



Adrian Monterosso's...

The Retirees Stock Trading Guide

For Retirees And People Planning To Retire

www.stock-market-option-trading.com/

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Introduction

Thank you for downloading...

*** The Retirees Stock Trading Guide ***

an ebook/ guide on stock trading for retirees.

My name is Adrian Monterosso. I'm a qualified accountant who has always had a passion for the stock market. I have been studying the stock market for the last 15 years and will never stop learning about it.

In my professional life I have advised banks and financial institutions, as well as having worked as an investment consultant in private practice, consulting with a wide variety of clients.

During the time I have been actively stock-trading I have purchased numerous stock market education courses, and this is the reason I am committed to your success.

I personally know what it's like to start out, learn and then trade in the stock market. *It should not take you years to learn how to trade in the stock market.*

In fact, with my education, it would take you just a few months to learn about the stock market, and begin trading.

Best wishes for your stock trading success.

Adrian Monterosso – Apprentice Stock Trainer



How To Calculate Your Retirement Needs



The use of financial calculators is something a financial planner utilizes to forecast and predict people's future financial circumstances.

This assists the financial planner to illustrate to the retiree a current financial position and a projection based on the current situation. Also illustrating shortfalls (if any) in retirement income based on predictions and retirement income goals.

Retirement calculators are useful tools in computing the expected amount of your retirement assets available.

The retirement calculators determine the amount of money that the retiree has to save in order to obtain the retirement income they desire when they reach their retirement age.

With retirement calculators, most people will be able to calculate a regular monthly or weekly investment needed to achieve the amount of retirement money.

When computing the amount of savings required, you should take into consideration a present age, retirement age, and gross retirement income in every year, interest rates, inflation rates, etc.



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95% of people retire with insufficient funds to live on and they rely on the government to assist them for living expenses.

It's common for most people to run out of savings after 5 years. So they can live the good life for 5 years, and then they are restricted to retire on a wage which is well below their average income.

Therefore, there is a need for you to be aware of the benefit you can derive from retirement calculators, and how they can start changing your circumstances.

1. Retirement calculators can give 30-year projections

Retirement calculators can easily compute and predict your estimated savings and the required amount that you have to save in order to reach those goals.

This 30-year projection is enough to accurately estimate the needed amount in order to achieve the expected and desired amount of retirement benefits. Remember also the inflation aspect of 30 years worth of increase in cost of living.

2. Investment return on invested funds

Retirement calculators provide more comprehensive and analytical approach in determining their retirement asset performance. The average funds managers performance is 8-10% per annum on the capital invested. Is this enough for your retirement?



3. Predicts your future financial picture

The aim is to provide accurate results about your finances and the shape you are in. Have you got any major expenses coming up? Have you got any money to receive from insurance bonds, payouts? These can be factored into the retirement calculator.

4. It calculates and more....

Retirement calculators also provide graphical representations of results and analysis and can give a more solid view because visual aspect of the presentation.

These retirement calculators are just another way to scare you into thinking, 'oh no I need to do something about retirement now, and quickly'.

The fact is most people are behind the eight ball in this circumstance but it's those people who use this as a motivating factor to get into building larger assets that benefit the most.

We focus on shares and I think this is the best place you can have control, start with minimal balance and build it into a larger balance over a 5-10 year period.

You must start now and the best place to start this is here. Read our retirement investment secrets that will launch your retirement asset returns through the roof.



[Will your retirement money last a lifetime?](#)

As seen live on CBS TV, Click Here...

www.stock-market-option-trading.com/TheRetirementCalculator.html



5 Ways To Increase Your Retirement Income!

A larger retirement income is the aim of most people but the implementation of this goal is the hardest part.

We need to live similar lifestyles or better when we are retired and not be living from the government without any surplus funds to treat ourselves.

We've lived this long, we deserve some luxuries in life.

Most retirees don't realize that retirement equates to a 1/3 of a person's life.

Therefore we should be preparing and planning now. Most of the population ignores their retirement needs especially if there is 40 years before they get to that age.

Then they find have no set plans plan in place when they reach 50 and they only have 5-15 years left before they retire.

5-10% of the population prepare for retirement early by putting some plans in place to reach some goals.

It may take a little bit of risk, but that will be worth it when you retire.

You need to start now and think of better ways to prepare for that time. Here are some handy tips to boost your retirement income:



1. Start saving now 10 % of your net income (take home pay). Start saving now even for even if you start small and build to a larger saving.

Place your savings in an account that is restricted from withdrawal until you retire. Most retirement funds can be used like this.

Allocate cash for your savings starting today and you will be surprised by the amount of money you will have by the time you retire if you start now.

2. Perform a full review your finances and revise your budget. Review the expenses and analyze where you can cut unnecessary expenses.

Prioritize your expenses and weigh the things that really matter in your life. Do you really need go to the movies or out for dinner every week?

3. Review your retirement goals based on the amount of money you have now and the retirement savings you will have using retirement calculator.

Your goals may need to be changed.

4. Research investments that you will use to grow your retirement lump sum. Stocks have been proven to perform better than any other asset class.



Many people turn to this asset but jump in unaware of the risks. One needs education from an expert. We will provide more information on this later.

5. Make use of your employer's retirement savings plans. If your current employer contributes extra, consider contributing more, especially if your employer will add extra payments if you do.

Retirement tips can only get you so far, it's you that needs to change the way you do things in order for your retirement to look healthier.

To boost your retirement savings even more many people I know have turned to the stock market. Some people have grown bank accounts from \$1,000 to \$100,000 within a couple of years and they are very conservative investors.



Building A More Secure Retirement



Building a secure retirement for your future is about focusing on a portfolio that will achieve these goals.

Security is the main aim with retirement because we want to make sure you feel like there is nothing to worry about and that is why we have developed education just for you.

If you don't build a nest egg, you will need to rely on others like the government to give you a decent lifestyle and that will never happen on the benefits they currently provide.

We find it important to create an investment plan that includes passive income without touching your savings, and in fact your savings will grow as well.

If you're approaching retirement or you are in your 40's or 50s, you might think that you have not got much chance but to just keep doing the same old thing.

Let me tell you that there is a better way and we will show you how.

It's not difficult to utilize the assistance of experts in creating a great retirement lifestyle.



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To predict the amount of income you require at retirement to be secure most financial planners estimate that 70% of your income before retirement is sufficient.

In an investment plan, putting your money into safe low risk dividend-paying stocks is not always the best strategy.

What if you can get better returns than just a safe dividend paying stock and get the income you require as well.

A portfolio that does not have capital growth will erode your savings over time with inflation eating into the real value of money.

Financial planners will use a retirement calculator to establish whether you have saved enough and show you how much you need to save to reach your goals.

You can also use such a tool that's available free on the web... www.stock-market-option-trading.com/TheRetirementCalculator.html

Most people have unrealistic expectations of the returns of their portfolio and their possible savings capabilities.

Be prepared for the worst to happen so that you are prepared for anything. Assume that you'll spend at least as much as you do now.

