

**INDIAN**

# STOCK MARKET JOURNAL

EMPOWERING TRADERS AND INVESTORS

**Stock To  
Bet On**

Difference Between  
**Traditional Finance and Behavioural Finance**

A Guide to  
**Wealth Management**

**Taliban Induced Political Collapse  
Of Afghanistan**

**Top 5 Future Trading Strategies  
You Should Use**

**Stock Split vs Bonus Shares**

Stock Market  
**Outlook**



**Gold**  
for the  
**Golden Bird**



# FROM THE CEO'S DESK



## INDIAN STOCK MARKET JOURNAL

Special Edition | August 2021

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### ISMJ, August Issue

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Full efforts has been made to ensure the authenticity and accuracy of the contents of the Yearbook, but we do not accept any liability for the errors if committed and the subsequent loss arising from the same, but we will make sure that the errors if occurred are recited and minimized in future editions and also would welcome the readers feedback.

We welcome your comments and suggestions for our future editions to make it more helpful month after month.

Dear Readers,

Among many things happening in the world, it was the Taliban in Afghanistan that caught all the recent attention. We pray for the peace in the situation as soon as possible.

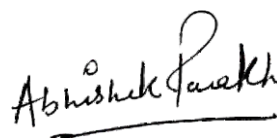
One thing that was a great source of excitement in the country was winning a gold in Olympic after quite long years.

In this edition of ISMJ, we have brought you all about Future trading strategies you should use and Stock Split vs Bonus Shares. The edition also comes up with wealth management strategies you can use. Also, in the edition, we talked about difference between traditional and behavioural finance.

Along with all the topics deemed to be the future of markets, we also bring you Stock Market Outlook, how Nifty and Bank Nifty is expected to move in the upcoming months. Hope you learn and grow.

We would like to thank you for appreciating our previous editions with your kind words. We would love to have your continuous feedback so that we improve our work. Please feel free to write to us at support@equitypandit.com.

Happy investing!



Abhishek Parakh  
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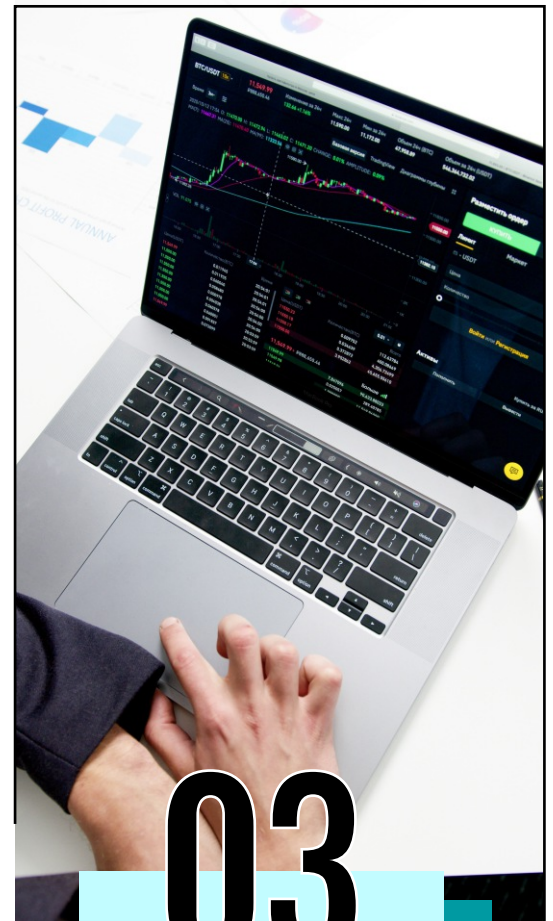
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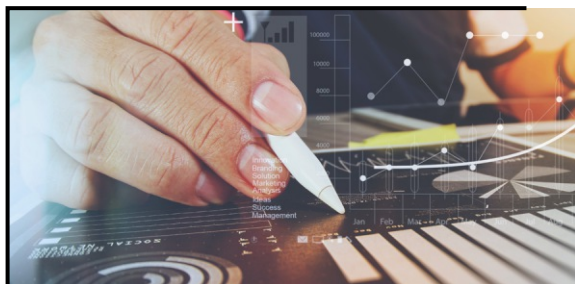
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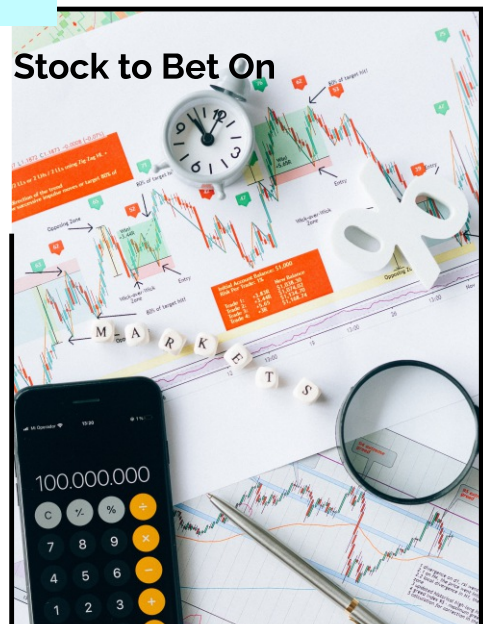
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# Stock Market Outlook



## NIFTY

Two weeks ago, the benchmark index NIFTY has shown a strong breakout. After an intermediate solid consolidation phase, the index extended its gains. It closed at another lifetime high level since the index's breakout saw a near 700 points trading rally.

