

STOCKTALE.

Story of Bulls, Bears & Me

The eternal laws of the market — told so plainly
that anyone can learn to read it, and stand on
their own.

BY

Sagar U.S.

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STOCKTALE — Story of Bulls, Bears & Me. First edition.

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The mathematical and timeless principles described in this book are drawn from history and from the wisdom of the ancient Rishis; nothing in it is claimed as personal invention.

Financial education only. Not investment advice. Sagar U.S. is not a SEBI-registered investment adviser or research analyst. This book names no individual stock to buy or sell, gives no trading signal, and makes no prediction or promise of returns. It teaches indices, macro forces, and timeless principles — so that the reader learns to think for themselves. Markets carry risk; the responsibility for every decision rests with the reader alone.

*For everyone who was told the market
was a place to gamble —
and refused to believe it.*

*“Always take care of your
loss.
Profit will take care of
itself.”*

THE FIRST DISCIPLINE

FOREWORD

Why I Wrote This

I lost money before I ever made it. Not a little — enough to teach me that the market does not care how clever I think I am. That is where this book begins: not with a winning trade, but with a humbling one.

For eighteen years I have watched the same story repeat. The news shouts. The crowd reacts. Prices jump and fall. And a small number of quiet people simply read what is in front of them — and act, or wait, while everyone else is panicking. They were not luckier than the rest. They had only learned to read.

This book is not a list of tips. It names no stock. It promises no return. If you came for a hot pick, close it now and ask for your money back. What it offers is older and far more valuable: the eternal grammar of the market — the same patterns that moved it in 1875, in 1991, in 2008, and that will move it again tomorrow. Sixty-four laws, told as plainly as I can tell them, so that a person who has never bought a single share can understand every one.

I did not invent these laws. The mathematics belongs to the ancient Rishis; the patterns belong to history; the discipline belongs to anyone willing to practise it. I have only gathered them, in the language I wish someone had used with me when I began.

Read one law a day, or read it straight through. But read it slowly. The goal is not to finish the book. The goal is for the book to make itself unnecessary — for you to close it one day and read the market with your own eyes. That day,

you will not need me, and you will not need anyone. That is the whole point.

— *Sagar U.S., Bengaluru*

THE COMPLETE MAP

Every Concept You Will Learn

This is the whole field, on one map. By the last page, every one of these 64 concepts will be yours — the complete machine of the market, nothing hidden, nothing missing. Read them now as a promise; meet them again at the end as proof.

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B O O K I

START HERE

What this place even is

7 LAWS

LAW 1.1

THE SHARE*The Share*

You're not buying a number on a screen. You're buying a piece of a real business.

WHAT IT IS

Most people think buying a share is like placing a bet — pick a name, hope the number climbs. It isn't. When you buy one share, you become a part-owner of an actual company: its factories, its brand, its customers, its profits. A small piece, but a real one. India has nearly 2,000 companies you can own a slice of, and the list never sits still — new ones rise, tired ones fall away. An owner is paid two ways: the business grows and others will pay more for your slice (capital appreciation), or the company earns a profit and hands some back (a dividend). The slice can shrink too — that risk is the price of being an owner instead of a lender.

WHAT MOVES IT

- ↑ a growing economy and rising company profits
- ↑ money flowing into the country
- ↑ steady confidence in the business
- ↓ high inflation and rising interest rates
- ↓ big money pulling out

↓ fear about the company or the economy

WHAT THE PROS KNOW

A share is two things at once — a business that changes slowly, and a price that flickers every second. Amateurs stare at the price and forget they own a business at all. The people who quietly build wealth do the opposite: they own good businesses and let the price scream into the void.

IT HAS HAPPENED BEFORE

Infosys came to the market in 1993 and almost no one wanted it — the offer nearly failed for lack of buyers. A tiny holding left untouched, as the business grew over the years, turned into a fortune. The crowd saw a dull number. A few saw a business. Only one of them was still holding when it mattered.

NOW YOU THINK FOR YOURSELF

So when an app flashes a price and tells you a company is ‘good’ or ‘bad,’ you ask the older, quieter question it always skips: is the business behind this any good?

A share isn't a ticket you scratch. It's a shop you own.

CONNECTS TO The Price Tag · The Two Seats (Shares vs Bonds)

LAW 1.2

THE MARKET***The Market***

The market doesn't tell you what something is worth. It tells you how the crowd feels today.

WHAT IT IS

A market is just a meeting place where buyers and sellers agree on a price — a vegetable bazaar, except the goods are shares and the haggling happens through computers in under a second. India's two big halls are the NSE and the BSE. When prices are broadly rising and optimism rules, we call it a bull market (the bull tosses its horns upward). When they're falling and fear rules, a bear market (the bear swipes down). Here's the secret the word 'market' hides: it has no wisdom of its own. It doesn't know what anything is worth. It is a mirror — and all it reflects is the mood of the crowd standing in front of it that day.

WHAT MOVES IT

- ↑ good news and optimism
- ↑ falling interest rates
- ↑ money pouring in
- ↑ plain greed

- ↓ bad news and worry
- ↓ rising interest rates
- ↓ money fleeing to safety
- ↓ fear

WHAT THE PROS KNOW

Beginners think the market is a wise judge handing out correct prices. Experienced hands know it is a crowd with a mood — and a crowd is most wrong exactly when it is most certain. The calm money waits for the crowd's mood to swing too far, then quietly does the opposite.

IT HAS HAPPENED BEFORE

In March 2020, as COVID fear spread, India's market fell nearly 40% in a few weeks. The companies hadn't changed in a month — same factories, same brands. Only the mood had collapsed. Within two years the market had more than recovered. Fear marked everything down; hope marked it back up. Nothing real had moved — only the crowd.

NOW YOU THINK FOR YOURSELF

So when the news says 'the market decided' something, you smile, because you know the truth: the market decided nothing. A crowd had a feeling. You ask the question they don't — is this the real worth, or just today's mood?

***The market is a mirror, not a judge.
Don't mistake its mood for the truth.***

CONNECTS TO The Share · The Index · How a Price Is Born

LAW 1.3

THE INDEX***The Index – Nifty & Sensex***

***The scoreboard was built so
that only the strongest stay on
it.***

WHAT IT IS

You can't watch 2,000 companies at once, so the market keeps a scoreboard — an index. The Nifty 50 (on the NSE) adds up the 50 biggest companies; the Sensex (on the BSE) does it for 30. One glance tells you whether the market had a good day or a bad one. You can't 'buy the Nifty' — it is only the number that measures the mood. There are many indices: by size (large-cap, mid-cap, small-cap; Nifty 100, 200, 500) and by sector (Bank, IT, Auto, Pharma, FMCG). The key thing few notice: not all companies count equally — the biggest carry the highest weightage, and the top 10 alone are nearly half the Nifty.

WHAT MOVES IT

- ↑ its big heavyweight companies rising
- ↑ strong profits and a growing economy
- ↑ money flowing in
- ↑ calm or greedy mood
- ↓ its heavyweights falling
- ↓ rising inflation and interest rates

- ↓ money leaving the country
- ↓ fear, war, or an oil shock

WHAT THE PROS KNOW

Because a few giants carry the index, ‘the market is up’ can hide a weak market underneath — a handful of big names rising while hundreds of smaller ones fall. Seasoned readers check the breadth (how many stocks actually rose) before they trust the headline number.

IT HAS HAPPENED BEFORE

When the Sensex began in 1986 it held 30 companies. Today only about 11 of those original 30 survive in it. The giants of that era were quietly dropped as they weakened, and new leaders took their place. The scoreboard you see climbing for 40 years isn’t the same 30 winning — it’s a relay race where the tiring runners are swapped out and only the strong keep running.

NOW YOU THINK FOR YOURSELF

So when the news shouts ‘the market is up,’ you ask what it skips — up for whom? The chosen 50, or the 2,000 behind them?

The index only ever shows you the survivors.

CONNECTS TO The Market · World Indices · Diversification

LAW 1.4

PRICE vs VALUE***Price vs Value***

Price is what you pay. Value is what you get. They are rarely equal.

WHAT IT IS

Every share holds two numbers. The price is what the screen shouts right now — loud, jumpy, changing every second. The value is what the business is actually worth — quiet, slow, hard to see. A beginner thinks they're the same thing. They almost never are. The whole craft of investing is learning to tell the two apart: to notice when a loud price has floated far above a quiet value, or sunk far below it.

WHAT MOVES IT

- ↑ (price) cheap money, low rates, and a greedy crowd push price far above value
- ↑ (value) genuine growth in the business slowly lifts what it's truly worth
- ↓ (price) fear, high rates, or a global shock crush price far below value
- ↓ (value) a business that's genuinely weakening slowly lowers its real worth

WHAT THE PROS KNOW

Amateurs react to price; the wealthy weigh value and treat price as noise — sometimes a gift, sometimes a trap, never the truth. The single most valuable habit in markets is asking ‘what is it worth?’ before ‘what is the price?’

IT HAS HAPPENED BEFORE

In the dot-com mania around the year 2000, investors paid astonishing prices for internet companies that earned almost nothing — price had floated miles above value. When reality returned, the US tech index (the Nasdaq) fell about 78%, and many of those companies vanished entirely. The businesses were always nearly worthless; only the price had been a fantasy.

NOW YOU THINK FOR YOURSELF

So when a price excites or frightens you, you pause and ask the second question — yes, but what is it worth? The crowd trades the price. You learn to weigh the value.

***Pay attention to the price. But fall in
love only with the value.***

CONNECTS TO The Share · Valuation · When Markets Stay Down

LAW 1.5

INFLATION

Inflation

Money left still does not stay still. It quietly shrinks.

WHAT IT IS

Inflation is the slow rise in the price of everything — which means the slow fall in what your money can buy. The ₹100 in your pocket today will buy less next year, and far less in ten. Nobody picks the lock. The thief works quietly, every single day, while the money simply sits. This is the one force that touches every person in the country, whether they invest or not.

WHAT MOVES IT

↑ (inflation rises) costly oil, a weak rupee, too much money chasing too few goods, bad harvests

↓ (inflation cools) the RBI raising interest rates, cheaper oil, a steadier rupee, good supply

WHAT THE PROS KNOW

Inflation is the hinge the whole machine turns on. When it rises, the RBI raises interest rates to cool it — borrowing turns dear, the economy slows, shares dip, while bonds and FDs pay more, the rupee weakens, and gold rises. One number quietly pulls rates, shares, bonds, gold, and the rupee all at once. The wealthy

never measure their money in rupees alone — they measure it against the thief.

IT HAS HAPPENED BEFORE

A cup of tea that cost a few paise in the 1970s costs ₹10-20 today. A house, a kilo of rice, a litre of petrol — all many times their old price. Nothing about the tea changed. The money shrank. That same quiet erosion is happening to every idle rupee right now, as it always has, in every country.

NOW YOU THINK FOR YOURSELF

So when someone says ‘keep it all safe in cash,’ you know cash isn’t fully safe — it’s quietly bleeding to the thief. You ask: is my money growing faster than prices are rising? If not, I’m going backwards while standing still.

Idle money is not resting. It is leaking.

CONNECTS TO Interest Rates · Compounding · Gold

LAW 1.6

COMPOUNDING

Compounding

Put in ₹18 lakh. Walk away with ₹1.75 crore. You didn't build that — time did.

START WITH THIS NUMBER

Set aside ₹5,000 a month. Let it grow about 12% a year. Then do the hardest thing in finance: nothing, for 30 years.

**You put in ₹18 lakh.
You walk away with about ₹1.75 crore.**

That extra ₹1.57 crore wasn't your money or your cleverness. It was time.

WHAT IT IS

That is compounding: money earns growth — then that growth earns its own growth — then that earns more. Money quietly having children, then grandchildren, then great-grandchildren. It is the engine under every mutual fund and every SIP. Here's the part that fools almost everyone: for years it looks like nothing is happening. The magic is all stored at the end. The line crawls, crawls,

crawls — then erupts. Most people quit during the crawl, just before the eruption.

WHAT MOVES IT

- ↑ time
- ↑ consistency
- ↑ starting early
- ↑ leaving it completely untouched
- ↓ stopping the habit
- ↓ pulling money out early
- ↓ chasing something 'faster' and breaking the chain

WHAT THE PROS KNOW

The richest investors aren't the cleverest — they're the most patient. The brutal math: start the same plan just ten years late, and you end with about ₹50 lakh, not ₹1.75 crore. One lazy decade quietly costs over a crore — not from any mistake, only from starting late.

IT HAS HAPPENED BEFORE

Warren Buffett is one of the richest people alive — and he built roughly 99% of that wealth after he turned 50. He wasn't a better investor at 80 than at 40. He'd simply been compounding for over 50 uninterrupted years. The secret was never a magic trade. It was time he refused to interrupt.

NOW YOU THINK FOR YOURSELF

So when something promises 'big and fast,' remember which one of you it's built for. Fast is how beginners get

separated from their money. Slow — boring, patient, untouched — is how money is actually built.

***The expensive part of compounding is
the waiting you skip.***

CONNECTS TO Inflation · Mutual Funds & the SIP · Patience

LAW 1.7

THE LIFE CYCLE***Everything Is Born, Grows, and Fades***

A stock, a company, a whole market — all of them age, just like a life.

WHAT IT IS

Look at anything around you. A new phone launches, everyone wants it, it peaks, a newer one replaces it. A child becomes a youth, an adult, then grows old. Nothing stays at one stage forever — and the market is no different. A company is born (its first sale of shares, its early struggle), it grows (profits rising, excitement building), it matures (steady, fully grown), and sometimes it declines (a newer rival, a changed world). Whole sectors breathe the same way — once it was textiles, then software, then something new. Even the entire market moves in long seasons of spring and winter.

