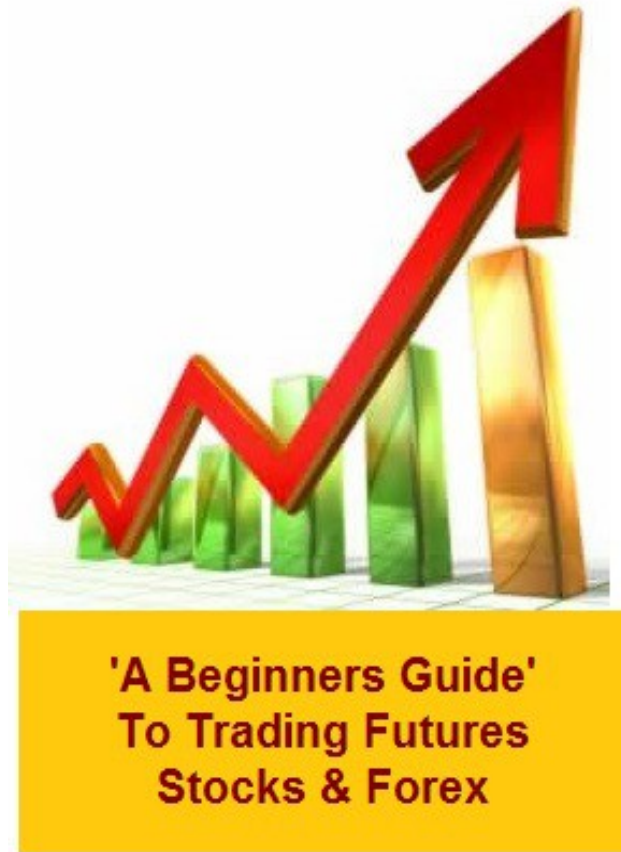


A Beginners Guide To Trading Futures Stocks & Forex



(This E-book Could Also Easily Be Equated To The Digital Economy Trading)

Presented By The FRED67 Community

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Introduction:

In the stock trading industry, many people have garnered a lot of money from futures markets. It is only in this arena where people who have limited capitals can actually make substantial profits even in a short period of time. But because like any other market, this involves a lot of risks and may cost you significant losses, people may often fear to get involved.

Despite its bad reputation however, many experts would claim that futures trading could only be as risky as you want to make it. And if you take on good strategies and give yourself the proper exposure, then this can make you very rich.

What Are Futures?

Futures are standardized and transferable contracts that require a buyer to purchase a stock at a specific sum and within a certain time period in the future. This contract gives the buyer the obligation of purchase, and the seller the obligation to deliver the specific asset traded.

Unlike options, futures contracts obligate the traders to buy and sell instead of just merely giving them the right.

People basically profit from futures by performing speculations in order to provide liquidity and to assume risks for price fluctuations in the market. These valuable functions provide them with substantial returns and potentially large gains. But take note that along with these, substantial risks are involved as well.

How And Why Are Futures Traded?

Trading futures has become quite popular in many markets, especially in day trading. These kinds of trades offer a wide variety of markets and it can be traded at a low cost.

Futures can be traded in both up and down markets. If a particular trader expects the market to go up, a long trade is usually done wherein the trader buys a contract and then sells it. On the contrary, if a trader believes that the market will go down, and then he will most probably make a short trade by

entering a trade through selling a contract and then exiting by buying another contract.

With this system, traders are able to profit regardless of what direction the market trends are going. This is the main reason why most traders are only concerned if the market is moving at all, instead of which direction it is actually going.

In futures trading, instead of taking or making deliveries, a trader merely speculates his position in the market's volatility by predicting directions of trends. If prices move in the right direction, then the trader would be able to profit. If this does not happen, then a trader would experience some losses.

This particular arena in trading can be very promising, but it involves so many risks as well. But if you are well experienced in trading stocks and have adopted quite an understanding in the different trends, behaviours and strategies that the industry has to offer, then chances are, you may probably do well in this particular playing field.

All of this may sound pretty easy at the moment, but if you are planning to engage in futures trading, make sure that you do your research and prepare yourself with the necessary knowledge and skills to successfully execute transactions.

Along with huge profits possible, there are a lot of risks involved and trading futures without the right background can be very detrimental.

Comparing The Two Types Of Investments

There are two major types of investments done in the stock-trading arena these days –short-term investments and long-term investments. If you find yourself overwhelmed and confused in choosing which type would be best, simply take note of the differences between these two varieties and consider the advantages and disadvantages of each to be guided in making the right decisions.

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Basically, the major difference between the two investments is the fact that short-term plans are actually designed to show a substantial yield in a short time period. While long-term investments, on the other hand, are designed to last for quite a few years and present a slow yet progressive increase in its yield.

Let us discover more about the differences when it comes to the disadvantages and advantages of each type of investment.

Short-Term Investments

The major advantages of investing for a short-term plan are the potentials for growth at a very fast period of time, ranging from a few weeks to a few months. Although there may be fluctuating trends that could affect the market, short-term loans can still allow you more control over your money and you, it is more likely that you can keep a more watchful eye on your investment.

However, this type of investment may be a bit riskier due to the fluctuations present in such a volatile stock market, as mentioned above. As compared to its long-term counterpart, this type of investment may much easily be affected by unpredictable circumstances because it is in a shorter period of time. And so, even if there is a very huge chance that you can make a lot of money in this type of investment, there are also great chances that you can lose a lot.

Long-Term Investments

For long-term investment plans on the other hand, there is a greater ability for this type of investment to gain small and distributed profits over a longer time-frame. And because it has a slow-but-steady pace, it becomes more stable and involves fewer risks.

But of course, a disadvantage for the slow growth of your investments may indicate that you cannot expect to earn profit right away especially when you are badly in need of money. In addition, you may also have less control over your money because your investment would not mature right away.

Also take note that because investments may require a lot of fees to be paid as it progresses and due to occurring fluctuations in the market, most long-term investments may experience down time before they can actually climb up and become productive.

In choosing between these two major types of investments, the most important thing you have to consider in order to gauge which plan would become more beneficial to you is to contemplate on your reasons for investing.

If you invested in stocks with the ultimate goal to earn money fast then surely a short-term plan would suit you.

But on the other hand, if you want to invest for future and insurance purposes like in cases wherein you want to have money when you grow old, then a long-term plan for investing is best.

Whatever your decision may be, always remember that there are advantages and disadvantage in all kinds of investments. And ultimately, to become successful in your endeavour, you must be willing to take on minimal risks and make smart decisions in order to manage your trades.

Factors That Influence Forex Market Trends

The Foreign Exchange or Forex is the largest market today for stock trading, and it is continually growing with more and more people investing in it. However, as promising as this market may be when it comes to profit, like any other trade it can be very volatile as well.

It is therefore important to be familiar with certain factors that influence trends in the Forex market if you are decided in joining this arena. After all, acquainting yourself with the many scenarios that can cause currencies to go up or down can help you a lot in making decisions for when to buy or sell.

There are basically three major factors that affect the Foreign Exchange – a country's economy, political conditions and market psychology.

Economy

Economic factors are the most basic things that create changes in a country's currency.

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When such economic conditions as a budget deficit or surplus is present within a country, there will surely be reactions in the market and values will be reflected on currencies. Other conditions may also include inflation trends, and the general economic growth of the country.

The more prosperous a country's economy is, the more investors will be able to adhere to doing trade in a more positive attitude. Such indicators as a growth in a nation's gross domestic product (GDP), employment levels and retail sales among others will basically attract more investors and that nation's currency value will likely go up.

Political Conditions

Another very important factor that influence trends in Forex, are the conditions of a country's political sector. This is because political instability or turmoil can generally create negative fluctuations to an economy. But if such instances occur wherein a country may rise above political obstacles, the opposite may occur and the economy may improve.

Events in a region can surely create negative or positive interest among investors for a nation's currency. And so, such conditions surely influence the trends for demands and prices of a certain currency.

Market Psychology

Of course, the perception of traders and investors will greatly influence the Foreign Exchange market in so many ways. After all, the market is highly dependent on whether or not people would want to invest on a country's economy in order to determine whether currency prices will go up or down.

For example, such conditions wherein unsettling international events may happen, then under the "flight of quality" rule, people would generally want to look for a safe haven for their investments. Whenever there is a greater demand for a certain country's economy, then a higher price will be given to buyers and the currency's value will go up and become stronger.

Other events that contribute to traders' perceptions may be long-term trends where people invest based on what they have seen for a long period of time, and even economic numbers where people may base their investments depending on what numbers show a greater value.

The market in Foreign Exchange is often unpredictable and fluctuating. Therefore if you are interested in doing trades in this market, make sure that you take the time to be knowledgeable about good strategies that can help you play the game.

But more importantly, keep updating yourself with the different economic trends in the international scene. After all, this currency market would greatly revolve around events that would occur in the different countries. Familiarizing yourself with the factors that affect the Forex will surely help you make better decisions.

Familiarizing Commonly Used Stock Market Terminologies

The stock market is a great arena for people to make a lot of money, however, for many beginners, all the hustle and bustle of stock trading may cause a lot of confusion, especially if you are not familiar with the many terms and tactics used for negotiations.

