



AJVC SLACK CHANNEL

**AMA#11 WITH SAGAR SAMBRANI DATED
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What has been your biggest learning having worked in trading for the last 5+ years? Any myths and any unforeseen realities?

The biggest learning has been to keep emotions away from trading or investing decisions. Its extremely difficult in the beginning, but with practice, you get better at it. This has really benefited me as a trader. The biggest myth is that successful traders get close to every trade right whereas it's usually closer to 60-70%. The key difference comes from letting your winners run and cutting losses at the earliest, easier said than done if emotions are driving your trading decisions.

There are rumors that automation and ML/AI is going to come for all the S&T jobs - what is your take on that? Do you feel only the relationship-driven IB business will be spared?

There has been a shift towards automated trading decisions and this has worried the S&T community. The transition will be quicker for linear products such as delta one or FX spot etc. But structured products including derivatives definitely benefit from a human perspective.

You scored a considerably high score on your GMAT, but took an interesting decision to do your MBA at IIMC. Was this deliberate, any particular reason . Also, on the same note, what would your advice be to prospective middle-class Indian candidates in the context of the shape of the current?

It was a close decision in the end, but after discussing with my mentor, I realized that I could achieve my goal of becoming a front office trader overseas even with an IIM degree straight after graduating from IIT and hence decided not to wait another 2-3 years to try the same route through a US MBA. It's a very difficult time for the Indian economy and who knows where we will be 5-10-15 years from now. However, the greatest opportunities arrive in such times and one must look for kinks in various industries where they can add value and scale it up.



What's your take on the foreign exchange remittance regime in India? What steps do you think the government should be taking in making it an easier exercise for general people?

India and specifically the RBI has been quite conservative with respect to the internationalization of its markets, whether FX or Fixed Income. I believe inward remittances will continue to be encouraged and India will be the largest beneficiary globally. Currently, there seems to be no intent to put INR on a path for reserve currency status unlike the Yuan and hence RBI may prefer to keep restrictions on external remittances. Given less than 5% of the country's population earn more than 1.5 lakhs a month, it may not be the immediate focus of the government to liberalize remittance regulations.

As an experienced professional what is your take on the relevance of college education in the upcoming years?

I believe college education will retain its importance based on multiple factors. When companies have to select talent from hundreds or thousands of applicants, it is an easy exercise for managers and HR to filter based on academic qualifications. Secondly, formal education develops certain flowcharts or methods of analyzing data in your mind which add value at various stages during your career. Third, networking in colleges helps as well.

What is your take on the future of cryptocurrency, especially as an asset class for storing value or as an inflation hedge like gold?

I am bullish on the future of cryptocurrencies and feel we will find more applications for them in the coming years. However, investors in this asset class need more research to back their belief given its nascent nature.

How can someone who has no experience of trading get started?

Like everything else, with a small first step and learning along the way. Get into the mindset of trading when the risk-reward is in your favor and not by following the herd. Begin by reading the basics of valuation (for equity trading) or macroeconomics (for macro asset classes like FX) or technical analysis for any asset class. Identify an asset that you have begun to understand through research/news/past performance and then place your trade with a take profit and stop loss level.

What is one of the most important lessons from your college education which has helped you in your career and still is the thumb rule you abide by?

The most important lesson I learned in college and still am learning occasionally is that there is no substitute for hard work. Hard work inadvertently brings good luck, if you can call it that. Set goals for say 5 years from now, and work back to see where you should be 4, 3, 2, 1 year from today, and what you need to do to reach your goals. Now, go ahead and do 2 times of that. Warren Buffet is a true inspiration in terms of the work he puts in even now when he has achieved 1000x of successful man's goals.

Can you share your thoughts on current INR valuation and what is the near future outlook for INR?

Since March, with the flood of liquidity from the US, we are in a strong USD depreciating trend globally which is benefiting other currencies as well as Gold, Silver, Bitcoin, and other assets. India has some strong foreign inflows lined up and the INR will ultimately benefit from these as well as continued remittance from NRIs. RBI will moderate the appreciation of INR and add to its reserves as a war chest for future crises.

How can people with limited time explore the world of trading? Does it require a lot of active time? Is it something somebody can explore part-time?

