

# NEWSLETTER

JAN 4, 2025

## Market Sense

Article: Managing Drawdowns and Mindset in a Dull Market Environment

Primary Market Offerings: SANATHAN, CEWATER, UNIMECH, VENTIVE



Dashboard



Indicators on TradingView



Realtime Alerts



Discussion Group



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### Nifty500



The Indian markets kicked off the New Year on a strong note with a rally on January 2, 2025. However, profit booking towards the week's end, combined with negative global cues from Wall Street, weighed on sentiments. Despite this, the Nifty500 found support at its 200 EMA and rebounded, though the market appears to be in a **zig-zag phase**.

The overall market environment seems to be in a choppy, zig-zag phase. This type of market can be more difficult to navigate than a clear uptrend or downtrend. One way to identify this phase is by observing the 50-day EMA. Recently, it has been flipping between green and red, which signals a lack of clear direction. Such conditions require extra caution from traders. Traders are advised to avoid heavy positions and instead focus on short-term swing setups to navigate this volatile phase.

On the earnings front, weak results in recent quarters have created a low base, which could pave the way for stronger growth numbers later. This rebound is likely to become visible in the June 2025 quarter. For now, staying patient, focusing on smaller opportunities, and waiting for clearer trends may be the best approach.



Nifty500's 10EMA crossed its 20EMA last week, triggering the **Curtail signal**. The % of stocks above key EMAs have started to move upwards, after a gap of few weeks. This is neither overbought nor oversold market. (For reference: we consider the market to be in the oversold zone when all three key EMAs touch the green line at the bottom.)

# Managing Drawdowns and Mindset in a Dull Market Environment

**Drawdowns are an inevitable part of trading**, much like the flow of tides, except tides at least have the decency to be predictable. They test not only our strategies but also our emotional stability. Over the last 1.5 years, many equity swing and positional traders have experienced a period of good returns, riding the wave of a strong bull market. However, the last three months have been a reality check, the kind where traders feel like they've been betrayed by their beloved stocks, strategies or favorite chart patterns.

**A drawdown can feel discouraging, especially when it occurs after a period of significant gains.** It's easy to feel frustrated. Neophytes might be even disillusioned. However, this is where mental resilience and disciplined strategy play a crucial role. Here are some points to help manage a drawdown:

**Patience wins. Random actions ~ random results:**

In 1987, the final exam for German police service dogs was to remain calm in front of a cat. Similarly, the test here in the markets is to remain calm and composed and refraining yourself from forcing trades just because you want to cover your recent loss. Firstly, you are forcing a trade, secondly, you are not in the right mental state to handle the moves after pressing the buy button, this leads to over trading and faulty decision making. This only compounds your losses.

**Avoid the urge to chase quick profits or make rash decisions.** While driving, you speed up when the environment is good and not when you feel like, this also applies to trading.

**You didn't consider a short break, did you?**

You trade day in and out in the markets, especially after a series of losses, because your mind asks you to cover it up. This usually happens after a strong bull swing in the near past. The problem here is you do not know when to stop. Prop traders at the largest of the firms excel not just because they have world-class trading-infra and experience, but also because they have a rigid risk management to follow, or in other words they are told when to stop by their bosses. This helps them win over their over-trading mindset. **Take a break, the market was here before you and**

**the market will be here after you're gone.** You will come back with a composed mind and not take revenge trading bets.



“ **The consistency you seek is in your mind, not in the markets.**  
- Mark Douglas ”

**Acceptance:**

Market is very random. We trade ups and downs every day but we get nervous or annoyed when our profit curve shows those swings. **Market is very random to expect an exponential profit curve every month or every year.** C'mon you know it, don't lie to yourself.



Things which worked out for you yesterday might not work for you today. You will save yourself from T2 diabetes and high BP when you start accepting losses and drawdowns instead of losing sleep over it. I know, writing is easy but suffering from it is not and I agree to that. But remember every time, every loss of yours was recovered when you just followed what you always used to (be it chart pattern, trading model, etc.) so why to stress out this time as well? Moving on is the key. A market that was once smooth and



predictable can change course quickly. If volatility is the new norm, **adjust your strategy** accordingly. This could mean reducing position sizes, using tighter stop-loss orders, or shifting your focus to different sectors or

stocks that are performing better in the current environment and if nothing, have faith in your work and wait for the correct environment.

**You are in this business for the long term,** don't let a few days or weeks of drawdown ruin your confidence.

Fear breeds losses so have faith in your models. There's no successful trader who didn't believe in his work even during a dull phase. Remember until you follow the process with your own set of rules with discipline, you will recover your drawdown and go way beyond that.



