

Valuable Lessons
By
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Lesson No. 1

- Stock market is business of risk.... So first lesson is what is your mental capability to face trouble...

Lesson No. 2

- Once you are mentally tough to take risk.....
- Decide your financial limit to risk.
N Still important....
- Maximum time to experiment.

Lesson No 3

- [Elliott Wave](#) is super science.....none perfect so far.....
But you can't succeed without learning the basic concepts
of impulse n corrections...

Lesson No. 4

- First 3 lessons.....we are done with getting mentally ready,decide the risk of money n time and last knowing basic principal of EW....
Now,
Get ready with simple moving averages.....to start with before ready for real time trade.
- My view.....use fibo numbers n its 78.6% factor...shorter tf lower is bearish while contra is bullish....
As an example 10 is factor for 13

Lesson No 5

- Still I am learning after more than 25 years....the most secretive world of RSI.
- As a beginner, focus should be on 14 days RSI on close.
- Basic to start with near 70 it needs caution while below 30 reversal do happen....
- Trend n pattern of RSI has more powers than price itself.....
- Practice can make us perfect.....
- This is never ending subject.....will continue to write forever.

Lesson No 6

- Charting set up.....view analysis.
- To start with daily chart.....13/34/89/233 days SMA with 14 day RSI on close with 9 Ema.
- Trading set up.....
- Whichever SMA of above 4 price getting support or resistance.....follow up with 78.6% factor SMA.....remove other averages.

Lesson No 7

- Intra day set up.
- First need is to maintain utmost discipline n stay away from leverage position.
- Belief....followed by 3/5/10/15:minute candles.
Reality....first need is to look at monthly charts...
As.....potential can be known only through looking at larger
TF n risk are always beyond size of your charts.....
Than follow your system looking at probable opportunity n
with smallest possible SL...
- Advice.....indices are better option in this trade n stocks too risky.

Lesson No 8

- Value of number..5
- On any TF....cross/break of 5 candle high/,low is powerful bullish/bearish reversal and Immediate stop loss either side is 5 sma on close.

Lesson No 9

- Market takes 90% of the time to decide where to go and reaches there in 10% of the time.
- Moral.....if market is not in hurry.....why should we?
- So we must plan well on studies technical n financial arrangements.....either we should wait for good opportunities or should trade very small till we reach our level of comfort.

Lesson No 10

- Control your pulse n reduce your trades so real opportunities are not missed.....
- To explain more....
 - 1.all that glitters is not gold.
 - 2.sudden decisions usually do result in big losses.
 - 3.focus on your plan.

Lesson No 11

- This is most important learning...99% of failures for this reason.
- "Never ever increase your exposure in speculative transactions by utilizing profits earned".
- This problem has roots in every form of leverage trade....though.
1.90% buy right stocks or other instruments.
2.60/70% have right kind of entry....
- But success on the way make us over confident, complacent n undisciplined.

Lesson No 12

- Stock market is very vibrant.....there is no fix fundam n events always different...it is collective wisdom of millions of souls....to read it correctly.....Be innovative.....adopt the changes fast.

Lesson No 13

- Most critical issue is brought under most complicated number.
- We all trade for expecting a profit.
- Putting SL is good for protecting your capital but it is sureshot erosion too of the capital.
- Lesson is.....calculate expected loss first.....
Next calculate the potential.....if the ratio towards potential more than 4/5 times....enter the trade else FORGET.
- Trading is method for earning not to create brokerage for other person.

Lesson No 14

- few days in life are over sensitive.....like today when sun saturn conjunction is taking place.....you get all information through various channels.
- all you have to do is to avoid taking major decisions on all such days in life.....99% problems are born out of such astrological reasons.

Lesson No 15

- Comparison with another day is wild dream which can hurt you very badly.....trade strength.
- Example.....2003 bull market lasted over 37 weeks....gave 4 intermediate correction in range of 9/13% in indices on the way....it was sector specific moves months after months where steel peaked in sept'03 while banks moving in end....
- Now watch 2014.....move continue in 40th week.....corrections every month but only 4/5%stocks peaked middle of the way.....go through deep corrections.....restart when 90% were either short or feared.
- Moral of the story.....90% shouting top while 70% stocks.....89 week sma still trades below 233 week sma.....

