



WALK THE TALK

CUTTING EDGE STOCK MARKET ANALYSIS

July 2024
Volume 30

FOUNDER'S MESSAGE



Hello

And before you know it, the first six months of this year has already run away! Where did that time go? I wonder if anyone can ever explain that question.

But it has been a good time for market participants in more recent times, what with the indices breaking out into all-time highs yet again. The indices logged in their best 6-month gains and the market breadth indicators also improved in June, implying that the advance that was occurring was on the back of some concerted and widespread buying. When breadth and participation are high, the market is far away from recording any peaks (a fear harbored by many in the market at this juncture). IT, Telecom, Consumer discretionary etc. are among the sectors that led the rally.

Our Neotrader software is very adept at finding these kind of sector shifts very swiftly. For e.g. the most recent upward turn in the IT stocks were caught quickly with long recommendations coming through in the Investment and Positional trades section. Longer range players should keep track of this section of Neotrader to be able to use the software to get into profitable positions. The Neotrader software that you have subscribed is for EVERY kind of market player. All you need is to know how to do that well. But that is the easy part- for, our staff is standing by all the time to help you with this. If you have not had a one-on-one experience yet, schedule for one today!

We stand to create profits from the markets. For everyone who associates with us. Lets all move forward together!

CORRECT HABIT FORMATION LIES AT THE ROOT OF ALL SUCCESS



Why am I speaking about all this? Because the market is a place where our habits have the biggest reflection on how we fare! It decides whether we succeed or fail. Some people may wonder at that statement because they consider money, contacts, information, analytical skills, network etc. to be the most important factors in market success. But, as I have written many times, eventually everything ends up in the brain, where we process whatever information we have and come to a decision. So perhaps a small detour to understand the workings of the brain may be in order here!

From the time we are of a school going age, our parents and all others around us have been telling us to develop some good habits. Be respectful to elders, be physically clean, eat properly, get plenty of sleep etc. etc. As we grew older, these changed to work hard, work smart, save money, be honest etc. as life changed to creating progress for oneself and alongside build values. When we mature into adults, more habits are sought to be instilled such as exercising regularly, avoid eating junk food too much, taking up a hobby, creating a work-life balance etc.

[CLICK HERE](#)

ELON MUSK LESSONS FOR A TRADER



We know that Elon Musk is a famous man. He got to be famous by doing great things, very big things. And succeeding. But do you know what one of his most famous lines is? It is used by him often in his endeavours. "This probably won't work the first time." Can you grasp the enormity of that line? Musk, a man with his enormous riches, reach, capabilities, resources etc. etc. is willing to have low expectations about his project! Now here is another enormous ditty from him: "Success is one of the possible outcomes."

I think traders and investors should make those two lines their credo for the markets. The problem with most of us who play the markets is that we expect success with every one of our trades. This leads us to build high, sometimes absurd expectations about our trades.

We have all been taught to think that higher risk equals higher returns. Sounds logical enough, doesn't it? After all, we are taking the higher risk to achieve the higher return, aren't we? Why else would we not keep our money in an FD- never mind the fact that we actually lose money in an FD (because inflation eats up the meagre returns that it gives).

So, every time you take a higher risk, you expect to be rewarded higher!

[CLICK HERE](#)



STRATEGY SPOTLIGHT

A DEEP DIVE INTO NEOTRADER OPTION BUYING TRADES

In the fast-paced world of options trading, capturing short-term swings can really boost your trading success. NeoTrader's carefully crafted and tested options strategy helps traders make quick decisions by taking care of strike selection, stock selection and also provides clear recommendations for entry, stop losses, and targets. This article looks at the impressive performance of these option trades from January 2023 to now, using a detailed simulation with a ₹6,00,000 capital base.

The Benefits of Options Trading with NeoTrader

- **Eliminate Complex Greeks:** NeoTrader handles the intricacies of delta, gamma, theta, and vega.
- **Short Holding Period:** Limited to 3 trading days, reducing concerns about premium decay.
- **Comprehensive Coverage:** Get recommendations on both stock and index options.
- **All-Inclusive Trade Elements:** Receive complete trade details, including strike price, expiry, entry, stop loss, and targets.