Let us see on Nifty Hourly chart analysis along with different indicators:



On the weekly chart, we can see that the Index is following rising trend line support. The previous session index made a fresh new high near 16628 and formed a bullish candle on the chart. Technically, fourteen days RSI is in the overbought zone, but it is



not showing any divergence against the price. Going ahead from here, the market would extend its positive gain until it holds 16220 levels for the near term. So, buying on dips will be the preferred strategy in the current scenario. The Nifty Index can move towards 16900 levels in the coming sessions.

The market is now in uncharted territory. Hence, we recommend positively approaching the markets. Use the trailing Stop loss method to protect your profit at higher levels.

# BANKNIFTY



Bank Nifty has continued to be a significant dawdler in the ongoing market rally. This index formed a top in February 2021 and is still far away from its high lifetime levels. It is expected that soon BANKNIFTY will catch up over in the coming weeks. Technically, the Bank Nifty is consolidating in the 35800-36200 zone. As per Fibonacci projection levels, we can expect a rally towards 36980 levels which is 161.8% of the retracement level. On the downside, 35500 will be immediate support for the index. As long as the Bank Nifty Index does not move above its consolidation levels convincingly, we recommend continuing to approach the banking sector in a stock-specific way.



# STOCK SPLIT VS BONUS SHARES

Bonus and stock split are two popular corporate activities initiated by publicly listed corporations to improve the shares traded. Investors usually get confused among these two words.

This article will help you know the variation among these corporate activities, why businesses take corporate action, and what impacts the shareholders.







# BONUS ISSUE

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Capitalisation issue is another word used for Bonus Issue, which grants more shares to the existing shareholders for free. Businesses with less cash balance may issue bonus shares instead of cash dividends as a process of giving regular income to their shareholders. There is just an additional financial influence as shares are backed through reserves.

Issuing bonus shares raises the number of shares which results in a drop in the stock value of the business in proportion to the bonus rate, which attracts retail investors who hang back to invest in firms that are essentially strong but are open at a higher rate.

Earnings per share (EPS), price per share or, book value per share (BVPS) drops as the quantity of shares increases. A bonus issue is perceived positively as a sign of better



health of the business. When bonus shares have been announced, the shares drop proportionately, but the company value remains the same.

For instance; In 2018, Infosys Ltd. announced a 1:1 bonus, pre bonus no. of existing shares were 2,184,127,091 with a face value of 5/share, the post-bonus number of shares climbed to 4,368,254,182 with a face value of 5/share. Issuing a bonus is the same as cutting a small piece of a cake. The full size of the cake does not vary by how many times you miss it.



