



■ HOW THE STOCK MARKET WORKS

Your Complete Beginner-to-Investor Guide

Value Investing • Portfolio Building • Wealth Creation

A FREE eBook by
FUTURECAPS.COM

■ futurecaps.com

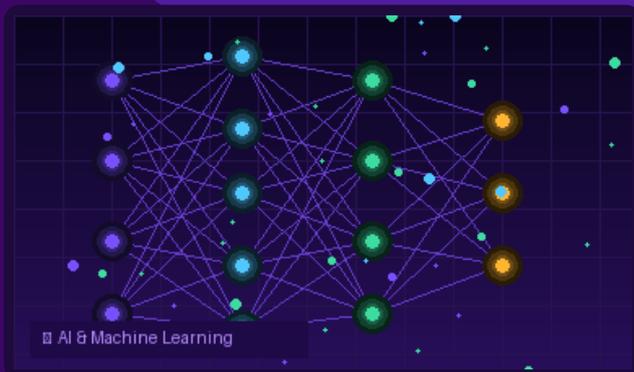


TABLE OF CONTENTS

- | | |
|-----------|--------------------------------------|
| 01 | Why Stock Market? |
| 02 | What Is Investing? |
| 03 | Why Not Trading? |
| 04 | What Is Value Investing? |
| 05 | Valuation Method in Value Investing |
| 06 | Why Portfolio Is Required? |
| 07 | How Much Returns Can You Make? |
| 08 | When Will We Advise to Sell Stock? |
| 09 | What Returns Do You Need to Be Rich? |
| 10 | How to Handle Bear Market? |
| 11 | Deep Learning on Stock Market |
| 12 | Summary of Learnings |

CHAPTER 01

WHY STOCK MARKET?

The Stock Market is not just a place to buy and sell shares — it is the greatest wealth-creation engine humanity has ever built. Every single one of the world's top billionaires built their fortune through equity ownership in businesses.

Stock Market created ALL top riches of the world.

If you want to be rich & financially free... you need to learn stock market tactics.

Here's why the stock market stands apart from every other asset class:

Ownership in Real Businesses: You don't just lend money — you own a piece of growing companies.

Compounding Returns: Unlike fixed deposits, stocks can compound at 15-25% annually over decades.

Passive Wealth: Your money works 24/7, even when you sleep.

Globally Accessible: Anyone with a demat account can participate in India's and the world's growth.

Bottom Line: If you ignore the stock market, you are leaving the greatest wealth-creation tool unused.

CHAPTER 02

WHAT IS INVESTING?

Investing is the **core purpose** of the stock market. It is a partnership between entrepreneurs and capital providers that drives economic growth and personal wealth.

How Investing Works:

Step 1 — Promoter raises capital: Company lists on the stock exchange, raising money from public investors.

Step 2 — Business expands: Capital is deployed to grow products, services, and market share.

Step 3 — Stock price zooms: As revenues and profits grow, the stock price appreciates.

Step 4 — Investor gains: Early investors enjoy massive capital appreciation.

Key Characteristics of Investing:

Long-term horizon: True investing requires patience — typically 3 to 20+ years.

Passive income: Your money works for you. You are NOT glued to screens.

SIP Strategy: Best practiced using incremental buying — e.g., invest 70% initially, then deploy remaining 30% during market dips.

Proven track record: Investing has created ALL top riches of the world without exception.

SIP Tip: Don't invest your full capital at once. Use the 70/30 method — deploy 70% on entry and hold 30% for averaging during dips.

CHAPTER 03

WHY NOT TRADING?

Trading is often glamourised in movies and social media. But the reality is starkly different. Trading is **not** the purpose of the stock market.

Huge Time Sink: Traders spend 6-10 hours a day monitoring charts, news, and positions.

Mental Exhaustion: Constant decision-making under pressure leads to burnout and poor judgment.

Very Low Success Rate: Studies show 90-95% of retail traders lose money consistently.

Higher Taxes: Short-term capital gains are taxed at 15-20% vs 10% for long-term holdings.

Career Impact: Trading can distract from your primary job, leading to poor performance.

Wrong Purpose: Trading is speculation — investing is ownership. These are fundamentally different.

Trading requires immense time, energy, and expertise — with very few chances of long-term success. Choose investing instead.

CHAPTER 04

WHAT IS VALUE INVESTING?

Value Investing is widely considered the **greatest investing methodology in the world** — made famous by Warren Buffett, the greatest investor of all time.

*Enter a stock when it is **UNDERVALUED** → Hold for a few years →
Exit when it is **OVERVALUED***

Buy Low, Sell High — Systematically: Unlike speculation, value investing uses fundamental analysis to identify when a stock is trading below its true worth.

Warren Buffett's Strategy: Buffett has used this strategy for 60+ years to become one of the world's richest people.

Patience is Rewarded: Undervalued stocks may take time to be recognized by the market — but the wait is worth it.

Built-in Safety: Buying undervalued stocks creates a 'margin of safety' that protects against downside risk.

The 3-Step Value Investing Formula:

Step 1: Find undervalued, high-growth companies

Step 2: Invest patiently for 3-10 years

Step 3: Exit when the stock reaches fair or overvalued levels

CHAPTER 05

VALUATION METHOD IN VALUE INVESTING

How do you know if a stock is undervalued or overvalued? The answer lies in calculating the **Intrinsic Value** — the true fundamental worth of a business.

Intrinsic Value is the cornerstone of value investing.

When Market Price < Intrinsic Value → UNDERVALUED (Buy Signal)

When Market Price > Intrinsic Value → OVERVALUED (Sell Signal)

Intrinsic value is calculated using earnings, growth rates, cash flows, and discount factors.