Lesson No 16

- Most powerful n juicy double top double bottom formation.....
- 2 similar prices in vicinity of $\pm 3\%$ on closing basis may be termed as double top or double bottom.....provided distance covered on the other side is not less than 15%.
- Example.....October 08 low close was 2504 from where nifty traveled to 3145.....another low in march 09 was 2540.....this formation resulted in nifty rising to 4690 in 3 months in early june09.

Lesson No 17

- It is concept which is valued by markets based on its viability, unique business model, competitive edge n ability to withstand adverse times.....as concept gets mature.....the valuations rise rapidly.

Lesson No 18

- There are several methods in use nowadays.....starting from harmonics to WW to programmed ALGO...but
- Ultimate truth is EW....until n unless we understand the basic concept of impulse n correction.....zig zag n simple...length of different impulse.....no program will help you.
- EW has no substitute....very simple.

Lesson No 19

- Addiction is good for gaining knowledge n studies never bad.....but be a opportunist as far as trading is concerned....
- You need a break once money is made.....if losing more than 2/3 trades.....call a break.

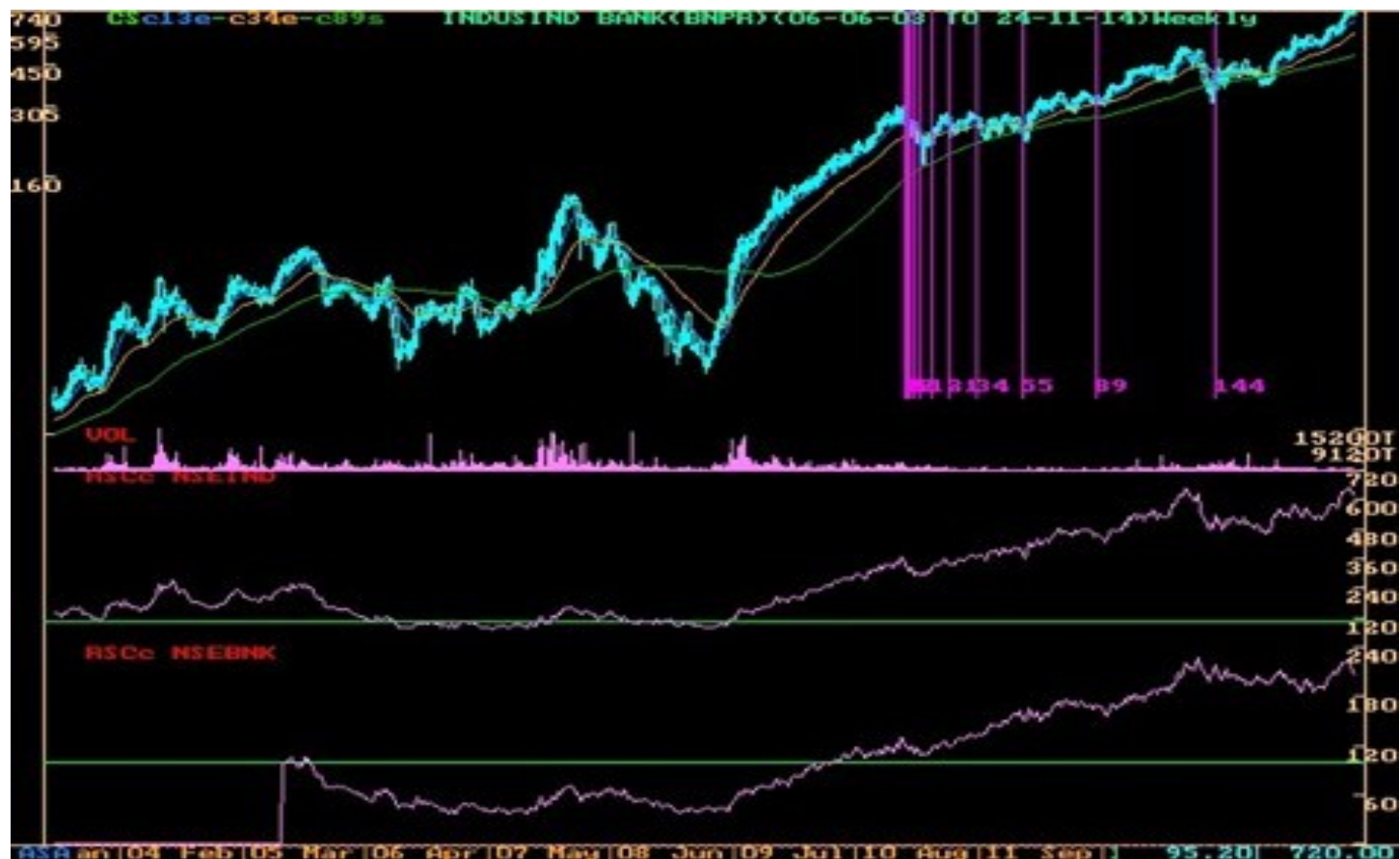
Lesson No 20

- Hourly daily weekly or monthly opportunity based on sma crossover.....
Follow crossover of 10/13 to trade either side....keep on trailing your stop losses as gap between 2 sma rises.

Lesson No 21

- How midcap becomes a large-cap.....
- RSC.....first basic tool to identify that is out performance based on rsc.....once higher top higher bottom is visible on long term RSC.....stock become due to significant recognition.
- chart enclosed is for indusind bank.....started out performing nifty and bank nifty in middle of july 2009 @95.....returns had been consistent thereafter.....
- SELL will trigger if and only if RSC makes lower top lower bottom formation.

Weekly Chart Indusind Bank



Lesson No 22

- Real bull.....the person willing to accumulate at every failure but have trust on his ambition.....
- Real bear.....the person willing to listen all but keep quite...attack only when smell over optimism with zero tolerance takes over.
