Investing 101

1. Where to Find Wall Street Training

Wall Street training is crucial to become a successful investor. As you might expect, some training tools are excellent while others are not. Create a plan that makes sense to you. Here is a simple and enjoyable way to help you learn to trade stocks profitably.

Learn the language: Online Wall Street training will confuse you if you haven't learned the language of investing. Learn the differences between buy and hold investing and day trading, how to trade stock options, online free stock trading, market timing strategies, and mutual funds. But, first—learn what these terms mean.

Play stock market games: A stock simulation market game will train you to be comfortable with investing just as practice repetitions for an athlete, musician, actor, or public speaker prepare them for the game, performance, or meeting. An excellent stock market game, like the one offered by WallStreetSurvivor.com, operates exactly like the real world. Fortunately, you need not risk your hard-earned money while learning how to play the stocks game.

After learning the language and playing stock market games with virtual money, you should have the Wall Street training you need to become a profitable investor.

2. How Do Mutual Funds Work?

Mutual funds are among the most popular — and often misunderstood — of all the investment options. If you are still in a "learn to trade stocks" mode, a mutual fund can improve your portfolio, particularly if you are a modest investor.

Disregard the over-simplifications espoused by many. Mutual funds are a way to own more diversified and higher priced stocks for a small amount of money. This is accomplished through the pooling of others' funds to purchase investments for the fund.

Pooling smaller amounts of money allow Wall Street to purchase larger blocks of or stocks that are more expensive. Learn about the types of mutual funds (equity, debt, and balance funds) to learn the focus you prefer.

Newer investors often prefer balance funds, as they split their portfolio between equity (stocks) and debt (bonds, U.S. Treasuries, and other investments that offer interest earnings). A 50%-50%, 60%-40%, or 70%-30% split of equity and debt securities can be a lower risk mix of mutual fund investments. These can also provide evidence of the earnings level of different instruments.

Through the split, you'll eventually become comfortable with mutual funds, learn the stocks game, and quickly — and knowledgeably — answer the question, "How do mutual funds work?"

3. The Significance of Real Time Trading

Real time trading, once a feature enjoyed by only the largest and most powerful firms, is now available to many investors. Thanks to the power of the Internet, many investors, large and small, can take advantage of online Wall Street real time experiences.

Understand that, until the emergence of the Internet and vastly improved communications in the past fifteen years, relatively few investors could enjoy real time trading. Those firms with "seats" at the stock exchanges and those who had their own ticker tape machines in their offices or homes were the only entities who had access to up-to-the-minute stock prices.

Those calling and advising their local broker to make a trade based on information (prices) that may have been fifteen to sixty minutes old, made or lost money only when the trade was completed. While some traders may have enjoyed extra profit, many ordered a profitable trade, at the time, but lost money as prices moved dramatically.

Real time trading is significant, because much of this timing risk has been eliminated. Online free stock trading, with valid current pricing, allows investors to make informed and timely buy/sell decisions. Regardless of your trading experience or volume, real time trading helps you better protect your hard-earned investing money.

4. How Does the New York Stock Exchange Work?

Since 1817, the New York Stock Exchange (NYSE) has been functioning as a trading transaction source. The market hasn't changed much since then, if you disregard the incredible technological advances.

In its simplest form, the NYSE (and the other stock exchanges like American, NASDAQ, etc.) is much like a food supermarket. Unlike a small convenience store, a supermarket has hundreds, if not thousands of food choices for customers. The NYSE offers thousands of varieties of stocks for investors.

Combine the number of buying/selling options with a "flea market" mentality, where sellers want $X for their stock and buyers want to pay $X minus $Y, and you understand the basics of the NYSE. The addition of volumes of data that apply to each company and the sophisticated technology that permits real time trading, covered call writing, online Wall Street access, and many more trading options and you see how the New York Stock Exchange works.

As you learn to trade stocks, you'll see that the NYSE (and the other exchanges) serves as a "highway" to transport you from a personal buy/sell decision to a completed transaction. Some Wall Street training courses, like the Investing 101 course offered here, may complicate your perception of the mechanics involved. Therefore, try to keep the image of a supermarket or flea market vivid to keep the process as simple as possible.

5. How Covered Call Writing Can Protect You

Covered call writing at first often appears to be a bit convoluted. However, it is a conservative and safe process that helps protect the investor and maximizes income and/or profit. A covered call is a component in answering the question, “how to trade stock options.”

First, understand the nature of a call option. If you want the ability to buy a stock at an agreed-upon price by a given date, you seek a call option. Once you own some call options, you can sell them to others, typically for a premium (fee or income). Should you also own the shares of the stock identified by the call, you now have engaged in covered call writing.

But, how does covered call writing enhance model stock portfolios? For example, assume you have 100 shares of ABC, Inc. worth $10,000. You sell call options for this stock for $1,200. You pocket the income and wait for the buyer to exercise their options. Should the stock price decline; you are protected unless the loss exceeds the $1,200 you’ve already received. Such a decline will usually influence the call owner NOT to exercise the option, since they can buy the stock for less on the market. But, you’ve already made $1,200 or, worst case, lowered your potential loss by that amount. You win either way.

Still a bit hazy on covered call writing? Learn much more about covered call writing in Wall Street Survivor’s Investing 101 online course.

6. How to Calculate Share Gain Properly

First, understand the definition of “share gain” in the investment world. You purchase a share of common stock for $100. At some point in the future, you sell the share for $135. The basic gain is equal to the difference in the price you paid for the share and the price at which you sold it. Your basic gain is $35.

However, there are few transactions that are this simple that answer, “how to calculate share gain.” Just consider one factor: Taxes. If you bought this share today and sold it tomorrow, you might be taxed on the total share gain. Should you buy this stock today and sell it in fourteen months, you should be taxed using “capital gains” regulations. You might even have a “phantom gain” that, although not a true gain, sometimes incurs a tax.

Remember, unless you engage in online free stock trading activities, you’ll pay fees that may increase your cost price and lower your gain on the sales price. Always consult a qualified tax adviser before making any tax-driven decisions, as concerns are seldom this simple.

For your basic purposes, however, treat asset appreciation (share gain) as the difference between the price you paid to buy an investment and the price for which you sold it. Play valid stock market games, like the one at WallStreetSurvivor.com, and get up to speed on the world of stocks with the Investing 101 online course. With these resources, you’ll learn to trade stocks profitably and record gains properly.

7. How to Create Model Stock Portfolios

For all model stock portfolios created by Lady Luck, there are thousands designed using a valid investment strategy. All Wall Street training stresses adopting a market game strategy that fits your personality, goals, amount of investment capital, and comfort zone.

Those who are attracted to the excitement of frequent trades and a won/loss scorecard might prefer to learn to trade stocks on a constant (or “day trading”) basis. Others, with long-term goals and objectives, will be more comfortable with a “buy and hold” strategy.

Regardless of your method of playing the stock market game, include these factors in all strong portfolios.

- **Diversification:** To successfully play stock market games, diversify your portfolio with different investments from a variety of industries.
- **Keep your eyes on the profit prize:** Whether looking for short-term gains or long-term growth, profits are king.
- **Evaluate key ratios:** Learn the most important numbers (book value, return on equity (ROE), earnings per share (EPS), and net income) of all your portfolio assets.
- **Be true to your investment strategy:** This is your roadmap or game plan. Follow it faithfully or change it.
- **Minimize mistakes and risks:** Much like the sports team coach that plays not to lose to keep his/her team in the game, you should avoid errors and undue risk at all costs.

Use Wall Street training, like Investing 101 from WallStreetSurvivor.com, to start correctly building model stock portfolios.

8. Learn to Trade Stocks Profitably

“How can I learn to trade stocks profitably?” This question has been asked by investors, large and small, new and experienced, for generations. While there is no silver bullet or magic potion to make you a profitable player in the market game, there are things you can do to learn to play the stocks game as a winner.

- **Find solid Wall Street training:** You have many choices to gain useful online Wall Street education, like the Investing 101 course at WallStreetSurvivor.com. Like all activities, you must learn the rules to play successfully.
- **Play exciting—and real world—stock market games:** Playing with virtual money in real world environments, trends, and prices offers the best practice and learning experience available.

  WallStreetSurvivor.com offers a wonderful, effective—and enjoyable—stock market game. You’ll learn how to trade stock options, use covered call writing to protect your investments, and to create model stock portfolios without any of the real world money risks.

- **Locate stock investing experts' newsletters that are meaningful to you:** Your investment strategy will dictate which of the hundreds of information sources attract you. For example, if you are a "buy and hold" investor, those sources that offer online Wall Street advice about techniques that help long-term portfolios enjoy consistent profit will be meaningful to you.
- **Minimize errors and risk in all real time trading activities:** Learn the common mistakes made by investors and avoid them at every opportunity. Minimizing unnecessary risk, by definition, helps you trade stocks more profitably.

9. How to Read Stock Charts Correctly

How to Read Stock Charts Correctly To the new investor, stock charts often appear to be the meanderings of an out-of-control four-year old with some crayons. Stock market basics involve learning how to read these performance snapshots as a component of your stock research.

Beginner stock market investors should relax and understand the "bottom line" for all stock charts: Should you risk your own money by purchasing or selling this stock? To keep this process simple, concentrate on only three major issues.

1. **Stock stages:** The four common stock stages are consolidation, up trend, another consolidation, and downtrend. Learn to identify a stock's current stage to learn if trading (buying or selling) is warranted.
2. **Stock trends:** Determine the current trend (up or down) and project where in the cycle the stock resides. A "breakout" indicates the start or early stage of a trend. If the trend is up—increasing from lower left corner toward upper right corner of the chart—this indicates a good time to buy. When the stock reaches the apparent end of an up trend, this may encourage you to consider selling the security.
3. **Stock waves:** Wave theory states that stocks experience five waves during a normal up trend. Wave one is the up trend right after breakout, while wave two is the first "pullback" (short flattening or downtrend). Wave three is an up trend and wave four is another brief pullback. The final wave signifies the end of the current up trend and projects a future consolidation.

Your online stock market trading decisions can disregard the many other notations. How to read stock charts effectively involves becoming comfortable with these three components. You can quickly analyze a stock in less than 10 seconds using this method.

10. How to Start Investing Profitably

New investors often thrive on the excitement of playing the stock market game. Unfortunately, they can also quickly become disillusioned with the stock game after their first losses, however modest. To help you start investing profitably, try this proven strategy, particularly useful for new investors.

Focus on long-term investing. Simple. Being lured by the excitement of day trading often creates unwanted stress and early losses for the new investor. Learning the basics of online stock market trading does not qualify you to profitably participate in day trading or short-term timing techniques. Sure, you might get lucky and win with your first few trades. However, understand that your victories will involve more luck than skill at this point.

