

**DELEGO<sup>TM</sup>**  
CAPITAL

# Delego Equity Trading Strategy

Add another source of business  
income



# The Power of Trading

- **Trading** is the backbone of every successful business owner.
- A business owners can grow their wealth by 20% in a year even with just a **4% margin**.

How? Let's See:

**Overall Return = Gross Margin x Asset Turnover in a Year x Leverage**

For Example,           = 4% x 5 times x 1time  
                                  = 20%

Hence, they are always in a lookout for newer products to trade in.

# Introducing Equity Trading

**Equity Trading** is one of the most popular option amongst business owner because of its similarities with that of trading in business.

Aspect	Business Trading	Equity Trading
<b>Product</b>	Goods & Services	Shares of Companies
<b>Profit Margin</b>	Small margins, higher turnover	Small gains (5-10%), faster capital rotation
<b>Risk Management</b>	Diversify buyers and suppliers	Diversify portfolio
<b>Success factor</b>	Quality of products and correct pricing	Fundamental of company and pricing
<b>Monitoring</b>	Track market trends & Competitors	Stay updated with market trends & news

**But, there are certain challenges which they face, we will address them.**

# Challenges in Equity Trading

The common challenges business owners face are:

- No time to track the market
- **Fear of capital loss and volatility**
- When to buy? & When to sell?

Over the past **3 decades**, we have refined our approach to these challenges, Let's find out:



# The Delego Capital Solution

We **simplify equity trading** for business owners with a three-fold strategy:

- **Curated Watchlist:** Focus on select, high-growth stocks to simplify decision making
- **Using Volatility:** To find when to enter and when to exit
- **Asset Allocation:** Know how much to buy, To protect capital loss

## Equity Checklist:

- ✓ Manage Time
- ✓ Simplified Decisions
- ✓ Know When to Enter
- ✓ Know When to Exit
- ✓ Risk Management

# Solution 1: Curated Watchlist:

To manage time and simplify decision making, we need to remove noise:

- A business owner deals in products they understand.
- **Circle of Competence:** Build a watchlist of companies you understand and has a strong long-term growth potential.
- **Start Small, Stay Informed:** Begin with a watchlist of 25 stocks and stay updated on its news and quarterly performance. Increase stocks as per convenience.
- **Expert Guidance:** A wealth manager can assist in building this watchlist and stay updated.

## Creating a Watchlist

These are the steps to building a circle of competence to trade in equity

### 1. INITIAL SCREENING

Look at companies in Nifty 500, starting with your sector



### 2. SHORTLISTING

Pick stocks with long term growth prospect with the help of a wealth manager



### 3. MAKE WATCHLIST

Add shortlisted stocks to watchlist



### 4. TRACK PERFORMANCE

Increase knowledge on these stocks by looking at various resources



### 5. TRACK PRICES

Follow the prices to get the pulse of the share



# Solution 2: Using Volatility:

When to Enter?

- Every business owner understands this principle of price: **Purchase as low as possible.**
- We will use volatility to buy stocks when the price is trading at its **support levels**, i.e. buy at the market's stop loss levels



“Be fearful when others are greedy and be greedy when others are fearful”

Warren Buffett



# Solution 2: Using Volatility:

## When to Exit?

- As a business owner, **faster capital rotation** is key to growth—profits are reinvested swiftly to maximize returns.
- Applying the same principle to equity trading, book profits at predetermined target of 5% to 10% with the aim to reallocate capital at cheaper stocks.



# Solution 3: Asset Allocation:

One of the biggest reasons for capital loss is not knowing how much to allocate & over-leveraging!

We have an asset allocation strategy:

Equally allocate your capital across.

- **Risk taking investors:** 10 Stocks
- **Risk Averse Investors:** 20 Stocks

This will **limit our risk** of total capital to amount invested in stock. I.e. 5% with 20 stocks and 10% with 10 stocks.



## Portfolio of ₹10 Lacks

divided equally in 10 buckets



Stock 1   Stock 2   Stock 3   Stock 4   Stock 5



Stock 6   Stock 7   Stock 8   Stock 9   Stock 10

# Rewards of Disciplined Trading:

- Applying the business formula here:  
**Overall Return = Gross Margin x Asset Rotation in a Month x Leverage**  
= 5% x 5 times x 0.1times  
=2.5% per month
- This implies, The quicker we book profits in re-deploy in a cheaper stock, higher will be our monthly profits.
- With a capital of ₹10L, we can expect an **additional source of revenue per month** of ₹25,000.