If you are a beginner in the stocks game, make sure that you familiarize and educate yourself well on stock trading knowledge. You can of course, start off by widening your vocabulary. Here are a few terms that you may need to familiarize:

Stocks

Stocks are probably the most important and common items traded in the stock market. These are actually shares of certain companies, which are publicly sold and traded.

Whenever people buy a portion of stock in a particular company, this means that they acquire a share of ownership and investing in that specific business. Through this, a stockholder is given certain rights towards the company such as a vote in stockholder meetings as well as his or her financial share from the company's earnings.

Broker

A stockbroker is the person who handles the actual trading of stocks. He or she does the negotiations to buy and sell the stocks on behalf of the investors and the companies involved. The many various types of brokers may include full-service, online, auto-trade and discount brokers.

Bull Market

A bull market is a market that manifests a continuous increase in the value of its stocks as well as a steady growth. Generally, with this type of market, investors gain an optimistic attitude and may want to buy more rather than sell stocks.

Bear Market

Bear markets mainly characterize significant losses and declines in a particular market. With this type of behaviour among stocks, most investors would generally want to sell more of their stocks and may be pessimistic about investing.

Dividends

Dividends are added or bonus payments given to stockholders after a profitable quarter. With this sum of money, many people may often reinvest in more shares of stock, which allows individuals to earn so much.

Futures

Futures, just like stocks, are also traded in the market. However, these are purchased against future costs of commodities. You can earn from these, if in time, the actual price of commodities become higher than what you paid for the futures. On the other hand, you can also lose money if the price becomes lower than what you paid for.

Day Trader

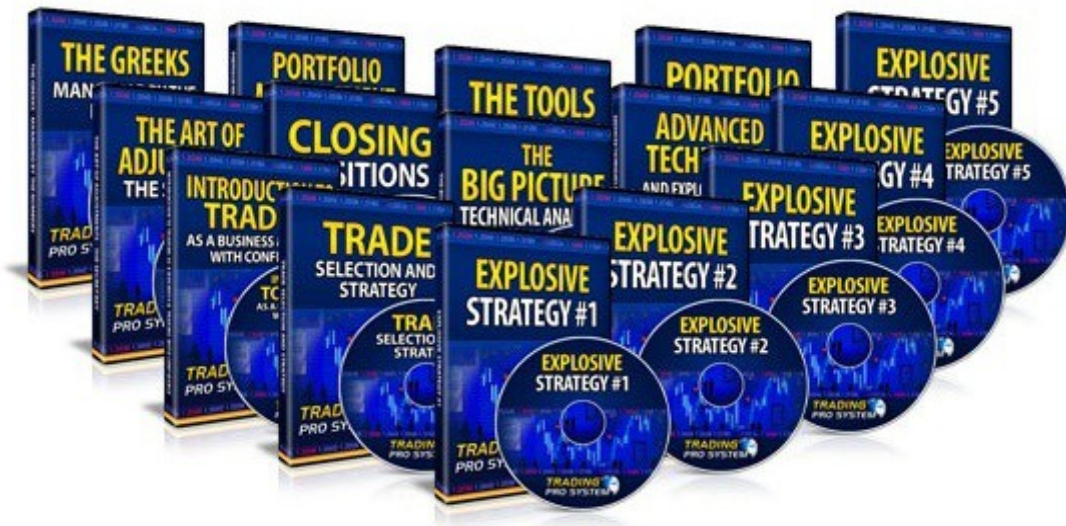
A day trader is the person who buys and sells stocks aggressively in one day. Usually, he or she does this for several times each day in order to make quite a few small profits within the day.

Trading on Margin

Trading on margin may be similar to trading stocks with the use of borrowed money. Through this, you can purchase shares of stock for only a portion of the actual price. The remainder of the cost can be paid upon the actual sale of the particular stock, or on a later date.

These terms are only a few of the most commonly used languages in stock trading. And upon encountering them, you may certainly have the impression of how intimidating the stock market can get. With the many complicated terminologies and tactics, you may easily get backtracked if you do not know enough about what you are dealing with.

Remember that if you are new at doing business in this arena, make sure that you go the extra mile to learn more about more terms as well as strategies on how you can best maximize profit. A little hard work will certainly get you far, and one of these days you will realize how all of this can pay off.



The Trading Pro System

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Finding The Right Online Stock Broker

The online stock market is a good moneymaking playground to join these days, but often times it may seem all too chaotic and confusing, especially to those who are new to it. With too many options to consider, making decisions in stock trading in this arena can be a challenge, and finding a good online broker to help you make the right choices can just be as difficult.

In choosing an online stock broker, be sure to consider a few of these very important factors that may help you determine whether a broker can truly help you achieve success in trading.

Fees

Take note that all brokers charge fees for commissions, which are the costs to trade by buying and selling stocks. You can be charged with a commission fee twice –first when you buy a stock and second when you sell that same stock.

Aside from the commission fee, you will also be charged with a minimum initial deposit, and this can range from \$500 to around \$10,000. But if the balance in your account is less than the minimum, then your broker may charge a monthly or quarterly fee that may range from around \$10 to \$20 or higher per payment

Make sure that in choosing a broker, you should first consider that you could actually afford fees that will be charged to you.

Features

Every online broker has a set of tools and features that will be integrated in your trading account.

Some trading accounts may even offer you additional features, but sometimes, these may cost you extra. Find a broker that offers you features that you believe will benefit your trading transactions, as well as your budget.

An application called the streamer, which includes tools for streaming charts, and streaming data should usually be included in your account. This allows

you to see behaviours in the stock market, such as the latest real time prices.

There are even streamers that can simplify the process by directly allowing you to buy and sell stocks without having to open other websites. Such features can be very helpful in making trades.

Popularity

It also wouldn't hurt if you choose an online broker that is more popular and known. In this way, you would be able to review their performance in the market through checking out reviews and hearing what other people have to say.

There is a huge chance that when a broker has achieved popularity, that it performs quite well in the market. Aside from this, popularity may also indicate experience in trading. Of course, you would certainly prefer to get help from a trader that has sufficient knowledge and experience in the industry. Through this, you would at least be assured that you are getting good help in making trades.

Remember to first and foremost consider your needs as a trader and whether or not the broker you are eyeing-up will be able to meet these needs. Financial factors, services, knowledge and experience in the online trading market are very vital for you to garner success in this arena.

Choosing a stockbroker for online trading may certainly be difficult and even overwhelming at times. But as long as you take in mind the important factors mentioned above, then you just might be able to find the right broker that can be of valuable help to you.

Getting Smart On Day Trading

Day trading is a very controversial endeavour to take on in the stock market industry these days. Many people end up losing so much of their finances through this high-risks trade. And the most common mistake why these people garner such bad results is because they often do not think of the risks involved and only concentrate on making easy money.

What anyone must be familiar with in order to survive this high-stakes industry are the things to look out for. Here are a few things that you need to know about day trading that could help you in making the right decisions about your investments.

You May Lose A Lot Of Money

The very first thing that you need to know about day trading is that you must be prepared to suffer from substantial financial losses. And take in mind that this is not a rare thing to happen among day traders, in fact, a lot of these people do not even get the chance to earn profit at all.

Therefore if you have limited resources and a have very little experience in making investments or trades, then day trading is certainly not advisable for you. Make sure that you never gamble with money that you cannot afford to lose, such as your budget for daily expenses, mortgages, retirements and so on.

It would be advisable to set up an imaginary 'Trading Fund' then go through the motions of 'buying' without actually doing it, then check your results often. After a few weeks you'll probably find you've learned a few very important lessons about 'How Not' to lose all your money.

Watch Out For Claims Of Large Profits

One of the main reasons why a lot of people also get scammed in relation to day trading is because of their gullibility towards catchy promises that offer them large profits –most commonly from the Internet. Be wary of any advertisements or claims that try to convince you on how this certain trade can potentially make your rich in a short amount of time.

Also take in mind that most large and successful companies did not make it to the top by taking shortcuts. Most of those who have earned big money through the stock exchange have actually taken more traditional routes in their tactics.

You Need To Be Knowledgeable

Not only does day trading require you to be a wise decision-maker, but most importantly, it also requires you to have a good background on security

markets and trading strategies.

To be able to become successful in this endeavour, you have to compete with professional and licensed traders who might have been doing this for a very long time already. **Make sure that you invest in your own experience before you attempt on playing this risky game.**

You Need To Check With Your State Securities Regulator

If you really are decided on taking part in day trading, one of the most important precautions that you can at least take is to check with your state securities regulator about day trading firms. After all, just like any broker-dealers, such firms must be legally registered with the SEC in order to do business.

At least, this way, you would be able to determine that the parties you are doing business with are actually legitimate and mostly likely would not scam you.

In conclusion, day trading is a very exploratory strategy. And so, anyone who may not have enough experience and knowledge about the stocks game should not try to gamble without properly preparing him or herself.

There are various Comprehensive Video-Courses online that can educate and mentor you extremely well. They're not too cheap, but some are 'very affordable' and well worth the investment.

This strategy should only be employed by individuals who are sophisticated, well financed and experienced enough to manage complications and bear risks in case the worst-case scenario. And so, if you are thinking about betting on day trading, make sure that you prepare yourself to be super-smart in your decisions.

