
MAHASAMVIT FINANCIAL SERVICES

## UNIQUE, INNOVATIVE AND CUSTOMISED FINANACIAL SERVICES AND WEALTH CREATION INITIATIVE OF MAHASAMVIT GROUP.

It will be advisory broking company of equity, commodity, currency, bond market and unique wealth creation through modest strategy-based operation for the customers.

We believe that life is all about growth, we believe in growing together with our clients, teams, business partners and associates.

Some of our key focus areas and strengths is research, advisory and not giving only tips to the customers, giving best strategies of making money to the customers, as WARRAN BUFFET SAID that TIPS DOES NOT MAKE MONEY ONLY proper STRATEGY CAN MAKE MONEY. And to share education of finance market which we believe, holds the creation of wealth, we will keep our clients updated on the financial market though

## regular research reports and newsletters via emails, SMS, chats, post popup etc..

Over the longer term, equities have created more wealth and delivered more returns than any other asset class. we will provide an arrangement so that u can simplify the world of equities and unleash their power, so that client's investment may grow faster.

### OUR PRODUCTS IN THE EQUITY SEGMENT INCLUDES: -

Online and offline trading (cash and futures)
Internet trading
Research and advisory services
Depository services
Portfolio management system ( pms)
IPO ,s and mutual funds

AS India emerged as one of the world top commodities market, excellent guidance of money making and proper risk management through excellent guidance of hedging and future pricing for MCX, NCDEX, and ICEX.

CURRENCIES PRICING and proper hedging strategies for making money.

## THE WEALTH CREATION STRATEGY IS EARN REGULAR INCOME FROM COMMODITY MARKET, INVEST PROFIT OF COMMODITY MARKET IN EQUITY AS SYSTEMETIC INVESTMENT PLAN IN OUR RECOMENDED TOP DISCOVERY MULTIBAGGERS AND EARN AND CREATE HUGE WEALTH. INVEST COMMODITY PROFIT IN THE CURRENCY MARKET AS opportunity investment and earn huge profit.

We have put together the best technology to give clients an extra edge internet trading platform.
Single trading screen for equities, commodities, currency and interest futures.
Investment ideas, trade alerts, market information on mobile.

Trade and dp confirmations on sms and E contracts.
24/7 real time online back office and depository services.
Multiple connectivity options.
Online IPO and mutual funds trading

## VALUE RESEARCH

Our research given over sms chat trading platform and web include

Fundamental and technical analysis for investments.
Technical calls for trading
Intraday call and strategy, weekly strategy.
Advance online and offline charting

A website that contains detail data of 5000 listed companies, mutual funds, IPO, s, currencies and commodities, live market news etc with the quality of data.

Comfort of services is that even the best technologies cannot replace the one critical part of relationships that is so often missing these days, the human touch, we believe our strength is our team with its WE CAN and customer friendly attitude. the enthusiasm of our young team, combined with the rich experience of our senior management ensures that we live up to your expected standard of services and establish with you what's more our presence will be in rural , urban and semi urban area will be fully equipped to ensure that clients will get their services localised , personalised and prompt.

Perhaps very few entities understand the value of servicing their clients with both hands open. our expertise will understand our clients. we consider our clients not as objects of profit but part of our growth. so welcome to MAHASAMVIT group. to be world's largest portal in the technology -centric, next generation commodities, stocks, currencies, ETFs,etc.

## SERVICES IS OUR KEY OUR MOTTO- TRANSPARENCY AT ITS BEST

the world has changed, people haven't. Companies are born and withered everyday but those with the vision of servicing its clients with genuine intention stands out. Judgments are no more made in courtrooms.

## CLIENT JUDGE US

our belief, our motto, our vision.

will emerge as a leading provider of information, research, technical analysis, advisories and data services on commodities to a growing population of traders and investors in India and around the world. we grow to address the specific needs of the investor community by launching value added subscription driven services such as advisories on mobile, mobile applications, mail, fundamental and technical research on all major Indian commodities, agro information service, commodity b2b platforms, spot and future market trading services. We will offer unparallel customer service and a state of art, next generation trading platform.

## SERVICE

## TRAINED TO SERVE, TRAINED TO DELIVER

when clients get the status they deserve for better service, quality and deliverance -they make us happy. each of our team members will be specially trained to take care of the clients in a way being followed in hospitality industry with focus on profit to clients.

We believe where there is a strong will to service, a stronger urge to loyalty arises. all our clients have been proudly associated with us forever.

## KEY TO TRADING IS COMPREHENSIVE RESEARCH

Our strength is in our approach. Research came to us much before trading. Without research stocks and commodities trading cannot survive. Decisions have to be very much calculated to minimize risks. Markets are unreliable but we can always take a decision to tame the market through better research and better trading pattern. we are going to set up India, s largest research house in equity, commodity, and currency and largest information portal.

A client is a client for us whether he is small time retail clients, high net worth clients, services will be rewarding and compelling through our specialized team of customer support.

## WHY COMMODITY FIRST?

Commodities have global appeal and product value appreciation. Commodities have high liquidity, realistic value, price discovery, hedging and convenient market timing. you must be aware that world over commodity trading turnover is 5 times more than capital market turnover, and in India it forms almost a major portion of GDP. AFTER LAUNCHING OPTION TRADING IN COMMODITY MARKET, MONEY MAKING THROUGH LESS INVESTMET IS VERY ATTRATIVE NOW WITH OUR RESEARCH, STRATEGY AND HEDGING.

## WHY COMMODITIES WITH US?

we are fresh and dynamic entity . People behind the venture are veterans who have made commodity their profession. it will be a professionally managed commodities advisory broking company run by a group of industry experts and sector experts, that is bullion , metal , diamond, energy, agricultural commodity and others.

## Background of the company and promoter's background:-

## WE HAVE VERY QUALIFIED AND EXPERIENCED MARKET RESEARCH ANALYSTS.

we have made collaboration on behalf of MAHASAMVIT group with NIRMAL BANG group as a big channel partner throughout india, settled business partnership.

ENRICH YOURSELF FROM OUR EXPERIENCE

NIRMAL BANG one of the leading stock broking companies in India caters to retail and institutional clients by offering them a range of financial products and services including equities, derivatives, commodities, currency derivatives, mutual funds, IPOS , Insurances, depository services , portfolio management services.

NIRMAL BANG is drawn from a diversity of professional backgrounds, and blend of experience, skill and dedication shared with its clients. NIRMAL BANG emphasizes adequate through research local and worldwide developments, balancing these with the astute discoveries of intrinsic values, synergies and growth. The aim is simply to help the investors to maximize their returns.

People Our greatest asset. Drawn from a diversity of professional backgrounds, their blend of experience, skill and dedication is shared with all our clients.

## Approach

Innovative and enthusiastic. We emphasize adequate, thorough research local and world-wide developments, balancing these with the astute discovery of intrinsic values, synergies and growth.

## AIM

Simply to help you to maximize your returns. Your investment  no matters how big or small, come first.

## Commitment

To provide service, par excellence and become your spirit of change.

## A Portfolio Of Services

In addition to traditional broking services, the company handles commodity trading facilities as well as currency derivatives, and has access to a wide range of financial services. The company also offers non-banking financial services for stock markets through its NBFC arm. The Group's growth has been fuelled by its commitment to continuously improving its products and services to meet customer expectations.

The Group is a registered member of the Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX), National Multi Commodity Exchange of India Limited (NMCE) and MCX Stock Exchange Limited and is also depository participants of NSDL and CDSL.


## Client-Focused Approach

Client relationships form the core of the company's business. It values each client, no matter what size, as a long-term relationship. And it seeks to provide unmatched service to each client and places him/her as a partner at the center of everything it does.

From the very beginning of the relationship, the company works closely with every client to identify his/her financial goals and risk tolerance levels and leverages its strength of multiple product offerings, research and financial vigour to help achieve his/her goals. In the process, the company becomes an essential partner, creating opportunities, adding value and transforming visions into reality.

## Future-Ready Infrastructure

Towards this end, the company employs robust infrastructure and state-of-the art technology, which offers transparent and qualitative service to clients, right from executing trades to communicating up-to-the-second information on a real-time basis.

In an increasingly competitive environment, clients today require personalized solutions and greater flexibility and responsiveness than ever before. Nirmal Bang's professionals are always 'on call' and provide service throughout the year, not just at the end of the year. Such service is essential for delivering solutions and fostering constructive relationships.

## Core Team

The team at Nirmal Bang is drawn from a diversity of professional backgrounds, and blend of experience, skill and dedication. The company has a dedicated team of fundamental researchers and technical analysts who provide reports on global and domestic economies, sectors and companies. These research reports are backed by in-depth research and analysis of emerging as well as current market trends. The research analysts also appear on leading business news channels where they share their insights on the markets.

The team works together to provide superior results to its clients. At the same time, each of its clients is assigned a specific team member who ‘owns’ the relationship, providing continuity, responsiveness and a point of easy access to the firm. The aim is simply to help the investors to maximize their returns. Clients’ interests no matter how big or small, come first.

The company strives to maintain ethical standards at all times and lays strong emphasis on honesty, integrity and confidentiality. The team at Nirmal Bang speaks and acts to ensure transparency at all levels and in everything it does.

## Strong Financials

The strength of Nirmal Bang's balance sheet is such that it gives greater confidence to its retail and institutional clients in dealing with it. The financial strength of the Group helps in further building the network and infrastructure to cater to the larger market. The Nirmal Bang Group has a pan-India presence with an ever-expanding network of branches and franchises across the country, empowering it to gain a foothold in the growing broking industry.

An experienced management, learned and skilled teams, a strong and up-to-date infrastructure and connectivity, the latest technological support are just the few things that set from others in the industry the company apart.

## Ethos & Values

The company strives to maintain ethical standards at all times and lays strong emphasis on honesty, integrity and confidentiality. It speaks and acts to ensure transparency at all levels and in everything it does, since at Nirmal Bang, it's a relationship beyond broking.

## Algo Trading


### Next Generation Algo Trading Platform by Nirmal Bang

## What is Algo Trading?

Algorithmic trading, popularly known as algo trading,is a method of executing an order that uses pre-sorted trading instructions or computer programs by using variables such as time, price, volume, etc., and sent to be executed in the stock markets when a certain set of criteria is met.

## Who is Algo Trading For?

Experienced and professional traders who fully understand the risk and rewards involved in use of Algo trading.

People who already have buy and sell strategies and want to automate them.

Technical analysts wanting to automate their trading.

Jobbers wanting auto execution.

Dealers wanting to trade on behalf of clients.

## What are the Salient Features of Algo Trading?

State-of-the-art infrastructure and technology platform

Charting tools in-built into the interface

REST Application Programming Interfaces (APIs) with .NET, REST, Python SDK's

Pre-approved in-built strategies

Integration with Excel, Charting software like AMI Broker and MT4, Programming Languages such as Python, JAVA, etc.

## What are the Advantages of Algo Trading?

Minimizes manual intervention

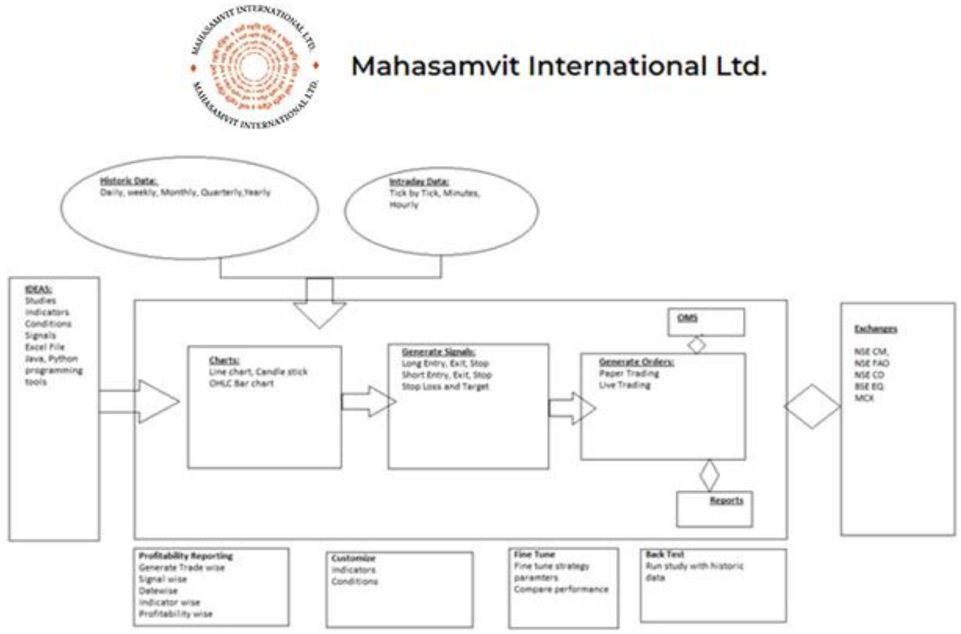
Human emotions = 0

Accuracy + Speed = 100

Scalability = Level 100

Reduces time taken for decision-making

## What is the Algo Trading process at Nirmal Bang?




### What are the pre packaged algo strategy.

**Multi Leg Strategy-** Multi Leg Strategy is designed for smart traders to trade with multiple scripts and get the desired spread. This strategy is capable to place order for 2 leg, 3 Leg and 4 Leg of Options and Futures strategies. This strategy can be used for executing Option strategies, Future-Future, Future –Option, Pair Trading and Rollover.

**Options 2 Leg-** Options 2 Leg strategy refer to options strategies with two legs, or component options contracts like Straddle, Strangle etc.

User need to define desired Spread as a Benchmark; strategy bid in one leg and try to accumulate second leg once first leg gets executed.

**Master Scalping-** In Master Scalping strategy whenever price moves down side it will buy/accumulate and upside sell and vice versa. User can define Start point and entry difference & exit difference, so system keep on Buying defined quantity whenever price goes down and sell whenever price moves up automatically and try to accumulate profit.

Trend Trader- In Trend Trader strategy whenever price moves in favour it will start accumulating in every defined price interval and place Stop Loss and trail the Stop Loss User can define Start point and entry quantity & entry difference, so system keep on Buying defined quantity whenever price goes upward.

Candle Breakout- In Candle Breakout strategy system captures the High & Low in given period of time of a candle and place the Buy order 1 tick above the High and Sell order 1 tick below the low of the candle. If any one side order gets execute system immediately cancel other side order and place Profit Target and Stop Loss as defined by user.

## Jobex: Ami broker Charting Automation

Jobex is a multi-client trade execution strategy, which helps trader to intelligently execute Entry-Exit into the market. This strategy has the capability to accept triggers from third-party applications like Ami broker charting software for Intraday & Positional trading. You will be able to do effective trade management for multiple client accounts based on single or multiple Entry trigger from multiple logics.

## Smart Executor: Ami broker Charting Automation

Smart Executor is a multi-client trade execution strategy, which helps trader to intelligently execute Entry-Exit into the market. This strategy has the capability to accept triggers from third-party applications like Ami broker charting software for Intraday & Positional trading. You will be able to do effective trade management for multiple client accounts based on single or multiple Entry trigger from multiple logics

## Order Slicer

Order Slicer Plus is accumulation strategy, designed for manual traders to achieve better average price from a defined price range of underline or reference Symbol.

## Order Slicer Plus

Order Slicer Plus is accumulation strategy, designed for manual traders to achieve better average price from a defined price range of underline or reference Symbol.

User define trading symbol and price range for underline symbol and whenever price trades between defined range for underline symbol, system start bidding in trading symbol and start accumulating.

## Call Executor

Blitz Call Executor is an CSV/Excel based Execution strategy for traders who generate Entry/Exit or Buy/Sell levels through their own analytic or subscribe to signal providers for Buy/Sell decisions. Through this strategy user will simply provide the trigger levels in a .CSV file & the strategy will accordingly execute the signals automatically.

## Bracket Order

Bracket Order Strategy an execution strategy, where user can enter a new position along with a Target/Exit and a Stop Loss order. As soon as the main order is executed the system will place two more orders (Profit taking and Stop Loss). When one of the two orders (Profit taking or Stop Loss) gets executed, the other order will get cancelled automatically.

## Cover Order

Cover Order is an execution strategy, where user can enter a new position along with a Stop Loss order. As soon as the main order is executed the system will place Stop Loss. System allow user to Trail the Stop Loss when price moves in favour.

## Which are the Pre-Loaded Algo Strategies of Nirmal Bang?

Nirmal Bang offers the following in-built Algos to its clients.

### 1. AmiBroker-linked Execution Strategy

AmiBroker-based trading system for Technical Analysts.

Strategies created on AmiBroker charting application

Buy and Sell signals plotted on the charts can beexecuted to the market via PrestoFuseAB PlugIn, i.e. AMI-Presto bridge

Application can be used either for single account or multi-account trading.

### 2. Jobbing Strategy:

The jobbing strategy is meant for jobbers, enabling them to trade in a number of stocks, which otherwise would have been humanly impossible to trade manually. As this strategy is meant mainly for those who trade on the basis of a breakout of high and low, it selects a quantity for every stock, and then places a stop loss on it and calculates profit on exit.

### 3. Pivot strategy:

Pivot strategy has been designed for traders that employ pivot methodology for the purpose of trading. Pivot values with entry and exit triggers need to be fed in into the system for trades executed during the day. On most occasions, this strategy has support and resistance levels.

### 4. Buy/Sell Call Execution strategy:

The strategy is meant for traders seeking signals for buy and sell decisions. This strategy executes the signals on providing trigger levels.

### 5. Bracket Orders:

Using this strategy, clients can set profit targets as well as stop loss levels at the same time. This is possible in absolute and percentage terms. Furthermore, it assists clients to intelligently define entry and exit points.

### 6. Bulk Buying/Selling strategy:

This in-built algo helps traders achieve better average price instead of the limit price. This can be done from a defined price range. It monitors market quotes and changes the bid/ask price as defined by the client.

### 7. Pair/Spread Trading strategy:

Traders can monitor the spread of two co-related securities using this in-built Algo strategy. This intra-day trading strategy allows them to define entry and exit depending on the spread. The spread difference is displayed in absolute and ratio terms and is likely to converge eventually.

Our core management team is drawn from diverse specialists who continuously endeavor to generate synergies through their strong leadership, decision making and management skills. They are a source of motivation to the entire group. We are known by our leaders and boast of strong management both in terms of knowledge and experience.

## VISSION

To be a pioneer in terms of value added financial advisory services and products for the benefit of investors.

To keep up with the latest trends in technology and innovation with a view to improve our internal process and serve our clients better.

To set a new standard of work ethics, professional integrity and transparency in organizational administration.

To achieve new heights in service excellence with a superior team work and emerge as a competent market player.

## MISSION

To employ our financial wisdom and expertise in assisting retail and corporate investors realize their goals of wealth generation.

To achieve and maintain a high level of competency in synthesizing latest technology and market acumen for the benefit of our clients.

To serve our clients to exemplary levels of honesty and integrity, transparency to achieve our corporate vision.

