# Stock Trade Info. & Steps

## Rules:

* **Buy low -> Sell high**
* **The 3-5-7 rule in trading is a risk management guideline that suggests limiting the amount of capital you put into any single trade. According to this rule, you should not risk more than 3% of your trading capital on any one trade, no more than 5% on any one sector, and no more than 7% on all trades combined.**
* **What Is the 11am Rule in Trading? If a trending security makes a new high of day (HOD) between 11:15-11:30 am EST, there's a 75% probability of closing within 1% of the HOD**
* **Some traders follow something called the "10 a.m. rule." The stock market opens for trading at 9:30 a.m., and the time between 9:30 a.m. and 10 a.m. often has significant trading volume. Traders that follow the 10 a.m. rule think a stock's price trajectory is relatively set for the day by the end of that half-hour**
* **The 1% risk rule means not risking more than 1% of account capital on a single trade. It doesn't mean only putting 1% of your capital into a trade. Put as much capital as you wish, but if the trade is losing more than 1% of your total capital, close the position**

# Best Times to Buy and Sell:

* **Best day of the week to buy stock: Monday.**
* **Best day of the week to sell stock: Friday.**
* **Best day of the month to buy stock: Around the 10th or 15th.**
* **Best day of the month to sell stock: One of the days leading up to the last trading day of the month.**

# **Value Stock Tade Steps (**based on 10 shares @ $100.00/share = $1,000 total investment)**:**

1. **Complete “Stock Evaluation” formSet stop-loss @ 10.00% of purchase price (10 shares @ $100.00/share) X 0.01) = $10.00) = -1.00% ROI**
2. **If stock goes up 10.00% from purchase price -> Sell 50% of stock (50 shares @ 110.00/share) - $1,000 / $1,000 = 450% ROI)**
3. **For each stock, repeat steps 1 – 4, if 3 losses in a row -> STOP!**

**Market Open (9:30 am EST) Tade Steps:**

* **High Volume - Volatility**
* **Low Float – low float = less supply -> greater demand (outstanding shares)**

**Scan Criteria:**

1. **Select stock exchanges (NYSE, NYSE Arca, AMEX, NASAQ)**
2. **Set Volume -> (> 100,000)**
3. **Set price range -> ($1.00 -> $10.00)**
4. **Set % from close -> (> 5%)**
5. **Set Float -> (< 20,000,000) shares**
6. **Create Watch List from results**
7. **Open D: 15 m, D: 5m & D: 1m Charts**
8. **Look for buy -> opportunities**
9. **Buy (STOP-LOSS or TRAIL-STOP)**
10. **Sell**