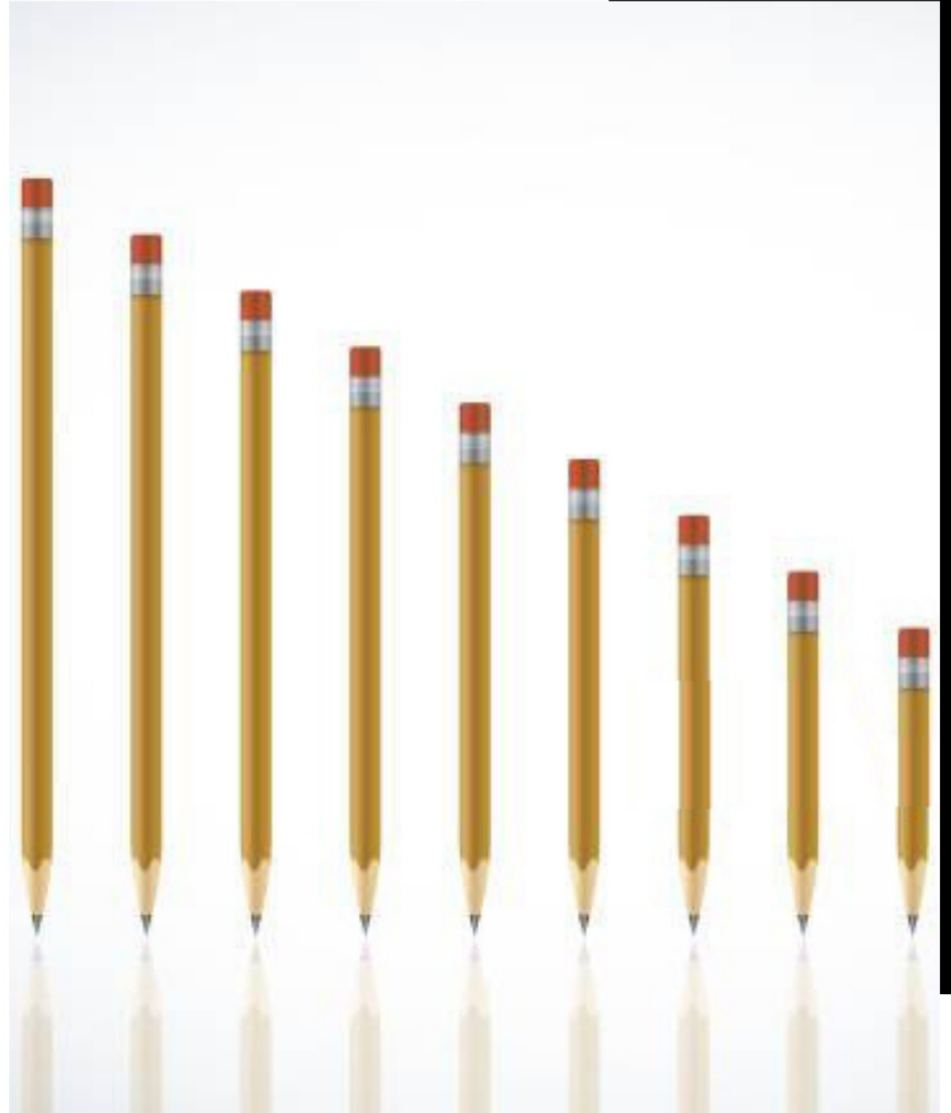


# STOCK SPLIT

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Stock Split is an action conducted in which a corporation cuts its current shares into more shares to improve the liquidity of shares. Split is generally considered when the stock value is high, causing it to be costly for investors to get. It draws down the share amount since the quantity of shares rises, but the stocks' price remains as it is. Face value is the only thing that gets divided. The main motive is to make shares affordable to retail investors.

For instance; In 2018, Britannia Industries split their stocks in the proportion of 1:2, which indicates every 100 shares owned by existing



shareholders will become 200 shares. It split the shares from the amount of Rs 2/share to Re 1/share. The quantity of pre-split shares was 25 crores of face value Rs 2, post-split it became 50 crores equity shares having face value of Re.1 each.

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# WHAT IS A REVERSE STOCK SPLIT?

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A reverse stock split is just the reverse of a stock split as it sounds. In this situation, the quantity of existing shares of the company decreases. This corporate activity will increase the value of the stock.

You may guess that a share value increase is beneficial for the company, but the reverse split is essentially an accounting method.

Here the market capitalisation of the business stays the same. Fundamentally, the company scratches all outstanding shares and issues new shares in straight balance to what you had earlier.

For example, in a 1 is to 5 reverse splits, you will now have one share for every five shares you had. If you had 1,500 shares, for instance, then you will land at 300 shares.

Corporations usually perform reverse stock splits to limit the stock price from falling too much. It should not be viewed as a sign of progress, but it shows instability in its financials.







# BONUS ISSUE VS STOCK SPLIT

A bonus issue is an extra share allotted to existing shareholders, while a stock split is the same share divided into more than two shares according to the split proportion. Bonus shares are profitable for current shareholders, while in a stock split, both existing shareholders and potential investors can get an advantage. In stock split and bonus, fundamentals of the company will not affect, the given share capital

stays the same, the revenue stays the same, and the earnings remain the same too, the only factor that will be influenced is the face value and reserves capital.

Suppose the company chooses a stock split from the face value of 10 to the face value of 5. The number of stocks will become double, and the price will get settled, as in bonus face value stays as it is, but the price will get settled according to the bonus ratio.







Bonus issues and stock splits are corporate activities primarily initiated to limit share prices from growing too high. Reverse Stock splits are initiated to restrict the share price of a business from dropping too much. Though the number of existing shares raises and the cost per share falls, the market capitalisation (and the value of the business) does not impact. Bonus issues and stock splits aid to make shares more under budget for small investors and gives higher marketability and liquidity in the market.