Initially, a buy and hold strategy, made famous by investing legend, Warren Buffet, may be less exciting. However, if you pick your stock paper carefully, it typically delivers profit over the longer-term. This strategy also allows you to continue to build your knowledge base and experience without overt high risk. As you gain more experience, you might consider being more adventurous and executing more trades. This can be enjoyable, particularly if you are playing the beginner stock market game with “house money” (profits you’ve already made). Keeping your eyes on the prize—investing profitably—reduces both stress and the probability of making day-trading mistakes as a new investor.

11. How to Trade Stocks Successfully

Learning how to trade stocks successfully can be tedious or enjoyable, depending on the method you employ. Be aware that understanding stock market basics is not a natural, but a learned skill. Unlike running fast, having a high vertical leap, or having natural art or music ability, you’ll need to learn and practice techniques to fine-tune your success. There are ways to enjoy your learning experience while gaining these skills.

First, locate beginner stock market trading and technique training that stimulates you. The key word is “beginner” as more advanced courses may only confuse and frustrate you. Excellent new trader courses, like Investing 101 from WallStreetSurvivor.com, cover all the stock investing basics, including learning stock symbols, avoiding day trading mistakes, how to read stock charts, and all other beginning tools to play the stock market game.

Speaking of the stock game, you can then play a real world stock market simulation game, like the one offered by WallStreetSurvivor.com. You can practice your new skills learned during your investing course in a real world environment without risking your own money. You will gain valuable experience regarding how to trade stocks profitably, learn how to read stock market quotes, and build the confidence to enter the fray as a new investor.

12. The Wisdom of Investing in Penny Stock

New investors typically uncover conflicting expert opinions regarding investing penny stock activities. Some investors believe stock investing basics indicate avoiding penny stocks because of the perceived minimal profits available. Others recommend improving your stock market investing odds using penny stock issues, minimizing monetary risks. Still others, the majority, don’t recommend investing in penny stocks because of the high potential of total loss.

First, understand that there are different definitions of penny stock, which is more of a generic term than a numeric target. For example, in the U.S., penny stocks are typically those that sell for less than five dollars and are traded over-the-counter, outside of the large exchanges. However, in the U.K., the term usually refers to small cap stocks.

Unfortunately, there is one penny stock constant. When you learn to read stock quotes and learn to read stock charts, you will see some good or disturbing patterns and trends that apply to penny stocks. Understand the risks associated with this stock type and do your research just as diligently as for a higher priced stock. If you pay attention to your investing course, learn how to trade stocks properly, and play a simulation stock game seriously, you might find some hidden winners.

13. Where to Find a Good Investing Course

Finding a good investing course is a) important for all new investors and b) a matter of personal preference. The choices are countless. Their value can vary from marginal to excellent. As a new investor, you need to differentiate the good from the less than helpful.

While many colleges and universities, through their continuing education (CE) programs, offer a series of investing courses, the Internet is a wonderful source to find stock investing basics. New potential participants in the stock market game, like you perhaps, must start at the beginning. First consider courses that stress the following two basics of stock market participation –

- **The glossary of investing terms:** The language of investing can be confusing at first. Learn the common terms used in online stock market trading basics.
- **Beginner stock market mavens need answers to common questions:** What are bonds? How to trade stocks? How to start investing? How to read stock charts? How to find the right stock symbols? What are Bollinger bands trading, Fibonacci ratios, selling short, position trading, and many other common techniques and strategies?

There are some excellent beginner stock market trading courses, like Investing 101 from WallStreetSurvivor.com. These low cost, but valuable investing courses provide the stock market basics needed to start creating a profitable portfolio.

14. How to Learn to Read Stock Market Quotes

Reading the Wall Street Journal and viewing market quotes can be a huge challenge for the new investor. Nevertheless, like most puzzles or new skills, once you understand the components, your goal to learn to read stock market quotes will become easier. Ready?

The New York, American, and NASDAQ exchanges use the following format. Ten columns cover each stock. Column number definitions include:

1. 52-week high and low price range. Also includes column 2.
2. See above.
3. Company name and stock type.
4. Stock or "ticker" symbol.
5. Annual dividend amount, if any.
6. Percent yield (annual dividend return for each share divided by current market price).
7. Price-Earnings ratio (PE), which helps you analyze a stock's relative value.
8. Daily trade volume for prior day's activities (expressed in "hundreds").
9. Hi/Lo, which displays the high and low prices of shares traded today.
10. Closing price and net change for the day.

NASDAQ also uses an abbreviated (four column) quote format for small cap stocks. These quotes include company name with dividend, volume traded, final price of the day, and amount of change from the prior day's close.

Good beginner stock market training, like Investing 101 from WallStreetSurvivor.com, will give you comfort with understanding stock symbols and help you learn to read stock market quotes. Playing the stock market game in simulation form gives you some experience in the real world without the money risk.

15. Keys to Stock Investing Basics

The overriding key to stock investing basics is to keep it simple at the start. Learn how to start investing by understanding the difference between investing and using savings accounts to build a portfolio and how the markets work. Beginner stock market participants should avoid drowning in the exhaustive volume of technical information available.

There are three primary differences between savings and investing:

- **Ownership:** When you purchase stocks you are becoming an owner in the company in which you invest. This does not occur with a savings account.
- **Potential for gain:** A savings account typically pays a stated return on your dollars. Owning stock comes with a possibility of company growth, higher profits, and, of course, higher value (gain) versus the stock purchase price.
- **Real risk potential:** Savings accounts carry minimal risk. While your favorite bank is not likely to double your interest rate, even if it fails, your savings dollars are protected by federal insurance. Whether you are investing in penny stock or blue chips, you always have risk of partial or total loss of your money.

The other stock market basics include understanding that the NYSE, American Exchange, NASDAQ, and all other global markets work like your neighborhood flea market on a grand scale. People look at stock market investing odds and decide to buy if they think a stock price will increase and sell if they believe a market value will decrease. All of the varied technical data available only reinforces these beliefs.

16. Some Common Day Trading Mistakes

As you might imagine, the markets are rife with many common day trading mistakes that cost investors money. The volume of different day trading mistakes fills books and many an investing course. If you consult media and expert sources, you'll find that these are among the most common and easiest to avoid if you're careful.

- **Investing on emotional levels instead of with objectivity:** This happens every day in the investment world. Should you trade on subjective levels (fear, greed, misinformation, whim, love/hate, etc.), many experts will state that you will (not, might) lose your money.
- **Investing "mortgage payment" money:** Much like sports gambling, stock market investing odds of loss rapidly increase if you use money you cannot afford to lose. It has been proven that people invest "must win" money very differently—usually poorly—than trading with an investment fund. Use money

you've decided won't decimate your budget if you lose, so you can mitigate the risk/reward equation properly.

- **Playing the stock market game without doing your homework:** Day traders, because of the "need for speed", often neglect performing necessary research before making buy/sell transactions. Some beginning stock market day traders see, read, or hear a headline, company press release, government decision, or rumor and immediately trade stock. Stock market basics dictate you will lose over time.

As all investing experts will tell you, day trading, at its best, is a risky business. Eliminating day trading mistakes will, at least, greatly improve your potential for success.

17. How to Improve Stock Market Investing Odds

While there are many techniques that affect your stock market investing odds, there is one overriding key to improve your total investing results: Minimize risk. Understand that you can never eliminate all risk when you play the stock market game. A good investing course like Investing 101 and stock game simulation, however, will help you learn strategies that minimize risk, particularly the unnecessary variety.

Consider this example to see how to trade stocks to minimize risk. For every successful oil drilling and refining company, there are hundreds of companies and millions of stockholders who have earned riches by concentrating on the "nuts and bolts" of supplying drilling and refining equipment to the relatively few oil conglomerates. These companies and stockholders minimized their risk by focusing on goods and services needed by the industry.

Here is another example. Investing in penny stock (typically less than $5.00 per share) can return huge profits. However, many experts refrain from endorsing this strategy because of the strong potential for mega losses. Stock market basics downplay such speculative stock paper since, regardless of the reward potential, the risk factors are simply too high. Learn how to start investing profitably by minimizing unnecessary risk, before considering potential spectacular gains.

18. Choose Stock Investing Experts Carefully

Newer investors needing Wall Street training often turn to stock investing experts to gather knowledge. This is a wise plan, but it comes with at least two caveats.

1. **Don't start following stock portfolio experts that dispense complex advice appropriate for experienced and/or high net worth (wealthy) investors.** The language of investing can be confusing at first, even in the most basic study. Should you try to proceed from having a basic savings account to analyzing Fibonacci Ratios, you may drown in the complexity. Just as you wouldn't try to learn a foreign language by first attending an advanced course, you should put aside experts who concentrate on experienced investors.
2. **Research the experts offering stock market investing basics to learn about their proven "track record."** While you need licenses to buy and sell investments for others, experts need only claim to be wise, get a cable TV or Internet show, or write a newsletter to tout their ability. Investing in a real world stock market game with one's real money is much different from creating theories, strategies, and expounding advice for others.

Choosing stock investing experts carefully offers you much better advice and knowledge. You'll also improve your probability of reaching your goals for your stock portfolio and your bank account.

19. Are There Safe Stocks to Buy?

"Are there any safe stocks?" This is a popular question, particularly from new investors. Cruel reality answers, "No." By definition, if there ever was such an entity, it is now extinct.

However, some stocks are certainly safer than others. All stock market investing basics will advise you that equity investments (common and preferred stocks) offer no guarantees of anything. Even dividend stock investing data sources will advise that the past history of dividends paid to shareholders offers no assurances that dividends will be paid in the future.

A stock trading course might note that there are perceived "safe stocks," so named because they have long histories of continued growth, profits, and dividend payments. Throughout the twentieth century, stocks like IBM, Coca-Cola, Procter & Gamble, and Microsoft, to name a few, have consistently grown in value, enjoyed two-for one (or more) "splits," and have earned the term safe stocks.

Use this rule of thumb when looking for safe stocks. Examine those stocks with a consistent history of growth and profits, paying closest attention to their return on equity (ROE), to find the safe stocks, be they large or small cap. Analyze how they are reacting to current economic conditions to become comfortable that they should continue their performance.

20. Where to Find an Excellent Stock Trading Course

A new investor looking for an outstanding stock trading course may become overwhelmed with the menu of choices. However, as with all products and services, not all courses are created equal. While some may or may not appeal to you because of cost, the most important factor is content.
The key is to select a stock trading course that –

- Offers the best overall information for the new investor;
- Combines with a superior stock market game simulation, like the one at WallStreetSurvivor.com;
- Includes the stock market investing basics that offer the best tools; and
- Provides sufficient techniques for the new investor to create a profitable stock portfolio.

Carefully evaluate the stock trading course subject areas and you'll locate excellent options, including the Investing 101 course offered by WallStreetSurvivor.com. This course was specifically structured to help the new investor establish a workable knowledge base to begin a successful investing career and avoid stock market investing mistakes.

Avoiding errors is often just as important as making correct choices with large and small cap investing offerings. While less “exciting” than taking wild risks to generate a windfall profit (or loss), playing the real life stock market game with your own funds—and avoiding mistakes—typically generates better earnings.