- BULL if follows bear style will be accident prone.....and bear in bull style can never survive.
- SO be either bull or bear.....shun neutrals.

Lesson No 23

- Distractions need to be neglected.....
in sma.....1/2 days breach make you feel about reversal
but keeping close watch gets you big money once price
cross the sma again after breach.....given current as well
as 2008 picture both.
- learn the value lying inside deep studies than wasting
money on lottery.

CS-C342-C89%

S&P CNR NIFTY INDEX(INDX)(12-09-13 TO 26-11-14)Daily



Lesson No 24

- Banks are proxy to any secular trend.....just like blood reports are indication of our health.
- Last stage of hm days in 1992 were led by big daddy SBI.....last stage of bear market in 2000-01 was again led by banks.....even small end of 1st wave in 2003 was led by banks....2007 bull market rituals were performed by banks....bear market was not over despite huge panic of oct 2008 till Bank bottomed out in march 2009.....B wave was able to complete only due to new high in banks....even 2013 sideways trend was not over till despair in banks reached to its nadir.....even this bull market will not be over till weakest bank multiply.....last week is beginning in this direction.....corrections will come n go but high will happen only with unprecedented optimism in banks.
- Janoge tabhi to manoge....
- Sell sell chillane se Mandi nahi aati Bhai.

Lesson No 25

- What is squeeze?.....
- Squeeze is trap of majority of traders on wrong side of trade.....it does not happen everyday but once/twice event every decade.....
- Crash/squeeze are 2 different things.....crash does happen when hope n optimism stretched too far.....like April 1992 or January 2008.....even IT bubble of 2000 was a crash.
- Squeeze examples are 2001 trap of IT bulls in selective stocks like global n hfcl.....Lehman insolvency event of 2008.....Aug 2007 trap of bears.....
- Crash are based on events visible but denied...
Squeeze are based on events which catch traders totally off guard.
- Secret of both type of bullish/bearish squeeze is new high/low in RSI out of conventional range.....it has larger implications.....like 2007 boom could bust only after huge