The best way to prepare for retirement is to create a portfolio that has stocks that can create growth and income.



Set up a system that allows you to invest money into stocks for the long-term, and focuses on investing in income and generating growth assets as well.

To diversify or spread your risk financial planners advise you to invest and allocate your retirement money into 3 areas.

1. **Expenses** – this budget should be prepared to ensure that you have enough for regular expenses.
2. **Fixed income investments** – this can pay for the regular expenses calculated from the budget. Some of this should be in accessible funds such cash management trusts.
3. **Stocks** that will have high growth that can pay for some elaborate expenses and put more money in the fixed income investments to give you more secure income.
Some of this portfolio can be stable dividend paying stocks

Some people are not able to handle stock investments because of their volatility and the stress this puts them under.

You will need to evaluate your risk tolerance and match these to your goals.

This is a critical decision, because it can greatly assist your retirement.



Focus on getting the most out of your fixed investments as well as your stocks. The classic approach is to diversify your fixed-income portfolio as well as stocks.

There are different types of fixed income investments such as bonds and real estate trusts, which can give you a solid source of income.

Some fund managers diversify across many different fixed income investments and maybe this is good option so that you have someone else managing it for you.

Tips on planning your retirement

If you haven't already started, you will need to start planning your retirement. Remember not to stress too much about your retirement taking the right steps and learning the best strategies will help you achieve your goals. These simple tips will also help you:

Change your mindset

If you don't already set some money aside you will need to set aside part of your salary for your retirement.

This can be in the form of a bank savings account, a regular savings plan or retirement account. It does not matter how small or how large an amount you will save, as long as you get into the habit.



You can eventually increase the amount when you are comfortable with increasing the amount. It's best to do this slowly as you don't want to set yourself up for disappointment.

What are your required savings?

We recommend you will need 70% of your income before retirement to live on your current lifestyle.

Your financial planner can work out how much social security you will receive (if any). This amount will be based on your country's rules, social security requirements, and the amount of income and assets you have.

Don't touch your savings!

Eroding your savings will mean a loss in principal as well as interest and this may also cause you to lose tax benefits and your lifestyle.

Savings and investments

Become educated with your investments; know all about stock investments and the industry. You can learn this in no time by using some valuable resources, which we shall reveal later.

It's time to start planning for retirement now; you have lost enough time doing already.



It's time to start learning from someone who has made lots of money over and over, so that you can do the same.

You deserve to live comfortably in retirement, as you have lived long enough to not have to worry anymore.

Make a commitment to yourself to learn the strategies of a successful investor. Learning now is the key to your future.



The Basics of Stock Trading

What you should know about the Stock Market to prepare for retirement.

The basics of stock trading starts with explaining the word “trade”, in regard to stocks, as this is referred to as the act of buying or selling stocks.

Stocks are traded using stockbrokers who accept the transactions to buy or sell.

The stock exchange is a central place where all transactions take place to arrange the buyer and the seller who come to together and purchase a stock.

The price is determined by what the buyer is willing to buy it for and what the seller will sell it for.

There will be a certain point where these two points meet and this is ultimately determined by supply and demand.

If there is a high demand for the stock and the supply is limited because of the demand the price will be forced up.

If the demand for the stock is low there will be more stock on supply and the price will be forced down because less people will bid on that stock.



If there are fewer buyers and more sellers this will cause the price to go down and vice versa with more buyers and fewer sellers.

Transactions performed in the stock market today are done through a computer based system rather than the old exchange floor situation, which is the most common image in people's minds when they think of trading stocks (except in some cases like the New York Stock Exchange, where only some transactions are performed electronically).

Traders shouting complete most of these transactions, making gestures, and shares are being traded.

The process starts when the customer tells their broker to buy 50 shares of Company X at market. The broker then sends the order to a clerk located on the exchange floor.

The clerk finds a trader on the floor and informs them of the order. This trader then finds another trader who is willing to sell 50 shares of Company X stock.

All traders on the floor are highly trained and know who is representing which brokerage firm and what stocks are available for trade.

Next, the two floor traders agree on a price for the 50 shares and complete the transaction. The floor clerk is informed, who in turn informs the broker of the trade.



The broker calls the customer back and discloses the final price. In a few days, the customer gets a confirmation by mail of the transaction.

The actual time of the stock trade can take only a few minutes.

Trading stock can be a relatively simple process for a single trade. However, the practice can be a lot more complicated if more complex trades using different strategies, which are employed in the NYSE and any other stock exchanges that still use this manual system.

While the New York Stock Exchange is a person-based system, the NASDAQ stock exchange and other major world stock exchanges are handled entirely electronically.

In comparison the NASDAQ system uses large computer networks to handle the process of matching buyers and sellers. This is in complete contrast to the NYSE's method of using Human brokers to complete the sale.

The advantage of the NASDAQ is that the system is efficient and fast. Large institutional traders prefer trading with the computerized NASDAQ system.

When an individual investor uses an electronic system, they get almost instant confirmations on all trades.



Some prefer this method because it puts the investor in more control of the investing process, removing the middleman and bringing them a step closer to the market.

However, the majority of stock exchanges worldwide still need a broker to complete the transaction. Investors do not have access to the exchange market.

The broker accesses the electronic network and arranges the trades, logging into the market to find the buyer or seller for their customer's order.

With online investing there are a variety of buy and sell orders that the individual investor can take advantage of in order to gain more control over the process.

The most basic orders are market orders, limit orders and stop loss orders.

A market order is the simplest of these orders.

It instructs the broker to buy or sell the stock at the market price. These are the most inexpensive orders since there aren't many brokerage fees for market orders.

Limit orders are used to direct the broker to trade a stock at a particular price. The transaction will not be carried out until the requested stock reaches that price.

The benefit of using limit orders is that they allow the investor to control their entry into and exit from the market, as they can also limit the exit price.



Stop loss orders live up to their names.

They stop further losses from occurring on stocks that are decreasing in price. A stop loss order can prevent major losses occurring when the stock drops automatically due to a rumor or announcement.

At the point that a stock reaches that price limit the brokerage will sell the stock. A stop loss order can be seen as a form of insurance to protect the investor from big drops in stock.

These basics of stock trading are a starting point for anyone starting in the stock market. You must know the mechanics of the stock market before you can begin to invest and make money.

Stock trading can be simple way to make money if you know how to trade.

We can teach you simple techniques, which anyone can use.



Learn Stock Trading By Paper Trading



Should you learn stock trading by paper trading?

According to some people, paper trading of securities is the best way to begin investing, whilst others say it is a complete waste of time because it's not the real deal.

So what is the best way to start as a beginner?

To learn stock trading you need to practice before you put your feet in the water, so it seems logical to practice by paper trading.

Paper trading is another way to “trade without money”.

The person would do the necessary research on the stock to buy and then purchase the stock by recording this trade in a spreadsheet or diary and recording the results from this trade.

They could also use a simulated stock market game to purchase their stocks and paper trade that way as well.

Both methods are effective for beginners entering the market.

