**The Effect of COVOID 19 on** **Day training**

**Introduction**

Some other names for Day Trading are intraday trading or short-term trading. It comes in one of the most misunderstood trading techniques as people do not have proper knowledge regarding Day Trading. The stock market ignored the COVVOID 19 in its early stages but suffered its fastest decline in late February. The stock markets finally acknowledged the impact of the coronavirus because of the continuous decrease in the prices.

**What is COVOID?**

Coronavirus or COVOID 19 is an infectious disease which is caused by a new virus that had not been identified until now. It is a large family of viruses where some cause less-severe diseases, while some cause severe diseases like Severe Acute Respiratory Syndrome (SARS) and Middle East Respiratory Syndrome (MERS).

**Effect of COVOID 19 on Day Trading**

The stock market took a significant hit due to the coronavirus as it spreads globally. The coronavirus might wreak the long-term economic havoc. The sharp drop is just about the latest following a couple of weeks of volatility. The emergency measures taken by banks were beneficial as the markets railed briefly in the early march. Many stock traders are still left wondering what they can expect from the market as the coronavirus is still spreading globally very quickly. The traders and investors are concerned about the losses in the day trading as the market prices are declining dramatically every moment.

An economic slowdown, slow rate of GDP growth is also there due to the wide-spread of coronavirus. Travellers and tourists are advised to stay home in every country. Demand in related industries has diminished due to COVOID 19. Existing supply chains have also begun getting affected due to this. The financial market is so much in pressure, uncertainty, and volatility due to the COVOID 19. At the end of February 2020, the global markets were in freefall. Many people still doubt the quick spread of this virus globally.

The effect of imports on china has dramatically affected the export economy of all the countries around the world. Coronavirus is having an immense impact on LNG, oil, metals and agricultural goods. The largest importer of crude oil is China that takes away around 10% of the global demand in January 2019.

**What is Day Trading?**

Day trading is referred to as when the market positions are held for a short period. In day trading, the trader or the investor opens and closes a place on the same day, but seats can be held for a long span. With the most straightforward explanation of day trading, a day trade is a position that is entered and exited within a single day only.

The position of the trader or investor engaged in daily trading can be either a short run or long run. An Intraday trader looks for an advantage of volatility during the day of trading, to reduce the overnight risks that can be caused by an event such as bad earning that may happen if the markets are closed. Day trading surely got a bad reputation in the 1990s when new beginners came to day trade without following the tested stock trading strategies. The beginners at that time thought they would make their fortune with their luck and no knowledge and extra effort.

**Practical strategies for Day Trading**

To ensure active Day Trading, it is very important to follow some strategies. These strategies play an essential role in becoming a successful day trader as it helps you to create your plans for Day Trading.

**Stick to the Plan**- It is crucial to follow your plan carefully rather than to chase profits. Trade your plan & plan your trade. Successful traders move very fast, but it's not necessary for them to think fast, because they've their plans and strategies & they stick to it.

**Avoid Penny Stocks-** Unless you've done proper research and see an ideal opportunity, stay away from this. Penny stocks are often illiquid, and chances of hitting the jackpot are very low.

**Time Those Trades-** The middle hours are less volatile, while the rush hours offer opportunities, but it's safer for the newbies to avoid them in the beginning.

**Be Realistic about Profits**- Make sure that the risk involved in each trade is limited to only a specific percentage of the capital.

**Knowledge is power-** Knowledge of basic trading is a must. Proper knowledge about the day traders, stock market and procedures is necessary for the beginners to do a successful Day Trading.

**Stay Cool**- There are situations when the stock market is not in favourable conditions & it tests your nervousness.

**Cut Losses with Limit orders**- Many experienced and educated day traders always follow these strategies to improve their positions. Limit orders help you to trade more precisely.

**Set Aside Time**- Don't consider day trading if you're short on time. The trading process requires time and effort. It would help if you tracked the market conditions, changes in prices and spot opportunities.

**Set Aside Funds**- Set aside a particular amount of funds with which you can trade, and you're prepared to lose. Though, the loss might or might not happen. For instance, if you have a $40,000 trading account and you're willing to risk 0.5% of your capital on each day trade, your maximum loss per trade will $200. Most of the successful day traders risk less than 1% to 2% out of their accounts as per trade

Start Small- Trading and finding more new opportunities will be easier if you have a few stocks. In the beginning, during a session, it is best to focus on one or two stocks only.

**Conclusion**

**InvestoTrend** will provide you with all the necessary information regarding day trading. The beginner needs to learn some basic rules, strategies and gain knowledge to do an effective day trading. Day trading is profitable only when the traders have the proper knowledge and do efforts and proper research as well. It is a job not a time pass or a hobby. Therefore, day trading is not as complicated as it seems to be.