



MINTINGM



BEGINNER'S GUIDE TO IDENTIFYING

Multi-Bagger Stocks

By: Jeetesh Tipe

PROLOGUE

The art of stock investing encompasses the subjective and often intuitive aspect of decision-making. It involves understanding market sentiment, interpreting company reports, and recognizing trends and patterns. It requires a keen sense of timing and judgment, as well as the ability to navigate the ebbs and flows of human emotions that shape the stock market. The following literature aims to simplify the concepts of identifying **Multi-bagger Stocks**.

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Learn about the critical parameters and data to identify potential winners.

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Risk optimization and Exit strategy conditions to minimize losses and maximize profits.

Position Sizing

Learn how effective position sizing helps investors manage risk, control potential losses, and optimize returns

How to Identify the right Stocks to buy ?

The objective is to filter out businesses that are growing at an extraordinary pace. The easiest way to implement this is to run the below set of queries or parameters on **SCREENER.IN** after every quarterly result season

- Sales > 30 and
- Year-on-Year Quarterly Sales growth > 0 AND
- Year-on-Year Quarterly Profit growth > 60 AND
- Profit growth > 0 AND
- (Average return on capital employed 5 Years > 15 OR
- Average return on capital employed 10 Years > 15 OR
- Average return on capital employed 3 Years > 17 OR
- Return on capital employed > 10) AND
- Net profit > 0 AND
- Quarter-on-Quarter profits > 0 AND
- (Price to Cash Flow > 0 OR
- Price to Free Cash Flow > 0) AND
- Market Capitalization < 10000 AND
- Piotroski score > 6.5 AND
- (Current price * Volume) > 100000000

Once the query is run, you will get results as follows. You can make a watchlist of all the Stocks and choose from the desired Stock(s) from the list.


S.No.	Name	CMP Rs.	Sales growth %	Profit growth %	Qtr Profit Var %	QoQ Profits % ↑	QoQ Sales %	OPM %	P/E	PEG	CMP / FCF	CMP / OCF	ROE %	Div Yld %	ROCE %	Debt / Eq	Sales Rs.Cr.	Qtr Sales Var %
1.	Waaree Renewab.	1349.95	22.74	166.56	126.08	64.77	16.38	24.65	42.21	0.16	-119.28	43.10	95.78	0.08	83.80	0.34	414.37	24.47
2.	Shilchar Tech.	2797.80	47.39	155.46	166.96	48.96	58.09	25.40	30.99	0.63	183.41	54.22	42.84	0.18	53.83	0.02	336.75	77.92
3.	CEAT	2107.00	8.14	1192.73	961.42	44.24	4.03	12.50	16.21	-3.95	35.87	7.08	6.14	0.57	9.38	0.55	11590.51	5.49
4.	ITD Cem	204.05	42.74	80.49	73.69	38.98	12.33	7.99	23.94	3.56	26.82	7.44	10.44	0.38	18.82	0.62	5825.65	66.93
5.	Mrs Bectors	1141.65	35.10	98.46	173.76	26.04	8.11	14.05	59.90	2.98	181.09	40.92	17.74	0.27	20.95	0.23	1435.53	24.40
6.	SKM Egg Prod.	415.85	109.43	893.33	417.62	18.74	12.62	21.74	10.51	0.08	68.90	18.18	48.23	0.58	46.42	0.45	739.07	58.14
7.	Jai Balaji Inds.	578.00	14.80	528.86	851.61	18.26	4.32	8.78	23.98	1.14	41.77	28.91		0.00	18.28	0.67	6290.15	12.94
8.	Dynacons Sys.	735.95	40.84	141.63	209.93	15.37	30.60	7.06	21.75	0.28	553.05	63.93	38.94	0.08	36.51	0.66	940.04	85.11
9.	Titagarh Rail	735.70	94.87	129.40	115.82	14.26	2.71	10.53	44.14	1.87	-992.03	228.69	13.91	0.07	17.58	0.26	3586.83	54.08
	Median: 9 Co.	735.95	40.84	155.46	173.76	26.04	12.33	12.5	23.98	0.63	41.77	40.92	28.34	0.18	20.95	0.45	1435.53	54.08

When to take entry in a Stock ?

Determining the right time to enter a stock position is a critical aspect of successful investing or trading. While there is no one-size-fits-all answer, here are some key factors and strategies to consider when deciding when to take an entry in a stock.