All points covered further in this article will be governed by our - [All points covered further in this article will be governed by our - https://neotrader.in/disclaimer/](https://neotrader.in/disclaimer/)

In-Depth Analysis: Options Strategy with ₹6,00,000 Capital

Let's delve into the performance of the options trade over the past year, focusing on the results of a ₹6,00,000 capital investment.



Profitability and Returns:

- **Monthly Average Profit:** The strategy generated a theoretical capital growth and expected average monthly profit of ₹3, 34,857 reflecting consistent performance across various market conditions.

Trade Metrics:

- **Accuracy:** The strategy maintained a hit ratio of 54%, indicating that nearly half of the trades were profitable.
- **Average Profit and Loss per Trade:** The average profit per trade was ₹12,999, while the average loss per trade was ₹7,436. This balance between profits and losses underlines the strategy's robustness.
- **Max Profit and Loss per Trade:** The maximum profit in a single trade was ₹1,61,663, while the maximum loss was ₹34,000.

Risk-Reward Analysis:

- **Risk to Reward Ratio:** The strategy maintained a favorable risk to reward ratio of 1:2. This means that the potential reward significantly outweighed the risk, making the strategy highly attractive for risk-conscious traders.
- **Stop Loss vs. Target:** The stop loss levels are set fixed 50% to minimize losses, while the target 3 which is the main target is at 100%. This balanced approach helps in achieving a healthy risk to reward ratio.



Stop Loss vs. Target Breakdown:


NeoTrader's option strategy sets multiple targets to cater to different risk appetites. Here's how each target level contributes to the overall strategy robustness:

Target Level	No. of Trades	Average P&L Per trade (₹)	Comment
Target 1	170	7,502	Conservative, locks in profits early.
Target 2	238	12,679	Balanced, suitable for longer holds and higher gains. More than 1x of Stop loss
Target 3	302	23,209	Aggressive, aims for maximum profit. 2x of stop loss
Stop Loss	365	-10,442	Minimizes potential losses, crucial for capital protection.
Exit at Profit	215	2,513	Partial profit exits, adds to overall gains.
Exit at Loss	403	-4,972	Partial loss exits, reduces overall impact of loss trades.

Monthly Performance Breakdown:

The monthly performance of our options strategy highlights its consistency and potential for steady returns and how it adapts to different market conditions, consistently delivering positive returns. The only months with relatively lower profits still maintained positive outcomes, highlighting the strategy's resilience.

Month	No. of Trades	Cumulative Profit (₹)
January 2023	136	1,62,712
February 2023	129	2,89,606
March 2023	97	2,85,112
April 2023	140	3,45,413
May 2023	122	2,25,844
June 2023	105	1,64,603
July 2023	109	4,15,689
August 2023	60	1,08,158

September 2023	56	52,723
October 2023	76	4,06,433
November 2023	94	4,84,168
December 2023	99	3,87,238
January 2024	85	2,24,766
February 2024	67	3,56,175
March 2024	87	2,83,982
April 2024	87	7,53,729
 May 2024 <i>Lesson 1</i>	81	7,66,701
AVERAGE	94	3,34,857

NeoTrader’s option strategy is built to be strong and reliable, thanks to its well-planned stop loss and target levels. By offering multiple target levels, the strategy fits different trading styles and risk preferences. Consistently applying stop loss limits helps minimize potential losses, protecting your capital for future trades. This balanced approach lets traders take advantage of market movements while keeping their investments safe from big downturns.

