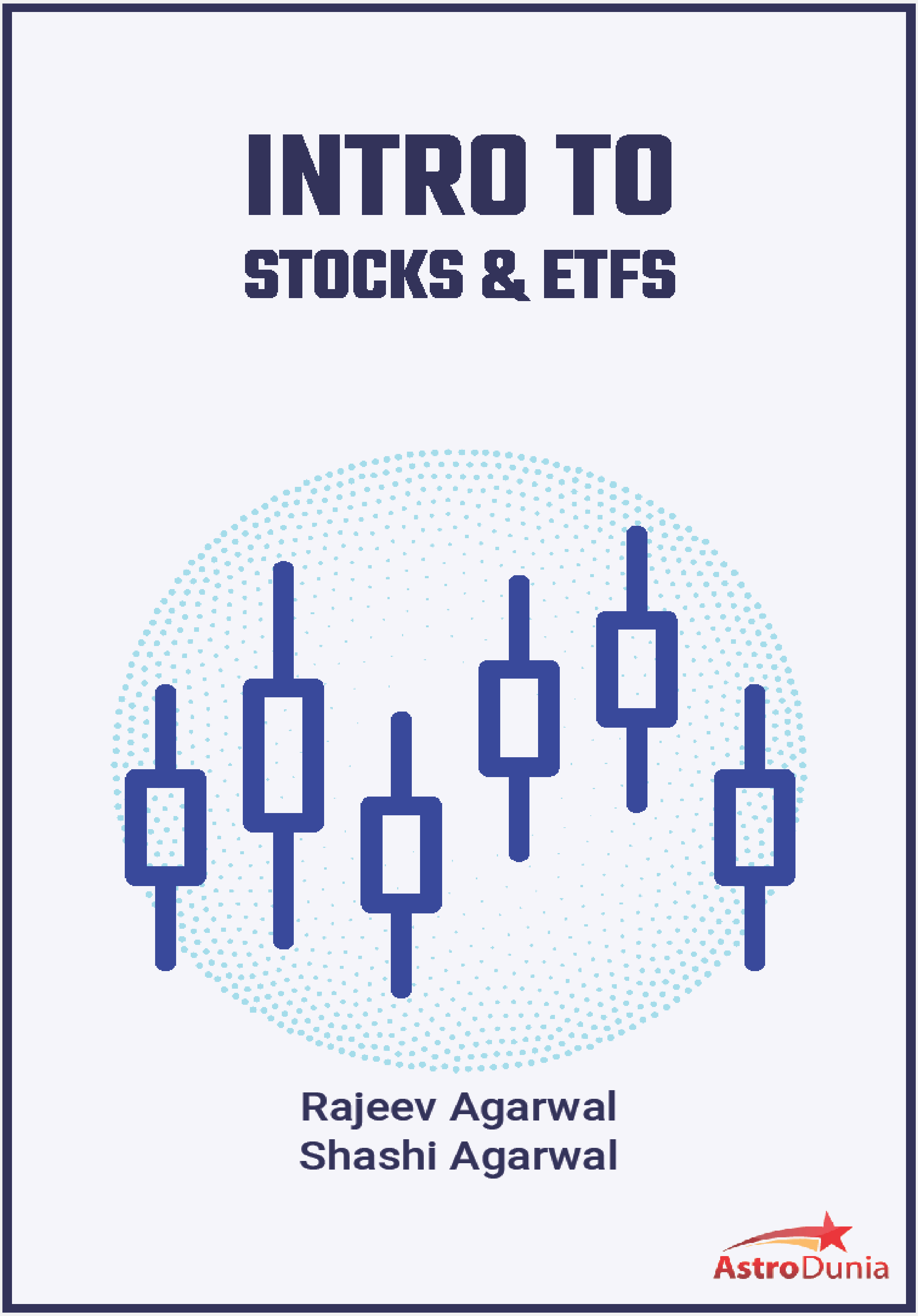
INTRO TO
STOCKS & ETFS
Rajeev Agarwal
Shashi Agarwal
AstroDunia

INTRO TO STOCKS & ETFS

By

Rajeev Prakash Agarwal (Author) & Shashi Prakash Agarwal (Co-Author)

Published by ASTRO DUNIA, Indore

ASTRO DUNIA™

First Floor, 5/D, Sector B

Slice 3, Scheme 78

Opp. Powerhouse, Indore (MP, India-452010)

www.astrodunia.com

www.rajeevprakash.com

Ph: +91-9669919000

astrodunia@gmail.com

Contents

Foreword

Welcome to "Introduction to Stock Market and ETFs"! In this book, Rajeev Agarwal, a Financial Astrologer, and Shashi Agarwal, an MBA in Finance and B.Tech in Computer Science, team up to provide a comprehensive guide to understanding and investing in the stock market.