Next step is to visit [CHARTINK.COM](https://www.chartink.com) and run the below screener/query on your watchlist and sort by %change after every quarterly result season.







Stock **passes all** of the below filters in **watchlist** segment: 

Daily **Close Greater than** Daily **Supertrend**(15,3)     

Daily **Volume Greater than** Daily **Sma**(Daily **Volume**  ,20) * **Number 2**    

Daily **Rsi**(14) **Greater than** **Number 60**    

The above set of query gives the ideal stocks which are favourable to take an entry position with. The query result will look like this :-

Sr. 	Stock Name	 Symbol	 Links	 % Chg	 Price	 Volume
1	Somi Conveyor Beltings Limited	SOMICONVEY	P&F F.A	20%	108.6	602,761
2	Medicamen Biotech Ltd	MEDICAMEQ	P&F F.A	17%	714.55	407,263
3	Jet Freight Logistics Ltd	JETFREIGHT	P&F F.A	16.34%	11.75	1,004,806
4	Jaiprakash Associates Limited	JPASSOCIAT	P&F F.A	14.83%	15.1	152,937,061
5	Nitco Limited	NITCO	P&F F.A	13.58%	21.75	1,631,346
6	Greenlam Industries Limited	GREENLAM	P&F F.A	11.75%	482.8	855,769
7	Lokesh Machines Limited	LOKESHMACH	P&F F.A	9.6%	258.6	659,686
8	The Anup Engineering Ltd	ANUP	P&F F.A	7.88%	2305	171,718
9	Arrow Greentech Limited	ARROWGREEN	P&F F.A	7.76%	483.85	509,046
10	Il&fs Investment Managers Limited	IVC	P&F F.A	7.69%	8.4	690,529

Here are some of the Stocks identified by using the above methodologies
(Chart is viewed on [TRADINGVIEW.COM](https://tradingview.com)) :-



You can change the time period to “**weekly**” on the chart, in case you have a long term horizon. Once you get the list of stocks from the above screener, you can **initially allocate 10%** to top 10 stocks

Risk Management

Risk management in stock investing is the process of identifying, assessing, and mitigating potential risks associated with investing in stocks. Effectively managing these risks is crucial for protecting your capital and achieving your investment goals.

As a cardinal rule, **never risk more than 3% of your overall capital** in the cash market

In the below chart, we can see the risk is of around 13% so we can allocate 23% of the portfolio in the stock. 13% of 23% allocation is **2.99% risk on overall portfolio**.



Concentrated portfolios with proper risk management always produces extraordinary returns.

Position Sizing (How much to Buy/Sell ?)

Position sizing is a critical aspect of risk management in investing. It refers to determining the quantity or size of a position (how many shares or contracts to buy or sell) in a particular investment or trade. Effective position sizing helps investors and traders manage risk, control potential losses, and optimize returns.

So based on the above risk management rule, you can ascertain the number of positions in the portfolio. Incase, this seems too complicated, you can assign equal weighted allocation across the 10 stocks selected by you.

Remember, the ideal no. of **positions in a portfolio can range be from 6 to 10** depending on your capital and liquidity in the stocks.

When to sell a Stock ?

Deciding when to sell a stock is a crucial aspect of successful investing. The right time to sell can vary depending on your investment goals, risk tolerance, and the specific circumstances of the stock and the market.

However, we will make it simple and condition driven. Visit [CHARTINK.COM](https://www.chartink.com) and run the below screener/query on your watchlist and sell the stocks that appear in the results.

Stock **passes all** of the below filters in **watchlist** segment: 

Stock **passes all** of the below filters in **cash** segment:    

Daily **Close Less than** Daily **Supertrend**(15,3)     

IN CONCLUSION

Stock investing can be a rewarding way to build wealth over the long term, but it's not without risks. To become a successful investor, it's important to educate yourself, develop a well-thought-out strategy, and be prepared for both the ups and downs of the market.

If the above mentioned rules are followed rigorously, you are bound to generate prodigious returns.

Remember, **Stock Investing is not rocket science, Simple things work the best !**

ABOUT THE MENTOR

Jeetesh Tipe is the Founder and Chief Investment Officer at MintingM and holds over a decades experience in Data Analytics Trading markets with quant based algos since 2017.

He holds a Master's degree in Information Technology and has an inquisitive knack of spotting Multibaggers which include stocks like Tata Elxsi, Neuland labs, Indiamart and many more.