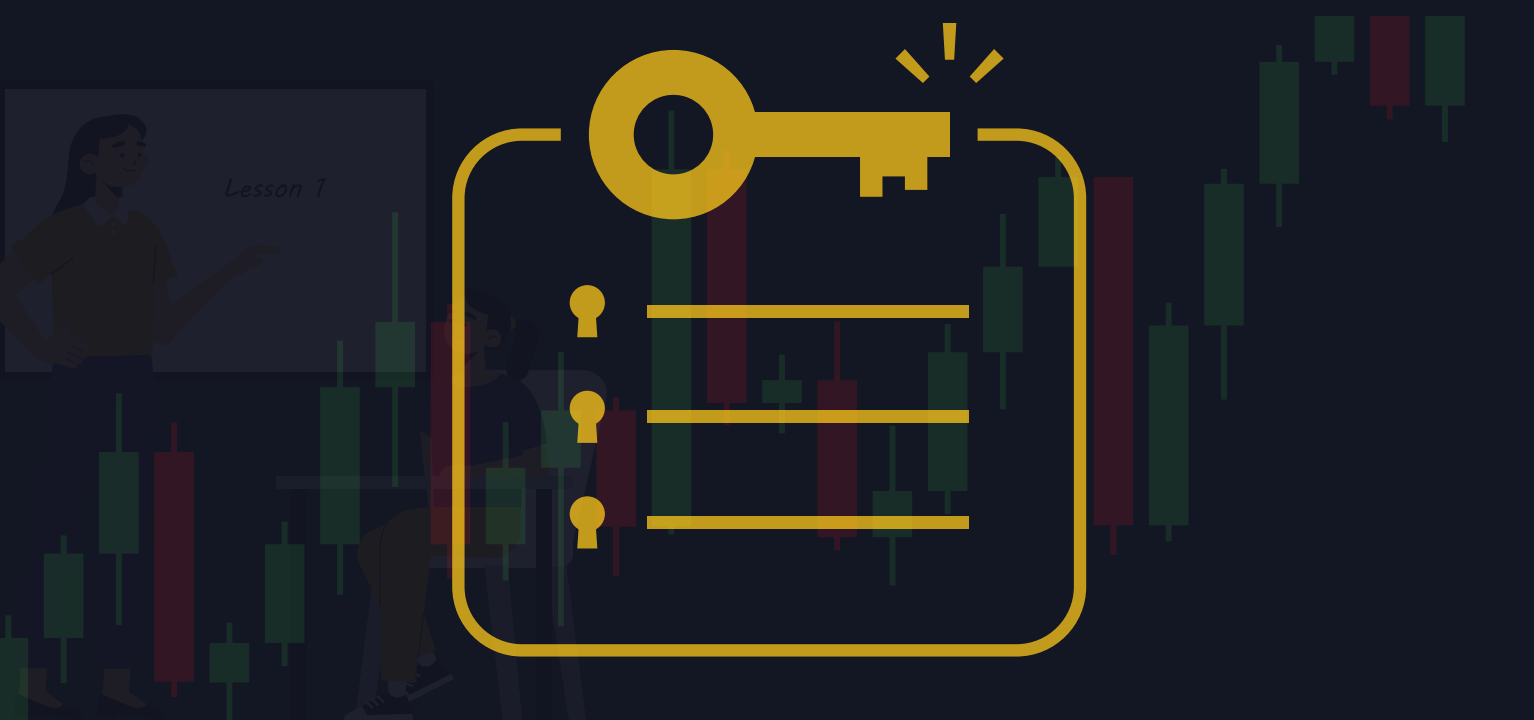
Final Takeaways

NeoTrader’s option strategy is a fantastic choice for traders aiming to profit from short-term market movements. Its reliable performance and structured approach make it perfect for those trading both stock and index options. To get the most out of this strategy

- **Understand Your Risk Tolerance:** Set realistic goals and stick to the plan.
- **Follow the Strategy Rigorously:** Stick to the defined stop loss and target levels.
- **Monitor Performance:** Regularly review trades and adjust your approach as needed.

Explore the full potential of NeoTrader’s option strategy and boost your trading performance. Stay tuned for more insights and strategies in our next newsletter. Happy trading!