It gives a rational, math-based framework for investment decisions.

It removes emotions like fear and greed from your decision-making.

Futurecaps provides a free tool to calculate intrinsic value:

Calculate Intrinsic Value Free: <https://futurecaps.com/iv>

CHAPTER 06

WHY PORTFOLIO IS REQUIRED?

No matter how confident you are about a single stock, **concentration risk** can destroy your wealth overnight. A well-diversified portfolio is your greatest shield.

Futurecaps recommends 20-30 stocks in your portfolio for optimal diversification.

Even if one stock goes to ■0, the remaining 19-29 stocks protect your overall capital.

With high-growth stocks across sectors, portfolio risk reduces significantly over time.

In 15 years of Futurecaps history, portfolio loss has NEVER exceeded 20%.

Above 2 years, ALL portfolios have been profitable — the longer you hold, the safer you are.

IMPORTANT NOTE:

Initial losses are normal when starting. Re-invest during market corrections — in the long run, your profit probability increases dramatically.

CHAPTER 07

HOW MUCH RETURNS CAN YOU MAKE?

The potential returns in the stock market are **life-changing**. History is filled with examples of ordinary investors who became extraordinarily wealthy.

Company	Returns	Time Period
Infosys	10,000X+	1993 to 2020s
Asian Paints	5,000X+	1980s to present
HDFC Bank	2,000X+	1994 to present
Titan Company	3,000X+	1990s to present

By investing in **undervalued, high-growth companies** and holding patiently, you can create immense wealth and achieve true financial freedom.

CHAPTER 08

WHEN WILL WE ADVISE TO SELL STOCK?

Knowing **when to sell** is just as important as knowing when to buy. At Futurecaps, we use a strategic partial-exit approach to lock in profits while staying invested for further growth.

Think of it like a Tree Strategy:

A tree grows → You cut part of it → You plant new trees → Eventually, you have a forest!

We advise **partial selling** when a stock hits significant multiples of the buy price.

Example: Mazagon Dock gave 30X returns — we sold ~50% at peak, holding remaining 50%.

Proceeds from partial sales are reinvested into new undervalued multibaggers.

This strategy ensures you never miss future upside while securing profits.

Full exit is recommended when the stock reaches significantly overvalued levels.

CHAPTER 09

WHAT RETURNS DO YOU NEED TO BE RICH?

The magic number is **20% annual growth in your Net Worth**. Achieve this consistently, and wealth becomes inevitable through the power of compounding.

The Wealth Formula:

Optimize Earnings + Maximize Savings + Minimize Wasteful Spending = More Stock Allocation = Faster Wealth Growth

How to Free Up Capital for Investing:

Stop funding low-growth assets like real estate with high EMIs.

Shift from low-return mutual funds to direct equity for higher returns.

Convert expensive insurance-investment policies to pure term insurance.

Eliminate wasteful expenses — subscriptions, impulse purchases, lifestyle inflation.

Track every rupee: calculate ROI on all your existing assets.

Free Wealth Tracking Tool: <https://futurecaps.com/multicap>

Track all your assets, calculate ROI Growth, and monitor your journey to 20%+ net worth growth.

CHAPTER 10

HOW TO HANDLE BEAR MARKET?

Most investors **fear** bear markets. Smart investors **celebrate** them. Bear markets are not disasters — they are the greatest buying opportunities in wealth creation history.

Bear Market = Wealth Transfer

It moves wealth from the impatient to the patient.

Historical Proof:

2008 Financial Crisis: Those who bought at the bottom saw 10X returns by 2018.

COVID-19 Crash (March 2020): Investors who bought the dip doubled their money in 12 months.

Every war, pandemic, and recession — markets have ALWAYS recovered and made new highs.

High-Growth Sectors for 2026:

AI & Machine Learning	Data Centers
Robotics	Solar Energy
Sustainable Energy	Electric Vehicles (EV)

Get 4 handpicked stocks from high-growth 2026 sectors with Multicap Plan

<https://futurecaps.com/multicap>

CHAPTER 11

DEEP LEARNING ON STOCK MARKET

Reading this eBook is a great start — but true mastery requires structured, in-depth education combined with real investing practice. Futurecaps offers both.

Your Learning Pathway:

Resource	Purpose	Link
Master Mind Training	Deep dive into stock market fundamentals, analysis techniques & psychology of investing	imjo.in/cr9F2H
Multicap Plan	4 curated stock picks from high-growth sectors + wealth tracking tools & portfolio guidance	futurecaps.com/multicap
Intrinsic Value Tool	Calculate the true value of any stock instantly for free	futurecaps.com/iv

■ *The stock market rewards those who learn, stay patient, and remain disciplined. Your journey to financial freedom starts with the first step. Take it today.*

— Futurecaps Team | futurecaps.com

CHAPTER 12

CAN YOU SUMMARIZE THE LEARNINGS?

Take Investing Seriously

The more you learn, the more you earn.
Treat investing as a lifelong skill.

Increase Your Income

Learn a new skill. Attain a certification.
Double your savings.

Reduce Your Expenses

Stop wasteful spending. Cut what does not grow your wealth.

Hold Long-Term

Magic is created over the long term. Let compounding work its miracle.

Welcome to Futurecaps!

You are now part of a community of smart, long-term investors dedicated to building real wealth through knowledge, discipline, and patience.

Multicap Plan

futurecaps.com/multicap

Master Mind Training

imjo.in/cr9F2H

Intrinsic Value Tool

futurecaps.com/iv

The stock market rewards those who learn, stay patient, and remain disciplined.

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