The stock market strategies you won’t find in books

However, you will find all you need on the Internet!



Basics

The stock market is enormously developed in Australia and there are many options given to citizens. Thus, it should take some time to investigate the pros and cons and pick up the right strategy. Believe, the devoted time will be converted into a good income.

You may learn the thing from scratch on your own, the possibilities for self-education are wide. There are plenty of books on Amazon, eBay, and other platforms, but it is not fast to learn with books and it may take years. The alternative options list will be given in this article later.

Theoretically, this way is sequential and the next step requires practice and money. More likely, after some self-education, you would need a good broker or a loyal financial company to assist you. Online brokers have something to offer to you: discounts for the service and research, full devotion to your deal, and diverse trading tools: timely updated charts, information on different companies you would like to invest in, sharing of experience in their educational centers.

By the way, according to the statistic data on Wikipedia, the Australian Stock Exchange (ASX) is the 16th largest in the world, with $1.44 trillion in total market cap. Depending on the chosen broker, Australians can take part in some of the largest exchanges in the world, for example, the NASDAQ in the United States.

It is worth mentioning, the Australian Securities & Investments Commission (ASIC) is an independent authorizing body meant to regulate and oversee activities along with operations. The ASIC is well-known for its friendly attitude to consumers, especially for free online resources with useful information about financial markets and guidelines, and other support. It resulted in the growth of the number of companies that open their offices under the ASIC regulation, and in the increasedpopularity among traders to invest in firms under Australian regulation.

We can distinguish a few popular online trading platforms for share trading in 2021 by their strength sides.

* **CMC Markets** - Best Overall
* **IG Group** - Best Trading Platform
* **CommSec** - Best Bank for Share Trading
* **Interactive Brokers** - Best for Professionals
* **Westpac** - Best Research

Overcome yourself and the market will be conquered

Anyone can take part in the investment play. Everywhere they say, you should get rid of your fears and unnecessary doubts. Although it is difficult to do when you have thoughts on what will you do if your money is lost in the stock market. In this article, we will strive to show you the possibilities and correct approaches, how to trade in the share market. Also, we prepared a list with tips for intraday trading.

Technically, selling or buying shares is trading. An investor is not much interested in the short-term perspective but the long-term one. He/she will rather give money to a company constantly with a broker in between to make sure of the gained success and required support. It takes much experience to know the exact moment when you need to stop buying shares, hold shares or sell them. “Buy low and sell high” is the logo of traders to get profit.

Saying about unspeakable profit, the notion leads us to the need for investigation and trust in a specific company. An investor should be inclined to analyze the market and choose the favorites among companies to know their EPS, PE ratio, and business sustainability. A beginner normally pays more attention to the technical capacities of the company. Knowledge of technical charts also has its application, as long as they are based on hours, minutes of a company workday. Thus, you can predict the movement of the stock price.

Still, the stock market is much more than that. It is affected by anything that happens in the world: deviations of economic data, political aspects, trade wars, sanctions. Participation in defensive stocks, that is not affected by economic performance, helps to acquire a regular dividend income. The tool can be hardly overestimated because it protects investments in times of recession like a Manyhaven. Note that volatility is less there too. If your goal is to live a calm life, be sure of tomorrow, you should invest in defensive stocks. Although the return will not be extraordinary, any newcomer to the stock should also start with this type of stock. Then, move forward to cyclical stocks. An ideal combination is to invest in both of them to mitigate risks and reduce losses.

In any case, you should focus on how to get more but not on what you lose.

To help you out of this, take these remarks as a lifebuoy:

* discounts are everywhere
* price deviations have patterns and do not change randomly
* price deviation trends repeat themself

A word on intraday trading

Here, we are going to speak about intraday traders, who experience more stress and market volatility than any long-term investor. The intraday trading aims is to square off all the opened positions daily with a resulted profit.

Intraday trading technique means that you buy and sell stocks with profit on the same day. It is also connected with high risks but gives high returns. Proper strategy and risk management rule the process.

Tips for successful intraday trading

1. Make a good research and know your capabilities

Quick profit requires you to know exactly how much stock you can trade and how much you are ready to lose. Note, price movements can be normally expected but everything may happen. Establish your stop-loss level, in the beginning, the basic 3:1 is ideal, reward to risk ratio strategy respectively...it is ideal to adopt the basic 3:1 reward to risk ratio strategy. What this means is that the stop-loss price — the price at which you are ready to exit if you are making losses — should be three times lower than the exit price — the price at which you are willing to book profit.