It can be accessed in the intraday trade’s page of NeoTrader available here - https://neotrader.in/index/Option_Trades/



Recommendation for Traders

For traders looking to optimize their intraday trading performance, NeoTrader's Momentum-1 strategy offers a well-balanced approach with substantial potential returns. By leveraging AI-driven insights and time-tested techniques, traders can enhance their decision-making processes and improve their profitability. We recommend traders to:

- **Start with a Clear Plan:** Understand your risk tolerance and set realistic goals.
- **Follow the Strategy Rigorously:** Adhere to the defined stop loss and target levels.
- **Monitor Performance:** Regularly review your trades and adjust your approach based on performance metrics.
- **Take fixed Number of trades:** it would be best if you could take all the trades, if not fix a given number of trades that you can take each day and stick to that every day at least for 3 months.

NeoTrader continues to innovate and provide robust tools to help traders succeed in the market. Stay tuned for more insights and strategies in our next newsletter. Happy trading!



SPECIAL SUPPORT SESSIONS

OUR SPECIAL SUPPORT SESSIONS FOR JUNE

DATE	TOPIC	TIME
09TH JULY 2024	Q & A SESSION ON OPTIONS	7.00 PM
12TH JULY 2024	Q & A SESSION ON MULTIDAY	4.00 PM
17TH JULY 2024	ADVANCED CPR TACTICS FOR SMART TRADING	11:00 AM
18TH JULY 2024	CPR STRATEGIES FOR WINNING IN LIVE MARKET	10.00 AM



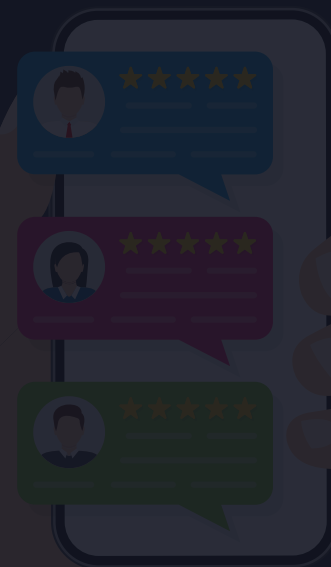
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CUSTOMER REVIEWS AND FEEDBACK



The NeoTrader 3 day workshop is perfect training class. The coaching is authentic, helpful to address doubts. The aim to build confident traders is achieved, I believe

Muralidhar Kalidasu



Kudos to the effort done by NeoTraders team, Software is really good if you got the right sessions and if you do the practice on daily basis. My request to do these sessions on weekly basis so the new comers will get to know it. Great Job Team!

Abhijit Ravindra Chavan

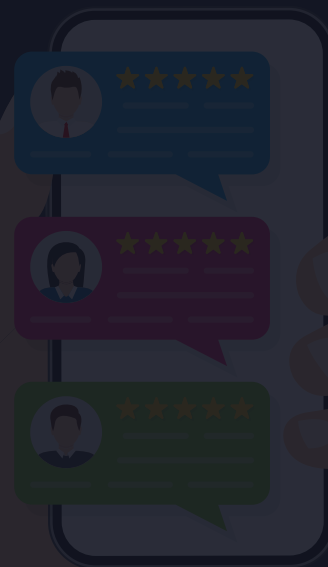


CUSTOMER REVIEWS AND FEEDBACK



Very good software for Trading !! if you want work on more stocks it will save your time.

saurabh kadu



Neotraders Software is a professional approach to take trade smartly, which saves Time as well as Losses.

Jaydeep Parmar





PANIC TRADING: AN OVERVIEW AND THE NEED FOR CAUTION

Market volatility at such high levels is often induced by a scenario which one can term as panic trading. The most recent scenario was the Election Day when the sharp fall post the bullish exuberance seen on the Exit poll day did trigger a sharp panic across the board.

Such trading scenario triggers rapid and often irrational selling of positions, typically in response to sudden adverse news or market events. This type of market behavior can lead to significant market volatility and substantial losses for traders. Understanding the dynamics of panic trading, its potential consequences, and the associated market volatility is crucial for traders to mitigate risks and make informed decisions.

Causes of Panic Trading

Panic trading is usually triggered by unexpected news or events that cause fear and uncertainty among investors. These triggers can include:

Economic Indicators: Poor economic data, such as declining GDP or rising unemployment rates, can cause panic.