Improving Your Chances In Stock Trading

Trading in the stock exchange is not a simple matter. It can be very challenging and may require a lot of time, knowledge, skills, and patience.

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If you do not practice trading in a smart and strategic manner, you will surely end up losing more than what you have bargained for.

Here are some major things that you must do in order to improve your chances in successful stock trading. Let us discuss what these things are and how they can help you in smart trading.

Trade With Money That You 'Can Afford' To Lose

Stock trading can be quite a gamble. Your chances of earning can just about equal to your chances of losing, and in some cases, there are even greater risks of losing more.

Money that you will need for survival should never be used in trades.

Because most trading markets can be very unpredictable, make sure that you make use of 'only' money that you can afford to lose. It may be too risky to invest money that you will badly need for your daily living or for your future. Always take note of the risks involved and what you are particularly risking in the exchange.

Always Trade In Reasonable Amounts

Some markets in the exchange are able to allow individuals to trade very large amounts of leverage. And so, a lot of people trade in large quantities in order to assure larger profits. However, doing this may also open up the possibility of losing money in 'large' quantities as well.

It is always wiser to scale your trades in order to lessen risks. Never trade sizes that can wipe out of all your money. And you would have nothing to lose if you actually started small, and scale-up your transactions from there.

Identify Market States Before Trading

It is also vital that you are aware of how the market is doing before you start trading. Take time to find out if trends are going up or down. When you know whether the market trends are weak or strong then it may become easier for you to make the right decisions in your transactions.

By getting a good picture of the situations in the market, you can easily lay

down a plan for conducting a successful trade. This way, you may prevent making a lot of wrong choices.

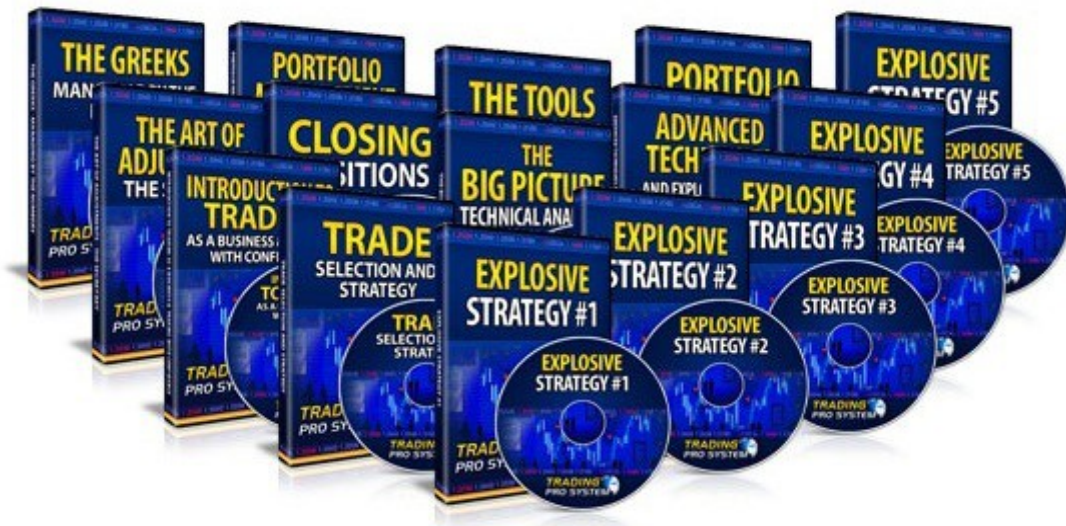
Set A Time Frame For Trading

Even if the main goal of trading in the market is to merely make a lot of money, planning beforehand when you would like to get out of the game can save you from a lot of risks.

The trading industry is consistently moving, and through the transition of time prices may evolve. Because of this, there can also be a growing 'exit price'. Although it may be impossible to absolutely determine when you would exactly quit the market, it could be helpful if you at least place your trade in perspective and find out when you would best collect the exit price. Doing this contributes to liquidity in the movements of the market.

Anyone who leads you to believe that it is easy and it is always a sure thing to make money in stock trading is being untruthful. Remember that this particular market, by nature, is a volatile and consistently moving industry. And so, you must be aware of the different trends as well as formulate a good and strong strategy to 'weather' whatever obstacles may come.

In order to make a successful trade, you must take into account the technical as well as fundamental factors in order to make good and informed decisions. Make sure that you use your knowledge and skills in determining a strategic plan to go about your trades. Achieving success in this industry is not as easy as it may seem, but with a little hard work, you may just get great results.



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Introduction To Forex Trading

If you are just starting out in the stock trading business, or if you are already in it, you may have heard the term Forex trading quite a few times, but you probably might not have a clue what it actually means.

Forex or foreign exchange trading is actually the largest and a fast-rising financial industry in stock trading these days. Here is a quick introduction to trading in foreign exchange.

What Is Forex Trading?

The Foreign Exchange market (Forex) is actually the largest financial market in the world. It actually makes a volume of over 2 trillion U.S. dollars a day, and as compared to its counterpart –the New York Stock Exchange (NYSE) which usually only trades a volume of 25 billion dollars each day, this industry is so huge that it becomes a profitable playground for many investors including central banks, large banks, multinational companies and even governments.

What is actually traded on the foreign exchange is money. It actually consists of the concurrent buying and selling of currencies, which are traded through brokers and are traded in pairs.

When you are buying currency, it is like you are investing on the economy of a particular country. For example, if you buy U.S. dollars then it is as if you are buying a share of the U.S. economy. Whatever the market thinks about the current health of a country's economy would directly be reflected on the price of its legal tender and this is how currencies go up or down.

Forex Trading For The Masses

Originally the whole concept of trading in the Foreign Exchange was only intended for huge companies and banks, but not for normal citizens. After all, you could only take part in the trade if you have around ten to fifty million dollars minimum.

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However, with the rise of globalization through the Internet, trading is now offered to retail traders. And these days, almost anyone can now invest on the foreign trade. All you really need to join is some small amount of spare money, a computer and a high-speed Internet connection, and you can sign up for an account with online Forex trading firms.

There is no exact physical office for Foreign Exchange unlike its counterpart in New York. However, the three main centres for this trade are United States, United Kingdom and Japan. These countries handle the majority of Forex transactions and trades goes on for 24 hours everyday.

Today, the Foreign Exchange, as the largest market in the world, is fast paced and enormous. And it has become a very lucrative arena for many traders who may have had participated in stock trading and in other markets. Many large institutions and even smaller-based individuals have gone out to play in this market.

Although this particular market gives huge promises, remember that there is still too much at stake. It is estimated that around 70 to 90 percent of the Foreign Exchange market is still speculative. And the parties that trade currencies may not always have a plan to actually take delivery of the said currency, and more are still speculating on movement of money.

If you are interested in investing in this particular arena, take time to be familiar with the game and make sure you get the right educational background. Going the extra mile will all be worth it, and once you have tasted 'success' in this arena, you will be ready to take on anything in trading.

Making A Smart Stock Investment

The trends in stock trading are very volatile and consistently fluctuating. If you are interested in investing in this economic jungle, you might find yourself surprised and confused with the differing trends and patterns in the market. And often times, it may be very difficult to find good stocks where you can invest with much ease.

As I mentioned above; *There are various Comprehensive Video-Courses online that can educate and mentor you extremely well. They're not too cheap, but some are 'very affordable' and well worth the investment.*

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Getting to know the right stocks to gamble your money on is very critical. And in doing so, it is very important that you understand how the company you are giving your investment to makes a substantial amount of money. Unless you have a full grasp on a company's market, products as well as its competitive strengths and weaknesses, it would be pretty difficult for you to foresee whether or not your investment is profitable.

Get The Right Help

The very first step that you must take is basically to get the right people to help you in making good and lucrative decisions. First of all, find a good broker where you do not only gain a lot of savings from commission fees, but also make sure that you find one that will assure you of your investment's production.

It really wouldn't hurt for you to seek advice from experts regarding which stocks would give you good results in the stock market. If you are new to stock trading, this will be vital. Remember that in order to be good in trading, sufficient experience and skills are needed, but for a beginner, using the knowledge and advice from a more experienced person may be the next best thing.

(Be careful though 'where' you seek your advice. There are plenty of 'professionals' out there who are only professional at extracting your money in return for 'Googled Advice').

Try To Check On Investment Ideas

Try taking a trip to the mall and see which type of businesses are doing well in the market. It could also help if you check your own cupboard to see which products consumers like you would most often buy. By doing these things, you can find companies that could not only give you an assurance of success, but ones that you can possibly understand better as well.

Check For Competence

Take note that you should not stop at only understanding companies that you invest in. Make sure that you check on a company's strength in competing in

the business world as well. After all, you may know and believe in the product, but if it will not assure you of profit then your investment will still go down the drain.

A company you invest in must be able to display excellent economics. Having an attractive price for consumers as well as a management that is friendly to shareholders can guarantee good returns for your investment.

Remember that stock trading can be a very good way to earn, but also that good returns can only come if you are smart in doing business in this confusing field. The market is full of competitors, and many stocks available are not necessarily good ones.

