**10 Effective Strategies for Beginners in Day Trading**

**Introduction**

Day trading is also known as intraday trading or short-term trading. People believe that Day trading is not safe and riskier when compared to different types of trading. Let’s understand the concept of this type of trading and discuss the most effective strategies or tips for trading for beginners.

**Day Trading**

With the most straightforward explanation of day trading, the day trader selects a position, enters it and then exits it on the same day. Market positions that are held for a short span are known as day trading. In day trading, the day the trader enters and exits a post on the exact day. These positions can be held for a long span.

An Intraday trader looks for the benefit at the time of day trading, to reduce the overnight risks that can be caused by an event such as bad earning that may happen if. The position of the trader or investor engaged in daily trading can be either a short run or long run.

**Risk Present in Day Trading**

By day trading, you reduce the weekend and overnight risk, especially when you trade in markets that are closed. The best way to control risk in trading is by limiting the length of the trade. Day trading won't make you productive overnight, and it takes time. It is a conservative investing approach that is used by many experts, educated individuals, and many institutions as well. It depends on them, whether they want to utilize leverage which can magnify profits but also increases the risk of losses. Trading experts say that day trading is safer and less risky when compared to other types of trading.

Day traders do not keep the positions with them overnight; they reduce the probability of a shock in global markets, losses, and unfavourable economic conditions. The day trading provides liquidity which allows the market to keep running smoothly when compared to a light trading market that is subjected to dramatic price changes. Day traders mainly look for gains in less variation in prices, whether down or up. In the 1990s, when new beginners came to day trade without following the strategies of day trade and stocks, people started misinterpreting the concept of Day Trading. The beginners at that time thought they would make their fortune with their luck and no knowledge and extra effort.

**Effective Strategies for Beginners in Day Trading**

To ensure active Day Trading, it is crucial to follow some strategies. To become a successful day-trader, these strategies play an essential role.

1. **Set Aside Funds:** Most of the experienced investors or traders wish to risk only 1% to 2% of their capital as per trade. You need to know how much equity you're willing to gamble on each day trade. For instance, if you have a $20,000 trading account and you wish to risk 0.5% of your account for each day trading, $100 will be the amount of your maximum loss. Therefore, set aside a particular amount of funds with which you can trade, and you're ready to lose. Though the damage might or might not happen.

2. **Begin with tiny steps:** As a newbie, during a session, it is best to concentrate on one or two stocks only. Trading and finding more new opportunities will be easier if you have a few shares.

3. **Knowledge is power:** Knowledge of necessary trading is a must. The beginner should have proper knowledge about the day traders, stock market and procedures.

4. **Cut Losses with Limit orders**: A limit order guarantees the price but not its execution. Limit orders help you to trade more precisely. More experienced and sophisticated day traders always go these strategies to hedge their positions.

5. **Stay Cool:** There are times when the stock market is not in favourable conditions & test your nervousness. As a beginner, you need to learn to keep hope, fear, and greed away. Decisions should be taken logically and not with emotions.

6. **Set Aside Time:** Day trading needs time, which is why it is known as Day Trading. You need to invest your time, too, to ensure active day trading. 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. Moving quickly is the key.

7. **Penny Stocks should be avoided:** As a beginner, you must be looking for prices, and deal but stay. Unless you've done proper research and see an ideal opportunity, stay away from this. There are mostly illiquid, and the probability of getting success is very low.

8. **Track those orders:** most of the rules that are placed by traders and investors start executing in the daytime itself. An experienced player recognizes the pattern and picks appropriately to get profit. But for beginners, it is advisable to first observe the market for about a few minutes, without making any moves.

9. **Please stick to the plan:** successful traders move very fast, but they don't need to think fast, because they've their plans and strategies & they stick to it. It is crucial to follow your plan carefully rather than to chase profits. Trade your plan & plan your trade.

10. **Be Practical About Your Success:** Your strategy might not make you gain profit every time. Most of the traders gain only 65% to 70% of their day trading. Make sure that the risk involved in everyday trade is a minimum percentage of your account

**Conclusion**

Therefore, day trading is not as complicated as it seems to be. **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. The trader should be objective, diligent, focused and detach emotions.