

Tips For Choosing The Best Stockbroker

Choosing a stock broker can be an annoying task. While they all seem the same, there are differences in commission rates that you should be aware of. Depending on the type of investor you are, you may end up paying too many fees depending on the broker you choose. Here are some tips for choosing the best stock broker, depending on the type of investor you are. 1. Casual investor. If you are casual investor with a moderate amount of capital (\$200k or less), then chances are most of your money is in ETFs or index funds. In this case, a discount broker is fine. You will rarely make many trades and you do not need much advice since you are just investing in standard, safe investments. A brokerage like TD Ameritrade is good for you since they have \$9.99 trades. 2. Frequent trader. If you are a chartist, then finding a broker with low fees is a very high priority. Most discount brokers will give discounts to people who trade frequently. One example is E-trade. Another site like Interactive Brokers might be good for you too. Be careful with this sort of investment style, as fees may gobble up all of your profits!3. High net worth investor. If you have \$1 million+ in the stock market, then chances are you can get a discount on how much you pay per trade. This is especially the case with the established, big firms such as Fidelity. Fidelity offers \$8 trades to those with \$1 million+ in their Fidelity accounts. 4. Short seller. If you plan on selling many stocks short, you need a broker that has access to these shares so that you can short them. Most of these brokerages will be able to short mid and large caps for you, but many do not have access to a large percentage of the small cap stocks. Interactive Brokers might be the best broker for short sellers.

Source: <http://www.articlecircle.com>

About the Author

stock broker, investing, stockbrokers, who to invest with, stock market