For some people trading would be a start of an investing career, but many don't even start.



Adrian Monterosso's Strategies For....
Stock Market Success

They read books on trading and investing, attend seminars, paying hundreds and sometimes-even thousands of dollars to get educated, but still don't get to the point where they actually put in their trades.

They like the idea of acquiring knowledge, pondering investment strategies and thinking about various trades they might like to make.

However somehow they just don't seem to do anything with the knowledge they acquire??!!

They don't put their investment strategies into action because something always prevents them from investing this is called "analysis paralysis" because they analyze so much that they don't get around to actually investing.

Paper trading is a form of simulation to learn stock trading and therefore, like all simulations, it has certain advantages:

- It offers great learning potential for beginners
- There is no financial risk involved. You can't lose money.



However, paper-trading simulation does have some disadvantages, being:

- Unlike most other forms of simulation, there is no real way to speed up the process. You can start with historical prices but then it would not be simulated
- There are no financial benefits. You can't make money.
- There are no financial risks. You can't lose money.
- You have no emotion and will probably make better decisions. It's hard to simulate your feeling when the stock drops 20% and you have \$10,000 invested in the stock.

The absence of financial risk seriously inhibits the learning effect, because you don't know how you will react until you have your money invested in the market.

No matter how much you think, speculate, simulate or whatever else you would like to call it, until you actually put your money where your mouth is, "it just isn't real".

We tend to learn most from our mistakes, especially those that hurt. If it doesn't hurt it just doesn't have the same effect.

Persistence is the secret!

It's like watching a sporting match and you scream at the television, because you think the player should have played differently. The player is under pressure. There are cameras and people everywhere.



Emotions are running wild and players make split second decisions, which cost them the game.

We think that we could do better, until we're in the same circumstances and under the same pressure. We'd make wrong decisions under pressure also.

The fact is that the emotional pain of losing your hard earned savings would be hard to take, and making the wrong decisions under pressure would cause emotional pain.

That's why you need to paper trade, to learn to operate like a machine and only follow the rules.

Learn stock trading by paper trading without the pressure. Then, when the pressure is applied you will know what to do, because you have been "programmed" for all situations.

So, learning stock trading by paper trading makes sense doesn't it?

When your purpose is to get some experience and to train your mind to use specific financial products or derivatives (e.g. stocks, options or futures) paper trading can be very helpful.

You can get your feet wet without pressure, and then enter the market to make money for your family as an expert paper trader.



The way you react to the fear of losing real money is something that you just can't simulate, but you can learn to apply certain strategies to protect yourself from losing.

Learn stock trading and use these methods and our simple techniques (we will explain later) to profit from your trading.



Best Stock Trading Strategy For Retirees Or People Planning Retirement



The best stock trading strategy is an interesting question and many successful investors would have different opinions to this statement as they have chosen a strategy that suits their own personality and style.

Successful investors have different beliefs and they believe in different ways to invest.

These traders' study and master their own philosophy of trading and stick to this system.

As a beginner you must become an expert in a particular investment style. Becoming an expert will help you have a blueprint for your own success.

Believe in a system that follows the rules of the system and become disciplined with that system you will most likely profit.

By studying the stock trading philosophies of others, you enable yourself to become knowledgeable about suggestions that have proved successful, and into which you can incorporate into your own trading system.



Adrian Monterosso's Strategies For....
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You can create your own system that incorporates someone else's system, but you should start with someone else's system first.

Best stock trading strategy for you will encompass your beliefs and experiences once you become an experienced trader.

Until then you will need to learn the following philosophies to make your own "best stock trading system".

The Growth Philosophy

This philosophy is about purchasing stocks from companies who show potential for earning more and more as the company grows.

People who fit into the philosophy are even willing to take a risk and invest in the stock of a small, new emerging company if they feel it will eventually grow.

They do research on the company's financial data. This is called the fundamentals of the company and technical analysis of charts, which indicates trends.

This type of investor looks for growth in the share over time rather than the price of the shares.



They review the company's potential and are more likely to look at young companies as they have more chance to grow rather than a stabilized older company that will remain static or grow slowly in price.

This means that they can invest in companies that grow faster than others if they are emerging in there industry.

The Value Investor

Value investors are on the look out for stock purchases that other people have overlooked, especially if the stock of a certain company is undervalued or has a lower price than that of their competitors.

A value investor is interested in purchasing a low price stock that will create a high potential of earning a significant amount of profit.

The investor must look at the stock and the reason for why it is so low.

There could be many reasons for this and if they relate to the company forcing the price down due to stock splits and selling lower price stock then this not the company you want to purchase as a value investor.

Basically, the philosophy of the value investor is to find a solid company and purchase the stock at a low price stock.



Then hold those stocks until the company becomes recognized and the return rate on the stocks skyrockets.

The Income Investor

This is a conservative philosophy of stock trading.

An income investor looks for companies that can provide them with an income. They usually target big companies that offer consistency as well as high returns on their stocks that referred to blue chip companies.

The target companies for this philosophy are the large and well established.

As the stock prices increase, the income investor simply trades in their stocks for their high return of investment and uses the money to purchase more stocks in the same company.

Even though all stock trading philosophies have some degree of risk involved, the income investor philosophy offers the lowest risk possible due to the type of companies they invest in.

Over time these companies will grow but at a less steady pace than an emerging small capitalized company.



In considering which one of the above is the best stock trading strategy, you will need to consider the type of risk you are willing to take with investing.

This will determine the type of investor you are and the type of companies you will invest in.

You need to consider your investment goals and then master an existing trading philosophy. We have researched many trading philosophies and believe we have found the best ones.

We have provided a review of each one of these philosophies that you will find very interesting and profitable at www.stock-market-option-trading.com.



Stock Market Basics To Trade Online



If you are starting out in the stock market world for the first time you must consider using a broker whether they are online or not.

Using an online broker has certain advantages and there are many investors that would rather use them than the full service broker service.

Some investors find it easier dealing with another person when they first start as they can talk about their trade and why they made the trade to justify the reasons.

When you use online brokers you are on your own, but remember there are higher commissions involved in using a traditional broker due to the advice they provide.

The online broker charges lower commission rates than if you used a full service broker.

You can make as many or as few trades as you desire. Prior to choosing an online broker you will need to research all of the costs associated with the company.

It is important to look for more than just the lowest commission fee per trade.



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Many online brokerage firms with higher commission fees actually offer more tools and research capabilities for their investors.

If a higher commission fee is matched by extra investor support the additional cost may be well worth it. Also take note of the minimum balance requirements and maintenance fees.

Sometimes firms with lower commission fees make up the difference with a higher required minimum balance.

Remember to look for an online brokerage firm that looks trustworthy and professional.

Good brokerage sites offer glossaries of financial and investment terms to help their investors. There may also have free and unlimited access to news and research from third-party sources to help investors make better decisions.

However, keep in mind that the customer service department can only help with the mechanics of the online brokerage web site. They aren't there to help you choose stocks or offer investment advice.

If you like the convenience of investing online, there are several brokerages to choose from.