21. What Is Small Cap Investing?

Small cap investing can be very satisfying to a bank account, even for the newer or smaller investor. First, understand small cap securities. Small cap may have different parameters for brokerages and experts. Use a general rule-of-thumb that categorizes “small cap companies” as those with capitalization (outstanding stock) of around $2 Million to $300 Million to $2 Billion, depending on who you ask.

Since small cap stocks are really defined by the market and individual investors, here is a better explanation for the new stock market game player. While not street stock (shares held by a trust company or small insider offers), small cap stocks have been overlooked by Wall Street, stock investing experts, and the investing public in general.

While there is obvious risk, small cap investing can be affordable for the smaller, newer investor and sometimes results in wonderful values that generate large profits in the future. Often ignored by the larger investment community, small caps are perceived to have a lack of “sizzle,” not often researched like larger companies. This is wonderful news for the smaller investor who performs solid research. There are often some precious gems to be found in the small cap market.

Excellent stock trading courses, like Investing 101 from WallStreetSurvivor.com, provide some useful knowledge for the newer investor to spark small cap investing interest.

22. The Best Way to Learn Stock Market Investing Basics

There is no one best way to learn stock market investing basics, but you should consider two tools that will help you become a knowledgeable investor. Used in conjunction with each other, these tools will help you create a stock portfolio of which you will be proud.

1. **A solid stock trading course:** Use the Internet to find an excellent course that stresses the stock market investing basics that are most meaningful to newer investors. Along with basic definitions, “how things work,” and elementary stock portfolio techniques, a good course will expose you to some popular theories, like Fibonacci ratios, Elliot Wave Patterns, small cap stocks, and investing in ETFs. Look at Investing 101 from WallStreetSurvivor.com to see a valuable stock trading course.
2. **A real-world simulation stock market game:** The best of these simulations, like the exciting stock market game offered by WallStreetSurvivor.com, give you real-world experience without risking your hard earned money. Your stock portfolio will react exactly as it would in reality, while you’re using “virtual” money. Just as valuable, you will see your stock market investing mistakes—and learn from them—without risking your money. Like an athlete practicing for the Olympics, you will gain experience and use beneficial repetitions to improve your performance without the monetary risk.

These excellent and fun tools will give you the stock market investing basics you need to start a profitable career as an investor.

23. Investment Portfolio Diversification Is Critical to Long-Term Profits

As even new investors are aware, there are volumes of debate surrounding most components of stock market investing basics. However, there is at least one factor that almost all stock investing experts agree: stock portfolio diversification. Most consider a diversified portfolio a critical component of successful investing and long-term profits.

Yet, strong debate often surrounds the definition of a diversified stock portfolio. Most experts agree that the goal is to minimize (or even eliminate) what is often called “unsystematic” risk from your investment portfolio. Unsystematic risk typically refers to company-specific potential problems that include competition changes, employment issues, ineffective management, and technological or market changes.

Through diversification, creating your stock portfolio with a wide variety of securities from different companies, industries, and geographical areas, you can significantly decrease your risk quotient. Like investing in safe stocks (if you can find and afford them), you can assume that every stock trading course will recommend that you diversify your stock portfolio, however modest it may be. Use an excellent stock trading course, like Investment 101 from WallStreetSurvivor.com, to perfect your stock portfolio diversification techniques.

24. How to Choose Stock Investment Newsletters

It sometimes appears that all legitimate and self-proclaimed stock investing experts publish stock investment newsletters. This creates the question, “Which newsletters should you read to help build a better stock portfolio?”

To find the stock market investing basics that matter most to you, evaluate stock investment newsletters by doing the following.

- **Re-examine your investment strategy.** For example, if your strategy focuses on small cap investing, you can eliminate the newsletters that concentrate on large cap companies, exchange traded funds (ETFs), mutual funds, and fixed income products (bonds, U.S. Treasuries, etc.)
- **Decide on the “flavor” or personality of newsletters you may like.** Do you want primarily “hard” information or do you also want to be entertained? For example, if you’re interested in investing in ETFs, you might evaluate hard news publications or lean more towards the always entertaining and useful Motley Fool news and opinion.
- **Get respected third party evaluations of different stock investment newsletters.** While you can use a “surfing” action plan to sample some publications, you might want to get independent stock investing experts’ views on

the value of some newsletters. Using respected sources like the Hulbert Financial Digest, your evaluation now will be a combination of expert information and personal preference.

- **Test a newsletter's recommendations by playing a real-world stock market game, like the one offered by WallStreetSurvivor.com, and tracking the results.** You'll learn which newsletter(s) offer the best information for you by the real world results their recommendations achieve.

25. Some Common Stock Market Investing Mistakes

Common stock market investing mistakes could easily fill one or more books, but here are some key errors made by both new and experienced investors alike.

- **Selling profitable stocks too early and trading losers too late:** While this is a natural tendency, this strategy is always the wrong one. Cut your losses early and allow your winners to continue generating profit.
- **Becoming obsessed with short-term market prices, volatility, and trends:** While day traders must follow short-term volatility, most investors should not dwell on these issues. You risk losing your focus on safe stocks, investment portfolio diversification, and long-term market trends.
- **Making too many trades:** Unless the excitement of trading is irresistible, you should follow the advice of most stock investing experts and limit your trades to those that advance your strategy.
- Investing too much limited capital in initial trades: Stock market investing basics stress that managing your capital (investment funds) is critical to long-term stock portfolio success.
- **Fighting the fact that "when you're hot, you're hot; and when you're not, you're not:"** The stock market game remains a galaxy of trends, moods, ebb, and flow. Like golf, poker, or any other activity, there are some days that you simply shouldn't play. Fight the tendency to simply play harder—at these times, you'll typically just lose more money.

Use the valuable information offered by a stock trading course, like Investing 101 from WallStreetSurvivor.com, to avoid as many common mistakes as possible.

26. The Significance of a Price to Earnings Ratio

When you see a price to earnings ratio (P/E Ratio) in a stock summary, play close attention to the percentage quoted. As any stock expert or stock market simulation game would tell you, a stock's P/E Ratio delivers much quality information about the company.

Find the price to earnings ratio by dividing a company's market value (price per share) by its earnings per share (EPS, net earnings divided by the number of outstanding shares). On paper, a P/E ratio displays the amount an informed investor is willing to pay for each dollar of a company's earnings. As you can see, a company with negative earnings creates a challenge to compute earnings per share, which will be a negative number. So be it.

Most P/E Ratios use a company's last four-quarter earnings when computing their EPS. Yet, P/E Ratios are not really simply a historical computation. It projects the probabilities of a company's growth and future profit expectations. Investors should also consider one important point. A company with a high P/E Ratio resides in a "to those who are given much, much is expected" universe.

Solid P/E Ratios indicate future high market values/prices and strong net earnings. A company falling short of these market expectations can sometimes suffer major stock price declines. As always, performing intelligent research should help you minimize the risk associated with strong price to earnings ratio future problems.

27. How to Decide Which Stocks to Buy

Deciding which stocks to buy can turn new investors into a lump of watery jelly. The thousands of choices, apparent mysteries of stock price components, and volumes of information available often becomes a swirling riptide of danger and confusion.

The best advice, particularly for the new investor: Keep it simple and have a plan. Groundbreaking advice? No, but it works. You could create a complex stock watch list, spend hours gaining stock market education, curl up with numerous stock market investing books and still be confused.

Keeping it simple will help you establish a comfort zone for your investing strategies, be they online stocks, mutual funds, gold-equivalents, or low-risk U.S. Treasuries. You can learn about using the stock market online faster, make easier (hopefully better) choices, and minimize risk.

Designing a plan also helps you decide what stocks to buy. For example, deciding on a buy and hold plan will focus you on longer-term growth stocks. Conversely, should you like the excitement of day trading or “timing” strategies, your plan will direct you to more volatile stock choices. Your plan focus is less important than creating a plan you can follow.

Remember, you are the stock expert of your plan. If the plan works, stick with it. Should it not deliver the results you want, change it. You are the master of your investing universe. Deciding which stocks to buy operates on your personal stock market calendar.

28. The Significance of the 200 Day Moving Average

To understand the significance of the oft-quoted 200-day moving average, you should first understand the definition and influence of moving averages on investors’ intelligence quotient. A moving average displays the average price of an investment over a stated time period. The longer terms, particularly the 100 and 200 day moving average, identify real trends by flattening out the up and down spikes of online stocks.

The real significance of the 200-day moving average involves its use—as the most popular single evaluation factor—of the wide world of technical stock expert analysis functions. While day traders often, by definition, downplay moving averages, almost every stock analyst report and most stock market investing books will reference the 200-day moving average of your stock watch list as an important consideration.

Many experts feel that the 200-day moving average is the “line in the sand” that differentiates those stocks that are healthy, strong, and solid from those that are not. Be careful, though. Assuming that online stocks that have reached historical high prices over longer-term indexes like this may—or may not—indicate buy decisions. A long up trend may signal the opposite—a sell or pass decision, as the stock may soon end its run of success. You can see why the 200-day moving average makes almost every stock market review as a significant component of the market.

29. How to Analyze a Price to Book Ratio

A price-to-book (P/B) ratio displays important indicators. However, new investors should learn to analyze the ratio to determine its true meaning for online stocks. Stock market education includes price-to-book ratio discussions. The key is to understand the significance of price-to-book ratio data for different industries.

Calculate a price-to-book ratio (also called the price-equity ratio) by dividing the stock’s current closing price by the book value from the most recent quarter. Next, learn the divergent meanings that explain the result. This is the key to analyzing this investment valuation ratio.

A lower ratio can mean one of two important conditions in a stock analyst report:

1. The stock might be undervalued and, therefore, a smart buy. Book values are an accounting function while stock prices are real world values. Lower ratios indicate that market price is close to book value, which often indicates a future market price increase.
2. Lower ratios, unfortunately, can also identify a company with one or more serious problems that they may— or may not — ever resolve.

A stock summary with a low P/B ratio might generate market timing signals indicating a buy, if the stock is undervalued. However, if your research indicates possible major underlying problems, a sell or avoid decision may be better.

Understanding that good or bad price-to-book ratios vary with industries helps you correctly analyze a price-to-book ratio.

The first step to fully grasping and understanding price-to-book ratios lies in the Investing 101 online course. This valuable resource lays the solid foundation of understanding from which to build your investing knowledge.

30. How to Recognize Market Timing Signals

Knowing when to buy or sell often means the difference between profit and loss. Investors, from rookies to grizzled veterans, look for market timing signals to help improve their odds of success. However, as every stock expert knows, this desire is fraught with potential mistakes.

There is no one magic, omnipotent, or guaranteed market timing signal that will ensure profit when trading online stocks. Numerous trends, tendencies, moods, and techniques that create timing signals can be true— or false. The key, of course, is learning the difference. Further, a stock market education would be incomplete without being exposed to some of the many technical creations that attempt to identify market timing signals to help you with buy/sell/hold decisions.