Always do your research on the companies you invest in before making rash decisions. Aside from this, make sure that you adopt the best strategies in the market, and you can do so by getting the right help especially if you are new to trading. With the ever changing and volatile behaviour of the stock market, make sure that you remain smart in your investments. Go the extra mile, and you will soon realize that all of your efforts will pay off once you get good profits.

Stock Option Trading - Starting Out On The Basics

Stock option trading is not an advisable endeavour if you are new to the whole stock market game. If you delve into it unprepared, chances are, you may lose a lot of money as fast as you can make it. But doing your homework and starting out from the very basics can help groom you to be able to play in this complicated game. After all, this is a powerful investment tool if you plan to stay long-term in the stock market business.

What Are Stock Options?

First and foremost, it is important that you do not confuse an option with an actual stock. A 'stock option' is actually a contract that gives you the rights to either buy or sell the securities or commodities of a certain stock at a fixed price and within a specified time. When you trade options, you are basically just trading your privileges for securities or even certain merchandise involved, but not the stock itself.

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These stock options are actually very important in the market because they provide advanced investors with extra opportunities that could pave way to better returns in doing business within the stock market. Investors usually make use of these rights to evade from price declines, to give insurance for the price of a future purchase, or even to help them speculate future stock prices.

There are two kinds of options – call options and put options. Call options basically give purchasers the privilege to buy underlying stocks, while put options allow the purchaser to sell the underlying stocks.

How Do You Exercise Options?

If you already own an option, you can exercise buying or selling its stock any time on or before its expiration date. This would allow you to trade the stock at a set price regardless of what the current market price is for that particular stock.

And thus, you can have the privilege of buying or selling stocks in cases wherein you fear that prices might get too high or too low for you. In this way, you have certain degree of insurance on the investments that you make. A lot of investors simply make trades without any intent of possessing the underlying securities.

How Do You Trade Options?

In trading options, also take note that the pricing may be extremely complicated. But it will basically depend on two major factors – the pricing of the underlying stocks and the amount of time remaining within the contract.

The price for principal stocks that accompany the options directly affects the price of the option. If the demand for the stocks is high, the price for the options will also go up and vice versa.

The amount of time left within the contract for an option also determines the price. As time expires, the price for the option may go down as it may become less desirable.

Take note that in the trading options game, investors use various trading

strategies, which may all be very risky and complicated. And so, to become really successful in your attempts to profit from option trading, make sure that you at least familiarize yourself with the different strategies and consult experts who can give you good and reliable training.

Stock option trading can be a very strong investment tool for anyone who does business in the stock market. However, keep in mind that for someone who is not as familiar with the different strategies and if you are new to the stock exchange, this may be a very risky endeavour to take on. And so, utmost caution for beginners is highly advised.

Stock Options - Comparing The Two Types

The trade for stock options is fast on the rise in the market these days. With its many trading benefits and high promises for financial profit, many have become quite interested in buying and selling such contracts. Let us learn about the two types of these options in order to better understand how to trade them.

Knowing how each of these options would work to your benefit as the contract holder can surely come in handy with the volatile trends ongoing in the stock market.

The two major types of option contracts are the call option and the put option. Each of these contracts holds rights and benefits for their owners. Let us discuss each of these and how they can be useful to you.

Call Options

A call option is a type of contract that gives its owner the right to buy the underlying stock at a certain fixed price (also called the strike price) within a specified time frame, which should be on or before the expiry date. The buyer of a call holds the right to purchase shares at the strike price until the date of expiry. The writer or the seller of the call on the other hand, holds the obligation.

If a call buyer chooses to exercise his or her option by deciding to purchase the underlying share, then the call writer is then obliged to sell his or her share at the negotiated strike price.

For example, an investor purchases a call option from a certain company with a strike price of \$10, which will expire in two months, then that buyer holds the right to exercise his or her option by paying the value of \$10 for each share. The writer, on the other hand, would be obligated to give up the shares in exchange for \$10 for each of them.

Put Options

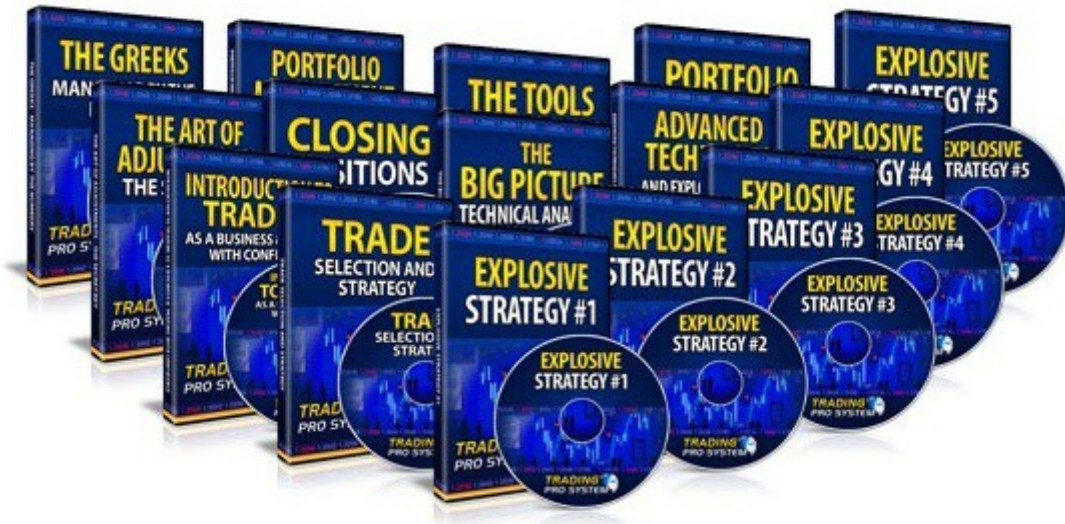
On the other hand, a put option is the total opposite of the previous. It is a contract that allows one to sell the underlying stock at a certain price on or before the expiry date. A put buyer holds the right to sell shares at the strike price, and following this, a put writer will then be obliged to sell at the negotiated price.

And so, if the investors who have purchased the stocks of a company had growing concerns that business may not survive a current market slump, then they can buy a put option at a certain strike price in order to ensure the safety of their gains.

These investors would then hold the right, until expiry, to be able to sell their stock shares for the same amount they paid for them. Sellers of the put are then obligated to buy back the shares.

If in the event that the company really did not do well during the market slump, then this could hurt on the part of the put seller.

Knowing about the differences between these two types of options are the first major step to guide you in making decisions in trading stock options. Be sure that you know what risks are involved in each type, so you would be able to know whether to buy a 'call' or 'put' option with the current behaviours of the stock market.



The Trading Pro System

Is the ultimate real world options trading education course.

This is the original course that has sold many thousands of copies over the last few years to raving reviews from option traders.

Watch over the shoulder of a 'real trader' as he explains in detail the techniques and strategies you can learn in order to make money trading both bull and bear markets, in just 15 minutes a day.

The focus of this course is on Iron Condors, Credit and Calendar Spreads.

The system can be used for trading options on regular stocks and Exchange Traded Funds (ETF) such as the QQQ, SPY and DIA (*Plus Much More*)

This course contains;

Over 25 hours of Video & Audio education,
2 PDF guides, and 3 Excel worksheets.

Learn to trade with confidence by mastering 'stock selection', 'portfolio building', 'technical analysis' and 'the Greeks'.

This course is organized into 11 easy to follow modules which you can further check out by clicking the image above.

(This Course Could Also Easily Be Equated To The Digital Economy Trading)

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Stock Trading - When Should You Sell Stocks?

Among many stock traders, one mistake commonly made is that investors often exhaust themselves merely 'thinking' about buying stocks without foreseeing that there may come a time that they may need to let go of such stocks for lucrative reasons. Sometimes, you may realize that selling can really be more practical than holding on to something that may cost you more in the long run. Let's learn 'why' and 'when' you should sell stocks.

When Your Stock Investment Is No Longer Doing Well

One very major reason that you may need to consider selling your investment is when it has gone sour by under-performing in the market. There may come a time when investing in certain stocks may even cost you more than the actual gains that you get in return.

There are times however, when you do not necessarily have to sell within the instant. Make sure that you check possible reasons why your stock has not been doing well, certain factors like the wrong market timing or the occurrence of certain changes within the company may normally cause some decline in stock behaviour.

But when you notice that your stock has not been meeting your expectations for a consecutive number of trading quarters, then it may be wiser to cut your losses and just save yourself from a bad investment.

When A Better Opportunity Presents Itself

Another good reason to sell your stock is when there is a better opportunity available in the market. This is a frequent reason for many people to sell stocks and may create a churning in an investor's portfolio, which may mean that the investor's account is extremely active through frequently purchasing and selling in order to generate profits.

As has been previously mentioned, once you believe that an investment has truly gone sour and it would be quite difficult to rise above the decline, then the best option for you would certainly be selling and looking for better opportunities available.

When Your Reason For Investing Is No Longer There

Lastly, another of the most common reasons why you should sell your stock is when you have lost your belief in your investment. If you have lost or have already met your reasons for investing, then, it may be normal for you to feel that you should sell your stock.

There may be many reasons for you to invest in stocks and some of these may perhaps be the possibility that you want to gain commissions from a certain company or perhaps you truly believe in a certain company's product.