WHAT MOVES IT

↑ (things rise in) their birth and growth stages — young, expanding, full of room ahead

↓ (things fade in) their decline stage — old, overtaken, living on yesterday's strength

WHAT THE PROS KNOW

Beginners get fooled by the stage — they rush in at the loud, exciting peak (the top of the life), certain it will rise forever, and flee at the cold bottom, certain it's dead, just before spring. The experienced always ask: where in its life is this thing standing right now?

IT HAS HAPPENED BEFORE

Once, the most valuable companies on earth were oil giants and steelmakers. A generation later, technology companies took those top seats. The old giants didn't fail overnight — they simply aged, while younger companies were born and grew. The list of 'biggest companies' in 1995, 2010, and today is almost entirely different names. The seats stayed; the occupants aged out.

NOW YOU THINK FOR YOURSELF

So when something is loud, exciting, and 'can only go up,' you ask the calming question: is this birth, growth, or an old age dressed up as youth? Nothing rises forever; nothing dies forever; everything is somewhere on the wheel.

Every winner is young once, and old once. Know which you're holding.

CONNECTS TO Market Cycles · The Index · Valuation

B O O K I I

THE ARENA

*How to stand in the market — and
survive*

9 LAWS

LAW 2.1

THE TWO BAZAARS***The Exchanges – NSE & BSE***

India has two great marketplaces – one old, one fast – but for you, one market.

WHAT IT IS

There are two main stock exchanges in India: the BSE (Bombay Stock Exchange), founded in 1875 and the oldest in Asia, and the NSE (National Stock Exchange), founded in 1992 and now the larger, faster one. An exchange is simply the official, regulated hall where buyers and sellers meet. A company can be listed on one or both. The same share trades on both at almost the same price, because if it were cheaper on one, buyers would instantly rush there until the prices matched.

WHAT MOVES IT

- ↑ more buyers than sellers for a share
- ↑ good news, results, or upgrades
- ↑ money flowing into the whole market
- ↓ more sellers than buyers
- ↓ bad news or weak results
- ↓ money leaving the market

WHAT THE PROS KNOW

Beginners worry about which exchange to use — it barely matters; the price is near-identical and the rules protect you on both. What matters is that both are regulated halls, not back-alley deals. The danger is never the exchange. It is what you choose to buy inside it.

IT HAS HAPPENED BEFORE

Before 1992, Indian trading happened on paper, in chaotic open-outcry rooms where small investors were routinely cheated on price. The NSE arrived with electronic screens that showed everyone the same price at the same instant. Overnight, a game rigged for insiders became a level field. The hall changed; the act of a buyer meeting a seller did not.

NOW YOU THINK FOR YOURSELF

So you don't fret over NSE versus BSE. You ask the only question that matters: is what I'm buying inside this hall actually any good?

The hall is safe and fair. Whether you are, depends on what you buy in it.

CONNECTS TO The Market · SEBI — The Regulator · Demat, Broker & Settlement

LAW 2.2

READING THE SCREEN

The Market Quote

The live screen looks like a mystery. It's really just five simple things, repeated.

WHAT IT IS

Open any stock's live page and it looks like a cockpit. It isn't. The numbers that matter are few: the last traded price (what it just sold for), the day's high and low, the previous close (yesterday's final price — your reference point), the volume (how many shares changed hands), and the bid and ask (the highest price a buyer will pay, the lowest a seller will take). Learn those five and the cockpit becomes a dashboard.

WHAT MOVES IT

- ↑ (price) more eager buyers than sellers right now
- ↑ strong volume backing a rise
- ↓ (price) more eager sellers than buyers right now
- ↓ a rise on weak, thin volume — often a warning

WHAT THE PROS KNOW

Beginners watch only the price flashing green or red. Experienced eyes watch the volume beside it — because price tells you what happened, but volume

tells you whether anyone serious was behind it. A green number on an empty street means little.

IT HAS HAPPENED BEFORE

In countless small-company rallies, the price has shot up on a near-empty screen — a handful of trades making it look exciting — only to collapse when real selling appeared. The flashing number was real. The crowd behind it was not. The screen has always been able to look busy while being empty.

NOW YOU THINK FOR YOURSELF

So when a price excites you, you don't just read the colour. You ask: how many people are actually here? A move with no crowd behind it is a stage set, not a market.

The price is the headline. The volume is whether anyone read it.

CONNECTS TO Volume · Gainers, Losers & Volume · How a Price Is Born

LAW 2.3

THE FOOTPRINTS

Gainers, Losers & Most-Active

***The day's top lists show you
where the crowd ran — not
where you should go.***

WHAT IT IS

Every day the market shows three lists: top gainers (biggest risers), top losers (biggest fallers), and most-active (most heavily traded). They are footprints in sand — a record of where the herd has already been. Beginners read them as a shopping list. They are the opposite: by the time something is the day's top gainer, the easy move is usually already over.

WHAT MOVES IT

- ↑ (a stock on the gainers list) it already ran — often on news everyone now knows
- ↑ late buyers chasing the excitement
- ↓ (after a big one-day jump) the early buyers selling to the latecomers
- ↓ the news wearing off

WHAT THE PROS KNOW

The crowd buys what's on the gainers list because it's already moving — which is exactly why they so often

buy the top. The experienced do the unglamorous work of asking why something moved, not just that it did. A footprint tells you where someone went, never where you should.

IT HAS HAPPENED BEFORE

In every bull-market frenzy, the day's hottest gainers drew waves of latecomers — and many of those names later fell hardest when the excitement faded. The 2017-18 small-company boom in India was full of stocks that topped the gainers lists, then lost most of their value. The footprints led the crowd straight off a cliff.

NOW YOU THINK FOR YOURSELF

So when you see a name topping the gainers list, you don't chase it. You ask: why did it move, who's left to buy, and am I early or am I the latecomer being sold to?

Footprints show where the crowd has been — never where you should go.

CONNECTS TO Smart Money vs the Crowd · Positioning · Pump & Dump

LAW 2.4

THE PLUMBING

Demat, Broker & Settlement

***Behind one tap on your screen
runs a quiet, safe set of pipes.
Here's how to open them.***

WHAT IT IS

To buy even one share, you need three things. A demat account — a digital locker where your shares are stored safely in your name (held by depositories called NSDL and CDSL). A broker — the licensed middleman (an app or firm) who places your order on the exchange. And KYC — a one-time identity check (PAN, Aadhaar) the law requires. Tap 'buy,' and behind it the broker sends your order, the exchange matches it, and in a day or two the share lands in your demat locker and the money leaves your account. This is settlement.

WHAT MOVES IT

↑ (this isn't a price — it's the door) you can't own a single share until these three are set up

↓ (the trap) flashy 'zero-cost' apps that quietly push you to over-trade, where the real cost hides

WHAT THE PROS KNOW

The pros know the plumbing is boring and safe — your shares sit in your name, protected, even if the broker shuts down. The real danger isn't the pipes; it's a broker app designed like a game to make you trade constantly, because every trade earns them and costs you.

IT HAS HAPPENED BEFORE

For decades, Indians held shares as paper certificates — they could be lost, forged, or stolen, and transfers took weeks. The shift to electronic demat accounts in the late 1990s ended all of that. A system once full of theft and delay became safe and instant. The locker changed; what you put in it still has to be worth keeping.

NOW YOU THINK FOR YOURSELF

So before you ever buy, you open the door properly — demat, broker, KYC — and you choose a broker that helps you invest calmly, not one built to make you tap 'buy' all day.

***The pipes are safe and simple. Just don't
let the tap become a game.***

CONNECTS TO The Exchanges · The IPO · What the Market Takes

LAW 2.5

THE SHOP'S HEALTH

Reading a Company

A company's accounts are just a household's story: what it owns, what it owes, what it keeps.

WHAT IT IS

You don't need to be an accountant to read a company. Three plain questions answer most of it. What does it earn and keep? (revenue and profit — is it actually making money?) What does it owe? (debt — too much, and a bad year can sink it). And is it growing? (are sales and profit rising year after year?). A good shop earns steadily, owes little it can't handle, and grows. A weak one hides thin profits behind a loud story.

WHAT MOVES IT

- ↑ rising sales and profits
- ↑ low or well-managed debt
- ↑ a real, lasting advantage over rivals
- ↓ falling profits or constant losses
- ↓ heavy debt it struggles to repay
- ↓ growth that exists only in the press release

WHAT THE PROS KNOW

Beginners buy a company because the price is rising or the story is exciting. The experienced read the shop's health first, because a great story on weak books is the most expensive thing in markets. Profit you can count beats a promise you can only hope for.

IT HAS HAPPENED BEFORE

Many celebrated companies have collapsed not from bad luck but from debt they could never repay — their glossy growth was borrowed, not earned. When the loans came due, the story ended overnight. The shops that survived every storm were almost always the ones that owed little and earned real cash.

NOW YOU THINK FOR YOURSELF

So before a company's rising price tempts you, you read its simple health: does it earn, does it owe too much, is it truly growing? The price is the rumour. The accounts are the truth.

A loud story fades. Honest books are still there in the morning.

CONNECTS TO Price vs Value · Accounting Fraud · The Narrative Trap

LAW 2.6

THE WHISTLE

SEBI — The Regulator

***The market has a referee whose
only job is to catch cheaters.
That's why you can sleep.***

WHAT IT IS

SEBI — the Securities and Exchange Board of India — is the market's referee, created in 1992. It writes the rules, watches for fraud, punishes cheats, and protects ordinary investors. It is why your shares are safe in your demat account, why companies must tell the truth in their accounts, and why a broker can't simply vanish with your money. The referee doesn't make you win. It makes the game fair enough to play.

WHAT MOVES IT

↑ (your safety) a strong, active regulator catching fraud builds trust — and trust brings money in

↓ (your risk) anything outside SEBI's rules — unregulated tips, foreign crypto schemes, 'guaranteed' plans — has no referee at all

WHAT THE PROS KNOW

The experienced know exactly where the referee's whistle reaches — and they never step outside it. The

most dangerous products are precisely the ones that operate where SEBI cannot protect you, sold with the line ‘the regulator just doesn’t understand it yet.’

IT HAS HAPPENED BEFORE

After the 1992 securities scam, where a single operator manipulated the entire market using bank loopholes, India strengthened SEBI into a real watchdog. Investor protection that didn’t exist before was built from that disaster. The cheat exposed the hole; the referee was created to close it. Every scam since has tested the same whistle.

NOW YOU THINK FOR YOURSELF

So before any ‘opportunity,’ you ask the quiet question: is this inside the referee’s view, or out in the dark where no whistle can reach me?

Stay where the referee can see you. The dark has no rules.

CONNECTS TO The Exchanges · Guaranteed Returns & Hot Tips ·
The Ponzi Scheme

LAW 2.7

THE ONE BASKET

Diversification

Don't carry all your eggs in one basket. But forty baskets isn't safety either.

WHAT IT IS

Diversification means spreading your money so no single failure can ruin you — across companies, across sectors, even across types of asset (shares, bonds, gold). If one falls, the others hold. But there's a trap on the other side: spread across forty things you don't understand, and you don't have safety — you have a mess you can't watch. Real safety is a handful of things you understand, that don't all sink together.

WHAT MOVES IT

- ↑ (your safety) holding things that move differently — when shares fall, gold or bonds may hold
- ↓ (false safety) owning so many things you understand none
- ↓ owning forty stocks that all crash together in the same storm

WHAT THE PROS KNOW

Beginners think more names equals more safety. The experienced know true diversification is about owning things that don't fall for the same reason — not just owning many things. Thirty stocks in one industry is one bet wearing thirty masks.

IT HAS HAPPENED BEFORE

In the 2008 crash, investors who thought they were 'diversified' across many stocks were wiped out anyway — because they owned many stocks of the same kind, all tied to the same collapsing system. The ones who held genuinely different things — some gold, some bonds — came through far better. Many baskets meant nothing when all the baskets sat on one shelf.

NOW YOU THINK FOR YOURSELF

So you don't count how many things you own. You ask: would they all fall for the same reason? True safety is a few things you understand that don't sink together.

***Safety isn't many baskets. It's baskets
that don't fall together.***

CONNECTS TO Shares vs Bonds · Gold · Correlation — All Markets
Connect

LAW 2.8

THE BIRTH

The IPO – Where Shares Are Born

An IPO is a company's first sale of shares – and it's priced for the seller, not for you.

WHAT IT IS

An IPO (Initial Public Offering) is the moment a private company first sells its shares to the public and lists on the exchange. This is the primary market — the company raising money directly from investors. Afterwards, those shares trade between investors every day on the exchange — the secondary market, where almost all your buying and selling happens. The IPO is the birth; the daily market is the life. The crucial thing to understand: at an IPO, the company and its early owners are the sellers — and sellers choose the moment and price that's best for them, not for you.

WHAT MOVES IT

↑ (an IPO tempts when) markets are hot, the story is exciting, and 'listing gains' are hyped

↓ (an IPO disappoints when) it was priced at the peak for the seller's benefit, and fades after the buzz

WHAT THE PROS KNOW

The experienced remember a simple truth: companies tend to go public when conditions are best for the seller — high prices, eager crowds, exciting stories. That's the opposite of when a buyer gets a bargain. They treat 'listing gains' as a lottery, not a strategy, and judge the business, not the buzz.

IT HAS HAPPENED BEFORE

Many of India's most hyped IPOs — launched amid huge excitement and promises of quick 'listing gains' — jumped on day one, then fell well below their offer price in the months after, leaving the latecomers with losses. Meanwhile a quiet, ignored 1993 IPO that almost failed — Infosys — rewarded the patient enormously. The buzz and the reward rarely sit together.