For example, a very popular quest is to enhance investors' intelligence by identifying a "market bottom." Recognizing market timing signals that show when a market hits bottom on the stock market calendar would allow you to find some wonderful bargains. Yet, the market often sends multiple false signals, causing you to lose money if you jump in before the bottom is reached. You can learn more about recognizing other market time signals in the Investing 101 online course.

Understand that recognizing market timing signals is, at best, an informed guessing game, even for the most respected stock expert. This realization alone might help you become a better investor. Find some historical market timing signals that were real and integrate their theory into your investment strategy.

31. Investment Valuation Tools

There are numerous investment valuation tools that will help you become a smarter investor. There is no one ratio or financial statement, however, that tells all you need to know about online stocks. Some of the more popular fundamental valuation tools include

- Earnings per share (EPS)
- Price to earnings ratio (P/E)
- Price to book (P/B)
- Projected earnings growth (PEG)
- Return on equity (ROE)
- Return on assets (ROA)

Have you noticed that the prime component appears to be earnings? Most stock market investing books and courses (like the excellent Investing 101 from WallStreetSurvivor.com) will reinforce that the fact that earnings are king. You'll find few high investment valuations for stocks or companies that do not enjoy strong earnings.

For every Amazon.com, which baffled many a stock expert for years as it enjoyed a strong valuation while having low earnings, there are hundreds of low investment valuation stock downgrades for insufficient earnings. Even a simple valuation tool like analyzing dividend yield requires a company's strong earnings, which allow them to afford issuing a dividend in the first place.

The new investor must understand that, since there is no one tool that provides all the information needed for a useful valuation, he/she should become comfortable with some or all of the above methods. Learning to use some fundamental valuation tools can help you quickly calculate and read this information successfully.

32. What Is the Exhaustion Gap?

Many new investors are amused by the often colorful and picturesque terms used in stock market investing books and beginner stock market education courses. Descriptive and useful, exhaustion gap describes potentially important dates on a stock market calendar.

A stock expert will define an exhaustion gap as that point in an impressively rising stock trend when the formerly strong demand may have peaked, often predicting a potentially rapid (hopefully temporary) drop in price. Supply and demand theory states that as demand outstrips supply, the price of the product rises. Conversely, demand decreases create more supply, which results in declining prices.

When demand for a stock is "exhausted" after a period of often furious buying (generating price increases), market timing signals and realities generate intense selling (profit taking), which depresses the price. In most cases, if the investment valuation data indicates this is a strong company, an exhaustion gap is only a temporary condition.

Reading stock charts correctly and using your developing investor's intelligence, you can identify an exhaustion gap. This condition influences your buy/sell/hold decisions depending on your strategy (short- or long-term) and goals for your portfolio.

33. How to Select Stock Market Investing Books

Choosing the best stock market investing books is similar to selecting the best beginner stock trading course, like Investing 101 from WallStreetSurvivor.com. The best theories of a stock expert are those that resonate, educate, and entertain you. Successfully trading online stocks involves having a “feel” and comfort level matched with your expanding technical competence.

Do some research to find those reference books that are highly regarded. Try to find those that might give you a stock market education that is also enjoyable. Do you remember your increased concentration level and attitude when you had that athletic coach, teacher, or professor that offered knowledge, creativity, and excitement to your team or class? Finding stock market investing books that make that same “connection” with you is an excellent goal.

Use the Internet to read a stock market review to find those books, courses, and stock market simulation games that appear to spark your interest. You should locate those sources with good information on what stocks to buy, how to conduct an investment valuation, and how to use the stock market online to your advantage. Knowledge is power—use it smartly.

34. How to Measure Your Investor’s Intelligence

The fast and easy answer to the question, “How can I measure my investor’s intelligence?” is to simply document your performance. As famous Super Bowl football coach, Bill Parcells, states, “You are what your won-lost record says you are.” While your measurements based on historical data will, by definition, be correct, this evaluation doesn’t really help you right now.

First, understand that new investors, along with acquiring knowledge, must build their confidence, too. You should trade online stocks with as much intelligence AND confidence as you can muster to get the best results.

Here is a more effective—hopefully, profitable—way to grade yourself in the "now" and give you insight into future decisions on what stocks to buy or sell. Compile a stock watch list. Perform a thorough investment valuation. Then, BEFORE you buy/sell, compare your results with the recommendations of a stock expert (or two) that you respect. How are your results similar? How are they different?

Next, view a stock analyst report, track stock graphs, and read a stock market review to learn how the security performed. Did the stock perform as you projected? As the stock expert predicted? This stock market online performance result offers a useful measurement of your current investor's intelligence. This stock market education plan indicates those techniques you should continue to use and those you might want to replace or refine.

35. How to Invest in Gold Successfully

Investing in gold can be viewed as exciting, scary, confusing, intimidating, or safe, depending on your outlook and experience. As always, knowledge is power. Here are some popular options to invest in gold successfully.

Wondering how to invest in gold? There are many options:

- Gold coins
- Gold bars
- Gold certificates
- Gold-backed securities
- Gold futures
- Gold accounts
- Gold funds

As you can imagine, the large menu of choices can be confusing to the new gold investor. Do your homework and learn about two subjects.

- The recent trends in gold prices
- How the different gold options (coins, bars, certificates, securities, accounts and funds) are responding to recent trends

The price of gold obviously fluctuates. The real time stock market prices of the various gold-related investment vehicles will also move in conjunction with or seemingly independent of the stated price of gold. As you learn the details of the choices noted above, you will also get a “feel” for the differences, beyond the obvious physical ones, that will help you successfully invest in gold.

36. How to Make Money Using Buy and Hold Investing Strategies

Buy and hold investing strategies have made many people (and their bank accounts) supremely happy. The most famous buy and hold proponent and portfolio stock accumulator, Warren Buffet, is one of the wealthiest individuals in the world. His legendary company, Berkshire Hathaway, has been the flagship for buy and hold investing for a generation.

Buy and hold investing theory maintains that long-term strategy, if you make sound investments, will, over time, deliver excellent profits. The often-followed “timing” strategy, which holds that you win by scheduling your stock market trading online at times when you can “buy low and sell high” is ignored and discarded.

Instead of rapid fire swing trading, stock arbitrage, or other high tech strategies, buy and hold involves purchases, but few sales. The investments you consider should be priced fairly for this strategy to work as hoped. Therefore, it is important that you do your research (or retain a trusted, successful advisor) before purchase to ensure you buy fairly priced investments.

As you can imagine, this excellent strategy does not involve exciting bells and whistles. It is the total opposite of high-powered day trading. You focus on growth and long-term portfolio appreciation. Patience is the strongest virtue for a buy and hold investor. Historically, the rewards justify your focus.

37. How to Short a Stock Properly

Learning how to short a stock will give you new profit possibilities. To short a stock, you borrow shares of a security from your broker because you believe the price will go down. When (and if) the market online stock trading price decreases, you buy the stock at the discounted price and return the borrowed shares to your broker. A bit confused?

Suppose stock in ABC, Inc. is selling for $40. You “borrow” 100 shares from your broker, who then sells them for $4,000. Soon the price drops to $25, at which point you buy 100 shares for $2,500. You return these new shares to your “borrowed” account and keep the $1,500 profit.

This example is wonderful. However, whenever you trade stock online there is risk. Suppose you misread the real time stock market signals and the price increases? Remember, your maximum potential profit is 100% (should the stock price drop to $0), while your maximum potential risk is limitless (the price could rise to $100, $200, $300, etc.) Also, you must have established a margin account (which allows you to “borrow”) and your broker must have the shares you want to “borrow” to make the transaction work.

There are many factors to consider when choosing to short a stock. Learn all about them and more in the Investing 101 online course.

38. Use Position Trading to Your Advantage

Position trading is one of the three primary strategies (along with day trading and swing trading) in the category of *short term investing*, the opposite of a true *buy and hold investing* strategy. The longest term of these strategies, position trading involves typically holding stocks for a few days up to around six months.

For example, you decide to focus on renewable energy investing, don't have the interest or time to be a day or swing trader, and reject a true buy and hold strategy for personal reasons. Position trading might be your preferred option. You still need to perform useful research by following the trends and ratios of the companies you prefer. Yet, unlike a day trader, you needn't analyze numerous reporting results for many hours each day. Since your position is longer than 24 to 48 hours, you can do your research quickly each day to track shorter-term trends and make your buy/sell decisions easier.

Playing a good stock simulation game and learning position trading techniques from good teachers, like WallStreetSurvivor.com, will help you become comfortable with position trading. Learning the difference between bull and bear market strategies for position trading further enhances your knowledge base. With this strategy, you combine the excitement of short-term trading with some of the wisdom of buy and hold investing.

39. How to Make Gap Trading Work for You

To have gap trading work for you, first learn to quickly read stock charts. They will identify current gaps for you. For example, a "full" gap up occurs when a stock price opens higher than the prior day's high price. You can identify a "full" gap down if the opening price is lower than yesterday's low. Similarly, partial gaps (up or down) occur when an opening price is higher or lower than the prior day's closing price, but not higher than the stock's highs or lows for yesterday.

These gaps, if you read them correctly, signal market online stock trading triggers for you. The experts will tell you that there are four gap types and eight basic gap trading strategies, based on your position (long or short) and the type of gap (full, partial, intraday, and end-of-day) involved. Do your homework and learn these concepts with the help of stock trading courses, like Investing 101 from WallStreetSurvivor.com.

The reasons for the presence of gaps are just as important as the gaps themselves. To make gap trading work for you, read the stock charts, find out the reason for the gap, and, if warranted, trade stock online to improve your portfolio. Be careful not to confuse gap trading with reading about historical gaps. The data used for gap trading is the current—almost immediate—information displayed over a 24 to 36 hour period. Gaps that occurred a week or a month ago will not help advance your gap trading strategy today.

40. How to Use Green Stock Investing

Green stock investing continues to gain popularity. Whether you favor "clean-tech" companies or renewable energy investing, many people are going green in more than their personal or professional lives.

All environmentally conscious companies could be lumped into the green stock basket. Yet, you still should create your own green stock investing strategy to maximize your returns. Consider the following questions to help mold your strategy.

- **What percentage of your portfolio would you like green stock to occupy?** Do you want clean-tech stocks to be a minority or majority of your portfolio? Even if you want to use the real time stock market to focus on environmentally friendly shares, remember to diversify your green investments.
- **How much risk are you willing to assume?** Clean-tech and renewable energy investing often encompasses emerging markets and technologies, with many

stocks falling into the speculative category. These have potential for strong profits OR serious losses.

- **How much of a green stock market trading online expert are you—or do you wish to become?** Would you be more comfortable giving your green stock investing dollars to other experts or fund managers who are clean-tech gurus?
- **Do you crave the excitement of the potentially volatile emerging market companies developing new technologies or should you take the safer route and buy those securities of companies that make and sell the "nuts and bolts" products used by various green companies?**

Create your green stock investing strategy after answering these questions.

