Twitter Thread by Hiren Gabani ■



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Sharing Q&As that i have collected from @iManasArora's timeline.

You might find the answer you're looking for.

Manas Arora's Q&A.

How to become independent trader and have confidence??

Change your goal from thriving to surviving for the next 12 months. You will be much better from today.

What is ur exit strategy?I k u trail.Can u elaborate a bit on it

Partial sell when the stock gets extended from the weekly moving averages.

Your 2 biggest mistakes and failures and lesson learnt from that.

Staying glued to the screen. And, not a regret but I wish I had a mentor in my early 20s.

How to filter out good ones to the weak ones especially on draw down days.

The ones staying solid strong in those days.

Total how many strategies do you have to select stocks???

4-5. But the underlying principle is the same behind all of them - I buy strong stocks when they are undergoing compression/tightness.

What made you want to start on the journey of being into markets?

Less effort, more money & peace.

What was then the trigger for diversifying and going into another business (restro in your case)?

Investing is boring.

https://t.co/3iAGZh7VnC

Hi manas, can you please brief, what is over head supply???

Fewer sellers. So, fewer hurdles on its way up.

it was with a question mark...bases on series of regular UC and LC.....Recently and in past

Blame SEBI for setting circuit filters that close. There is absolutely no way to tell who is driving up the stock. So no point stressing over something that cannot be ascertained. Focus on what is easily seen.

- **Easy to understand but hard to implement..**

Hard is the man in the mirror.

- **It takes guts to sell when market is trending up**

Only risk management. Nothing else.

- **Anything that goes 40-50% up in 2 days will correct sooner or later. Read HEG chart. 40-50% in 2-3 weeks is much better than in just 2 days.**

Instead of seeing the index and going deeper on the grounds which data needs to be looked i.e. within 25% of 52W HIGH or 100% UP from 52W LOW or both. How to gauge this parameter which might help for scenarios when to sit tight, deploy positions conservatively etc

Both. Just look for strong stocks with a good set up. If there is none, there is no trade. If there is one, take that trade. Don't look at index. You can't always time things.

Since u have seen many cycles in the market what is your experience for VCP, Breakout trading etc for ranging markets. I understand one needs to sit tight on cash in bear markets and observe strong names which are forming a base during downfall (Understood through O'Niel Books)

- If my stock is doing well, for me it is a good market. If my stops are getting hit frequently, I am in a bad market. In short, my stocks and my performance decides it for me.

https://t.co/HKvYD1hCEz

- **is high free-float good or low free-float..I don't understand this, you always talk about free float..**

  Low float means very small supply/size available in the market. Now, apply the demand supply concept to it. Low float always good for explosive moves than high float.

  I know you keep 5000Cr as free float limit. But shouldn't it be certain % of market cap? If a certain stock has a market cap of just 7000 cr and free float of 4500 crores, is it still good to trade according to your system?

  If you keep the demand/supply concept, the supply would matter more or what % supply is there?

- **Got that. I mean to ask, say you see 2-3 opportunities and your total cap is 10L. You risk 1% and based on SL of 10% your investment becomes 1L. So now for the second trade you have 9L cap and so on. So do you predecide total cap for each position or use 1% of total remaining cap**

  The distance between my price & stop loss decides the capital to be invested in one stock. I don't pre-decide my investment size.

  Sir what's the impact of low or high free float... Curious to learn

  Low free float names explode vs. high free float names who only manage to crawl

- **Nick Darvas used to recieve EOD price via telegram while he used to do world tours.**

  And managed to make a fortune.

https://t.co/vxOP2KR6tF

- **Is price action a dependable strategy and the shortest time frame or conditions. And i hear people having strategies, how can i develop my own.**

  Study your trades after every 10. By the time you end up with 50, you will realise what are you good at.

why did you change your SL rule? From 2ATR to plain 8%

2ATR also comes around 8%.

What should be Average Volume need to put in like Minimum To Maximum when scan

I like if the average volume per day is at least 1L.

- **Do you agree 95% emotions and 5 TA learning?! Have u lost with your greed initial days!!**

  It is absolutely normal to lose when you are new. TA plays very very small role. It is over rated.

- **How do you backtest your strategies?**

  I don't believe in backtesting. You cannot back test human behaviour.

Which indicators do you use? Thanks

Don't use any.

- **How to build the initial capital base?**

  Build confidence by achieving consistency on a small portfolio first. The rest you will be able to figure out then.

- **The best way to manage pressure while in different positions in the market?**

  Don't look at your screen.

https://t.co/eZNRnOgK9V

- **Hi Sir, 1)According to you minimum how much free float is required for a company to make it as a small cap? 2)Do you check earnings before taking a position if yes what fundamentals you check like EPS,sales,growth?**

  Best moves comes where the free float is around 1k crore or less. Most stage 2 stocks had already been delivering good numbers when you are considering a position. Stocks reach stage 2 for a reason. Good earnings is usually that reason.

Most of the stocks in up momentum do not meet just 1 criteria which is "current price atleast 100% of 52wk low". Is it still worth taking some risk with tight SL in such stocks?

One should get stricter during bear markets. If you are not finding quality names, then don't play. Not earning is better than losing.

- **Recently I have been getting stopped out regularly, as soon as I enter it starts moving up but it doesn't hold it's gains.**

  Says a lot about the market we are in. If the stocks are not holding their ground, we are not in a strong trend. Do not blame your stocks.