With Ameritrade, there is a minimum balance requirement of \$1000. With that balance, you can open an individual account.



There is a quarterly maintenance fee of \$15, but only if the account has less than \$2000 of liquidation value. The fee will be waived if a minimum of four trades has been made within a six-month window.

The fee can also be waived if the account is an IRA, rather than an account for stock investing.

Market orders for stock are charged a \$10.99 commission fee by Ameritrade.

Limit orders are also charged a \$10.99 commission fee. For those who want a riskier option, Ameritrade also offers margin accounts (borrowing loans) and short accounts (borrowing securities).

Sharebuilder has many options for investors to choose from. This service allows investors to build varied portfolios in almost 5,000 different stocks and funds.

You can also buy and sell in real-time.

There are three investment plans to choose from with Sharebuilder; Basic, Standard and Advantage and each plan has different fee structure with the basic starting with no monthly maintenance fees.

The other two plans have monthly maintenance fees attached because of the extra benefits included such as a portfolio performance tool.



Investors instruct the system in how much they want to invest, and have complete control over when the investments are made and which companies they invest in.

The system works by allowing the investor to specify a dollar amount to be deducted from their checking or savings account on a monthly or weekly basis.

Real-time trade commissions are \$11.95, and there are tools available for investors use such as a portfolio performance tool.

ShareBuilder has no account or investment minimums at any level, and there are no inactivity fees.

The online broker we personally use is www.Optionsxpress.com, who provide low transaction fees and has been rated by Barrons as the “best online broker” for years in a row.

The trade fees have never increased since they started and they are known in the industry for charging low commissions.

They have great customer service support and you can access the service by email, phone or live chat.

Optionsxpress offer educational resources and tools to assist investing.



Choosing an online broker depends on your financial needs and goals. You have to assess whether you need extra support or require different types of accounts that allow you more functions.

An online broker can assist you with the stock market basics and you can use the functions to your benefit.

We have provided a brief overview of the best online brokers from our point of view and we suggest you check which one suits you. For more information on choosing the best broker, you will review here www.stock-market-option-trading.com.



Finding A Trend Using Stock Market Charts Is The Secret Of Smart Trading



If you find a trend you can ride this trend all the way to the bank.

All stock investors are in search for the pattern, stock market investors constantly look for patterns to predict what the market will do next.

Searching for the ultimate trend that leads to huge profits is the aim.

Many investors look for the one trade that is going to make them millions and they go into the market blindly without getting accustomed to the volatility of the market and becoming comfortable with unpredictability.

As you are starting in the stock market you need to learn to read signs the stock market is giving you and determine from the indicators which way the stock is likely to travel up or down?

You will need to learn how to read charts and use indicators to determine the direction of the market.

Many investors who started out like you and learn to read charts are now financially independent.



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Firstly you need to establish the overall direction of the market by reviewing the Stock Market Index, which measures the top company's shares prices.

If the overall direction of the market is down then this doesn't mean that you should stay on the sidelines and not invest. If the stock market is experiences a period of growth (a bull market) most stocks will steadily grow.

If the stock market is in a decline (a bear market) most stocks will slowly lose value.

The general direction is determined by these indexes but if you drill down into each industry's index and see which industry is having a decrease or increase you can establish an industry trend.

Using stock market charts you can look at these industries on the charts to see the trend clearly.

Once you have established a trend using the stock market charts found at www.bigcharts.com, you can look at which sectors of the industry are performing well and then look at the specific companies.

This is called the Top Down approach and many stock broking firms use this approach to find stock opportunities for their clients.

To determine the direction of the market you need to know price and volume.



Price refers to the trend of prices of stocks. Volume refers to the amount of stocks being bought and sold.

When these two figures are put together it reveals whether there are more sellers or more buyers in the market, which can push the price up or down.

To determine price, investors and brokers use the big three indicators: the Dow Jones Index, the S & P 500 and the NASDAQ for the US market and international stock exchanges have their own indexes such as Australian has the All Ords or ASX 200.

These indicators help investors and brokers determine whether the market is going to continue in the current trend or reverse course and they can establish the general trend by looking at stock market charts with these indexes and ruling a line through the general trend.

To determine volume, investors and brokers look to the daily sales volume of the markets.

The daily sales volume is easily obtained from several websites online.

If the market has experienced a high-volume day and prices are up (on the three indexes) then the market is up.

When these conditions exist larger investors, such as institutional investors and mutual funds, will buy more and will boost the market further upwards.



Conversely, if the market had a high-volume day but prices on the indexes are down. This can indicate that more stocks are being sold.

It is a sign of the bigger investors backing out of the stock market and can be a sign of a downward turn.

However, a high-volume, low-price day does not necessarily mean a turn for the worse.

Often times if there are several days in a row with high-volume and high prices, there will be a day where the volume remains the same and the prices decrease.

This trend is referred to as “profit taking” and is a result of investors taking the profits they built up in the last few days.

If there is a continual presence of down days in the market, it could be a sign of a stall or a reversal of course.

Institutional investors and funds managers buy and sell in large volume, which means they have the power to move the market.

When they begin moving in a direction, the rest of the market follows.

In addition to these larger investors, there are also other factors that move the market.



Inflation and interest rates can affect people's ability to invest in the stock market.

War, terrorism and serious political unrest can cause negative turns in the stock market as well.

The market is most often affected by uncertainty in the future.

If there is a chance something in the country might change, its effects are shown in the marketplace. Surprising news and unexpected events disturb the sense of control that the stock market has.

If not watched carefully these unexpected events can send the market into a downward trend, or worse, a tailspin.

Trends in the market can be identified using the indicators mentioned above and there are many other indicators, which can be used in conjunction to predict movements with more accuracy.

Some people have claimed their systems produce more accurate results, but it is not always the system that produces the results it's more often the user.

This is the major factor in all stock market investing and we will reveal the secret to how the big boys invest successfully and how you can do it with ease.



Five Ways To Choose Stocks Successfully For Your Stock Market Portfolio



To invest and make a profit from stock selection you need to consider a few things before you invest.

The stock market is full of many variables that may affect the price of a stock and you need to know the reason the stock will increase or decrease.

If you know the reason and you can justify the reason with some research then you can invest in a stock with the comfort that the information you have gathered will give you positive stock results.

Once you have established that the company you want to invest, the top down approach you should become familiar with the company and all aspects of the company before investing.

Choosing stocks can be easy but most investors get stuck at certain points with information that is not as important.

Your Stock market portfolio should consider selection of stocks and the variables that move price.

By checking all the variables and confirming with technical data you should be confident you chose the right stock.



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To find out more about a company you will need to ask the following questions:

1. What is the source(s) of the company's cash flow(s)?

To properly answer this question about the company you are considering to purchase stock from, it is important to be as specific as possible, but most importantly, avoid making assumptions in order to know the exact cash flow of the given company.

It is important for the investor to know about a company's cash flow because it determines which stock is the best to buy.

