

## Do's and Don'ts for Investors

At Absolute Broking, we believe that well-informed investors are empowered investors. Whether you're a beginner or an experienced trader, following a disciplined approach is essential to navigating the financial markets. Below are key Do's and Don'ts every investor should keep in mind:

### Do's – Smart Practices for Investors

- **Define Clear Financial Goals** - Set short-term and long-term financial goals. Investing with purpose ensures that your strategies are aligned with your financial needs.
- **Educate Yourself** - Stay informed about market fundamentals, trading tools, and investment products. Use our learning resources to strengthen your market understanding.
- **Start with a Risk Assessment** - Understand your risk appetite and choose investments that suit your profile. Conservative investors should avoid highly volatile instruments.
- **Diversify Your Portfolio** - Spread your investments across sectors, asset classes, and instruments to reduce overall risk.
- **Use Stop-Loss Orders** - Always place a stop-loss to cap your downside. It's an essential tool to protect capital during volatile market conditions.
- **Track and Review Your Portfolio Regularly** - Markets change, and so should your investment strategy. Periodic reviews help you realign your holdings with your goals.
- **Maintain Margin Requirements** - Always ensure adequate margin while trading in derivatives. Margin shortfalls may result in order rejections or position square-offs.
- **Stay Updated with News & Announcements** - Corporate actions, monetary policies, and global events can affect markets. Stay alert to make timely decisions.
- **Consult Professionals When Needed** - If you are uncertain, seek advice from SEBI-registered advisors or certified professionals.
- **Maintain Proper Documentation** - Keep track of contract notes, ledgers, and other financial statements. These are important for audits, tax filing, or compliance needs.
- **Practice Patience and Discipline** - Market success is often about consistency, not chasing quick gains. Stick to your strategy.
- **Verify Broker Credentials** - Always trade with SEBI-registered brokers and verify their compliance and background.

## Don'ts – Common Mistakes to Avoid

- Don't Trade Based on Rumours or Tips - Avoid basing decisions on unverified information or social media hype. Always verify from credible sources.
- Don't Let Emotions Drive Decisions - Fear and greed can lead to poor choices. Stay rational and avoid impulsive buying or panic selling.
- Don't Overleverage - Using excessive leverage may amplify gains but can wipe out capital during a downturn. Know your limits.
- Don't Follow the Herd - Just because others are investing in a particular stock doesn't mean it's right for you. Conduct your own analysis.
- Don't Ignore Risk Management - Skipping basic precautions like diversification, stop-loss, or asset allocation can be financially damaging.
- Don't Borrow to Invest - Avoid investing using loans or credit. Losses in the market can lead to repayment difficulties and financial stress.
- Don't Expect Guaranteed Returns - Equity and market-linked investments are inherently risky. There are no guaranteed profits.
- Don't Leave Your Portfolio Unattended - Periodic review is critical. Ignoring performance can lead to missed opportunities or accumulating losses.
- Don't Share Login Credentials - Maintain account confidentiality. Sharing passwords or trading via unverified apps increases the risk of fraud.
- Don't Violate Regulatory Norms - Avoid insider trading, circular trading, or any unethical practices. Regulatory violations can lead to penalties or bans.
- Don't Chase Penny Stocks Without Research - Low-priced stocks can be speculative. Avoid them unless you have solid information and a high-risk tolerance.
- Don't Time the Market Blindly - Predicting market tops and bottoms consistently is nearly impossible. Focus on quality and long-term potential.

Investing is a journey, not a race. By following these Do's and avoiding the Don'ts, you can build a disciplined approach that maximizes growth while managing risk.

At Absolute Broking, we are committed to guiding you through informed and secure investing.

If you need assistance, our support and research teams are just a call or click away.