In today's fast-paced world, investing in the stock market has become a popular way for individuals to grow their wealth and secure their financial future. However, for many people, the stock market can seem confusing, intimidating, and filled with risks. That's why we wrote this book – to provide a straightforward and accessible introduction to the stock market and ETFs.

Throughout this book, we will demystify the stock market, explaining how it works, what to look for when choosing stocks and ETFs, and how to make informed investment decisions. By combining Rajeev's expertise in financial astrology with Shashi's background in finance and technology, we aim to provide a unique and well-rounded perspective on the stock market.

Whether you're a seasoned investor or a beginner, "Introduction to Stock Market and ETFs" will equip you with the knowledge and skills you need to navigate the stock market with confidence. So, buckle up and get ready to embark on an exciting journey to financial freedom!

Introduction to the Stock Market

Delve into the heart of Wall Street and uncover the secrets of the stock market! Learn about the purpose of the stock market, the types of stocks you can invest in, and how to get started on your journey to financial freedom.

Definition and purpose of the stock market

The stock market refers to a marketplace where publicly traded company stocks are bought and sold between individuals and institutional investors. The purpose of the stock market is to provide a platform for companies to raise capital by selling ownership shares in the form of stocks, and for investors to buy and sell those stocks as a way to invest in the growth and success of those companies. The stock market also serves as a barometer for the overall health of the economy, as changes in stock prices reflect the market's perception of the value and future potential of the companies being traded.

Types of stocks and stock exchanges

Different types of stocks:

Common stock: This is the most common type of stock and gives the owner a vote in the company's decisions and a share of the company's profits through dividends.

Preferred stock: This type of stock pays a fixed dividend, but the holder does not have voting rights in the company's decisions.

Major Stock exchanges at Global Level:

New York Stock Exchange (NYSE): One of the largest stock exchanges in the world, located in New York City.

NASDAQ: A leading stock exchange that is known for its focus on technology and internet-based companies.

London Stock Exchange (LSE): The largest stock exchange in Europe, located in London.

Tokyo Stock Exchange (TSE): The largest stock exchange in Asia, located in Tokyo.

These are a few examples of major stock exchanges around the world. Many regional and smaller stock exchanges specialize in certain industries or geographic regions.

How to invest in the stock market

To invest in the stock market, you can follow these steps:

- Open a brokerage account: Choose an online brokerage firm that offers a platform for trading stocks and complete the necessary forms and paperwork to open an account.
- Determine your investment goals: Consider factors such as your risk tolerance, time horizon, and investment goals to determine the best strategy for your investments.
- Educate yourself: Read books, articles, and news about the stock market, and familiarize yourself with the different types of stocks and investment strategies.
- Develop a plan: Decide on the types of stocks you want to invest in and how much you want to invest. Consider creating a diversified portfolio of stocks from different industries and companies.
- Start investing: Once you have a plan, you can start investing in the stock market by placing buy orders through your brokerage account.
- Monitor your investments: Regularly review your portfolio and monitor the performance of your stocks. Consider making adjustments to your portfolio as needed based on market conditions and your investment goals.
- Seek professional advice: If you are unsure about your investment strategy, consider seeking advice from a financial advisor or professional.

It is important to remember that investing in the stock market involves risk, and past performance is no guarantee of future results. Always do your own research and consult a financial professional before making any investment decisions.

Understanding Derivatives

Derivatives are financial instruments that derive their value from an underlying asset, such as a stock, commodity, bond, or currency. They are used by investors and corporations to manage risk, speculate on market movements, and enhance investment returns.

There are several types of derivatives, including:

-Futures: A type of derivative contract that obligates the buyer to purchase an underlying asset at a predetermined price on a future date. Futures are commonly used to hedge against price fluctuations in commodities, such as agricultural products or energy.

-Options: A type of derivative that gives the buyer the right, but not the obligation, to purchase or sell an underlying asset at a predetermined price before a specified expiration date. There are two types of options: call options and put options.

-Swaps: A type of derivative that involves exchanging one financial obligation for another, typically to manage risk or improve investment returns. For example, a company might enter into an interest rate swap to exchange a variable rate for a fixed rate.

-Contracts for Difference (CFDs): A type of derivative that allows investors to speculate on the price movements of an underlying asset without actually owning the asset itself. CFDs are commonly used for speculative purposes and carry a high level of risk.

-When investing in derivatives, it is important to understand the underlying asset and the terms of the derivative contract, including the expiration date and the potential payout or loss. It is also important to be aware of the risks involved, such as the potential for a significant loss, as well as the fees and charges associated with the derivative.