However, when the time comes where you no longer believe in investing in your stocks or you have lost your reasons to do so, then selling your shares may be the right thing to do.

It may be smart if you are an investor to only 'think' about purchasing or buying stock shares and to stop at that. There really must be a certain degree of preparation on your part to be willing to sell your investment at some time. After all, if your investment no longer proves to be practical for you to keep, then selling it may be the best move for you, but jumping into the next shiny-object can often cause a 'fall'.

Remember that for you to be successful in stock trading, you must be prepared with the many highs and lows of the game. Keep in mind these reasons stated above on when you should consider selling your stocks and perhaps, the selling option could be a great route for you to rise above declines.

(This E-book Could Also Easily Be Equated To The Digital Economy Trading)

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Stock Trading On Computers - Are They Always Helpful?

Technology has outdone itself these days. May it be in simple means of communicating or in much more complicated business or moneymaking transactions, the use of the computer has become indispensable in most people's lives.

In stock trading, the rise of the market transactions online has become really prevalent. Many institutional investors prefer to use sophisticated computer technology to assist them in making investment decisions. And many people argue that computers may just be better at picking stocks than traditional human brokers.

Although computers may perform a lot of sophisticated utilities, you may wonder whether or not these can really be better aids for trading as compared to traditional brokers. At the end of the day, remember that what technology has to offer are mere recommendations and ultimately, the decision is still up to you.

Taking The Emotions Out of Stocks

One of the most common arguments that many people who choose to make use of computer technology in trading is that by not having to deal with the many emotions that human brokers may have in stock picking, then computers can offer a more objective recommendation to the investor.

Because most computer programs cater to quantitative models by searching through layers of data to look for stocks that are compatible to be bought or sold, then the computer's 'lack' in the ability to become confused from human emotions can be very beneficial. Remember that by taking out human emotions like pride or greed, choosing the right investments in quantitative models can perhaps become more lucrative.

No System Is Perfect

Though computers can be very promising tools in trading, take note that no system is always perfect. Since humans are still responsible for building the said models of which computers are programmed, then fundamentally there are still biases in the system.

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And even the most sophisticated computers cannot always report for all the variances out there in the market, (*at least, not at the moment*).

One very common problem encountered with the use of computers is that many times, computer programs often end up recommending the same stocks on their lists. And if a hundred of these programs analyze companies at the same time, then they would most likely be giving the same recommendations to so many clients. And at the end of the day, investors would still have to fight for stocks.

When many people generally want to invest in the same stock and the demand goes up, what happens in the market is that prices also go up, and this can be very bad for the investor.

And so, the ultimate question is whether or not computers are really helpful in making trading much easier for you. The answer to this is yes, and no.

Although computers can surely help you in so many ways by foregoing of the usual distracting human emotions and can even analyse data much faster, remember that it is still a system that has yet to be perfected. And despite the many benefits, there are underlying flaws that can still make the trading game a jungle to get involved in.

The stock market with its unpredictable behaviour can surely be a difficult arena to take on. And so, take note that whatever assistance you would want to use, whether sophisticated computer equipment or more traditional brokers, at the end of the day, your decisions would still be the make or break factor in order to become successful in your endeavours.

Stock Trading Software: How Does It Help You?

Owning a very good stock trading software can be a very handy tool for faster and easier transactions in the stock exchange. After all, it is a great way to analyse the market with the use of an online software that is capable of calculating important indexes as well as giving you a preview on which shares you should consider trading.

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A stock trading software is basically a computer program that allows you a certain degree of access to the stock market of any part of the world. This program has the ability to analyse movements within international markets.

Traders often use this kind of software to perform both buying and selling in the stock exchange. It also offers investors various benefits that can help them in successfully engaging in the stock market. Here are some of the ways that the software becomes helpful to you:

Time Saving

One of the major benefits in using stock trading software is that it saves you a lot of time. After all, time is a very essential factor in stock trading for you to be able to make the best deals.

Through the use of this program, you can forego having to spend so long in trying to interpret data on your stocks through newspaper reports or online stock pages. Through a single click of the mouse, the software can download the necessary information and will process all the data for you so you can make your decisions faster.

Objective Guidance

Another great benefit for using this software is that it can give you great trading advice, especially if you are a beginner. Because the program is not biased upon emotions in presenting its opinions to you, a more objective and truthful judgement on which stocks will be best to invest on can be delivered. And so, there is a better chance that you will be guided to making a better and unbiased decision.

More Control

Using a stock trading software programme also gives you more access and control to your own accounts. Instead of relying too much on brokers to negotiate deals for you, you are now empowered to handle a lot of the work yourself, and you can even constantly check on how your investments are doing in the market. This way, you can monitor your stocks more effectively.

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Broadening Of Your Portfolio

Finally, the use of trading software can also allow you to make international trades easier and this may broaden your portfolio. Because the program is based on information technology and a vast online network, it would be easier for you to make global transactions without having to leave your own home. This can pave way to broaden your stock portfolio and even make it more secure.

Indeed, the use of trading software is a great way to maximize what modern technology has to offer and incorporate it in making profit. By saving you a lot of time, giving you more objective advice, empowering you to have more control and broadening your portfolio, this program has proven its usefulness for anyone interested in engaging themselves in the stock exchange.

And so, if you are interested in making your stock transactions faster and easier, or if you are merely new to the market and would want very good assistance in your decisions, then you can never go wrong by investing in a good stock trading software.

The Advantages Of Online Stock Trading

The Internet is an advanced and handy tool in modern society. Gone are the days that its use limited to learning and socializing. But now, a growing trend for doing business, banking and investing has emerged through online networks. In fact, one of the fastest growing markets online is stock trading.

However, if you have grown accustomed to the traditional methods of the stock exchange, then having quite a few hesitations with buying and selling stocks online is understandable and quite normal

But what you should know is that online trading can be very efficient and beneficial to you as an investor. With much perks on factors such as time, control, and cost, you can surely get used to how easy the hi-tech process can be. Here are the most evident advantages of online stock trading:

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Faster Transactions

As every investor and broker should know, time is an essential element in trading stocks. The effect of whether or not you would be able to make profit or experience loss in your transaction will greatly depend on the time it takes to execute the trade.

In the traditional set-up, you have to call your broker and ask him to buy or sell the stock. Then this would then be followed by a process wherein your broker will negotiate with the trader for the price of the stock. Then, you would have to wait for your broker to call you for the price before you can make a decision on whether you should buy or sell. And again, if you do decide to buy or sell the stock, your broker would have to make another call to order through the trader.

However, when you do transactions online, all it takes to be able to buy or sell stocks would be a single click of the mouse. Through this, a quicker exchange can be made, which may also ensure faster earnings.

Closer Control

Since trading is done through the Internet, you can watch over your stocks more closely. After all, you can always log in on your account anytime anywhere - and view how your shares are fairing in the market anytime you want. This empowers you to be aware of the performance of your investment instead of having to wait for reports in the mail that may not come as often as you would like.

Through online exchange, you can also be free to make your own decisions to buy or sell stocks instead of relying on whether or not your broker will agree to execute a certain trade you might be interested in. In a way, you are empowered to trust your own intuition and take your own risks with your investments.

Lower Fees & Commissions

Another very good benefit of online stock trading is the lower stockbroker commissions that you will have to pay as compared to the traditional method. If you trade in a sufficiently large volume of stocks, it can even be possible for you to be able to 'negotiate' your broker's fees and save even more.

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Although keeping up with the times and going hi-tech may seem quite intimidating at first, especially if you are used to more traditional methods, moving forward can always become a much more practical and reliable step for you to take in the long run.

With the many benefits that '[online stock trading](#)' can give you, buying or selling your stocks through the Internet can certainly be a great way to participate in the stock market. Not only are things made easier and more convenient for you, you can even save so much time and money, as well as gain more control on your investments.

The Advantages Of Trading Stock Options

Just recently, options in stock trading have been getting the attention they deserve from many traders. However, for quite some time now, investing in options has created quite a stigma in the market especially with the financial media and a few popular figures attaching such implications that trading options may be too risky or dangerous.

What you should know about trading options however, is that there are a lot of advantages that one can get from it. And as long as you are smart in handling your trades, and with the use of the right strategies, you may be able to prevent those risks from actually happening.

Cost Efficient

One thing about stock options is that they are well capable of leveraging or borrowing money in order to increase returns. It can be possible for an investor to obtain option positions that copy stock positions without going overboard with the cost. A strategy known as a stock replacement, allows mimicking stocks possible but in a cost efficient way.

For example, for you to be able to purchase 200 shares of a \$50 stock, you must pay \$10,000. But if you were going to purchase a couple of \$20 stock options, with the options representing 100 shares each, then you would only have to outlay \$4,000 instead of \$10,000. As an investor, you would be able to gain \$6,000 for you to use at your discretion.

Of course, the whole process may not be as instant and as simple as the example provided. But if you are able to choose the right stock option for the process, then you may be successful in your attempts using this strategy.

High Potential Returns

Another fact about stock options is that you can actually spend less money, but still make almost the same profit. Because of this, you can surely expect to gain a much higher percentage of returns as compared to normal stock trading. Of course, this would mean that you can actually earn so much more and your investment can surely pay off.

