

STRESS FREE TRADING & INVESTING NEWSLETTER

Statement of Scope, Objectives and Approach

I am a keen student of the financial markets – have been for several years – and currently using my knowledge for managing my own money. As a Project Manager I have managed many IT projects and the fundamental reason for my success was following a proven methodology as well as crafting Project Management Strategy for each project. Within a few months of managing my own money I realized that the lack of a Strategy document was the critical flaw in my approach to investing. Based on my own experience, and observing the messages on many Facebook groups, I realized that the inability of many investors to manage their emotions and stay the course is due to several factors, but the number one factor is lack of Portfolio Strategy.

Other factors include:

- i) Lack of knowledge of market history
- ii) Lack of knowledge of investing and trading systems and strategies
- iii) Lack of education in areas like Fundamental Analysis and Technical Analysis

Based on my experience and the lessons learned, I decided to publish this newsletter, to help myself as well as many who are either too busy to be fully engaged with the market intensely, or lack the knowledge base. (I help myself by articulating my ideas in black and white which helps solidify my thoughts).

SCOPE:

Focus will be the US Financial Markets which includes the following Asset Classes – Equities, Bonds, Commodities, Currencies, and Volatility. Will also highlight opportunities in foreign markets, particularly India, from time to time.

OBJECTIVES:

The goals of this newsletter are:

1. Discuss trading and investing practices, systems and strategies, with focus on Risk Management
2. Provide trading ideas and prospects for investments
3. Educate retail investors on Portfolio Strategy, Risk Management, Market Timing, Asset Allocation and Options Strategies
4. Provide technical analysis insights for non-technical audience
5. Present the opinions of many trusted strategic advisors and technical analysts that is available in the public domain, for actionable trades and investments
6. Help self-directed investors to provide a process and structure for their initiatives

In addition, I have crafted a Portfolio Strategy Guide and a Technical Analysis – 101 document that I intend to share with interested readers to get them started in the right direction and be equipped with the knowledge necessary to survive difficult financial environments.

WHAT IS STRESS-FREE TRADING/INVESTING?

Whether one is trading or investing (without getting into a discussion of the differences between the two), the enemy of success is volatility. So to enjoy the financial activities stress free requires that we take a deliberate, well designed approach to trading and investing activities, which focuses on managing volatile environments like corrections, pullbacks and bear markets.

APPROACH

The following techniques can be used to achieve this objective:

1. Active hedging to manage portfolios during downturns
2. Constructing portfolios to dynamically self-hedge
3. Using Asset Allocation techniques to rotate between Asset Classes (incl. Cash)

Hedging can be done with inverse funds and options.

Key to all of this is proper understanding of the markets – Market history, Asset Classes, Drawdowns of various Asset Classes etc.

In addition, the Dashboard of Signals will be used to hedge.

In this newsletter, we will explore such techniques with real life examples.

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