For example, a company called XYZ is a resource company and they have cash flow coming from different types of resources such as gold, nickel and if they are owners of a uranium mine and the government is about to approve the use of uranium for electricity consumption.

This would increase the cash flow would and would cause the stock price to increase, but its only because you discovered this through your own research on the company.

The idea is that you should buy stock in companies, which have excellent earnings potential.

You should focus on the potential earnings over the long term and discover there potential to continue to grow every year.



Look for quality in the revenue streams and analyze the source of the income.

If the company has plans for a new market, acquire another company and new products this will also increase earnings for the company.

2. How much cash does the company generate?

As long as you know the income sources are coming from different sources and the company looks like its growing and they have new product lines and ways to increase cash flow.

Then you know the company has potential to grow in value as well.

The company needs to have income coming in to survive so the profit and loss is a very important part of the fundamental analysis of the stock.

As long as the company can earn enough to pay dividends and reinvest the balance into research and development this ensures growth in the company's future.

3. How much money does the company require to function?

Depending on the company, some businesses require more capital in order to generate profit.

The less capital it takes to operate a business, the more attractive it is to an owner.



The more attractive a company is to buy, the better the chance of selling the company to a businessman that would make the company become a noticed establishment in the economy, which in turn, increases the return rate on the stock.

4. Does the management of a company have a friendly shareholder orientation and are they competent managers?

The way in which the management of any given company decides to treat its shareholders is the direct determinant of its success in the stock market.

The better the shareholders are treated by the company, the more likely the shareholder will either buy more stock or refer other people to purchase stock for the company.

A good way for management to ensure friendly relations with shareholders is to keep the shareholders informed as to when the return rate of the stock is going to increase so that they are able to purchase more stocks, and, thus, make more money.

Many investors look at the managers and the quality of them, stability in the team and the past results.

Managers can sometimes make decisions for the detriment of the company and this could see share prices plummet.

5. Are the actions of the management of a certain company consistent with what they say in public?



Basically stated, the more honest the management is with any company, the more shareholders they will gain.

It is highly important for companies to be honest at all times with their shareholders, there are many examples that show that honesty is the best policy with shareholders.

The above information is a start to making informed decisions with stock market investing, but there are more variables to learn about so that you make a more informed stock purchase decision.

There are also simplified ways to investing that take a lot less time than doing all this research.

These ways are employed by the 3% of the investors making most of the profits in the stock market, find out how the 3% earn all this money and how you can get a piece of the pie.



Understanding The Concepts Of Stocks And Dividends



Stock, stock trading and dividends are all terms used in the stock market world but many people don't understand their meaning.

As a beginner in the stock market you should completely understand their meanings before proceeding to take on the stock market.

If you are an investor you own a share of a company's stock, then you are essentially part owner of that company.

With that ownership comes various entitlements. As a shareholder, you have the right to vote-in members of the company's board of directors.

There also may be voting on other important matters to the company. Additionally, you are entitled to proportionate shares of the company's profits if the company chooses to distribute to their shareholders.

The difference between owning shares of the company and owning a company outright is that the shareholders are protected. This is called limited liability.



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The shareholders have no liability if the company is prosecuted.

For example, if the company you have shares in loses a lawsuit, you are protected. The worst that can happen is that your stocks in the company become worthless.

Creditors for the company can't come after shareholders personal assets. If you owned the business outright, they can come after your assets.

Dividends are not all of the earnings of a particular company.

Smart companies retain some of the profits in acquisitions or to repay business debts and even to reinvest back into the company e.g. capital improvements to a building.

Regardless, profiting from dividends is still one of the best ways to make money with stocks.

Although most companies pay dividends by cash, there are some that pay their investors with more stock. Companies that consistently pay large dividends are most likely well established and profitable.

The long running history of the company and history of dividend payment is what attracts investors to these stocks. The downside is that the stability does not offer opportunities for growth potential.



Dividends are determined each quarter by the company's board of directors. If, for some reason, the company is doing poorly financially the board of directors can choose to forego paying the dividend.

Keep in mind that they are under no obligation to pay dividends to their investors. Dividends are a choice to be made by each individual company.

At the quarterly meeting, if dividends are to be paid, the board of directors also sets the dividend rate. This rate is determined on a per share basis.

Dividends normally have four important dates associated with them. The declaration date refers to the date the board of directors sets the dividend.

On this date, the board of directors also announces when the stockholders will get their dividend payment.

The record date is when the company sets forth the list of shareholders that will be paid a dividend. The investor must own stock before this date in order to be paid a share of the dividends.

The ex-dividend date is perhaps the most important.

This day is normally between 2 and 4 days before the record date. The ex-dividend date is established to allow the completion of all transactions.



Since it usually takes 3 days to settle a regular stock sale, the ex-dividend day allows those pending transactions to be completed.

If you want to receive a dividend, the ex-dividend date is the absolute latest you can invest in the company to receive the dividend.

The payment date is the fourth and final date associated with dividends.

This date is when the dividend checks are mailed to all shareholders.

The payment date is most often two weeks after the record date.

Earnings announcements become important dates also, as these are when stocks can have sharp increases or decreases.

This is because of announcements of good profits or decreases in earnings.

Understanding these concepts is fairly simple but you need to know these concepts and how they work in the stock market.

The most important aspect of being a beginner is to learn as many basic concepts and understand the basics thoroughly before you move on.



12 Basic Stock Investing Rules Every Successful Investor Should Follow



The basic stock investing rules and the 12 most important things you should know about the stock market are contained in this chapter.

These may seem like basics to some people but those of you who are new to this industry should have these deeply ingrained into their subconscious.

1. Buy low-sell high. As simple as this concept appears to be, the vast majority of investors do the exact opposite. Your ability to consistently buy low and sell high, will determine the success, or failure, of your investments.

Your rate of return is determined 100% by when you enter the stock market and this is the key skills set you need to develop.

2. The stock market is always right and price is the only reality in trading. If you want to make money in any market, you need to mirror what the market is doing.

If the market is going down and you are buying (going long), the market is right and you are wrong. If the stock market is going up and you are selling (going short), the market is right and you are wrong.



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The secret is to buy before the price goes up and sell before the prices go down; it's easier said than done.

The longer you stay right with the stock market, the more money you will make.

The longer you stay wrong with the stock market, the more money you will lose so there is no harm in making a correction to the original trade to stop losing.

3. Every market or stock that goes up will go down and most markets or stocks that have decreased will increase.

The bigger the move up or down, the larger the movement in the opposite direction once the trend changes.

This is also known as "the trend always changes rule."

4. If you are looking for "reasons" that stocks or markets make large directional moves, you will probably never know for certain.

Since we are dealing with perception of the markets and not necessarily reality, you may be searching for a long time.

A huge mistake most investors make is assuming that stock markets are rational or that they are capable of ascertaining why markets do anything.

To make a profit trading, it is only necessary to know that markets are moving - not why they are moving.



Stock market winners only care about direction and duration, while market losers become too focused on the reason the market moved.