-Overall, derivatives can be a valuable tool for managing risk and enhancing returns, but they should be used with caution and with a clear understanding of the potential benefits and risks involved. Before investing in derivatives, it is recommended to seek advice from a financial advisor or professional.

Benefits and risks associated with derivatives

Benefits:

- Hedging risk: The ability to manage and reduce exposure to risk, such as currency or commodity price fluctuations.
- Speculation: The opportunity to speculate on market movements and potentially generate higher returns.
- Leverage: The ability to use leverage to increase investment exposure and potential returns.
- Diversification: The opportunity to diversify a portfolio by investing in a range of underlying assets and markets.
- Liquidity: The ability to quickly buy and sell derivatives to take advantage of market movements.

Risks:

- Counterparty risk: The risk that the other party in the derivative contract will not fulfil their obligations.
- Market risk: The risk of loss due to changes in the underlying asset or market conditions.
- Leverage risk: The risk of incurring larger losses due to the use of leverage in derivative transactions.
- Complexity risk: The risk of misunderstanding the terms and mechanics of the derivative contract.
- Liquidity risk: The risk of difficulty in selling the derivative or finding a buyer for the derivative.

It is important to note that the risks and benefits of derivatives can vary depending on the type of derivative and the specific terms of the contract. Before investing in derivatives, it is recommended to seek advice from a financial advisor or professional, and to fully understand the potential risks and benefits involved.

ETFs (Exchange-Traded Funds)

Exchange-Traded Funds (ETFs) are investment vehicles that track the performance of a basket of assets, such as stocks, bonds, commodities, or currencies. ETFs are traded on stock exchanges, just like individual stocks, and offer investors a convenient way to diversify their portfolios and access a range of markets.

Benefits of ETFs for new investors in the US include:

- Diversification: ETFs can provide exposure to a broad range of assets, reducing the risk associated with investing in a single stock or market.
- Low cost: ETFs often have lower fees compared to actively managed mutual funds, making them a cost-effective investment option.
- Convenience: ETFs can be bought and sold through a brokerage account, just like individual stocks, providing a simple and convenient way to invest.
- Transparency: ETFs publish their holdings daily, making it easy for investors to understand the assets they are invested in.
- Liquidity: ETFs are traded on stock exchanges, providing high liquidity and the ability to buy and sell quickly and easily.

It is important to note that ETFs, like any investment, carry their own set of risks, such as market risk, currency risk, and liquidity risk. Before investing in ETFs, it is recommended to research and understand the specific ETF, the underlying assets, and the risks involved. Additionally, it is important to consult a financial advisor or professional to ensure that ETFs align with one's investment goals and risk tolerance.

Types of ETFs (equity, bond, commodity)

There are several types of ETFs, including:

- Equity ETFs: These ETFs invest in stocks of individual companies, providing exposure to a specific market sector, such as technology or healthcare.
- Bond ETFs: These ETFs invest in fixed income securities such as bonds, providing exposure to the bond market.
- Commodity ETFs: These ETFs invest in physical commodities, such as gold or oil, providing exposure to the commodity markets.
- Currency ETFs: These ETFs invest in foreign currencies, providing exposure to the foreign exchange market.
- Real Estate ETFs: These ETFs invest in real estate investment trusts (REITs), providing exposure to the real estate market.
- Inverse ETFs: These ETFs are designed to profit from market declines, by shorting the underlying assets or using derivatives.
- Leveraged ETFs: These ETFs use leverage to amplify returns, providing a higher level of risk and reward compared to traditional ETFs.
- Thematic ETFs: These ETFs invest in companies that are related to a specific theme or trend, such as renewable energy or e-commerce.

How to invest in ETFs

Investing in ETFs is a straightforward process and can be done in the following steps:

- Choose a brokerage: Open a brokerage account with a firm that offers ETF trading. Some popular online brokerages include Fidelity, TD Ameritrade, and E*TRADE.
- Research ETFs: Review information about the various ETFs available, including their underlying assets, fees, and past performance. This information is typically available on the ETF issuer's website or through a financial advisor.
- Decide on your investment strategy: Consider your investment goals, risk tolerance, and time horizon, and determine the type of ETFs that fit your investment strategy.
- Place an order: Once you have decided on an ETF, place a buy order through your brokerage account. You can choose to place a market order, which executes immediately at the current market price, or a limit order, which executes at a specific price.
- Monitor your investment: Regularly review the performance of your ETFs and make adjustments to your portfolio as needed to ensure it aligns with your investment goals.

It's important to keep in mind that investing in ETFs involves market risk, and the value of your investment may fluctuate. Before investing, it's also recommended to seek the advice of a financial advisor to determine if ETFs are appropriate for your specific investment needs.