To provide innovative and efficient and investment solutions to cater to the individual needs of our clients.

## Our Services

As a wealth management firm, MAHASAMVIT is focused on meeting the many financial needs of our clients. We want to be their “financial quarterback.” The combination of our in-house experience and the relationships we have developed with key third party firms, places MAHASAMVIT in a unique position to be our clients’ sole financial services provider.

## What is Wealth Management?

Many financial advisors focus on one aspect of a client’s financial well being, such as investment management or insurance. However, wealth management is a comprehensive approach to managing one’s finances. MAHASAMVIT combines the in-house experience of investment management, financial planning, estate planning, and tax planning with trusted third parties to provide services in all spectrums of wealth management. This approach strives to make a client’s financial future secure and trouble-free.

## Why assiduous?

Surrounded by a flood of financial information and financial planning institutions, it is difficult to choose a financial advisor that is the right fit for you. Many financial advisors claim to be the best at meeting your individual needs. What makes MAHASAMVIT different? We believe our passion, our knowledge, and our high level of client care are the qualities that separate us from everyone else.

All of us at MAHASAMVIT are passionate about what we do. We strive everyday to make the best financial decisions for our clients. We hope to be your financial advisor for life, offering support for all of your key financial decisions along the way.

We are a knowledgeable and competent group of advisors committed to continuing education. Our goal is for each employee, regardless of his or her experience, to continue to grow in knowledge in order to better serve our clients.

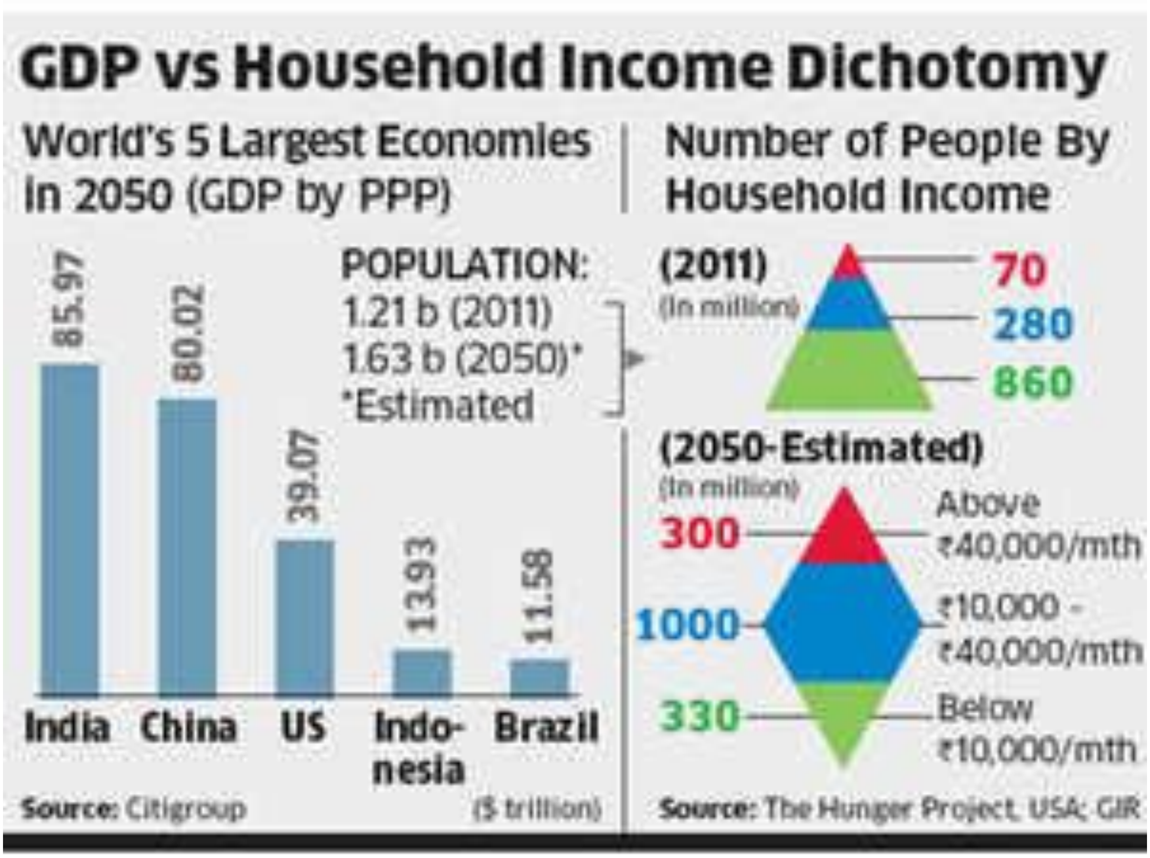
Generally all brokers are fighting about low brokerage competition, no intention of client wealth creation service, only after earning brokerage and to snatch clients from other brokers through very low competitive brokerage. But we will create new customers with wealth creation strategies, knowledge distribution and service technology. Our only intention is to growth of client's money as much as possible. We have innovative strategies of making money, in whatever is the market condition of equity, commodity and currency markets.

So, from today think about world's richest investor, WARRAN BUFFET, s advice RULE OF INVESTING

DON'T LOOSE YOUR MONEY

## ALWAYS REMEMBER RULE NO 1.

According to a study by US banking group City, India will be the world's largest economy within 39 years. Indian GDP in 2050, measured by purchasing power parity (PPP), will be $85.97 trillion. China, in second place, will have a GDP of $ 80.02 trillion and the US $ 39.07 trillion (see The chart below it is diamond-shaped and reflects the shape of things to come in 2050 if political and economic reforms have their desired effect. The bottom section comprises around 330 million of the poor and relatively poor (down from 860 million today), the top section comprises the well-off, around 300 million, up from 70 million today and the intermediate bulge comprises the expanded middle-class of nearly one billion, up from 280 million today. That is the future. We must lay its foundation.




So be part of ours and plan today for your DREAM, and we will provide you the path to execute your plan to whatever be your dream, and to achieve.

## So be with us and be wise be rich.

OUR TARGET WEALTH GROWTH 100% OR MORE PER YEAR WITH OUR UNIQUE AND INNOVATIVE MONEY-MAKING STRATEGY.

WE HAVE CREATED A PLATFORM TO TRADE AND CREATE WEALTH IN THE US (AMERICAN MARKET) – HENCE MAKE EXTENSIVE RESEARCH TO MAKE MONEY FROM THERE WITH UNIQUE AND INNOVATIVE MONEY-MAKING STRATEGY. ------------

WEDNESDAY WINDFALL STRATEGY FOR HUGE GROWTH.

There are 11 annexures also.

## The 11 annexure are: - (details of each will be available after joining with us)

1) Rules of trading.

2) Rules of future trading.

3) Rules of warren buffet

4) Option hedging strategy.

5) Algorithmic and quantitative trading

6) Our unique innovative faster money-making strategies.

7) Pros and cons of mutual funds - why it will be not always effective.

8) Through newspaper and TV channels you can't always make money.

9) Commodity product details.

10) Detail of diamond trading ICEX and make money.

11) TRADING AND RESEARCH PLATFORM IN USA MARKET.

12) Emerging crypto currency potentiality

13) WEDNESDAY WINDFALL STRATEGY OF USA MARKET.

## Annexure- 1

### Rules of trading

### 50 Golden Rules Of Trading

1. Divide your capital into 10 equal risk parts.

2. Never over trade.

3. Never place order for BUY/SELL without stop loss conditions.

4. Never let profit turn into loss.

5. Trade with the trend.

6. Never take lead you may loose heavily.

7. Never try to be over smart.

8. Don't trade if trend not clear

9. Don't follow tips only.

10. Use the right orders only.

11. Withdraw portion of profits.

12. Don't be whimsical about closing your trades.

13. Never buy a stock to get dividend.

14. Never average your losses.

15. Take big profits and small losses.

16. Sell short as often as you go long.

17. Never buy any stock just it is low priced.

18. Pyramid your trades correctly.

19. Decrease your trading after a series of successful trades.

20. Don't change your opinions during market hours.

21. Don't follow the crowd - they are usually wrong.

22. Buy on rumor and sell on news.

23. Take windfall gains when you get.

24. Keep your charts up to date.

25. Preserve your capital.

26. Nothing ever new occurs in market.

27. Markets are never wrong opinion may be.

28. Never permit speculative ventures to turn into investments.

29. Never try to predetermine your profits.

30. Never buy a stock just because it is low priced or don't sell just because it is high priced.

31. Look for reasonable profits.

32. Buy as soon as a stock makes new highs after a normal reaction.

33. Ban wishful thinking in the market.

34. Leaders of today may not be leaders of tomorrow.

35. Don't be too cautious about reasons behind the moves.

36. Trade only the active stocks.

37. Bear markets have no support and bull markets have no resistance.

38. The smarter you are the longer it takes.

39. It is very hard to get out of a trade than to get in.

40. Don't talk about what you are doing in the market.

41. When time is up, markets must reverse.

42. Control what you can; manage what you cannot.

43. Big movements take time to develop.

44. A good trade is profitable right from the start.

45. If you cannot make money trading the leading issues you cannot make it trading the overall market.

46. Avoid partnership in trading accounts.

47. The human side of every person is the greatest enemy of successful trading.

48. Money cannot be made every day in the market.

49. As long as market is acting right don't rush to take profits.

50. Never buy a stock just because it has fallen from a great high, nor sell a stock because it is high priced.

We request you to follow above rules strictly and religiously to maximize your profits in the stock market.

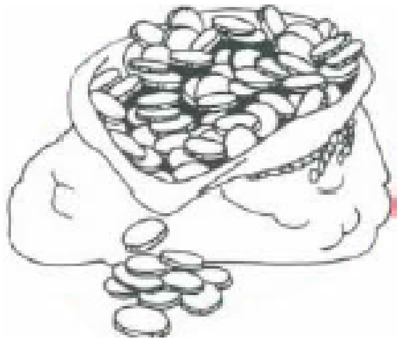
# Annexure 2

Rules of future trading

## 1

### Use only money you can afford to lose.

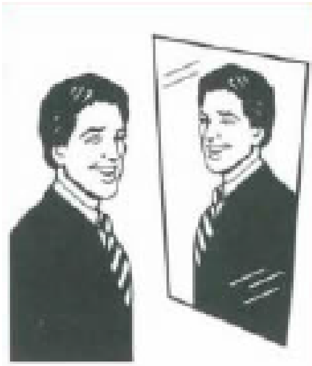
If you are speculating in futures with funds you need for other things, you are ultimately doomed to failure. Why? Because it is virtually impossible to make sound decisions if you are trading with "scared money." One of the keys to successful trading is mental independence. You must be able to trade with a minimum of "static" from outside influences. That means it is absolutely imperative your trading freedom is not influenced by the fear of losing money you have earmarked for something else.



With that in mind, it is best to view speculation funds as money you can afford to lose. Your position should be carefully analyzed so you never jeopardize other funds or assets.

## 2

### Know yourself.



To be successful, you must possess an objective temperament and an ability to control your emotions. Losing your cool almost always will lead to disaster. Although trading discipline can be developed, the most successful traders usually have a personality that allows them to remain unemotional about their positions. It is suggested that people who are not able to control their emotions are better off looking elsewhere for profits.

There are many exciting things happening in the market every day. It takes a hard-nosed attitude and an ability to look beyond short-term circumstances to avoid the temptation of changing your mind (and your position) every few minutes.

3

## Start small.

Test your ability first by making some trades on paper. From there, begin trading in small lots (1,000 to 3,000 bu. of grain, for example). If your broker doesn't offer smaller lot contracts, start with a commodity like oats (which is less volatile than pork bellies, currencies or index futures). No matter which markets you choose, it's wise to become thoroughly familiar with the mechanics of trading before graduating to larger contracts and/or more volatile markets.

4

## Don't over commit.

Another rule many successful traders suggest is to keep three times the money in your margin account than is needed for a particular position - even if that means reducing your position. Viewed another way, this means you shouldn't commit more than one-third of your account balance on any single position. This rule helps you avoid making trading decisions based on the amount of money in your margin account. If you find yourself under margined, you may be forced to liquidate a position early, most times at a costly loss that might have otherwise been avoided.

5

## Isolate your trading from your desire for profit.

Don't hope for a move so much that it clouds your vision. Although hope is a wonderful virtue in other areas of life, it is often the enemy to a futures trader.

Successful futures speculators are able to separate their trading from their emotions. When hoping that the market will turn in their favor, beginning speculators often violate even the most basic rules of trading.

6

## Don't form new opinions during trading hours.

Decide on a basic course of action, then don't let the up and downs that always occur during the Trading day affect your game plan.

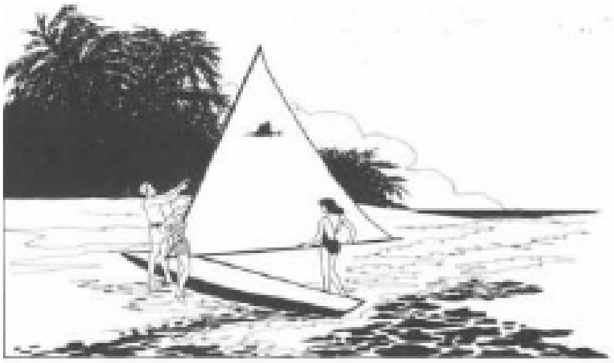
Decisions based on price moves or news items are usually poor ones. You are always better off formulating an opinion before the market opens, then looking for the proper time to execute a decision based on that opinion. When speculators completely change their direction during the trading day, it often generates large commissions for the broker, but very little profit for the traders.

7

## Take a trading break.

Trade every day and you're almost certain to dull your judgment. One successful trader commented, "When I fall to 90% of mental efficiency, I begin to break even. Anything below that and I start to lose."

A trading break allows you to step back and take a fresh look at yourself and the way you want to trade for the next several weeks. Sometimes you get so close to the forest that you can't see the trees. A break in the action will help you view market factors from a new perspective, and often in a much better light.



8

## Don't follow the crowd.

Successful traders need breathing room. When everyone seems to be going long, they look for a reason to go short. Historically, the public is usually wrong. Most good traders feel uncomfortable when their position is popular with the buying public (and especially when it's popular with the small traders).

Viewing government reports on the position of traders can provide helpful clues on "overcrowding." Another clue is "contrary opinion"—when most advisory services are long, move to the sideline or take a short position; likewise, when most advisors are bearish, go long.

Some services give a reading on market sentiment determined by compiling opinions from many advisory services. If 85% of the analysts are bullish, this indicates an overbought situation. If less than 25% are bullish, an oversold condition would be indicated.

9

## Stick to your guns.

Don't be influenced by what others say or you'll be changing your mind all the time. Once you have formed an opinion on market direction, don't allow yourself to be easily influenced. You can always find a so-called expert who has logical reasons for reversing your position. If you start listening to these outside views, you may be tempted to change your mind. More often than not, holding your position will be more profitable.

## 10

### When in doubt, sit out.

Don't feel you have to trade (or even hold a position) every day. Beginning traders are often tempted to trade or hold a position every day—a tendency that can be very costly. Successful traders develop the patience and discipline to watch and wait for an opportunity. After they have taken a position and begin to feel uncomfortable, experienced traders usually reduce the size of their position or liquidate. Then they wait on the sidelines until the next opportunity comes along.

## 11

### Try to avoid market orders.

Placing an order to buy or sell "at the market" may show nothing more than a lack of discipline. To avoid violating this rule, consider placing specific price orders instead. For example, "Buy 5,000 bushels of December corn at $2.20."

If you feel you must liquidate your position immediately, market orders can be helpful. However, it's usually a good strategy to minimize their use whenever possible.

12

## Trade the most active option month.

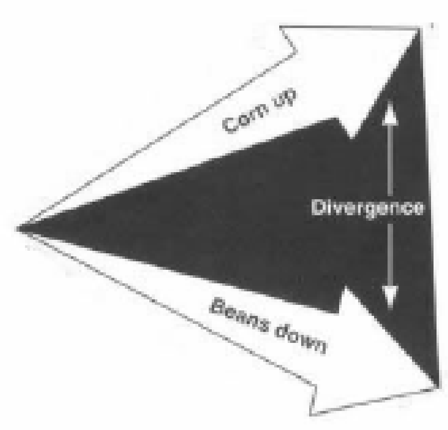
In soybeans, for example, November, March and July are usually the options with the highest volume and open interest. Trading these active options should enable you to get in and out of a position easily.


A similar caution should be noted for inactive futures. Low volume commodities are not the market for speculators because it may become difficult to liquidate a position when you want to get out. Your broker will be able to offer assistance in this area.

13

## Trade divergence between related commodities.

Watch the commodity "families" (i.e. the grains, the meats, the metals, and so on). Whenever you identify a wide divergence in a group, that could signal a trading opportunity. For example, if all grains except soybeans are moving higher, it's a good idea to look for an opportunity to sell soybeans when grains in general appear to be weakening. The reverse of this is true also. Knowledgeable traders usually buy the strongest commodity in the group during periods of weakness.



14

## Don't trade too many different things at once.

What happens if you do this? Most times you'll fail if you try to have the necessary information and "feel" of several different markets. Few traders, for example, are able to successfully trade both metals and grains at the same time, simply because both markets are moved by factors independent of each other. Learn to know your limitations and always trade within those limits.

15

## Trade the opening range breakout.

This is usually a good price direction clue, particularly after a major report. A breakout of the opening range may tell you the direction of trading for the next several days. If the market breaks through the opening range on the high side, go long, say the experts. If it breaks out on the bottom side of the opening range, go short.

## 16

### Trade the breakout of the previous day's range.

This rule is used by many successful traders to decide when to establish or lift a position. It means never buy until the price trades above the previous day's close. Followers of a "market momentum philosophy" use this rule, believing that the weight in the market is in their favor when they wait for trading to break out of the previous day's trading range before adding to their position.


## 17

### Trade the breakout of the weekly range.

This rule is similar to the daily rule, except it is based on weekly highs. When the market breaks through a weekly high, recognize that as a buy signal. When it breaks through the previous week's low, it is a sell signal.

## 18

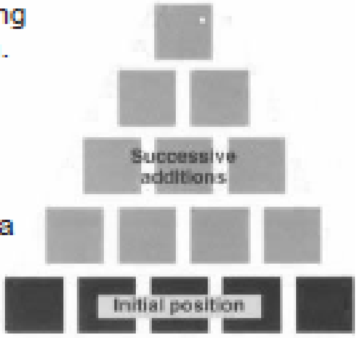
### Trade the breakout of the monthly range.

The longer the period you're watching, the more market momentum behind your decision. So, monthly price breakout are an even stronger clue to price trends and are vital signals for the position trader or hedger. When prices break out on the top side of the previous monthly high, it's a buy signal. When the breakout is on the bottom side of a previous monthly low, it's a sell signal.

