

2

**RETAIL
PARTICIPANTS
GETTING CHURNED**

5

**SURAT
EXPO**



NEOWIRE

Cutting Edge Stock Market Analysis

MAR 2023

Volume 14

Founder's Message



February is a month for the big event of the Govt- the Budget. Markets move in advance or in response after the event. This time around the expectations were limited and hence the market moved both ways- big move up initially followed by a sharp move down and ultimately, settling around the middle. Interestingly, almost the entire month's trading was confined within the range created by the index on Feb 1st. This is a rarity.

The Adani matter continues to dog the sentiments but sooner or later, the market moves on. That is in the nature of the market. It's just waiting for the next big thing to show up. Markets have short memories when taken collectively and that is why it moves up and down so much.

There is some move to extend the market timing and this time it looks more serious than earlier occasions when this news floated. One of the impacts of longer timing (especially index trading till almost midnight) will be that participation shall change. Algo trading will

become more pronounced and newer players shall join the fray. Both of these changes are already addressed by our NeoTrader software that takes care of idea generation (no impact of long hours) and easier implementation (provision of correct guidance to users thru webinars and high level support).

I think more exciting times are ahead for the market as character of the market participants is changing. Do read my article about churn in the Retail participation in this issue. NeoTrader software adapts swiftly to a changing market condition and hence will be a good across-the-board solution for all the participants.

Until next month, happy trading and investing!

Dr C K Narayan.

RETAIL PARTICIPANTS GETTING CHURNED

The retail money has been withdrawing from the market as can be seen from the recent reports that some 38L of recent entrants are estimated to have left the market. This has become more pronounced over the past few months and has to be read in the context of a sharp increase in players in the derivative segment over the last year or two and that was focused particularly on an increase in activity in Options. For reference, one can look at the following chart that shows how the market is positioned w.r.t participants.



During the market advance of 2020-22, many of those new entrants made money, converted their profits into delivery buying. Now the same stocks are being used to pay the losses! In the meanwhile, the Institution set continues and business as usual is prevailing there. Now add in the fact that the derivative data showed that the average ticket size went down and options volume went up 2x in the last one year (from 1700 lac cr. to 3350 lac cr.). Take in the statement from Sebi and Zerodha that most of their clients lost money. The inescapable conclusion is that small option trader, going long (small ticket size can allow only long option trades) has been losing money big time!

This perhaps explains the steady decline in the number of participants. What has happened along with is that interest rates on FDs went up and are now closer to 7.5% (taxable). Many new entrants had come into the market with no knowledge and very little capital and hence it is not any surprise to see them exit. For them FD is a known devil and their losing trades was fast proving a disincentive and hence the exodus, most probably to FDs.

Something like this was bound to happen. A doubling of turnover in Options market is way out of normal, considering that it took 10 years from 2013 (82 cr.) to reach the 1700cr. Figure of 2021. This may continue further a bit more because rising interest regimes are seldom good for stocks. So, until the dust settles on the rate hikes (both locally and in the US), the losses for small investors will mount and they will continue to desert the market place. But it will leave behind those that are more seasoned about the market and those with some better capital and knowledge and will therefore be ultimately better. So, it seems that market may get worse before it can get better!

CHANGE IS THE ONLY CONSTANT IN THE MARKETS.

We would never put on a trade if we didn't think it would not be successful, isn't it? So, every trade begins with an expectation of success and therefore profits. Think like this often enough and then you will soon convince yourself that you are actually owed success....

To know more please click the link:

<https://cknarayan.com/change-is-the-only-constant-in-the-markets/>

ACHIEVING THE DESIRED OUTCOME IN TRADING.

One of the biggest reasons for lack of success in the market is the mismatch between what we want to achieve and what we are doing in the market. And here, I mean the method that is employed by people in their attempt to trade or invest in the market. ...

To know more please click the link:

<https://cknarayan.com/achieving-the-desired-outcome-in-trading/>

SPEND TIME ON THE PROCESS

There is an oft-repeated cliché that is used and it is Time in the Markets. Usually used in the context of making an argument against technical trading and timing of the market, the argument is presented for remaining in the market for long periods of time because it is difficult to know when the market chooses to reward....

To know more please click the link:

<https://cknarayan.com/spend-time-on-the-process/>

WATCH Dr. C.K NARAYAN'S VIEWS ON VARIOUS INTERESTING TOPICS:

<https://youtu.be/C-JGxp5PJao>

<https://youtu.be/je0rujQ6994>

<https://youtu.be/Q95YqAgT2Ug>

Training

SMM Masterclass is a continuous journey of improvement and enhancement of traders ability to trade the markets profitably. We , at NeoTrader are constantly sharpening the skills of all participants through numerous interactions to keep the traders active. Trading in Live Market sessions and Topic based webinars that we conduct as part of our training workshop ensures that we are able to give the participants a fine edge in trading.