NOW YOU THINK FOR YOURSELF

So when an exciting IPO arrives with promises of quick gains, you ask the seller's question: why are they selling now, at this price — and is this birth a bargain for me, or a perfect exit for them?

At an IPO, you're the buyer — and the people who know it best are selling.

CONNECTS TO The Share · Demat, Broker & Settlement · Smart Money vs the Crowd

LAW 2.9

THE QUIET TOLL

What the Market Takes – Charges & Tax

Your profit isn't selling price minus buying price. The market quietly takes its cut.

WHAT IT IS

Every beginner thinks profit = sold for more than I paid. Not quite. Each trade carries small charges — brokerage (the broker's fee), STT (a government tax on the trade), exchange fees, and GST on top. And on your gains, you owe capital-gains tax: lower if you held a long time, higher if you bought and sold quickly. None of these is huge on a single trade — but they add up viciously the more you trade. The market and the taxman take a quiet toll on every move you make.

WHAT MOVES IT

↑ (your real return rises when) you trade rarely, hold longer, and let charges and taxes stay small
↓ (your real return falls when) you trade constantly — every trade pays a toll, and quick gains are taxed more

WHAT THE PROS KNOW

The experienced know the quiet toll is the hidden enemy of the frequent trader. A person who trades every day can hand over a shocking slice of their money in charges and taxes alone — losing to the toll-collector even before the market has its say. Trading less isn't just calmer; it's cheaper.

IT HAS HAPPENED BEFORE

Studies of active traders repeatedly find that even those who picked decent stocks ended up behind — because the endless charges and short-term taxes on constant trading quietly ate their gains. The market gave them a profit; the toll on over-trading took it back. The busiest hands often kept the least.

NOW YOU THINK FOR YOURSELF

So before you trade often, you count the quiet toll: every trade pays charges, and quick profits are taxed harder. You ask — is this move worth the cut the market and the taxman will take?

The market gives you the gain. The quiet toll decides how much you keep.

CONNECTS TO Demat, Broker & Settlement · Government, Budget & Tax · Patience

B O O K I I I



**THE
INSTRUMENTS**

The levers that never change

6 L A W S

LAW 3.1

THE TWO SEATS***Shares vs Bonds***

An owner is paid last and eats most. A lender is paid first and sleeps best.

WHAT IT IS

There are two ways to put money into a business. Be an owner — buy a share. If it booms you eat the biggest meal; if it fails you're paid last, sometimes nothing. Or be a lender — buy a bond (and in India, a bank fixed deposit (FD) and government bonds are the same idea): you lend money for a fixed period and are promised fixed interest. The owner's seat offers more, with more risk. The lender's seat offers less, with more safety. Neither is 'better' — they suit different needs and different years.

WHAT MOVES IT

↑ (owner/shares) the business grows — your reward can be large

↑ (lender/bonds) rising interest rates mean new bonds and FDs pay more

↓ (owner/shares) the business sinks — you can lose much of it

↓ (lender/bonds) inflation higher than your fixed rate quietly eats your real gain

WHAT THE PROS KNOW

Beginners think ‘safe’ means the FD and ‘risky’ means shares — always. The experienced know the masks swap with time: over one year the share is riskier, but over twenty years, sitting only in the lender’s seat while inflation gnaws can quietly be the bigger risk to your future.

IT HAS HAPPENED BEFORE

Through India’s long boom from 2003 to 2008, owners made the fortunes and the headlines. In the 2008 bust, lenders got their money back first while owners waited out in the cold. The same two seats, paying off in opposite years. The market has always paid the owner more for carrying more fear.

NOW YOU THINK FOR YOURSELF

So you don’t ask ‘which is better.’ You ask: how long is this money for, and do I need safety or growth? Then you choose the seat to fit the need — not the slogan.

***There’s no safe seat and risky seat —
only the right seat for your time.***

CONNECTS TO The Share · Interest Rates · Cash

LAW 3.2

THE SAFE CORNER

Cash & the Emergency Fund

Cash earns little — but it's the corner you run to when everything else is burning.

WHAT IT IS

Cash (money in your bank or hand) earns almost nothing and slowly loses to inflation. So why hold it? Because cash is the one thing that gains power exactly when everything else falls apart. It pays your bills when income stops, it stops you being forced to sell good investments in a panic, and it lets you buy when everyone else is terrified. Every investor needs an emergency fund — a few months' expenses in cash — before they invest a rupee in anything risky.

WHAT MOVES IT

- ↑ (cash's power) a market crash — suddenly your cash can buy cheap what others are dumping
- ↑ a personal emergency — it carries you without selling anything
- ↓ (cash's value) calm, rising years — inflation quietly eats idle cash while other assets grow

WHAT THE PROS KNOW

Beginners feel cash is ‘doing nothing’ and rush to invest all of it. The experienced keep a cushion always — because the investor with cash in a crash is a king, and the one fully invested and out of cash is a forced seller at the worst possible moment.

IT HAS HAPPENED BEFORE

In every crash — 2008, March 2020 — the people who had kept some cash were able to buy great businesses at panic prices, while those fully invested could only watch, or worse, sell in fear to raise money. The cash that looked lazy for years became priceless in a single month.

NOW YOU THINK FOR YOURSELF

So you never see cash as wasted. You ask: do I have a cushion that lets me sleep, pay emergencies, and buy when others panic? Cash is not idle. It is loaded patience.

Cash earns the least — until the day it's worth the most.

CONNECTS TO Shares vs Bonds · Permanent vs Temporary Loss · Market Cycles

LAW 3.3

THE DRIP***Mutual Funds & the SIP***

A steady drip fills the pot more surely than waiting for one big rain.

WHAT IT IS

A mutual fund pools money from thousands of people and a manager invests it across many companies at once — so a beginner gets instant diversification without picking stocks. The SIP (Systematic Investment Plan) is the habit attached to it: you invest a fixed amount every month, automatically. The genius is what happens in a fall — your fixed money buys more units when prices are low, fewer when high. You end up buying more cheaply, on average, without ever trying to time the market.

WHAT MOVES IT

- ↑ (your units' value) the market rising over the long run
- ↑ steady monthly investing through every mood
- ↓ (short-term value) market falls — but for a SIP this is a gift, buying more units cheap
- ↓ stopping the SIP in fear, exactly when prices are low

WHAT THE PROS KNOW

Beginners stop their SIP when the market falls — the worst possible move. The experienced know a crash is when the SIP does its best work, quietly buying more for less. The drip only fails if you turn off the tap during the dry spell.

IT HAS HAPPENED BEFORE

Investors who simply kept a monthly SIP running through the 2008 crash and the 2020 crash — buying steadily while others panicked — came out far ahead of those who tried to jump in and out at the ‘right’ time. The boring drip beat the clever timing, again and again.

NOW YOU THINK FOR YOURSELF

So when the market falls and fear says ‘stop,’ you remember the drip buys best in the rain. You ask: am I investing for years, or reacting to this month?

The drip wins not by being clever, but by never stopping.

CONNECTS TO Compounding · Diversification · Patience

LAW 3.4

THE MAGNIFYING GLASS

Derivatives – Futures & Options

***A magnifying glass that grows
the win also grows the fire.***

READ THIS CAREFULLY

Derivatives (futures and options, or 'F&O') let you control a large position with a small amount of money. A move that would earn a normal investor ₹1,000 can earn — or destroy — many times that.

SEBI's own study found about 9 in 10 individual F&O traders lose money.

Nine out of ten. That is not a warning on the box. That is the box.

WHAT IT IS

A derivative is a contract whose value is derived from something else — a share, an index, gold. Used by businesses and professionals, it manages risk. Used by beginners chasing fast money, it is a magnifying glass held over dry grass: it makes every move bigger, including the one that wipes you out. It is not investing. It is a faster, sharper game — and the odds are brutal.

WHAT MOVES IT

↑ (rarely, briefly) a correct, well-timed bet pays a magnified reward

↓ a small wrong move, magnified, erases your capital fast

↓ time itself — most options simply expire worthless

WHAT THE PROS KNOW

Professionals use derivatives to reduce risk, not to gamble. The beginner uses them to gamble and calls it investing. The experienced know the magnifying glass is a tool for a steady hand in daylight — not a toy for someone chasing a thrill.

IT HAS HAPPENED BEFORE

Year after year, India's F&O boom has drawn millions of young traders with screenshots of huge one-day gains. SEBI's repeated studies tell the other half: the vast majority lose, and lose heavily. The winners post; the nine who lost go quiet. The magnifying glass has always shown only its rare fires, never its many ashes.

NOW YOU THINK FOR YOURSELF

So when the magnifying glass tempts you with a fast, magnified win, you ask the only honest question: which of the ten am I likely to be? Knowing what to leave alone is the rarest skill in markets.

***A magnifying glass grows the win — and
burns down the house.***

CONNECTS TO Leverage — Borrowed Money · The Leverage Trap · Eligibility

LAW 3.5

THE KILLER***Leverage – Borrowed Money***

Borrowed money turns a small fall into a final one.

READ THIS CAREFULLY

Two people each begin with ₹1,00,000. One invests only her own. The other borrows ₹1,00,000 more and invests ₹2,00,000. The market falls 50% — a normal, ordinary fall.

***She lost half, and lived to recover.
He lost everything.***

The lender took their ₹1,00,000 back first. From the very same fall, one bled — the other died.

WHAT IT IS

Leverage is investing with borrowed money. It does not change what you buy — it removes the ground beneath you, so a slip you'd have walked away from now finishes you. It hides in plain sight: margin trading, F&O, and the cheerful 'buy now, pay later' offer. Borrowing to invest and borrowing to spend are the same trap wearing two faces.

WHAT MOVES IT

- ↑ (briefly) in a rising market, borrowed money does multiply the gain — which is exactly why it tempts
- ↓ any normal fall, magnified, forces you to sell at the worst moment
- ↓ the loan must be repaid no matter what the market does

WHAT THE PROS KNOW

Every great wipeout in history had borrowed money underneath it. The experienced know leverage doesn't change the market — it changes whether you're still standing after the market does its normal work. They stay on the ground on purpose.

IT HAS HAPPENED BEFORE

In crash after crash — 1929, 2008 — the people who lost everything were rarely the ones who simply owned things. They were the ones who owned things with borrowed money, so a fall they'd have survived became a forced sale. The names and years change. The killer never does.

NOW YOU THINK FOR YOURSELF

So when a confident voice offers you a rope to climb higher faster, you look down first and ask the only question that matters: if this falls, do I merely bleed, or do I die?

Leverage multiplies the win. It multiplies the ruin with no mercy.

CONNECTS TO Derivatives · The Leverage Trap · Permanent vs Temporary Loss

LAW 3.6

THE SAME LEVER***Old Instruments, New Names***

***The instrument never changes.
Only the story it's dressed in
does.***

WHAT IT IS

Every few years the market offers a thrilling 'new' thing — a new product, a new asset, a new word nobody used last year. But strip off the costume and underneath sits one of a handful of old instruments: ownership, lending, betting, or borrowing. A 'revolutionary' scheme is usually just lending dressed as magic. A 'new asset class' is often just a bet with a fresh logo. Learn the few real instruments, and no new name can fool you.

WHAT MOVES IT

↑ (the hype) a fresh story, no history attached, and a crowd rushing in

↓ (the reveal) the moment the new name has to behave like the old instrument it actually is

WHAT THE PROS KNOW

Beginners are sold the story; the experienced ask one question — stripped of its name, which old instrument is this, and how has that instrument always behaved?

The newer and more exciting the name, the older and more familiar the trap usually is.

IT HAS HAPPENED BEFORE

Tulip bulbs in the 1630s, internet stocks in 2000, countless ‘next big things’ since — each was sold as unprecedented, each was an old instrument (a bet on a rising price with nothing underneath) in new paint. The crowd that ignored history paid for the lesson again. The story was always new. The instrument was always old.

NOW YOU THINK FOR YOURSELF

So when something ‘brand new’ and exciting arrives, you don’t ask if it’s new. You ask: which old instrument is this really, and how has it always ended?

***The story is always new. The instrument
is always old.***

CONNECTS TO Price vs Value · The Narrative Trap · Market Cycles

B O O K I V

THE MASTER SWITCH

The price of money runs the room

6 L A W S

LAW 4.1

THE MASTER SWITCH

Interest Rates

***The cost of borrowing money
moves the price of almost
everything.***

WHAT IT IS

An interest rate is simply the price of money — what it costs to borrow. When the RBI keeps rates low, money is cheap: people and companies borrow, spend, and invest, and shares, property, and gold tend to rise. When it raises rates, money turns dear: borrowing slows, spending cools, and those same assets tend to fall. This one switch sits behind more market moves than any other single force.

WHAT MOVES IT

- ↑ (assets rise when) rates are cut and money turns cheap
- ↑ easy borrowing fuels spending and investing
- ↓ (assets fall when) rates rise and money turns dear
- ↓ borrowing slows, the economy cools

WHAT THE PROS KNOW

Beginners watch share prices; the experienced watch the rate behind them. Almost every great boom was lit by cheap money and almost every bust followed

money turning dear. Learn to watch the switch, and you stop being surprised by the lights.

IT HAS HAPPENED BEFORE

After 2020, central banks cut rates to near zero and markets across the world soared on the flood of cheap money. When inflation forced rates sharply up in 2022, those same markets fell hard. Nothing about the companies had changed that fast — only the price of money. The switch flipped, and the whole room dimmed.

NOW YOU THINK FOR YOURSELF

So when markets are soaring or sinking, you don't just ask 'why are prices moving?' You ask: what is the price of money doing? The switch usually moved first.

Cheap money lifts the room. Dear money empties it.

