

Stock Market Learning Roadmap (Beginner to Intermediate)

This 10-week roadmap guides you from the basics of India's stock market to an intermediate level, eventually introducing global (especially U.S.) investing. It balances both long-term investing (wealth building) and short-term trading (profit strategies), and emphasizes learning progressively while managing risk. Each week covers key topics with practical steps, recommended resources, and risk-minimization tips.

Week 1: Introduction to Stock Markets & Brokerage Accounts

Begin with **stock market fundamentals**: learn that a stock is a share of company ownership, and markets (NSE/BSE) facilitate buying/selling these securities. The Indian market has a *primary* segment (new issues) and a *secondary* segment (trading existing shares) ¹. Understand the role of the **SEBI** regulator (protecting investors and ensuring fairness) ². Complete your KYC and open a Demat + trading account with a broker (e.g. Zerodha, Groww). Explore the trading platform interface and try placing a fake order using a simulator.

- **Key Tasks:** Grasp basic concepts (stocks, indices, brokers, bid/ask, market orders). Open a Demat/ account (e.g. with **Zerodha Kite** or **Groww**) and get comfortable with the UI. Use beginner tutorials (Zerodha Varsity's "Introduction to Stock Markets" module ³ and Groww's *Basics of Investing* articles ⁴) to learn terminology.
- **Practical Tools:** Browse Zerodha's free *Varsity* modules ³ or Groww's "Investment Basics" guide ⁴. Consider virtual trading apps like **Neostox**, which use real market data with virtual money ⁵, so you can practice order placement without real risk.
- **Risk Tip:** Start very small or use paper trading. Treat Week 1 as orientation – don't risk any large capital. Using a simulator helps you "practice first" safely ⁵.

Week 2: Market Structure, Participants & Operations

Dive into how markets work and who participates. Learn about stock **exchanges** (NSE, BSE), trading hours, and settlement (trades today, delivery in T+1/T+2 days). Know the roles of brokers, sub-brokers, depositories (NSDL/CDSL), and clearing corporations, as explained by NISM ⁶ ⁷. Study major stock indices (Sensex, Nifty) which track market performance.

- **Topics:** Understand *how* to buy/sell shares (order entry, limit/market orders, margins) and what KYC/ Demat/Trading A/C mean. See how IPOs list shares in the primary market. Learn key terms (derivatives, F&O basics) but don't trade them yet.
- **Resources:** Use official guides or videos (e.g., SEBI's investor education on how to buy/sell shares ⁸). Read Zerodha's *Getting Started* series or watch a beginner tutorial on using Kite ⁹.
- **Risk Tip:** Beware of fees and leverage. Stick to cash (non-margin) trading initially. Confirm trades and understand contract notes. Always know your order before hitting "Buy".

Week 3: Investing vs. Trading Mindset

Differentiate **long-term investing** from **short-term trading**. Investing focuses on wealth building over years (compounding, dividends), while trading (day/swing) aims for short-term profits. Decide your goals and risk appetite. For example, SIPs in mutual funds or index ETFs can start your long-term journey, while paper-trading simple intraday strategies sharpens trading skills.

- **Focus:** Study basic financial goals (retirement, big purchases). Learn about *SIP* (Systematic Investment Plan) and *power of compounding*. Understand that intraday or swing traders often use technical signals, whereas investors use fundamentals.
- **Resources:** Look up examples of long-term success stories (e.g. “Coffee Can Investing” strategy) ¹⁰ . Read articles on equity investing vs. trading (Groww’s chapter on *Differences Between Investing and Trading* ¹¹).
- **Risk Tip:** For beginners, emphasize long-term safety: diversify into index funds or blue-chip stocks. If trading, always use stop-loss orders and never use 100% margin. Commit only risk capital you can afford to lose.

Week 4: Fundamental Analysis (Long-Term Investing)

Start analyzing companies you might invest in. Learn to read basic financial statements (P&L, Balance Sheet, Cash Flow) and corporate reports. Key metrics include **P/E ratio**, **P/B ratio**, **ROE**, **debt/equity**, and revenue growth. Understand industry factors and economic cycles.

- **Topics:** Learn how companies make money and how stock prices relate to earnings. Study sectors and business models. Familiarize yourself with reading annual reports (e.g. management discussion, risks).
- **Tools:** Use financial websites or apps (Screener.in, Moneycontrol) to look up stock fundamentals. Check Groww’s guides on evaluating stocks and understanding financial ratios ¹² . For example, P/E and EPS are crucial for valuing companies ¹² .
- **Resources:** Free online courses (NSE Academy *Financial Markets – Beginner* level) can help.
- **Risk Tip:** Verify data from multiple sources. Don’t rely on one number; use ratios to compare similar companies. Avoid over-leveraged firms. Always consider company debt and cash position before investing.