Geopolitical Events: Political instability, wars, or natural disasters can lead to sudden market downturns.

Corporate News: Negative news about a company's performance, legal issues, or executive changes can spark panic selling.

Market Rumors: Unverified information or rumors can also cause traders to act hastily, contributing to market volatility.

Strategies to Mitigate Panic Trading

Traders can adopt several strategies to protect themselves from the adverse effects of panic trading and associated volatility:

Stop-Loss Orders: Implementing stop-loss orders can help limit losses by automatically selling assets when they reach a predetermined price level, reducing exposure to further volatility.

Staying Informed: Keeping abreast of market news and developments can help traders anticipate potential panic triggers and prepare accordingly.

Emotional Discipline: Maintaining emotional discipline and adhering to a well-defined trading strategy can prevent impulsive decisions driven by fear.

Volatility Hedging: Using financial instruments such as options or futures can help hedge against volatility, providing a buffer during turbulent market conditions.

Calibrating Positions: Employing robust risk management techniques, such as position sizing and portfolio rebalancing, can help mitigate the impact of volatility.

In a nutshell by performing Panic trading a trader or an investor can incur substantial financial losses and increased market volatility. Traders need to be aware of the triggers and consequences of panic trading and adopt strategies to mitigate its impact. By maintaining emotional discipline, diversifying investments, staying informed, and using volatility hedging techniques, traders can navigate periods of market turmoil more effectively and make rational, well-informed decisions.



TOP PERFORMING TRADE FROM NEOTRADER

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**.

The following shows short and long trades profit.

Scrip	Profit in Rs	Signal Type	Date & Time
PNB 24JUN 130 PE	04-06-2024 09:48	LONG	78,400
RECLTD 24JUN 560 PE	04-06-2024 09:48	LONG	72,300
HINDPETRO 24JUN 550 PE	04-06-2024 09:48	LONG	58,523
BHEL 24JUN 295 PE	04-06-2024 09:48	LONG	57,750
POWERGRID 24JUN 317.5 PE	04-06-2024 09:48	LONG	52,560

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
CUMMINSIND	20-06-2024 10:18	LONG	40,185
HAL	13-06-2024 15:00	LONG	38,088
CUMMINSIND	24-06-2024 11:17	LONG	32,601
HAVELLS	04-06-2024 09:47	SHORT	29,240
BALKRISIND	04-06-2024 10:57	SHORT	22,965

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
HAL	07-06-2024 15:05	LONG	2,08,218
CUMMINSIND	11-06-2024 15:04	LONG	1,01,064
ABB	11-06-2024 15:04	LONG	88,965
ABB	12-06-2024 15:04	LONG	85,813
ESCORTS	05-06-2024 15:05	LONG	84,150

ANATOMY OF A TRADE

Every month, under this section, we highlight one of the impressive features within Neotrader to help our users understand the tool and its usage. We take live examples from the market and take the reader through a journey from trade spotting to its completion. In this issue we are highlighting the use of the Central Pivot Range (CPR) page and how it can be used effectively to spot and track trades to make profits.

BACKGROUND OF CPR .

The Central Pivot Range (CPR) is perhaps the most used of all pivot indicators. From forecasting trending/Non trending bias. As per Frank Ochoa, author of the Pivot Boss, a seminal work on Pivot analysis, " This range can tell you so much about the potential movement of the upcoming day and even how the prior day transpired. Moreover, the placement of the CPR can give you a certain bias about the upcoming day. Knowing the location of the CPR at all times allows you to keep your finger on the pulse of the market and provides you with a significant trading edge".

