

How Not To Fail - Tips For Successful Stock Trading

It takes money to make money.

This is especially true for stock investment and trading. Investing money involves a great deal of risk.

The first message a successful businessman will tell you is that any stock trading venture carries potential risk along with potential reward. The trick is to establish if the profit is worth the risk. If it is, it is now time to consider if you are prepared to take the risk.

But it doesn't necessarily mean that to achieve good profits, one has to invest heavily and risk deeply. A well-informed investor can make sound decisions that will help him make considerable profits with minimal loss.

So before you begin trading in stocks, ask yourself these questions:

- a) What are your investment goals?
- b) Are you ready to take bigger risks for better profits?
- c) Are you prepared that your investments may lose money?

If you select a low-return investment, it will mean that either you increase the quantity you invest or increase the span of time invested.

Setting your investment goals will permit you to know how long you're willing to wait for a stock to achieve profit. It will also give you a threshold on how much you're prepared to lose. It gives you an idea on how to go about investing in a stock.

After you have made up your mind with the above questions, there are some tips you may want to use to assess your trading approach in order not to fail in stock trading.

Stock Trading Tips:

- a) Discipline yourself

You are so excited to make trades that you trade on a stock that looks half-decent enough instead of waiting for the best stock to come along.

- b) When to invest

Ordinarily, you want to trade all the time. You get excited when you see shares go up or when they drop. You make decisions based on a whim and factors that don't typically influence a stock in the long run. The best traders pause 50% of the time waiting and studying how a stock performs. They do not trade every day and all the time.

- c) Don't be too emotional

Making money is exciting. Losing money can get very depressing. Detach yourself from your emotions; otherwise, you won't be able to look at things objectively.

- d) Small moves big payoffs

Don't waste time dabbling in so many small stocks with minimal profit. Be on a lookout for big stocks and concentrate on a few.

Trading stocks is a high-risk, high-profit venture. Dabbling in the stock market ill-informed is suicide. Take your time. Examine, study and be patient. After all, it's your money.

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Thomas Choo runs Stock Trading System at <http://www.stocktrading-system.com/>. Visit to discover the astonishingly simple 3-step strategy on how to pick stocks like a PRO.