*This article is written by **Naivedh Shah**, an engineering graduate and a full-time trader with roots in the steel business. He navigates the markets using a techno-funda approach, focusing on contractions and thematic plays.*

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# SANATHAN TEXTILES, NSE: SANATHAN



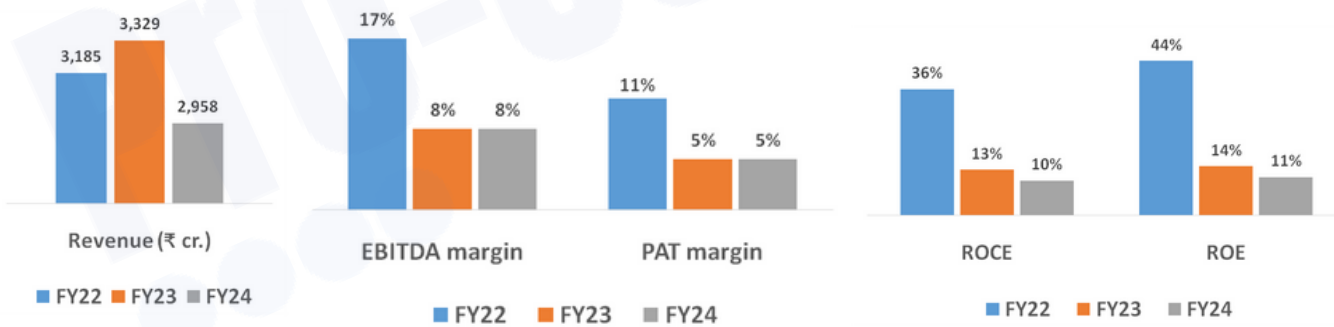
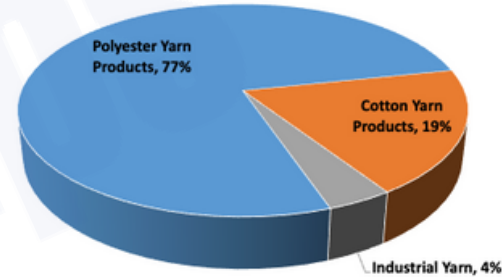
**Sector:** Textiles **Issue size:** ₹550 crores, including ₹150 crores Offer for sale  
**Industry:** Textiles- Yarn/Fabric/Processing **IPO price:** ₹321  
**Market Cap:** ₹ 3,201 crores

Sanathan Textiles Limited, incorporated in 2005, is a manufacturer of polyester yarn and a supplier of cotton yarn. The company operates in three business areas Polyester yarn, cotton yarn and yarns for technical textiles and industrial applications. These textiles are used in sectors like automotive, healthcare, construction, sports, outdoor activities, and protective clothing.



**2 manufacturing facilities:** 223750 mtpa in Silvassa, another being set up in Punjab.

Revenue Mix FY24



# CONCORD ENVIRO SYSTEMS, NSE: CEWATER



**Sector:** Infrastructure **Issue size:** ₹500 Crores. Fresh Issue ₹175 Cr & Offer for Sale ₹325 Cr.  
**Industry:** Infrastructure **IPO price:** ₹665-₹701  
**Market Cap:** ₹ 1,520 crores

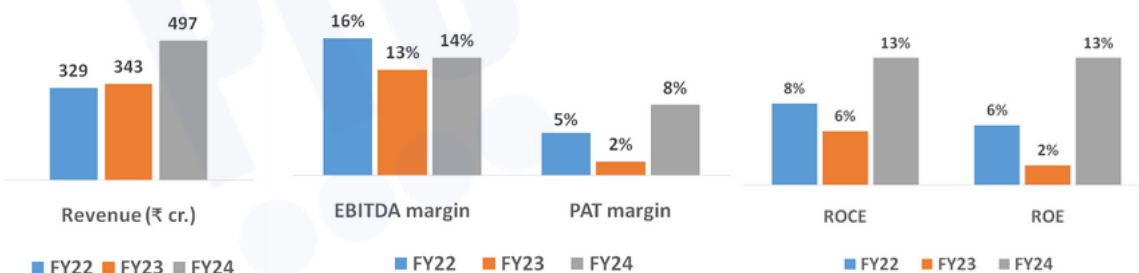
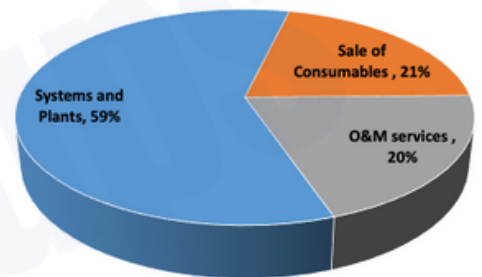
Concord Enviro Systems Limited provides water and wastewater treatment solutions, including wastewater treatment systems, biogas plants, and reverse osmosis (RO) systems. The company serves municipal, industrial, and commercial sectors, focusing on meeting regulatory requirements and promoting water reuse and resource optimization.

Company renowned for its expertise in advanced treatment systems, it specializes in MBR, ZLD, and IoT-driven solutions for real-time monitoring and enhanced efficiency.