CONNECTS TO Inflation · The Central Bank — RBI · Liquidity

LAW 4.2

THE RISING TIDE***Liquidity***

When money floods in, almost every boat rises — the strong and the leaky alike.

WHAT IT IS

Liquidity means how much money is sloshing around looking for somewhere to go. When central banks pump money into the system, that tide lifts almost everything — good companies and bad, sound assets and silly ones — all at once. The danger is that a rising tide hides which boats actually leak. Only when the tide goes out do you see who had real value underneath and who was just floating on borrowed water.

WHAT MOVES IT

↑ (everything rises when) central banks pump money in and the tide floods the system

↑ easy money chasing any asset that moves

↓ (everything sinks when) the tide is drained and money grows scarce

↓ the flood recedes and leaky boats are exposed

WHAT THE PROS KNOW

In a flood, beginners mistake a rising price for a good business. The experienced remember that the tide lifted everything — so they ask which boats will still float when it goes out. The genius of a bull market is often just the tide, not the captain.

IT HAS HAPPENED BEFORE

The cheap-money flood after 2020 lifted everything — quality companies, loss-making ones, even joke assets — together. When the tide drained in 2022, the leaky boats sank fastest, and many vanished. As the old line goes, only when the tide goes out do you discover who was swimming without clothes.

NOW YOU THINK FOR YOURSELF

So when everything around you is rising, you don't assume you're a genius. You ask: is this the boat, or just the tide? Because the tide always, eventually, goes out.

A rising tide lifts every boat — and hides every leak.

CONNECTS TO Interest Rates · The Central Bank — RBI · Market Cycles

LAW 4.3

THE TAP***The Central Bank – RBI***

One hand controls the tide of money – the central bank holds the tap.

WHAT IT IS

The Reserve Bank of India (RBI) is the country's central bank — the hand on the money tap. It sets the key interest rate, controls how much money flows through the banks, and guards inflation and the rupee. Open the tap (cut rates, add money) and the economy warms; tighten it (raise rates, drain money) and the economy cools. It cannot control everything — but no single domestic force reaches more corners of the market.

WHAT MOVES IT

- ↑ (market warms when) the RBI cuts rates or adds money
- ↑ it signals support for growth
- ↓ (market cools when) the RBI raises rates or drains money
- ↓ it shifts to fighting inflation

WHAT THE PROS KNOW

The experienced read the RBI's words as carefully as its actions — because the tap is often turned by hints

before it's turned by hand. A single sentence about future rates can move markets more than the rate change itself.

IT HAS HAPPENED BEFORE

Each time the RBI has shifted from supporting growth to fighting inflation, Indian markets have felt it quickly — banks, builders, and borrowers first. The hand on the tap doesn't touch any single company, yet it touches them all. The water level in the whole pool moves with that one hand.

NOW YOU THINK FOR YOURSELF

So when you wonder why the whole market moved together on a quiet news day, you look to the tap. Often the RBI just hinted which way it would turn.

***No single hand in India moves more of
the market than the one on the tap.***

CONNECTS TO Interest Rates · Liquidity · Forex Reserves & the RBI

LAW 4.4

THE BORROWED BOOM

The Credit Cycle

Good times are built on borrowing. Bad times arrive when the borrowing stops.

WHAT IT IS

A credit cycle is the long swing between easy borrowing and hard repayment. In good times, lenders are generous, everyone borrows, spending and prices rise, and confidence feeds on itself. Then the debt must be repaid, lending tightens, spending falls, and the same assets that rose now drop. Booms are usually built on borrowed money — and busts arrive when the bill comes due. The cycle turns slowly, over years, but it always turns.

WHAT MOVES IT

- ↑ (boom builds when) lenders are generous and everyone borrows freely
- ↑ rising confidence fuels more borrowing
- ↓ (bust arrives when) the debt comes due and lending freezes
- ↓ fear replaces confidence and borrowing stops

WHAT THE PROS KNOW

Beginners think booms end because of bad news. The experienced know booms end when the borrowing simply runs out of room — the bad news is usually the trigger, not the cause. The seeds of every bust are planted at the top of the boom.

IT HAS HAPPENED BEFORE

The 2008 global crash was a credit cycle at its most violent: years of easy mortgage lending built a boom, then the loans went bad, lending froze worldwide, and the borrowed boom collapsed into a global bust. The same pattern — generous lending, then a sudden freeze — has repeated across centuries and countries.

NOW YOU THINK FOR YOURSELF

So when times are great and everyone's borrowing to buy, you ask the uncomfortable question: who is going to repay all this, and what happens when they can't?

The boom is borrowed. The bust is the bill arriving.

CONNECTS TO Interest Rates · Market Cycles · The Leverage Trap

LAW 4.5

THE OTHER HAND

Government, Budget & Tax

The central bank holds one hand on the wheel. The government holds the other.

WHAT IT IS

The RBI controls money; the government controls spending, taxes, and rules — the other hand on the economy's wheel. When the government pours money into roads, railways, and housing, it lifts whole sectors like cement and steel. When it changes a tax, it can lift or sink an industry overnight. When it borrows heavily, it can push interest rates up for everyone. The yearly Budget is when most of these levers move at once.

WHAT MOVES IT

- ↑ (sectors rise when) the government spends big on infrastructure or cuts a tax
- ↑ supportive policy and reform
- ↓ (sectors fall when) a tax rises or a subsidy is cut
- ↓ heavy government borrowing pushes rates up

WHAT THE PROS KNOW

The experienced read the Budget not for the headlines but for who quietly gains and who quietly

loses — because a single line about a tax or a spending plan can matter more to a sector than a year of its own results.

IT HAS HAPPENED BEFORE

Indian Budget days have repeatedly moved entire sectors in hours — a tax tweak lifting one industry while sinking another, a spending push igniting construction names. Nothing about those companies changed overnight; the other hand on the wheel simply turned. Policy has always moved markets as surely as profit.

NOW YOU THINK FOR YOURSELF

So when a whole sector jumps or drops on no company news, you look to the other hand: what did the government just spend, tax, or change?

Two hands steer the economy — watch them both.

CONNECTS TO The Central Bank — RBI · Interest Rates · What the Market Takes

LAW 4.6

CHEAP & DEAR***Valuation – Cheap vs Expensive***

The same world looks rich when money is cheap and poor when money is dear.

WHAT IT IS

Valuation is the art of asking whether a price is cheap or expensive relative to what you're actually getting. The same company, the same earnings, can carry a high price in one year and a low one the next — not because the business changed, but because the mood and the cost of money did. When money is cheap and the crowd is greedy, everything looks expensive; when money is dear and the crowd is fearful, everything looks cheap. Learning to tell expensive from cheap is the quiet core of investing.

WHAT MOVES IT

↑ (prices look rich when) money is cheap and the crowd is optimistic

↑ greed stretches what people will pay

↓ (prices look cheap when) money is dear and the crowd is fearful

↓ panic shrinks what people will pay

WHAT THE PROS KNOW

Beginners buy what's rising (usually expensive) and sell what's falling (often cheap) — backwards. The experienced do the hard, lonely thing: lean away from the crowd when prices are stretched, lean in when they're crushed. Expensive and cheap are set by mood far more than by the business.

IT HAS HAPPENED BEFORE

At the peak of the 2000 dot-com mania, sensible-looking companies traded at absurd prices because money was loose and greed was total. A few years later the same kinds of businesses traded for a fraction — now 'too cheap,' said the same crowd. Nothing about the world had changed that much. The cost of money and the mood had.

NOW YOU THINK FOR YOURSELF

So when something feels obviously cheap or obviously expensive, you ask: is this the business, or just the mood and the cost of money talking? That single question keeps you from buying tops and selling bottoms.

Cheap and dear are usually the mood talking — not the business.

CONNECTS TO Price vs Value · Interest Rates · Fear & Greed

B O O K V

WORLD SCOREBOARDS

India does not move alone

6 L A W S

LAW 5.1

THE BIG BOARDS

World Indices

***Other lands keep scoreboards
too — and the biggest ones,
India watches every morning.***

WHAT IT IS

Just as India has the Nifty and Sensex, every major country has its own scoreboard: America's S&P 500 and Nasdaq, Japan's Nikkei, China's and Europe's indices. They matter to you because money and mood flow across borders overnight. When the big foreign boards — especially America's — rise or fall while India sleeps, India's market often opens in the same direction. You are not trading alone on an island.

WHAT MOVES IT

- ↑ (India often opens up when) big global markets, especially the US, rose overnight
- ↑ global optimism and money flowing toward risk
- ↓ (India often opens down when) major foreign markets fell overnight
- ↓ global fear pulling money to safety

WHAT THE PROS KNOW

The experienced check the world's boards before the Indian open, because the morning's mood in Mumbai is often set in New York the night before. To read India's market without glancing at the world's is to read one page of a connected story.

IT HAS HAPPENED BEFORE

Time and again, a sharp overnight fall on Wall Street has set Indian markets opening lower the next morning — even with no Indian news at all. The companies in Mumbai hadn't changed overnight; the global mood had. The boards are wired together, across oceans and time zones.

NOW YOU THINK FOR YOURSELF

So when India opens sharply up or down on a quiet local day, you don't search for an Indian reason. You ask: what did the world's big boards do while we slept?

***India never trades alone. The world's
boards vote first.***

CONNECTS TO The Index · The US Federal Reserve · Correlation —
All Markets Connect

LAW 5.2

AMERICA'S TAP***The US Federal Reserve***

The world's biggest tap of money sits in America — and everyone feels it turn.

WHAT IT IS

The US Federal Reserve (the 'Fed') is America's central bank — and because the dollar runs the world, it is effectively the world's money tap. When the Fed raises rates, money rushes back to America for safety and higher returns; foreign investors sell Indian shares, the rupee weakens, and the Nifty feels it. When the Fed cuts, money flows back out toward markets like India. A decision made for American reasons reaches straight into your market.

WHAT MOVES IT

↑ (India benefits when) the Fed cuts rates and money flows out toward emerging markets

↑ a weaker dollar eases pressure on the rupee

↓ (India suffers when) the Fed raises rates and money rushes home to the US

↓ a stronger dollar pulls foreign money out of India

WHAT THE PROS KNOW

The experienced watch the Fed as closely as the RBI — because the most powerful lever on India’s market often sits in Washington, not Mumbai. Ignoring it is like watching the tide without watching the moon.

IT HAS HAPPENED BEFORE

Each time the Fed has sharply raised rates, money has flowed out of emerging markets like India and back to the US, weakening the rupee and pressuring Indian shares — regardless of how India’s own economy was doing. The tap turned in America; the water level dropped in Mumbai.

NOW YOU THINK FOR YOURSELF

So when foreign money leaves India and the rupee slips for no local reason, you look across the ocean: what did America’s tap just do?

***The biggest lever on your market often
isn’t in your country.***

CONNECTS TO World Indices · FII & DII Flows · The Dollar —
Reserve Currency

LAW 5.3

THE SHARED WALL***Contagion***

***When a big country sneezes,
the smaller ones catch cold.***

WHAT IT IS

Contagion is how trouble in one market spreads to others that did nothing wrong. In a global panic, frightened money sells everything everywhere at once — good and bad, foreign and Indian — just to reach safety. So a crisis born in one country can drag down healthy companies on the other side of the world. Markets share a wall: when one room catches fire, the smoke fills the others.

WHAT MOVES IT

↑ (calm spreads when) a global fear passes and confidence returns worldwide

↓ (panic spreads when) a crisis anywhere makes frightened money sell everything, everywhere, at once

WHAT THE PROS KNOW

The experienced know that in a true panic, correlation goes to one — meaning everything falls together, and ‘safe’ diversification inside one market fails. They keep some genuinely separate assets, and some cash, precisely for the day the wall catches fire.

IT HAS HAPPENED BEFORE

The 2008 crash began with American home loans — nothing to do with India — yet healthy Indian companies were sold off hard as global money fled to safety. The fire started in one country's housing market and the smoke reached every market on earth. Distance offered no protection.

NOW YOU THINK FOR YOURSELF

So when Indian shares fall on a crisis born far away, you don't panic that something's wrong here. You recognise the smoke through the shared wall — and you remember it clears.

***Markets share a wall. One room's fire
fills them all with smoke.***

CONNECTS TO Correlation — All Markets Connect · Flight to Safety
· Diversification

LAW 5.4

THE 35-YEAR WAIT

When Markets Stay Down

‘It always comes back fast’ is a hope, not a law.

WHAT IT IS

Indian investors have grown used to markets recovering quickly after every fall. But that is not a guaranteed law of nature — it depends on the price you paid. If you buy when prices are wildly stretched above value, even a great market can take many years, sometimes decades, to return to that peak. Recovery is usually fast — but ‘usually’ is not ‘always,’ and the price you pay decides which one you get.

WHAT MOVES IT

- ↑ (faster recovery when) you bought at fair or cheap prices
- ↑ the underlying economy keeps growing
- ↓ (painful, long waits when) you bought at a wildly stretched peak
- ↓ a whole market was priced far above any sane value

WHAT THE PROS KNOW

The experienced never assume speed of recovery — they control the one thing they can: the price they

pay. Buy cheap and time is your friend; buy at a mania peak and time can become a decades-long sentence.

IT HAS HAPPENED BEFORE

Japan's Nikkei index hit a peak in 1989 at the height of an enormous bubble — and took more than three decades to return to that level. A generation of investors who bought the top waited 30-plus years just to break even. 'It always bounces back fast' was true everywhere they'd looked — until it wasn't.

NOW YOU THINK FOR YOURSELF

So before you buy because 'it always recovers,' you ask the harder question: at what price am I buying — and how long might I have to wait if I'm wrong?

Recovery is usually fast. The price you pay decides if 'usually' includes you.