Lesson No 26

- This is most important lesson of all we discussed so far...
This is sole reason that people incur loss despite being in.....right trade....right price n right trend.
- Don't mix vision with trading skills....
- Vision is all about potential of a trade in a certain tf....with clear view about the risk involved..
- Trading skill is all about continuous risk evaluationpros n con's of remaining in trade or come out of it.
- Vision is result of remaining in studies with close eye on geopolitics around the globe....potential of long term charts....having expertise on indicator of your choice.
- Trading skills need to be developed by continuous practice with proper financial planning.
- Example.....anyone can visit my timeline on 30-08-2013.....I explained clear vision of 3 cycles merged n big reversal due instant with similar astro views.....if anyone had 2/3 ideas like century arvind Voltas cesc irb combo with proper planning...just imagine wealth creation of over 10/15 lacs on capital of 2/3 lacs.

Lesson No 27

- How to tackle pressure?
- Stock market is like a cave of huge wealth....ruled by most poisonous snakes around it.....
- Education may help to find better opportunity.
Finance may help to plan bigger.
Wisdom may provide you eagle eye....
- But unless you learn to tackle pressure well....stay away from it.
- None is god.....pressure catches with all.

Lesson No 28

- No science will ever make you lose money...
- Harm is done by trading practice, trading habits, greed and fear....
- Only discipline can help to make up.

Lesson No 29

- Filtration by Fibonacci...use of 233 minute candle with RSI is probably only method....which will help you to catch all top n bottom.....brave at exact price while safe players at distance of 1/1.5%.
- Use it to believe results which you must not have dreamed.

Lesson No 30

- In bull market.....every time market stops rising doesn't mean it will fall....
Reverse is true in bear market....
- Consolidation and distribution also part of business.

Lesson No 31

- MAGIC NUMBER.....
- kindly note at the outset that this is not any target of impulse but breakdown point of any trend.....
- watch this nifty weekly chart for last 10 years.....bull market of 2003-2007 seen all rising rsi till june 2006 when first low of rsi @ weekly closing of 2866 is observed while running low was 2595.....trigger was done in march 2007 while nifty made another high @ 3608 but rsi was lower than 2866.....
- inference was simple.....anyday if nifty breach 3608 on close.....it will touch minimum 2595 and maximum possible was 2310 which was running high sequence of rsi till 2005.....
- fact.....once 3608 was breached on close in second week of october 2008.....maximum target of 2310 was done in just 13 working days.....biggest and sharpest fall ever in history of indian stock market.....probably one off event in anyone's life..... magic number are not triggered every day/week or year.
- this study shared for last time due to my commitment [#knowledgebank](#).....
- my commitment is done.....kindly preserve for your studies.

C:\c3s-c13s-c24s-S&P-CNR NIFTY INDEX(INDX)(13-06-03 TO 05-12-14)Weekly



Lesson No 32

- Contra traders(bears in bull market n bulls in bear market) are the major source of volatility.....they indulge in contra trade on pretext that every swing is identical.....
- More important is.....failure of contra traders time n again LEads to.....bulls n bears getting over confident.....ultimately that over confidence leads to Reversal.

Lesson No 33

- Analysis 25 years back was totally different than what it is today?.....
- It was pure swot analysis then along with technical n some common sense about business of the companyit was possible to go correct 90% with some time decay if we were able to avoid short term plays.....it was mixture of discipline with leveraged positions which could be planned with anticipated losses.....it was great system to learn fear n greed.
- Now it is most about financial derivative products n more so about options....now chances of going wrong very high as.....present day business product don't allow time decay,...we may be 100% correct but still fail.....simply expiry syndrome.....if we are not disciplined now.....and don't plan with utmost care.....over optimism on either side may prove very costly.....risk of capital becoming ZERO very high.....it is suicidal now to even imagine fear n greed.

Lessson No 34

- Markets are nothing but a classroom.....
When you join it.....you have to read many languages.....than moves to mathematics and few arts too...finally moving towards business related subjects or science.....
- Choice is always yours.....to read everything gracefully or wander in search of short cuts...
- Here markets are vibrant n never ending....hard work,eyes of eagle n focus are primary needs to remain in contention.....focus will help you to find n decide 2/3 good trades which can fulfill all your needs.