**The company operates two manufacturing facilities, located in Vasai, Maharashtra, India, and Sharjah, UAE.**

Revenue Mix FY24



**Order Book as on August 30, 2024: ₹502 crores**

# UNIMECH AEROSPACE, NSE: UNIMECH

**Sector:** Defence  
**Industry:** Defence  
**Market Cap:** ₹ 6,943 crores

**Issue size:** ₹500 Crores. Fresh Issue  
 ₹250 Cr & Offer for Sale ₹250 Cr.  
**IPO price:** ₹745-₹785



unimech

Incorporated in 2016, Unitech Aerospace and Manufacturing Limited is engaging in the manufacturing of complex tools like mechanical assemblies, electro-mechanical systems, and components for aeroengine and airframe production.

The company is an engineering solutions provider specializing in the manufacturing of complex products with "build to print" and "build to specifications" offerings. This involves machining, fabrication, assembly, testing, and creating new products based on the specific requirements of clients in the aerospace, defense, energy, and semiconductor industries.



The company operates **two manufacturing facilities** in Bangalore, covering a total area of over 1,20,000 sq. ft.

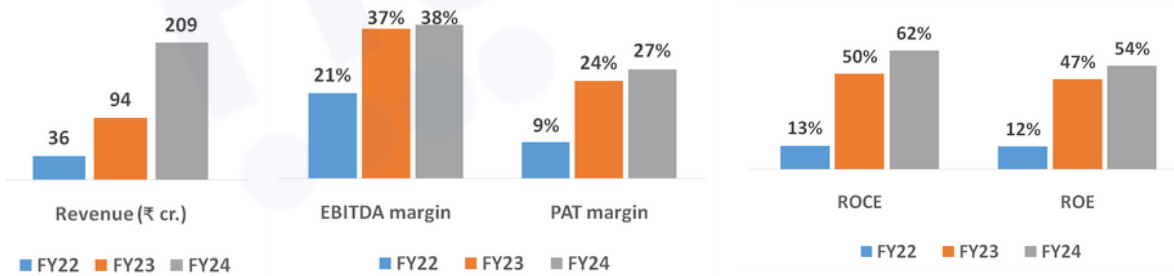


They have manufactured 2,356 SKUs in tooling and precision complex sub-assemblies category and 624 SKUs in the precision machined parts category, supplying to more than 26 customers across 7 countries.

Geographical Mix FY24



■ Within India ■ Outside India



# VENTIVE HOSPITALITY LIMITED, NSE: VENTIVE

**Sector:** Hotels  
**Industry:** Hotels  
**Market Cap:** ₹ 15,444 crores

**Issue size:** ₹1600 Crores Fresh Issue  
**IPO price:** ₹610-₹643



VENTIVE  
HOSPITALITY

Ventive Hospitality Limited incorporated in 2002, is in the hospitality business with a primary focus on business and leisure segments. The company's hospitality assets are operated by or franchised by global operators such as Marriott, Hilton, etc.

Its portfolio consists of **11 hotels in India & Maldives with 2,036 keys** across luxury, upper upscale and upscale segments. Apart from a pleasant accommodation experience, they offer several F&B (food & beverage) restaurants as a part of their hospitality venture.



The assets are located in prime areas of **Pune** and **Bangalore** along with **Maldives**, which is one of the top tourist destination of the world.

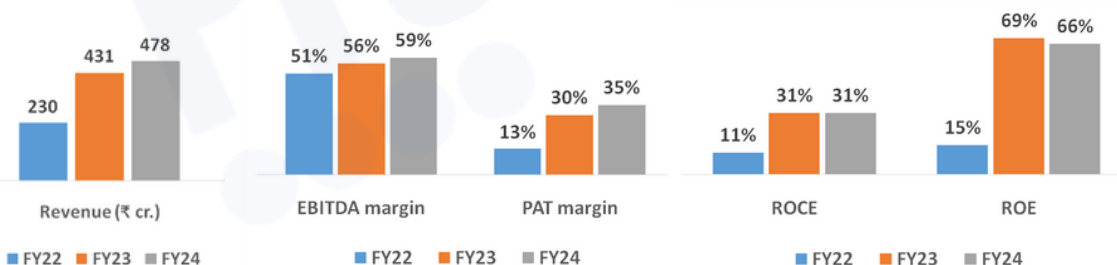


In 2024, the company **acquired 10 properties**, including Varanasi Hotel, Marriott Aloft, DoubleTree, The Ritz-Carlton, and a Sri Lanka hotel, expanding its hospitality portfolio from 1 to 11 assets.

Property Location	Number of keys (As of 30th September 2024)
Pune	1164
Bangalore	357
Maldives	515

Upcoming Property	Estimated No of Keys
Varanasi hotel, under a non-binding MOU with Marriott (for a potential Marriott brand)	167
Expansion of Marriott Aloft, Bengaluru	120
Sri Lanka hotel under a non-binding MOU with Marriott (for a potential RitzCarlton Reserve brand)	80



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## Contact:

 [www.pro-setups.com](http://www.pro-setups.com)

 [puneet@pro-setups.com](mailto:puneet@pro-setups.com)

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