CONNECTS TO Price vs Value · Valuation · Patience

LAW 5.5

THE CONNECTED MACHINE

Correlation – All Markets Connect

Pull one part of the market, and far-off parts move with it.

WHAT IT IS

The whole financial world is one connected machine, not a set of separate islands. Oil, the rupee, interest rates, gold, shares, and foreign markets are wired together — pull one and the others move. A jump in oil weakens the rupee, lifts inflation, pushes up rates, and cools shares — one event running through every part. The true cause of a move is often in another room entirely.

WHAT MOVES IT

↑ (the chain can lift) falling oil → stronger rupee → cooler inflation → room for rate cuts → shares rise

↓ (the chain can sink) rising oil → weaker rupee → hotter inflation → rate hikes → shares fall

WHAT THE PROS KNOW

Beginners look for the cause of a move inside the thing that moved. The experienced trace the wire backwards — a falling share might really be about oil, or the dollar, or a decision in America. They read the machine, not the single dial.

IT HAS HAPPENED BEFORE

When oil has spiked on Middle East tension, India — which imports most of its oil — has seen the rupee weaken, inflation worries rise, and shares wobble, all from one event far away. No Indian company did anything; the connected machine simply transmitted the shock from one room to the next.

NOW YOU THINK FOR YOURSELF

So when something moves and the reason isn't obvious, you don't stare harder at it. You ask: which other part of the machine was pulled, and is this just the wire transmitting it here?

***Nothing in the market moves alone.
Follow the wire.***

CONNECTS TO The Oil → Rupee → Prices Chain · Contagion ·
Reading the Motive

LAW 5.6

WHO MOVED IT?

Reading the Motive

Behind every move, someone gained something. Decode the motive, ignore the noise.

WHAT IT IS

Every market move has a mover and a motive. Big foreign investors (FIIs), domestic institutions (DIIs like Indian mutual funds and insurers), and the government are the largest hands. The same fall means very different things depending on who acted and why: foreign money leaving India for global reasons is not the same as a business actually weakening. Reading the motive behind a move turns a frightening number into an understood one.

WHAT MOVES IT

↑ (real strength when) money buys because a business or economy is genuinely improving

↓ (not always weakness when) foreign money sells for its own global reasons, not because India failed

WHAT THE PROS KNOW

Beginners react to the move; the experienced ask who moved it and why. A market falling because foreigners are pulling money home for a US rate hike is a very

different thing from a market falling because the economy is breaking — and the calm investor knows which is which.

IT HAS HAPPENED BEFORE

Indian markets have often fallen sharply simply because foreign investors were pulling money out for reasons rooted abroad — a stronger dollar, a US rate rise — even as Indian companies kept growing. Investors who understood the motive stayed calm; those who only saw the falling number panicked and sold good businesses cheap.

NOW YOU THINK FOR YOURSELF

So when the market drops and the headlines shout, you ask the steadying question: who is selling, and why? Foreign money going home is not the same as your businesses failing.

Don't just see the move. Ask who moved it, and why.

CONNECTS TO FII & DII Flows · The US Federal Reserve · The Narrative Trap

B O O K V I

THE RUPEE

How money enters and leaves India

6 L A W S

LAW 6.1

THE LONG JOURNEY

The Exchange Rate – USD/INR

***A currency's long walk is really
a country's long story.***

WHAT IT IS

The exchange rate — how many rupees it takes to buy one US dollar — is the meeting point of the whole economy. Over decades the rupee has slowly weakened against the dollar, from a handful of rupees per dollar at independence to many times that today. This isn't random: a currency reflects its country's inflation, trade, and trust. It weakens when India imports more than it exports, when inflation runs hot, or when money flees; it firms when foreign money flows in and the economy is strong.

WHAT MOVES IT

- ↑ (rupee strengthens when) foreign money flows into India
- ↑ exports rise and inflation stays low
- ↓ (rupee weakens when) oil and imports cost more
- ↓ inflation runs hot, or money flees to safety

WHAT THE PROS KNOW

The experienced read the rupee as a live scorecard of the country's health against the world — not a

number to ignore. A steadily weakening currency quietly taxes every import, every foreign trip, and every litre of fuel, whether or not you ever trade it.

IT HAS HAPPENED BEFORE

Across decades, the rupee has drifted weaker against the dollar through every government and cycle — because India, growing fast and importing heavily (especially oil), has run persistent gaps the currency absorbs. The long slide isn't a single event; it's the country's story written in one number.

NOW YOU THINK FOR YOURSELF

So when the rupee moves, you don't treat it as a far-off statistic. You ask what it's telling you about inflation, oil, and money flows — because it touches your fuel bill and your future.

***A currency is a country's whole story,
told in one number.***

CONNECTS TO The Dollar — Reserve Currency · Crude Oil ·
Inflation

LAW 6.2

THE KING COIN***The Dollar – Reserve Currency***

The world keeps its score in dollars. India must pay in them too.

WHAT IT IS

The US dollar is the world's reserve currency — the coin in which oil, global trade, and most international debt are priced. This makes the dollar's strength everyone's business. Because India buys oil and many imports in dollars, a strong dollar makes those things costlier in rupees, lifts inflation, pressures the RBI, and cools shares. The king coin's mood reaches into an Indian family's fuel bill and the Nifty alike.

WHAT MOVES IT

↑ (eases India when) the dollar weakens — imports get cheaper, pressure lifts

↑ money flows out toward markets like India

↓ (squeezes India when) the dollar strengthens — oil and imports cost more in rupees

↓ money rushes back to dollar safety

WHAT THE PROS KNOW

The experienced watch the dollar's strength against all currencies, not just the rupee — because often the rupee isn't weak so much as the dollar is strong against everyone. Knowing the difference keeps you from misreading a global move as a local failure.

IT HAS HAPPENED BEFORE

When the dollar has surged globally, almost every emerging-market currency — the rupee among them — has weakened together, and import-heavy economies have felt inflation rise. The rupee wasn't singled out; the king coin simply rose against the whole court at once.

NOW YOU THINK FOR YOURSELF

So when the rupee weakens, you ask the wider question: is the rupee weak, or is the dollar strong against everyone? The answer changes what it means.

When the king coin rises, every other coin feels small.

CONNECTS TO The Exchange Rate — USD/INR · The US Federal Reserve · The Strong-Dollar Squeeze

LAW 6.3

THE SQUEEZE

The Strong-Dollar Squeeze

When the king coin grows strong, the rupee feels the squeeze.

WHAT IT IS

A ‘strong-dollar squeeze’ is what happens to countries like India when the dollar surges — usually because the US Fed is raising rates or the world is frightened. Money rushes toward the dollar for safety and higher returns, pulling out of Indian shares and bonds; the rupee weakens; imports and dollar-debt grow costlier. It’s a squeeze India often feels through no fault of its own — the pressure comes from outside.

WHAT MOVES IT

- ↑ (squeeze eases when) the Fed softens, global fear fades, and the dollar weakens
- ↑ money returns to India
- ↓ (squeeze tightens when) the Fed hikes or the world panics, and the dollar surges
- ↓ money flees India for dollar safety

WHAT THE PROS KNOW

The experienced recognise a strong-dollar squeeze for what it is — a global tide, not an Indian failure — and they don't panic-sell good Indian businesses just because a force from abroad is pressing on the rupee.

IT HAS HAPPENED BEFORE

In periods of aggressive US rate hikes, emerging markets across the world have faced the same squeeze at once — currencies weakening, foreign money fleeing — India included, even while its own economy grew. The squeeze was exported from America; India simply stood in its path.

NOW YOU THINK FOR YOURSELF

So when the rupee and Indian shares are pressed together for no local reason, you name it correctly: a strong-dollar squeeze from abroad — and you don't mistake outside pressure for inside rot.

Sometimes the rupee isn't weak. The dollar is just strong.

CONNECTS TO The Dollar — Reserve Currency · The US Federal Reserve · FII & DII Flows

LAW 6.4

THE BALANCING HAND

Forex Reserves & the RBI

The central bank steadies the rupee — but it cannot command the sea.

WHAT IT IS

The RBI keeps a large store of foreign currency — forex reserves, mostly dollars — as a buffer. When the rupee falls too fast, the RBI can sell some dollars to slow the slide and steady nerves; when money floods in, it can buy dollars to stop the rupee rising too sharply. But these reserves are a buffer, not a wall — the RBI can smooth the waves, not stop the tide. It steadies; it cannot command the sea.

WHAT MOVES IT

- ↑ (rupee steadied when) the RBI sells dollars from reserves to slow a fall
- ↑ strong reserves give markets confidence
- ↓ (rupee still slides when) the global pressure is too large for reserves to fully resist
- ↓ draining reserves too fast signals strain

WHAT THE PROS KNOW

The experienced watch the size of the reserves as a measure of how much shock-absorbing power India has — a big buffer steadies confidence, a shrinking one signals strain. But they never expect the RBI to defy a genuine global tide; it buys time, not miracles.

IT HAS HAPPENED BEFORE

During sharp bouts of rupee weakness, the RBI has stepped in by selling dollars to slow the fall — smoothing the panic without reversing the underlying tide. The rupee still drifted in the direction global forces pushed it; the RBI made the journey calmer, not different. The hand steadied the boat; it could not still the ocean.

NOW YOU THINK FOR YOURSELF

So when the RBI acts to defend the rupee, you understand its true role: it can calm a panic and buy time, but it cannot overrule the world's tide for long.

The central bank steadies the boat. It cannot still the ocean.

CONNECTS TO The Central Bank — RBI · The Exchange Rate — USD/INR · Flight to Safety

LAW 6.5

THE TIDE OF MONEY

FII & DII Flows

***When foreign money pours in,
the rupee firms. When it leaves,
the rupee wobbles.***

WHAT IT IS

Two great tides move the Indian market. FIIs (Foreign Institutional Investors) — big global funds — bring dollars in when they're optimistic and pull them out when frightened, moving both shares and the rupee sharply. DIIs (Domestic Institutional Investors) — Indian mutual funds, insurers, pension money, much of it from steady SIPs — increasingly buy when foreigners sell. The daily push and pull between these two tides shapes much of the market's direction.

WHAT MOVES IT

- ↑ (market and rupee firm when) foreign money (FII) flows in
- ↑ steady domestic (DII/SIP) money keeps buying
- ↓ (market and rupee wobble when) foreign money (FII) flows out fast
- ↓ fear overwhelms domestic buying

WHAT THE PROS KNOW

The experienced watch the daily FII and DII figures as a tug-of-war — and they've noticed a quiet shift: steady domestic SIP money now cushions falls that once would have been far deeper. The rising tide of ordinary Indian savers has changed who blinks first.

IT HAS HAPPENED BEFORE

In recent years, on days when foreign investors sold heavily, domestic institutions — fed by millions of monthly SIPs — often bought the other side, softening falls that in earlier decades would have been brutal. The tide of ordinary Indian savers has become a counterweight to global panic.

NOW YOU THINK FOR YOURSELF

So when the market swings, you look at the two tides: is foreign money fleeing, and is domestic money there to catch it? The balance between them tells you more than the headline.

Two tides move the market — and ordinary savers are now one of them.

CONNECTS TO The US Federal Reserve · Mutual Funds & the SIP ·
Reading the Motive

LAW 6.6

FEAR MOVES COINS

Flight to Safety

***When the world grows afraid,
money runs to the coins it
trusts most.***

WHAT IT IS

In a crisis — a war, a crash, a panic — money doesn't disappear; it runs. It flees risky places and rushes toward what it trusts most: the US dollar, gold, and the safest government bonds. This 'flight to safety' weakens currencies like the rupee, shakes shares, and lifts gold — often overnight, often before anyone knows the full story. Fear is the fastest mover of money on earth.

WHAT MOVES IT

↑ (safe havens rise when) global fear spikes — the dollar and gold climb as money flees to them

↓ (risky assets fall when) fear strikes — emerging-market shares and currencies like the rupee wobble

WHAT THE PROS KNOW

The experienced expect the flight before it happens — they know that at the first real scare, money will run to the dollar and gold, regardless of logic. They hold a

little of what fear runs toward, so a panic doesn't catch them with nothing but what fear runs from.

IT HAS HAPPENED BEFORE

When war or sudden crisis has struck anywhere in the world, gold and the dollar have jumped while riskier markets fell — even when the event had nothing to do with India. Money fled to safety on instinct, in hours. The whole machine lurched on an emotion felt thousands of miles away.

NOW YOU THINK FOR YOURSELF

So when sudden fear grips the world and the rupee and shares wobble, you recognise the flight to safety — and you remember it is driven by emotion, and emotion passes.

***Money doesn't vanish in a panic. It runs
— and you can see where.***

CONNECTS TO Gold · The Dollar — Reserve Currency · Contagion

B O O K V I I

THE PHYSICAL WORLD

Oil, gold, and the things you can touch

6 L A W S

LAW 7.1

THE BORROWED LIFELINE

Crude Oil

***India runs on oil it must buy
from others — a borrowed
lifeline.***

WHAT IT IS

India imports over 80% of the oil it burns, and pays for it in dollars. That makes the price of crude oil one of the most important numbers in the entire Indian economy. When oil rises, India's import bill swells, the rupee weakens, transport and goods cost more, inflation climbs, and the RBI is pushed toward higher rates. One barrel, priced in a faraway market, reaches into your fuel tank, your grocery bill, and the stock market together.

WHAT MOVES IT

↑ (hurts India when) oil rises — import bill swells, rupee weakens, inflation climbs

↓ (helps India when) oil falls — cheaper imports, steadier rupee, cooler inflation

WHAT THE PROS KNOW

The experienced watch oil as a master input for India — because a sustained rise in crude quietly tightens the whole economy, while a fall loosens it. Whole

sectors (airlines, paints, tyres) live or die on the oil price they can't control.

