

Twitter Thread by Abhishek Kar



Abhishek Kar

@Abhishekkar



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The entire thread summarizes some important rules with respect to investing. Inspired by legendary traders, these will not only help you to grow wealth, but also make a smart investor. Hope you would like the thread & shower some love

Rule 1: Bulls, Bears Make Money, Pigs Get Slaughtered so chose your category wisely

Rule 2: It's OK to Pay the Taxes, Dont just wait for a 10% LTCG always. Sometimes you know it won't pay you

Rule 3: Don't Buy All at Once, Have patience market will give enough opportunities

Rule 4: Buy Damaged Stocks, Not Damaged Companies. Understand the diff b/w undervalued stocks and no value stocks. Everything cheap is not bargain, it could be trap.

Rule 5: Diversify to Control Risk, make sure you don't put everything into one stock, one sector or one asset class.

Rule 6: Do Your Stock Homework. You spend 5 hours to buy a cream on Amazon but research for 1 hr based on buying a stock on twitter! Well, do your homework.

Rule 7: No One Made a Dime by Panicking .Invest 2-10% and leave rest. If it falls, pain will be low, if moves, no FOMO haunt

Rule 8: Buy Best-of-Breed Companies, This doesn't mean you have to invest in the most expensive companies, all it means is you need to buy co.s with good earnings, promoters and sustainability

Rule 9: Defend Some Stocks, Not All

Rule 10: Bad Buys Won't Become Takeovers, STOP hoping

Rule 11: Don't Own Too Many Names, Diversification is fine but don't overdiversify like 40-50 stocks. It would diminish the returns on portfolio.

Rule 12: Cash Is for Winners, Holding on to cash is never bad, sometimes during dark times it helps to buy things at bargain

Rule 13: Expect, Don't Fear Corrections. Corrections and fall are a part of cycle but remember markets historically after a pause have always moved up. Its good to trip positions in expectations but not fear.

Rule 15: Don't Forget Bonds. Diversifying some part here is good.

Hope the thread helped you to build a perspective. In case you liked, RT will be appreciated for better sharing and reach.

Will be putting up more informative threads on trading and investing, based on response.

Keep learning

Keep sharing

Keep growing

#AKAL