5. Stock markets generally move in advance of news or supportive fundamentals - sometimes months in advance.

If you wait to invest until it is totally clear to you why a stock or a market is moving, you have to assume that others have done the same thing and you may be too late.

You need to get positioned before the largest directional trend move takes place.

The market reaction to good or bad news in a bull market will be positive more often than not. The market reaction to good or bad news in a bear market will be negative more often than not.

6. The trend is your friend. Since the trend is the basis of all profit, we need long-term trends to make sizeable money.

The key is to identify the best time to enter the market and stick with the trend enough time to maximize profits.

Some investors with the short-term perspective have made a living by day trading or short-term stock investing, but you can get even bigger moves over a longer-term perspective.

7. Let your profits run and cut your losses quickly if you are to have any chance of being successful.



Trading discipline is not just a sufficient condition to make money in the markets, but it is a necessary condition.

If you do not practice highly disciplined trading, you will not make money over the long term. Stick to your system and do not deviate from it.

8. We do not live in a perfect world and things don't always go the way they are supposed to or they way they did in the past.

The perfect competition model is not based on anything that exists on this earth.

Consistently profitable professional traders simply have better information - and they act on it. Most non-professionals trade strictly on emotion, and lose much more money than they earn.

The combination of superior information for some investors and the usual panic as losses mount caused by buying high and selling low for others creates inefficient markets.

9. Traditional technical and fundamental analysis alone may not enable you to consistently make money in the markets.

Successful market timing is possible but not with the tools of analysis that most people employ. If the herd is using the same tools then they are all getting the same signals.



You need to be one step ahead and use such techniques contained here www.stock-market-option-trading.com.

If you eliminate optimization, data mining, subjectivism, and other such statistical tricks and data manipulation, most trading ideas are losers.

10. Never trust the advice and/ or ideas of trading software vendors, stock trading system sellers, market commentators, financial analysts, brokers, newsletter publishers, trading authors, etc., unless they trade their own money and have traded successfully for years.

Here are examples of some that have proven successful www.stock-market-option-trading.com.

Keep in mind that Wall Street and other financial firms make money by selling you something - not instilling wisdom in you. You should make your own trading decisions based on a rational analysis of all the facts and a system that has been proven to work.

11. The worst thing an investor can do is to take a large loss on their position or portfolio. Market timing can help avoid this type of situation.

You can avoid making that huge mistake by avoiding buying things when they are high.

It should be obvious that you should only buy when stocks are low and only sell when stocks are high.



Since your starting point is critical in determining your total return, look at buying always at or near the lowest price point.

This is something you learn in some of the recommended links here www.stock-market-option-trading.com.

12. The most successful investing methods should take most individuals no more than four or five hours per week and, for the majority of us, only one or two hours per week with little to no stress involved.

This way you can sleep and you have a life besides trading.

These important points are vital for anyone starting in this exciting industry.

Just think you are just starting out now, but you could be living off your trading money when you learn a system that works.



Financial Planning and Investing



As a beginner should you be worried about financial planning? Your finances are the one of the most important parts of your life and you should plan so that you can meet certain goals.

Without goals you have no direction and you cannot aim for anything.

Stock market investors need goals and a plan because without this they will not last too long.

You need to know how much money you can stake on each investment, what is your reason for investing in any stock, how long before you take the profit or loss?

Financial planning is the process of determining how to manage money, investing, present and future financial goals, and the strategy that should be undertaken to obtain them.

People's goals and desires change as we do, financial planning and investing is a task that is never finished.

You need to consider how you are financially able to reach these goals, and your risk tolerance to certain investments.

A financial plan must be specifically tailored for an individual or family to be customized to your situation.



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Financial planning begins by taking into account each individual's assets and liabilities at that particular point in time.

The asset category includes life insurance and monetary investments of all kinds, along with physical assets such as a home, automobiles and other items.

Liabilities may range from personal loans, credit card debt, and loans taken to obtain hard assets, such as mortgages.

The next step is where sources of ongoing income and increases in hard asset wealth enter into the equation.

Income most usually is earned by employment, but other sources, such as property rentals, must also be considered. Increases in hard asset wealth, such as rising home prices, will be affected by general economic conditions as well as owner improvements to the property.

From here, things get trickier, and this is where the true planning begins!

Our particular stage in life -- whether we are young, old, or somewhere in the middle -- will usually lead us to desire a particular set of goals.

Financial planners often break down our life cycles into distinct phases. Which phase we are in is often determined by age but will also be dictated by how much risk we are willing to assume.



Younger people are most often described as being in an accumulation phase.

Their earnings have not yet hit their peak, but at the same time they are striving to obtain both hard and soft assets.

Examples here include saving for a new home or a child's education. Risk assumed here will be tempered by the time constraints of these goals as well as individual risk tolerance.

In general, the longer the time frame, the more investments in the aggressive category may be considered.

The other phases extend to middle age and beyond to retirement. Our middle age years often find us at the peak of our earning power, with many of our former goals satisfied.

This will mean greater savings are possible, and as time progresses towards retirement, our tolerance for risk will necessarily diminish.

Financial planning takes all of this into account and more.

Other factors, including planning for health care and other insurance needs, preparation for emergency expenditures, tax and estate planning and the like will all be part of the strategy.

Saving for retirement becomes increasingly important as the time earned income will end draws nearer, but you must start preparing for this early in your life.



To work out your retirement goals you can utilize this excellent calculator... www.stock-market-option-trading.com/TheRetirementCalculator.html

Financial planning is an important aspect to any investor whether and especially those of you who are beginners looking to start a career in the stock market.

You need to have a plan and stick to it. Work out your goals based on your current situation and strive to towards these goals using a system.

You can develop this system by learning of someone who has proven results. To learn from someone who has these proven results and find out how you can do exactly the same as someone who is making a large income from stock market please click on the link.



Should You Invest In Stocks Or Mutual Funds?



Investing will be the most important thing to you besides your family because this will be the difference between a comfortable lifestyle with security and a lifestyle that relies heavily on government assistance.

As the investor you need to determine the right solution for yourself and how you will achieve this.

Investing is about having long term growth and income that will continue to be passive until you die.

The key to achieving this is a stable and profitable portfolio that is diversified.

Diversification to most investors can be something like having a little in managed/mutual funds and a little in stocks.

We recommend learning about both types of investments and make up your own mind.

Are you willing to learn a little bit about stocks that could change your life and hugely increase your stock portfolio?



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Companies who invest your capital for you into other investments such as stocks, bonds, property and cash create mutual or managed funds.

Mutual or managed funds have many appealing to investors for a number of reasons they are professionally managed by experts on your behalf.

These expert financial professional managers have many years experience that are experts in investment selection.

Mutual/ Managed have the benefit of being diversified by investing in many different types of stocks, properties, bonds and fixed interest and cash investments.

The advantage of diversification is that if a few stocks drop in price the entire fund won't be dramatically affected and you don't have to lose sleep over the volatility as it has a lot less volatility with the value of the fund.

Diversification is when we spread our investment to spread the risk, which minimizes the sharp decreases and increases the stock market can produce.