More Investment Alternatives Are Offered

Another very good advantage in trading options is the fact that they can offer more strategic alternatives for investment as compared to traditional stocks. Because options are very flexible, there can be a lot of way to use them.

Take in mind that options are actually the rights to trading a particular stock, and so, there may be various ways that an investor can actually use these rights to benefit him or herself.

The use of these options allow an investor to trade not only through stock movements, but through the passage of time and unpredictability in the market as well. And this can be very beneficial because most stocks rarely move significantly. Options strategically offer alternatives for a trader to do business in every type of market.

These are only a few of the major advantages of trading stock options, but as you can see, they are enough reason to tell you that going into this type of market can really be beneficial. With the low costs, direct access to stock options through the Internet, and with such benefits at hand, it is no wonder why stock options trading have become a part of the financial circles these days. - ***Another good reason to check out; [The Trading Pro System](#)***

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The Basics Of Stock Trading

The most common picture that comes to mind when people hear about stock trading is the one we see in movies where men in suits basically shout and wrestle each other in some huge New York building to bicker about money. Although to some extent, there is some truth to this image, trading in the stock market is actually a more complex concept that helps many people **Earn Money \$£\$£\$£ - and it keeps Businesses Alive.**

The concept of trading fundamentally consists of the buying and selling of stocks among individuals or companies through brokers. Through buying a share of stock or a share of ownership in a particular company, an individual can then benefit and earn money from however the company they invested in may fair in the market.

There are two basic methods in which the stock market operates –on the exchange floor where buying and selling is done more traditionally and electronically where technology takes on the exchange game.

Trading On The Exchange Floor

The trading that occurs on the more traditional exchange floor of the New York/London Stock Exchange is basically what most of us have become accustomed to from seeing it in the movies and on television. Basically, the NYSE/LSE consists of many brokers who negotiate the deals for individuals to be able to trade stocks.

As chaotic as the stock exchange floor may seem, there is actually a common pattern that occurs among most simple trades.

First, an order to buy a certain number of stocks would be negotiated through a broker. After this, the broker's order department would forward this arrangement to their floor clerk on the exchange. The floor clerk would then inform the company's floor traders in order to find other traders that are willing to sell the equal number of stocks from the company that is offered to be bought.

After the two parties agree on a price and close the deal, the message would be forwarded back up the line, and the broker would then inform the interested buyer on the final price.

Negotiations may take a few minutes or even longer, depending on the performance of the stocks as well as the market. For more complex trades and larger orders of stocks however, there may be a more complicated process but the principles basically remain the same.

Trading Electronically

A growing trend these days however, is trading stocks electronically, which is done through advanced computerized systems. Unlike the NYSE that generally operates through the manpower of brokers, its counterpart, the 'National Association of Securities Dealers Automated Quotations' (NASDAQ), trades stocks completely through electronic means.

These electronic markets forgo the human stockbrokers and instead make use of advanced computer networks to match buyers and sellers.

And through this method, transactions are usually faster and more efficient.

Through electronic trading, investors get many benefits such as being able to get faster confirmations, as well as facilitating control by having online investing readily available through the Internet. However, brokers basically still handle the trades, as investors do not have direct access to the electronic markets.

The process that takes place in both methods however, is usually hidden from investors. Typically, if you are an investor, a call from your broker and regular reports on your stock investments would be provided for you, but you will not really get to see what is happening behind the scenes.

Through the investments that individuals make, many businesses are kept afloat and running. And in exchange for this, investors get a fair share of earnings. Stock trading may be a complex process, but at the end of the day, many people basically benefit from all of it. As a result, the whole concept becomes simple.

(This E-book Could Also Easily Be Equated To The Digital Economy Trading)

The Difference Between Trading Stocks And Stock Options

In the stock market industry, the trade for stocks and stock options are often interchanged and many may be confused between the concepts behind these types of trades. However, what you should know is that these two have very different characteristics from each other, and using them interchangeably can be very lethal if you want to engage in the stock trading game.

Knowing the difference between these two would not only save you making serious trading mistakes, but perhaps, you can be guided on making a smart business decision on which particular trade you would actually want to make your investments.

Stocks Versus Stock Options

By definition, stocks are actually shares of a particular company that can be traded through the act of buying or selling by an investor. If you happen to own a particular stock from a company, you are entitled to certain rights, which may include a profit share from earnings. You may also have the liberty to sell your share of stock if you no longer desire it.

A stock option on the other hand, is not the stock or share of the company itself, but it is actually the rights for a certain stock. It actually allows you to buy and sell company stock at a set price in a certain time period. However, you do not gain the profits from the company itself.

Take note that in doing transactions for stock options, there will always be a buyer and a seller, and this may not always hold true when compared to stocks. When you sell stock options, you are actually creating a certain degree of security for the company as well as for yourself. In this way, the parties involved can make sure that money is actually made to the frequent trade that happens.

Comparing The Benefits

In comparing the benefits of trading stocks and stock options, many experts would claim that stock options might be a promising gamble for companies and individuals, especially if you have adequate experience in the trading

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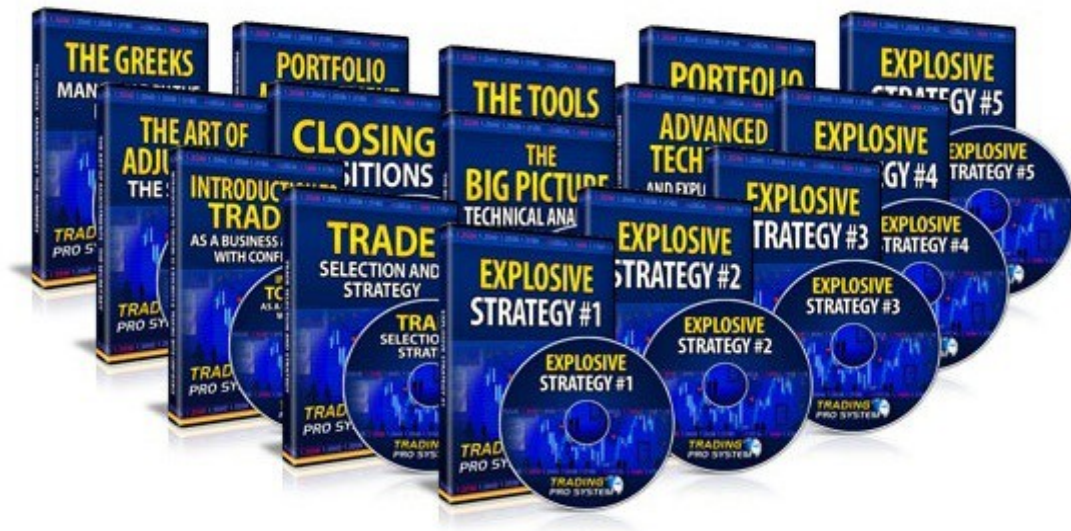
game and can substantially use very good strategies to survive. However, the same results might not be expected if you are only a beginner.

What makes a lot of experts prefer options trading is usually because in this particular trade, no matter what would happen to the underlying security, an option buyer cannot lose to more than that of the initial price paid for the rights. Therefore in trading options, there are fewer risks involved on the part of the buyer, especially when it comes to the possibility of losing a lot of money. And it may even give promises of profitable gains.

But on the other hand, the seller may experience greater risks. There may be a possibility that one has to deliver or take deliveries of the stock shares. Unless the option is actually covered by a different option, then the seller may end up losing much more than the stock option's original price.

And so, if you are not well skilled and knowledgeable about how you can prevent severe losses, then the best way for you to play the stocks trading game is to stick with the more traditional trading of stocks as this can be easier.

However, if you do believe that you can manage then options trading may give you many promising positive results. Just make sure that you take the time to understand concepts and strategies behind stock options before you actually start trading.



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The Problem With Penny Stock Trading

Most people these days want to earn money fast.

This is probably one of the major reasons that so many people are also getting scammed and often lose a lot of money. Sad to say, that the “easy money” mentality has reached the stock market and has left a lot of people investing unwisely on penny stocks that may often be too risky to begin with. Let us learn how this variety of stocks can actually be problematic to investors.

What Are Penny Stocks?

Penny stocks are stocks that are sold for less than a dollar or, in some cases, less than five dollars for each share. Most of these stocks only have a short operating history and only have a few million dollars in net tangible assets. Typically, these have low market caps, minimal liquidity and are often traded on over-the-counter exchanges.

Why Are Penny Stocks Risky?

What you should know about these stocks is that trading them may be much riskier as compared to regular stocks. After all, with such issues as these stocks having no adequate backgrounds, offer very limited information about the companies, and may often pose huge threats for scams.

Lack of Background

The chances are, if companies are willing to trade stocks in such small amounts, they most probably have very little business history or may have a very negative one. These companies are either just starting out in the business or they may have experienced bankruptcy, thus they resort to selling their stocks at such low prices.

Because there isn't a lot of information available on penny stock companies, there is a huge possibility that you might be making a bad investment. And of course, you may end up losing more money than you plan on gaining.

Limited Information

For most companies that offer penny stocks, not a lot of information is really available for investors to view online or elsewhere. After all, most exchanges in this market operate on the Over The Counter Bulletin Board (OTCBB), which do not really require thorough reports for public posting.