IT HAS HAPPENED BEFORE

When global oil prices have spiked on Middle East conflict, India has repeatedly felt the chain at once — a heavier import bill, a weaker rupee, rising inflation, and pressure on shares. Indian companies did nothing; a price set abroad simply flowed down the lifeline into every home and every market.

NOW YOU THINK FOR YOURSELF

So when oil moves sharply, you don't treat it as foreign news. You trace its path — into the rupee, into prices, into rates — and you see it arriving at your own door.

A barrel priced abroad still fills your tank — and tilts your market.

CONNECTS TO The Oil → Rupee → Prices Chain · The Exchange Rate
— USD/INR · Inflation

LAW 7.2

THE BURNING BARREL***The Oil → Rupee → Prices Chain***

When the barrel burns, the rupee feels the heat — and so do your prices.

WHAT IT IS

This is the connected machine shown link by link, because it's the clearest example a beginner can hold. Oil up → India's dollar import bill up → more rupees needed to buy dollars, so the rupee weakens → everything imported costs more → inflation rises → the RBI may raise interest rates to cool it → borrowing turns dear → the economy and the market cool. One far-off price runs through the entire chain to reach your loan and your plate.

WHAT MOVES IT

↑ (the good chain) oil falls → rupee steadies → inflation cools → room for rate cuts → market eases up

↓ (the painful chain) oil rises → rupee weakens → inflation rises → rates rise → market cools

WHAT THE PROS KNOW

Beginners see oil, the rupee, inflation, and shares as four separate news stories. The experienced see one chain with four links — and when they spot the first

link move, they already know which way the last one leans.

IT HAS HAPPENED BEFORE

In every major oil spike India has weathered, the same sequence has played out — weaker rupee, higher inflation, pressure for rate hikes, cooler markets. The order rarely changes; only the speed does. Once you've seen the chain once, you recognise it every time it begins.

NOW YOU THINK FOR YOURSELF

So when oil jumps, you don't wait for each headline to surprise you. You already know the chain — and you watch it arrive, calm, one link at a time.

***One burning barrel runs all the way
down to your plate.***

CONNECTS TO Crude Oil · Inflation · Correlation — All Markets
Connect

LAW 7.3

THE FEAR-METER

Gold

Gold doesn't tell you what something is worth. It tells you how scared people are.

WHAT IT IS

Gold earns no interest and makes nothing — yet humans have trusted it for thousands of years. Why? Because it is the thing people run to when they stop trusting everything else: paper money, governments, banks, markets. So gold acts as a fear-meter. When the world is calm and growing, it often lags. When fear rises — war, inflation, currency doubt, a crash — money floods into gold and it climbs. It tends to zig when shares zag, which is exactly why it balances a portfolio.

WHAT MOVES IT

↑ (gold rises when) fear spikes — war, crashes, inflation, doubt in money or governments

↓ (gold lags when) the world is calm, confident, and growing, and money prefers things that earn

WHAT THE PROS KNOW

The experienced hold a little gold not to get rich, but as insurance — a counterweight that tends to rise

exactly when their shares fall. They read a sharp gold rally as the world's fear-meter climbing, often before the headlines explain why.

IT HAS HAPPENED BEFORE

Through wars, the 2008 crash, currency crises, and bouts of high inflation, gold has repeatedly surged as frightened money fled toward it — then quietened when calm returned. It rose not because it became more useful, but because trust in everything else fell. The fear-meter has worked for five thousand years.

NOW YOU THINK FOR YOURSELF

So when gold suddenly climbs, you don't ask 'why is gold worth more?' You ask the better question: what is the world suddenly afraid of?

Gold isn't a worth-meter. It's a fear-meter.

CONNECTS TO Flight to Safety · Gold as a Store of Value ·
Diversification

LAW 7.4

THE OLDEST TRUST

Gold as a Store of Value

Gold has been money's safe corner for five thousand years — because trust is rare.

WHAT IT IS

Beyond fear, gold plays a deeper role: it holds its buying power across centuries while paper currencies slowly inflate away. An ounce of gold bought roughly what it buys today a hundred years ago; the same can't be said of any paper note. This is why gold endures — not because it's useful, but because it cannot be printed, debased, or promised away by any government. It is trust you can hold in your hand.

WHAT MOVES IT

↑ (gold holds/rises when) paper money inflates and trust in currencies weakens

↑ long stretches of money-printing

↓ (gold lags when) currencies are stable and trusted, and earning assets are preferred

WHAT THE PROS KNOW

The experienced see gold as a multi-decade store of value, not a get-rich trade — a small, permanent

anchor against the slow erosion of paper money. They don't expect it to grow a fortune; they expect it to still be worth something when paper isn't.

IT HAS HAPPENED BEFORE

Across a century in which every major currency lost most of its buying power to inflation, gold quietly held its own — the same metal buying roughly the same real goods generation after generation. Empires and currencies came and went; the oldest trust simply stayed.

NOW YOU THINK FOR YOURSELF

So when you wonder why anyone holds a metal that earns nothing, you understand the answer: it is the one form of money that no one can print more of — and that is exactly its value.

***Paper money is a promise. Gold is the
promise no one can break.***

CONNECTS TO Gold · Inflation · The Dollar — Reserve Currency

LAW 7.5

THE THERMOMETER

Industrial Metals – Copper

***The metals are the world's
thermometer – they run hot
when the world builds.***

WHAT IT IS

Industrial metals — copper above all — go into everything the world builds: wiring, machines, homes, cars, power lines. So their prices rise and fall with global construction and manufacturing. When economies are growing and factories are busy, metal demand and prices climb; when growth slows, they fall. This makes copper a thermometer for the world economy — so reliable that traders nickname it ‘Dr. Copper,’ the metal with a degree in economics.

WHAT MOVES IT

↑ (metals rise when) the world builds — strong growth, busy factories, big construction

↓ (metals fall when) global growth slows and building stops

WHAT THE PROS KNOW

The experienced read copper as an early signal of where the world economy is heading — often before the official growth figures confirm it. A quiet,

sustained move in the metals can whisper the trend months before the headlines shout it.

IT HAS HAPPENED BEFORE

Copper has repeatedly turned up before global recoveries and rolled over before slowdowns — reflecting real orders from real factories before the economic data caught up. When the world began rebuilding after 2020, metals surged early; when growth fears hit, they cooled. The thermometer read the fever before the doctor arrived.

NOW YOU THINK FOR YOURSELF

So when you want a feel for where the world economy is really going, you glance at the thermometer — are the building-block metals running hot or cold?

When the world builds, the metals run hot. They feel the fever first.

CONNECTS TO Correlation — All Markets Connect · World Indices · Market Cycles

LAW 7.6

THE PLATE

Food Inflation

The price on your plate is the inflation everyone feels first.

WHAT IT IS

Food inflation — the rising cost of what’s on your plate — is the inflation ordinary people feel before any economist names it. A failed monsoon, a supply shock, or costlier transport (often from oil) pushes food prices up. Because food is such a large part of the average Indian household’s spending, rising food prices lift overall inflation, which pressures the RBI toward higher rates, which cools the market. The humble onion is wired to the interest rate on a home loan.

WHAT MOVES IT

↑ (food prices rise when) monsoons fail, supplies fall short, or transport (oil) costs more

↓ (food prices ease when) harvests are good, supplies are plentiful, and transport is cheap

WHAT THE PROS KNOW

The experienced know that in India, food prices are not a side issue — they can drive the RBI’s decisions and therefore the whole market. They watch the

monsoon and the mandi as seriously as any market screen.

IT HAS HAPPENED BEFORE

Spikes in onion and vegetable prices have repeatedly stirred national worry, pushed up headline inflation, and shaped RBI rate decisions — which in turn moved the market. A vegetable shortage in the fields has, more than once, rippled all the way to the trading screen. The plate has always led the policy.

NOW YOU THINK FOR YOURSELF

So when food prices climb, you don't see only the kitchen budget. You see the chain — plate to inflation to rates to market — and you understand why the onion can move the Nifty.

***The onion on your plate is wired to the
interest rate on a loan.***

CONNECTS TO Inflation · Crude Oil · Interest Rates

B O O K V I I I

THE MACHINE ROOM

How price is really made

6 L A W S

LAW 8.1

THE HANDSHAKE

Price Discovery

A price is just the last handshake between a hopeful buyer and a scared seller.

WHAT IT IS

Where does a price actually come from? Not from any authority — from agreement. At every instant, buyers post the highest they'll pay and sellers the lowest they'll take; when two meet, a trade happens, and that becomes the price. The number on the screen is simply the most recent handshake. It already contains everything both sides knew — last night's news, today's oil, the prevailing fear or greed — compressed into one figure for one moment.

WHAT MOVES IT

↑ (price rises when) buyers are more eager and willing to pay up to meet sellers

↓ (price falls when) sellers are more desperate and willing to accept less to meet buyers

WHAT THE PROS KNOW

Beginners think the price is a fact handed down; the experienced know it's just the last agreement — and the next handshake can be very different. The screen

shows where buyer and seller last met, never where the thing is truly worth.

IT HAS HAPPENED BEFORE

In fast crashes, prices have plunged not because value vanished but because, for a moment, almost no one would buy — so each desperate seller had to meet an ever-lower bid. The handshake simply moved down the ladder. When buyers returned, it climbed back. The price was always just the last agreement, never the truth.

NOW YOU THINK FOR YOURSELF

So when a price moves sharply, you remember what it really is — the last handshake, not a verdict. You ask whether the next handshake will be made in fear, or in calm.

A price isn't a fact. It's the last two people who agreed.

CONNECTS TO The Market · Volume · Price vs Value

LAW 8.2

REAL OR TRAP

Volume

A move carried by a crowd is real. A move on an empty street is a trap.

WHAT IT IS

Volume is how many shares actually changed hands. It is the truth-check on price. A price rising on heavy volume means many people, with real money, agreed on the move — it has conviction. A price rising on thin volume means a few trades made it look exciting on an empty street — it has no foundation, and often collapses. Price tells you what happened; volume tells you whether to believe it.

WHAT MOVES IT

↑ (a rise to trust) price climbing on strong, heavy volume — real money behind it

↓ (a rise to doubt) price climbing on thin, weak volume — a hollow move that often reverses

WHAT THE PROS KNOW

Beginners react to the price line alone; the experienced never trust a move without checking who

was behind it. A breakout on no volume is a stage whisper pretending to be a roar.

IT HAS HAPPENED BEFORE

Countless small-stock ‘rockets’ have soared on tiny volume — a handful of trades creating the illusion of demand — only to crash the moment real selling appeared. The price had moved; the crowd never existed. The empty street had looked, briefly, like a festival.

NOW YOU THINK FOR YOURSELF

So when a price excites you, you ask the truth-check: was a real crowd behind this, or just a few footsteps echoing on an empty street?

Price is the claim. Volume is the proof.

CONNECTS TO The Market Quote · How a Price Is Born · Pump & Dump

LAW 8.3

THE MACHINES

Algo & High-Speed Trading

The fastest players are machines. You cannot out-run them — so don't race.

WHAT IT IS

A huge share of daily trading is done by computer programs ('algos') that react to news and price moves in millionths of a second — far faster than any human can blink. They feed on the short-term game: tiny moves, instant reactions, split-second advantages. A beginner trying to beat them at speed is racing a Formula car on foot. But here's the freedom in it: the machines trade the millisecond — they cannot trade the decade.

WHAT MOVES IT

↑ (machines thrive on) fast news, volatility, and split-second price gaps to exploit

↓ (machines are powerless over) the long-term value of a business years from now

WHAT THE PROS KNOW

The experienced don't compete with machines on speed — they compete on time, the one field the machines can't enter. The patient long-term investor

and the millisecond algo are playing entirely different games on the same screen.

IT HAS HAPPENED BEFORE

On rare days, runaway algorithms have caused sudden ‘flash crashes’ — markets plunging and recovering within minutes — driven purely by machines reacting to machines. Human investors who simply did nothing were unharmed; only those trying to play the fast game got hurt. Speed was the machines’ turf; patience was the human’s.

NOW YOU THINK FOR YOURSELF

So you don’t try to out-tap the machines. You ask: which game am I playing — the millisecond, where they win, or the decade, where they can’t follow?

***You’ll never out-run the machines. So
play the game they can’t — time.***

CONNECTS TO Smart Money vs the Crowd · Patience · Volume

LAW 8.4

SMART vs CROWD***Smart Money vs the Crowd***

The smart money is early and quiet. The crowd arrives late and loud.

WHAT IT IS

‘Smart money’ means the large, experienced investors who tend to act early — buying quietly when things are cheap and ignored, selling quietly when things are dear and beloved. The ‘crowd’ arrives late, drawn in by a rising price and loud excitement, often buying near the top and selling near the bottom. The two see the same facts; only the timing differs — and timing is everything.

WHAT MOVES IT

↑ (smart money buys when) things are cheap, ignored, and quiet — before the crowd notices

↓ (crowd buys when) things are dear, loud, and exciting — just as smart money is leaving

WHAT THE PROS KNOW

The experienced learn to notice when something is loved by everyone (often a top) versus hated by everyone (often a bottom) — and to lean against the crowd, not with it. By the time a move is obvious and

exciting, the early money is usually already heading for the door.

IT HAS HAPPENED BEFORE

In bubble after bubble, the loudest public enthusiasm — ordinary people pouring in, certain it could only rise — has marked the very top, just as the early money quietly sold to them. The crowd that arrived late and loud became the exit for the smart money that came early and quiet.