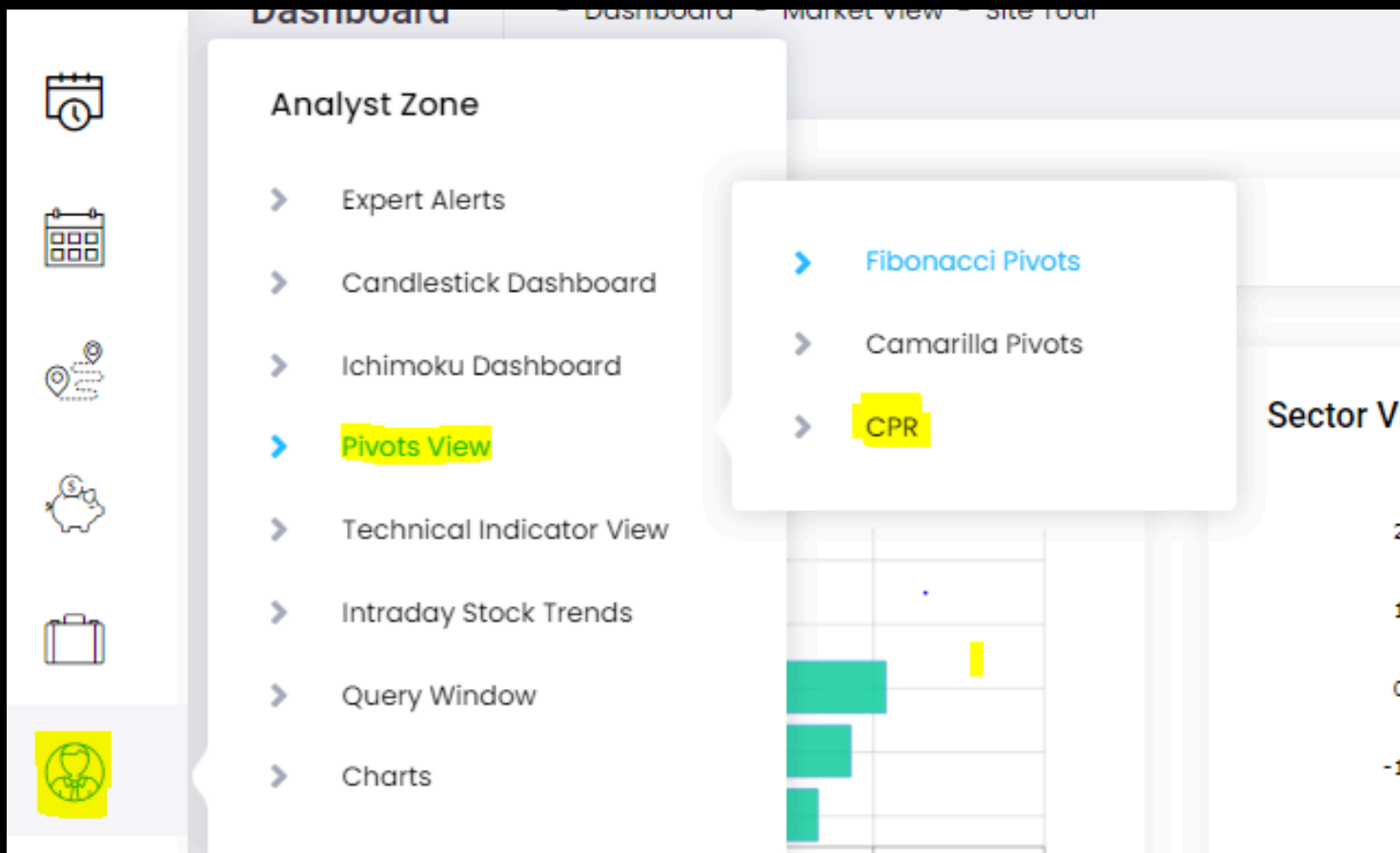
The Central Pivot Range consists of three pivots, following are their mathematical derivations

- Top Pivot = (Pivot - Bottom Pivot) + Pivot
- Pivot = (High + Low + Close)/3
- Bottom Pivot = (High + Low)/2

