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Basic of trading in stock market pdf

You must make some effort to be a successful investor - there is no wandering in this fact. Investors who buy or sell on their intuition or feeling about the shares or other replaceable assets may sometimes be right, but most of the time they will be wrong. Being right sometimes is not a winning stock investment strategy. The steps of a successful investment in the stock market are simple - it's an execution that's not that easy. Just as a football team will not take the field without a game strategy, an investor should not enter the market without a strategy. It's vulgar, but it's true - you need to know where you're going so you know you're there when you arrive. Your goals should be specific and focused. For example, I want to retire in about 20 years, and have a nice, fat nest egg is not a good target. The best goal may be: I am 40 years old and I want to retire by the age of 65. At the age of 50, I will have built an egg nest (not including 401 (k)) to \$250,000. At the age of 55, it will be \$350,000. At age 60, it will be \$500,000, and when you retire, it will be \$600,000. These numbers may be out for you and you may have other goals, such as a college fund or a home purchase. However, the point is that you need to focus on specific goals with specific deadlines if you're going to be successful. There are three basic approaches to investment: value, growth and blending. You will hear others mentioned, but these three are the basis for all others. Investing in value may be the most difficult, but it may also provide the best return in the long run. Valuable investors find companies trading at prices that are well below their real market value. Companies may be unfit with the stock market because they are not in the current hot stock sector, or they are in a glamorous industry that investors find boring. This form of investment was invented by Benjamin Graham and then made popular by the legendary Berkshire Hathaway president Warren Buffett. The difficult part of investing value is identifying and analyzing candidates. Investing in value requires some deep dive into the company's financial statements to see what the real or substantial value is and why this value conflicts with the share price, however, the yield can be significant when you discover the stock market and its price is growing from low point when you buy to a more honest level. This may require you to hold shares for a long time and ask you to update your rating regularly. Investing in growth is an exciting part of the stock market. It involves finding companies with strong future growth potential. You want to avoid shooting stars that shine brightly in the market for a short time, then disappear. You are looking for solid companies preparing for continued growth. Investing in growth can involve more risk if it focuses heavily on small-capital stocks that have the potential to grow rapidly, but also face enormous prospects for long-term success. There are stocks with a large ceiling present in Growth positions: Your task is to find those that match your strategy and goals and take risks. The majority of traded companies are shares with a large cap. These are household names like Coca-Cola and Google. By combining the two with a good asset allocation practice, stock market investors can achieve the best of both, you can adjust the mix to increase or reduce the potential return (and risk) to suit your own goals and time frame. Taking personal risks is an important element of your investment strategy. If you are comfortable losing some of your original investments on the way to a higher return, it may be useful to put more of your total investment dollars into the stock. It's time to take a break from traditional ways of generating investment ideas. Instead, let the crowd do it for you. From hedge funds to individual investors, dozens of market participants are turning to social media to find out which stocks are worth watching. It is a concept known as outsourcing, and uses audiences to identify emerging trends in the market. Outsourcing has long been a popular tool for the advertising industry, but it is also logical as an investment tool. After all, the market is fully driven by supply and demand, so it can be valuable to know which names are trending among the crowd. While some fund managers are already trying to take advantage of social media resources such as Twitter to find accounting trading opportunities, for most investors, outsourcing works better as a starting point for investors who want a starting point in their analysis. Today, we will take advantage of the strength of the crowd to take a look at some of the most active stocks on the market today. ZogenixNearest Resistance: \$1.65Nearest Support: \$1.20Catalyst: Zohydro Sale, EarningsInvestors didn't like this week's announcement from Zogenix (ZGNX) - get a report that the company was planning to sell its Zohydro ER pain management treatment to Pernix for a combination of cash, stock and landmark payments. Zogenix came in a penny below expectations on profits, but the absence of Zohydro's business that concerns investors here. While ZGNX was moving higher in an equivalent bullish direction, yesterday's news frustrated this price movement, and stocks turned lower. Emptor warning. CitigroupNearest Resistance: \$54Nearest Support: \$50Catalyst: Stress TestsCitigroup (C) - Get a report got 2% pop in Wednesday's session, reinforced by the disclosure that the \$155 billion banking stock was the cleanest pass stress test from the Fed and, most importantly, that its capital plan was approved. After going rough in stress tests last year, investors are excited about the prospect that Citi now has a much firmer grip on what regulators want to see - and that the bank will be Returning more capital to shareholders as a result. From a technical point of view, The City scheme is not convincing. Stocks are catching a try this week, but they are still well shy of the \$54 resistance level where the week began. Wood LiquidatorNearest Resistance: \$55Nearest Support: \$27.50Catalyst: SetupBeleaguered Wood Liquidators (LL) - Get a report caught trying for the second day in a row yesterday, bouncing more than 10%. This week's strength sign is not a buying signal while the shares formed v-down on March 9, this stock still has a huge event risk to deal with. It is better to avoid them for all but the most experienced of short-term traders. Tyson FoodsNearest Resistance: \$39Nearest Support: \$37Catalyst: Suspected Bird Flu Pre-, Tyson Foods (TSN) - Get a 5.6% hit report on Wednesday, a less slap on the news that confirmed that the U.S. government has confirmed a bird flu case in Arkansas. Tyson, the country's largest chicken producer, is based in Arkansas. While a company spokesman said that no herds of Tyson's plants have been diagnosed with bird flu, the possibility of statewide export outbreaks and bans on major buyers (such as Mexico) could materially affect a quarter of the TSN network. Tyson has been on the bullish trend since this summer, but that ended with yesterday's big break of support up to \$39. Hence, low levels seem likely - and the risk of events remains very high for Nan in March. At the time of publication, the author had no posts in the above-mentioned stocks. The Stock Exchange Game is a curriculum-based learning tool that allows students to invest a virtual \$100,000 online equity portfolio to learn about long-term savings and investment. Where's Santa? At the corner of the wall and the wide streets where the New York Stock Exchange is located. Anxious brokers are eagerly waiting for the Santa Claus pool. None of them is yet on the horizon. The great efforts of the Federal Reserve and the Treasury Department are overshadowed by looming doubts about the new financial laws and regulations that President-elect Obama will enact. This means that credit remains cold if not frozen and has left banks in a pattern of detention. Chrysler and General Motors (GM) - Get a report in tough negotiations with Treasury Secretary Hank Paulson for a bridge loan to survive. However, in recent polls it seems that many Americans do not want to save automakers even as European and Japanese governments support their car companies. It's been a mean and mean season now, and the good news (kind of). It's been a tradition in the stock market game, going all the way to 2006, to take a look at some of the best performing long jobs at the end of each semester. Unfortunately, most of the shares bought by the students and held lost money since September 2, 2008, which was Opening of the first SMG game window. However, here we at SMG also track the size, so we offer you the most traded stocks of autumn 2008. As of December 12, 2008 (the end of the last game window), the top 10 stocks were the most popular: so it seems from the list above that the students bought what they knew and followed the news. Unfortunately, in an environment like this, where almost everything went down, it was hard to get out forward. We've learned some hard lessons in SMG classrooms and on Wall Street this fall, but we must remember that the markets endure never last forever, and that in this holiday season hope eternal springs. Thank you all for the important work you are doing with your students by participating in the stock market game program. Happy Holidays! To learn more about the stock market game, visit www.stockmarketgame.org. This article was written by a stock market game employee. Game.