# UPCOMING TRADING HOLIDAYS



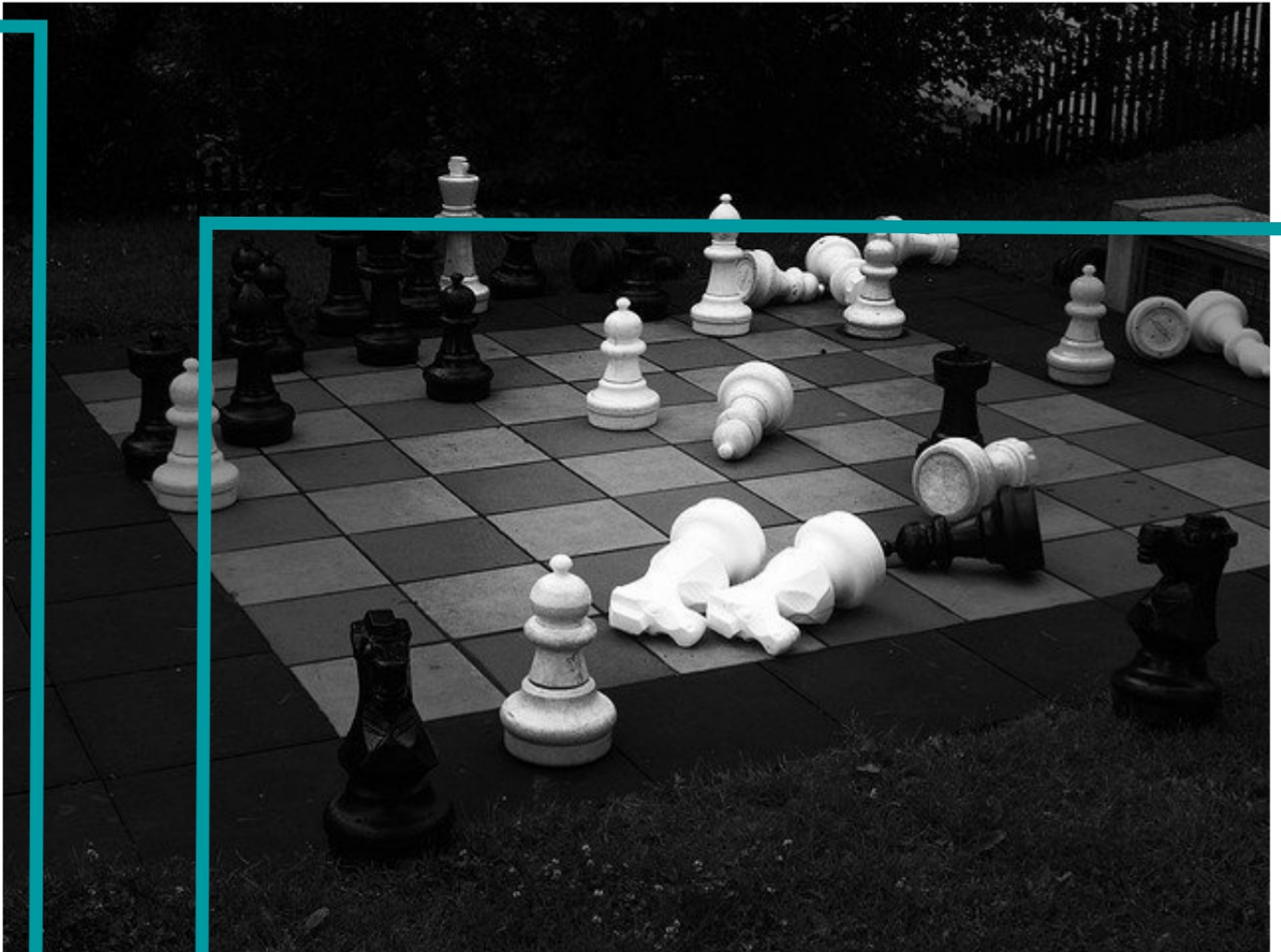
## GANESH CHATURTHI



10-Sep-2021

Friday

# TOP 5 FUTURE TRADING STRATEGIES YOU SHOULD USE



Futures are an acknowledged trading vehicle that derives their price from the fundamental financial instrument. Suppose you would like to urge your feet wet with futures contracts and become a successful futures trader. In that case, you'll get to have a well-defined trading strategy that helps you retain your risk beneath the resistor and avoid emotional trading.





## 1. THE PULLBACK STRATEGY

The pullback strategy may be a dominant futures trading strategy that's supported price pullbacks. A pullback befalls during trending markets when the worth breaks above or below a support/resistance level, reverses and retests that broken level again.

During uptrends, the worth breaks above a fixed resistance level reverse and retests the resistance level. Once the retest

is complete, a trader would enter with an extended position within the direction of the underlying uptrend.

During downtrends, the worth breaks below a well-established price reverse and retests the price again. This is a pullback, and a trader would enter with a temporary position within the direction of the underlying downtrend.

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## 2. TRADING THE RANGE



Most market contributors are still humans who have emotions and memories. When the market has difficulties interrupting a particular price index, market participants will ask that level as a resistance level. When the worth a resistance level. When the worth reaches an equivalent level again, some traders will start to require profits et al. will

open short positions within the market, increasing selling pressure on the financial instrument and certainly sending the worth down.

On the opposite hand, when the worth has difficulties interrupting below a particular level and reaches that same level again, market participants who are already shorting the market might start enchanting returns. In contrast, others will start buying at those lower prices, which can increase buying pressure on the financial instrument and certainly send the worth up. Those levels are mentioned as support levels.

## 3. BREAKOUT TRADING

One of the most popular tactics in day trading, breakout trading, has a massive following among futures traders. As its name suggests, breakout trading aims to catch the market volatility when the worth is breaking out of chart patterns, channels, trendlines, horizontal S/R levels, and other technical levels.





## Popular chart designs for trading breakouts include:

- The top and shoulders pattern (trading the neckline breakout).
- Rectangle.
- Pennant and triangle patterns always signal a continuation of the underlying trend.
- Double tops and bottoms.