Lesson No 35

- Best invention that mankind had...
- I can be wrong.....plan for it.....also be honest with yourself to accept it.
- Example.....Columbus reached to south america while searching for Indian shores.

Lesson No 36

- Even if you are right 100%....may become big loser if discipline left....on the contra even if 100% wrong....may get jackpot if discipline followed.....
Because we never know....when tide will turn.
- Simply discipline is mother of all success and survival.

Lesson No 37

- What is discipline in stock market?
- Though there is no fix rules on this....trying to elaborate my views....
- 1.if your trading effects your other activities....it means it is lost.
2.if trading impact your other commitments of regular life....again it is lost.
- Follow this much minimum....
- 1.bet only 2/3% of your risk taking ability on single trade.
2.never trade with money which you need over next few months.
3.don't invest in unknown names if that money required in next 1/2 years.
4.don't increase your size of trade with credit in your MTM.
5.once a profitable trade is closed.....avoid to trade for next 72 hours....
- Big subject....can't be exclusive

Lesson No 38

- When times are tough n not suitable for our style of working....stay away n keep watching.
- Survival is core theme in this world of intense competition.....
- Jaan he to jahan he.

Lesson No 39

- Whatever are positions.....look at markets as if you have no views on it.....
- Readymade views across the time is source of miseries...

Lesson No 40

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Lesson 41

- I know well that many will not agree....but this is my learning.
- Price is an continuous process but time never comes back.....
- Something better today not useful if not planned well yesterday.
- "Value the time".

Lesson No 42

- 1 factor applicable in all circumstances is "risk reward".
- Higher the ratio in favor of reward....bigger is reason to focus on it.

Lesson 43

- Consolidation in bull market or distribution in bear market.....may be in copy book fashion many times....but can be non traditional too.
- Success depends in flexibility in size of your business.....
- Account for failures first.....preserve your success.

Lesson 44

- Very few requirements to get constant earning.
- read more trade less focus 3/5 stocks.....
wait for your opportunity
never track nifty to trade stocks
never track stocks to trade nifty
- all will fail at times.....but improvement must constantly.
- proof.....if we traded stocks for last 6 months tracking nifty.....it was 90% failure.....if you feared nifty pattern of last 2 days to trade stocks....you are missing jackpot.

- Research is continuous process.....much beyond any book or any written science.
- 5118-5933-7422-8148.
Relation is 108 days.....
- My friend ultimate [#tusharpunjani](#).
- Rest market is ultimate.....
- Kindly please note 108 is derived figure n no more explanation required to say importance of. 1 0 8.

Lesson No 45

- Important knowledge sharing information.....
- Many friends ask me from time to time about astrology on markets....
- Before you rely on it....kindly note few important points....
 - 1.you must have basic knowledge of astrology.
 - 2.you must know application in markets is quite different from jatak.
- Book is titled "argha martand" by pt mukund vallabh Mishra n published by motilal banarsidas.
- Mystery....very few will be knowing that even ISLAM has its own method of astrology called "GURRA"....to judge the demand n supply rule.....this book deals with that too....though briefly

Lesson No 46

- bull markets/bear markets never tell the real picture on indices.....story is always down the line.
- example.....long term bear markets gets price corrected very fast on indices but when indices move in consolidation for years.....lot of filtration does take place in over valued stocks for years.....same way even sharp corrections in bear market are neglected by many unknown names.....

- Word of wisdom.....
- Money,success n fame depend on your strength not on weakness of enemy....
- This is reason successful people talk about themselves n their beliefs.....
- Words of goswami tulsidas....
- Samarath KO nahi dosh gusaain.

Lesson No 47

- There is a time in life of markets.....when trend n collective wisdom run on the same side....these times don't last long....reversal always take place at such times.....
- Early 2003/late 2007/early 2009/late 2011 are few such examples.

Lesson No 48

- Before you enter this mind game called stock market.....please ensure few things.
- 1.do you know what you want?
2.do you know losses come first?
3.do you have proper money management skills?
4.do you trust yourself?.....
- If you lack any of them.....don't try to follow others.