# Why this works?

This is successful because we have addressed every concern with equity investing:

- No need to track markets regularly
- Since, the companies have growth potential, it eliminates the need to put **stop loss**.
- Asset allocation **limits our particular stock risk** to the amount invested in it.
- Every **market correction** will become an investment opportunity.
- This disciplined approach will also bring our **Greed & Fear** under our control.

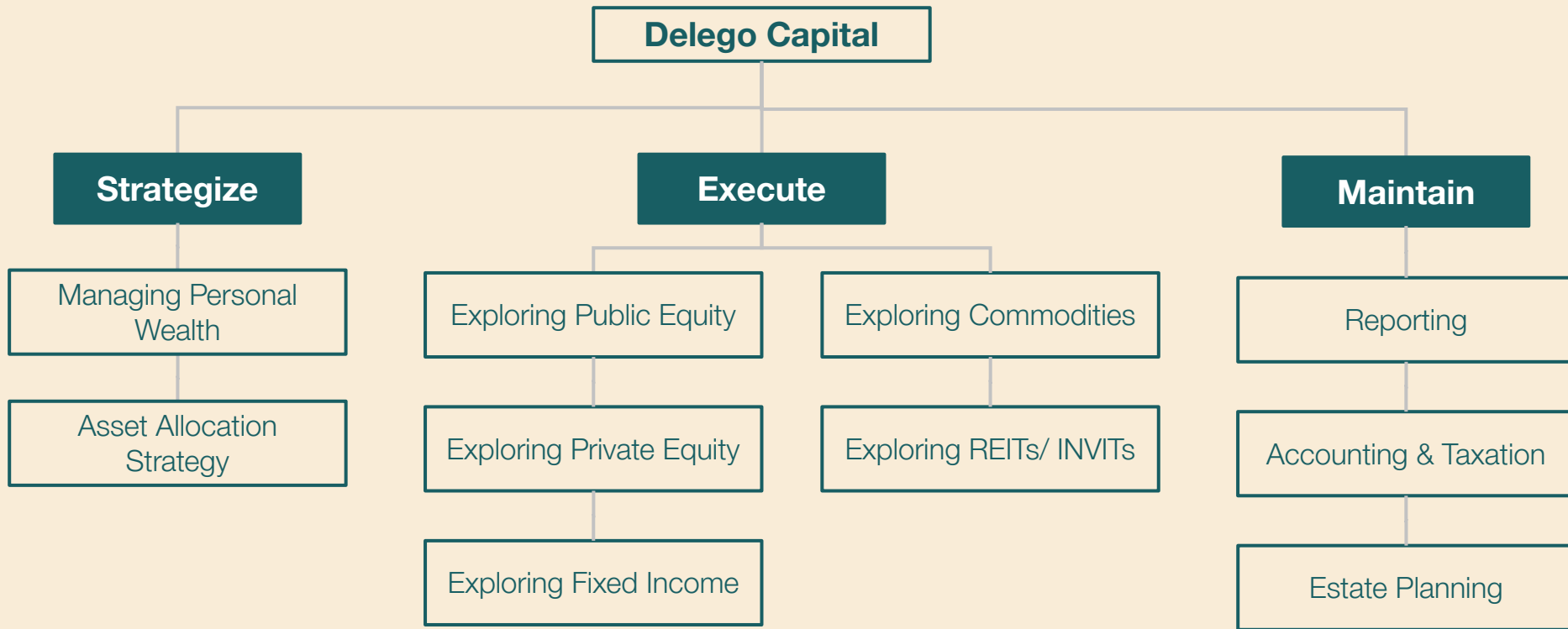
# Take your First Step:

Start today to secure your financial future:

- **First Step:** Open a trading and demat account with a wealth manager.
- **Second Step:** Build a watchlist of stocks with a strong long term growth story.
- **Third Step:** Get accustomed to the stock's support and resistance price levels.
- **Fourth Step:** Start executing trades and earn money.

Delego Capital, provides a complete investment solution, helping you with **strategy, execution and maintenance.**

# Click on Each Tab to Explore Our Resources:



# Use Our Free Retirement Calculator:

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True financial independence is achieved when we stop working for money.

**Do you think you will have that option at your target retirement age?**

Calculate Your  
Retirement Score!





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<https://mosl.co/MOSWEB/zwBd1aG9Dw>



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