## 19

### Build a trading "pyramid."

When you add a position, don't add more contracts at anyone time than the number of contracts in your base commitment. Let's assume your initial position was 20,000 bushels of soybeans. An ideal situation would be to pyramid by adding 15,000 bushels, then 10,000 bushels, then 5,000 bushels, providing the market is moving in a favorable direction.



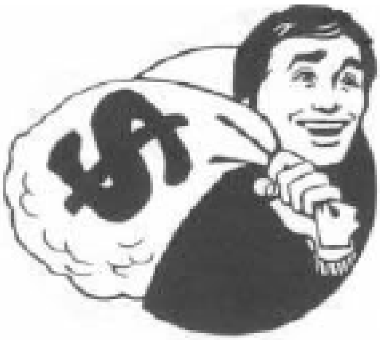

Always avoid the "inverted pyramid" where on each addition you add more than your original position. This is an extremely dangerous trading technique because even a minor market reversal can wipe out profits for the entire position. Your average cost is closer to market price in the "inverted pyramid" situation which makes your position more vulnerable.

Another danger in pyramiding is that of over committing yourself to the point where you lack sufficient margin money.

## 20

### Never put your entire position on at one price.

If you want to be long 50,000 bushels of corn, you may want to do it in five installments of 10,000 bushels. That way you'll see if the market is moving in your direction before you become totally committed.



Most traders use the fundamentals and various technical signals to guide their trading, but the most important key is market action.

Intelligent traders wait for the market to verify that the initial position was a good one before putting on their entire position.

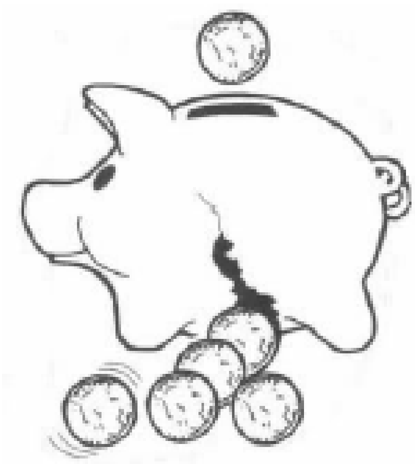
21

## Never add to a losing position.

Regardless of how confident you feel, you should NEVER add to a position that is already showing a loss. It may mean you are already out of step with the market.

Some traders disagree with this rule, believing in a "price averaging" technique.

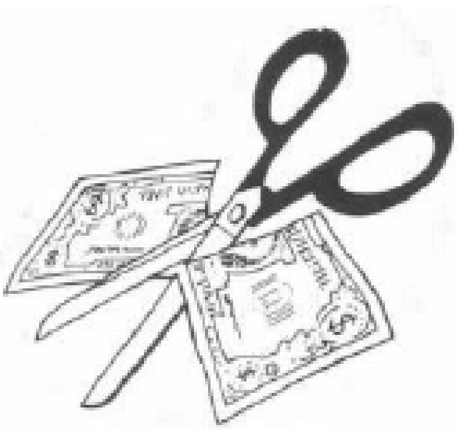
But many traders believe this can be a risky technique and a way to mentally justify adding to a position that only magnifies a mistake. (See rule #5.)



22

## Cut your losses short.

One of the most dangerous mistakes many new traders make is not admitting it when they're wrong. It takes a great deal of discipline to swallow your pride and resist the temptation to hang on to a loss.



When the market moves against you, admit your mistake and liquidate your position. You can still make money, even if you're correct on less than half of your trade, as long as you keep your losses short and let your profits run. Some successful traders may have only three or four profitable trades out of ten because, through discipline or stop loss orders, they are able to exit a market early when they are wrong.

## 23

### Let profits run.

Cutting your profits short can be another cause of unsuccessful speculating. The old saying "you never go broke taking a profit" doesn't apply to futures trading. The reason: Your losses will outweigh your profits unless you let your profits run.

How do you know when to take a profit? Here's where some of the technical rules on reversals and other chart formations can help. Experienced traders say you should never take a profit just for the sake of taking a profit—always have a reason for closing out a profitable position.

## 24

### Avoid holding losing positions.

Never carry a losing position more than two or three days or over a weekend. This rule is used as a way to force discipline. Although it sounds simple to say "cut your losses short," it can be a difficult rule to follow, even for seasoned traders. That's why it's a good idea to make a flat rule on carrying losses. Sticking to this rule is sure to save you from making substantial losses.

## 25

### Learn to like losses.

No trader likes losing. But, like it or not, losses are part of the business. So, when you've learned to accept a loss without it affecting your pride, you're well on your way to becoming a successful trader. The fear of taking a loss must be eliminated before you can reach your full potential as a trader.

## 26

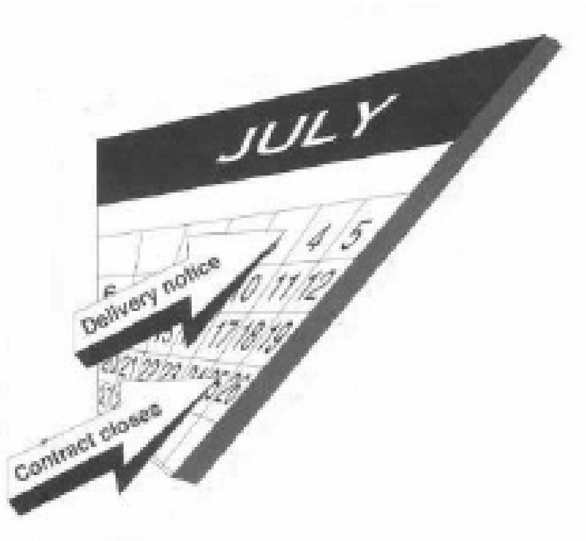
### Use stop orders cautiously.

"Stop loss" orders are easy discipline. They may help you cut losses automatically. But remember to place your stop when you place your order. If you don't, you may be tempted to give the market a "few more cents," adding to your potential loss. Be sure to use stop loss orders with great discretion, because stops that are placed too tight can put you out of the market with a loss very quickly. You can become "whipsawed" by poor placement of stops.


## 27

### Get out before contract maturity.

The price of a commodity during the delivery month is usually more volatile.

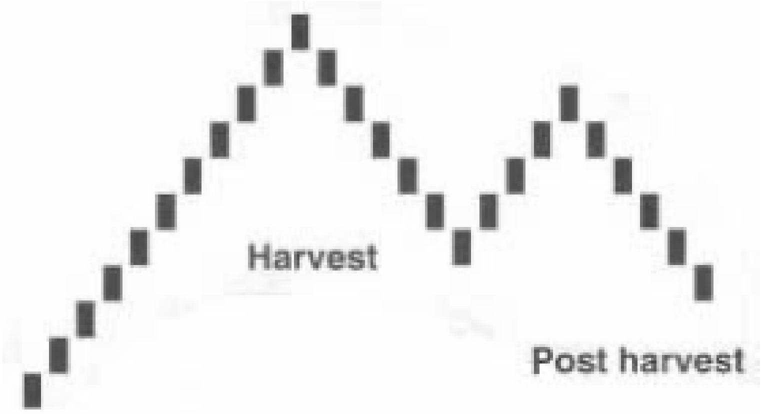



For that reason, it is recommended novice traders move into other contract positions to avoid any unnecessary added risk. The profit potential in making and taking delivery is one that should be handled only by experienced cash market traders.

28

## Ignore normal seasonal trends.

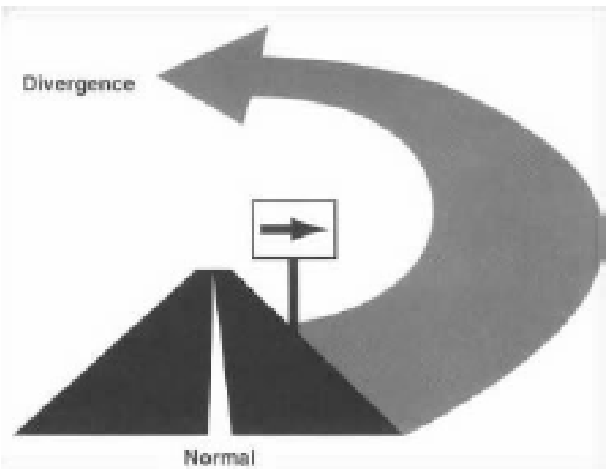
Although the price of corn historically goes down at harvest, most experts don't let seasonal trends influence trading decisions. Too many people try to trade seasonal trends, so it's usually best to do the exact opposite. (See rule #8)




29

## Trade the divergence from normal.

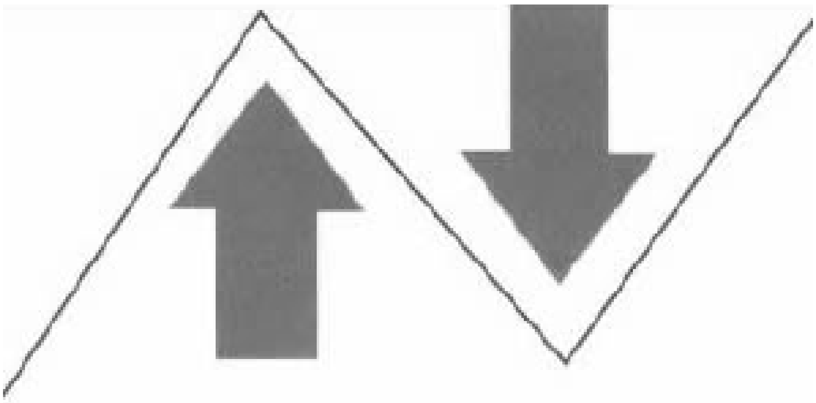
This is one of the rules money-making traders rely on regularly. They simply trade the divergence from that which is normally expected. So, if traders in general believe the market is bullish but the rally fails, it's usually a good signal to sell—especially if the activity follows a government report. It's sometimes smart to wait for the general trading population to lean one way, and then time a trade in the opposite direction.



30

## Avoid picking tops and bottoms.

Many a beginner has learned this costly lesson the hard way. If you believe a market has topped or bottomed and decide to go against the trend, you are making yourself very vulnerable. Expert traders suggest you let the market price action prove a top or bottom has been formed before taking an active position.



31

## Buy the rumor, sell the fact.

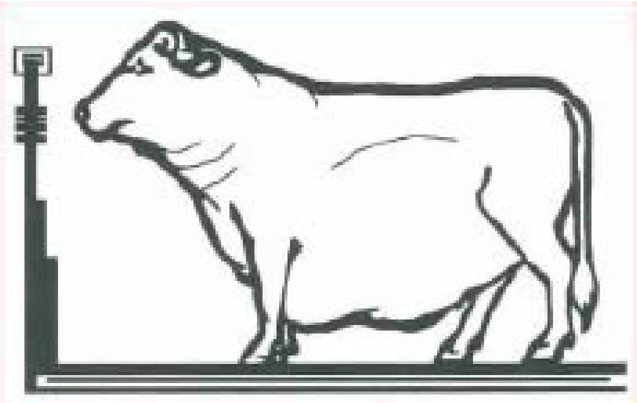

If market rumors are bullish, then you should buy when that news hits the streets. But when the new reports turn into reality, it is time to "sell the fact."

An example would be news of a potential grain sale. Because the market tends to "build the news into the market price," this rule would tell you to buy on the first piece of news; then when the grain sale was actually made, sell.

## 32

### Bull markets die of being overweight.

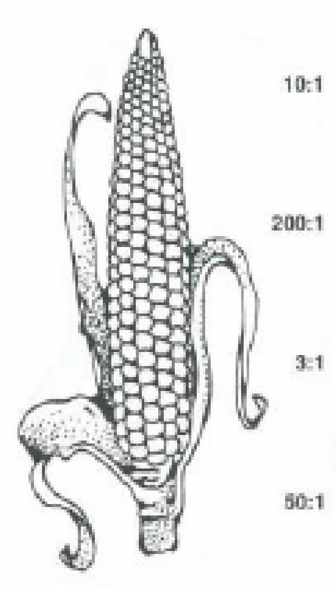
There's an old stock market trading rule that says, "when prices get top-heavy, bull markets can fall flat from their own weight. So, be especially sensitive to bearish news if you're long.



## 33

### Look for good odds.

Look for opportunities in which loss potential is small in relation to the profit potential. For example, if a market is trading near its recent historic lows, it could mean a long position has great upside potential in relation to possible loss. Or if it is trading just above government price support levels, there may be an opportunity for a low-risk trade.




Watching the trading range of a market over a year or several years helps you gain the perspective you need to help determine the odds. Market fundamentals are also helpful in finding situation with good odds for success.

34

## Always take windfall profits.

Sometimes within 48 hours of taking a position, you have more of a profit than you ever expected. Resist the urge to watch the market a few more days to figure out why the profit came so fast. Just take your quick profits and don't ask questions.

35

## Learn to sell short.

Most beginning speculators tend to be bulls, which means they like to buy markets they think will go higher. Because markets often fall faster than they rise, you can frequently earn quicker profits by selling short. For that very reason, it's important for you to learn to trade from the short side of the market.

36

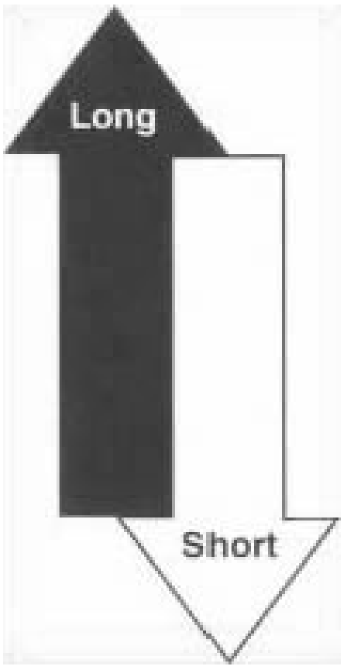
## Act promptly.

The futures market is rarely friendly to those who procrastinate. For that reason, a good rule of thumb is to always act promptly. This does not mean you should act impulsively. However, if your judgment tells you to liquidate a position, do it immediately.

37

## Don't reverse your position.

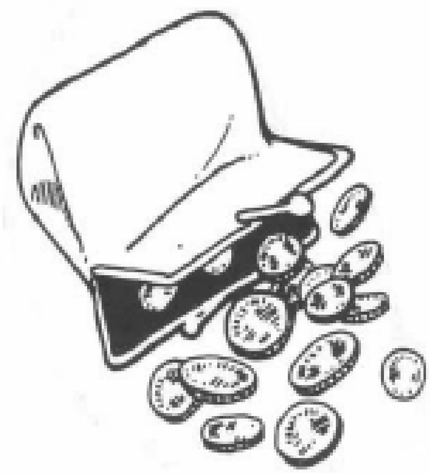
When your position is a loser and you decide to get out, don't make an 180-degree turn. For example, if you have been long and decide the market is working against you, get out and stand aside for awhile before going short. Ignore this advice and you could be whipsawed—losing as the market heads downward, then losing more as the market goes up.




38

## Don't be a nickel and dimer.

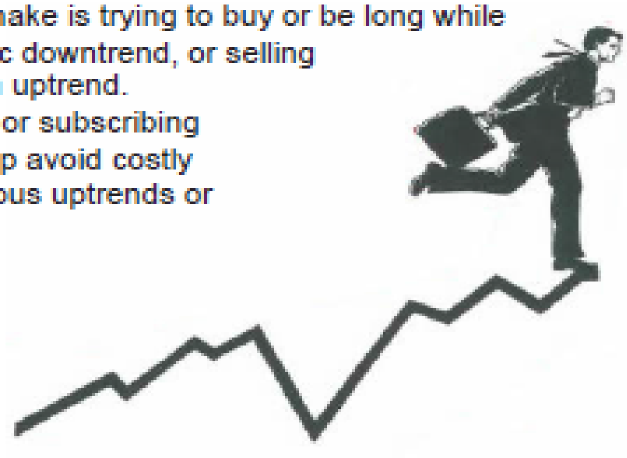
If you want to be long, don't put a price order in 2 cents below the market, hoping to find a bargain. Traders who try to squeeze an extra penny out of the market frequently find the market moves almost to their target, then slips in the opposite direction. So, although they were hoping for an extra penny, they may in act end up losing a nickel. When you think it is time to do something, make your move without hesitation.



39

## Know the price trend.

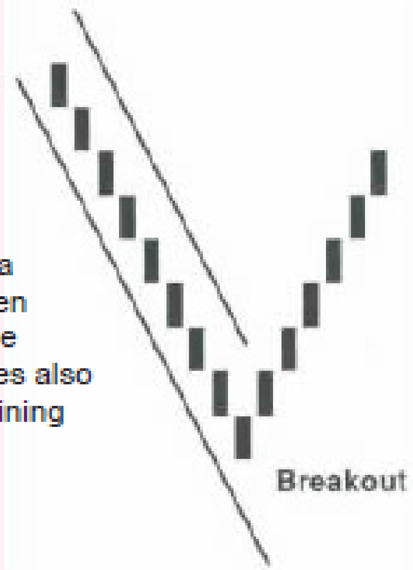
Major price trends can be identified with line charts, one of the fundamental tools used by successful traders. The mistake speculators sometimes make is trying to buy or be long while markets are still in a basic downtrend, or selling short when they are in an uptrend. Charting futures yourself or subscribing to a chart service can help avoid costly errors of selling into obvious uptrends or buying into downtrends.



40

## Watch for key breakouts through trend lines.

Some successful traders base their trades almost exclusively on this rule. It works like this: Make bar charts and watch them closely. When prices break through a trendline for two or three days, it's usually a good trading signal. A violation of a downtrend line is a buy signal. The reverse is also true: When an uptrend line is penetrated, it should be considered a sell signal. These trend lines also offer you excellent guidelines for determining stops.



## 41

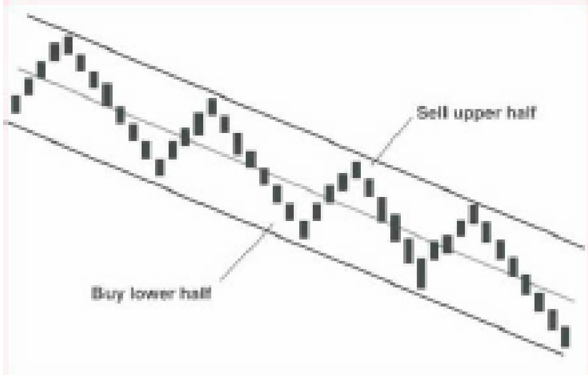
### Watch for 50% retracements of a major move.

Frequently you'll hear the market is in a "technical reaction." That means following a major move in either direction, the market has a tendency to retrace the move up to 50%. For example, if corn went from $2 to $3 in a major move up and then started to slide, look for another chance to buy when the price drops to $2.50.