1. Manage risks

Stop-loss and stop-limit strategies and other approaches must be used. Use buying price and target price. There are no rules to determine these values. Many stock investors suffer from mistakes made by buyers, who suddenly changes his/her mind after the purchase of a stock. This may lead to the wrong decisions. To use the stop-loss strategy you should fix the entry and exit prices before accepting the position. Remember, the stop-loss price at which you exit if you have losses should be three times lower than the exit price at which you are still ready to continue squaring off the positions.

Still, an intraday trader must buy when the price drops, reaches a horizontal zone and commences its rise. Also, you should avoid trading at the first hour of a working day, as long as it is the period when the most price movements take place. If you are a newcomer to trading, try to buy after 11 am and sell before 1 pm.

1. Value updated information

Keep an eye for trends, approaches, charts. Read educational volumes on trading. The wider your range of vision is, the better. You should be able to analyze the external factors and their impact on the stock market. Consider reading A Beginner’s Guide to Intraday Trading by Toni Turner, Start Day Trading Now by Michael Sincere, Mastering the Trade by John Carter, etc.

Proceed with a time analysis of an intraday. Use daily charts to see the performance of different stocks on the same day. This will show you short-term and long-term movements of the stock price. As long as the timing is crucially important. you may use hourly charts, 15-minutes charts, and even 2-minutes charts.

1. Do not be afraid of losing money

Pay attention to the right strategies and risk mitigation. The emotions and hesitations may prevent you from taking risks at all and that is a mistake. Try to close all your open positions. Do not allow your natural scares to take you to accept the delivery of stocks. Many intraday traders are inclined to act like this when the stock price target, set at the start of the working day is not met. And this is not a good solution. Before converting to deliver, you should take a closer look at the intraday calls and strength of the stock. A calm mind will lead you to success.

1. Choose a few stocks at a time, but not many

Technically, it is easier to check technical charts and price deviations for a lesser number of stocks. Your head will be free of much unnecessary information and thus your vision will be always fresh. Even if you use the service of any financial company and have your own personnel, make sure the amount you take is possible for you to carry.

1. Choose shares with high liquidity

Choose the right stocks and avoid small-cup and mid-cup stocks that are rather not liquid enough. The point is to take stocks with a high trading volume because it usually means prices move upwards too. The volume is the notion that means the number of times a particular stock is traded at an exact period. You should also consider the resistance level of the stock.

Do you remember, in the movies on business there is an interesting thing? Managers are scared of leakage of unpleasant insider information. The core is that this may cause the reputation and trust to be lost. Sure, this will affect the price. Pay attention to this, but make sure you do not lead on rumors.

1. Master your emotions and do not make decisions based on rumors.

Collect facts, provide researches, use charts, do not make buying or selling impulsively. Double-check the sources properly to make sure you operate true information.

It is normal, that after buying a stock the market volatility may force you to decide faster. However, it is momentous to have a rough idea about optimum buying and target prices before accomplishing the trade.

You may see how wide the branch is and how many notions it includes. The attentive assistant will gain you more results. Just in case you hesitate of accepting help, please, consider proper services. There are many in Australia. They have implemented their interfaces where you can check all the required information. As well as they have trained and experienced staff.

We can recommend you [ASX](https://www2.asx.com.au/) as they call themself “the home of Australia’s financial market”. They may provide you with all the valid information and will play on the same side of the field with you. There is a good tool for newcomers. These are educational [resources](https://www.investors.asn.au/education/) you are welcome to use to gain more knowledge.

As an option, you may also use the service of [Steadfast](https://investor.steadfast.com.au/investor-centre/) that is the largest network for general insurance brokers. They also deal with traders and investors and will help you to feel safe.

Consider another company that has access to all the opportunities across the financial markets. We mean [IG](https://www.ig.com/). They provide you with a trustworthy, experienced broker and valuable updated information. IG is licensed to proceed with investment business and digital asset business by the Bermuda Monetary Authority. They have their application and platform to use.

You may take a closer look at Australia Shareholder’s Association. They have a good explanation for you of what broker operation model is exactly made for you. Check the [list](https://www.australianshareholders.com.au/Public/Investor-Journey/How-do-i-buy-sell-shares/Choosing-a-broker) of questions to answer yourself and make up your mind. For example, how do you see your role and what obligations you would like to delegate. It is quite interesting to know to make sure you have an objective view.

Whatever you choose, the most important is the safety of your money and its effective usage. Here we tried to provide you with all the necessary information.

Happy trading!