



Trading Call Policies

GEOFIN's Research offerings include Technical and Fundamental Research Reports and Trading Strategies, which provide comprehensive coverage on Commodities. Our services include trading recommendations, product specific research reports, email newsletters and market updates.

The daily trading recommendations, which are indicators / guidance on the Buy, Sell, Stop Loss or exit levels, are available over mobile (SMS) and FLIP trading platform. Clients can avail the same by subscribing, at a nominal cost of Rs 100/- per month. Employees of Geofin and prospective clients (for one week trial basis) can also activate the service without any charges.

Calls/Tips: is a common name that denotes BUY/SELL recommendation given by the research team.

Types of calls: *Intraday / positional / BTST and STBT (Not for Intraday) / Spread / Arbitrage.*

Risk, Reward Ratio: Normal RR ratio is 1:0.80. This may vary depending on market fluctuations.

Call Format: A call/tip always contains a single or double entry/entries, a single or double target, and a Stop Loss.

TGT hit/SL hit: TGT or SL whichever hits first, will be booked. Messages will be disseminated through SMS and FLIP messenger.

Early Profit Booking: In certain circumstances, profits with a minimum return of Rs 500 will be booked, if the trend tends to reverse. Such call will be treated as 'target achieved'.

Treatment of Closing of Calls: Calls without adequate return may be closed before expiry of the day's trading session. In such cases, calls closed in profits will be treated as 'target achieved' and calls closed in loss will be treated as 'SL triggered' for calculation purpose.

Exit calls: If the trend tends to reverse, exit calls will be given without waiting for the SL to be triggered.

Early booking/Exit calls results: Contrary to Early booking/Exit calls market may move as suggested in the original call and hit TGT. These are purely market risk.

Daily, Weekly, and Monthly performance report: The daily Call Summary Report is circulated among all CRMS and Research Dept. Weekly summary is circulated internally but the Monthly Trading Call summary is a comprehensive report on the performance of calls given by Geofin HO Research during a month and is disseminated among our CRMS and uploaded to our website.

Measures used: Performance of calls is measured by using tools such as Strike rate, Net profit and Total returns.

Grouping: Calls are segregated into four sectors such as Agri, Bullion, Energy and Metals.

Abbreviations: TGT=Target, SL=Stop Loss, CMP=Current Market Price, BTST=Buy Today Sell Tomorrow, STBT=Sell Today and Buy Tomorrow.

Double Entry and Exit levels: In a call with double entry point, the average of the two entry points will be taken for profit/loss calculations. In case of Exit calls, CMP will be taken into consideration.

Parameters for Return Calculation: Strike Rate and Total Return on Investment

1) Strike rate: It is the percentage rate of profit calls to the total calls

$$\text{Strike rate} = \frac{\text{Total profit calls}}{\text{Total No: of calls}} \times 100$$

2) Net Return:

$$= \frac{\text{Net profits}}{\text{Investment}} \times 100$$

Investment = Margin Money /Initial Margin may vary in between 5-10% of the value of the asset.

- a) Net Profit/Loss = Gross Profits or Loss minus brokerage and other charges.
- b) Gross Profit/Loss = Total Profit or Loss on investment.

- a) *Brokerage is taken as 0.03% on both legs*
- b) *Commodity transaction tax (CTT) is not considered for calculating Net profit*

3) Spread calls are usually calculated on the basis of Gross profits.

Note:

1. Usually the calls are recommended for Intraday. Meanwhile, any calls unless hit the Target/SL on the day the call is given and not suggested to EXIT/CLOSE during market hours will be considered to 'HOLD the call' for next working day.
2. POSITIONAL OR NOT FOR INTRADAY calls will always carry the term 'positional/not for Intraday'.
3. Follow up calls like, TGT hit/EXIT or SL Triggered will also be given in most of the cases. To utilise market opportunity, we may intentionally deny from giving such follow up calls. Client discretion is suggested in such cases.
4. The investment money, i.e. initial margin may differ on the basis of price volatility.

5. In certain circumstances, on analyst's perception of market volatility, calls may be partially booked, recommended to trail SL or exit.
6. It is not necessary that Spread and Arbitrage calls are given on SMS/Flip messenger. This may disseminated through e mails and such calls will also be considered for Strike Rate or Return calculation.

Disclosures:

- a) Trading in Commodity derivatives are always subjected to market risk.
- b) Market recommendations are given on best effort basis. Clients are requested to read and understand the Disclaimer, Terms and Conditions, before trading in commodity futures.
- c) Clients should read the risk disclosure document issued by the SEBI and by various exchanges like MCX, NCDEX & NMCE.
- d) We do not assure or guarantee any return on your investment or on the accuracy of the calls. Past performance of trading calls should not be considered as a guarantee for future performance.
- e) Clients are advised to consider all Research Recommendations only as opinion and should make their own investment decision.
- f) Analyst's opinion on any particular open position shall not be taken as a recommendation to BUY or SELL. Under any circumstances such Analyst/Team shall not held responsible for any loss upon acting on such opinion.
- g) Clients are advised to trade only if call/tips suit their risk appetite and risk bearing capacity. All such tips shall be considered as a view or opinion and the client alone shall be responsible for the trades.
- h) Calls/Tips suggested by our analysts are communicated in writing. No verbal communication from any of our analysts or otherwise under any circumstances shall be considered as an advice.
- i) Trading calls/tips/Market updates to client's mobile will be given only after agreeing to the terms and conditions for subscribing Geofin Research services. Calls/tips disseminating through Flip messenger is a Value Added Service and clients who do not require the service, can easily disable it themselves.
- j) Profit/ Loss on trading/investment shall totally be borne by the client.

Terms, Conditions & Disclaimer:-

- k) Trading in commodity derivatives and investing through the derivative instruments (including delivery based) involves considerable risk and may not be suitable for all types of traders / investors.
- l) The trader / investor may have the risk of losing part or full or even in excess of the initial margin & investment.
- m) The views, anticipated movement of prices, trading strategies, or the buy or sell recommendations posted to you over SMS are purely based on technical / fundamental analysis and strictly for intra-day trading, unless specified otherwise. The trader / investor shall assess their individual risk-appetite and suitably set the stop-losses.
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