## 42

### Use the "half-way rule" when picking buy/sell spots.

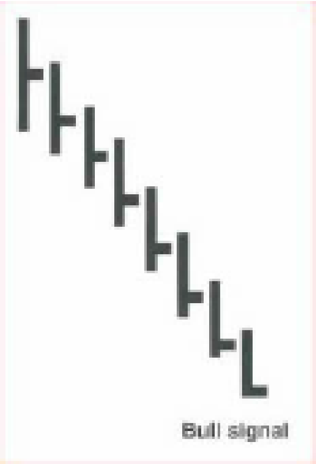
This mean finding out over what range the market has been trading, then buying in the lower half of that range or selling in the upper half. This rule is particularly useful in a trading market or in a situation where the market is trading within a chart channel.



43

## Watch the magnitude of market change.

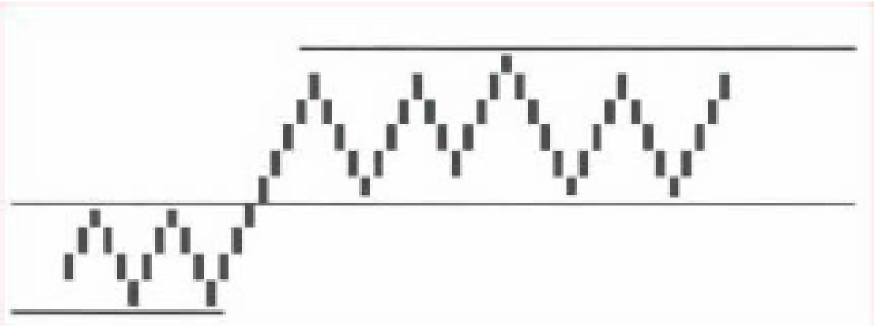
By watching the size of price movements, you can sometimes predict the direction the market is headed. When a market moves lower, but by a smaller amount each day, it may be a signal for an uptrend. When the market moves up each day, but in smaller amount, it's an early signal that a downtrend may be just around the corner.




44

## Congestion areas can mean support or resistance.

Congestion areas act as barriers that slow down price action. When a market commentator says there is good technical support at a certain price level, chances are good he is looking at a line chart that shows an old congestion area where trading took place for several weeks over a narrow range. Major price moves may develop when the market breaks out of a trading area. Usually, the longer the market has remained in the trading area, the further the price moves once it breaks out.



45

## Major moves frequently climax with a key reversal.

A key reversal of an uptrend is usually indicated when prices make new highs on high volume, then price erosion during the same day causes a lower close than the previous day's close.

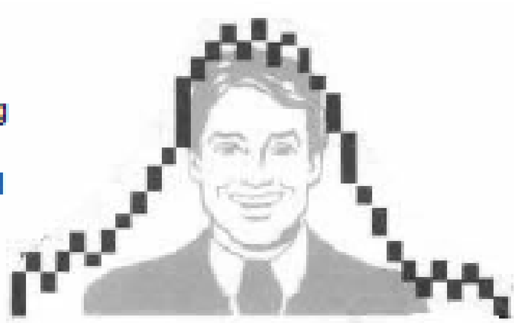
A key reversal of a downtrend is a move into lows, then a strong recovery during the day with a close higher than the previous day's close. A key reversal may come in the form of a two-day reversal when on the first day the move establishes a new high, then closes strong. On the second day the market may open near the high close of the previous day, then close sharply lower.

An island reversal is formed when prices gap into new highs on one day, then gap lower the next day.


46

## Watch for "head-and shoulder" formations.

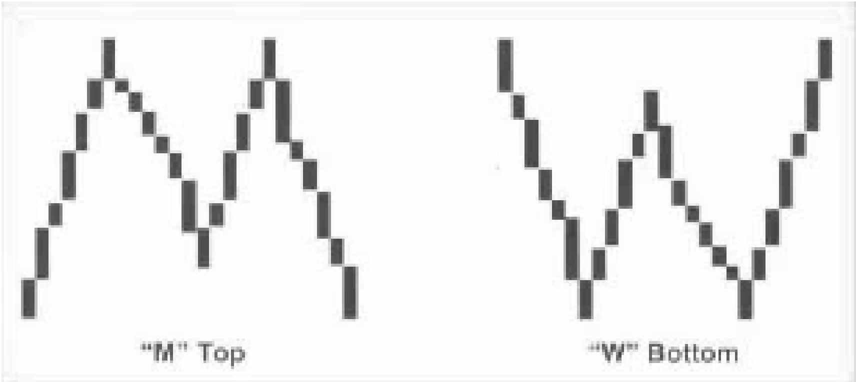
When you observe a chart pattern resembling a head and shoulders, it can usually be read as a sign that the market is topping out. Remember to be aware that head and shoulder patterns should not be trusted until the second "shoulder" is formed by a rally or sideways pattern.



## 47

### Watch for "M" tops and "W" bottoms.

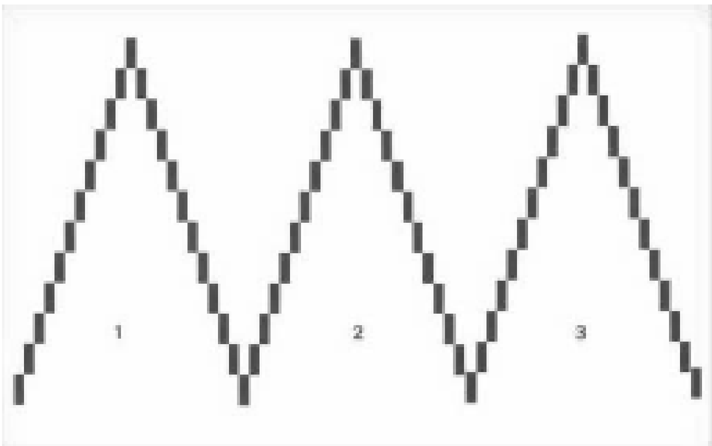
When the market action on a price chart indicates a large "M," the price signal is telling you to sell. When a "W" is formed, it is signaling a move higher.




## 48

### Trade triple tops and bottoms.

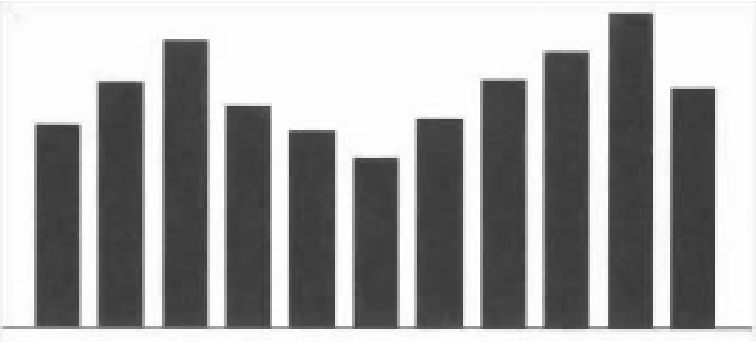
Once a market has hit a peak the second or third time, that can be read as a bearish signal. The reverse is also true at the bottom. Money-making traders are always aware of these signals and use them as a part of their overall strategy.



## 49

### Watch volume for price clues.

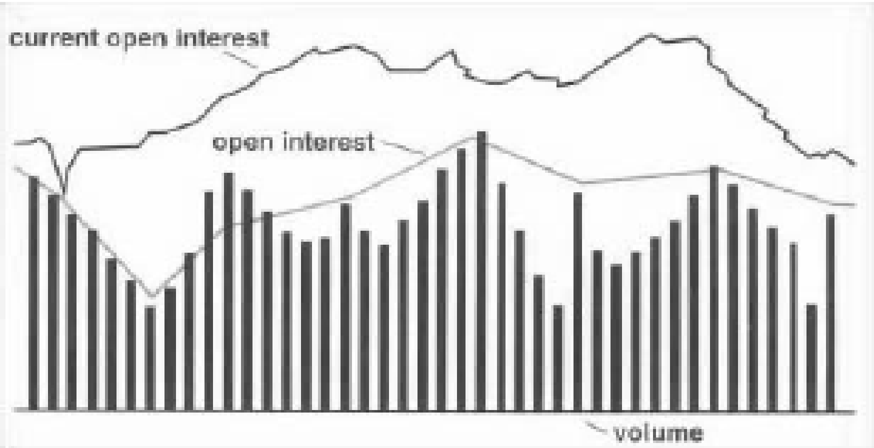
When volume and price go up together, this should be considered a buy signal. When volume increases and prices go down, it's a signal telling you to sell. However, when trade volume goes down, regardless of price direction, it's usually best to stand aside, or prepare your position for a market reversal.



## 50

### Open interest may be a tip-off.

If open interest continues to increase as prices rise, it's a buy signal—especially if volume increases at the same time. The reverse is also true. If open interest increases with lower prices and on good volume, it is a sell signal.



# Futures Terminology

## 1.Lot size

A Futures contract is a standardized contract with certain specifications.

## 2.Expiry date

The expiry date is the date on which the buyer and seller of a Futures contract have to honor their obligations as per the contract specifications.

## 3.Trading cycle

A trading or contract cycle is the time duration for which a Futures contract trades on an exchange.

## 4.Margin concept in Futures contract

Futures contracts work on leverage or the idea of borrowing. Whenever you want to take a position, you don’t have to pay the full lot value. You only need to pay a certain percentage of the lot value to take a position in Futures contracts. Here’s what you need to know about margins:

### Initial margin

The initial margin is the minimum amount of money that both buyers and sellers need at the time of getting into any Futures contract.

### Maintenance margin

Maintenance margin is the sum of money that has to be maintained by both buyer and seller in their margin accounts once trading has started. This amount or percentage is lesser than the initial margin.

## 5.Mark-to-market (MTM) profit/loss

Mark-to-market (MTM) is valuing assets according to their most recent market price. An important feature of Futures contracts is that gains and losses are settled on each trading day.

## Annexure 3

Rules of warren buffet

# WARREN BUFFET

With an estimated net worth of 11,750 crores  USD , one of the  the world's richest person and the greatest investor of all time, Warren Buffet's timeless philosophy of value investing has proven relevant and profitable in all types of markets and financial environment.

Following his simple strategies, he has converted the holding company Berkshire into a powerhouse today.

However, despite being simple he believes in doing things patiently and differently because that is the only way to start in a crowd.

It takes 20 years to build a reputation and five minutes to ruin. If you think about that you will do things differently, he says.

You believe him or not, but some of the top secrets of the stupendous success he has achieved as an investor are here.

## Simple living and high thinking :

Very few people are aware that one of the top secrets of Warren Buffet's stupendous success is simple living and high thinking. In fact anyone with modest means can claim to be leading a simple life. But give one money and one would start behaving like king. That however is not the case with Buffet who still leads a very simple life considering his status. Like the lives in a house he bought ages back and dressed up in normal cloths.

I just naturally want to do things that make sense. In my personal life too, I don't want a 405 ft boat because someone else has a 400 ft boat he says.

## Not diversifying too much :

Buffet also likes to keep his investment portfolio limited & simple, and believes in adopting simple investing strategies.

"I want to be able to explain my mistakes"—this means I do only the things that I completely understand he says.

Over time you will find only a few companies that meet this standards-so when you see one that qualifies, you should levy a meaningful amount of stake. You must also resist temptation to stray from your guidelines. If you are not willing to own a stake for ten years, don't even think about owning it for ten minutes.

## Not investing money where it has been earned:

Buffet does not believe in reinvesting earnings in the same business. Because no one can guarantee you the same return again, may be you loose money in that process. So it is always better to look for new avenues where one can optimize returns.

There is no rule that you have to invest money where you have earned it. Indeed it is often a mistake to do so, he says.

## Having no hard mentality:

It is very easy to follow others and very difficult to curve one's own way out. But it is only the second strategy which often makes one successful. This philosophy holds true for the stock market as well.

Most people get interested in stake when everyone else is. The time to get interested is when no one else is. You can't buy what is popular and do well, Buffet says.

## 10 days to get rich (Warren Buffet's secrets that can work for you) :

With one estimated fortune of 11750 crores USD Warren Buffet is one of the richest man in the entire world. In 1962 when he began to buying stock in Berkshire's Hathway , a share costs $7.50. Today Buffet, 92, is Berkshire's Chairman & CEO and one share of the company's class. A stock is worth close to $ 5,66,600 USD. He credits his astonishing success to several key strategies, which he has shared with writer Alice Schroeder.

### Secret No.1:- REINVEST YOUR PROFITS

When you first make money you may be tempted to spend it. Don't instead reinvest the profits. Buffet learnt this early on. In high school he and Pal bought a pinball machine to put in a Berber shop With the money they had eight in different stores. When the friends sold the venture, Buffet used the proceeds to buy the stocks and to start another small business.

### Secret No2:- WILLING TO BE DIFFERENT

Don't base your decisions upon what every one is saying or doing. When Buffet began managing money in 1956 with $100,000 cobbled together from a handful of investors, he was dubbed on odd ball. He worked in Omaha, not in Wall Street and he refused to tell his partners where he was putting their money .People predicted that he would fail but when he closed his partnership 14 years latter, it was more than $100 million.

### Rule 3:- NEVER SUCK YOUR THUMB

Gather in advance any information you need to make decision and ask friend or relative to make sure that you stick to a deadline. Buffet prides himself on swiftly making up his mind and acting on it. He calls any unnecessary sitting and thinking thumb sucking.

### Rule 4:- SPELL OUT THE DEAL BEFORE YOU START

Your bargaining leverage is always greatest before you begin a job- that is when you have something to offer that the other party wants. Buffet learnt this lessons the hard way as a kid, when his grandfather Earnest hired him and a friend to dig out the family grocery store after a blizzard. The boys spend 5hours shoveling until they could barely straighten their broken hands Afterward his grandfather gave the pair less than 90 cents to split.

### Secret No 5:- WATCH SMALL EXPENCES

Buffet invest in business run by managers who obsess over the tiniest costs. He once required a company whose owner counted the sheets in rolls of 500 sheets toilet paper to see if he was being cheated (he was). He also admired a friend who pointed only the side of his office building that faced the road.

## Secret No 6:- LIMIT WHAT YOU BORROW

Buffet has never borrowed a significant amount-not to invest, not to mortgage. He has gotten many hearts ending letters from people who throughout their borrowings manageable but became overwhelmed by debt. His advice: negotiate with creditors to pay what you can. Then when you are debt free work on saving some money that you can use to invest.

## Secret No7 :- TENACITY AND INTEGRITY

With tenacity and integrity, you can win against a more established competitor. Buffet acquired the Nebraska Furniture Mart in 1983, because he lived the way its founder, Rose Blumkin did business. A Russian immigrant, she built the mart from a pawnshop into the largest furniture store in North America. Her strategy was to undersell the big shops and she was a merciless negotiator.

## Secret No8 :- KNOW WHEN TO QUEST

Once when Buffet was a teen, he went to the racetrack. He bet on a race and lost. To recoup his funds, he bet on another race. He lost again, bearing him with close to nothing, e felt sick- he had squandered nearly a week’s earnings. Buffet never repeated that mistake.

## Secret No 9:- ASSESS THE RISK

IN 1995, the employer of Buffet’s son, Howle was accused by the FBI of price fixing. Buffet advised Howle to imagine the worst and best case- scenarios if he stayed with the company. His son quickly realized that risks of staying for out weight any potential gains and he quit the next day.

## Secret No 10 :-

Despite his wealth Buffet does not measure success by dollars. In 2006 he pledged to give away almost his entire fortune to charities. Primarily the Bill & Melinda Gates Foundation. He is adamant about not funding monuments to himself - no Warren Buffet buildings or halls. When you get to my age, you will measure your success in life by how many of the people you want to have-love actually to love you. That is the ultimate test of how you have lived your life.

Rule 1 : “ DON’T LOOSE YOUR MONEY ”

Rule 2 : ALWAYS REMEMBER RULE 1

Annexure -4

Option strategy

## OPTION TERMINOLOGY

Index options: These options have the index as the underlying. In India, they have A European style settlement. E.g. Nifty options, Mini Nifty options etc.

Stock options: Stock options are options on individual stocks. A stock option contract gives the holder the right to buy or sell the underlying shares at the specified price. They have an American style settlement.

Buyer of an option: The buyer of an option is the one who by paying the option premium buys the right but not the obligation to exercise his option on the seller/writer.

Writer / seller of an option: The writer / seller of a call/put option are the one who receives the option premium and is thereby obliged to sell/buy the asset if the buyer exercises on him.

Call option: A call option gives the holder the right but not the obligation to buy an asset by A certain date for a certain price.

Put option: A put option gives the holder the right but not the obligation to sell an asset by A certain date for a certain price.

Option price/premium: Option price is the price which the option buyer pays to the Option seller. It is also referred to as the option premium.

Expiration date: The date specified in the options contract is known as the expiration Date, the exercise date, the strike date or the maturity.

Strike price: The price specified in the options contract is known as the strike price or the Exercise price.

American options: American options are options that can be exercised at any time up to the Expiration date.

European options: European options are options that can be exercised only on the Expiration date itself.

**In-the-money option:** An in-the-money (ITM) option is an option that would lead to a Positive cash flow to the holder if it were exercised immediately. A call option on the index is said to be in-the-money when the current index stands at a level higher than the strike price (i.e. spot price > strike price). If the index is much higher than the strike price, the call is said to be deep ITM. In the case of a put, the put is ITM if the index is below the strike price.

**At-the-money option:** An at-the-money (ATM) option is an option that would lead to zero cash flow if it were exercised immediately. An option on the index is at-the-money when the current index equals the strike price (i.e. spot price = strike price).

**Out-of-the-money option:** An out-of-the-money (OTM) option is an option that would lead to a negative cash flow if it were exercised immediately. A call option on the index is out-of-the-money when the current index stands at a level which is less than the strike price (i.e. spot price < strike price). If the index is much lower than the strike price, the call is said to be deep OTM. In the case of a put, the put is OTM if the index is above the strike price.

**Intrinsic value of an option:** The option premium can be broken down into two components - intrinsic value and time value. The intrinsic value of a call is the amount the option is ITM, if it is ITM. If the call is OTM, its intrinsic value is zero. Putting it another way, the intrinsic value of a call is $Max[0, (St - K)]$ which means the intrinsic value of a call is the greater of 0 or $(St - K)$. Similarly, the intrinsic value of a put is $Max[0, K - St]$,i.e. the greater of 0 or $(K - St)$. K is the strike price and $St$ is the spot price.

**Time value of an option:** The time value of an option is the difference between its premium and its intrinsic value. Both calls and puts have time value. An option that is OTM or ATM has only time value. Usually, the maximum time value exists when the option is ATM. The longer the time to expiration, the greater is an option's time value, all else equal. At expiration, an option should have no time value.

## Best Option Trading Strategies That Every Trader Should Know –

Here is a list of some of the best Option Trading Strategies one may give a try. Whether you decide to use these strategies or not depends on your trading style, but at least if you have an understanding of how they work, you will be more adaptable to changing market conditions.

## Bullish Option Trading Strategies

Let us first have a look at the Bullish Option Trading Strategies here-

### 1) Bull Call Spread

Bull Call Spread is an Option Trading Strategy that falls under the Debt Spreads category. If you're bullish on a stock or ETF while not wanting to risk buying shares outright, consider purchasing a call option for a lower-risk bullish trade.

