

Basics of stock market

- **Introduction to Stock Market**
 - ✓ What is a stock?
 - ✓ Why do companies issue shares?
 - ✓ What is the stock market & how it functions?
 - ✓ History and evolution of Indian stock markets
- **Key Market Participants**
 - ✓ Investors vs Traders
 - ✓ Stock Exchanges: NSE, BSE
 - ✓ SEBI – Role and importance
 - ✓ Depositories: NSDL & CDSL
 - ✓ Brokers & Demat Accounts
- **Market Instruments**
 - ✓ Equity shares
 - ✓ Derivatives (Futures & Options - Intro only)
 - ✓ Bonds & Debentures
 - ✓ Mutual Funds
 - ✓ IPOs (Initial Public Offerings)
- **Understanding Stock Prices**
 - ✓ What drives stock prices?
 - ✓ Supply and Demand
 - ✓ Market sentiments and news impact
 - ✓ Bid, Ask, and Spread
- **Order Types & Trade Execution**
 - ✓ Types of Orders (Market, Limit, Stop Loss)
 - ✓ Types of Trades (Intraday, Delivery, Margin)
 - ✓ Basic understanding of Trading Platforms
 - ✓ How to place a trade in a live terminal
- **Stock Market Indices**
 - ✓ Nifty 50, Sensex – what they represent
 - ✓ Sectoral Indices
 - ✓ Global indices correlation
- **Basic Terminology**
 - ✓ Bull & Bear Market
 - ✓ Volume, Volatility, Liquidity
 - ✓ Circuit limits
 - ✓ Dividend, Bonus, Stock Split, Rights Issue
- **Myths vs Reality**
 - ✓ Debunking common myths (e.g., stock market is gambling)
 - ✓ Realistic return expectations
 - ✓ Discipline and psychology in trading/investing

Technical Analysis

▪ Introduction to Technical Analysis

- ✓ What is Technical Analysis?
- ✓ Difference between Technical and Fundamental Analysis
- ✓ Assumptions of Technical Analysis (Price discounts everything, History repeats, Price moves in trends)

▪ Basics of Price Action

- ✓ Candlestick Charting (Types of charts: Line, Bar, Candlestick)
- ✓ Understanding OHLC (Open, High, Low, Close)
- ✓ Types of trends: Uptrend, Downtrend, Sideways
- ✓ Support and Resistance – Identification and Importance

▪ Candlestick Patterns

- ✓ Single Candle: Doji, Hammer, Shooting Star, Marubozu
- ✓ Double Candle: Bullish/Bearish Engulfing, Piercing Pattern, Dark Cloud Cover
- ✓ Triple Candle: Morning Star, Evening Star, Three White Soldiers, Three Black Crows
- ✓ Psychology behind each pattern

▪ Chart Patterns (Classical Technical Patterns)

- ✓ Reversal Patterns: Head & Shoulders, Double Top/Bottom
- ✓ Continuation Patterns: Flags, Pennants, Triangles (Symmetrical, Ascending, Descending), Cup & Handle
- ✓ Breakouts and breakdowns – Confirmation techniques

▪ Trend Analysis Tools

- ✓ Trendlines – drawing and interpretation
- ✓ Channels – parallel trend lines
- ✓ Fibonacci Retracement – Key levels and use in support/resistance

▪ Major theories in Technical Analysis

1. Dow Theory (The Foundation of Technical Analysis)

Key Principles:

- ✓ **The market discounts everything**
- ✓ **Three trends exist simultaneously:**
 - Primary (long-term)
 - Secondary (corrections)
 - Minor (daily fluctuations)
- ✓ **Three phases of market trends:**
 - Accumulation → Public Participation → Distribution
- ✓ **Volume confirms the trend**
- ✓ **Trends continue until reversal signals appear**

2. Elliott Wave Theory

Core Concepts:

- ✓ 5-wave pattern in trending phase (Impulse waves)
- ✓ 3-wave pattern in correction phase (ABC Correction)
- ✓ Fractals: Waves exist within waves

3. Fibonacci Theory

Based on the Fibonacci sequence and golden ratio (61.8%, 38.2%, 23.6%).

Applications:

- ✓ Fibonacci Retracement: Identify support/resistance levels during corrections
- ✓ Fibonacci Extensions: Predict price targets
- ✓ Fibonacci Fans and Arcs (less common)

- **Technical Indicators & Oscillators**

- ✓ RSI (Relative Strength Index) – Overbought/Oversold zones
- ✓ MACD (Moving Average Convergence Divergence)
- ✓ Bollinger Bands
- ✓ ATR (Average True Range)
- ✓ Moving Averages (SMA, EMA) – Golden Cross & Death Cross
- ✓ ADX (Average Directional Index)
- ✓ Supertrend
- ✓ Exponential Moving Average (EMA)
- ✓ Williams Fractals
- ✓ Williams Alligator
- ✓ Pivot Points

- **Volume Analysis**

- ✓ Importance of Volume in confirmation
- ✓ Volume & Price relationship
- ✓ OBV (On-Balance Volume)
- ✓ Accumulation/Distribution Indicator

- **Time Frame Selection**

- ✓ Intraday vs Swing vs Positional Charting
- ✓ Multi-time frame analysis
- ✓ Which indicators suit which timeframes

- **Entry, Exit & Stop Loss Strategies**

- ✓ How to define entry points using patterns or indicators
- ✓ Stop-loss placement techniques
- ✓ Risk-to-reward ratio understanding
- ✓ Position sizing basics

- **Backtesting & Trading Psychology**

- ✓ Importance of backtesting
- ✓ Building a trading journal
- ✓ Avoiding overtrading
- ✓ Handling emotions in trading (Fear, Greed, Impatience)

- **Building a Trading System**

- ✓ Combining 2–3 indicators or tools
- ✓ Creating a rule-based system