41. Three Reasons Why I Should Invest in Emerging Markets

Asking others about the wisdom of investing in emerging markets typically generates one of two answers: great idea or risky idea. Both answers have value, but neither tells the whole story. Here are three reasons why you should consider emerging markets investments.

1. **Real time stock market analysis shows that, historically, emerging market stock has outperformed many otherwise more established securities.** However, never forget the usual disclaimer: Historical performance is no guarantee of future results. This is particularly true when you trade stock online in emerging markets.
2. **Emerging markets are becoming more important to the global economy.** Estimates show that emerging market countries and companies are contributing almost 20% of the products and services used in the world. In addition, developing countries encompass around 80% of the Earth's population. This data bodes well for the future of emerging markets.
3. **Stock prices are more reasonable, allowing the investor to achieve a larger position.** While there is, by definition, higher risk with emerging markets securities, you may be able to minimize your true dollar risk while maximizing potential profits by restricting investment amounts or buying stronger positions (more shares).

While there are other reasons to invest in emerging markets (demographics, national government support in developing countries, reduced dependence on developed countries, etc.), the above reasons alone should stimulate the newer investor to consider some emerging market options.

42. What Is Trading Scalping and Rogue Stock Investing?

Two terms that often intrigue newer investors are trading scalping and rogue stock investing. While intrigue and interest is wonderful, adopting either of these strategies could prove harmful to your bank account and, in some cases, your freedom. Pursuing these strategies in certain ways or over certain limits can result in someone facing criminal charges.

Trading scalping involves buying stock for your account, recommending that others buy the same securities for long-term investing, and then selling your shares for a profit generated by the new interest in this stock. This scalping activity can cause you serious legal trouble. If you are a broker or one with influence over many people, and engage in trade stock online activities in a scalping manner, you might face the SEC or the FBI at your door someday. A more modest—and legal—form of scalping is buying stock at the “bid” price and immediately selling at the “asked” price to earn a fast, albeit modest profit.

Rogue stock investing is a more general term that covers many market online stock trading activities that may violate SEC regulations, resulting in illegal activities. Unlike trading scalping, which when done legally is a form of stock arbitrage, rogue investing implies a “sneaky” or out of control investor engaging in activities that risk violating regulations. Rogue stock investing also may refer to a security that’s gone “rogue” by continually increasing or decreasing for no obvious reason, or an investor making illogical, but sometimes successful buy/sell decisions that violate solid strategy.

Learn more about these activities and how to avoid running into trouble in the stock game with the Investing 101 online course.

43. How the Wall Street Name Originated

The name “Wall Street” is an icon of American business. For three generations, it has been more than an address or a thoroughfare. Wall Street is an image or picture of the perceived financial capital of the world. Its occupants enjoy the highest financial highs and suffer the lowest of lows.

But, why not Main Street, Money Street, or Asset Avenue? Why Wall Street? Physically, it’s just a rather narrow street in lower Manhattan. Situated between Broadway and the East River, Wall Street serves as the hub of New York City’s financial district, which extends a few blocks North and South of the famous roadway.

You might be a bit surprised at Wall Street’s origin. In 1653, after Dutch colonists settled that part of Manhattan island, they built a stockade “wall” to the East River to protect themselves south of the barricade against attacks from the British and the natives. From this modest beginning, the most famous symbol of American business was named and born.

44. The Significance of the Wall Street Bell

The famous Wall Street bell has been compared to some colorful images. Many say it is similar to the successful experiments with Dr. Pavlov and his dog. Pavlov would ring his bell and the dog would spring into action.

At 9:30 AM Eastern time until 4:00 PM Eastern, the floor traders and other brokers around the globe react with furious action after the start bell until the ending bell. Both the New York and American Stock Exchange, and their bells, are located within minutes of Wall Street in the Manhattan financial district.

But, Wall Street markets encompass much more than the floor traders that make their way around the major stock exchanges. Wall Street online traders also erupt into action as they interact with the Wall Street market.

Wall Street stock traders, using in-person, telephone, and online techniques, live by the bell and their workday is often controlled by its sound. For years, financial, government, entertainment, and sports celebrities have been honored by ringing the opening or closing Wall Street bell.

45. How the Wall Street Ticker Works

For many years, the Wall Street ticker identified the “online” communication of current stock prices and activity using their stock market symbols. Even most non-investors are familiar with “ticker tape” parades in New York City to honor heroes, celebrities, and championship sports teams.

Just before the beginning of the 20th century, most stockbrokers had offices on or near Wall Street, keeping up to date on prices and completing trades using messengers (called pad shovers) who ran between the New York Stock Exchange (NYSE) and the brokers’ offices. Even those with Olympic sprinter speed took fifteen to twenty minutes to complete their task, during which prices often changed dramatically on the NYSE “floor.”

Enter the Wall Street ticker. NYSE "floor reporters" transmitted trade data to their company’s area. The information was then typed on a keyboard and, using available state-of-the-art circuitry, transmitted stock symbol, sales price, and number of traded shares to all those with hardware able to receive the information, which was printed on narrow paper called “ticker tape”.

Flash forward to the 21st century. The ticker no longer makes its ticking sound, but the Wall Street ticker still functions, delivering up to the minute Wall Street stock trading information to brokers, companies, and individuals around the planet. The modern ticker still fulfills its original purpose: Delivering immediate data to investors on all Wall Street stock market sales and prices to facilitate trades.

46. How to Conduct Stock Symbols Lookups

To the new investor, stock market symbols at first appear to be a confusing mix of unrelated letters that identify nothing. However, a stock symbols lookup is quite simple for newbies. Here is help for the Wall Street stock market beginner, and more help is always available in the Investing 101 online course.

Understand the Wall Street ticker securities identification quirks. Most stock symbols are three or four letters. The New York Stock Exchange (now NYSE Euronext) and the former American Stock Exchange (now also part of NYSE Euronext) typically use stock symbols with three letters. NASDAQ often uses four letters to identify their stocks. This may offer a hint about which Wall Street market trades the stock you want.

The Internet makes doing a stock symbols lookup easy for all. You will find many financially-oriented websites with Wall Street stock symbol lookup functions. Simply type the company's name into the box or area and hit enter. Your computer will spring to life with the appropriate stock symbol. Be careful, though, as ABC Co., Inc. may have different classes of stock, which means they will also have multiple stock market symbols. Be sure you have the right symbol for the stock you want to track, buy, or evaluate. Record the symbols for stock you want to track for future reference.

47. A Working Definition of IPO Issues

New investors seeking a working definition of IPO issues also need to understand the process. Many veteran Wall Street observers believe that you can often make wonderful profits with IPOs.

IPO stands for Initial Public Offering. Simply put, a formerly private company, files the necessary documents with the Security and Exchange Commission (SEC) to receive authority to sell its stock to the public. The primary document includes data on the company's earnings, projected use of stock sale monies, and many disclaimers noting all known risk factors.

IPOs need to be underwritten, like a mortgage or insurance coverage request, to evaluate the strength of the company, establish a suggested starting price, and decide on the best time to offer this new stock. This should be timing that makes sense to the Wall Street markets. You need to understand that an IPO in the Wall Street stock market is always a risky investment. The IPO company has never before offered its stock to the public, making it challenging to predict the market's acceptance.

Yet, large profits may come to you. Well-underwritten and timed IPOs often enjoy sharp price increases shortly after issue. Sadly, sometimes, the reverse is also true. IPOs can be excellent Wall Street stock market choices. Simply learn about results for those who bought Google IPO stock. As always, do your research. For every Google IPO success story, there are new offerings that didn't perform well.

Learn more about IPOs and how they relate to your potential investing strategy in the Investing 101 online course.

48. Good Sources of Wall Street Stock Market News

It's easy to become overwhelmed with the volume of sources for Wall Street stock market news. Beginning investors can become especially confused as they seek news about the Wall Street markets. Along with the venerable Wall Street Journal, which you can read in paper or online format, there are many other excellent choices. A few worthy of your consideration include –

- CNBC TV and cnbc.com
- CNN and money.cnn.com/markets/news

- bloomberg.com
- marketwatch.com
- thestreet.com
- foxbusiness.com
- finance.yahoo.com
- moneycentral.msn.com/investor
- forbes.com/markets
- businessweek.com

This is only a brief list of a few of the more popular Wall Street market news sources. New investors should sample these and other sources—a Google search will return almost 90,000,000 results—to find those news outlets and websites that are appealing and most useful.

The best Wall Street online and TV sources add interesting commentary to the "hard news" concerning stock sales. Along with useful information, the better websites and broadcast media outlets also offer entertainment to spark your interest.

New investors, however, should be cautious to separate entertainment and opinion from the real news. For example, some highly watched cable and satellite TV financial news shows sometimes confuse opinion/entertainment with real Wall Street quotes and factual results. Completing an online course like Investing 101 will put you in a good position to distinguish and decide for yourself.

49. Usual Stock Market Holidays

Stock market holidays are not merely opportunities to take a break or celebrate. Days without trading activity can still be newsworthy and affect Wall Street stock. The global economy now means that other stock exchanges around the world are open, influencing Wall Street quotes and prices to move. Here are the usual stock market holidays.

- New Year's Day

- Martin Luther King, Jr. Day
- Washington's Birthday
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

New investors should learn to plan their activities by reading Wall Street online news and information prior to these stock market holidays. You don't want to miss some exciting opportunities or suffer any preventable losses when you cannot make a trade on these days.

It's also important to note that the Wall Street markets usually close early (1:00 PM) on the day after Thanksgiving and on Christmas Eve. Full trading activities precede the early closings so plan to place your orders early. Wall Street market trading is often lighter than normal on these days, which may or may not benefit your portfolio.

50. The Importance of Wall Street Companies

Throughout much of recorded financial history—at least since the 1800s—Wall Street companies were considered the financial nexus of the investment world. Formerly home to most the of the largest banks, investment firms, analysts, and, of course, the New York Stock Exchange, Wall Street and its inhabitants have influenced the financial mood and success of the U.S. and the world for many years.

Many believe that the U.S. financial center shifted a bit from the "Street" upon the completion of the World Trade Center (1970-1971) because of the emergence of the global economy. Yet, Wall Street stock market activities and companies remain the "spiritual" center of the world's financial events. Regardless of the pre-eminence of the Internet and high-speed global communications, ringing the Wall

Street bell in the morning signals the start of the financial day for many investors around the world.

New investors should pay attention to Wall Street companies and their activities. Companies offering Wall Street quotes, forecasts, and analysis still deliver high value to new and experienced investors alike. Respect is not a given; it is earned. Even the original Customer's Afternoon Letter, which evolved into the venerable Wall Street Journal, like all Wall Street companies, earned its reputation over many years of delivering news, opinion, and projections based on solid research and technique.

Newer, younger investors should always remember the adage, "Those who do not learn from history have no future." Wall Street companies still have much to offer investors, young and old. Listen, read, evaluate, and learn.