However, even Call Options can be costly and may expose you to more risk than you are accustomed to. You may be wondering, "Is there another way?" The answer is Yes! You could purchase a Bull Call Spread to reduce your preliminary cost and risk.

Primarily, in the Bull Call Spread option, you will still be able to buy that long call option expressing your bullish views, but you can compensate for some of that cost by selling a short call option in the face of it, hence lowering your risk.

A Bull Call Spread is made by purchasing one call option and concurrently selling another call option with a lower cost and a higher strike price, both of which have the same expiration date. Furthermore, this is considered the best option selling strategy.

### 2) Bull Put Spread

When an options trader believes that the price of the underlying asset will increase moderately shortly, they will use the Bull Put Spread Option Trading Strategy. Typically, this option falls under the Credit Spreads category. Although it is not the most complicated Option Trading Strategy, buying and selling puts and calls are more tangled than that.

Therefore, to put it simply, this spread entails selling a put option and purchasing a put option with a lower strike. Theta decay would benefit you in this situation since the Short-Put Option will start losing value faster than your Long-Put Option position.

In this case, it would be better to execute a Bull Put Position since such a position gains value quickly every day due to theta decay. This strategy is considered a great option buying strategy.

## 3) Bull Call Ratio Backspread

A trader needs to be very bullish on the stock to make this trade. Being only marginally bullish won't work for this trade. The biggest loss in a Bull Call Ratio Backspread happens in the direction the trader hopes the trade will move, which is one of the odd things about this strategy.

A bullish strategy that might be used instead of just purchasing call options is the Bull Call Ratio Backspread. The Call Ratio Backspread consists of two parts: selling one or more at-the-money or out-of-the-money calls and purchasing two or three calls that are longer in the money than the call that was sold. This strategy is also considered the best option selling strategy.

## 4) Synthetic Call

An investor purchases and holds shares to start a Synthetic Call, also known as a Synthetic Long Call. To hedge against a decline in the stock's price, the investor also buys an at-the-money put option on the same stock.

Numerous investors believe that this strategy can be compared to an insurance policy against the stock falling sharply while they are holding the shares.

Bearish Option Trading Strategies

Following are the Bearish Option Trading Strategies-

## 5) Bear Call Spread

When one's outlook on the market is largely bearish, one might use a double options trading strategy called a Bear Call Spread.

With this method, a trader sells a shorter-term call option while simultaneously buying a longer-term call option with the same underlying commodity and time frame of the expiration date but a higher strike price. By receiving a higher option premium on the call sold than the cost of the call purchased, one achieves a net profit.

## 6) Bear Put Spread

A trader or investor will use a Bear Put Spread when they predict that the price of a security or asset will slightly decline. Purchasing Put Options and selling the same number of puts on the very same asset with the very same expiration date at a relatively low target price results in a Bear Put Spread.

The distinction between these two strike prices, less the total cost of the options, represents the maximum profit a trader can make using this strategy.

## 7) Strip

When an investor is bullish on volatility and bearish on the direction of the market, they must employ the Strip Strategy. Buying two lots of "At-the-Money Put Options" and "At-the-Money Call Options" are both parts of this strategy. The same underlying security and expiration month are required for both options. The common Long Straddle is similar to a bearish version of the Strip.

With the Strip Strategy, significant gains are possible when the underlying makes a significant move at expiration, moving more favourably in the direction of loss.

## 8) Synthetic Put

An investor who sells stock short and purchases a call is using a strategy that is risk-equivalent to buying a Put option.

It is an Option Strategy that mimics a Long-Put Option by holding both a Short Stock position and a Long Call Option on the same stock. In a nutshell, it's a tactic that investors can employ if they have a bearish bet on a stock but are concerned about that stock's potential for near-term strength.

### Neutral Option Trading Strategies

Now, let us have a look at the Neutral Option Trading Strategies here-

## 9) Long Straddles & Short Straddles

Straddle is considered one of the best Option Trading Strategies for Indian Market. A Long Straddle is possibly one of the easiest market-neutral trading strategies to execute. The direction of the market's movement after it has been applied has no bearing on profit and loss. The market's movement can go either way, but that which never changes is its direction.

And regardless of the trend, as long as it moves, a profit and loss are produced. In a Long Straddle Options Strategy, a trader essentially purchases a long call and a long put.

A Short Call and a Short put are purchased with the same underlying asset, expiration date, and strike price as part of the Short Straddle Options Strategy. Since it is applied during the times when the market is least volatile, this strategy seems to be the complete antithesis of a Long Straddle Strategy.

## 10) Long Strangles & Short Straddles

The Long Strangle (also known as the Buy Strangle or Option Strangle) is a neutral strategy in which slightly OTM Put Options and slightly OTM Call Options with the same underlying asset and expiry date are purchased simultaneously.

This Long Strangle Strategy might be utilized when the trader anticipates high volatility in the underlying stock shortly. It's a method with low risk and high payoff potential. When the underlying moves significantly higher or downwards at expiration, the maximum loss is the net premium paid, whereas the maximum profit is when the underlying moves significantly upwards or downwards.

The Short Strangle is a variation of the Short Straddle. It aims to increase the profitability of the trade for the option seller. The breakeven points are widened to achieve this. This necessitates significantly more change in the underlying stock/index. In exchange, the Call and Put option may be worthwhile to use. This method entails selling two options at the same time.

Intraday Option Trading Strategies

Here are the Intraday Option Trading Strategies-

## 11) Momentum Strategy

As the name suggests, the basis of this Intraday Option Trading Strategy is to make the most of the momentum in the market. This involves tracking the right stocks before a significant change in the market trend materializes.

Based on this change, traders buy or sell securities. The choice of stock depends on the latest news, the announcement of takeovers, quarterly earnings, and more.

Thus, intraday traders need to study such news regarding stocks that are on their watchlist and place buying or selling orders accordingly.

Since share prices fluctuate owing to various external factors, intraday traders must make quick decisions to earn returns. The duration for which individuals hold the shares depends on the momentum of the market. Additionally, this strategy is the best option strategy for intraday.

## 12) Breakout Strategy

When it comes to buying and selling securities on the same day, timing is undoubtedly one of the most crucial factors. This intraday trading strategy involves finding the stocks which have broken out of the territory in which they usually trade.

Alternatively, a trader can identify stocks that are about to trade in a new price range. In other words, traders have to spot threshold points at which share prices increase or decrease. If the stock prices rise above the threshold point, intraday traders consider entering long positions and buying shares.

That said, stock prices plunge below the threshold point, which is an indication for individuals to consider short positions or sell shares.

## 13) Reversal Strategy

This trading strategy is associated with high risk. It involves making investment decisions against the market trend, based on analysis as well as calculations.

In comparison to other methods, this intraday trading strategy is more difficult. This is because intraday traders need to have extensive knowledge of the market. Furthermore, pinpointing the pullbacks and strengths accurately can also be quite challenging.

## 14) Scalping Strategy

The scalping trading strategy involves making financial gains from small price changes. This method is commonly used by intraday traders when buying and selling commodities. In addition, usually, individuals engaging in high-frequency trading utilize this technique.

Individuals must keep in mind that the fundamental or technical setup in its entirety does not have much relevance in this case. That said, price action has a greater significance in the case of a scalping strategy.

When picking stocks, individuals opting for this intraday trading strategy must ensure that they choose shares that are liquid as well as volatile. Furthermore, they must make sure to put in a stop loss for all orders.

## 15) Moving Average Crossover Strategy

Another successful intraday trading strategy in India is the moving average crossover strategy. When the prices of stocks or any other financial instrument move above/below the moving average, it serves as an indication that there is a change in momentum.

When share prices rise over the moving average, it is called an uptrend. Whereas when stock prices are lower than the moving average, it is referred to as a downtrend. In the case of an uptrend, experts recommend entering long positions or buying stocks. That said, when there's a downtrend, traders enter short positions or sell their shares.

## 16) Gap and Go Strategy

The gap and go strategy involves finding stocks not having any pre-market volume. The opening price of these stocks represents a gap from yesterday's closing price. When the price of a stock opens higher in comparison to the closing price of the previous day, it is known as a gap up.

However, if the opposite happens, it is known as a gap down. Intraday traders opting for this strategy identify such stocks and buy them believing that the gap will close before the closing bell.

## Collar Strategy

A collar strategy is a multi-leg options strategy that combines a long stock position, an out-of-the-money covered call, and an out-of-the-money protective put. The collar creates a risk-defined position with limited profit potential.
View risk disclosures

## Conclusion

We have discussed the most significant Option Trading Strategies in this blog. We hope this blog will aid in your understanding of concepts. In conclusion, traders can use several fundamental strategies that have low risk in place of the high risk that is typically associated with options.

So even traders who are afraid of taking risks can increase their overall returns by using options. However, it's crucial to comprehend the risks associated with any investment so that you can decide whether the potential gain justifies them.


# How to profit from trading weekly expiry days, (ZERO TO HERO STRATEGIES)

We are more likely to make money in this trade if we do it with discipline and protection.

Expiry of Futures & Options contracts has always been an event to look out for. Expiry day always brings a bit of extra volatility because traders are also moving their trades into next expiry. This makes it interesting because remember more volatility means more opportunity to trade.

But, for now we are not going to focus on that volatility. Instead, we will look at options premiums and its one of the most important characteristics. The very characteristic of Option premium that explains us two things

1. Option premiums reduce with time (assuming the price remains the same)

2. On expiry day, premiums reduce the fastest with passage of time Now, how do we benefit from it.

We will address this question in 2 parts, what do we trade to benefit from this & how we trade it.

## What do we trade?

The answer is fairly simple. We need to trade options. However, here the biggest dilemma is there are 100s of options to choose from which one/s to choose. Let us define this one by one with reasons.

Option Type: Ideally, we should select both Call and Put instead of just one option because losses arising out of one would be compensated by the other. However, this compensation does not cover our losses if there is a big move. (Remember Option Selling can have a lot bigger loss vs the Profit which is the premium received).

Strike: Strike price of the both the options should be nearest to the current market price (Sell 100 Call & 100 Put if the underlying is trading at 101). The reason behind this is that we are trying to capture reduction in premium due to passage of time.

Strikes closest to the current market price hold the largest value that can reduce with passage of time when compared to all other strikes.

This is true for both Call and Put.

Expiry: The expiry is an easy guess it is the current expiry date which is today's date.

## Now we know what to trade, let us see how to trade?

Time of Trade: Since we will profit from passage of time. We need the maximum time remaining to the end of day. So, we will take this trade at the beginning of the day.

Type of Trade: Selected options (both Call & Put) of strike closest to current market price could now be sold.

Protection: This is most important. Selling both Call and Put may save us from smaller movements but if a big move comes our losses could be much bigger than the maximum Profit we can make (Total Premium Received).

Hence, we should be buying protection. Protection can be bought by buying a Higher Strike Call and Lower Strike Put

In our case,

Sell 100 Call + Sell 100 Put

Protection: Buy 105 Call & Buy 95 Put

This will impact the profits. Higher Call and Lower Put will always be lower in premium than the 100 Call & Put. Now the Maximum Profit will be Net Premium Received (Premium Received – Paid).

However, with the protection in place our Maximum Loss will be limited to 5 (difference between 100 & 105/ 100 & 95) minus Net Premium Received.

Last few years history holds it that, we are more likely to make money in this trade if we do it with discipline and protection. Reason is simple. Premium Reduction with Time will happen without fail on every Expiry Day. However, big move in Option Premium due to big move in underlying may not come in all expiries.

## Before knowing more about this strategy, let's understand what is expiry?

In the Indian stock market, "expiry" typically refers to the expiration date of a derivative contract. Derivatives are financial contracts that derive their value from an underlying asset, such as a stock, commodity, or currency.

In India, two of the most commonly traded derivatives are futures and options. Futures contracts are agreements to buy or sell an underlying asset at a specified price and date in the future. Options contracts give the buyer the right, but not the obligation, to buy or sell an underlying asset at a specified price and date in the future.

Talking further about options, we have Stock options and Index options, popularly- Bank nifty and Nifty. The stock options expire on the last Thursday of the month whereas the Bank nifty options and Nifty options expire every Thursday (weekly expiry options) as well as on the last Thursday of the month (monthly expiry options)

The strategy we're going to learn is specifically for the Bank Nifty weekly options.

## Bank Nifty option buying strategy

The strategy is based on the popular phenomenon that all the contracts get settled on Thursday and a big move can be expected because of the same.

The rule of the strategy is to buy ATM CE and ATM PE around 2:20 PM with the very important clause that the premiums should be equal or very close to each other.

Since every contract gets settled on Thursday and everyone will be eager to clear their positions at this later hour of the trading day, a one directional move can be expected. This strategy will only work if there is one directional strong movement in the market as one of the options will go to zero whereas the other will bring heavy returns to cover the other option's loss too.

The SL and target should be managed according to the risk management rule one follows.

Even after knowing this strategy, one should always back test, modify according to himself/herself, forward test, paper trade, and then execute in the real market with real money.

## What is Hedging?

A hedge is recognized as an investment status that functions to limit the potential losses that investors might suffer through associated investments. Investors that are passionate about market-linked instruments generally make use of hedging. Hedging requires extensive investing in two distinguishing instruments during unfavourable correlation.

Hedging tactics are used by individual investors as well AMCs (asset management companies) for the sole purpose of limiting or eliminating risks to get rid of potential negative encounters.

areas where hedging is used

1) Interest Rate - This area revolves around borrowing and further lending rates. The risk involved with the interest rates herein is recognized as the internet-rate risk.

2) Securities Market - This area involves all sorts of investments that are made in equities, shares, indices, etc. Here, the risk associated with trading is called securities or equity risk.

3) Commodities Market - This area involves energy products, metals, farming products, etc. The risk involved in this type of investment is called commodity risk.

4) Currencies - argue area involves foreign currencies and includes several correlated risks such as currency and volatility risks.

## Options Hedging steps:

Option Hedging Strategies steps include the following

- The first step is to make an account
- The second is to trade in by selecting the options market
- The next step is to choose from a daily, weekly or monthly option
- The fourth step is to choose a position size and strike price that allows you to balance exposure
- The final step is that the deal must be opened, then monitored and finally closed.

## How does Hedge Protect the investors?

Option Hedging Strategies help in protecting the investors in the following ways

- Risk mitigation

It helps the investor in managing risks and the investment exposures that they get. Derivatives are used in protecting investors if things do not go in the right direction that the investor expects.

- Price clarity

Individual investors and companies use derivatives to eliminate uncertainties regarding a future commodity or asset prices. By using Option Hedging Strategies, investors can lock in the prices for key/primary goods well in advance before the date of delivery.

- Limits losses

The third way that hedging protects the investor is that it allows the investor to limit their losses to an amount they are comfortable with. The cost of the Hedge limits their upside.

However, the investors can be sure that their losses won't aggravate in case of a decline in the price.

There is another important thing to keep in mind, which is what happens at the time of options expiry. If the price movement goes against the investors, they may sell stocks and the option for maximum loss.

Alternatively, an investor will profit from the put option once the stock price reaches the support level. If the investors are not interested in either of the mentioned options, they can keep buying new choices every month.

## What Is Delta Hedging?

Delta hedging is a risk management strategy used in financial markets to reduce the impact of price fluctuations on a portfolio. It involves establishing and managing positions in both the underlying asset and its corresponding options. The goal of delta hedging is to create a neutral or near-neutral position with respect to price changes, thereby minimizing potential losses.

**Trading Strategies Using Commodity Indices**

Beginners who wish to take exposure to commodities can do so using commodity indices. These are cash-settled contracts, usually small in size compared to futures contracts. Commodity indices provide an overview of the price movements of underlying commodities. Moreover, traders can design multiple trading strategies using futures contracts and commodity indices.

There are three sectoral indices for commodity trading on MCX (Multi Commodity Exchange of India Limited), namely MELTDEX, BULLDEX and ENRGDEX. People can create trading strategies by combining MELTDEX and futures contracts of metals.


# Tips for Successful Commodity Trading

## Exercise Caution with Respect to Leverage

An important feature of commodity trading is high leverage low margin as compared to equity derivatives. Often, traders get enticed by the high leverage and enter commodity markets to earn high returns with a low investment amount and incur losses.

Evaluating the pros and cons of such high leverage before getting into commodity trading is necessary. This is because, though leverage can improve your profits, it can also lead to major losses, if the market moves in the opposite direction.

## Understand Volatility Well

It is important to understand well the overall trend and price movements of the commodity you wish to trade in. You need to choose a lot size while trading a commodity, and often, beginners let the margin availability determine this. On the other hand, experienced traders know the importance of analysing a commodity's volatility before choosing a lot size.

What is important is to study the volatility in a way so as to benefit from it. A crucial tip for beginners is to start trading in more stable commodities such as gold and crude oil before moving on to more volatile commodities like agricultural commodities and copper.

## Evaluate the Market Cycle

You should observe and understand a commodity's market cycle to understand the ideal time to make trades. Market cycles of commodities usually depend on demand, supply, macroeconomic conditions and geopolitical factors. For example, demand for gold increases during geopolitical tensions.

## Limit Your Focus

To achieve higher returns consistently for a long tenure, traders need to focus on select commodities. It requires patience because commodity trading requires comprehensive research. So trading in highly diversified types of commodities (say, oil and silver) is not recommended.

## Engage in Scalping-strategy

Scalping is a strategy where a trader remains in the commodity derivatives market for a short time and earns profits mainly from small price movements. When a trader follows this strategy, he makes small gains through small price changes and exits the market before his/her losses offset gains.

As the trader remains in the market for a very short period, there is a low risk of adverse events. If you implement it wisely, scalping can be an effective strategy for commodity trading.

## Some good Forex exchange trading strategies

According to market experts, all the good forex trading strategies involve both technical and fundamental analysis to assess the suitability of buying and selling of currency pairs. A good currency trading strategy can help you to not only receive returns from your investments but also to have a sound risk-management system in place.

Here's a list of some good forex trading strategies:

**Price action trading:** Here, you are required to study the historical prices of currencies. You can use the following technical techniques within the overarching framework of this strategy:

**Length of trade:** You can use different time periods, like short-term, medium-term, and long-term to analyze the price of currencies.

**Entry and exit points:** Knowing the support level ( the low price point of a currency over a period of time) along with the resistance level ( the high price level of a currency over a period of time) to determine the entry ( purchase) and exit (selling) points respectively. You can know both the points for forex trading using :

**Fibonacci retracement:** Using the mathematical Fibonacci's sequence of numbers, you are required to identify a major movement of currency price and then apply it to the starting point.

**Candlestick charts:** This can allow you to visually identify the price fluctuations such as the highs and lows.

**Identification of trends :** You can identify trends via the price action mechanism to identify trends, assess a viable risk-management model and determine your entry position.

