



NeoTrader

NeoTrader Newsletter Vol #2

November 2021



To the NeoTrader Family,

The market has been rolling along comfortably, driven more by local retail money flowing in to counteract the impact of continued withdrawal of funds by Flis. This is leading to a slightly asymmetric type of movement and the markets becoming very, very stock specific despite the continued advance of the index. However, our CGM model has been able to spot good opportunities to enable us to profit from the upward moves in the market and create profits for all clients over the past several months.



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The persistence of the rise over the past 18 months has certainly been something unprecedented. The most ideal approach would have been to hold long position through the run but that would be difficult considering past experiences of many years where periodic 5-10% corrections a few times in a year were the norm. Hence we have followed the practice of periodic profit booking that has also yielded good results.

Undoubtedly, as the market goes longer without a big correction, the risk element of the same increases. However, this is mitigated by the fact that the index and price levels have also climbed to levels where pullbacks will not cause any damage to the portfolios except for normal pullbacks. Hence there are no worries about continued participation in the market at these levels too. The quarterly earnings season is just about ending and overall trends have continued to remain positive. The sentiment therefore continues to be buoyant and supportive of more advances to occur. The fund flow into MF schemes has been looking up once again, signaling the return of the investor to the market after a brief period of redemptions. This is another happy augury for the market trends.

The recent spate of IPOs raised the possibility of money being withdrawn from the secondary market and diverted to the primary market. But the great success that many of these issues have had continues to attract even more money to the markets.

Thus, we are witnessing some good tidings in the market as of now and these are expected to continue into the coming quarters. So long as retail money is a net inflow, the impact of FII selling shall remain mitigated. With the Fed taper fears now eased, it is possible that in the New Year 2022, the FIIs may make a comeback. Earnings have been able to catch up with the price expansion and currently the Nifty PE is still at comfortable 22-23 levels only. The overall consensus that the Nifty EPS shall grow around 15-20% in the next year along with the IMF forecast that the Indian economy shall grow at over 8% gives one the confidence that bullish trends shall persist into 2023, making every dip that we may get into yet another buying opportunity.



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Given that as a back ground, we would suggest that additional funds can be funneled into the market even at this juncture. Several clients, growing nervous with the lofty heights achieved by the indices, are wondering whether they should redeem their profits. We would advise against this in the light of the factors stated above.

There are some excellent stocks making fresh debut in the market and that pipeline appears to be pretty strong. There is very good revival in several sectors and with money continuing to flow to mutual fund schemes and a possibility that the FII outflow may get reversed next year, it would make sense to remain invested and add to the portfolio size during market dips.

We are happy to announce that we would be adding Mutual Fund Investing as an added service from January 2023 and invite clients to take advantage of this new launch service to seek out better returns on their MF holdings through our research based model for scheme selection. Do get in touch if this area interests you.

After spending 15 months of doing work for home, we have resumed our office at a new address and invite our clients to drop by and meet with us at a time of their convenience. It shall be our pleasure to meet and interact with you all once again after being confined to our homes all through the pandemic

Strategy Spotlight

How many Trades should I take in a day?

In this month's newsletter, I would like to answer this one question that many of you face on daily trading, at times you see multiple trades show up on neotrader and you must decide which trade to take out of the list.

I have tried to list down a few solutions for you all to handle such situation. Let's start off with the simplest of solution.

Simple Solution - Take one Trade, wait for it to reach its completion - which is either stop loss or lapsed or target. Once the trade is completed take the second trade. So at any given point in time, you will only have one trade open. It therefore irrelevant to you how many trades the software puts out.

Less simple solution - Take two to three trades (this is the average of what 99% of the people do)- wait for them to be completed. As and when trades get completed, only then open new positions - Hence you will have a max of 2-3 trades open at any given point of time.

Worst case scenario - All trades hit stop loss - This is an extremely low probability scenario but if this emerges do the following. If you have set some loss limit for the day/week and that figure is hit. Just stop trading and come back again the next day/week. (This is a must). Advantage of following this as a practice! You will never overtrade your account - because the total number of positions will always be under control.

Best case scenario - We already provided for the worst-case scenario. Our biggest fear is that it will go towards big LOSS! on very active market days, signals will be popping up all over the place and no of trades will be more. The main point is that on such days the hit ratio will also be good. So, ideally, one should not have a problem.

We would suggest that members have some sort of monetary target to be earned (per day, per week, per trade etc. etc) and once these are hit, then one should ease off and then take only additional trades that you feel "cannot be passed up". This is what I do...once I hit my daily targets for profits (or for loss) I ease off from trades and wait for a much surer looking trade to show up.



Sometimes it does, sometimes it will not. I don't worry about it because if it doesn't turn up today, it will do so ahead! When we have a way of spotting trades, then we don't have to worry about the possibility of not getting opportunities.

In trading it finally comes down to that- how much can we do? How well is our mind tuned to doing what needs to be done, keeping fear and greed at bay?

