

Shiv Sharma On Financial Investments Evolution

Charu 00:02

Hello and welcome to Mrigashira

00:25

Great to meet you, Charu, glad to be on the show.

Charu 00:29

I'll really look forward to the next 15 minutes we have together I'm going to ask you the road to stop trading comes with its own set of challenges at stopped with which is positioned as the world's largest social network for investors and traders? How are you navigating the black spots?

00:49

What's really happened is that, , the entire global FinTech ecosystem, especially in India has done a phenomenal job giving access to retail investors. Now it's easy to go buy a mutual fund stock or even or even a cryptocurrency via any really easy app, the KYC is easy onboarding is easy. And all of that. The hard part is what should I buy? When should I buy? How do I ignore the media noise do I hold do I buy do I sell that is like the next phase of what is happening in FinTech. And that's what our mission and my mission personally is, is really deepened, right. And there's two ways in my view of way of like, of how that gets fixed. One is via content, and one is your community. Now content is what we're very active in trying to do, and trying to have the best investors the best influencers, , on our platform, and, you know, I guess having them, you know, via YouTube via our Instagram via our Twitter handle, in partnership with ET and BI, who are our partners in India to help them to amplify their voice. Now, we have investors who are doing a great job of explaining the more complex topics and we also have influencers, who do a phenomenal job of explaining the finance investing topics and more layman terms, right. Second piece to it is the community. And so to get investing, right, it's kind of complicated, very complicated, actually, you know, there's, you need, like that, you have to understand the basics of macro economics and technical analysis and business fundamentals and things like that, and so on stock twits. The goal is to bring all sorts of individuals who are both professional and who are also amateurs and who are who are also very skilled retail investors on the one platform to have them, you know, converse and have more in depth conversations outside of someone's existing Whatsapp group and things like that. And so that's an like, the first step, I would say, to getting started and really overcome the hurdle is to immerse yourself into finance and markets. So that means starting to watch the news, starting to consume the memes that we create that help, you know, give you a sense of, you know, like, each meme, we have, for example, has an element of market psychology lessons, as an element of the news in there as well. So as you incorporate finance and investing into your social media habits, it's good for you for the long run. And then lastly, what one should do is get started, even with a really small amount and have skin in the game, because trust me, you will, you will study a business and notice more things when you go shopping at the mall. If you have even 500, 1,000 bucks invested in that stock, for example, you will care a lot more when the media headlines are very scary. And you know, there's global situations happening and macro episodes happening that are scary, you will know a lot more about how the markets react to certain events, if you have that small amount of money invested as an education, investment as well into your future.

Charu 03:57

So will it be fair to say that stocktwits is trying to take out the fear out of investing really looking at human psychology of trading and how we could bring about change in the way we think and people's outlook towards investing.

04:13

100% Right, that's exactly right. And I think, you know, it's something that is not easy, right? There's no one person, entity startup who can do this for you. This is an evolution, right in every retail investor is at a different point in their journey. So the example I gave before somebody who's brand new. Now, if somebody is a little bit experience, our goal is to help them get even more experienced, right? If someone is really good, our goal is to help them get even better, right? And then if someone's even professional, even the most best well known professional will rely on others for certain aspects. So for example, if you're India's best ITM list, right, you will still rely on somebody else for chemical industry for consumer goods industry or because you can only do it stocks right and of the day, right? And so you'll also rely on people for more macro economic advice or people who understand interest rates and RBI policies and how that correlates market returns, you'll also need people to help you with more technical analysis to show Okay, should I be adding to my positions here or not? Right? So, to kind of mix all of this is really our goal in the long run, which is going to be a journey to be very honest with you, it's not easy to do.

Charu 05:26

No, absolutely agree with you. And it's really a follow up question from there. over the years one has met so many people and I'm guilty of it myself and investing can feel like really a chore, you know, especially for women investors who don't want to play the stock picking game, and how does one democratize investing, get people to feel that okay. I mean, this is for everybody. Let's just, let's just have some ground rules. And, and can stock twits play an important role here.

06:03

I'm personally convinced that like, not just Indians, but everyone globally, learns via community, right? Like, we all know that, you know, the, I guess the target group you just mentioned, probably has a busy personal life, they have family lives, they have day jobs, they have other obligations, they want to do personally, right? Investing, unfortunately, for everyone is really not the main thing. Right? So the way you actually you know, make that more of a focus is by making it fun. So that's why we have a very entertaining Instagram page where we give very short bites, very snackable insightful content that's there. Also, I think, you know, the whole community concept, which is what we're trying to solve is 100% likely going to be how people can really elevate and sharpen skills in a quicker format. Right, so I would recommend whether it's on stock twits or not, I personally don't care. I mean, this is my mission, like beyond a point right, like beyond the stock twits mission and so I would recommend that if you're a brand new women investor, I would say start off by owning a mutual fund or a diversified ETF

07:58

The best way you will get started is to proactively create WhatsApp groups and telegram groups and even stock twits handles and follow people who, are wanting to learn together. So that is actually how this that's actually the best way where you start sharing news articles and you start sharing observations

and you start asking, oh, but like, my company reporting great earnings, you know, the revenue growth was good, the profit was good. It's the best company in the IT sector. Why is the stock down today? Right. So starting to finally, you know, put skin in the game with your friends, track your portfolios in small amounts, create social groups and communities of people you are sharing with? And then lastly, I would say that you should find a few influencers, who can who kind of meet you, and who think like you, right? So there's 1000s of influencers out there. We all know the, you know, the downsides and upsides of influencers, right? But, but they do a phenomenal job of, reaching to their audience and explaining these concepts. So you will not learn from anywhere, because CNBC is great, but it's more designed for the more sophisticated audience. So these guys do a really good job of that. And it'll take you time to filter through meet different influencers and see if you like their style, whether it's a language or investing style, after a period of trial and error, you will find a handful that you and your friends really liked. And you know, it's all free to follow them these days. So it's all on you just defined it to make it happen. Now, we're at stopwords trying to democratise that entire process by you know, like in our new product, for example, we'll have it where you come on board, you say Are you an investor or are you a trader? And we'll have people for you to follow who are you know, on in both worlds who we validate and say yes, this person is very good at XYZ and ABC. So that is how we're going to help but in general, this is beyond stock price as a as an overall mission in the world.