**Oscillators :** This can help you identify the risk to reward ratio, especially when the market price correction of a particular currency is reaching its end. Relative Strength Index (RSI), Commodity Channel Index (CCI) and stochastics are among the common examples for oscillators.

**Technical indicators:** These include chart analysis tools to measure variables such as price averages, market volatility etc. The indicators can help you know about the price movement of currencies.

**Range trading strategy:** This technical analysis involves identifying the key support and resistance levels to determine the timing for execution of currency trading. At times, price action is used together with oscillators in this strategy. While this forex trading strategy can allow for a greater number of trading opportunities along with identification of a suitable risk to reward ratio, the process involved for technical analysis is often lengthy and cumbersome.

**Trend trading strategy:** You can use this forex exchange trading strategy by identifying the directional strength of the market. You can use variables such as length of trade and entry/exit points to buttress this strategy. Though strong trends can allow you to zero in on a suitable currency trading strategy, this again is time-consuming, given the multiplicity of variables required for technical analysis.

**Position trading strategy:** This long-term forex exchange trading strategy primarily considers fundamental factors. Here, minor fluctuations of currency prices are not considered. While this strategy is less time-consuming, it provides for determining a suitable risk to reward ratio.

**Day trading strategy:** Here, all positions are closed in a day's trading session. It can provide for a greater number of forex trading opportunities.

**Forex scalping strategy:** This currency trading strategy involves frequent short-term trades, within a short time interval, for getting minimal returns. The time period can range from 30 minutes to 1 minute. It provides for the largest number of currency trading opportunities, although the risk to reward ratio is low.

**Swing trading:** This is a medium-term speculative forex exchange trading strategy, where you have to consider: trending markets and range bounds (buying at support trends and selling at resistance trends). To determine entry and exit points oscillators and indicators are used.

**Carry trade strategy:** A key forex trading strategy involves borrowing a particular currency at a lower rate and simultaneously investing in a currency that provides a high yield rate. This can provide for a positive carry of trade. This strategy is directly contingent upon interest rate fluctuations of the particular currencies.

## Three forex hedging strategies

There are a vast range of risk management strategies that forex traders can implement to take control of their potential loss, and hedging is among the most popular. Common strategies include simple forex hedging, or more complex systems involving multiple currencies and financial derivatives, such as options.

## Simple forex hedging strategy

A simple forex hedging strategy involves opening the opposing position to a current trade. For example, if you already had a long position on a currency pair, you might choose to open a short position on the same currency pair – this is known as a direct hedge.

Though the net profit of a direct hedge is zero, you would keep your original position on the market ready for when the trend reverses. If you didn't hedge the position, closing your trade would mean accepting any loss, but if you decided to hedge, it would enable you to make money with a second trade as the market moves against your first.

Some providers do not offer the opportunity for direct hedges, and would simply net off the two positions. With IG, the force-open option on our platform enables you to trade in the opposite direction from your initial trade, keeping both positions on the market.

## Multiple currencies hedging strategy

Another common FX hedging strategy involves selecting two currency pairs that are positively correlated, such as GBP/USD and EUR/USD, and then taking positions on both pairs but in the opposite direction.

For example, say you've taken a short position on EUR/USD, but decide to hedge your USD exposure by opening a long position on GBP/USD. If the euro did fall against the dollar, your long position on GBP/USD would have taken a loss, but it would be mitigated by profit to your EUR/USD position. If the US dollar fell, your hedge would offset any loss to your short position.

It is important to remember that hedging more than one currency pair does come with its own risks. In the above example, although you would have hedged your exposure to the dollar, you would have also opened yourself up to a short exposure on the pound, and a long exposure to the euro.

If your hedging strategy works then your risk is reduced and you might even make a profit. With a direct hedge, you would have a net balance of zero, but with a multiple currency strategy there is the possibility that one position might generate more profit than the other position makes in loss.

But if it doesn't work, you might face the possibility of losses from multiple positions.

## Forex options hedging strategy

A currency option gives the holder the right, but not the obligation, to exchange a currency pair at a given price before a set time of expiry. Options are extremely popular hedging tools, as they give you the chance to reduce your exposure while only paying for the cost of the option.

Let's say you're long on AUD/USD, having opened your position at $0.76. However, you are expecting a sharp decline and decide to hedge your risk with a put option at $0.75 with a one-month expiry.

If - at the time of expiry - the price has fallen below $0.75, you would have made a loss on your long position but your option would be in the money and balance your exposure. If AUD/USD had risen instead, you could let your option expire and would only pay the premium.

## Annexure -5

### Algorithmic Trading Meaning

Algorithmic trading refers to automated trading wherein investors and traders enter and exit trades as and when the criteria match as per the computerized instructions. The systems are coded with instructions to undertake trades automatically without human intervention. It saves a lot of time for investors who can take more and more trades due to their quick execution time.

With algorithmic trading, there are no human emotions involved. The only thing that guides the overall trading process is the coded instructions, determining if the buyers' and sellers' requirements match. If so, the system opens and closes the deal accordingly.

Algorithmic trading is automated trading that involves the usage of computerized platforms, advanced mathematics, and computer programming tools to drive trading transactions in the financial markets.

The computer program dynamically assesses the market situation and implements a hedging strategy according to market sentiments.

The regulatory authorities always install circuit breakers, limiting the functionality of algo-trades.

The devising of the algorithm can be very complex and challenging, but when deployed well makes execution faster.

### Algorithmic-trading has many benefits.

1. Trades are executed at the best possible prices
2. Instant and accurate trade order placement
3. Trades timed correctly and instantly. This avoids significant price changes
4. Reduced transaction costs due to lack of human intervention
5. Simultaneous automated checks on multiple market conditions
6. Reduced risk of manual errors in placing the trades
7. Reduced possibility of mistakes by human traders based on emotional and psychological factors
8. The greatest portion of present day algorithmic-trading is high frequency trading (HFT). This trading method attempts to capitalize on placing a large number of orders at very fast speeds, across multiple markets, and multiple decision parameters, based on per-programmed instructions.

## What Is Quantitative Trading?

Quantitative trading consists of trading strategies based on quantitative analysis, which rely on mathematical computations and number crunching to identify trading opportunities. Price and volume are two of the more common data inputs used in quantitative analysis as the main inputs to mathematical models.

As quantitative trading is generally used by financial institutions and hedge funds, the transactions are usually large and may involve the purchase and sale of hundreds of thousands of shares and other securities. However, quantitative trading is becoming more commonly used by individual investors.

## What are quantitative trading strategies?

Quantitative trading is rule-based models and calculations to predict future returns. We can call it a systematic trading approach that uses strict statistical trading methods to find odds and probabilities. You want to have a strategy that has a positive expectancy.

When one quantitative trading strategy is found sound and robust (even better if you have many strategies), you have an automated trading system you can trade via a computer. Automation is power; you can trade almost unlimited strategies via your computer or VPS.

Let's go to our first quantitative trading system:

**Russell rebalancing strategy**

**Rubber Band trading strategy**

**MFI indicator strategy (money flow indicator)**

RSI Trading Strategy (91% Win Rate)

What is mean reversion trading?

**The turn of the month strategy**

**Quantitative volatility trading strategy**

**Treasury Bonds long and short strategy**

## The pros and cons of quantitative trading (strategies)

Let's provide a summary of the article by briefly discussing the advantages and disadvantages of quantitative trading:

When it comes to the pros and benefits, the following points are worth noting:

Computer-driven execution: Your computer carries out trading activities, eliminating the need to constantly monitor the screen.

Automation and strategy development: The ability to automate trading allows you to focus on continuously developing new strategies.

Multiple strategy options: Quantitative trading enables you to trade using various strategies simultaneously.

Efficient time management: The time spent remains the same regardless of trading one or fifty strategies.

Psychological advantages: By introducing a layer between you and the actual trading, quantitative trading may reduce the likelihood of poor decisions, cognitive errors, and overriding signals.

However, it's important to acknowledge that there are some downsides and disadvantages as well:

Coding requirement: To engage in quantitative trading, you will need to learn coding skills.

Experience for system discovery: Gaining experience is necessary to identify and utilize effective systems and strategies.

Effort in finding new approaches: Actively seeking and developing new strategies and systems requires dedicated work.

Quantitative trading offers several advantages, such as automated execution, strategy diversification, and reduced psychological biases. On the other hand, it demands coding proficiency, experience in system discovery, and ongoing effort to find innovative approaches.

## Annexure 6- our exclusive money making strategies

**Money making strategies**

### Strategy One :

**Mixture of nifty 50 and 10 blue chip shares :-**

### Strategy Two :

It is only derivative future strategy of blue chip 10 shares. If market volatility is more than 30% then we have to hedge with option strategy.

### Strategy three:

It is a strategy based on derivatives of 3 most highly volatile non-nifty shares. In that case if market volatility is more than 30% we have to apply hedging option strategy.

### Strategy Four :

It is based on derivatives of 3 most reliable and not so volatile shares.

### Strategy Five :

It is based on cash market 10 blue chip share trading strategies.

### Strategy Six(Cash mid caps):

It is based on top 10 mid cap shares in the cash market.

### Strategy Seven(Cash Small Cap):

It is based on only top 10 small cap shares in the cash market.

**Strategy Eight(Nifty 50):**
It is based on only nifty 50 trading

**Strategy Nine(Nifty 15):**
It is based on only nifty IT trading

**Strategy Ten(Nifty Mid Cap):**
It is based on only nifty mid cap shares

**Strategy Eleven(Nifty Small) :**
It is based on small nifty trading.

**Strategy Twelve (Nifty Bank):**
It is based on bank nifty trading.

**Strategy Thirteen (Cover Package) :**
It is based on some weightage of cash as well as future trading some scripts.

**Strategy Fourteen (Coramine Trading) :**
It is based on daily trading strategy of 5 highly volatile shares after covering in the cash market. It is basically revival scheme for the great looser. It's based on draw down theory.

## DRAWDOWN: strategy

### What is a Drawdown?

A drawdown represents the drop from a peak to a trough for an account value. The drawdown is one of the most important inputs for assessing the risk associated with an investment. Many traders overlook the drawdown factor and only focus on the gains.

### Why Is Calculating the Drawdown Important?

When analyzing a trading system, a trader must assess how much of their capital is at risk for any given period of time. The drawdown value shows how much of a pullback can occur during a trading series for a portfolio. So, instead of just looking at swing highs and lows on a chart, the drawdown calculation makes the moves in the market tangible to you the trader, because it shows how it will directly affect your money. There are times a trader can begin to see patterns in their trading losses. Are your drawdowns coming in the morning, afternoon, during the summer? When looking back at your system, the drawdown values will assist in providing insight into weaknesses of your system.

### Losing Series in a Drawdown

When traders start out, they want to naturally win on every trade. The reality of the matter is no matter what system you use, there will be losses. During a drawdown period, the run from high to low may come on one trade. But there are times when it could come as a result of 5 or more losers in a row. Traders have to know not only the drawdown that can occur in a trading series, but how many losing trades in a row as well. Being able to look back at a winning trading system and see a number of losers in a row, will provide confidence when your trading system experiences a losing system in the future.

## How to Work Around Drawdowns

Drawdowns like anything else in trading can be managed. A trader must look at the drawdown of their system and the amount of cash they have on hand. This will drive the amount of capital that can be used per play and their respective stop loss. So, in summary the drawdown helps mold a trader into the disciplined investor that makes consistent gains.

## So, what exactly is money management?

Money management is that part of your trading system that answers the question “How much?” throughout the course of a trade.
Trading, like every other business, needs to start with a certain amount of equity or “seed capital”. Traders remain in business so long as they have this seed capital with them.

## Drawdowns:

Drawdowns are, of course, a part of every trader’s life.
Let’s say a trader has Rs 10 lakh trading equity of and after a string of losses is left with Rs 7 lakh. He is thus said to have had a drawdown of 30%. After this, only when the trader is able to make back is original capital can he think about profits.
Let’s consider a simple game to understand the effects of drawdowns on a trader’s trading ability, something as simple as tossing a coin. Now the two possible outcomes of this game are either heads or tails. Our trader in the game wins if he gets heads and loses if he gets tails. He starts with Rs 1,000 and risks Rs 100 on every toss. Let’s assume he tosses the coin three times and loses every time, a distinct possibility. Now he is down to Rs 700. If he were now to assume that he will win the next toss because he has had three losses in a row, that’s a gambler’s fallacy because his chances of winning the next toss are still only 50%, the probability of a favourable outcome. Let us assume that based on this fallacy he decides to bet Rs 300 because he is so sure he will win. However, he loses again and now has only Rs 400 left. From here on, he now needs to make 150% just to breakeven. It is, therefore, highly unlikely that he would:

- Breakeven in a short period of time, or
- Make any substantial profits.

Lesson: the trader failed in this simple game because he risked too much money on a single trade.

## Recovery after Drawdowns

Table 1 clearly brings out that drawdowns upto 20% need only a 25% gain to recover; anything over 20% begins to get very difficult. Most traders come to the equity markets with undercapitalised accounts but with pipe dreams of making millions and this is what ultimately causes their downfall. In India, particularly, the huge minimum derivative contract sizes suggest that only high net worth investors and institutions should participate in it. Still everyday millions of small traders try to profit from the derivatives market and fail.

*Table 1*

| *Draw-downs* | *Gain to Recovery* | *Draw-downs* | *Gain to Recovery* |
|---|---|---|---|
| 5% | 5.3% | 40% | 66.7% |
| 10% | 11.1% | 50% | 100% |
| 15% | 17.6% | 60% | 150% |
| 20% | 25% | 70% | 300% |
| 25% | 33% | 80% | 900% |
| 30% | 42.9% | | |

**That is because these people are practicing poor money management — their account size is simply too small to begin with. And because of their inadequate account size, the mathematical odds of failure are very high.**
**In my opinion, if a person has Rs 50 lakh as total account equity, the total naked derivatives exposure (excluding covered calls) at any point of time should not exceed 10-15% of the portfolio, i.e. Rs 5 lakh to Rs 7 lakh, and the balance 85-90% of the portfolio should be in a covered calls with underlying stocks being held. This way the 85-90% of the account grows steadily, albeit at a slower pace, while the kicker is provided by the naked derivatives exposure. This parameter can equally be applied to accounts of all sizes. Positions can be added as one's trading account grows in size. This is my way of money management.**

## Strategy Fifteen(Single Stock DMA Strategy):

**One can choose only one good stock and can trade periodically according to DMA chart and in that way he earns big money and can save the big losses. You can make profits from zigzag movement of shares also.**

## Systematic Investment  Plan:

**It is based on recurring investment after some periods on very strategic manner.**

## How Stocks Can Make You Rich Beyond Your Dreams

**The endless quest by fundamentalists and technicians alike to discover the secret of calling market returns is driven by acknowledge of the incredible returns a completely successful timing strategy would yield.**

**Even readily attainable levels of market timing success can have a dramatic impact on overall returns.  For example, an investor who was short for only one-quarter of each of those three bear markets in the past twenty years would have spared himself half the losses incurred by his fully invested counterparts, and his $ 10,000 would have grown to $237,790 – tripling the profits of buy and hold.**

## Case history 1- MRF TYERS

**In the year 1990 price per share was 350.00, now price above Rs 1,06,000.00, Growth in 33 years. that is 303 times, 30287%.**

## Case history 2- TITAN INDUSTRIES

**RS 3 TO 3525, 845 TIMES IN 20 YEARS. HENCE RS 1,00,000 TURNS INTO 169 CR. IN 20 YEARS.**

**RECENT CASE HISTORY AS OUR RECOMMENDED**

**TATA ELAXI – IN 2020 RS 600 NOW 7172.00, 12 TIMES GROWTH IN JUST 3 AND HALF YEARS.**

## HOW SHARES CAN PROTECT YOU FROM INFLATION

**In General, Common Stock Offer Significantly more protection against unexpected inflation than do fixed income investments payments.**

## Annexure 7

**Pros and cons of mutual funds - why it will be not always effective.**

**8 charges in Ulip that one needs to know**

**Proposal to tax the long-term capital gains (LTCG) arising out of transfer of equity shares and mutual fund has brought the focus back on unit linked insurance plans (Ulip) because of the tax advantage they will now enjoy.**

**Ulip is considered to be a mutual fund wrapped with an insurance cover. But, unlike a mutual fund where there is one single consolidated total expense ratio (TER) to look at, Ulips have a long list of charges.**

**The structure of charges may vary among insurers and plans, but broadly here are the different types of fees and charges.**

### I. Premium Allocation Charge

**Premium Allocation Charge (PAC) is deducted as a fixed percentage of the premium received and is usually charged at a higher rate in the initial years of a policy. This charge normally includes initial and renewal expenses and the commission expenses of the intermediary.**

**PAC is a certain percentage that is deducted from the premium (even on top-up, additional premium) and the balance is used to buy units at the prevailing net asset value (NAV). For example, if the PAC is 12 percent, then on a premium of Rs 1 lakh, Rs 12,000 gets deducted and the balance of Rs 88,000 is available for allocation into the fund options.**

**PAC is charged on the premium paid and hence it is said to be front-loaded. It is charged even on the renewal premium paid, however, the quantum tapers off in later**

years and may be charged only for the initial 5-7 years of the policy. Thereafter, the PAC could be nil, which is the case with most Ulips purchased online.

## II. Mortality charges

These are charges to provide for the cost of insurance coverage under the plan. Mortality charges depend on a number of factors such as age, amount of coverage (sum assured) etc. and are deducted on monthly basis. This charge will be deducted proportionately from each of the fund(s) you have chosen.

## III. Fund management charge

Fund management charge (FMC) is the fee charged by the insurance company for managing various funds in.

## IV. Policy administration charge

As the name suggests, this is a fee levied for the administration of the policy and is charged on monthly basis by cancellation of units from all the funds chosen. This could be flat throughout the policy term or vary at a pre-determined rate.

| Ulip charges | | |
|---|---|---|
| **Type of charge** | **How it is charged** | **Frequency of deduction** |
| Premium Allocation Charge | Fixed percentage of the premium | As and when premium is paid |
| Mortality Charge | Depends on age, sum assured | Monthly basis |
| Fund Management Charge | On fund options (before declaring NAV) | Daily basis |
| Policy Administration Charge | Fixed or percentage of fund value | Monthly basis |
| Partial withdrawal charge | Flate fee | Transaction wise |
| Fund Switching Charge | Flate fee | Transaction wise |
| Premium Redirection Charge | Flate fee | Transaction wise |
| Premium Discontinuance Charge | Flate fee | Transaction wise |
| Overall impact of charges | Term less than or equal to 10 years : RIY not more than 3% at maturity | |
| | Term more than or equal to 10 years : RIY not more than more than 2.25% at maturity | |
| *RIY: reduction in yield (reduction between gross and net yields)* | | |



## V. Partial withdrawal charge

Ulips provide partial withdrawal of funds. Some plans offer unlimited number of partial withdrawals while few may restrict it to a 2-4. Such withdrawals may be free up to a certain limit and then may have a cost of say Rs 100 per withdrawal or may be free for any number of withdrawals.