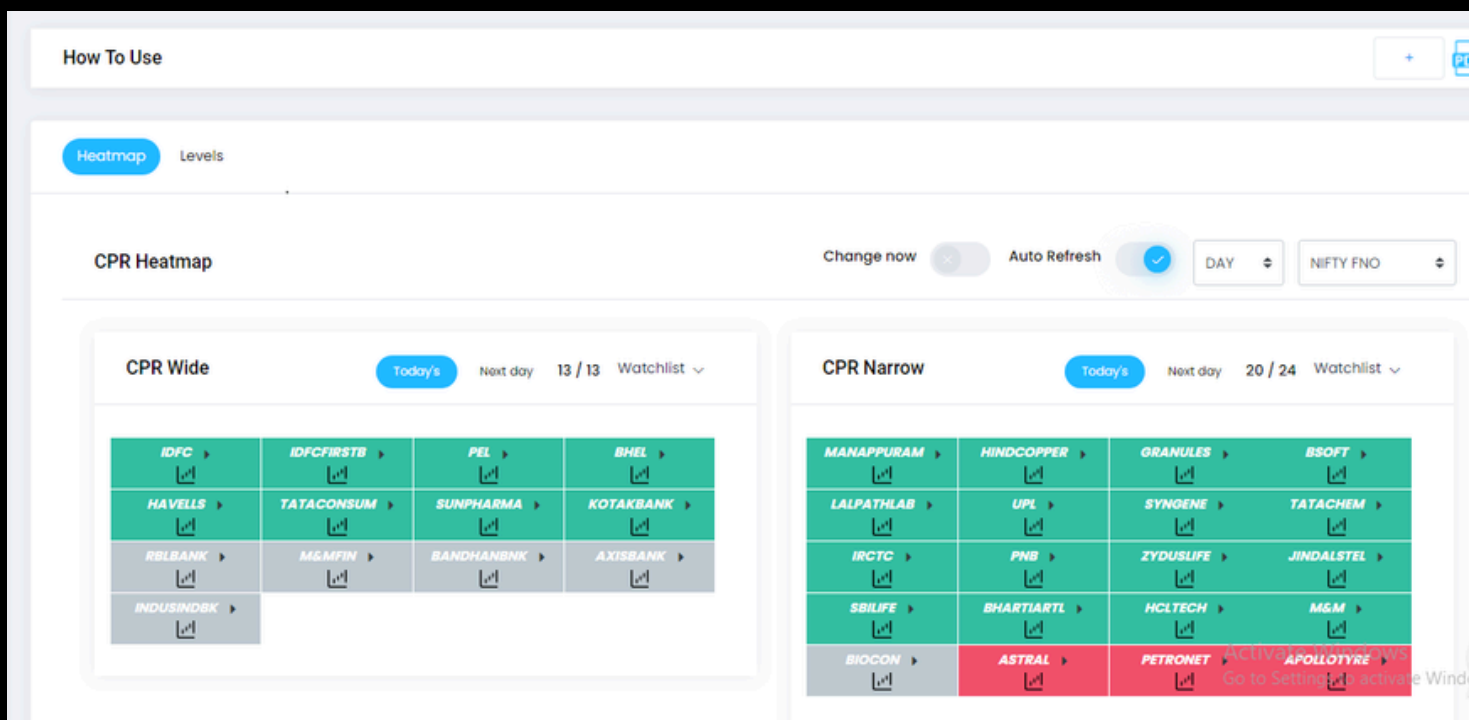
CPR in NEOTRADER

Recognising the importance as well as the simplicity of the CPR, we have incorporated into Neotrader a rather extensive module of this indicator and it remains one of our most visited sections.

To access the CPR Page in Neotrader, Click Analyst zone, Select Pivot view and within that choose CPR Pivots.



It will open the CPR Page that is subdivided into various features.



Level 1 **All** Wide Filter Narrow Filter 20 / 57 Watchlist

Curated

VEDL:2.2	CHAMBLFERT:1.2	HINDCOPPER:1
TATAMOTORS:-2	INFY:7	INDUSTOWER:7
MPHASIS:6	NIFTY:6	LUPIN:5
OFSS:5	PERSISTENT:5	LTTS:4.1
COALINDIA:4	IOC:4	PFC:4

Level 1 **All** wide Narrow Filter Curated 13 / 13 Watchlist

WIPRO:8	AMBUJACEM:5.1	BAJFINANCE:4
IEX:3.2	HDFCBANK:3	UBL:3
VOLTAS:1	GAIL:-1	ACC:-1
ZEEL:-1	RAMCOCEM:-1	UCHSGFIN:-1.1
APOLLOTYRE:-2		