There are many funds to chose from that invest in many sector and industries and some that focuses on one or two industries.



There are even funds available that invest only in foreign markets.

Mutual/Managed funds can be very convenient for the investor since the fund managers administer everything on your behalf. Your fund managers will provide you with all the forms you need to file your taxes.

Stocks

Selecting and purchasing stocks has its benefits and many people are investing directly into stocks only.

Managed funds can charge an entry fee and management fee, which can sometimes offset fund return that you are expecting.

While investing in individual stocks, you have flexibility, as you are able to buy and sell and make possibly higher returns.

Managed/ Mutual funds mostly invest in stable companies that do not grow in value substantially; therefore it keeps the fund slowly growing.

Stock investments in mid sized companies and smaller sized companies can make greater returns.

They can be also be traded quickly if need be, and purchased just as quickly if the investor finds an undervalued stock.



Stock investing gives greater control to the investor and gives you the opportunity to adjust your decisions quickly if needed. This level of involvement is impossible with managed funds.

If you want to know exactly where your money is invested it can be hard to identify as these companies constantly change and there are sometimes over 50 companies.

Investing in individual stocks gives you the opportunity to know your investments better and you invest in companies based on your own research.

Researching companies to invest in, is a skill that can be easily learned and can create a great sense of achievement when you make higher returns than the managed funds.

Depending on whether you want to take control of your investments and grow the stocks or have someone else do it for you, it's a decision that you need to think about.

Fund managers can claim to be experts but they can also make some wrong decisions.

They also have a big job if a company has taken a downturn.

They have to withdraw out of this company and if they have a huge parcel of shares in this company they might find it hard to sell this all at once due to the amount of shares they hold in each company.



If you want to actively participate in growing your nest egg you will find individual stock investing attractive.

Stock investments are our choice because of the success we, and many people we know have had with them.

Stock investments will assist your investments to exponentially grow by learning the some unknown trade secrets.



8 Steps To Building A Solid Stock Portfolio

Now that you have learned that stocks are for you and will help you more than a managed fund will you can learn how to build a large portfolio.

This chapter will assist you build your stock portfolio to generate "real" wealth, but it's just the tip of the iceberg.

Access to investing information and the availability of online trading has made investing more enjoyable and less costly.

The Internet has brought the "trading" desk to millions of households and it is now possible to buy and sell shares, options, warrants, foreign exchange and futures from your own home.

All you need is a computer and an Internet connection.

In addition, you research a particular company as well to establish the viability of the company.

You will find that much of this information is free and/ or available at a reasonable cost and you can save you many hundreds, or even thousands of dollars in fees and commissions every year by using the Internet.

You can forego the fees and do it all yourself and many people have with some good education and maybe a mentor.



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Now, some pitfalls to avoid!

Lots of websites have lots of good information on stocks and you can also find very poor information.

If come across websites and chat rooms that give investment advice or tips about investments, be wary because some don't have the expertise to do so.

The information may be wrong or misleading and some websites even repeat incorrect rumors.

You would not buy a house or car without looking at it and nor should you invest a company without any research.

Don't rely or just anyone else's tips, the person giving the tip must have had some results and has proven themselves.

If you subscribe to an investment tip service double check that what they say is actually true.

This way you can actually learn while you are earning. Some good tip services can be found here for Australian Stocks...
www.stock-market-option-trading.com/TheInsideTrader.html

and here for US stocks...

www.stock-market-option-trading.com/StressFreeTrading.html



It is important to be certain to have supporting evidence for the reason you are investing in a particular company.

Do you understand what the company does? Do the products or services of the company stand a good chance of being in high demand in a 10, 20 or 30-year time frame?

Does it have a management team that moves with the times and is innovative... yet keeps control of the company's finances?

Most of this information is available in a company's Annual Report, but make sure that you read it with a degree of skepticism...most reports are written to promote the company.

In the Annual Report, the financial statements, the balance sheet, the profit & loss statement and the cash flow statements are very important. They are important because they will help you assess if the company is providing value for your money.

You are going to be buying stocks at a certain price and you will want to make sure that you are not paying an excessive amount.

The financial numbers give you a snapshot of the financial structure, strength and growth rate of the company.

This type of analysis is often called fundamental analysis, and also includes analysis of the economy and industries related to the company.



You should check the historical and present prices as to the future price.

Most successful investors use fundamental analysis for short and long term buy/sell decisions and use technical analysis to confirm the decision.

Many serious investors who make lots of money subscribe to investment research websites and also education sites to learn the stock market quicker.

These websites are invaluable tools for any investor and provide company reviews, give general investing information, market updates, stock pickers, stock ratings, watch-lists, portfolio managers, charts, share indexes, newsletters, alerts and model portfolios.

Some of these we have researched and used ourselves with success and we will recommend some companies later in the report.

To structure a stock portfolio that maximizes your wealth and ensures your security by giving you total control of your investments, we recommend them to be easy to manage.



Here are some recommended strategies for your continued success:

1. Subscribe to an Investment research website which analyzes financial information for investors.

They are independent from companies they list, do not receive commissions or brokerage and rely solely on investor subscriptions for income.

They have to give their subscribers quality information to maintain and grow the subscriber list. The best ones are free at www.marketwatch.com or www.zacks.com.

2. Look for model portfolios they have developed and study the methodology they have used to create and maintain each portfolio.

3. Read the research reports supplied for each stock and study the graphs supplied for price movements and trading volumes.

Get a good feel for both the long term and the short-term trends of the stock.

4. Test each portfolio within a designated test period i.e., one month, one quarter, one year etc.

Usually you can set up a model portfolios in a free portfolio manager provided on the website with unlimited stocks. Set a starting date for a test period where you "buy" stocks listed in the model portfolio at the closing price for that day.



Make sure you include brokerage, as it is part of the cost base for the stock.

The website should either maintain up-to-date or 20 minute delayed stock prices, so a running balance can be maintained for the profit/loss for each stock over the designated period.

5. Compare each portfolio's published results with the results that you have achieved in the portfolio manager.

They should agree with each other when the same stocks are compared over the same time period.

Your testing should develop a level of confidence in the model portfolio.

6. Determine the best model portfolio for you to use.

You can do this using the last the last three months of stock price history or perform a trial evaluation for the next three months of future prices.

You can use one of the existing model portfolios or create your own from the stocks selected.

7. Subscribe to an online share broker website and begin trading.

Some good online brokers are www.optionsxpress.com (can be used for international users) or www.sharebuilder.com



8. Monitor stocks daily and review the performance of your actual portfolio against the model quarterly.

Evaluate the methodology used by the research website to develop the model portfolios.

These portfolios are designed by research firms to provide sensible medium-term portfolios that make it easy for investors and financial planners to replicate.

You need to understand the research methodology and develop a level of confidence in it rather than just blindly accepting the published results of each portfolio.

You do not need to become an expert in methodologies.

You will develop your own methodology one day that will encompass this information and some of your own education.

Building a share portfolio that meets your investment objectives will substantially build your wealth over a period of time.