Lesson No 49

- Identification of bull market reversal.....
- Damage to trend most important parameter....34 breaks 89 in fast n furious manner....it is not just retail but big hands too burn their fingers before they can even imagine....
- Read data after 10-4-1992/software crash of 15-03-2000/8-1-2008.....only first 4 weeks of fall....
- 2nd identification.....with 1.618 or 2.618 more time in bounce.....it fails to cover even.618 of the fall.....
- 3rd identification.....top of first bounce become very critical topnot easy to cross for long time.....remember 5545 of may 2008.

Lesson No 50

- Keep your discipline and find 1/2 out performer every 3 months....money to flow like water.
- Investors who identify one big investment idea every 12 months make more than ppl who find new stock every 12 hours.
- this is not to hurt any feelings but showing my style.

Lesson No 51

- Success in market is net result of.....
- Keep watching n waiting for a high probability trade.....
- Don't waste your time in ifs n buts....once that opportunity comes.....
- Nature is supreme n markets are part of it.....
- Impossible to say all the time....that what will happen.
- So never forget we all are bound by nature n enjoy your moments of high beliefs.....

Lesson No 52

- Best opportunities do arise @toughest time....calm,composed,conviction n courage can help us to grab them.....
- Safety security n stop loss become redundant at such times.....
- What counts than?.....
- Plan,discipline n willingness to lose.
- Example..... Oct DEC Jan.....market closed 2 days continuously below 89 days sma....3rd closed higher so count gains.

Lesson No 53

- Wisdom lies in recognizing your mistake....
- Only brave n cool minds can achieve it.

Lessson No 54

- Trend can be predicted with near certainty...
But...
Targets are just a probability....as waves has nature to hide more than express....
- If I bought BEL @ life time low in November 1998.....could I predict target that time?
- There are my close friends who bought Siemens @170 in 2003(10fv).....indusind bank @36 in 2009.....they never asked me about target.....
- I never know the target....but certainly get feelings about the potential....
- Moral.....
- Do learn to identify opportunities....planning n patience is key.....asking calls no solution.

Lesson No 55

- Biggest hurdle of stock market....
- Before you discuss your positions with anyone...kindly remember everyone feel here that....what he/she doing is only right....all other big fools.....
- Either have trust on your ability n plan....or disclose at your own risk.

Lesson No 56

- Why flags are formed?
- This is very important pattern in technical study of any chart.....
- Flag are like the junction on way to final destination.....more time consuming they are more lethal are the results.
- The reason of they taking time are.....events which are certainly visualized take their own own time to materialize....also lots of accumulation/distribution need to be achieved which is difficult due to wide faith prevailing.
- Note....this is what I understand.....no wish to deny any other explanation prevailing.

Lessson No 57

- Concepts are most precious than stocks in giving the returns.....
- What is concept?....something new with little or nil competition.....even whencompetition start....it leads with quality.
- Infosys,hdfc,kirloskarbros,atlas copco n zeetel are few best examples of past

Lesson No 58

- Let market be any smart.....
- Inherent strength or weakness catches it sooner than later

Lesson No 59

- Bulls bears positional traders investors short term traders or even day traders.....same medical for all.....
- This market give chance to all.....universally accepted.
- There are times....when they feel positive vibration as per their way of thinking.
- If you agree on every thing.....than why can't wait for your turn?
- Golden words from my guru.....reduce your trades so real opportunities are not missed.

Lesson No 60

- Accept that you are not sure.....
- This 1 line is good enough to create many virtues in us.....it will guide through many tough phases n create intuition at right moment of time.....
- Patience is possible through this 1 line acceptance.

Lesson No 61

- Lesser retracement in larger TF carry the risk of reversal.....rise or fall.
- Larger retracement in smaller TF are reversal done

Lesson No 62

- Repentance has no place in a game of chance.....more you focus on it.....more losses will mount n host of opportunities will be missed.

Lesson No 63

- Truly realized.....
- Creativity +courage to fail
=meaningful research.
- Need imagination to create.
Need plan to accommodate failure.
Need dream to realize returns of research.