51. Beginner Investing Market Stock

Beginner Investing Market Stock Rules 1. There are no guarantees. Despite what late night guru's might try to tell you, there are no guarantees. Investing is risky and uncertain. That is why it is rewarded. 2. Investing is not the same as saving! When you set aside emergency funds or savings accounts that is one portion of your financial planning. Budgeting is another. Investing is yet another. Combined, they each comprise important parts of your total financial strategy but never make the mistake of putting all of your additional discretionary income toward investing. Again - investing is not the same as saving. 3. Past performance doesn't forecast the future. There is a reason a similar disclaimer is included in almost every bit of investment advice: it's true! Unfortunately, people don't believe it. While history can provide a great deal of insight into the probability of certain events, it cannot forecast future events. 4. Diversify, Diversify, Diversify. 5. Fundamentals never go out of style. Learn everything you can about how the stock market works and stock market investing basics. Understand the industry.

Read the business section. Listen to economic data and actually read industry reports. Gather all the information possible and then use it to make your own decisions. 6. Don't be afraid to be a contrarian. There are times when the masses are wrong. Fortunes can be made by understanding when to roll with the crowd and when to go it alone. 7. Establish a Free Online Paper Trading account at Wall Street Suriviro to test your assumptions before trying it out in real life.

52. Benefits of an Exchange Traded Fund

An Exchange Traded Fund or ETF superficially resembles index mutual funds but with some important differences: 1. ETF's are traded throughout the day just like regular stock. 2. NAV or Net Asset Value is known. The value of an ETF can be calculated throughout the day because the underlying index doesn't change. 3. Arbitrage. ETF's are not traded at systematic premiums or discounts since financial institutions can exchange ETF's for the underlying assets. 4. Tax Advantages. Very few ETF's distribute capital gains.

53. Market Capitalization

Market capitalization is a great common sense tool that gets lost in the more sexy investing software, charts and systems. It's a shame because many people would have been spared a great deal of grief in the past by understanding how to use market capitalization. Before going further, market capitalization is calculated by multiplying the market price of stock by the number of issued shares of stock. Using an overly simplistic example, let's assume the price per share of stock for company X is $10 and they have issued 1 million shares for a total market capitalization of $10 million. By this point a few questions should immediately come to mind including: 1. What is the total market for this given service or product? If company X in the above example was selling bejeweled dog collars for miniature tea cup sized poodles then will the demand warrant the total investment. Seems simple enough but novice investors might be surprised to learn how frequently a company over-estimates the total demand for a given product. This is particularly true with new and/or un-proven technology. The classic example is Beta video tapes. Although VHS video tapes went on to predominate the market, for a variety of reasons, the demand for Beta remained insufficient to take the lead. 2. What is the anticipated penetration level? Are the estimates realistic? It doesn't matter if Company X is the only one today...they still can't expect 100% market penetration because as soon as they become profitable copy-cat companies will move in. Without the start-up costs they might even have a distinct price advantage. Further, compare market capitalization with expected saturation levels. The more risky and/or unproven then the more conservative penetration and saturation estimates should be for any given company. 3. Does the market capitalization level reflect the actual opportunity? Here is an example from a newly funded start-up. Company ABC operates in a $6 Billion dollar industry within the health care arena. The IPO was $50 million and they were quickly listed on NASDAQ. Closer scrutiny reveals that the sub-industry within which they operate is only a $40 million dollar annual industry. While it is true the industry is shifting toward the new technology, due to regulatory and insurance reimbursement schedules, that shift will require major overhaul and recognition before going mainstream.

54. Stock Exchange Symbol and Stock Market Investing Basics

If you are brand new to investing then take time to understand what you are reading when viewing a Stock Exchange Symbol and learn Stock Market Investing Basics. First, a stock exchange is exactly what it sounds like: a place where people buy and sell (or exchange) the purchase of stock and securities. Each security or stock is identified by its very own stock exchange symbol. In the United States some of the more common stock exchanges include:

1. NYSE: New York Stock Exchange

2. NASDAQ: National Association of Securities Dealers Automated Quotation System
3. AMEX: American Stock Exchange

However, there are literally dozens of other lesser known exchanges in operation both in the USA and throughout the world. Some of the more common international stock exchanges you are likely to encounter in the media include FTSE International (London Stock Exchange), Australian Stock Exchange and Tokyo Stock Exchange (TSE).

55. How to calculate gain/loss of a stock

Understanding how to calculate gain/loss of a stock can be a little confusing especially if you use dollar cost averaging or other methods to invest. Follow these quick tips to make sure you properly calculate gain/loss of a stock. 1. Stay organized and keep good records! Your friends at IRS expect you to substantiate all profit or losses with evidence. 2. Understand the cost basis. The cost basis is the purchase price + fees and commissions on the purchase and sale of the security. 3. If the Sales of the security is greater than the cost basis (see above) then you have a profit. If the security sells for less than the cost basis then you have a loss.

56. Paper Trading: Testing Common Fallacies

Paper trading is a fun and effective method for testing out your investment strategy in a simulated market environment. It is also a great opportunity to learn more about investor behavior and market psychology including some of the most common investor fallacies such as: Representatives Bias: The tendency to make decisions based upon stereotypes or former learning. Overconfidence: The tendency for new investors to over-estimate their forecasting skills or ability. Anchoring: The tendency to fix or adhere to a course of action once it has begun. Gambler's Fallacy: The tendency to believe a trend is due for a reversal despite probability. **Availability Bias**: The tendency to emphasize the importance of easily obtainable information.

57. Dividend Stocks

Dividends are profit distributions made to shareholders by a company. Instead of reinvesting all of the profits, a company may decide to distribute the profits instead. For many years, dividends seemed to have fallen out of favor among investors. The emphasis was on growth or appreciation of stock prices rather than using stocks as a source of income and reinvestment. However, as the Baby Boomers retire and other investors seek more stable forms of income and returns, dividend earning stocks are getting a second look. Some stocks allow dividends to be automatically reinvested or you can have the payment sent directly to you for a small stream of passive income. If you are searching for dividend payments then do a little homework to determine how long each stock has been paying dividends. If only for a few years then it may or may continue. On the other hand, some companies have a long history of paying dividends such as:

Company	**Ticker**
Abbott Labs	ABT
Archer-Daniels-Midland	ADM
Automatic Data Processing Inc.	ADP
Avery Dennison Corp.	AVY
Bank of America Corp.	BAC

When examining dividend stocks look for: 1. How long has the company paid dividends? 2. Is the payment increasing, decreasing or maintaining? If changing - why?

58. How to Invest in the Stock Market: Myths

Myths about how to invest in the stock market abound. The truth is that you really can take control of your financial future and do quite well. Here are some of the most common myths surrounding stock market investing. 1. It requires advance training and college degrees. Nothing could be further from the truth. While education is certainly beneficial, the stock market is constantly changing. Invest in your own ongoing education by using online resources, read books and do your own intensive research into the industry and market. 2. You get what you pay for. When it comes to financial sales-people they would love to make you believe that your rate of return more than pays for the financial advice and expertise they provide. Sadly, the statistics show differently. Eliminating the middle man significantly increases the rate of return for many investors. Understand what you are paying for and then decide if it is really worth it. 3. Pay-for-Performance. Mutual fund companies have been criticized for high fees without demonstrated performance. Especially once the fees are subtracted, performance isn't always that impressive....some would even call it dismal. Don't pay to play if the fund doesn't perform.

59. Dollar Cost Averaging

Dollar cost averaging is a simple method of investing a specific amount of money at specific periods of time without consideration for the cost. For example; you decide to take $100 a week out of your paycheck and have it automatically set aside to fund the purchase of a stock or bond each week. For the sake of simplicity, the stock originally sold for $20 per share so each week you were initially able to purchase 5 shares. Later the stock price increased to $25 per share so now you can only purchase 4 shares. Notice, the number of shares has declined but the original value of the first shares increased. Month 1 Month 2 5 shares at $20 = $100 5 shares worth $25 = $125 The rationale is that buy purchasing at a steady rate, you will benefit from the increases while negating the decreases. But does it actually work? According to a landmark bit of research conducted by the Journal of Financial & Quantitative Analysis in 1979...No, it doesn't measure up to lump sum investing when comparing total return. Statistically speaking the overall rate of return was less for dollar cost averaging. On the other hand, dollar cost averaging does provide a return - just not quite as high as that of lump sum investing. It is also a valuable way to begin investing especially for new investors.

60. When to Sell Stock

The question of when to sell stock is not easily answered. On the one hand, you know a correction is coming but the question of "when" isn't so clear. Anyone who has ever sold early only to stand by and watch others reap in huge profits have felt the pain of premature sales. Sure, once the correction finally comes you might have some consolation but by that point your brother-in-law has a new convertible so what do you care that you were "right" but just a little early. Of course, the only thing worse than selling out early is selling late. Nobody wants to be the idiot holding the hot potato once the market cools. So, where is the happy medium? 1. Set a Sell Strategy in Advance...then stick to it! What is your performance goal for this stock? If it is 10% then sell when it reaches 10% and move on. Learn not to look back. Everyone has those "could have - would have" stories. 2. Cut Losers. Admit when you have made a mistake. Live and learn. It's part of the game. 3. Put it into writing. Use trailing stops or stop loss orders and other techniques to remain focused and take the emotion out of the equation.

61. Measure stock portfolio performance vs. Benchmarks

Measure stock portfolio performance vs. Benchmarks especially when trying to decide whether you need a financial planner or if your portfolio needs a major adjustment. The scenario goes something like this: you sit down for an annual review of your portfolio and find it hasn't moved...or worse, it's actually declined. Is it time to fire your financial manager - or in the case of acting as your own financial manager - is it time to hire one? It all depends. It is important to use an independent measure of performance before jumping to conclusions. If your portfolio is only up a couple points but the entire market has taken a turn for the worse then it might be time to celebrate. On the other hand, if the overall market is up 20 percent and your portfolio is lagging then serious attention is warranted. Great. So, what is an appropriate benchmark? Again, it depends upon your portfolio. Try to use widely recognized standards as a comparison: for example, the S&P 500 would provide a good overview for stocks since it is such a comprehensive index. Use a bond index to benchmark the bond portion and be sure to maintain an approximate level of diversity between stock and bonds.

62. Stock Index Explained

A stock index is a compilation of individual stocks. By measuring the compilation of similar stocks instead of just one or two stocks, a stock index provides information about that particular market or segment. Stock indices are typically related by some commonality: for example, the Dow Jones Wilshire 5000 is an index that measures or tracks almost every publicly traded stock in the United States. The Morgan Stanley Biotech Index is a small index that follows the biotechnology market. Each stock index has a specific focus that can provide highly specific or very generalized information. Interested in learning more? Explore new stock market indexes such as: Ethical Stock Market Indexes and Environmental Stock Market Indexes.