While there is little doubt that software is unemotional and can capture whatever opportunity is there, the same cannot be said of the human mind. But markets essentially are counter intuitive and it requires a great deal of mind control to do the right thing. IN that sense, trading is just like real life. We all know what are the correct things to be done but very few are able to what needs to be done.

The idea of relying on software like NeoTrader is to release ourselves from the clutches of emotions that grip us at times like this. Ultimately, only such practices shall help us to trade better and win

A Note on Short Trades

Recently, you would have observed that many short trades have been generated in neotrader in Multiday and positional and BTST. Many of us avoid short trades for overnight due to higher margin and end up taking long trades only. This is okay sometimes but there is one very important point I would like to make.

Trades need to be generated and taken on the basis of the market trend. If market is in uptrend we should look for long trades and similarly when market is weak showing downtrend we should be short.

If you notice, the market recently has been down and negative and our NeoTrader Trade pages have been designed to stick to the trend so it has detected this correctly and delivered short trades which have performed rather well.

If you had been a long only trader- in the past 2 weeks, it would have been very risky and unfavourable for you to be taking overnight/carry fwd. long trades and you would have lost money. By this method, NeoTrader is attempting to keep you away from the wrong side of the market (In this case is being long). This is a very important trait and it is safeguarding your interest.



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If you look at things from this perspective, you will appreciate that being with the trend as neo suggests is a prudent approach rather than having rigid long only view.

When it is the correct time for you to hop back on, NeoTrader will get you back in the market when it is safe and signal long trades.

Till then, believe in the power of following the trend and technical analysis.



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What's New in NeoTrader

The past few months have been a real bumper months for New features added to neotrader. Lets start with the biggest -

Mobile Trading and Notifications via Telegram Bot



Now you can directly trade from your mobile and also get notifications every time a new trade appears.

Telegram bot + the mobile trading feature priced at just ₹ 500 per month - do contact our sales team to get this add on.

Options 360

New Derivatives Feature and option related pages!

Options 360^o

Now Live on NeoTrader.

- ✓ Analysis modules for finding Options Trades
- ✓ Implied Volatility
- ✓ New Technical Analysis Based filters for analysing options
- ✓ NIFTY performance monitor



We are glad to announce that we have added two new pages to options 360 which you can use to generate your own option trades.

- ▶ Implied volatility
- ▶ Open Interest Analytics
- ▶ Option Chain Analytics
- ▶ FII and DII Data on the stocks
- ▶ FII and DII Data on the Index
- ▶ Performance, momentum and volume snapshots
- ▶ Price, Open Interest, momentum, and volume analysis of the best moving stocks

All you need to do is click on the 3 tab on the left hand side tool bar as shown on the image below and you can access the same.



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CMP added on various pages.

we have added the current market price of the stock on many pages especially in the intraday, multiday, and other readymade trades pages. This was on request that many have asked, and it brings us great joy to present this feature to all of you

STRATEGY	TIMEPL.	SYMBOL	RECENT VALUE	SUMMARY 30M:1H:D:W	ALERT	SIGNAL DT	STATUS	ENTRY
BREAKOUT-1	INTRADAY	MCX	1699.7	●	LONG	2021-10-05 10:06:03	ACTIVE	1695.6
MOMENTUM-1	INTRADAY	GAIL	168.2	● ● ● ●	LONG	2021-10-05 09:46:46	ACTIVE	167.2
BREAKOUT-1	INTRADAY	ABBOTINDIA	23547.7	●	LONG	2021-10-05 09:40:13	ACTIVE	23577.5
BREAKOUT-1	INTRADAY	HINDALCO	502.7	●	LONG	2021-10-05 09:36:03	ACTIVE	504.4
BREAKOUT-1	INTRADAY	TATAMOTORS	342.75	●	LONG	2021-10-05 09:33:59	ACTIVE	343.5
DAWN	INTRADAY	APLLTD	791.5	●	SHORT	2021-10-05 09:28:07	ACTIVE	788.8

Webinar on Options 360

We did a detailed webinar on how to make the best use of the new features and the options 360 pages which has been uploaded

You can find the recording of the webinar here - <https://blog.neotrader.in/introduction-to-options-360/>

NeoTrader Knowledgebase

We have recently introduced a Knowledge base inside NeoTrader that has detailed documentation on how to use various pages. We have published Different articles combined with many videos on how to best take advantage of intraday and multiday trading.

Intraday - You can read and watch the videos
<https://neotraderskb.tawk.help/category/intraday-page>

Multi-day - You can read and watch the videos
<https://neotraderskb.tawk.help/category/multiday-page>

NeoTrader Workshop

We Launched a brand new workshop called the “NeoTrader Money Multiplier” This is a special 4 hour weekend workshop where we show everyone how to become a NeoTrader.

We had hundreds of participants and the seminar was a big hit. At a nominal price of Rs. 199 it is designed for anyone and everyone who is interested in the stock market.