Just afterwards, a breakout occurs, the market usually involvements increased volatility as numerous pending orders become implemented. Breakout traders attempt to cash in on that volatility rise by taking positions within the breakout direction.

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## 4. FUNDAMENTAL TRADING STRATEGY



While maximum of the futures trading strategies explained in this article is technical, you need to be aware that most high-volatility price moves are a by-product of changes in the underlying instrument's fundamentals. Fundamentals pledge and reverse trends and break necessary support and resistance levels.

Professional futures traders need to be up-to-date on essential developments of the traded financial instrument. Critical traders base 80% of their trading decisions on fundamentals and 20% on technical as a rule of thumb.

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## 5. BUYER AND SELLER INTEREST



Traders utilise buyer and seller interest to decide whether to shop for or sell a derivative instrument. Buyer and seller interest is decided by the Depth of Market (DoM) window, which shows the amount of open buy and sells orders for a derivative instrument at several price levels. The Depth of Market shows the liquidity for the original sanctuary – a better number of market orders at each price means higher liquidity, and the other way around.

Some brokers ask the Depth of Market because of the Order Book because it shows the number of pending orders for the underlying security or currency. These lists are updated in real-time to reflect the current trading activity within the market.

Large trading orders won't affect the worth of highly liquid security, like Amazon, to an outsized extent. However, if the depth of the market and liquidity is low, even small trading orders can significantly impact the worth.





# GOLD FOR THE GOLDEN BIRD







Conquering the gold at the Olympics is the crest of victory for every athlete or team, and javelin thrower Neeraj Chopra is the most recent Indian to win at this level.

Overall, India has ten gold medals at the Olympics – succeeding eight times as a team. Only two people have won gold at the Summer Games in shooting and athletics. Here is when and how India gained top recognition at the Olympics.



# HISTORY OF OLYMPIC GOLD IN INDIA



## Indian Men's Hockey Team - Amsterdam 1928



The Indian men's hockey team stayed unbeatable from the late 1920s to the 1950s, marking its power as the world's best side. Its reign at the top started with the Olympic gold medal in 1928. India marked 29 goals – 14 by the hockey wizard Dhyan Chand alone - yielded none to get their first gold medal.



# Men's Hockey Team (India) - Los Angeles 1932



When the world was striving from the Great Depression, only three teams could compete at the LA Games. India still ruled supreme, opposing the USA and Japan to win their next gold at the quadrennial contest. The Men's hockey team (India) defeated Japan 11-1 and the USA 24-1.





# Men's Hockey Team (India) - Berlin 1936



Following the leadership of Dhyan Chand, India achieved a hat-trick of gold medals at the Berlin Olympics. The defeated team hosts Germany 8-1 in the final, with Dhyan Chand securing four in the gold-medal conflict.



# Men's Hockey Team (India) - London 1948



The hockey team maintained its domination even after getting freedom, getting gold at its first Olympic performance as an independent India in London in 1948. Led by Kishan Lal, India secured 25 goals in five matches and surpassed Great Britain 4-0 at the Wembley Stadium.





# Men's Hockey Team (India) - Helsinki 1952



Captain KD Singh Baba and his deputy Balbir Singh Sr guided India to their fifth straight gold in hockey but had to withstand the chilly weather and the 24x7 daylight in Finland. The team coped in the first match in unusual weather but finished when required. India beat The Netherlands in the final and Great Britain in the semi-final. Balbir Singh Sr secured nine goals in three matches.



# Men's Hockey Team (India) - Melbourne 1956



India was victorious on their way to a sixth back-to-back gold medal and maintained to hold a clean sheet in the whole tournament at Melbourne 1956. India beat Singapore (6-0), the USA (16-0) and Afghanistan (14-0) in the group stage before beating Germany (1-0) in the semis and Pakistan (1-0) in the gold-medal match.





# Men's Hockey Team (India) - Tokyo 1964



Pakistan broke Indian hockey's streak at the Olympics in 1960, but they got back to the top in 1964. The team encountered stiff contests from Germany and Spain throughout the group stage matches, moving twice and winning four times to advance to the knockouts.

India reached the final, where they stood Pakistan for the third sequential time and defeated the neighbours 1-0 to win their seventh Olympic gold medal.



# Men's Hockey Team (India) - Moscow 1980



After two bronze medals and a bitter seventh-place end in the former Olympics in Montreal, India responded with a gold in 1980. India triumphed three games in a collapsed field and gained two in the preliminary rounds to proceed to the final.

Indian succeeded Spain 4-3 in a magnificent title decider in Moscow to secure the eighth gold medal.





# Men's 10m Air Rifle Shooting (Abhinav Bindra) - Beijing 2008



India made significant strides in solo sports in the 21st century and gained medals in weightlifting and shooting in 2000 and 2004, but none were gold. Abhinav Bindra created history in Beijing in 2008 by being the first Indian to gain an individual gold medal. Bindra hit a near-perfect 10.8 in his closing shot and was crowned the Olympic champion.