Lesson No 64

- ...IF monthly chart says that stock or indices has certain limit only either side.....trade is due only after distance other side rises...trading near that point of exhaustion is dangerous.

Lesson No 65

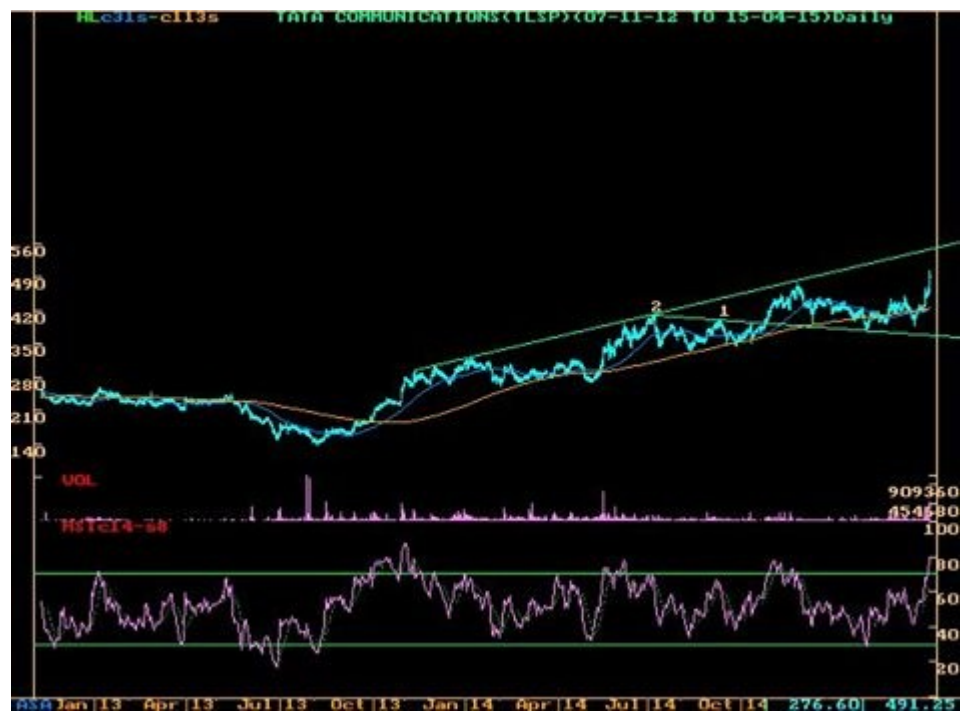
- Fall in bull market is strategy by big hands to create FEAR so their next journey to ride become easy.....
- Rally in bear market is strategy to create complacency so dumping become easy....
- Golden words from my guru.....late shri pankaj kapadia.

Lesson No 66

- Greed, complacency, vigilant n fear have huge value in ascending order.....
- Masses apply it in descending order....
- From diary of my guru.....late shri pankaj Kapadia.

Lesson No 67

- RSI above unusual level of 80+ is indication of sustained rally.....
- this daily chart of tatacomm is self explanatory..RSI ON DIPAWALI 2013 STILL DOING WONDER.



Lesson No 68

- Either track the stock independent of anything.....or through use of RSC.....not buying/selling when other stock in sector is doing that.....
- Example....Infosys was not buy for years when TCS/ HCL were outperforming....same thing can be said through multiple examples like century / arvind.

Lesson No 69

- Value trading.....on lines of value investing very useful way to create wealth....
- You need vision,money management,planning,trust,focus n patience.....also should not get carried away by noise elsewhere....
- My life devoted to subject....not a call provider but still people love n trust me.

Lesson No 70

- Why 99% lose money despite their being really intelligent.....
- Due to widespread belief....impulse reversal are leading to crash n bottom out will led to big boom.....
- Market has its own mind n time correction in bull market n time killing in bear market are its most powerful weapons.....which ultimately leads to different formations.

- Quality of bull market.....till reversal strike in 2008.....we never knew what was going in 2007.....same can be said about 2000 or even 1992.
- Any bull market covers a multitude of sins, so there may be all sorts of problems with the current system that we won't see until the bear market comes.

Thank you