NOW YOU THINK FOR YOURSELF

So when something is loud, loved, and ‘obvious,’ you pause and ask: am I early, or am I the loud crowd arriving to buy what the quiet money is selling?

By the time it's loud and obvious, the quiet money is already leaving.

CONNECTS TO Gainers, Losers & Volume · Positioning · Fear & Greed

LAW 8.5

EVERYONE ALREADY IN

Positioning

When everyone is already on one side, ask who is left to push it further.

WHAT IT IS

Positioning means how the crowd is already placed — are most people already bullish and bought in, or bearish and sold out? It holds a hidden truth: when nearly everyone has already bought, expecting a rise, there's almost no one left to buy more — so the fuel that drives prices up is spent. The smallest disappointment can then tip it over. Maximum agreement is minimum room to move further.

WHAT MOVES IT

↑ (room to rise when) most people are still cautious or out — plenty left to buy in

↓ (prone to fall when) almost everyone is already bullish and bought — no buyers left, any bad news tips it

WHAT THE PROS KNOW

The experienced watch not just the news but how the crowd is positioned for it — because a market where everyone already expects good news has nothing left to gain from it, and everything to lose if it disappoints.

Crowded trades are fragile precisely because they're crowded.

IT HAS HAPPENED BEFORE

Time and again, markets have fallen on news that was actually fine — simply because everyone was already positioned for something even better, leaving no buyers and many disappointed sellers. The crowd was so far on one side that the boat had no balance left. Being early is an edge; being last is the trap.

NOW YOU THINK FOR YOURSELF

So when everyone around you is certain of the same thing, you ask the contrarian's question: if we're all already in, who is left to push this further?

***When everyone's on one side, the boat
has no balance left.***

CONNECTS TO Smart Money vs the Crowd · The Options Market ·
Fear & Greed

LAW 8.6

THE FOOTPRINTS IN THE SNOW

The Options Market

Where big money has placed its bets leaves footprints — if you know to look.

WHAT IT IS

The options market is where traders place bets on where prices will go. For a beginner, the lesson is not to trade options — most lose, as we saw — but to understand that the pattern of those bets leaves footprints in the snow. Large clusters of bets reveal the price levels where big money expects the market to pause, struggle, or snap. It's a rough map of where the crowd is leaning — and therefore where a surprise would hurt the most people.

WHAT MOVES IT

↑ (this isn't about price up/down — it's a map) heavy bets above show where many expect resistance or a ceiling

↓ heavy bets below show where many expect support or a floor — and where a break would cause pain

WHAT THE PROS KNOW

The experienced read the options map for what it reveals about crowd expectation — not to gamble, but to understand where the herd is leaning, because that's exactly where a surprise will cause the biggest scramble. The footprints don't predict; they reveal the crowd.

IT HAS HAPPENED BEFORE

Around major events and expiry days, the clustering of options bets has repeatedly marked the price levels where markets then stalled or accelerated — not by magic, but because so much money was positioned there that it shaped the behaviour around it. The footprints showed where the herd stood; the herd's own weight then moved the ground.

NOW YOU THINK FOR YOURSELF

So you treat the options market not as a casino to enter, but as a map to read — where is the crowd leaning, and where would a surprise hurt the most?

Don't bet in the snow. Just read the footprints.

CONNECTS TO Positioning · Derivatives · Smart Money vs the Crowd

B O O K I X

THE TRAPS

So you are never robbed

6 L A W S

LAW 9.1

THE EMPTY BUCKET

The Ponzi Scheme

If old investors are paid with new investors' money, that's not earnings. It's a queue.

READ THIS CAREFULLY

A Ponzi scheme pays early investors not from any real profit, but from the money of new investors joining behind them. As long as new people keep pouring in, the early ones get paid and tell everyone it works.

The moment new money slows, the whole thing collapses — and almost everyone loses everything.

It is a queue pretending to be a business. There is nothing in the bucket but the next person's money.

WHAT IT IS

The tell of a Ponzi is steady, high, 'guaranteed' returns that never seem to fall, no matter what the wider market does — because they aren't real returns at all. Real businesses have good years and bad; a Ponzi's numbers are too smooth, because they're invented. It survives only while the queue grows.

WHAT MOVES IT

↑ (it looks great while) new money keeps flooding in, paying the old and luring more

↓ (it collapses the instant) new money slows — and it always, eventually, slows

WHAT THE PROS KNOW

The experienced don't ask 'how good are the returns?' They ask 'where do the returns actually come from?' If the answer is vague, secret, or 'too complex to explain,' the bucket is empty and you're just early in the queue.

IT HAS HAPPENED BEFORE

Bernie Madoff ran the largest Ponzi in history, paying impossibly steady returns for years and fooling thousands of sophisticated investors — until the 2008 crisis slowed new money and the whole thing collapsed, vanishing tens of billions of dollars. The returns had always been fiction; only the queue had been real.

NOW YOU THINK FOR YOURSELF

So when something promises smooth, high, guaranteed returns, you ask the one question that breaks every Ponzi: where, exactly, does this money come from — and can you show me?

***A Ponzi isn't a business. It's a queue
with an empty bucket.***

CONNECTS TO Guaranteed Returns & Hot Tips · SEBI — The
Regulator · Accounting Fraud

LAW 9.2

THE LOUD CROWD

Pump & Dump

***A crowd paid to cheer will
vanish the moment you join it.***

READ THIS CAREFULLY

In a pump-and-dump, operators quietly buy a small, cheap stock, then create loud hype — tips, messages, ‘sure-thing’ calls — to lure the crowd in. As ordinary buyers pile on, the price shoots up.

Then the operators dump all their shares onto the crowd at the top — and the price collapses, leaving the latecomers holding the loss.

The cheering you heard was the bait. You were the one being sold to.

WHAT IT IS

Pump-and-dumps target small, little-known stocks (easy to move) and arrive through unsolicited tips — a sudden message, a ‘leaked’ recommendation, a loud channel insisting it can only go up. The hype is manufactured; the price has nothing real beneath it. When the operators sell, there’s no floor.

WHAT MOVES IT

↑ (the pump) manufactured hype lures the crowd in and the price shoots up on nothing real

↓ (the dump) operators sell at the top, the hype vanishes, and the price collapses on the latecomers

WHAT THE PROS KNOW

The experienced treat sudden, loud, unsolicited enthusiasm for a small stock as a red flag, not an opportunity. They know that when a tip arrives free and screaming, the screaming is the product — and they are the intended buyer.

IT HAS HAPPENED BEFORE

Across messaging apps and ‘tip’ channels, countless small stocks have been pumped with hype, spiked for a few days as the crowd rushed in, then dumped — collapsing and leaving latecomers with heavy losses. The pattern is so reliable that regulators warn of it constantly. The loud crowd was always paid to be loud.

NOW YOU THINK FOR YOURSELF

So when a free, loud, urgent tip about a small stock reaches you, you ask: who profits if I buy this — and am I the cheer, or the one being sold to?

When the tip is free and loud, you're not the guest. You're the meal.

CONNECTS TO Gainers, Losers & Volume · Volume · Guaranteed Returns & Hot Tips

LAW 9.3

THE COOKED BOOKS***Accounting Fraud***

***Sometimes the numbers
themselves are the lie.***

READ THIS CAREFULLY

Most of the time a company's accounts tell the truth. But sometimes the numbers themselves are faked — invented profits, hidden debts, cash that doesn't exist — to make a failing business look healthy and keep the share price high.

When the lie is finally exposed, the share can collapse to almost nothing, overnight, with no warning.

The reassuring numbers you trusted were the trap.

WHAT IT IS

A beginner can't catch sophisticated fraud — but can stay alert to the warning signs: profits that look too smooth and too good while cash never seems to arrive, debts that keep growing, an empire expanding faster than it can possibly earn, and a management that dazzles with story while dodging plain questions. When growth seems too good to be true, it sometimes is.

WHAT MOVES IT

↑ (it looks great while) the faked numbers hold and the story dazzles

↓ (it collapses when) the truth surfaces — the gap between fiction and reality closes violently

WHAT THE PROS KNOW

The experienced trust cash over claims — a company can fake profits on paper far more easily than it can fake the cash actually in the bank. They're most suspicious precisely when a story is most dazzling and the questions are most deflected.

IT HAS HAPPENED BEFORE

Satyam, once a celebrated Indian IT giant, was revealed in 2009 to have invented over a billion dollars of cash and profits that never existed. When its founder confessed, the share collapsed almost completely in a single day, wiping out investors who had trusted the glowing numbers. The books had been cooked for years; the truth took only hours.

NOW YOU THINK FOR YOURSELF

So when a company's story is dazzling and its growth seems too good to be true, you trust the cash over the claims — and you stay most alert exactly when you're most impressed.

The most dangerous numbers are the ones too good to question.

CONNECTS TO Reading a Company · The Narrative Trap · Price vs Value

LAW 9.4

THE FASTEST KILLER

The Leverage Trap

Of all the traps, borrowed money kills the fastest.

READ THIS CAREFULLY

Every other trap takes time to spring. The leverage trap is instant. Because borrowed money has no cushion, a single normal market fall — the kind a patient investor simply rides out — can force you to sell everything at the worst moment, or wipe you out entirely.

It turns a survivable dip into a permanent, total loss — in days, sometimes hours.

The other traps take your money. This one takes it fastest.

WHAT IT IS

We met leverage as an instrument; here it returns as the deadliest trap, because it makes every other danger worse. A bad stock bought with cash is a loss; the same bought with borrowed money can be ruin. It hides everywhere a beginner is tempted to ‘do more with less’ —

margin, F&O, quick-loan apps urging you to invest borrowed cash.

WHAT MOVES IT

↑ (in a rising market) borrowed money does multiply gains — the bait that makes the trap so tempting

↓ (in any normal fall) the loss is magnified and forced, turning a dip into total ruin, fast

WHAT THE PROS KNOW

The experienced have seen that almost every story of total, sudden ruin — not just loss, but wipeout — has borrowed money at its heart. They protect against ruin first and chase gains second, because you can recover from a loss but not from zero.

IT HAS HAPPENED BEFORE

In crash after crash, the investors who didn't just lose but were wiped out completely — from 1929 to 2008 — were overwhelmingly those who had borrowed. A fall that merely bruised the cash investor was fatal to the leveraged one. The market's ordinary weather became a death sentence only for those carrying borrowed weight.

NOW YOU THINK FOR YOURSELF

So whenever you're tempted to borrow to invest — in any form, however it's dressed — you ask the survival question first: could this turn a normal fall into the end of my money?

***Every trap takes your money. This one
takes it before you can blink.***

CONNECTS TO Leverage — Borrowed Money · Derivatives ·
Permanent vs Temporary Loss

LAW 9.5

THE STORY TRAP

The Narrative Trap

***The story moves your money
long before the facts ever do.***

READ THIS CAREFULLY

Humans are wired for stories, and the market knows it. A powerful tale — ‘this technology will change the world,’ ‘this can only go up’ — can pull a price far above any sane value, because the crowd is buying the story, not the business.

When reality finally arrives and the story breaks, the price falls back to what the business is actually worth — often a fraction.

The better the story, the more dangerous the gap it hides.

WHAT IT IS

The narrative trap isn’t always fraud — the story might even be partly true. The danger is that a good story makes the crowd ignore price, value, debt, and every warning sign. ‘This time is different’ are the four most expensive words in markets. The trap is paying any price because the tale is so compelling.

WHAT MOVES IT

↑ (price floats up when) a compelling story sweeps the crowd past all caution

↓ (price snaps back when) reality arrives and the business can't match the tale

WHAT THE PROS KNOW

The experienced enjoy a good story but never confuse it with a good price — they ask, 'even if this story is true, is the price already assuming a miracle?' The best businesses can still be terrible investments if the story has run the price too far ahead.

IT HAS HAPPENED BEFORE

In the dot-com era, the story — 'the internet changes everything' — was actually true, and yet most of the companies riding it still collapsed, because their prices had floated impossibly above any value. Investors were right about the story and ruined by the price. The tale was real; the valuation was a fantasy.

NOW YOU THINK FOR YOURSELF

So when a story sweeps you up and the price seems not to matter, you ask the trap-breaking question: even if this tale is completely true, what am I being asked to pay for it?

A true story can still wreck you, if you pay a fantasy price for it.

CONNECTS TO Price vs Value · Old Instruments, New Names ·
Behavioural Biases

LAW 9.6

THE FREE-TIP LIE

Guaranteed Returns & Hot Tips

If a return is promised and a tip is free, you are the one being sold.

READ THIS CAREFULLY

Two phrases should freeze you instantly: 'guaranteed returns' and 'free hot tip.' In honest markets, higher return always comes with higher risk — so a guaranteed high return is a contradiction only a con can offer.

And a genuinely valuable tip is never given away free to strangers — if it were real, why would they share it instead of using it?

When the return is promised and the tip is free, the product being sold is you.

WHAT IT IS

This law ties the traps together. The Ponzi promises guaranteed returns. The pump-and-dump arrives as a free hot tip. The fraud dazzles with a story. Behind all of them sits the same impossible offer: reward without risk, value

given away for nothing. Reality has no such thing — only cons do.

WHAT MOVES IT

↑ (the bait shines when) the promise is loud, certain, urgent, and asks you to act fast

↓ (the truth lands when) you ask where the return comes from and why a stranger is giving it free — and it falls apart

WHAT THE PROS KNOW

The experienced live by one unbreakable rule: in markets, reward and risk are joined at the hip, always. Anyone claiming to have severed them — high return, no risk, guaranteed — is either lying or doesn't understand their own product. Either way, you walk away.

IT HAS HAPPENED BEFORE

India has seen wave after wave of 'guaranteed return' schemes — chit-fund collapses, fake investment plans, tip-sellers — that swallowed the savings of millions of ordinary people who believed reward could come without risk. The promise was always the same, and so was the ending. Only the names changed.

