

Bullet Advisory Indian Stocks Explains Why Markets Are Falling In Spite Of Stimulus Packages

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Dated: Feb 02, 2009

We have to understand the psychology of traders.why they are selling on good news like stimulus packages.how traders differ from a common man

Bullet Advisory Indian Stocks-Why More is not Merrier for Markets

Periodically we listen about stimulus package being declared by some or other Government round the world to create demand and boost the economy. Markets rise in anticipation of package being announced and again starts downward journey. One wonders why the markets are not obliging to the good news and keep coming down. We have to understand the behavior of the market and psychology of Traders.

Markets do not like uncertainties. Markets move on sentiments and discount the future happenings. Traders want clarity and visibility. While common man takes package announcement as positive development, traders take it with a pinch of salt. First question they ask themselves why the hell package is needed if everything was fine on the ground. They smell the ground to be slippery sooner or later. This makes traders jittery. They become skeptical and suspicious.

Next comes the new package announcement with the higher amount traders become sleepless. This confirms their belief that all is not well and become skittish. More is not merrier for markets, enough is enough but this is too much, they think and are not able to digest the booster dose. They are not sure what will unfold next and try to jump out of burning train. They know in their hearts that this slowdown is viral in nature and can spread to different sectors of the economy likes epidemic. They have an idea that the economy is like sleeping giant and takes it's own time to wake up, this is a time consuming process .There is no point living in hope for better tomorrow if you can exit today .They do not take undue risk and stand out from herd crowd who buy in short term bounces and prefer to exit at every rise till clouds are clear. This traders' mentality spreads amongst investors too with time and falling prices. Markets becomes listless due to lack of buying support and falls on it's own gravitational force.

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