Your best strategy is to learn by practicing in the market through the research companies and take on some extra education that allows you to get extra support from the company.

We know some good education companies if you would like to get started with this.



Investing Tips For Beginners



As a beginner investing may seem like a daunting and confusing.

Showing you the basics and giving you some tips to start you off should help you, although you will need to become educated in this area.

Don't worry if you learn the right material you will start off on the right foot. Investing is about making choices and we can help you make informed choices that fit their needs.

You may have a goal for wanting to learn to invest and it is important to you so you should take it seriously.

Having a goal is important to your investing career. The following list explains some things beginners should know before investing.

1. Understand that there are no set rules for investing. There are no guarantees and no perfect way to invest.

The education you learn will give you guidelines but sometimes these guidelines will not always work you have to accept that.



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2. Make informed choices before investing in any way. You should understand how the investment works and all of the details of the transaction.

3. Devise a simple plan to determine your goals and needs. This will help you to determine what investments to make and how much money to invest.

These three tips are great for general investing, but those looking to invest in the world of the stock market will need to look at some other factors.

These tips are a good beginning, but the following tips will further help those interested in investing in stocks.

A. Look at the value of the stock instead of the price. Low cost stocks may be low for a reason. Look at the whole picture.

See why the price is low and if there is a possibility it may rise. Learn about the company and why it should increase in price.

B. Check the company's financials or what they call fundamentals in the stock market world.

This is the profit, assets etc and then check to see there is possibility for growth in the company.

3. Spread your risk. You should not put all your money in high-risk stocks.



Try some lower risks more stable companies and some higher risks, so that if there is a downturn you have a balancing affect with the stable lower risk shares.

This is the best way to protect your money.

4. Understand the basics of stock prices. Prices move up or down depending on future projections.

Study a course and learn things like technical analysis and fundamental analysis but don't over analyze a company to purchase this is called "analysis paralysis".

These four tips can help a beginning investor start investing in the stock market.

Before investing in the stock market you must educate yourself and make certain you are confident to invest.

Have a friend you can bounce ideas off or join a forum of like-minded stock market investors that you can communicate with about your experiences.

Education is the key and the best education for stock courses is found at this link where you will find a review on the best education companies.



Stock Market Risks: Is Your Money Really Worth It?

So you have money you have saved over a few years and you are wondering what to do with this money.

You would like to find an investment that doubles triples and even quadruples your original balance.

Obviously a bank account is not going to achieve this type of growth and although property can help, it does not have the ability to access in case of need. If you are looking for something with a bit more growth then the stock market could be the place for you. So, you turn to the stock market.

How much risk are you willing to take with your hard earned savings? Investing is a good tool to increase you money, but you have to keep an open mind and know what to look for.

Needless to say, investing in stocks is a risky business. There are some risks that fortunately, you can control.

For example, you must guard against investing in "hot" stocks.

True, some get wealthy in investing in "hot" stocks such as the "dot-com" bubble in the 1990s, but when the initial buzz around these stocks begin to slide, so does your investment.



Once they fall, they really fall hard in a short period of time. This includes your money and others like you who invested in these stocks.

To avoid such risks, you must diversify your portfolio.

Basically, it means buying shares in different industries and sectors so that if there is a downturn in one industry and you have invested in a stock in that industry then all your money will decrease in value.

In that way, if one stock goes down, another one of your stock might be up and will help you recover some of your losses.

It is a good idea to have some stocks in the technology sector, telecommunications, biomedical, and consumer corporations.

In time, you could add your portfolio with precious metal and resources.

There are also companies that offer "safety stocks".

It will be a sound decision to have several shares of companies such as this in your portfolio.

This is because such stocks rarely fluctuate and most often offer a slow and steady growth, thus giving you an assurance in your investments.



Do not rely on tips, saying, “this stock will skyrocket”.

These tips are often unfounded, and these stocks are almost worthless.

Investing in these stocks might give you a higher return but in the long run, these stocks will just give you worries.

Read the Wall Street Journal or watch the stock reports on news networks to know more about your stocks.

Also check relevant websites to see how your stocks have been performing in recent weeks.

The important thing to note is that you should expect and accept that the stock market has risks.

It's how you deal with these that are most important. There will be risks if you have not got knowledge and you invest in speculative (volatile) stocks.

Leave these stocks to the experts for now.

I suggest you learn with the safer stocks first and then you can dabble in the speculative stocks at a later date, when you have more experience in the market.

Remember to get your feet wet first; don't dive straight in headfirst.



How To Get A High ROI In Stock Market Trading



The aim of the game is to strive for a higher return on investment.

The fund managers seem to return around 5-10% on average, but if you can do it yourself by learning the market and learning some consistent profitable strategies then you can beat the fund managers.

The Return on Investment (ROI) in stock market trading is the profit you make on the sale of a share divided by the amount of your investment.

ROI in stock market trading is expressed as an as an annual percentage rate.

Return on investment (ROI) in stock market trading includes all the income you earn on the stock.

It also includes any profit that results from selling the stock. If the sale price plus any income is higher than the purchase price, then you have a positive ROI.

If the sale price plus any income is lower, then your ROI is negative.



Adrian Monterosso's Strategies For....
Stock Market Success

Of course as a stock market trader you are always looking not just for a positive but a high ROI.

Below are some ways to ensure that you get a ROI above the fund managers averages in stock market trading:

Always know what you are buying...

The most important thing to do to ensure high ROI in stock market trading is to acquire as much information as possible about the company you are planning to invest in.

Do some basic research and analysis to find out if the stock is worth the price or else you will be gambling your money down the drain.

You can always ask other people to do the research for you if you don't have time. Reliable sources for research are websites of major brokerage houses, finance publications and mutual-fund companies.

Don't confuse wise investing with a bull market...

There are many reasons why you could be getting a high ROI in stock market trading.

One reason is that you could really be investing wisely.

Another is that you could just be lucky enough to be in the right place at the right time and made money with hardly any effort.



Sometimes we feel smart when the market is going up so we're tempted to trade more frequently and take on riskier positions.

Avoid active trading...

It is tempting to trade frequently especially when you're profiting.

This is particularly true with online stock market trading where investing is only a few clicks of the mouse away.

But remember that it's tough to make money by beating the market consistently.

As a beginner your main aim is to become accustomed to the market.

Take the above tips on board in your trading and make sure you are equipped with information to make the right decisions.

Your trading decisions in the end will be in your hands that is the exciting part.

High return on investment may or may not happen straight away, but stick with it and make sure you stay in the market for length of time and eventually it will click and you will be successful.



Summary

After reading * **The Retirees Stock Trading Guide** * you should have a good, solid understanding of the core elements of the Stock Market and how to begin your own stock trading career in the preparation for your own retirement.

Drop by www.stock-market-option-trading.com sometime and say "Hi". I'd be more than interested in talking to you about how you're progressing with your own trading, and (of course) your trading successes.

Best wishes for your stock trading success.

Adrian Monterosso – Apprentice Stock Trainer

www.stock-market-option-trading.com/