Hear our recent participant comment about his experience -

<https://youtu.be/3lMcMdtTaQI>

If you wish to enroll into this wonderful workshop which we conduct you can reach us at our Help-desk number 9137880257.

ANNOUCEMENT OF SURAT EXPO

NeoTrader is participating in an event called as Indian Options Conclave (IOC 4.0) Trader's Fair on March 18, Saturday at the Sarsana Dome in Surat where numerous traders from all over India shall be participating in.

The Trader's Fair is a platform where the dynamics of the Options trading community gather and exchange information to learn and grow from the industry's best speakers. This an event for trader at every level - curious outsider, beginner or professional.

Also, this is your chance to interact with the NeoTrader team , in -person and find out how this fantastic product could be useful for you.

Do save the date and visit us at Expo at our Neo Trader enclosure (Stall No: A16)



Strategy Spotlight

T1 in NeoTrader – which is the best target T1, T2, Or T3?

When you take a trade in Inside neotrader, you are presented with three target T1 , T2 and T3 a common question we get asked in many of our webinars and Q&A sessions is "How do I pick what is the right target for me? " and that is what we are going to cover in this article.

In this article, I am going to specifically going to talk about intraday trading and the trades that come on the intraday page of neotrader.

What type of trader should go for T1?

There are broadly 3 times of traders who are doing intraday trades first category are full time traders, basically all of those people who have time to sit in front of the screen the full day, we will categorize them as **"Normal traders"**

The second category is **"Scalpers"**- these are fast traders – basically someone who is looking to capture quick profits in a very short period of time.

The third category is **"BTST traders"**, who like to take overnight positions.

In the below table, we have summarize how each category must plan the trades.

Type	Action to be taken at T1	Stop loss criteria
Normal Trader	Move SL to Entry price	Use System based Stop loss level
Scalper	Book Profit @ T1	Keep a time stop of 15-20 mins
BTST Trader	Move SL to Entry price	Exit by 11AM on the next day

So explaining in simple terms we have taken an example from the intraday page.

STRATEGY	TIMEPLAY	RECENT VALUE	SYMBOL	SUMMARY 30M:THD:W	ALERT	SIGNAL DT ↓	STATUS	ENTRY	T1	T2	T3
BTST-1	OVERNIGHT	145.3	ASHOKLEY	●	LONG	2023-02-28 15:00:24	● ACTIVE	145.2	146.4	147.4	148.8
MOMENTUM-1	INTRADAY	1732	ACC	● ● ● ●	LONG	2023-02-28 11:16:53	● T2 MET	1737.2	1745.1	1758.1	1777.8
BREAKOUT-1	INTRADAY	905.8	CIPLA ***	●	SHORT	2023-02-28 11:05:05	● T2 MET	927.1	920.1	913.1	903.9

So in the case of ACC,

The entry price is 1737 and T1 is 1745 –

So a scalper's job is simple, just enter the trade as suggested and then exit at T1 (You can keep a time buffer of 20-30 mins and if the trade doesn't work in that period you exit)

The Normal traders, move the stop loss to the Entry price which is 1737. Wait till the end of the day's trade for higher targets and then reach

Let's take the case of the BTST trade now.

Ashokley entry price is 145.2 – This trade came at 3PM so on the same day the trade will be taken. Assume its 9.30 AM On the next day if T1 is met with a gap up open, the stop loss should be moved to the entry price of 145.2 – and you can wait till 11AM for T2 and T3. At 11 AM it's advisable to book profits and exit the trade.

So to conclude, the target you pick needs to be customized based on your approach. The important point is to focus on probabilities.

