

Stock trading Strategies Shaping Investors Decision Making in Cash Market: A Literature Survey

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Abstract :

The very rationale of investing in stocks is that it should produce superior returns over the comparatively secure government t-bills or t-bonds. To get assured returns from t-bills or t-bonds one just needs to invest funds and wait till maturity but that is not the case with stocks. Timely and adequate investment, regular tracking of market trends and stock prices, taking corrective action like booking profits or loss is to be done to get that desired returns. Thus each investor would have over the years developed some trading strategies which maximizes their profits and in times where the market catches them unaware they must have developed strategies which minimizes their loss. A study on knowing the existence of various trading strategies can be helpful to both existing and want to be investors as existing investors can adjust their trading accordingly and the new entering traders can invest wisely with tried and tested strategies.

An investor allocates his capital with an expectation of financial returns. So investment is a relative subject where the always trades off between risk and uncertainty in order to gain maximum returns. Over the years of trading he develops his own a strategy which varies from investor to investor and situation to situation. The current paper investigates the various trading strategies that investors in cash market follow and its impact on profitability.

Keywords: - Cash Markets, Day Trading, Delivery Based Trading, Trading Strategies, Profitability