# Men's javelin throw (Neeraj Chopra) - Tokyo 2020



Neeraj Chopra created history by acquiring the first gold medal for an Indian in track-and-field competitions. He qualified for the final in the top spot and secured his lead during the tournament. His effort of 87.58m was sufficient to get him the javelin gold and take India's haul at Tokyo 2020 to seven medals – their highest ever at a Games.





## NEERAJ CHOPRA

Neeraj Chopra is an Indian track and field sportsman who plays in the javelin throw. He is the first track and field player to get an Olympic gold medal for India and another Indian to gain an Olympic medal in athletics for India following Norman Pritchard. At the 2018 Asian Games, Chopra played for his country, where he got the gold medal placing

the national record of 88.06 m. He also was the flag-bearer for India at the 2018 Asian Games opening celebration.

In the 2018 Commonwealth Games (CWG), Neeraj Chopra registered a season-best throw of 86.47 meters in men's javelin throw to gain a gold medal. He also was the first Indian to achieve victory in Javelin Throw at the CWG event.

# Neeraj Chopra's Coach, Uwe Hohn, The Only Athlete, To Fire A Javelin Over 100m

While we are all proclaiming the victory of Neeraj Chopra in getting javelin gold at the Tokyo Olympics, let us not overlook his coach Uwe Hohn. Hohn's preparation and hard work played a big part in Neeraj's victory. But there are more highlights to the man than just becoming a coach of a gold medallist. Uwe, in his power, is a legend.

Uwe is the only player in history to have launched a javelin over 100m. His throw was 104.80m far. In 1986, a new javelin game began, and the records were restarted. So Uwe's history of being 'eternal'.

Uwe started javelin throwing from a young age and got the 1981 European Junior Championship with a launch of 86.56m, a junior record. He brought home gold at the 1982 European Championships with a launch of 91.34m. He did not play in the 1983 World Championships and skipped out on 1984 Summer Olympics as East Germany had restricted the games.

Since 1999, he has been training, and following his direction, Neeraj acquired the gold in Tokyo.







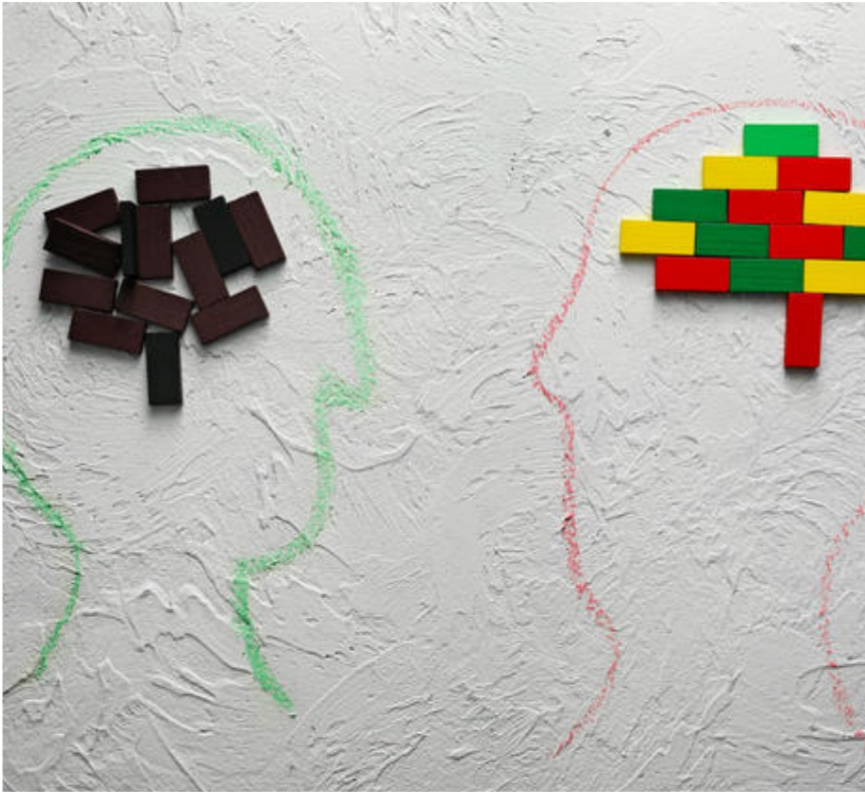
# Difference Between Traditional Finance and Behavioural Finance

Investing in anything like properties or gold is a bold and risky move. But what most people do not know is that the choice to take a position in those stocks is influenced by traditional and behavioural finance.

In traditional finance, the investor and the market are rational. They gather or receive all the knowledge they have, and that data support their decisions. Therefore, traditional finance states that investors don't make financial decisions on emotions.

In behavioural finance, psychology features a role in how people make financial decisions or investments. Behavioural finance explains that folks are irrational, and our own emotions and biases play a role in making investment decisions. In behavioural finance, investors might base their decisions on fear, overconfidence, gut feeling, what others do, thereby following the gang and past experiences.

With both traditional and behavioural finance having contrasting views of the financial and investing world. Here are the three main differences.