NOW YOU THINK FOR YOURSELF

So whenever you hear 'guaranteed' or 'free tip,' you ask the two questions that end every con: where does this return really come from — and why is a stranger giving it to me for nothing?

***Guaranteed return, free tip – the only
product on sale is you.***

CONNECTS TO The Ponzi Scheme · Pump & Dump · SEBI — The
Regulator

B O O K X

ME vs ME

The 80% that decides who wins

6 L A W S

LAW 10.1

THE 10,000-YEAR-OLD FEAR

Fear & Greed

***Your fear isn't weakness. It's
10,000 years old — and it's
fighting the wrong enemy.***

WHAT IT IS

The two oldest forces in your mind — fear and greed — kept your ancestors alive on the savannah, but they wreck investors. Greed makes you buy when prices are high and everyone's excited (the top). Fear makes you sell when prices are low and everyone's terrified (the bottom). The instinct that says 'run from danger' fires exactly when you should stand still, and 'grab the reward' fires exactly when you should hold back. The market is the one place your survival instincts betray you.

WHAT MOVES IT

↑ (greed peaks when) prices are high and the crowd is euphoric — pushing you to buy the top

↓ (fear peaks when) prices are low and the crowd is terrified — pushing you to sell the bottom

WHAT THE PROS KNOW

The experienced don't pretend they feel no fear or greed — they feel both, and act against them. The

whole edge is learning that the feeling screaming ‘buy now!’ at the top and ‘sell now!’ at the bottom is a 10,000-year-old reflex aimed at the wrong enemy.

IT HAS HAPPENED BEFORE

At the very bottom of the 2020 crash, fear was total — and that was the best buying moment in years. At the height of every bubble, greed was total — and that was the worst. The crowd felt most certain exactly when it was most wrong, because the ancient reflex was firing at full strength.

NOW YOU THINK FOR YOURSELF

So when you feel that hot urge to buy because everyone’s winning, or that cold urge to sell because everyone’s scared, you pause and recognise it: this is the 10,000-year-old reflex — and here, it’s pointing the wrong way.

***In the market, your survival instinct is
the thing most likely to ruin you.***

CONNECTS TO Behavioural Biases · Market Cycles · Permanent vs
Temporary Loss

LAW 10.2

THE MIND'S TRICKS

Behavioural Biases

***Your own mind plays three
quiet tricks that cost you
money.***

WHAT IT IS

Beyond fear and greed, the mind runs a few hidden glitches. Loss aversion: a loss hurts about twice as much as the same gain feels good — so you cling to losers hoping to 'get even' and sell winners too early. Herd instinct: it feels safe to do what everyone else is doing — which is how you buy tops and sell bottoms with the crowd. Recency bias: you assume whatever just happened will keep happening — so you expect a rising market to rise forever and a falling one to fall forever. Naming these tricks is the first step to escaping them.

WHAT MOVES IT

- ↑ (biases trap you upward when) recency makes you believe a rising market can only rise
- ↑ herd pulls you in near the top
- ↓ (biases trap you downward when) loss aversion makes you hold losers and panic-sell winners
- ↓ herd pushes you out near the bottom

WHAT THE PROS KNOW

The experienced don't think they're too smart for these tricks — they know everyone has them, and they build simple rules to outwit their own minds. The investor's real opponent isn't the market; it's the glitching software between their own ears.

IT HAS HAPPENED BEFORE

Studies of real investors show the same pattern everywhere: people sell their winners far too soon and hold their losers far too long, then pile in at tops and flee at bottoms with the herd. The market didn't do this to them. Their own wiring did — the same wiring in nearly everyone.

NOW YOU THINK FOR YOURSELF

So when you find yourself clinging to a loser, chasing a crowd, or assuming today's trend is forever, you name the trick out loud — and that naming loosens its grip.

***Your biggest opponent in the market sits
behind your own eyes.***

CONNECTS TO Fear & Greed · Smart Money vs the Crowd · Patience

LAW 10.3

THE WHEEL

Market Cycles

***Boom, greed, bust, fear, repeat
— new faces, the same old
wheel.***

WHAT IT IS

Markets move in cycles, turning like a wheel through four moods. Optimism builds a boom. Boom turns to greed and a bubble. Greed cracks into a bust. Bust deepens into fear and despair — which quietly sets up the next recovery. The names, the years, and the ‘reasons’ change every time, but the shape never does. Understanding the wheel means you’re never fully surprised by where it turns next — only by exactly when.

WHAT MOVES IT

↑ (the wheel rises through) despair → hope → optimism → boom → greed

↓ (the wheel falls through) greed → denial → fear → panic → despair

WHAT THE PROS KNOW

The experienced don’t try to predict the exact top or bottom — no one can. Instead they read roughly where on the wheel the crowd’s mood sits: maximum

greed warns of a top near, maximum despair whispers a bottom near. They lean against the mood, gently, knowing the wheel always turns.

IT HAS HAPPENED BEFORE

Every great boom and bust — 1929, 2000, 2008 — ran the same emotional wheel: disbelief, then hope, then mania, then denial, then panic, then despair, then quiet recovery. Each generation swore its boom was different. The wheel turned exactly the same way every time, wearing a new costume.

NOW YOU THINK FOR YOURSELF

So when the mood around you is euphoric or despairing, you don't get swept along. You ask: where on the wheel are we — and which way does it always turn from here?

The wheel always turns. New faces, same four moods.

CONNECTS TO Fear & Greed · The Credit Cycle · The Life Cycle

LAW 10.4

THE SAVING LINE

Permanent vs Temporary Loss

A falling price is a dip. Selling in fear, or being forced to, is the only true loss.

WHAT IT IS

This is the line that saves you. A price falling is only a temporary, paper loss — the number on the screen is lower, but you still own the same good business. It becomes a real, permanent loss only at the moment you sell in fear, or are forced to sell because you used borrowed money. The fall is shared by everyone who holds. Only the seller turns it into a wound that never heals. Master this one line, and half the market's power to hurt you is gone.

WHAT MOVES IT

↑ (a dip heals when) you simply hold a good business through the fall and let it recover

↓ (a dip becomes permanent when) you panic-sell at the bottom, or leverage forces you to sell

WHAT THE PROS KNOW

The experienced separate the two completely: a quality business at a lower price is a sale, not a

disaster. They never let a temporary fall — which time can heal — become a permanent loss, which nothing can. The wound is almost always self-inflicted.

IT HAS HAPPENED BEFORE

Through the 2020 crash, two investors holding the same good companies had opposite fates: the one who panic-sold at the bottom locked in a permanent loss; the one who simply held watched the paper dip heal completely within two years. Same companies, same fall. One sold the tree in winter; the other waited for spring.

NOW YOU THINK FOR YOURSELF

So when a price falls and fear screams at you to sell, you ask the saving question: is this business actually dying, or just in winter? A dip is survived by waiting — and made permanent only by panic.

The market's fall is temporary. Only your selling makes it permanent.

CONNECTS TO Cash & the Emergency Fund · Leverage — Borrowed Money · Patience

LAW 10.5

THE QUIET EDGE

Patience

Patience is the one edge no machine, no crowd, and no genius can take from you.

WHAT IT IS

You cannot beat the machines on speed, the institutions on information, or the crowd on noise. But there is one edge available to absolutely everyone, that none of them can take: patience — the willingness to wait. Compounding needs years. Good businesses need time to grow. Cheap prices need patience to appear and patience to recover. The market constantly tries to bribe you into action — but for the ordinary investor, doing nothing, for a long time, is often the most powerful thing you can do.

WHAT MOVES IT

↑ (patience pays when) you let compounding run for years and hold good businesses through cycles

↓ (impatience costs when) you trade constantly, chase fast moves, and interrupt the slow magic

WHAT THE PROS KNOW

The experienced have learned the hardest lesson in markets: most of the money is made by sitting, not by

trading. Activity feels like progress and usually isn't. The rare ability to wait calmly, while others churn, is the quiet edge that quietly wins.

IT HAS HAPPENED BEFORE

The investors who turned modest sums into fortunes — over decades — almost never did it by trading cleverly. They did it by buying good things and waiting, often for many years, through booms and busts, refusing to interrupt the compounding. Their secret weapon was the one thing anyone can own: time and stillness.

NOW YOU THINK FOR YOURSELF

So when the market tempts you to act — to trade, to chase, to do something — you ask: is this action, or just activity? The quiet edge is the patience to wait when waiting is right.

Everyone can be patient. Almost no one is. That's the edge.

CONNECTS TO Compounding · Algo & High-Speed Trading · Mutual Funds & the SIP

LAW 10.6

STANDING ALONE

Independence — Atmanirbhar

***The goal was never a tip. It was
the day you need no one.***

WHAT IT IS

This is where every law has been leading. Independence — atmanirbhar — is the day you can see the market for yourself: read a price, weigh a value, sense the mood, spot a trap, question a story, and decide with your own eyes open. You no longer need a tip, a guru, or a confident voice on a screen. You understand the connected machine, you know the instruments never change, and you recognise each new ‘this time is different’ as an old instrument in new paint. You are nobody’s exit liquidity. You stand alone — and that is the only victory worth wanting.

WHAT MOVES IT

↑ (you rise toward independence when) you question every story, weigh value, and decide for yourself

↓ (you stay dependent when) you wait for tips, follow the crowd, and let others think for you

WHAT THE PROS KNOW

The greatest investors share one trait above all: they think for themselves. They listen to everyone and obey no one. The final skill isn’t a secret technique — it’s

the calm confidence to stand apart from the crowd and trust your own reading of the machine.

IT HAS HAPPENED BEFORE

In every mania and every panic, the few who stayed calm and independent — buying when the crowd fled, waiting when the crowd raced — were the ones who came through whole. They weren't smarter than the crowd. They had simply stopped needing the crowd's permission to think. That is the whole reward of this book.

NOW YOU THINK FOR YOURSELF

So now, when the news shouts and the crowd reacts, you do the rarest thing of all: you pause, you ask the older questions, you see the pattern beneath the noise — and you act, or wait, with your own eyes open. That is atmanirbhar.

***The goal was never to be told what to do.
It was to never need telling again.***

CONNECTS TO The Narrative Trap · Patience · Old Instruments,
New Names

THE COMPLETE MAP, REVISITED

The Concepts You Now Carry

You came, perhaps, not knowing what a share was. You leave holding all 64 of these — the complete machine of the market. This is no longer a promise. It is what you now know.

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Everything Is Born, Grows, and Fades

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Market Cycles

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Patience

Independence — Atmanirbhar

THE ONE TRUTH BENEATH THEM ALL

The Instruments Never Change

Across all sixty-four laws, one truth has repeated like a heartbeat: **the instruments never change.**

A share is always a piece of a real business. A bond is always a loan. Leverage always magnifies the fall. Cheap money always lifts the whole room. Fear always runs to gold and the dollar. A crowded trade always runs out of buyers. A Ponzi always pays the old with the new. These are not fashions. They are the permanent machine beneath every market that has ever existed, or ever will.

This is why the same problems return, decade after decade, wearing new names. The mania of 1929 became the mania of 2000 became the next one no one has named yet. The borrowed-money blow-up of one crisis becomes the borrowed-money blow-up of the next. A new word, a new story, a new 'this time is different' — but underneath, the same old instrument, reacting the same old way.

So when the surprise comes — and it will, though no one can say when — you will not need to have predicted it. You will simply ask: *which old instrument is this, and how has that instrument always reacted?* You have seen this machine before. Only the paint is new.

That is the whole gift of this book. Not a forecast — forecasts expire. The permanent machine, and the calm

habit of reading it. History does not repeat in its dates. It repeats in its instruments. And those, you now know.

THE LAST PAGE

Now You Read Alone

You have walked all sixty-four. You began, perhaps, not knowing what a share truly was — a small piece of a real shop. You end knowing how the whole machine moves: the instruments, the master switch, the world that pushes India, the rupee, the things you can touch, the room where price is made, the traps laid for the careless, and the hardest battle of all — the one fought inside you.

Now comes the part no book can do for you. **You must read alone.**

Tomorrow the news will shout again. The crowd will react again. And you — if you have truly read these laws — will do the rarest thing of all. You will pause. You will ask the older questions. You will see the pattern beneath the noise. And you will act, or wait, with your own eyes open.

That is independence. That is atmanirbhar. That is the only victory this book ever wanted for you.

Effort offered to the Rishis.

Fruit offered to Ishwara.

Now — read alone.

ONE DOOR, IF YOU WANT IT

Beyond the Book

This book is complete. It owes you nothing more. If you read it slowly and honestly, you can grow your savings on your own, for the rest of your life, and never need another voice.

But some readers, having walked all the way here, will want to go further than any book can take them — to bring their own questions, their own doubts, their own real situations, and think them through out loud, with someone who has spent eighteen years doing exactly that.

That room exists. It is called **Patha-Shala**, and it meets live, every Tuesday, with Sagar — part of Stocktale. The book gives you the story. Tuesday gives you the thinking. This is the only place in these pages you will be asked to come further — because the book was always meant to stand on its own.

About the Author

Sagar U.S. is a trader and educator from Bengaluru with eighteen years in the markets. He is the founder of Stocktale, a financial-education platform built on a single belief: that ordinary people can learn to read the market for themselves, and that no one should be dependent on tips, gurus, or noise.

He is a Resource Person empanelled with leading market institutions, and has taught market literacy to thousands of students across colleges. He holds an MBA and has spent his career turning eighteen years of discipline into language a beginner can understand.

He is not a SEBI-registered adviser. He gives no tips. He teaches only how to think — because that, he believes, is the only thing worth teaching.