The world of trading provides a lot of flexibility. Given limited time resources, one could compromise slightly on the breadth of asset classes or securities. I would recommend reading up on technical indicators and breakout chart formations if you are keen on trading. However, in the long run, fundamental investing generally fetches greater returns and if that's working for you, there's nothing like it. Learning about trading could possibly add value to your investing by guiding you on when to place the trade.

How was your experience studying MIM at the University of Mannheim compared to IIM?

I was on a student exchange program in Germany and while we did not focus much on academics, it was very interesting to see the difference in efforts between Germans (Top), Spanish & Italians (somewhere in the middle), and us Indians. However, in terms of results, we were very close to the Germans despite a vast difference in effort. This is a trend seen every year for the exchange students. In a way, it validated the general perceptions of various cultures globally and also showed us how much Indians can achieve if we got the steely determination and perfectionist qualities of the Germans.

In the last decade, Indian markets have done exceedingly well, and five companies are responsible for the push. On the other hand, small and mid caps have struggled. Why has the BSE still have this bull run?

Globally, most markets are realizing that true money creation happens only in a few leaders which continue to draw money.

How have you approached your career decisions at various points in your life? How would you suggest a college student choose a field if he/she is interested in multiple domains and unable to decide?

I tried to reach out to successful seniors in the various fields I was interested in and understand the details of the path. That said, once you take a decision accept it and give it your all without thinking on what if you have chosen the other route.

I am a student of Mathematics honors but I want to focus more on my side hustle that is Copywriting. This online class scenario is helping me as I'm now able to give more time to my side hustle as I'm just being in the class for the sake of attendance. Do you think this is right or wrong?

When your current path and interest are at odds, you have to increase your efforts to make the most of the situation. Having a side hustle is good as it gives you flexibility in career and with hard work and talent when you end up succeeding, it is definitely justified.

Do you think the recent events will depreciate the dollar value to the Chinese Yuan? How do you see the FX markets for these two nations in the coming years?

I personally feel that there are many twists and turns lying ahead based on US elections, US-China relations post-election, the end of COVID, etc. China and the Yuan will definitely gain in importance, but appreciating in value is not a done deal.

Any books you would recommend that have helped you become a better trader?

- The Joys of compounding by Gautam Baid.
- Market Wizards by Jack Schwager
- Trade like a Stock market Wizard by Mark Minervini
- Technical Analysis of Financial Markets by John Murphy
- Tradingview.com is a good free tool for charting.

Based on your experience in being a high achiever throughout your educational and professional life, can you sum up the three most important attributes to succeed in life?

Don't consider yourself a high achiever. Buffett and Bill Gates do not.

Stay hungry, Stay foolish.

Health >>> Wealth

Know what you want out of life and don't chase others' dreams.

What is your belief about being a part-time trader or a person pursuing it as a hobby? Is it worth or is it just gambling?

For a personal portfolio, I would advocate investing over day trading any day.

Investing is allowing one's capital to work for you and compounding is very important for long term wealth.

When other countries have taken the easy route and done excessive QE, and global QE reaching \$6T, what has stopped India from taking this route?

Given the challenges of Fiscal and CA deficits that India faces, mega printing of money can lead to long term destabilization.

Been following retail traders on twitter for some time now, and have seen how they trade, so I would want to know how different it is for someone trading professionally.

- **Do you use classic technical analysis with indicators or is it a quantitative model based on greeks?**
- **Do you trade on rumours and news?**
- **Are you always hedged on overnight positions?**
- **What are the lessons that you learned or mistakes that you have seen people or corporates commit in trading, that you wouldn't repeat?**
- Its a combination of multiple factors including the ones you have specified.
- I think there are enough opportunities to trade based on convictions and try my best to ignore rumours.
- I trade FX which is a 24x5 market, so at any point I have at least 10-15 positions running overnight.
- Trading based on rumours :)

What's the best way to explore options trading as a young working professional?

Start understanding the cash market, because it is underlying for options. Learn about delta, gamma, and other Greeks that simplify your portfolio. Look for undervalued options in the market and utilize those opportunities in smaller sizes at first.