Charu 09:58

So now we have crypto as Well, what are the myths and facts around crypto? And you know, despite the new tax rules which have kicked in starting this month, would you recommend investing in crypto? I know that's a leading question, but I really want to know from you.

10:12

So, you know, I can't give investment advice. I'm not certainly registered, but I will say that, you know, the biggest myths misconception and crypto is the following. So crypto in India has two large demographics, right, one being those who own the coins, or on specific cryptocurrencies, maybe as the doge coin or shiba inu, like like maybe it's a coin, where they're hoping, you know, here's a small punt, hopefully, this becomes big one day, they make some money. One more set of people in this kind of demographic are those who are active traders who see, look, this is more profitable, way to trade in equities, it's 24/7. It's pretty volatile, my rule based system of how I trade stocks, also works for crypto. So that is one big demographic of people, whether it's a trader or investor, who is for who very focused on this, right, that second base of what crypto really stands for is this web 3.0 boom in this whole ecosystem. And these are actually people who are mostly living in Bangalore, but it's all been very decentralised now, so I don't know, it's mainly Bangalore still, because that's where the developer sit, for the most part in India. And from there, they're building tools and applications that leverage blockchain for various other use cases. And so what this ecosystem really is, is like, web 3.0, which is, you know, the same way we had the whole software, and the whole b2c, you know, e commerce and fintech and in the all the all the kind of the whole venture ecosystem really exploding in Bangalore, this is the next step of that, to create that same ecosystem for web 3.0 applications, which, which many people believe have significant upside if the world does go in that direction, right. And so these are two big buckets. So if you're a beginner, and you don't know where to begin, you should just realise what it is, is your goal is your goal to get rich quick, if so, you should probably learn trading is your goal to just buy and hold and you know, own some quality projects, whether it's a Bitcoin or Aetherium, or a Solana or an avalanche,

who, you know, have more have higher chances of being here for many, many years. And look, if the crypto ecosystem takes off. But the many people put in perhaps didn't get well will then do pretty well. Or if you want to go and do more research to find the more hidden gem web 3.0 projects, whether they're in India, or whether they're in the US, or Britain or in Europe, to find those projects. That's also an option as well. So, but overall messages is just know your timeframe, know your style, know your goals. And so that's what I would recommend is not to confuse the strategies and styles and just know that the stuff you're owning, understand the business and the product used case underlying those projects. That is the most important takeaway, I would say, when it comes to crypto.

Charu 13:20

I would say you really need a strong risk appetite for wall of fear. And I think that's why a lot of people get that out. And they say that emotions are your worst enemy in the stock market. But in a world where emotions is what defines us, how does one shed that persona when trading?

13:35

Trading or investing? They're very different questions. Which one are you referring to?

we're gonna go with investing because that's what we've been talking about.

13:45

Okay. So avoiding the fear is something that even the most savvy professionals with 50 years experience cannot do with 100%. The first step is to realize it is totally normal, to feel anxious when your portfolio is all red, and you're down 5% in one day, that is something that you should just get used to know, this will happen, right? Second is getting skin in the game and getting started is actually how you build that muscle. Build that mental muscle, it'll take you a lot of time, you'll have to understand how that kind of that whole process works on your own. There's nobody who can help you. The only way you can kind of get help with that is is a community and a group of friends and like people in your community who are you know, either more experienced than you who you who you are helping or who are helping you navigate these kind of uncertain times. Right? That's so the crowd thinking process is something that in a micro community format is probably the best way to get started after you have skin in the game. And then lastly, sorry, what I would just think about is, is, is one more kind of set of principles, right is understand what you own right? If you own quality blue chips, right? That's more I mean, if you look at the data more times than not, if you weren't really able to do the full depth, the resources needed to pick, you know, small caps and mid caps, if you're able to either buy mutual funds or buy blue chips directly, who've been around for a long time, who have very strong competitive advantages, things like that. Those tend to do very well over time despite market cycles. And so they they tend to genuinely trend upwards if they're purchased at a reasonable valuation at the right time, for long periods of time. So that's what I would say is the biggest flaw that I see is that somebody says, Look, you know, I don't have a lot of money, and if I divide by TCS, it will give me only 10% return per year and if I buy a small cap, upside of 100%, so why should I own TCS, this is a, just an issue that I faced myself when I started, then I started seeing the data and if you go look on, you know, any market website, whether it's money control ET Yahoo Finance and go look at the TCS chart for 20 years or 15 years, you'll see some very significant returns if you've held and the way you know, that is by you know, reading the simply reading the press release on the earnings. Every quarter they release earnings. You'll know how they beat expectations

and they miss expectations. What are the management saying, you know, they're pretty candid in how they explain the business, you know, so I would say going a little bit deeper gives you a lot more mental comfort than just being blind and kind of being out of the details. So as you dig in, you'll build conviction that will help you hold through volatility in different periods of time.

Charu 16:47

some valuable tips there. Thank you so much,for talking to us on maegashira

16:53

Glad to be on the show.