



INTRODUCTION TO SHARE MARKET

Nature of the Course: Theory

Total Hours per Day: 2 Hours

Course Duration: 15 Days

Course Summary

The share market brings together buyers and sellers of securities to engage and deal. The markets provide price discovery for corporate shares and serve as a gauge for the wider economy. As market players compete in the open market, buyers and sellers are assured of a fair price, a high degree of liquidity, and transparency.

The goal of this course is to teach you how to operate in share markets and how to invest in them. It will enable individuals to invest independently in stock markets.

Completion Criteria

After fulfilling all of the following criteria, the student will be deemed to have finished the Module:

- Has attended 90% of all classes held.
- Has received an average grade of 80% on all assignments
- Has received an average of 60% in assessments.
- The tutor believes the student has grasped all of the concepts and is ready to go on to the next module.

Required Textbooks

- Matthew R. Kratter, "A Beginner's Guide to the Stock Market", Kratter.
- Ted D. Snow, "Investing QuickStart Guide", ClydeBank Media.

Prerequisites

- There is no prior educational level requirement for this course.

Course Details

Day 1

- Invest and its Importance
- Basics of Share Market: Art or Science?

Day 2

- Types of Financial Market and Financial Instruments: Primary and Secondary Market
- History of Nepalese Stock Market and its Nature

Day 3

- Players Involved in Stock Market: SEBON, NEPSE, CDSC, Merchant Bankers, Brokers, DP, RTS/RTA, Credit Rating Agencies
- Investment Service Providers: Portfolio Management Service (PTS), Mutual Funds and Dealers

Day 4

- Prerequisites for Investment in Nepalese Share Market
- Risk and Return of Investing in NEPSE Creating Dimensions

Day 5

- Investment Vs. Speculation Vs. Gambling
- Factors Impacting Share Prices (EIC Model)

Day 6

- Fundamental Analysis (Company Specific)
- Balance Sheet and P/L Breakdown Analysis

Day 7

- Fundamental Analysis (Company Specific)
- Ratio Analysis: EPS, PE, PEG, CAGR, CD, NPL, DPS, Gearing, Loss Ratio, Combined Ratio etc.
- Relative and Absolute Valuation

Day 8

- Technical Analysis
 - Overview of Technical Analysis and Pillars of TA
 - Candlestick Patterns

Day 9

- Technical Analysis
 - Leading & Lagging Indicators, Oscillators & Divergences: Price Action, RSI MACD, Bollinger Bands, Ichimoku Clouds, Moving Averages, OBV, Supertrends etc.
 - Fibonacci Ratio and Volume Analysis

Day 10

- Fundamental Case Studies: Drill Session on Recently Published Report of Each Sector.

Day 11

- Technical Case Studies: Drill Session on Trending Scripts

Day 12

- Behavioral Analysis and Investment Bias & its Mitigation
 - Anchoring Bias
 - Regret Aversion Bias
 - Disposition Effect Bias
 - Hindsight Bias
 - Familiarity Bias
 - Self-Attribution Bias
 - Trend Chasing Bias
 - Worry

Day 13

- Broker Analysis: Floor Sheet, Market Depth, Accumulation and Distribution, Broker Holdings

Day 14

- Opportunities and Challenges in Nepalese Capital Market and Way Ahead

Day 15

- Demo TMS Trading and Trade Setup Tricks

Labs

Lab assignments will focus on the practice and mastery of contents covered in the lectures; and introduce critical and fundamental problem-solving techniques to the students.

Learning Outcomes

- Understand the vocabulary and grammar of the stock market.
- Know about the interactions between traders, sales, clients and brokers.
- Realize in a personal and lively way what it requires to be a trader.
- Enable you to independently trade in the share market.