

Shraddha & Bata India

Meet Shraddha an eighteen year old stock market enthusiast. One day her friend Manu introduce her to ELLIOT WAVE THEORY.... Shraddha's enthusiasm burst and she wanted to know more about it and thus Manu started telling her about all the rules and principles of an entry level Elliotition (informally) i.e. :-

- 2nd wave must not cross or touch the origin of 1st wave
- 3rd should be the largest if not then greater than 1st wave
- 4th wave should not violate the 1st wave high
- After 5th wave a-b-c should be verified



In early 2017 Shraddha received its first salary of Rs.10,000/- She then invested it in Bata India share valued at Rs.500/- Shraddha was eagerly waiting for the C which she identified in December 2016 as taught by Manu. She bought 20 Shares of the same.

Wanted to know what she hold now ? She holds 20 shares at 1300 with a profit of 800 pts and Rs.16000/-

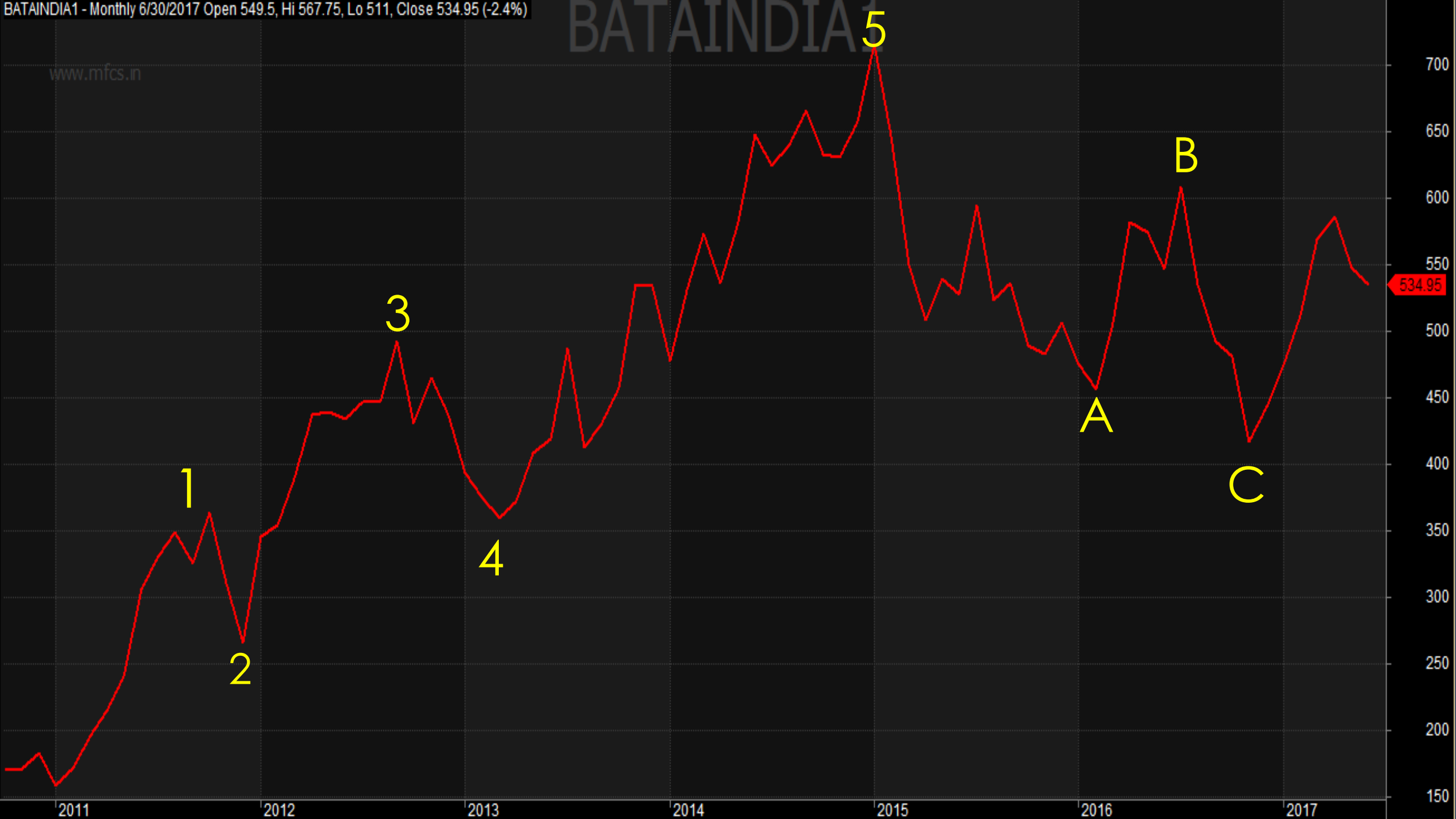
Lets analyse What favoured Shraddha ?

- The first wave was from Rs. 160 to Rs. 362
- The second wave corrected the first wave till Rs. 267
- Then the third wave took off the price to Rs. 492
- Afterwards a fourth wave corrected the third wave till Rs. 360, which touched the high of the first wave but quickly took off to Rs. 487
- Then an extended fifth wave matured the bull run at Rs. 715. Which indeed ends the motive waves
- After the fifth wave stock immediately retraced and breach the 61.8% of the fifth wave
- Bata India then took a pull back to Rs. 607 but continue to give new low at Rs. 417 (Confirmed B) and reaches at more than 50% of the whole move from 1st to 5th wave (Confirmed C).
- Afterwards it began a new bull move which never even touched the level of the C.



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So is it the time for Shraddha to sell her investments ?

On a larger time frame shraddha is under an Impulse 3rd wave. Which does not mean the end of a bull run but to be cautious for a corrective 4th wave which will not breach Rs. 700 price level in the worst case scenario and then comes the climax, the 5th wave which will mature the bull run. So it is completely on Shraddha whether to let her profit until the 5th wave or to withdraw and enjoy the profit earned in 3yrs that is 60% of the total amount invested.



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Thank You

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