63. Beta and Bull

No, the title isn't suggesting the optimistic type of investing; but bull as in *baloney*. Beta has its uses and limitations. First, let's be clear about what beta is - and isn't. Beta is a measure of volatility of a stock as compared to the market. Sometimes the entire market is teetering on the edge so it is only natural that most stocks will follow suit. On the other hand, if the market is purring right along like a well oiled machine and a given stock is sending off volatility signals that look like an 8.0 on the Richter scale then an investor has the right to expect dramatic reward for that risk. Now for what beta isn't. Beta isn't a predictor of future risk. By its very nature, beta uses historical measures and then describes the current situation. Beta also isn't good at tracking upward or downward volatility. Once you understand beta then it is a useful tool.

Stocks with beta greater than 1 indicate greater risk and price volatility than the overall market.

Stocks with beta less than 1 indicate less risk and price volatility than the overall market.

Stocks with a beta of 1 approximate the risk and price volatility of the overall market.

64. Earnings Estimates

Past performance is not an indication of future performance. How many times have you heard that? Of course, earnings estimates provide one strong measure of potential future performance and are a mainstay of stock investing research. Earnings estimates are exactly what they sound like: an estimate of forecasted earnings. Notice the built in ambiguity? It's there for a good reason. Revised estimates are a given contingent upon market conditions, the overall economy and other unforeseen forces impacting the profitability of the company. You might wonder how analysts get away with forecasting earning estimates only to revise them - repeatedly - at the first sign of trouble. All too often, the average investor has already acted on the first estimate and is left holding a rapidly declining security - sans fees. Is there a solution? Yes, search for companies with upwardly revised earnings estimates and steadily rising analyst ratings.

65. Earnings Price Ratio

P/E Ratio. It sounds good and makes novice investors feel like they have a grasp of the situation but how valuable is the Earnings Price Ratio? Surprisingly, the price to earnings ratio is a useful tool but certainly not the holy grail of investing as it is sometimes made out to be. For those novice investors, the P/E Ratio provides a numeric representation of the value between the stock price and earnings. To derive the P/E Ratio you divide the share price by the company's EPS or Earnings Per Share. The formula looks like this: P/E = Stock Price/ EPS Simple really. So, what does the P/E Ratio actually tell you about the desirability of a stock? Potentially several things but each much be taken in tandem with other known metrics: 1. Market sentiment. An overly optimistic P/E Ratio can indicate the market expects big things from this company. Temper optimism with reality. 2. Over priced or over-bought. A high P/E Ratio can indicate a given stock is priced to high and ready for a correction. Be sure to compare against industry norms. 3. Lack of confidence. A low P/E Ratio may indicate a lack of confidence in the future of the company. 4. Sleeper. A low P/E Ratio might be a sleeper just waiting to be discovered.

66. How to Read an Earnings Report:

Earnings report stock trends, profit and more but making sense of an earnings report can seem daunting especially in light of Enron and Worldcom. What is the best method of making sense from earnings reports? First and foremost, read between the lines and don't be afraid of playing the role of cynic. 1. Don't rely on corporate sponsored press release statements. They tend to play up the positive and down play the negatives. A press release isn't required to comply with SEC (Securities and Exchange Commission) regulations so don't put much weight on it. Instead, take time to actually read the earnings report. It will include cash flow, income statement and balance sheet. That's a lot of good information for those who take the time to read it. 2. Dare to compare. Don't just look at quarterly growth but compare to year-over-year growth and even five year growth. Look for increased growth and be sure to take inflation into account before getting overly excited. 3. Track sales-to-receivable ratios. Abnormal ratios in this area are a common red-flag that could signify trouble ahead.

67. Return on Equity

What are they doing with your money? Have you ever wondered how well your money is really being managed by the corporations you hand it over to? After all, the media is full of stories about CEO compensation reaching new heights, buy-outs of non-profitable holdings, million dollar birthday parties and other horror stories. Return on Equity (ROE) is used to measure how much profit a company is able to generate from the money invested by shareholders. Think of this way; if your teenager asked to borrow $1,000 to start-up a small side business then chances are you would comply. When they came back to ask for $10,000 you would examine how well they performed with the initial $1,000 before making the next loan. It makes such good sense that you might wonder why more people don't use this handy little measure before pouring massive sums into a money pit masking as a company. Join the ranks of those in the know. ROE is easy to compute and provides valuable insight into the workings of the company. Think twice before investing in a company with a negative ROE. Instead, search out self-sustaining companies with a healthy ROE that indicates the willingness and ability to use invested dollars for future growth rather than operating expenses. A good ROE is 15% or better so keep your eyes - and ears - open for opportunity.

68. Stock Investing Research Checklist

Contrary to popular opinion, stock investing research doesn't consist of buying the stock of whatever company made it to the nightly news. It also doesn't require you to spend the next 20 years eating dinner while watching the Nightly Business Report. There is a happy medium. Use this handy stock investing research checklist to get started on painlessly taking control of your own financial future. 1. Find a low cost broker. 2. Pay attention to fees...especially maintenance fees. Inactivity charges are a favorite. Don't pay for nothing - literally! 3. Keep leverage to a minimum. You are paying your bank or broker for the benefit and eating away your own profits. 4. Make sure your account is insured. Recently the media was filled with headlines of a popular investment site going down the tubes. Don't put yourself at risk. Only deal with reputable brokers who are fully insured. 5. Try before you buy. Not all investment advice is what it is cracked up to be. Request a free trial account or newsletter before spending the big bucks. 6. Understand taxes. Taxes can take a major bite out of profits so understand what you are able to deduct, what records are required and the tax consequences of each decision. 7. Track Inflation. All of your investment decisions should take inflation into account. A good rule of thumb is to search for stocks that will provide a return equal to the rate of inflation plus current interest rates. 8. Diversify but know the industry. Invest in what you know. 9. Risk-free Returns. There are no truly risk free investments but federal savings bonds come close. Always compare your rate of return versus the rate available through federal savings bonds or other low risk investments. The risk should be proportionate to the reward. 10. Practice makes perfect. Use a virtual or fantasy stock trading game to try out your strategy.

69. Stock Market Research Myths

Everyone has their favorite stock market research myths but here are a few you might like to add to the collection: Fallen Angels Rise. The devil is in the details. The rationale behind this myth is that buying at a 52 week low leaves nowhere to go but up. Buying on price alone is a recipe for disaster. Companies can - and will again - be delisted. It is possible for a stock to decline even further. Buy value not vapor. **What Goes Up Must Come Down**. Really? Was Berkshire Hathaway expensive at $6,000 per share? What about at $10,000 per share? Who could have imagined $70,000 per share? That is just the point; the force of gravity doesn't apply to finance. Inflationary pressures alone dictate a continued upward momentum for the entire market so it is at least theoretically possible for any given stock to continuously increase. Notice - we didn't say "probable" just "possible". **Stock Market Investing is the Same as Gambling**. This really depends on how you go about it. If you follow the masses then chances are you will obtain the same returns...dismal. On the other hand, vast fortunes have been made by more than chance alone.

70. How to Read a Stock Trading Chart

Learning how to read a stock trading chart takes time. It's not something you can sit down and master in one afternoon but with a bit of practice and persistence it is possible. It's also a great skill as well as a pre-requisite for technical trading. Use this plan of action to get started: 1. Inform and educate yourself. Plan on spending some time reading, doing a bit of research and collaborating with others who use various methods. Compare your findings against theirs. Participate in a fantasty stock market game like Wall Street Survivor. Join a stock forum. 2. Set a schedule. Make research and trading a regular part of your routine. There is a lot to learn and the market fluctuates throughout the year. Holidays, seasonal changes, quarterly reports and more will gradually make more sense as you see the results reflected on the stock trading charts. 3. Use a checklist for each chart. Learn how to obtain specific information from each chart. For example:

- Is the stock trending up or down?
- What patterns do you see?

- Where are the support and Resistance levels?
- What does volume indicate?
- How strong is the trend?

71. Trading Classic Chart Patterns

Trading Classic Chart Patterns is the foundation for technical traders but what can the charts actually tell you? Quite a bit as it turns out. Bullish Trading Patterns with the best performance was found to be the descending triangle pattern with an average rise nearly 50%. Second in line: an intermediate-term rectangle pattern with over 40% rise. If that sounds interesting then the novice trader could do worse than learning some of the most common classic chart patterns or finding a copy of the book "Trading Classic Chart Patterns" by Thomas Bulkowski. Then take time to test out your skill by playing Wall Street Survivor online to see how you stack up. Trading classic chart patterns is as much of an art form as science but with time and patience it is possible and profitable.

72. Analyst Recommendations: Put Them to theTest

Analyst recommendations are supposedly trust-worthy but investors have grown weary and leery of putting their cold hard cash down on a stock only to encounter revisions, downgrades and outright madness just weeks later. Analyst recommendations tend to differ slightly depending upon the brokerage firm but most tend to center around the following ranges: Buy: Anticipated total return in excess of historic annual rate of 10% Hold: Neutrality anticipated. Sell: Negative return anticipated. In the wake of overly-optimistic analyst recommendations, a more realistic interpretation might be something closer to: Strong Buy: We think it will keep pace with federal savings bonds and at least you shouldn't loose money. Buy: Comparable to savings bonds but a lot more fun plus we get to keep the fees. Hold: Don't sell until we have cashed out. Sell: Get what you can because the market has already tanked and this baby is next in line to be delisted.

73. Create a Stock Watch List

A stock watch list is a lot like window shopping - you see something you like but you aren't quite ready to make it your own. Maybe the timing is wrong or maybe you want to comparison shop. Maybe you just like a bit of a tease to whet your appetite. Whatever the reason, creating a stock watch list is easy and a great way to stay on top of your favorite stock. Most online trading venues - and even fantasy trading games - allow you to create a stock watch list simply by typing in the ticker symbol. For example, Wall Street Survivor offers a stock watch list free for all Survivors. It's easy to track gain and loss, price over a period of time and even engage in a little self-defeating torment by calculating what could have been if you had purchased at a given time in the past. Some will even email an alert if a price hits your target range. Quick, convenient and motivating. Don't believe me? Create your own stock watch list and let it ride for a couple of years then check in to see what you have been missing. Ouch.

74. Profit

Profit. It could be one of the most misunderstood aspects of investing. If there is any greater indication of the average citizen’s financial ignorance it would be hard to find but then again, this is a society that actually fall for .99 cent pricing schemes over and over. There are actually two types of profit: economic profit and accounting profit. It's a good idea for investors and traders to understand both types. Economic profit is when you increase wealth after excluding the cost of making the investment including the "opportunity costs" of investing in the selected instrument. This is an important consideration. For example, if you had $1,000 to invest and decided to put it in a savings bond that earned 05% then you would have earned $50 before taking out taxes or other fees. Let's assume for the sake of the example you invested it into a stock that earned 15%...now you would have earned $150 or $100 more than the first example. By deciding to invest in the savings bond you missed the opportunity to invest in the stock. That missed opportunity is your "opportunity cost" and it comprises a real factor when determining economic profit. Accounting profit on the other hand is simply the money brought in from sales minus the cost of doing business including depreciation, wages, interest, loan repayment, cost of goods sold etc... Take both forms of profit into account when evaluating your personal investment strategy, prospective investment targets and performance.