Without such valuable information, it would be very difficult on the investor's part to make the right and objective trade decisions, and this could often lead to unwise guessing.

Bribes And Scams

It isn't uncommon for such stocks to be promoted by people who have been paid to do just that. Perhaps, you have received spam emails that may sound too good to be true, which may encourage you to invest in a particular penny stock. Take in mind those successful companies these days mostly did not start out through penny stocks.

The usual scenario happening that enables bribes and scams is that a company may buy some stock and then spread emails to tell people that a certain stock is doing well in the market. A lot of readers would then respond to this by investing in stocks, causing the price to dramatically shoot up due to supply and demand. After this, the scammer may sell his or her share for a huge amount before the price dramatically goes down again leaving many investors to lose a lot of money.

In conclusion, although there is a lot of potential for growth in very minute sized stocks, there are greater risks involved. And often times, if you are not well acquainted with the business background as well as with the necessary information on how your investment is doing, there is a huge chance for you to get scammed.

And so, if you are new to the whole stock exchange market, make sure that you decide wisely on which type of stocks to invest and do not go after what may seem easy to get you rich.

Take in mind that, although penny stocks may be alluring, they may involve huge risks on your part.

Tips For Online Stock Trading

Trading stocks online can be a lucrative arena to enter, however, this may also come with great risks. If you are not well equipped with the artillery to get you through the online stocks jungle, then you might end up losing so much than what you have bargained for.

Here are a few tips that could help prepare you for online stock trading.

Choose A Smart Trading Style That Works For You

Take time to consider what type of trading you would want to do and what style would best fit your lifestyle. For example, if you are interested in day trading, keep in mind that in order to do well in this particular field, you may need to be in front of the computer and on the telephone for very long hours in a day.

Whatever trading style you choose, should it be day trading, short-term trading, weekly trading or even monthly trading, consider the nature of these styles and how you can fit them into your way of working.

Find A Good And Legitimate Broker

Another very important thing to remember in online stock trading is to find a good, honest, ethical, reliable broker. Make sure that you take time to get to know your broker by checking whether the firm is legitimate under the SEC and if it receives good reviews from those with experience in trading.

The type of trading style that you decide to delve into should also greatly determine on which broker would be best for you. If you were engaging in day trading, then it would be best to choose a firm that has very good and accessible technological services. Other styles of trading can manage less sophisticated brokers.

(This E-book Could Also Easily Be Equated To The Digital Economy Trading)

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Choose A Very Good Strategy

Because of the fact that stock trading involves so many risks, choosing a very good strategy can be very helpful for you to weather obstacles that will come your way.

Make sure that you choose a trading method that will take advantage of both up and down markets. A strategy that will work in all types of markets will surely be beneficial because you never know when demands for stocks may increase or go down, and surely, you wouldn't want to end up losing money because you failed to foresee the different trends of the market.

Aside from this, make sure that your strategy involves minimal risks and gives you high rewards. It is always better to prevent and control risks than allow the chances that you may have to face serious dilemmas. **Risk management** is 'vital' in order to become successful in online trading.

Know About Stocks

Take time to know which stocks would be wise to place your investments in through extensive research or even through seeking the help of a professional. It is important that you are aware of the type of stocks that you risk your money on, after all, whatever results these may garner in the market will surely affect whether or not you will gain or lose profit.

Also take time to know when it would be best to sell your stocks. Most people just focus on 'what' and 'when' they should buy stock, but often times they forget how important it is to consider when would be the right time to sell. Take in mind the signs and conditions that can give you signals on when it would be best to get out of a bad investment before you lose substantial amounts of money.

These are all very basic, yet very vital things that anyone who wants to engage in the online stock trading business must know.

After all, investing in your own knowledge and skills in trading is the most important thing that anyone must consider in order to win in this very risky trading game.

Follow these simple tips and surely, you can make a significant difference in your performance as an online stock trader.

Trading Options And Futures - Comparing The Two Types Of Contracts

In trading, it is quite common for the terms 'options' and 'futures' to be used interchangeably. Although these two contracts have a lot of similarities when it comes to principles, they are actually 'two very different things' and therefore interchanging them when conducting trades in the market can be a very lethal mistake for anyone.

Let's learn the differences between these two contracts in order to prevent making the wrong decisions in buying and selling rights for stocks or commodities. Through this, we may just be able to prevent risks and maximize chances for profit.

What Is An Options Contract?

An 'option' is basically the right to buy or sell a specific amount of stock, currency, or whatever commodity offered in the market. This contract basically allows an individual to enjoy, but to necessarily become obligated, to exercise these rights. This contract can only be valid for a specific period of time, and commodities traded can only be bought and sold at a certain fixed price.

What Is A Futures Contract?

On the other hand, a 'future' is a transferable contract that requires the delivery of a certain stock, currency or whatever commodity traded. Like an option, the delivery of the trade is done through a fixed price stated in the contract and within a time frame, so one should not go beyond the expiry date.

However, it is very important to take note that a holder is obligated to exercise the conditions of the contract unlike in options where the holder can have the liberty of deciding.

The Differences Between Options And Futures

Aside from the fundamental difference between the two contracts on rights and obligations, there are also other differences that include commissions, the size of underlying stocks or commodities traded and how gains are realized.

In a futures contract, an investor has the liberty to sign into the contract without paying upfront. However, an investor cannot take hold of an options position without paying a premium to the contract holder. The option premium therefore serves as payment for the privilege to not become obligated to purchase the underlying commodities in cases wherein there are unfavourable shifts in prices.

Another major difference between options and futures is also the size of the underlying positions that can be traded. Usually, futures contracts would include much larger sizes for the underlying positions as compared to that included in options contracts. Because of this, the obligations included in futures make it riskier for a contract holder to trade due to the possibility of losing so much.

Lastly, the two contracts differ with how gains are received by parties involved. For options contracts, gains can be attained in three methods. Either the holder exercises the option, purchases an opposite option, or waits until the expiration date arrives to be able to collect the difference between the price for asset and the strike price, so he or she could get profits. However, profits for futures contracts can only be realized by either taking an opposition position or through the instant change in the value of positions at the end of each trading day.

Knowing about the differences between an options contract and a futures contract can help broaden your knowledge in stock trading, and this can surely prevent you from making the wrong decisions if ever you decide in joining this particular arena.

Remember to never trade without doing your research and fully understanding what contracts you are dealing with. If you just take the extra step to acquaint yourself, then you just might be able to spare losing so much money.

Educating Yourself Thoroughly in this field is imperative.

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What You Need To Know About Day Trading

One of the fast growing trends in the stock trading arena these days is day trading. Today, more and more people are getting into this drift due to the many promises of making fast and easy money on their minds. However, what a lot of people fail to realize is that the buy fast and sell fast strategy of day trading may not always turn out as a very wise tactic to adopt in the stocks game.

Day trading can be a bit of a gamble and traders remain divided on the issue on whether or not this serves much purpose to the stock exchange industry.

Still, what most people could agree on is the fact that day trading is certainly not for everyone, and that it can **involve huge risks**.

And so, before you immerse yourself in day trading, be sure that you get your facts straightened out.

What Is Day Trading?

Day trading is the buying and selling of securities for a certain stock within a single day. The main goal of those who practice this type of trade is basically to be able to profit from the difference between prices for buying and selling.

This type of trading serves two very critical functions in the industry. First, it keeps the markets efficiently running because of arbitrage as stock exchange basically thrives on buy and sell activities. Another function for this is that it usually provides so much liquidity in the stock market.

What Makes Day Trading Risky?

Although day trading may sound quite appealing at first, be warned that up to this day, the profit potential of this type of trading is still under debate among investors and brokers. And if you are new to the trading game, it is not advisable for you to gamble your investment as you may end up losing substantial amounts of money.

Although day trading is not necessarily illegal nor is it unethical, most would agree that it is risky because principles of this trade are based on

the “fast and easy money” mentality, and therefore, day traders rely on making profit by rapidly buying and selling stocks in a single day as their stocks continue to rise and fall in value.

Of course, the chances relied upon are not dependable and choosing to do business this way seems more of a gamble than a sure way to gain money. Most financial advisors may discourage people from entering this type of trading, with the argument that most of the time, rewards do not justify the risks involved.

Apart from this, many parties capitalize on much of the confusion behind the controversies on day trading and create multiple Internet scams. And since most investors in these type of trades do not actually have a lot of money and may use borrowed money to buy stocks, this can be very dangerous.

The bottom line is, most financial experts would argue that most successful companies have grown not because of day trading, but through more traditional means.

If you were currently not very familiar with the stock market game, then it would be wise for you to stay away from day trading. Take in mind that the best way to earn profit may be through the long process and hard work, and taking shortcuts may certainly involve much more risks than you may want to bargain with.

But If You Educate Yourself Comprehensively In This Field You 'Can Kill It'.

What You Need To Know About Employee Stock Options

You may have heard the mention about employee stock options quite a few times, but may have wondered what these are exactly and how you as a common employee can actually benefit from it. Let us learn in this article about the whole concept of employee stock options (ESO) and how they can be of great benefit to you.

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What Is An Employee Stock Option?