Traditional finance assumes that an investor may be a rational one that can process all information unbiased. While behavioural finance draws from real-world experience stating that an investor has biases, it's irrational, and his emotions play a task within the modest investments undertaken. For instance, a student seeks writing help from a web firm or company, and there are two companies to settle. One is local while the opposite is foreign; the scholar will presumably choose the local company. This happens because the scholar's biases played a task within the decision, a bit like an investor. His bias of overconfidence and familiarity within the local firm made the scholar invest in it. Although the foreign company features a good diary and performance, the scholar will invest within the local company due to these biases.

Consistent with traditional finances, investors receive unlimited knowledge, data, and knowledge that are perfect. The investor carefully processes this information. Therefore there's complete rationality. But in behavioural finance, investors have bounded rationality; accordingly, the investor doesn't process all information. Regardless of how accurate the knowledge is, investors are still sure to make a mistake in judgment.





Traditional finance states that the market is efficient and may represent the financial market's actual value. This argument is predicated on the very fact that traditional finance believes that investors have self-control. But behavioural finance believes that the market is volatile, and that is why there are market anomalies. Here investors do not have perfect self-control, so limitations exist. The volatility of the market results in the rising and falling of stock prices, so an inconsistent market.



Investors need to realise that rational financial decisions are often made, but they shouldn't fall under the trap of using emotions or urges to form an investment. For instance, a student offers to and does it perfectly. If tomorrow that very same student decides to run student president. The decision to support him are going to be biased. This means that an investor can receive gifts or favours from a particular organisation, which can unconsciously influence his decision to buy or sell stocks of the organisation. Cash, assets, properties, liabilities, budgeting, and other aspects of finance are all a part of a lifestyle. Finance documents are essential to any entrepreneur because they supply a transparent strategy and path for requiring or starting their company. Template.net offers ready-made to help you make sound financial decisions and present those ideas convincingly to a board of investors or stakeholders.



# A GUIDE TO WEALTH MANAGEMENT

Several new possibilities in the service sector have opened up because of the economy's development in the previous decade. There is also a growth in the start-up ecosystem thanks to the significant funding by venture capitalists and private equity financiers. Outcome: A new group of comparatively young and super-affluent financiers is increasing day by day.

This new group of well-to-do financiers are almost pretty young and at the prime of their professional life. Because of this, they do not have the time to manage their wealth directly. These

investors require complete information. The information should help them make greater investment profits. It should be big enough to meet their business services like tax structuring, estate planning, and international investing.

With its skills and abilities, the wealth management sector is equipped to handle the requirements of this section of investors. This portion will describe what wealth management is all about, how it runs, the main functions and duties of wealth managers.





# WEALTH MANAGEMENT



It is a niche expert advisory service. It connects investment consultation with expert knowledge like accounting, taxation, estate planning, risk management, philanthropy, etc. An ideal wealth management company works as a one-stop shop for all the requirements of busy, well-to-do individuals and families. The purpose is to improve returns from the portfolio and maximize the family's overall economic well-being. Some of the conventional characteristics that can be observed across wealth management companies are mentioned below:

## CONTROL

These companies are governed by several laws depending on the purpose of the service provided. It is normal to see these firms becoming licensed with SEBI as Portfolio Management Service (PMS), Registered Investment Advisor, Alternative Investment Fund (AIF), etc. These licenses support to create confidence in clients that the company complies with the relevant legal and ethical terms.

# CUSTOMER IS THE KEY



These companies work as a “fiduciary” to you. This indicates a bond of trust whereby the firm holds your interests first. The company can only suggest investment products after a thorough analysis of your risk profile and economic purposes. This is in pleasant contrast to the common trend of financial firms offering only those products that make the maximum commission.

# CHARGES AND FEES



These firms usually impose a fee for their works and given the fiduciary purpose of the service involved. The price is usually associated with the volume of investment assets you select to handle on your behalf.





## TEAM WORK

Rather than a one-man army, wealth managers are usually organised as a different part in a bank or short independent boutique companies. These companies consist of skilled experts who are subject matter professionals in various areas. These companies have well-defined internal methods for onboarding and service offering of clients.

## WEALTH MANAGEMENT WORKING PROCESS

An overall better wealth management process usually consists of the below-mentioned step by step processes:



## Client Signing On:

You have first to sign a contractual agreement with the company. Next, the firm provides your login details to their client portal, accumulates your family's earnings and financial investment information, and sets up an appointment for an initial meeting.



## Kick-Off:

The wealth managers plan an initial meeting with you and your family to know the overall financial situation, requirements, goals and aspirations, and any financial concerns and pain points. The meeting also concentrates on the more nuanced conversation on the current financial situation and investments.

## Risk Profiling and Asset Allocation:

The wealth managers plan an initial meeting with you and your family to know the overall financial situation, requirements, goals and aspirations, and any financial concerns and pain points. The meeting also concentrates on the more nuanced conversation on the current financial situation and investments.

## Planning:

The wealth advisor develops a financial plan. A plan includes insurance requirements analysis and goal-wise investment strategies. It also contains added solutions to re-align the current investment portfolio to align with suitable asset allocation. The program also has suggestions on decreasing the tax liability, succession characteristics, etc. Once the plan is set, the wealth manager fixes up a meeting with you to read the program and get a green flag on plan execution.