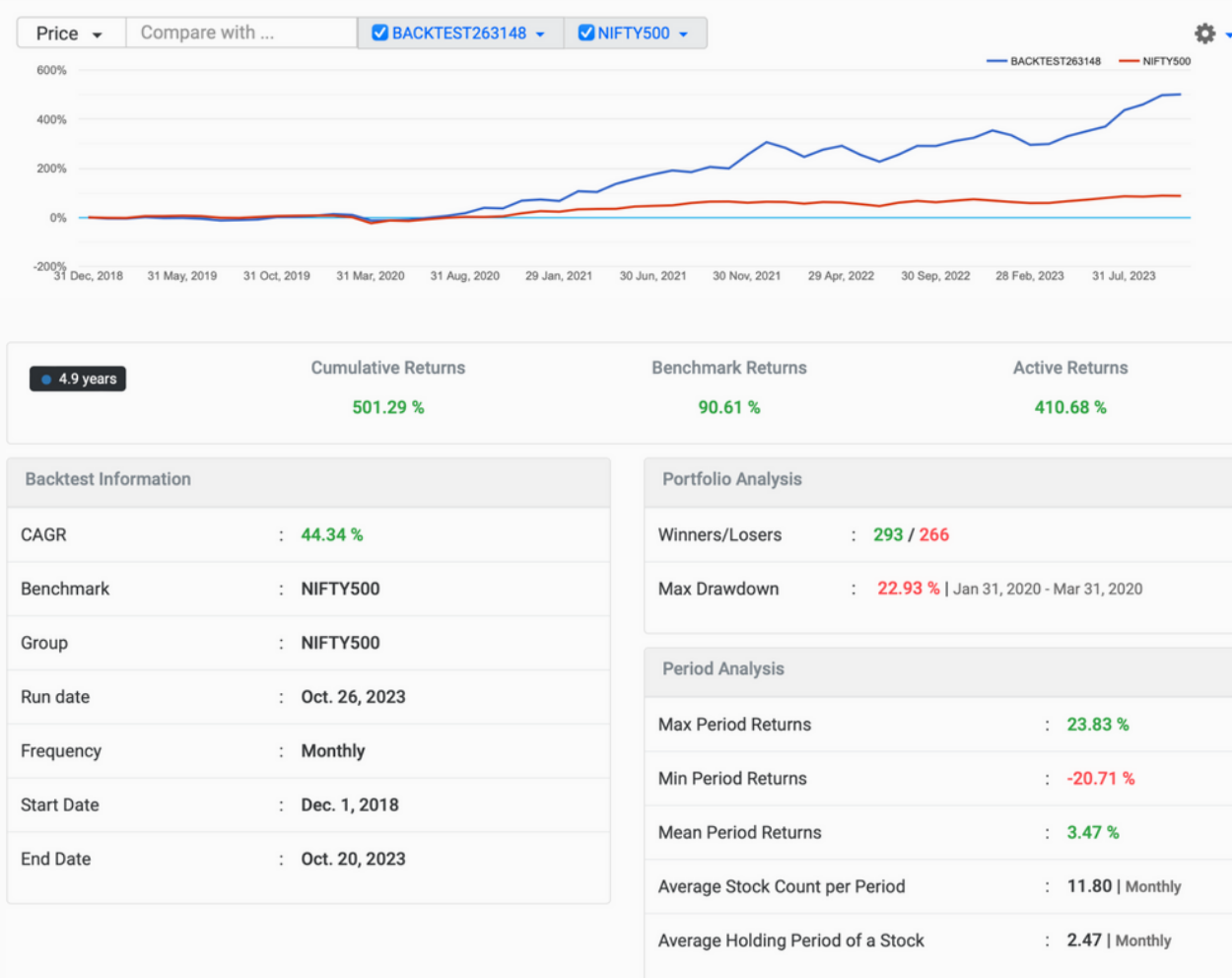


WHAT WE OFFER

AUTOMATED INVESTING STRATEGIES :-

We categorically believe in automated Investing as it rules out emotions and errors of taking trades manually. Our homegrown algorithms make investment decisions based on a client's financial goals, risk tolerance, and other personal preferences.

The back-tested results for some of our Algos/Strategies are shown below for reference



[CONTACT US](#) incase you want to Automate your Investments !