Employee stock options (ESO) are contracts granted to specific employees of a certain company that give rights to trade shares in the company at a fixed price and within an indicated time period. Unlike a typical option traded in the exchange however, there is no put component included.

The basic goal for this type of concept is actually to boost business within an institution. By giving employees the benefit to buy option shares of the company that they work for, they would be motivated to strive harder and work for good business production. In theory, when stocks go up, and when employees perform at their best to ensure that their investments would pay off, then business would reach its peak of high performance.

Even if the theory mainly tries to align the incentives between the major shareholders of a company and the employees, many critics have pointed out however, that there is an enormous difference between owning an option and actually owning the underlying stock.

In cases wherein stocks go down, the owner of an option would lose the opportunity of a bonus gain, but would not necessarily experience the same loss of investment from an actual stockholder. But still, at the moment, this system has proven to be of very big help to a lot of major companies in the world.

How Do I Exercise My Employee Stock Option?

The thing that people have to know about exercising employee stock options is that in most companies, there are no brokerage firms available and so, you have to do most of the work on your own.

A stock needs to be purchased by a licensed representative. And so, you have to call a broker to inform them that you are interested in exercising your options. They can do all the needed paperwork for you and can even contact your company to speed up the ongoing transaction.

Most people would opt to exercise through a cashless method in which you can use margins to purchase stocks instead of cash. Margins are actually loans that are granted by departments because they guarantee quick repayments and take note that there are not interests assessed.

Once you have made the purchase and have sold your stock, you can pay for your loan as well as the taxes. Just make sure that the portion required for you to sell is small enough for you to be able to retain profit.

Employee stock options are great tools that benefit both the company and its employees. It is a great way to ensure productivity and fluidity within an institution's financial market and this can provide many opportunities for gains to a lot of people.

If you are one of those that work for huge companies who offer ESOs, take the opportunity to invest. This may not always be as easy, but once you know how to smartly handle such trades, then this can surely give you much promise for a good and promising investment.

What You Should Know About The Stock Trading Robot

For many individuals, trading stocks can be a very difficult and confusing arena to enter. Many first time investors are allured to try out this endeavour, only to find their-selves losing a lot of money. To add to this, many traders may realize that finding good help can be quite difficult.

It is a good thing however that technology has outdone itself these days, and many hi-tech computer programs have been created to cater to the very dilemma that a lot of these traders experience.

One of the leading software programs out in the market today is the stock trading robot, otherwise nicknamed as "Marl." This software has been created to help traders generate more profit by many advanced features that make trading a lot faster and easier.

What Is A Stock Trading Robot?

Marl or the Stock Trading Robot is a unique software program that makes use of advanced mathematical algorithms to help an investor by collecting and analysing market data.

Basically, the program scans through the current trends in the stock market and helps the investor decide on which stocks are the best ones to trade.

Some of Marl's features may include the ability to analyse 7 stock charts per second as well as process about 1,986,832 mathematical calculations every second. The program also consists of feedback loops that can help itself update and perfect its trading formula and it can be very selective to choose the best for the trader.

The program boasts a lot of advanced features, but the bottom line is that it basically speeds up the process of trading by analysing the data faster and offering traders good information to aid in decision-making. It also basically does all these things with great accuracy and objectivity.

How Should The Robot Help You?

However advanced Marl can be, what you should know to become successful in your trades is to not totally depend on the program. Remember that although this software can provide very significant assistance to make things easier for you, the decisions ultimately still lie on your hands.

If you are already using or about to use Marl for trading, take advantage of its analysing and recommendation skills to provide you with good information about trends and patterns in the stock market. But make sure that you also weigh things on your own and consider if the stocks you are about to invest on are really worth the money.

A lot of people consider Marl a scam because despite using it, they still suffer from significant losses in the market. But remember, that most of these people have also been foolish enough to rely so much on a computer program instead of making use of their own decision-making skills.

Technology has really outdone itself through Marl. But like any other software system out in the market today, the stock trading robot still carries certain flaws and has not yet been fully perfected.

If you are interested in making use of this advanced software program, enjoy the liberty to maximize its potentials in analysing data and in giving you recommendations. But never lack out in your own actual research and strategic attempts to make the best trades possible. If you do this, you might just be able to gain so much profit and lessen so many risks.

Why Should You Trade Online On Foreign Exchange?

Forex or Foreign Exchange trading these days has not only become a huge industry for online trade investors, but in fact, it is the largest market in the world. It is a very profitable arena to do trading, and huge companies are not the only ones given the advantage, but many independent individuals can now take on the market through the Internet.

Here are some major reasons why Foreign Exchange is a good market to do trades:

Low Costs For Investments

One very good thing about trading Forex online is that there are very minimal costs that a party has to undertake. Because there are no middle-men involved and one can easily do direct trades with the market responsible for the pricing of currencies, this means that there are no more commissions that you have to pay.

In Forex trading, there are no clearing fees, government fees or brokerage fees that you have to take care of because brokers in this market are compensated for their services through a bid-ask spread.

There are also very low costs for each transaction. And each bid or ask spread is usually only less than 0.1 percent when there are normal market conditions. For larger dealers, the least you can pay is only as low as .07 percent.

The Market Is Open For 24 Hours

Another factor why so many people find the Forex trade very convenient is the fact that it never sleeps. It is open for 24 hours a day from Sunday in the evening to Friday afternoon EST, and therefore people do not have to wait for the opening bell.

This can be very practical especially for those who only trade part-time because they can at least do business whenever they are free –in the morning, noon or at night.

High Leverage

In Forex trading, even a small margin deposit can be able to control a larger value for total contract. Through this leverage, the trader can make a lot of profit, while keeping minimal risks.

A good example for this is when brokers in the Foreign Exchange offer a 200 to 1 leverage, because with a 50-dollar margin deposit, a trader could buy or sell 10,000 dollars worth of currencies.

But take note that without proper risk management, there is a huge chance for you to experience significant losses along with gains.

High Liquidity

Due to the fact that the Forex industry is the largest market today and because so many parties have gotten involved in it, liquidity has become quite prevalent in this market.

It is very unlikely that you can ever get stuck in a Forex trade. Under normal market conditions, one can easily do trades at will with just a simple click of the mouse. And in fact, in Forex trading, you can have more freedom to automatically close your position when you have reached your aimed profit level just by setting your online trading platform.

There are many advantages in doing Foreign Exchange trades online. In many ways, it proves to be a very practical arena, but the promises for huge profits are never compromised.

There is no wonder why this market has become so popular and huge. And so, if you are interested in investing, with a little hard work and exposure, then the Forex market can surely be a good place to start investing.

OK That's it Folks,

I hope you got some great value from this short E-book.

If So ... *Please share it with your Friends. Family & Associates, and don't forget to check out the '**Resources**' below as there's even 'More' Free-stuff to be found there!*



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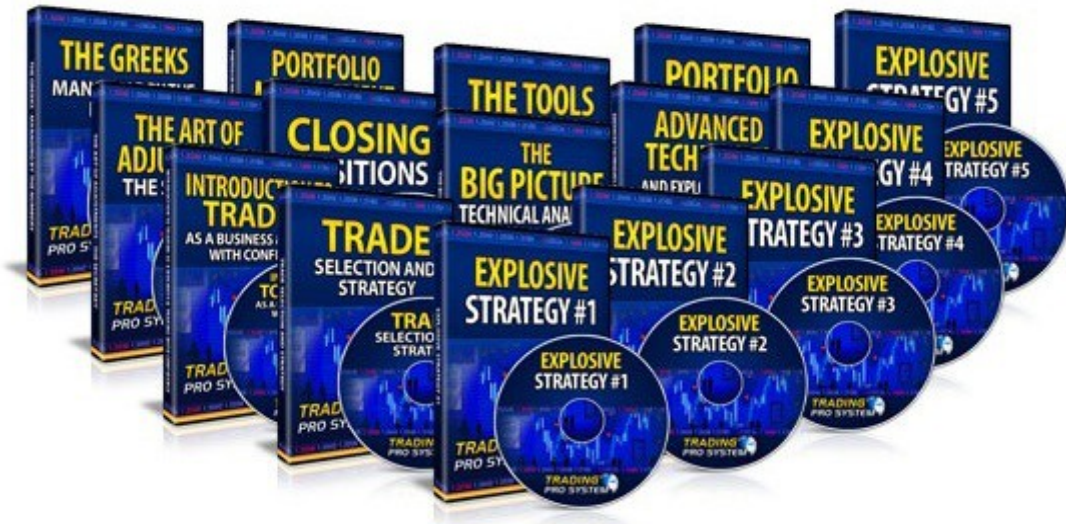
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The focus of this course is on Iron Condors, Credit and Calendar Spreads.

The system can be used for trading options on regular stocks and Exchange Traded Funds (ETF) such as the QQQ, SPY and DIA (*Plus Much More*)

This course contains;

Over 25 hours of Video & Audio education,
2 PDF guides, and 3 Excel worksheets.

Learn to trade with confidence by mastering 'stock selection', 'portfolio building', 'technical analysis' and 'the Greeks'.

This course is organized into 11 easy to follow modules which you can further check out by clicking the image above.

(This Course Could Also Easily Be Equated To The Digital Economy Trading)

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