


12.3 CONCLUSION

As we form our own strategies and practice trading, we will understand them more deeply. One thing to be mindful of is to apply risk management tools effectively. Risk management tools and rules must be taken very seriously. They should be part of our trading discipline to ensure the survival of our portfolio for a longer period in our journey of trading.

With these things that we have learned so far, we are ready to apply this in our trading journey. However, with all this knowledge about derivatives, F&O market, option strategies, spreads we must also understand technical analysis. When used with proper analysis and risk management in place, these have the potential to be extremely rewarding. At the same time, if used carelessly, they can be loss making instruments for you. Options and Futures is best combined with technical analysis to execute different instruments in the markets.

F&O markets are very competitive and the derivatives used in this market are weapons of destruction if not used wisely. These financial instruments use leverage with them and therefore can have unlimited loss positions. All the measures of proper risk management are therefore vital for survival in trading journey. The discipline of risk management must be applied accurately. Only calculated exposures are recommended.



We cannot emphasize how important is risk management. With risk management in center, if we spend a lot of time with charts and options chains, the chances of a good outcome increase. However, be extremely careful of the risks. Two things to be kept in mind :

- 1** PRACTICE AND EXPERIMENTATION ARE THE ONLY CHOICES WHEN ENTERING THIS FIELD.
- 2** RISK MANAGEMENT AND SURVIVAL SHOULD BE ABOVE EVERYTHING ELSE.

With this, we wish you luck and extremely disciplined trading experience.



Notes

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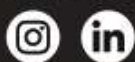
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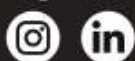


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