b>	<b>70%</b>

# ADITYA IYER: NAVIGATING THE FINANCIAL MARKETS WITH EXPERTISE AND INNOVATION

This runs on the 30 mins timeframe so your first trade here will be at 9.45AM and then every 30 mins i.e 10.15-10.45.....until 2.45PM the software will keep checking 500 stocks to see which one is best suited to feature as a trade based on this strategy. On most days you get 2-3 trades based on this strategy so its also very manageable for most users who want a lesser number of trades.

## Best Strategy of 2023 for Overall

We have shared the overall report of all the strategies and time frames, you will find that we get the most winning trades in Multiday under the momentum strategy, the hit ratio i.e the ratio between the winning and losing trades is most favourable in Swing strategy on the positional timeframe. but Option trades has the highest ROI. (Do note that options are leveraged so by default will have higher Rols, and of course the Rol will depend on many factors like capital and also the number of trades taken which can differ from user to user but we have tried to give you a general consensus of how things would have looked in 2023 if you had followed all the trades based on the rules mentioned.

Timeframe	Profit	Winning Trades	Losing Trades	Average Win	Average Loss
<b>Intraday</b>					
BTST-1	8,05,278	178	138	10,463	-7661
BREAKOUT -1	5,97,402	105	62	9,249	-6028
SWING-1	14,76,191	249	224	11,451	-6139
MOMENTUM-1	7,49,541	188	84	6,950	-6631
<b>Multiday</b>					
SWING-1	11,06,288	53	11	25,532	-22,448
MOMENTUM-1	41,99,032	291	113	23,982	-24,599
<b>Stock Options</b>					
OPT-1	32,89,154	613	572	11,552	-6,630
<b>POSITIONAL</b>					
MOMENTUM-1	64,57,333	168	72	55,925	-40,805
SWING	14,48,466	31	9	57,066	-35,619
<b>Investment</b>					
INVEST-1	11,37,963	119	31	11,795	-8,568

# ADITYA IYER: NAVIGATING THE FINANCIAL MARKETS WITH EXPERTISE AND INNOVATION

Best Investment ideas - Hindustan Copper -140% Return in 5 Months

Neotrader really picked out some gems early on during the year - these were featured in the investment ideas page of NeoTrader. We are sharing the top 5 names of 2023 and the corresponding return if you had held it from the trade generation date till today.

One standout performer will definitely be Hindustan Copper - which has been a rocket of a stock in the current year.



It first appeared on the investment page on 07-07-2023 , then once again the recommendation was reiterated on 28-07-2023 and for those who missed it, it came once again for a third time on 01-09-2023 when it dipped. All in all a Winning find.

Best Webinar - Dr CK Narayan - RSI Masterclass - 3000 LIVE Attendees!!!!

We did this in the month of October and got an overwhelming response. This is where we launched all the new features related to RSI and DR CK Narayan as always did an outstanding job.

As a new year gift you can expect some major snippets of this webinar appear on our YouTube channel, so subscribe and stay tuned.

# TOP PERFORMING TRADE FROM NEOTRADER

The following shows short and long trades profit.

**Short Trades:** Short refers to selling a security first and buying it back later, with the anticipation that the price will drop and a profit can be made

**Long Trades:** Long refers to buying a security first and selling it later, with the anticipation that the price will increase and a profit can be made

## TOP 5 OPTIONS TRADES

Our **OPTIONS** suggestion is best for catching the quick volatile moves of the stock through our ready made trade suggestion which will give you which strike price to enter whether it be CALL or PUT.

Scrip	Date & Time <sup>3:17</sup>	Profit in Rs
PFC23DEC385CE	08-12-2023 09:48	68,975
IOC23DEC115CE	04-12-2023 09:48	45,338
RECLTD23DEC402.5CE	08-12-2023 09:48	39,100
HINDPETRO23DEC362.5CE	04-12-2023 09:48	38,340
IDEA23DEC13CE	14-12-2023 10:17	38,000

## TOP 5 INTRADAY TRADES + BTST

Our **INTRADAY** suggestion fulfills the appetite of day traders by catching the short term trend of the stocks and providing high probability trades.

Scrip	Date & Time	Signal Type	Profit in Rs
GAIL	22-12-2023 09:51	LONG	19,352
MCX	04-12-2023 11:17	SHORT	14,912
M&MFIN	14-12-2023 09:34	LONG	14,180
VOLTAS	20-12-2023 09:24	LONG	14,004
HINDPETRO	26-12-2023 10:47	LONG	12,393

## TOP 5 MULTIDAY TRADES

Our **MULTIDAY** trade suggestion are active for a period of 5 trading sessions suitable for those who want to capture price swings.

Scrip	Date & Time	Signal Type	Profit in Rs
RBLBANK	06-12-2023 15:04	LONG	72,075
GAIL	22-12-2023 15:04	LONG	52,292
BALRAMCHIN	07-12-2023 15:04	SHORT	52,096
LAURUSLABS	22-12-2023 15:04	LONG	43,180
DIXON	01-12-2023 15:04	LONG	32,828



**Vikas Center, 1402 14th Floor, CG rd,  
Chembur (E), Mumbai,  
Maharashtra 400074**

**Contact - 8779800688 / 8169384048**

**Help Desk No - 9137880257**

**Mail - support@neotrader.in**