Week 5: Technical Analysis (Trading Tools)

Learn the basics of chart reading and technical indicators for trading. Study candlestick patterns, support and resistance lines, and trends. Familiarize yourself with simple indicators like **Moving Averages**, **Relative Strength Index (RSI)**, and **MACD**. Understand chart timeframes (1-min, daily) and how indicators lag or signal momentum.

- **Topics:** Practice identifying uptrends vs. downtrends, chart patterns (head-and-shoulders, triangles), and candle formations (doji, engulfing). Learn to use moving average crossovers or RSI to gauge entry/exit.
- **Tools:** Use charting platforms (e.g. TradingView, Kite charts). Use the charting tools on broker apps. Groww even has a *Technical Analysis* chapter ¹³ outlining key indicators.

- **Risk Tip:** Technical signals are probabilistic, not certain. Always combine analysis with a stop-loss rule. Backtest any new strategy on historical data or a simulator first. Do **not** trade on rumor; trust your own analysis.

Week 6: Trading Strategies & Risk Management

Practice simple trading strategies (e.g. trend following, breakout trading) while tightening risk controls. For example, an intraday trader might buy at support and set a stop-loss just below, or use a 1:2 reward:risk target. Learn position sizing: risk only a small percentage of capital per trade. **Stop-loss orders** are essential. Diversify trades across timeframes and instruments to avoid “putting all eggs in one basket” ¹⁴.

- **Strategies:** Explore *day trading* (closing positions before market close) vs *swing trading* (holding a few days). Use trailing stops or fixed stops. Test breakout or pullback strategies on multiple charts.
- **Risk Management:** Implement diversification (across sectors or stocks) to mitigate sector-specific risks ¹⁵. Use a trading journal to analyze performance. The QuantInsti blog notes diversification and proper position sizing are core to limiting losses ¹⁴ ¹⁵.
- **Practice:** Continue paper trading; compare different strategies’ outcomes. Use the **Neostox** app or Webull’s simulator (even for Indian stocks, many platforms allow global paper trading) ⁵.
- **Risk Tip:** Never trade based on tips; use your own analysis. Cap max loss per trade (e.g. 1–2% of portfolio). Always have a clear exit plan.

Week 7: Portfolio Building & Diversification

Shift focus to building a balanced portfolio for long-term growth. Combine stocks across sectors (like tech, finance, consumer goods) and consider other asset classes (debt funds, gold, government bonds). Include index funds or ETFs for broad market exposure. Aim for a mix of large-cap stability and a few mid/small caps for growth.

- **Portfolio:** Decide your mix based on age and goals (more equity if younger). Consider systematic investments (monthly SIPs) in mutual funds or index ETFs to automate diversification.
- **Tools:** Use mutual fund platforms (Groww, Zerodha Coin) to create SIPs. Research via sites like **Morningstar** or **Moneycontrol** for mutual fund ratings.
- **Resources:** Books like *Coffee Can Investing* (Mukherjea et al.) advocate low-risk, long-term stock picking with Indian market examples ¹⁰.
- **Risk Tip:** Re-balance periodically (e.g. yearly) to maintain asset allocation. Keep some cash reserve for emergencies. Understand that diversification can’t eliminate all risk but it can smooth out volatility ¹⁵.

Week 8: SEBI Regulations, Taxation & Compliance

Learn the legal and tax framework of Indian investing. Study **SEBI regulations** on trading (KYC, DP guidelines, short-selling rules) and understand SEBI’s investor protection mission ². Note SEBI has introduced things like a T+1 settlement cycle (faster trade completion) and optional same-day (T+0) trading for top stocks ¹⁶.

- **Taxes:** Know that *Short-Term Capital Gains (STCG)* on equities (held ≤ 1 year) are taxed at 15%, while *Long-Term Capital Gains (LTCG)* (held > 1 year) are taxed at 12.5% on gains above ₹1.25 lakh per year

¹⁷ . (Example: gains above ₹1.25L face 12.5% tax ¹⁷). Also pay Securities Transaction Tax (STT) and applicable health cess.

- **Compliance:** Keep accurate records of buy/sell dates and prices (for tax). Use tools like Zerodha's **Console** or Quicko for tax filing ⁹ . Be aware of derivatives regulations (if you venture into F&O later).
- **Platform Tips:** Learn platform-specific features: e.g. Zerodha Kite's bracket orders, Groww's IPO application process. Zerodha's support (Z-Connect) and Groww's help section explain fees and procedures.
- **Risk Tip:** Avoid impulsive trades around fiscal year-end; tax implications can affect net returns. Use limit orders to control purchase/sell prices. Always check contract notes for brokerage charges to minimize costs.

Week 9: Tools, Platforms & Simulators

Familiarize yourself with practical trading/investing tools. Choose a beginner-friendly broker app: experts recommend **Zerodha Kite**, **Groww**, or **Upstox** for newcomers ¹⁸ because of their intuitive interface and educational support. These platforms let you trade stocks and many offer mutual funds, ETFs, and F&O access.