## VI. Fund switching charge

Moving funds or investments between options is called switching. Generally a limited number of fund switches may be allowed each year without charge, with subsequent switches, subject to a charge of say Rs 100 or Rs 250 per switch. These charges may also be deducted by cancelling units proportionately from each of the funds you have

**chosen. Some insurers may charge lower switching fee if it is done online.**

## VII. Premium redirection charge

**As a policyholder, one may be putting the entire premium in, say, fund A of the Ulip. Even the future premium will be added to that particular fund. Premium redirection allows you to redirect your future premiums payments into a different fund option, say, Fund B. This redirection of premium payments will not have an impact on your investments made in Fund A.**

**Generally, there is a cap on the number of times you can redirect your premium .. payments free of cost, after which it will be subject to a charge of say Rs 100 or Rs 250 per redirection. Similar to switching, redirection done online can come at a lower cost.**

## VIII. Premium discontinuance charge

**Upon discontinuance of premium payments (in the initial five years), your money will be locked in a Discontinuance Policy (DP) Fund after deducting the discontinuance charge (DC) in the policy. If the annual premium of a policy is more than Rs 25,000, the maximum DC can be Rs 6,000, Rs 5,000, Rs 4,000 or Rs 2,000 in the 1st, 2nd, 3rd, 4th policy year, respectively. For a lesser amount, it will be Rs 3,000, Rs 2,000, Rs 1,500 or Rs 1,000 in  in the 1st, 2nd, 3rd, 4th policy year, respectively. In case the policy is discontinued from the 5th policy year, there is no surrender charge.**

**During the period when funds lie in the fund, the insurer may apply a fund management charge which cannot exceed 0.5 percent of the fund value. The money lying in the DP fund will continue to earn interest as insurers have to provide a minimum guaranteed return which would change from time to time. Currently, DP funds are providing interest of 4 percent per annum. The DP funds will be paid out upon the completion of the lock-in period of five years.**

## Overall impact of all the charges

**The effective impact of all the above charges is, however, capped by the regulator. As per the Insurance Regulatory Development Authority of India (Irdai) guidelines, the net reduction in yield (RIY) for policies with term less than or equal to 10 years shall not be more than 3 percent at maturity. And, for policies with term above 10 years, the net RIY at maturity shall not be more than 2.25 percent. The yield, however, is to be calculated without taking into account the mortality charges.**

| Ulip charges: A sample illustration | | | | | |
|---|---|---|---|---|---|
| Age | Annual Premium (In Rs) | Premium Allocation Charge (In Rs) | Mortality Charge (In Rs) | Policy Admin Charges (In Rs) | Total Charges (In Rs) |
| 30 | 100000 | 3000 | 1300 | 360 | 4660 |
| 31 | 100000 | 2000 | 1355 | 360 | 3715 |
| 32 | 100000 | 2000 | 1490 | 360 | 3850 |
| 33 | 100000 | 2000 | 1540 | 360 | 3900 |
| 34 | 100000 | 2000 | 1680 | 360 | 4040 |
| 35 | 100000 | 0 | 1710 | 360 | 2070 |
| 36 | 100000 | 0 | 1790 | 360 | 2150 |
| 37 | 100000 | 0 | 1850 | 360 | 2210 |
| 38 | 100000 | 0 | 1900 | 360 | 2260 |
| Assumptions: Premium Allocation Charge of 3% in the first year and 2% for next four years; | | | | | |
| Mortality Charges for 30-year-old, for a sum assured of Rs 10 lakh; | | | | | |
| Policy Admin Charges of Rs 360 per annum. | | | | | |
| Taxes are not considered. Only a sample illustration. Type II Ulip considered (death benefit equal to sum assured and fund value) | | | | | |



## Charges for Mutual Funds - Hidden & SIP Charges

**If you admit your child to a high-end school, you may think that the fees you pay are the only cost for your child's education. But once your child starts going there, you realise that you have to pay charges for a picnic, not to a local place, but to a foreign locale. Your child's classmates all have iPads, which they use to communicate with the teacher for projects and so you end up buying one for your child too. There will be some charges you will end up paying only to allow your child to have the best experience studying at such a place. However, these charges were not apparent when you decided to take admission. At that time, there were only fees. What you ended up paying extra, could be defined as hidden charges, charges that are not apparent on the face of it, but charges you will end up incurring. So, you are actually paying more than what you bargained for.**

**The concept of hidden charges in mutual funds is similar. These are charges that may not be apparent when you invest, but these are charges that end up being taken from your funds and therefore they will actually reduce your overall returns. Here is a guide to some of the hidden charges that you may pay as an investor.**

## Expense Ratio/Management Fees

Usually, you invest in mutual funds through an asset management company. This asset management company will charge a fee to manage your portfolio. This is called the expense ratio or management fee. The expense ratio usually ranges from nothing to 2.5%. This charge is deducted from your returns. Hence, with a 1% expense ratio, if your fund has a return of 5%, effectively you are only getting a 4% benefit. The expense ratio is calculated as a percentage of the total expense incurred on a fund divided by the total asset value of the fund. This is known as the Total Expense Ratio.

## Entry and Exit Load

These are charges to be paid usually at the time of buying and redeeming your mutual funds. The entry load as the name suggests is a charge imposed for buying the mutual fund, it is like a commission. Not all funds have an entry load. Similarly, the exit load in a mutual fund refers to charges imposed while exiting or redeeming the fund. The exit load is usually kept as a deterrent so that investors do not get in and out of funds frequently. In the case of an exit load, the fund management company puts in a lock-in period. If the investor sells the fund before the lock-in period ends, then he is charged the exit load. The exit loads range between 0.25-4% usually.

### Account Fee in Mutual Funds

This is a charge made by some mutual fund companies in case an investor doesn't maintain a minimum balance. When the fund amount goes below the minimum balance amount, then the asset management company deducts a particular amount from the returns.

### Switch Price in Mutual Funds

This is the price to be paid to the asset management company while switching between mutual fund plans of one scheme to the other.

Following is a table on the website of the Association of Mutual Funds in India giving details of the norms set out by SEBI on the Total Expense Ratio.

| **Assets Under Management (AUM)** | **Maximum TER as a percentage of daily net assets** | |
|---|---|---|
| | TER for Equity funds | TER for Debt funds |
| On the first Rs. 500 crores | 2.25% | 2.00% |
| On the next Rs. 250 crores | 2.00% | 1.75% |
| On the next Rs. 1,250 crores | 1.75% | 1.50% |
| On the next Rs. 3,000 crores | 1.60% | 1.35% |
| On the next Rs. 5,000 crores | 1.50% | 1.25% |
| On the next Rs. 40,000 crores | Total expense ratio reduction of 0.05%<br><br>for every increase of Rs.5,000 crores of | Total expense ratio reduction of 0.05%<br><br>for every increase of Rs.5,000 crores of |

| | | |
|---|---|---|
| | daily net assets or part thereof. | daily net assets or part thereof. |
| Above Rs. 50,000 crores | 1.05% | 0.80% |

Thus, knowing the expense ratio and such hidden charges is very important for making sound investment decisions, as it will give a complete idea of what the actual return from the investment would be.

## Annexure 8

Role of newspapers and media

The biggest problem with business channels is that they have a ‘view’ (a reason) for every market move.

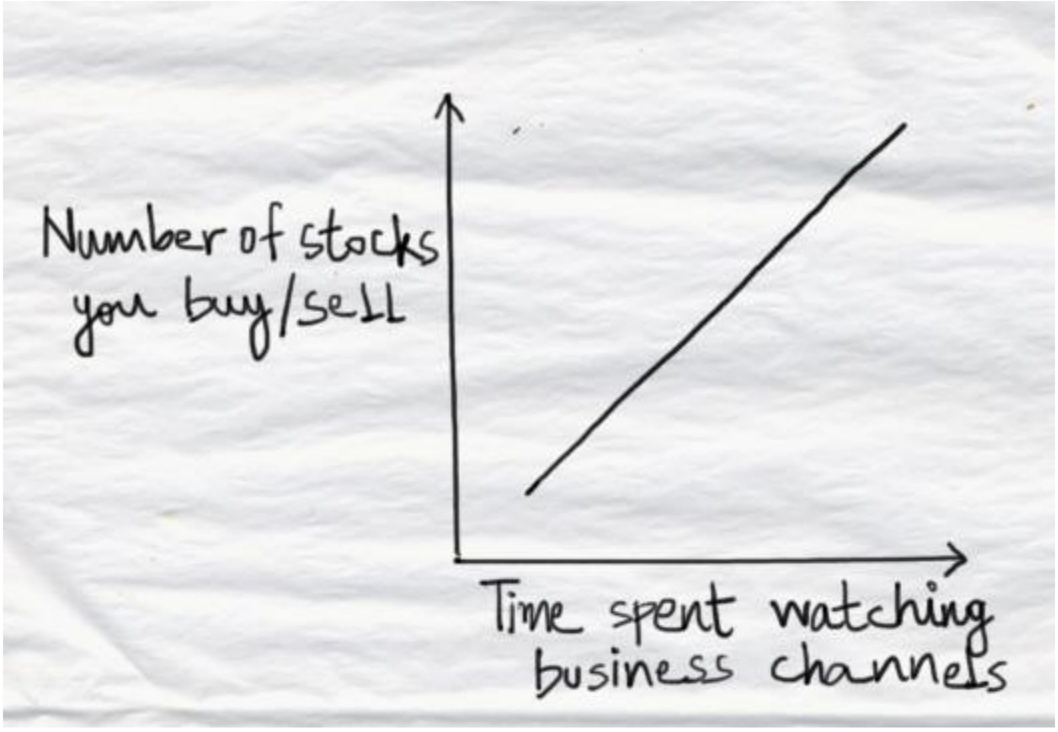
They want you to live in fear and react to every little hiccup in the market so that you are glued to their network in order to receive the investment advice…err…trading and speculation advice…which changes each business day.

But the truth is that if you are invested for the long haul, all the noise that business channels make on a daily basis doesn’t really matter.

Instead, all you will end up doing by watching business channels is constantly churn your portfolio. And you don’t need to be an expert to know that the only person who benefits from that is your broker – whose analysts appear on these business channels to give you ‘free’ advice.

In fact, we can easily draw a correlation between the amount of time you spend watching business channels and the number of stocks you buy/sell every month or year, thereby making your broker rich.

And it looks something like this…




It's my sincere request – Please don't get terrorized by the business media into changing your well thought out investment plans. Their only goal is to sell advertising, and not to make you money. And you must know this for a fact.

## Annexure -9

COMMODITY PRODUCTS

COMMODITY INDEX TRADING

MCX iCOMDEX Indices

Of the various ways one can trade in commodities, the 'index way' stands out for its ease and ability to provide exposure to the performance of a basket of commodities. MCX iCOMDEX series of commodity indices are excess return indices which consist of a composite index (constituting futures contracts across different commodity segments), two sectoral indices (Bullion Index and Base Metals Index) and four Single Commodity Indices (Gold Index, Silver Index, Copper Index and Crude Oil Index). The underlying constituents of all the indices under the MCX iCOMDEX series are liquid futures contracts traded on MCX.

Being excess return indices, MCX iCOMDEX indices provide a 'roll return' (generated as the underlying constituents are 'rolled over' on their expiry) over and apart from price returns. As such, they reflect the actual returns generated from holding a portfolio of futures, rather than physical commodities.

Trading on MCX iCOMDEX indices offers the benefits of investing in commodities - such as portfolio diversification and low volatility – in an easy and reliable manner. An investor can use these indices by way of trading futures or options on the indices (as and when they are launched), investing in products such as an Exchange Traded Funds (when they are available) or using the indices to benchmark the performance of their commodity investment portfolios.

The MCX iCOMDEX index series conforms to the Principles for Financial Benchmarks set by the International Organization of Securities Commissions (IOSCO) in construction, administration and governance, as certified by an independent external assurance firm.

1. MCX iCOMDEX Bullion

(MCX BULLDEX®)

## Overview

- MCX iCOMDEX indices represent a series of real-time commodity futures price indices, conceptualized for market participants to capture the pulse of commodity markets.
- MCX iCOMDEX Bullion Index is one of the sectoral indices in the MCX iCOMDEX family, and the index is based on the liquid gold and silver futures contracts traded on MCX. The Index is an efficient tool for investors looking to manage their investments in bullion and, being an excess returns index, it is ideal for benchmarking and trading.
- Long-term investors can use the MCX iCOMDEX Bullion Index to gain from exposure to the bullion sector as a whole. The Index can also be used as a powerful portfolio diversifier on account of its low volatility and low correlation with other financial assets over a long period. Further, the diversification potentially reduces volatility in comparison to single commodity exposures.

---

**Trading Unit (1 Lot) Rs. 50 * MCX I COMDEX Bullion Index**
**Maximum Order Size 80 Lots**

**INITIAL SPAN MARGIN -5%**

---

2. MCX iCOMDEX Base Metal

(MCX METLDEX®)

## Overview

- MCX iCOMDEX indices represent a series of real-time commodity futures price indices, conceptualized for market participants to capture the pulse of commodity markets.
- MCX iCOMDEX Base Metals Index is one of the sectoral indices in the MCX iCOMDEX family, and the index includes the liquid Base Metal futures contracts traded on MCX, viz. futures of Aluminium, Copper, Lead, Nickel and Zinc. The Index is an efficient tool for investors looking to manage their investments in Base Metals and, being an excess returns index, it is ideal for benchmarking and trading. Being a broad based index

comprising of important industrial metals, the index also is an indicator of the fundamentals and performance of the industrial sector, particularly the metals-using manufacturing industry. Further, being a diversified index, it would not get largely affected by micro-economic events relevant to one commodity market or sector.

- Long-term investors can use the MCX iCOMDEX Base Metals Index to gain from exposure to the Base Metals sector as a whole. The Index can be used to make a powerful portfolio diversifier, with sound returns and low volatility over time as well as low correlation with equities and fixed income assets. Further, the diversification potentially reduces volatility in comparison to single commodity exposures.

**Trading Unit (1 Lot) Rs. 50 * MCX iCOMDEX Base Metal Index**

**Maximum Order Size 80 Lots**

**INITIAL SPAN MARGIN-5%**

3. MCX iCOMDEX Energy

(MCX ENRGDEX®)

Overview

- MCX iCOMDEX indices represent a series of real-time commodity futures price indices, conceptualized for market participants to capture the pulse of commodity markets.
- MCX iCOMDEX Energy Index is one of the sectoral indices in the MCX iCOMDEX family, and the index is based on the liquid Crude oil and natural gas futures contracts traded on MCX. The Index is an efficient tool for investors looking to manage their investments in energy sector and, being an excess returns index, it is ideal for benchmarking and trading.

**Trading Unit (1 Lot) Rs. 125 * MCX I COMDEX ENERGY.**

**Maximum Order Size 80 Lots**

**INITIAL SPAN MARGIN 10%.**

## PRODUCTS (FUTURE)

## BULLIONS

1. **GOLD –**
   **LOT SIZE 1KG, MAXIMUM ORDER SIZE 10KG**
   **INITIAL SPAN MARGIN -6%.**

2. **GOLD MINI**
   **LOT SIZE- 100 GRAM, MAXIMUM ORDER SIZE 10KG**
   **INITIAL SPAN MARGIN- 6%.**

3. **Gold Guinea**
   **LOT SIZE- 8 GRAM, MAXIMUM ORDER SIZE-10KG**
   **INITIAL SPAN MARGIN- 6%.**

4. Gold Petal
   LOT SIZE- 1 GRAM, MAXIMUM ORDER SIZE- 10KG
   INITIAL SPAN MARGIN- 6%.

5. SILVER-
   LOT SIZE- 30 KG, MAXIMUM ORDER SIZE- 600 KG
   MINIMUM SPAN MARGIN -10%

6. SILVER MINI
   LOT SIZE- 5KG, MAXIMUM ORDER SIZE- 600 KG
   INITIAL SPAN MARGIN -10%.

7. SILVER MICRO
   LOT SIZE- 1 KG, MAXIMUM ORDER SIZE- 600 KG,
   MINIMUM SPAN MARGIN- 10%.

## METAL

1. Aluminium
   LOT SIZE- 5 MT, MAXIMUM ORDER SIZE- 150 MT
   MINIMUM SPAN MARGIN – 8%

2. Aluminium Mini
   LOT SIZE- 1MT, MAXIMUM ORDER SIZE- 150 MT
   MINIMUM SPAN MARGIN- 8%.

3. Copper
   LOT SIZE- 2500KG(2.5MT) MAXIMUM ORDER SIZE 70000 KG (70 MT), MINIMUM SPAN MARGIN- 8%

4. Lead
   LOT SIZE- 5 MT MAXIMUM ORDER SIZE- 100 MT
   MINIMUM SPAN MARGIN- 8%.

5. Lead Mini

LOT SIZE- 1 MT, MAXIMUM ORDER SIZE- 100 MT
MINIMUM SPAN MARGIN – 8%.

6. Nickel

LOT SIZE- 1500 KG, MAXIMUM ORDER SIZE- 24MT
MINIMUM SPAN MARGIN-10%

7. Zinc

LOT SIZE- 5 MT, MAXIMUM ORDER SIZE- 100MT
MINIMUM SPAN MARGIN- 10%.

8. Zinc Mini

LOT SIZE- 1 MT, MAXIMUM ORDER SIZE- 100MT
MINIMUM SPAN MARGIN- 10%.

9. Crude oil

Lot size- 100 barrels , MAXIMUM ORDER SIZE-10000 barrels
Minimum span margin- 10%.

10. crude oil mini

Lot size- 10 barrels, maximum order size- 10000 barrels
Minimum span margin- 10%.

11. natural gas-

Lot size- 1250 mmBtu, maximum order size- 60000 mmBtu
Minimum span margin- 10%.

12. natural gas mini

Lot size- 250 mmBtu, maximum order size-60000 mmBtu
Minimum span margin- 10%.

## Agri commodities.

1. cotton

Lot size- 48 candy, maximum order size- 576 candy.

Minimum span margin- 8%.

2.Crude palm oil (CPO)

Lot size- 10 MT, maximum order size-400MT

Minimum span margin- 10%.

## 3. kapas

Lot size-4MT, maximum order size 200 MT

Minimum span margin-8%.

## 4. mentha oil

Lot size- 360kg, maximum order size- 18000 kg

Minimum span margin-12%.

