

FOLLOW UP NOTE DATED 7/15/2019

I recommend not investing US dollars in India to buy Indian mutual funds. With currency fluctuation you may end up losing money.

CLARIFICATION ON HIT AND RUN:

Buy and hold can lead to disaster. (The exceptions are investing over a period of many years for retirement only in an index fund like QQQ or Berkshire Hathaway B shares which is highly diversified and it like a fund.).

My Hit and Run method was developed to counteract the buy and hold method. My original idea is not to do frequent trading. I use the one year one day chart and get into QQQ when the TTM scalper alert of TD Ameritrade's Thinkorswim software shows an arrow pointing up and stay in QQQ until a new arrow appears pointing down. It may take a few days to few weeks. At that point we sell QQQ and go to cash.

My philosophy is to keep most money like 95% in cash invest 5% in QQQ call options if the market trend is up or in QQQ put options if the market trend is down. I buy options expiring 90 days from now and close the positions within 60 days from now. This is because the theta or time decay of the option premium is very rapid in the last 3 weeks of the monthly options. The option position can be closed anytime before the option expiration date.

The reason I am investing almost exclusively in options is to preserve my assets. Also options have about 30:1 leverage.

When the TTM scalper alert is pointing up I will buy calls and when it turns down I will go to cash or buy puts if the market trend is down. Other indicators are there to have an idea of what is going on in the market. I mainly follow TTM scalper alert. I know that there is a delay in the indicator to indicate the change in trend. Any trend following signals take time. This one takes 3 candles for the above to happen.

If you have no time during the day you can do the above. You look at the market only in the evening after the market closes.

If you have time to sit in front of the computer during the market hours you can use the 4 hour chart or one hour chart and get in and out of the same options. If I invest about \$5000 and make \$500 in profit I close the option. Keep the \$500 and invest \$5000 again. It could happen in a day or a few days. For example, if I am buying QQQ calls when it is at \$193 and it goes up by one dollar to \$194, I would have gained a \$1000 and so I close it and take the profit. Then I buy a \$194 call and invest only \$5000. So I do that if it happens in one day or five days.

Please develop your own method so that you are comfortable with what your nature and time.

STRATEGY 5

Invest \$1000 in the QQQ options. When it becomes \$2000 take your principal out. After that you do not take any profit out for a few years. It will grow in a compounded fashion. The results should be amazing.

You are playing with none of your principal and only the casino money. Wall Street is the largest casino in the world!

Golden Words of Wisdom

Do not believe in anything simply because you have heard it. Do not believe in anything simply because it is spoken and rumored by many. Do not believe in anything simply because it is found written in books. Do not believe in anything merely on the authority of your elders. Do not believe in traditions because they have been handed down for many generations. But after OBSERVATION and ANALYSIS, when you find that anything AGREES WITH REASON, then accept it and live up to it. (Would you believe that these words were uttered around 2500 years ago and they apply so well to the stock market today?).

DISCLAIMER

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