Wide 7 **Today's** Next day 13 / 13 Watchlist

IDFC	IDFCFIRSTB	PEL	BHEL
HAVELLS	TATACONSUM	SUNPHARMA	KOTAKBANK
RBLBANK	M&MFIN	BANDHANBNK	AXISBANK
INDUSINDBK			

Narrow 7 **Today's** Next day 16 / 16 Watchlist

MANAPPURAM	BSOFT	SYNGENE	TATACHEM
IRCTC	JINDALSTEL	SBILIFE	BHARTIARTL
HCLTECH	MGM	BIOCON	ASTRAL
PETRONET	APOLLOTYRE	TORNTPHARM	BRITANNIA

Whipsaw Down 1 / 1 Watchlist

DABUR

Whipsaw Up 1 / 1 Watchlist

IGL

Activate Windows
Go to Settings to activate Windows

Virgin CPR up 19 / 19 Watchlist

DRREDDY:1	HDFCBANK:3	TATACONSUM:2	COALINDIA:4
BERGEPAIN:5	MOTHERSON:3	PFC:4	RECLTD:4
FEDERALBANK:1	VOLTAS:1	SYNGENE:1	OFSS:5
ALKEM:1	DIXON:5	UBL:3	HINDCOPPER:1
MCX:1	NIFTY:6	BANKNIFTY:1	

Virgin CPR down 1 / 1 Watchlist

MGL:-1

i The list will get updated after 4pm.

As can be seen, there are many ways to skin the Cpr cat and Neotrader has tried to simplify the approach towards CPR in this page.

CPR WIDE & NARROW

The distance between the three CPR lines decides whether it shall be labelled Wide (all three lines well apart) or Narrow (all three lines close to one another). Therefore, we can straight away bifurcate stocks into two sections – one having today’s CPR as wide & another having today’s CPR as narrow. In Neotrader, we follow a convention of coloring the stock name green when the prices are above the CPR or red, when the prices are below the CPR. Of course, you can have wide and narrow CPRs under both the sections.

For example, in the chart we can note that IDFC (left) is showing a Wide CPR while Manappuram Finance exhibits a Narrow CPR. This is just the first level of classification of the CPR. Typically, a wider Cpr may lead to consolidation ahead while a Narrow CPR today is expected to lead to some trended action ahead.



There are of course other considerations to be taken in before deciding on buys and sells. We have therefore introduced a super feature of this page and that is the CPR score & Levels which define for us trades setups. These are as per our own proprietary algorithms.

For example, in the CPR Level 1, we see the following stocks present. We shall pick Persistent systems as a random name as it has a high score (the higher the score, the stronger the trend).

Level 1	All	Wide Filter	Narrow Filter	20 / 55	Watchlist
1	Curated				
ABFRL:2.1	IPCALAB:1	INFY:7			
INDUSTOWER:7	MPHASIS:6	NIFTY:6			
LUPIN:5	OFSS:5	PERSISTENT:5			
COALINDIA:4	IOC:4	PFC:4			
RECLTD:4	COFORGE:4	NATIONALUM:4			
AARTIIND:3.1	ATUL:3.1	HAL:3			

Based on the rules that we have defined for a trade set up, Persistent (as well as many others from this list) qualify as a Buy for this day. In the chart of Persistent attached herewith, we can note that the stock has given a fairly good move for the day, bounding up some 3% after the open.



In this way, picking trades becomes rather easy and we can look to be consistently profitable in the markets.

The CPR Level is just one of the Neotrader features available to our CPR enthusiasts and, in addition, we have created several other unique features such as CPR Whipsaw, CPR NR 7 & Wide 7, CPR Curated list, Virgin Cpr etc., etc. and these can be viewed across multiple time frames making this tool useful for intraday as well as multi day trading and investing.

This powerful module methods are by themselves shall deliver profits that can be worth several times the price of one subscription! Check it out today.





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