## NCDEX

**CEREALS AND PULSES**

- **CHANA**
- **BARLEY**
- **BAJRA**
- **WHEAT**
- **MOONG**
- **MAIZE FEED INDUSTRIAL GRADE**
- **PADDY (BASMATI) - PUSA 1121**

## FIBRES

- **KAPAS**
- **29 MM COTTON**

## SPICES

- **TURMERIC**
- **CORIANDER**
- **JEERA**

## METALS

- **Steel Long**

## OIL AND OIL SEEDS

- **GROUNDNUT**
- **CASTOR SEED**
- **REFINED CASTOR OIL**
- **COTTON SEED OILCAKE**
- **SOYBEAN**

- **REFINED SOY OIL**
- **MUSTARD SEED**
- **CRUDE PALM OIL**
- **NATURAL WHITISH SESAME SEEDS**
- **HIPRO SOYBEAN MEAL**

## SOFT

- **Gur (Feed Grade)**
- **Robusta Cherry AB Coffee**
- **Isabgol Seed**

## GUAR COMPLEX

- **GUAR SEED 10 MT**
- **GUAR GUM REFINED SPLITS**

## PRODUCTS OF ICEX

### AGRICULTARAL PRODUCTS.

### SPICES

**1. BLACK PAPER**
**2. CARDAMOM**

### OIL AND OILSEEDS

**1. CASTOR SEEDS**
**2. MUSTARD SEEDS**
**3.SOYA BEAN OIL.**

### PLANTATIONS

**1. RUBBER**

### FIBER

**1. RAW JUTE**

### CEREALS

**1. PADDY BASMATI**

### OTHERS

**1. GUAR SEED**
**2.ISABGUL SEED**

### DIMOND

**STEEL.**

## Annexure 10.

**BE DIMOND MARCHENTS.**

THROUGH ICEX (INDIAN COMMODITY EXCHANGES)

## Diamond

**The word diamond derives from the Greek word "adamas," which means invincible or indestructible. It is modified form of carbon. Under the immense heat and pressure far below the earth's surface, the carbon atoms bond in a unique way that results in diamonds' beautiful and rare crystalline structure. Diamonds have been valued and coveted for thousands of years. On an average a diamond will lose about 50% of its original weight when it is cut and polished. Less than 20% of diamonds mined are considered gem-quality and can be used in jewellery. Major Diamond mines are in Botswana, Zimbabwe, Namibia, South Africa, Angola, Russia, Canada and Australia. Top six diamond mining companies are De Beers, ALROSA, Rio Tinto, SODIAM, Petra Diamond and Domion Diamond. They account for more than 70 % of global production by volume. Major cutting and Polishing countries of Diamonds are Belgium, Israel, USA, India and China. First three are considered high cost centres with focus on high end of stones while India and China is considered as the cost efficient centres.**

- **Diamond Contract Specification**
  - **Diamond Futures 1 CARAT**
  - **Diamond Futures 50 CENTS**
  - **Diamond Futures 30 CENTS**

## Annexure 11

**How to Invest in US Stocks from India**


The US stock market is home to some of the best stocks in the world like Facebook, Google, Apple, General Motors, etc. Buying such Stocks allows you to participate in their growth story while allowing you to diversify beyond the Indian stock market.

There are different Indian platforms that allow you to invest in US Stocks from India as there are no US Stock brokers in India.

## How to Invest in the US stock market from India?

If you're wondering, Can I Invest in the US Stock Market or how to invest in US stocks from India, the answer is, yes you easily can!

There are two distinct ways of investing in the US stock market from India:

1. Direct investment in stocks.
2. Indirect investment in stocks via mutual funds or ETFs.

## Direct Investments

How to directly how to invest in foreign stocks from India? You can invest in the US stock market directly by opening an overseas trading account with a domestic or foreign broker. Be mindful of the charges before you pick the best app to invest in US stocks.

### 1. Opening an Overseas Trading Account with a Domestic Broker

Many domestic brokers have tie-ups with stockbrokers in the US. They act as intermediaries and execute your trades. You can open an overseas trading account with any such broker. You might have to submit a set of documents to open this account.

However, it is important to remember that this facility has some restrictions. Based on the brokerage firm, you might have some restrictions on certain investment vehicles or the number of trades that you can make, etc.

The cost of investing can be high considering brokerage and currency conversion charges. Hence, ensure that you know all the costs before opening an account.

### 2. Opening an Overseas Trading Account with a Foreign Broker

You can also open an overseas trading account directly with a foreign broker with a presence in India. Some such brokerages are Charles Schwab, Ameritrade, Interactive Brokers, etc. Ensure that you understand the fees and charges before opening the account.

So, conduct your research properly before you pick the best broker to invest in US stocks.

## Indirect Investments

Like domestic investments, you can take an indirect position in US stocks without investing in them directly. Here are two options to consider:

### 1. Mutual Funds

You don’t need to open an overseas trading account or maintain a minimum deposit that can be the case with some stockbrokers offering direct international investments.

There are many Mutual Funds that invest in US Stocks and/or Mutual Funds.

You may also want to read: How to Invest in US Stocks via Mutual Funds?

### 2. Exchange-Traded Funds (ETFs)

You can also gain exposure to US stocks by investing in ETFs. There are direct and indirect routes available for ETFs. You can purchase US ETFs directly via a domestic or international broker or purchase an Indian ETF of international indices.

### 3. Investing via New-Age Apps

Since the evolution of mobile apps for different types of services, there have been several apps launched by start-ups to help Indian investors invest in the US stock market. intraday trading in the US market from India may not be allowed in some of these apps due to regulatory requirements.

## How Much Can I Invest in US Stocks?

The Reserve Bank of India (RBI) released guidelines under the Liberalized Revenue Scheme (LRS) that permitted an Indian Resident to invest up to 250000 dollars (around 1.9 crore rupees) per year without any special permissions.

If you are wondering about investing in the US stock market, here are a number of benefits this can give you and your portfolio.

### 1. Access to Multinational Stocks/Companies

You may have heard of top global companies like Facebook (NASDAQ:META), Google (NASDAQ:GOOGL), Twitter, Amazon (NASDAQ:AMZN), Apple, and others, and might be using their products and be already fascinated with them. Wouldn't it be amazing if you could buy stocks of these companies, i.e. own a part of their growing businesses? This is what you get when investing in US stocks.

While your portfolio can do well when owning Indian businesses, the growth will be unstoppable if you had stocks of the top companies globally. Why limit yourself to the Indian stock market when you can now buy stocks of international companies like Apple and Tesla?

### 2. Buy a fraction of a US stock

Unlike in the Indian stock market, where you have to buy a minimum of one quantity when looking to invest in a stock, you can now buy a fraction of your favorite US stocks through stock tokens.

Stock tokens are like cryptocurrencies that you can buy for the value rather than for the amount. There will still be minimum investment criteria but this will be much less than the cost of a share of popular US stock like Google. With stock tokens, you can invest in any US stock for as little as a few hundred rupees.

## 3. Excellent Returns

When we talk about the US stock market, we are talking about some of the biggest companies in the world. The names of companies like Apple, Google, and Facebook should be sufficient to give you goosebumps. Because these companies are huge, they also can give significant returns on your investment in their stocks.

Top global IT giants are known to have produced consistently greater returns than their Indian counterparts over the years. You can benefit from this growth by investing in US stocks.

## 4. Benefit from US Dollar appreciation

As you may be aware, the Indian rupee is falling against the US dollar. That affects the value of your investments and whatever assets you have in the Indian currency. On the other hand, if you had dollar-based assets such as US stocks in your folio, at least a part of your folio will be unaffected by the depreciation of the Indian Rupee. On the other hand, your portfolio will still do fine even if the rupee continues to decline against the dollar.

## 5. Diversify your portfolio with US stocks

If you are looking for a profitable way to diversify your portfolio, investing in US stocks is a great option because it will give you diversification as well as the scope for higher-than-standard returns of Indian stocks.

Moreover, when investing in US stocks, you do not just get exposure to the US companies but also to the stocks of many top companies in multiple countries listed on the US stock market. This is definitely the best way to diversify your funds across the growing economies of the world.

## 6. Exposure to new opportunities & markets

There's a reason why the US is called the land of opportunities. Many major companies of the world are based in the United States. This is where you can find Silicon Valley, where new tech innovations and startups are a recurring thing. If you want to be a part of this growth, you have to start investing in US stocks. Google is just one example. There are hundreds of such major companies worldwide that you can gain access to and invest in through the US stock market.

## 7. The US market index

You might be wondering how to invest in US stocks, which stocks to choose and how to ensure good returns. If so, you can check out the US market indices, which are the same as India's Nifty and Sensex, and combine the benefits of the top companies. The S&P 500 index, for instance, contains the top 500 global companies, including top US stocks, and is a great way to start investing in US stocks, even for those who do not know much about the US stock market.

## 8. Reduced volatility & risk

Lastly, you get the benefit of a reduction in volatility and risk when you decide to diversify your portfolio by investing in US stocks. As per historical returns and data, the US markets are less volatile and more stable as compared to the Indian stocks. As you'll be diversifying your funds across the stocks of multiple companies all over the world, the overall risk is reduced while you get the benefit of the best returns from diversified markets.

## Conclusion

If you needed a reason to invest in US stocks, I'm sure you have found many by now. Investing in US stocks will give your portfolio exposure to a bigger and wider market, reduce risk, and can significantly increase your returns. If you are looking for the easiest way to invest in US stocks from India, check out stock tokens

NOW TRADE THROUFH IND MONEY WITH 0 COST

## Annexure 12

Cryptocurrency

Cryptocurrencies such as Bitcoin are digital currencies not backed by real assets or tangible securities. They are traded between consenting parties with no broker and tracked on digital ledgers.

### How do you get cryptocurrency?

Any investor can purchase cryptocurrency from popular crypto exchanges such as Coinbase, apps such as Cash App, or through brokers. Another popular way to invest in cryptocurrencies is through financial derivatives, such as CME's Bitcoin futures, or through other instruments, such as Bitcoin trusts and Bitcoin ETFs.

## What is Bitcoin?

Bitcoin is the most well-known digital currency created in January 2009, after the concept was published in a white paper by the mysterious and pseudonymous Satoshi Nakamoto. Bitcoin and cryptocurrencies at large are touted to lower transaction fees when compared to traditional online payment methods, and unlike traditional government-issued currencies, it is operated by a decentralized authority.

## 10 Important Cryptocurrencies Other Than Bitcoin

Today, while many crypto users understand and appreciate these differences, traders and lay investors may not notice the difference because all categories of tokens tend to trade on crypto exchanges in the same way.

1. Ethereum (ETH)

2. Tether (USDT)

3. XRP

4. Binance Coin (BNB)

5. USD Coin (USDC)

6. Cardano (ADA)

7. Solana (SOL)

8. Dogecoin (DOGE)

9. Tron (TRX)

10. Polygon (MATIC)

TRADE THROUGH COINDCX WITH OUR VALUED RESEARCH AND GUIDANCE

CoinDCX today is India’s most valued Crypto Exchange.

## Annexure 13

WEDNESDAY WINDFALL STRATEGY IN US MARKET.

Adam O’Dell’s Wednesday Windfalls – What You Need To Know


**Adam O’Dell’s Wednesday Windfalls makes bold claims. According to its pitch, you have the potential to make "10 years’ worth of gains in a single 48-hour trading window".**

**In the aggressive marketing materials of the service, there is even a claim that O'Dell beat the market 51 times over the last six months. This is an outstanding figure, if true.**

**According to Money & Markets, this has never been seen in the past. But this time, you will not only see it. The publisher is confident that everyday investors like you may actually experience such phenomenal gains.**

### As further proof, he cites the following winning trades:

**NKLA — 439% in 2 days**

**XLE — 388% in 2 days**

**XLI — 197% in 2 days**

**XLP — 179% in 2 days**

**XLU — 234% in 2 days**

**TTM — 400% in 2 days**

**AAOI — 104% in 2 days**

**IWM — 104% in 2 days**

**HRL — 233% in 2 days**

**JD — 241% in 2 days**

**GE — 309% in 2 days**

**SPWR — 134% in 2 days**

**TLRY — 191% in 2 days**

**IQ — 191% in 2 days**

**UBER — 178% in 2 days**

**According to him, the average is 235% in two days. You will also get a chance to get "a triple-digit winner every 12 days on average".**

**He determines this by researching deeply and by using tools, techniques, and software that only hedge funds previously had access to.**

**Through these, he figured out what he calls a "Rebound Pattern".**

**To get a winner from Monday to Wednesday, you need to study which stocks are up the previous Friday but are down on Monday morning.**

**After extensive research we have formed the best money making strategy is Earn regular money from futuue option hedging stratey and option futures expiry strategy And this earned money invest in multibaggers discovery stocks which will give you unexpected returns, but this process requires knowledge and expertise and extensive and comprehensive research. we will provide for you that.**

**Keep some corpus money for market opportunity investment, and grab that opportunity.**

**Multibaggers discovery research**

**"Make Rs 1 Crore with just Rs 10,000". Crazy, isn't it? All of us have come across such clickbaity pieces on the internet and are probably guilty of clicking on them.**

**More often than not, these turn out to be "get rich quick" Ponzi schemes that all of us have been warned about by our "once bitten, twice shy" friends.**

**But what if I tell you there are legitimate ways of achieving this? You can amass wealth via stock market investing with the help of what we call "Multi-Bagger Stocks".**

## Understanding Multi-Bagger Stock?

**For the uninitiated, Multi-Bagger stocks mean the stocks that provide returns that are several times the amount invested in them. For example, if you purchase a stock at a market price of Rs.50. And if it climbs to Rs.700 in a relatively short time, then it is called a multi-bagger stock.**

**These businesses tend to have unique characteristics such as strong financial performance, reliable and capable management, efficient capital allocation strategy, and robust free cash flows.**

**A few examples of multi-bagger stocks include companies like Eicher Motors, MRF Ltd, Asian Paints, Pidilite Industries, and Bajaj Finance, which have achieved phenomenal growth over the years. All these stocks have given significant returns over the years and hence make it to the list of Multi-Bagger stocks. Had you invested Rs 10,000 in these stocks in 2010, you would have made lakhs today.**

**An important thing to observe here is that these names were not created overnight. It took these businesses decades to establish themselves as respected names and pioneers in their respective fields.**

**Even when these businesses were not big names, they showed immense promise and growth potential. Investors who were able to spot them and decided to remain invested reaped the rewards.**

**So, what makes a stock provide such high returns, and how do you find multi-Bagger stocks? While there is no guarantee of assured returns once you enter the stock market, there are vital signs that can help you identify a multi-Bagger.**

**If you're wondering about How to find Multibagger Stocks in India, then here are some useful hacks that can help you identify multi-Bagger stocks.**

## How to Identify Multibagger Stocks?

**Here is all you need to know while figuring out Multibagger Stocks-**

**Strong and Capable Management**

**A business cannot succeed without a management team that is capable and strong. Behind the sustained success of every business is strong management. Strength can be a subjective characteristic.**

**You can look at multiple aspects like governance practices, board independence, diversion of funds to other businesses or for personal interest, pledging of shares, discipline with obligations, and financial matters. This is to determine the strength of the management team.**

## Competitive Advantage

**This is one of the best ways to identify multibagger stocks in India. A company can stay in the competition by offering better services and products as it grows.**

**For example, Madras Rubber Factory (best known as MRF) was started by a small-town balloon toy manufacturer.**

**And the company has been improvising its products and services as per the demand of the customers. This zeal to keep innovating and tweaking or diversifying their offering as per demand has given them a competitive edge over other companies. It is what kept them strong over the years.**

## Strong Promoter Holding

**When you invest in a stock, you do not just invest in the business but also the people who started it. If the person who started a business doesn't remain committed to its**

growth and has defaulted on several occasions, there is little value in even evaluating such a stock.

Needless to say, substantial promoter shareholding is an essential factor to take heed of while assessing a name.

## Healthy Earnings Growth

A shareholder earns when the company makes profits. When you look at the earnings of a multibagger stock, you will typically find a high growth in the earnings of the company due to its revenue growth model, profitability model, and also capital allocation model.

You may use the formula to estimate the Earnings per Share (EPS)

EPS = Net Profit/Number of Outstanding Shares

The EPS shows how much a company is earning against each share. The EPS of a multi-bagger should be climbing north.

## Study the PE Ratios

A company's price-to-earnings (PE) ratio is the ratio of its share price and earnings per share. A Multi-Bagger stock has a faster-growing PE Ratio as compared to the stock price.

## High Margin Businesses

Another simple answer to the question – of how to identify Multi-Bagger stocks is to look for businesses that have high margins. Usually, multi-baggers command high margins either due to a lack of competition or because they command a leading position in the industry.

Moreover, these stocks tend to have a sustained margin over time that doesn't fluctuate every quarter or year.

## Prudent Allocation of Capital

Multi-bagger companies usually use their internal funds to expand or launch new products. These companies also tend to have a lower debt level against equity. These companies tend to generate free cash flow.

It is computed as cash flow from operations minus the purchase of fixed assets. This cash flow is to be used to fund future expansions or pay dividends.

## Growth Potential

A company may not be able to make money if it doesn't have a comprehensive range of products or services, as the markets are very dynamic.

**One of the characteristics of a multi-bagger stock is that the management is very vocal about its vision. And is able to explain the steps being taken to achieve the same.**

## Remain Patient

**The trick about multi-baggers is that you always know that you have a multi-bagger only in hindsight.**

**While you are invested in such a stock, you can be tempted to sell. However, the key lies in having patience and making the right decisions at the right time.**

## Conclusion

**Discovering decent stocks, let alone Multi-Baggers is a huge challenge. It is incredibly difficult to dedicate more time to research and evaluation as a business major.**

**Signing up with a stock advisory firm and receiving informed stock advice from experts is your best bet. Most relevantly, it will increase your odds of undergoing multi-bagger expansion.**

**Happy trading and investing! And earn huge money**

## Uniqueness of our financial services /wealth management company

**1) FOR WEALTH MANAGEMENT PROJECTS UNIQUE MARKETING STRATEGY, UNIQUE WEALTH MANAGEMENT STRATEGY, THROUGH OPTION HEDGING STRATEGY AND INVESTENT IN DISCOVERY MULTIBAGGERS AND ALSO UTILISATION OF GOOD OPPORTUNITY OF EACH MARKET TO EARN MONEY.**

**2) INVESTMENT OPPORTUNITY IN USA MARKET WITH COMPREHENSIVE RESEARCH STRATEGY AND FUNDAMETAL RESEARCH, WE HAVE PLATFORM TO INVEST IN USA MARKET**

**3) EXTENSIVE AND COMPREHENSIVE TECHNICAL AND FUNDAMENTAL RESEARCH IN GLOBAL MARKETS.**

**4) BEST STRATEGY BASED GUIDANCE TO MAKE HUGE MONEY.**

### Determinants of good service quality

1 Professionalism and Skills

2 Attitudes and Behaviours

3 Accessibility and Flexibility

4 Reliability and Trustworthiness

5 Service Recover

6 Services cape

7 Reputation and Credibility

WE PROMISE TO PROVIDE BEST SERVICES TO MAKE HUGE MONEY.

**THANK YOU**

**INTERNATIONAL INSTITUTE OF COMMERCE AND FINANCE**

**MAHASAMVIT GROUP**