



*A DISCIPLINED WAY TO **GROW YOUR MONEY***

**PRU $\alpha$ lpha**

A Product From  
**Prudent Broking**  
Money through wisdom

[www.prudentbroking.com](http://www.prudentbroking.com)

# What is PruAlpha

PruAlpha is a long only strategy where

- Entry and exit will be purely based on technical analysis; (i.e. study of charts)
- It's a delivery based product; (i.e. no derivative/leveraged position)



## Stock Selection

The stock will be selected based on the predefined technical indicators. Broadly the stock which are in overall uptrend and are breaking out after a consolidation phase, will be considered



## Volume

The stocks having average 20-day volume of 2 lac or more will be considered



## Time Frame

Typical holding period for a stock will be around 15-20 sessions. The holding period might reduce / go up if the target is achieved / stop-loss is hit earlier / later.



## Risk-Reward

Typically, the stop-loss level would be in the region of 5-10% which will be considered on closing basis while target would be in 7-15% range



## Allocation

Each stock will be allocated 7.5% of total corpus

- No averaging on the downside or upside.
- No ploughing back of profits

**NOTE:** ABOVE RULES MIGHT BE CHANGED IN FUTURE DEPENDING ON THE EXPERIENCE/NEED OF THE STRATEGY



## WHY TO GO FOR IT



Predefined rule based entry and exit strategy to ensure unbiased, emotionless entry/exit



Predefined stop-loss levels to ensure timely exit and freeing of capital for next trade



Predefined exit level on the way up to ensure automatic booking of profit and freeing of capital for next trade



Disciplined way of allocating funds

## WHAT ARE THE RISKS?



### Volatility:

In a volatile market, there are more chances of stop-losses getting hit



### Bear Phase:

In a prolonged bear phase,  
1) return might be affected adversely,  
2) cash levels would be high



### Impact Cost

There might be slippage/variation in returns due to impact cost while buying/selling.

Any other risk related to market

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