Top Trades in February 2023

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



Intraday + BTST

Total Profits: Rs 10,65,683

Capital Utilized: Rs 10,00,000

Average Winner: Rs 8,643.18

Average Loser: Rs -6,040.58

Options

Total Profits: Rs 5,79,406

Capital Utilized: Rs 2,00,000

Average Winner: Rs 10,290

Average Loser: Rs -6,998



Multiday

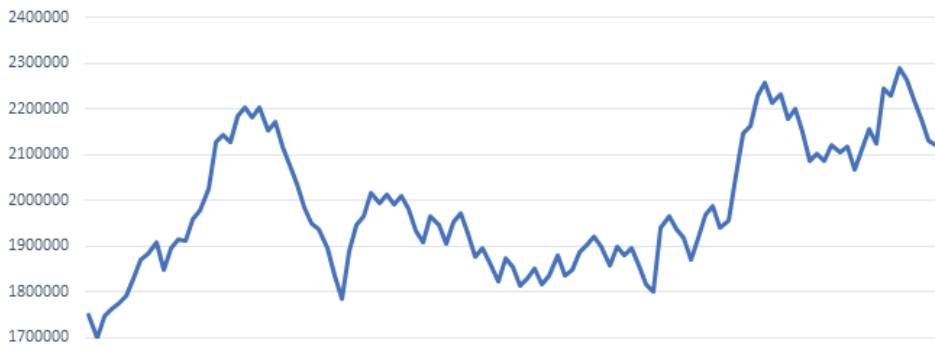
Total Profits: Rs 24,52,521

Capital Utilized: Rs 15,16,053

Average Winner: Rs 16,501

Average Loser: Rs -14,050

LAST 3 MONTHS POSITIONAL TRADES



Intraday + BTST

Total Profits: Rs 10,65,683

Capital Utilized: Rs 10,00,000

Average Winner: Rs 8,643.18

Average Loser: Rs-6,040.58

Birthday Celebration

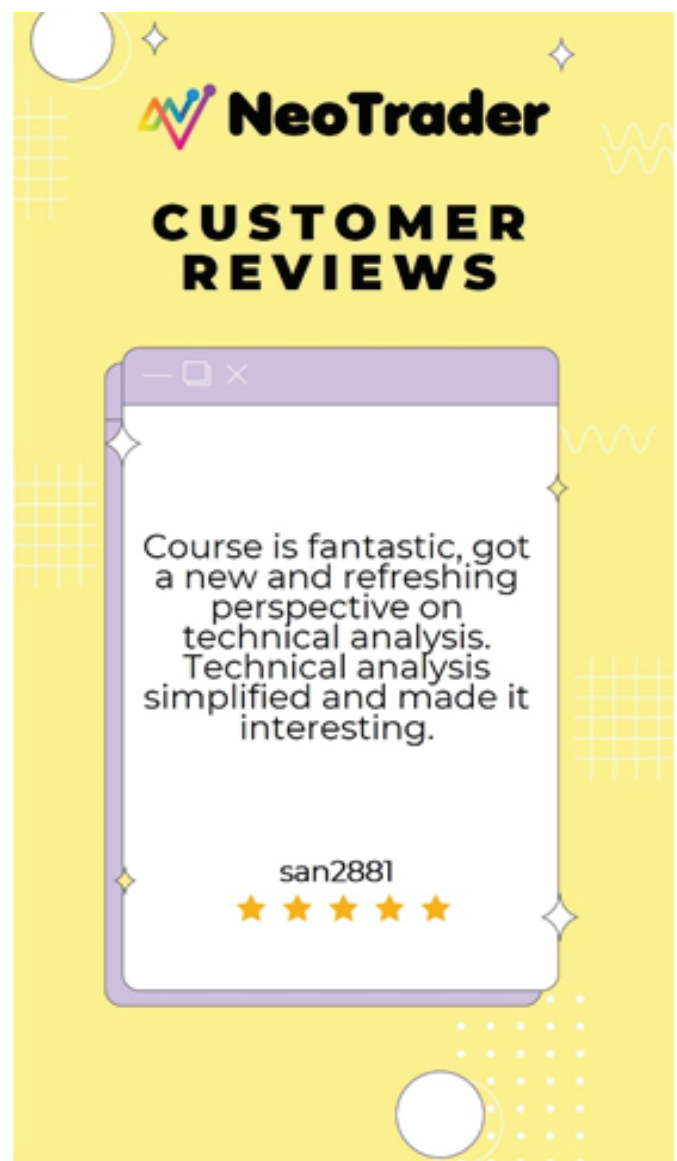
We take this opportunity to wish our OG NeoTrader – @CK_Narayan

A very Happy Birthday...! Thank you for all the knowledge you confer upon us.
We are forever obliged.

"Join us in wishing a very happy birthday to our amazing technical supporter, Shabbir Sir! Shabbir Sir has been an integral part of our team, providing invaluable technical expertise, guidance, and support to help us succeed. His dedication, passion, and positive attitude inspire us every day, and we're so lucky to have him on our side."



Customer Feedback





CUSTOMER REVIEWS

Good learning experience. It was good to trade in the live Market with Mr. Raja. Looking forward to more learning and live sessions.

Mubeen Juvala



CUSTOMER REVIEWS

Lot of insights. Learnt new strategies. So many more opportunities can be grabbed in the market using the strategies and sticking to the rules with discipline. Raja V sir has profound knowledge in the markets and glad to learn from him.

Shiv Nikam





NeoTrader

f /NeoTrader.in

@ /neotrader.in

▶ /@NeoTrader

🐦 /NeoTrader_in

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

Contact: 8779800688/ 8169111411