## Plan Execution:

Once you grant your green flag, the wealth manager cooperates with their back-office team. This is prepared to initiate the acquisition of investments on account of the client.

## Strategy Tracking:

They actively maintain your portfolio at all times. They do this by planning regular meetings to track the plan performance and assess the requirement for any field correction.

# ASSET MANAGEMENT

Suppose you have just won a lottery of say INR 50 Lacs and don't know where to spend this fund. According to your risk profile, you look for an asset manager who spends your funds in the best avenues. This is asset management for you, clear and simple. The goal is to expand return while managing the risk to an adequate level. The asset manager can usually be a bank or even a small investment advisory company.



An ideal asset management company requires to register itself by SEBI as an “Investment Advisor”. It usually keeps explicit investment knowledge and a well-researched list of finance products. The asset manager concludes the asset allocation and risk profile. Then they choose the best investment

products and fund their money in those products according to the pre-decided asset allocation.

After the investment is made, the asset manager actively follows the progress of the funds. They then make relevant changes in the investment portfolio according to the market transitions.



## WEALTH MANAGEMENT VS ASSET MANAGEMENT

Wealth management is a complete and holistic exercise. A wealth manager estimates a family’s overall economic situation and aims and devises suitable solutions for those aims. It analyses cash management, investment suitability analysis, risk profiling, insurance, asset allocation, estate planning, tax planning, charitable giving etc.

As opposed to asset management which has boundaries and is narrow in

its approach, the goal is only to make satisfactory returns while controlling the risks to a manageable level. It does not involve itself with deeper aspects like succession plans, financial goals, etc. In a way, asset management is a sub-element of wealth management. The only drawback is that the investment portfolio may not be completely regulated to the family’s financial requirements. Eventually, this can even influence the possibility of achieving the goals.





# TALIBAN INDUCED POLITICAL COLLAPSE OF AFGHANISTAN

It took merely a few days for the Taliban to spread over Afghanistan and capture the territory they did not command, sometimes taking over provincial capitals with hardly a shot in rage.

While enough is made of the Afghan army's military failure, conferences with Taliban leaders, diplomats, Afghan politicians and other observers

recommend the Islamist militant movement set the foundation for its success long before the issues of the last week or so. Planned for a more complex effort to re-take command of a country they controlled from 1996-2001, the agitators stated they developed relationships with low-level political and military leaders and tribal chiefs.





That, and the pre-announced departure of international troops from Afghanistan almost 20 years after America's most prolonged conflict started, destroyed confidence in the Western-backed control in Kabul and urged people to defect "The Taliban didn't intend to fight battles," said Asfandyar Mir, a South Asia security analyst associated with Stanford University. "They rather intended to cause a political collapse." The rate of the Taliban's gains amazed even them. Last week, cities and towns dropped like crazy, also; in the north of the country, where the Taliban are comparatively weaker, completing in Sunday's control of the capital Kabul.

One Taliban head in the central region of Ghazni stated that once government forces could notice the United States was eventually moving, resistance broke. In just 7-8 days, all of Afghanistan's main cities, from Kunduz to Kandahar, had dropped. "It doesn't indicate that these Afghan officers surrendering to us had changed or become religious; it's because there were no more dollars," he stated, pointing to financial help the government and army had gained from the West for almost two decades.







"They surrendered like goats and sheep."

Western-backed President Ashraf Ghani left abroad, and most other administration members went hiding and could not reach. Even Ghani's defence minister criticised his surrender. A July statement from SIGAR, the Congressional watchdog organisation selected to watch the US mission in Afghanistan, stated that Afghan forces placed some level of opposition in some areas, "while in rest they surrendered or left in disorder." As his soldiers took over the presidential palace, Mullah Abdul Ghani Baradar, one of the leading planners of victory as head of the Taliban's administrative office in Doha, told it was a remarkable triumph but one that had grown surprisingly speedily. "We have entered a situation that is unexpected," he said.

## 'NOT THE SAME SITUATION.'

Suhail Shaheen, a Taliban representative located in Doha, told big numbers of districts were acquired through contacts with a deep tradition in Afghanistan, where causing rivals to change sides has been a usual tactic. "(We had) direct communications with the defence forces there, and also by the mediation of tribal chiefs and religious scholars," he stated. "All over Afghanistan, not in a specific province or a specific geographic location."



After remaining driven from power in the U.S.-supported campaign of 2001, the Taliban slowly rebuilt, funded by opium and illegal mining and usually avoiding large-scale encounters so long as US airpower was there to help the Afghan army. Instead, they preferred to choose remote centres and checkpoints and grow panic in cities by suicide bombings. In the meantime, they gained control

of many provincial regions with a shadow government with its courts and tax regularities. In northern and western areas, where the predominantly ethnic Pashtun Taliban movement has been traditionally more vulnerable, it shore up local help and wins over Tajiks, Uzbeks and others in Afghanistan's jumble of ethnicities, residents and officials there have told.





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