- **Recommended Apps:** Install trading apps and paper-trade on them. For example, Zerodha Kite (with Varsity tutorials) and Groww (with articles) are popular ¹⁸ . Other major brokers (ICICI Direct, HDFC Securities, Angel One) offer research tools and advisories as you advance.
- *Application Tip:* Link your bank account for fund transfers (under RBI's LRS if planning foreign investment later), and try out demo modes.
- **Simulators:** Practice with virtual trading platforms. **Neostox** offers ₹1 crore virtual portfolio with real-time Indian market data ⁵ , allowing you to test strategies without loss. (Webull's simulator is popular for U.S. stocks.)
- **Education Resources:** Use free courses. Zerodha Varsity and **NSE Academy** have self-paced lessons on market and derivatives. SEBI's investor portal provides guides (KYC, IPO investing, mutual funds) for free ⁸ .
- **Risk Tip:** Beware of "freebie" brokerages that disguise hidden fees. Use brokers' brokerage calculators (available on their sites) to estimate costs. Trade only on recognized exchanges and regulated products to avoid fraud.



Fig: Indian trading apps like ICICI Direct and HDFC Securities (screenshots).

Week 10: U.S. Markets & Ongoing Learning

As a final stage, start learning about global diversification, especially **U.S. equities**. Indian investors can use RBI's Liberalized Remittance Scheme (LRS) to invest up to US\$250,000/year abroad. You have two main paths: use Indian brokers that offer U.S. trades (e.g. **INDmoney**, **Vested**, or the **Appreciate** app) or open an international brokerage account (like Interactive Brokers) ¹⁹. Domestic brokers simplify compliance and currency conversion (but may have higher fees), while foreign brokers offer broader stock choices ¹⁹.

- **How-To:** Steps for U.S. investing include completing KYC, transferring funds under LRS to USD, and trading on U.S. exchanges from the platform. An example resource outlines opening a US trading account via domestic brokers ²⁰.
- **Regulation:** U.S. markets are regulated by the SEC (akin to SEBI) "to protect investors and promote fair, efficient markets" ²¹. Be aware of U.S. trading hours (9:30 AM–4 PM ET) and different tax rules (you'll owe tax in both countries ²²).
- **Risk Tip:** Currency risk and cross-border taxes apply. Limit initial foreign investments until you understand IRS/FEMA rules. Consider U.S. ETFs (e.g. SPY) or ADRs of Indian companies as easier entries.



Finally, **continue learning** beyond these weeks. Read foundational books (e.g. Benjamin Graham's *The Intelligent Investor* ²³ or India-focused *Coffee Can Investing* ¹⁰). Enroll in online courses (NSE's *Securities Markets* modules, CA Rachana's courses) and follow YouTube educators like CA Rachana Ranade or Elearnmarkets for visual lessons. Use simulators (Neostox, Investopedia) to keep practicing. Join communities (e.g. Zerodha's TradingQnA forum ²⁴) to ask questions.

Recommended Resources:

- **Books:** *The Intelligent Investor* (Benjamin Graham) – value investing bible ²³. *Coffee Can Investing* (Mukherjea et al.) – low-risk India strategy ¹⁰. "Rich Dad Poor Dad" for mindset.
- **Courses/Websites:** Zerodha Varsity (free modules) ³, NSE Academy certification courses, SEBI's Investor Education materials ⁸.
- **Simulators:** Neostox virtual trading (₹1Cr demo funds) ⁵, Moneycontrol's Moneybhai, Webull (U.S. focus).
- **YouTube/Community:** Channels like CA Rachana Ranade, Nitin Bhatia, and Groww's own channel; forums like TradingQnA (Zerodha).

By following this structured plan—starting with basics and gradually adding analysis techniques, platform skills, and regulatory knowledge—you build a strong foundation. At each step, prioritize **risk management** and continuous learning. Over time, this approach will take you from a beginner to a confident intermediate investor/trader.

Sources: Authoritative industry guides and educational content ³ ¹⁷ ² ¹⁸ ²³ ¹⁰ ⁵ ⁹ ⁴ ¹² ²¹ ¹⁴ ¹⁵ ⁸ ¹⁶ ¹⁹ ²⁰ ²².

¹ ² ⁶ ⁷ Understand the Basics of Securities Markets - National Institute of Securities Markets (NISM)
https://www.nism.ac.in/knowledge_base/understand-the-basics-of-securities-markets/

³ Getting started – Varsity by Zerodha
<https://zerodha.com/varsity/chapter/getting-started/>

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<https://groww.in/p/investment-basics>

5 **Neostox Virtual Stock Simulator | Trading Simulator | Option Simulator**

<https://neostox.com/>

8 **:: SEBI Investor | Investor Education Reading Material ::**

<https://investor.sebi.gov.in/iematerial.html>

9 24 **Everything you need to know to get started with your Zerodha account**

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