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Top Performing Trades of the month

Investment Ideas – Top Trades from September

Name	Entry Price	Target	Percentage Return
TCNSBRANDS	785	916.55	16.8%
TANLA	1275.15	1484.44	16.4%
TCIEXP	2012.55	2314.43	15.0%
UNIONBANK	47.55	54.68	15.0%
THERMAX	1530	1739.45	13.7%

Positional Trades– Top Trades from September

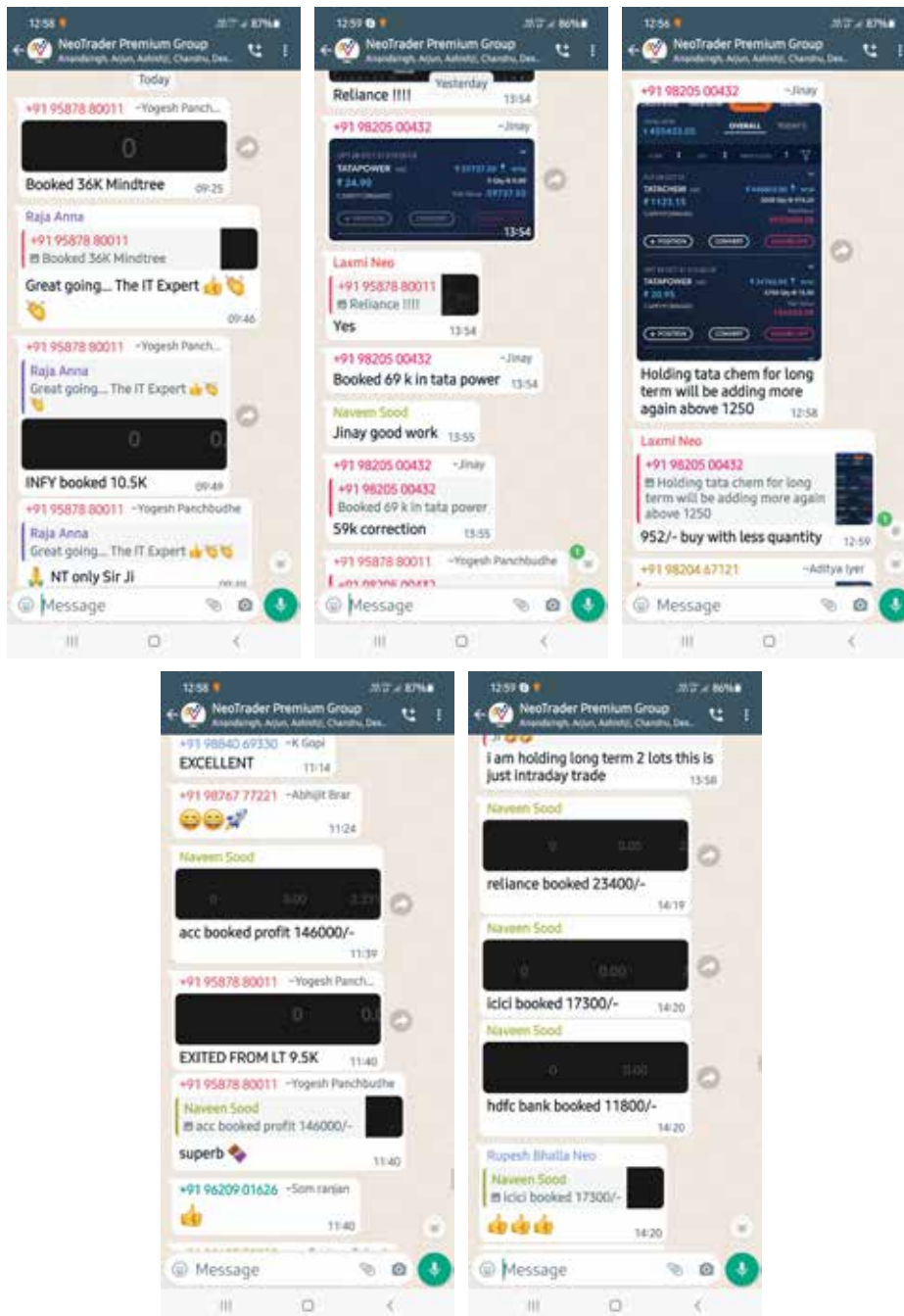
Name	Entry Price	Target	Percentage Return
FINCABLES	488.9	598.58	22.4%
ELGIEQUIP	214	257.14	20.2%
KPITTECH	344	407.18	18.4%
KPITTECH	430	505.69	17.6%
LUXIND	3845	4463.82	16.1%
BSOFT	425.15	490.89	15.5%
PHOENIXLTD	1020	1172.49	15.0%



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Client Speak

Sharing some of the conversations our Neotrader users are having on the Premium whatsapp group.





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NeoTrader Users wins Zerodha 60 Day Trading Challenge

We would like to congratulate our NeoTrader User Mr.Ram for this momentous occasion and terrific achievement.

This is a true testament to his consistency and skills that he has developed and he has humbly acknowledged the training and the usage of NeoTrade software to his success.