Commonly Used ETFs & tickers

Here is a list of some commonly used ETFs with their tickers:

- S&P 500 ETF: SPY
- NASDAQ 100 ETF: QQQ
- Russell 2000 ETF: IWM
- Total Stock Market ETF: VTI
- International Equity ETF: EFA
- Emerging Markets ETF: EEM
- Bond ETF: AGG
- High Yield Bond ETF: HYG
- Gold ETF: GLD
- Real Estate ETF: VNQ

Here is a list of some commonly used commodity ETFs:

- Gold ETF: GLD
- Silver ETF: SLV
- Oil ETF: USO
- Natural Gas ETF: UNG
- Agricultural ETF: DBA
- Industrial Metals ETF: XME
- Energy ETF: XLE

Here is a list of some commonly used leveraged ETFs:

- ProShares Ultra S&P 500 ETF: SSO
- ProShares Ultra NASDAQ 100 ETF: QLD
- ProShares UltraPro S&P 500 ETF: UPRO
- ProShares UltraPro QQQ ETF: TQQQ
- Direxion Daily S&P 500 Bull 3x ETF: SPXL
- Direxion Daily Technology Bull 3x ETF: TECL
- Direxion Daily Small Cap Bull 3x ETF: TNA

Here is a list of some commonly used leveraged bear ETFs:

- ProShares Short S&P 500 ETF: SH
- ProShares Short QQQ ETF: PSQ
- ProShares UltraPro Short S&P 500 ETF: SPXU
- Direxion Daily S&P 500 Bear 3x ETF: SPXS
- Direxion Daily Technology Bear 3x ETF: TECS
- Direxion Daily Small Cap Bear 3x ETF: TZA

Please note that leveraged bear ETFs are designed for short-term traders and carry a higher level of risk compared to traditional ETFs. They are not suitable for all investors, and it's important to carefully consider your investment goals, risk tolerance, and time horizon before making any investment decisions.

Acknowledgments

Dear Readers,

We, Shashi Agarwal and Rajeev Agarwal are proud to present our book "Introduction to Stocks & ETFs". We have combined our expertise in finance and astrology to provide a unique perspective on investing in the stock market.

We would like to take this opportunity to express our gratitude to all those who have supported us during the creation of this book. We would like to thank our family and friends for their encouragement and support. Our special thanks go to our colleagues at Astro Dunia for their invaluable contributions.

We are also grateful to our editors and proofreaders for their professionalism and dedication. Their expert eye for detail has helped to make this book what it is today.

Finally, we would like to thank our readers for choosing this book. We hope that you find the information contained within its pages to be informative, engaging, and helpful.

With warm regards,

Shashi Agarwal & Rajeev Agarwal

Representing the firm Astro Dunia.

About Rajeev

As an astrologer with 27 years of experience, Rajeev Prakash Agarwal has spent countless hours studying the movements and alignments of celestial bodies and how they can impact human affairs. With a thorough understanding of astrological principles and techniques, he can provide insights and guidance to individuals seeking clarity and direction in their lives.

Whether you are looking for answers about your career, relationships, or personal growth, Rajeev can use the language of astrology to provide insight and understanding. By analyzing the positions and movements of the planets at the time of your birth, he can provide a unique perspective on your character, strengths, and challenges, and offer guidance on how to navigate life's ups and downs.

Through their years of experience and expertise, Rajeev has helped countless individuals find direction and purpose, and through Astro Dunia, he is ready to do the same for you. If you are seeking guidance and clarity, don't hesitate to reach out and schedule a consultation with him.

Rajeev Prakash has a reputation for accurately predicting significant market events, such as the sharp fall in January 2008 and the rise of bullion in 2011. In addition, he accurately forecasted the market fall in March 2020. His expertise is the result of extensive research and study in the field of astrology, including specializing in worldly astrology, astrology on the spot, the astrology of the financial market, and personal astrology. Rajeev is highly skilled and knowledgeable in the use of astrology to provide insight and guidance.

About Shashi

Shashi Agarwal is an experienced market timing expert with 12 years of experience in the field. He holds an MBA in Finance from NMIMS Mumbai and an engineering degree in

Computer Science. This unique combination of education and experience gives him a unique perspective on financial markets, as well as the ability to analyze market data using advanced computational tools and techniques. Throughout his career, he has demonstrated a deep understanding of financial markets, with a proven track record of success in his field. He helps clients to make informed investment decisions by identifying key market trends and making accurate predictions about the direction of the market. He is well-suited to work in the field of quantitative finance, where he develops and implements sophisticated algorithms and models to forecast market movements and identify profitable investment opportunities..

Visit www.rajeevprakash.com and www.astrodunia.com for details.

CALL: +91-9669919000

E-MAIL: astrodunia@gmail.com