75. Stock Volatility Information

Stock volatility information can be used in many different ways but here is a quick and easy bit of stock volatility information that you can begin using today: One to Two year volatility measures. Begin by examining the Highest High's (HH) as compared to the Lowest Lows (LL) then use the following formula: 100* (HH-LL)/(HH+LL) Compare to the midpoint to derive a midpoint range for volatility. If you are searching for... Stable stocks = < 10%. Midcap = 20% to 35% Speculative = 50%+

76. Open Interest

Price, volume and open interest are the three measures every investor should be well acquainted with. Most people inherently understand the importance of price and volume but open interest is usually the forgotten leg of the proverbial three-legged stool. Without it, you are likely to take a fall. The number of outstanding contracts by the end of the day is called "open interest"; it's a method of tracking the flow of money to the future market since each seller corresponds to a buyer at a given point in the future. The investor doesn't actually need to know when the finalization of the buy/sell cycle concludes; it's enough to measure the pending number of outstanding contracts to spot prevailing trends. New Money Flowing to Market = Rising Open Interest = Continuation of current trend Money Leaving Market = Falling Open Interest = Discontinuation of current trend Sustained Price = Leveling Open Interest = May Indicate Early Warning for Ending of Bull Markets.

77. Daily Volume & Price

Seasoned investors understand the relationship between price and volume: When price rises then volume tends to increase with it. Likewise, when price falls then volume tends to fall. Closely related is the general tendency for rising prices to continue rising and declining prices to continue downward - to a point. Increased volume is also generally followed by increased price. Combined, it doesn't take a rocket scientist to understand that increased prices combined with increased volume is the one of the strongest indicators of a bullish market available. You probably have already guessed that declining prices combined with decreasing volume would then naturally represent the most bearish market indicators possible. Prepare to Climax. A Buying climax is a slowing of price appreciation combined with rapidly increased volume. It typifies the market top just before a major bear market. Tough to recognize, it is a major advantage if you call it correctly. A Selling climax is an increase in the rate of price decline combined with rapid escalation in volume. It typifies the end of major bear markets.

78. Implied Volatility

The Implied Volatility (IV) or vols of a given security is an estimation - rather than actual measure - of volatility based upon the price of the security. IV will be impacted by each of the following to different degrees: 1. Bearish or bullish market. The more bearish the greater the implied volatility. 2. Market price. Price must be in keeping with expectation. 3. Interest rate. 4. Expiration date. 5. Strike price. All of these factors combined with a given pricing model is used as the basis for formulating various theoretical values. Some of the more common models include Black-Scholes, Newtons or Brent's Method but it should be noted, each is really a better measure of the relative value compared to the market segment as a whole rather than price of the individual security. A worthwhile instrument for those who track Implied Volatility is the CBOE (Chicago Board Options Exchange) Volatility Index or VIX. Also known as the "Fear Index" it is a commonly used measure of the expectation of volatility in the market for the next 30 days.

79. Investors Intelligence Sentiment Index

Every investor would like to believe their buy and sell decisions are objective, factual and based upon sound reasoning. Nothing could be further from the truth in the majority of cases. The fact is, sentiment plays such a large role in the financial world there is actually an Investors Intelligence Sentiment Index. Published by Chartcraft, the Investors Intelligence report is one of the most well known and continuous reports in existence. The purported rationale is to glean insight into market sentiment through an overview of adviser sentiment, newsletters, academic research and others reputed to be "in the know". Which brings us to the ultimate question: How well does it work? First, it's important to note that it is not an isolated tool nor does it attempt to be all things to all people. It is just one more small tool in the arsenal of investor knowledge and guidance. As such, it does what it is supposed to do fairly well. On the other hand, it's interesting to note the typical "disconnect" between academic research, advisor's, newsletter guru's and others who seem to perpetually disagree on almost any market condition at any given time; effectively neutralizing one another on the sentiment index. When they all begin to agree, a relatively rare event, then the index actually works by adopting a contrarian perspective. Extreme bullishness would indicate a coming downturn. Extreme bearishness signals an approaching reversal.

80. Mutual Fund Inflows: Follow the Money

Understanding where money has been is the first step in understanding where money is going particularly when it comes to mutual funds. The Law of Diminishing Returns dictates the rate of growth slows the longer it continues. Savvy investors understand this tendency and use it to precipitate a reversal or even change of investment vehicle. This is particularly useful to provide insight into the future moves of institutional investors who are often under severe pressure to maintain a reliable rate of growth for vast sums. One of the quick measures to keep a continuous eye on is mutual fund inflows. By measuring the absolute and relative rate of inflows it can provide an early indication of sentiment for both individual funds and the market as a whole.

81. The Pop Culture Guide to Investing

Pop culture dictates everyone can and should invest. While the concept behind the sentiment is correct, the actual methodology used by the masses leaves something to be desired. Are you a part of the pop culture investing? Take this quick quiz to find out. T/F My hot stock tips come from entertainment magazines or whichever company has its ten minutes of fame on the evening news. T/F Celebrity endorsements can drive up the price of stock faster than capital infusion. T/F The Oprah Index should be made official. T/F Mouse, Monitor and Media comprise your primary investment resources. T/F Your portfolio mimics the "Dartboard" portfolio. T/F WallStrip, Kramer Report and Video Game Player Press Release Information constitutes your investment research. T/F Start-Ups are always good - at any price. Just look at Google for proof. If you picked a T… you need to do some homework.

82. Put vs. Call Interest

Measuring the level of Put vs. Call Interest can tell you a lot about current market sentiment. In the most simplistic terms, a buyer is betting that a given stock or index will decline when they place a put. Likewise, a Call indicates confidence that the stock or index will increase. Most of the time, there is a buyer for every seller but occasionally, one or the other will predominate. By tracking the Put vs. Call interest level, it is possible to gauge an overly optimistic or pessimistic market tendency. Contrarian Interpretation. The Put vs. Call ratio is considered a contrarian indicator. Remember, the more people participating in any given movement will require a corresponding opposite effect. It takes courage to go against the market (by definition the very essence of contrarian investing) but to put it to the test, try it out in your virtual portfolio. The next time the put-call ratio indicates a market drop then take the opposite approach.

83. Volatility and Volume: Mad Money

OTC:BB, Penny Stock. Depending upon your personal constitution, at some time or another you have probably been inclined to throw a little mad money in the direction of some of the more volatile - and potentially lucrative - stocks. They can indeed be enticing if for no other reason than the ability to invest paltry sums with potentially stratospheric returns. So, what about the viability of the wager? Is there anything wrong with having a little mad money stash just to have fun with? Not necessarily. In fact, if handled correctly it might actually be possible to have a little fun and maybe make money along the way. 1. Volume Matters. Nothing is worse than buying a stock that you can't sell. Take a look at the daily (or in some instances - weekly) volume to make sure there is someone on the other end of the transaction. Novice investors are often surprised how limited volume can be and are taken aback when their sell order isn't immediately executed. 2. Sales and Earnings. Yes, it sounds old fashioned especially in light of the pop culture investing mentality but fundamentals still hold true. 3. Percentages Mislead. Especially when dealing with micro or penny stock. It just makes sense. If a stock is trading at a $1 and doubles to $2 then the percentage alone skews the total picture. Remember the Law of Diminishing Returns. 4. Use Caution. Setting aside a little mad money for those fun investment crushes is a great idea - just don't go overboard. Depending upon the total size of your portfolio there isn't anything wrong with using 2% to 10% of your investment dollars to roll the dice and try out your luck.

84. Volatility: Corporate Social Responsibility

Sometimes you can't win for loosing. You pour through the charts, read all the right research, have the Midas Touch when it comes to selection and you just Know it's a winning proposition this time. So, ante up, leverage to the hilt and go for the gusto...then hope against hope volatility is in your favor. This is volatility with a twist: Ethical Volatility. Say What? Yes, it's true. Corporate Social Responsibility or CSR is the newest buzzword in the world of finance and Ethical Volatility is the measure against which more and more are moving. Coffee beans heading up? Better check into the labor practices and pesticide use before placing the final wager on a specific stock. Interested in mining stocks? What sustainable practices are they implementing to off-set environmental damage? It is the new era of investing where CSR is taking an ever increasing level of importance for both individual and institutional investors. Individual investors are putting their money where their mouth - and hearts - have been for a long time so it comes as little surprise to see a growing trend when it comes to going green. On the other hand, corporations have been slow to adopt many sustainable or environmental efforts so why the recent change? Globalization. The pressure from European and other areas of the world to tighten up the sloppy practices has gathered momentum but even more importantly, those industrialized nations able to meet the more stringent regulatory and socially responsible criteria are now positioned to reap the financial rewards as well. Just take a look at the recent backlash against Chinese manufactured goods containing lead and other unhealthy issues. Begin implementing CSR volatility measures as a routine practice in your investment decision-making process as an added layer of protection.

85. Emerging Market Volatility

Throw away everything you think you know and understand about the stock market: Emerging markets and globalization require their own set of rules and metrics. 1. Analyze the volatility of returns rather than average rate of return. 2. Time sequencing of emerging markets provides greater insight than average rate of returns. 3. Understand distribution foundations. 4. Expect sequential growth and evolution based upon the time sequence of growth and maturity level of the emerging market. 5. Keep an eye on the national credit rating of the country. Yes, nations have credit scores too! Sovereign credit ratings can be located by visiting the IMF or International Monetary Fund.

86. Irrational Exuberance & Pop Culture Investing Trends

"Irrational Exuberance". Those two words might be the longest surviving legacy of Greenspan despite the current housing slump. In one short sentence of "Geek-Speak", former Chairman of the Federal Reserve summed up the results obtained by combining a bit of pop culture with low ignorance and enthusiasm. See if you can identify the current Irrational Exuberance & Pop Culture Investing Trends: 1. 2007 is a sucker's rally or the beginning of S&P 50,000? 2. Optimism is rampant. Long term P/E's are still running above average. Why? 3. Failure is Optional. Just don't admit it. 4. Savings below zero combined with negative amortization, minimal to zero equity and the greatest debt burden of any civilized nation in history. Any questions? 5. Baby Boomers. Immigration. Debt. Deficit. $70 trillion and counting. Can you spell INFLATION? 6. China. India. Three billion new capitalists. Hmmmmm. 7. Religion, Politics and Oil do Not spell Relief. Don't play pop culture BINGO with your investments. Instead, protect yourself and your family by making informed decisions about your financial future.

87. Trend Tracking

Interested in future stock volatility information? Take a look at these top trends that are most likely to impact your financial investment decisions in the coming years. 1. Social Service Process Engineering. The aging population, need for healthcare and medical resources plus shortages in sectors ranging from safety to teaching will require more precise measurement of productivity for the service sector. 2. The Global Marketplace. Not only will emerging economies continue to compete for building materials and fuel but the shift of information and resources throughout the world will increase at exponential rates as discretionary income grows. Simultaneously, mature markets are reaching levels of saturation with declining levels of savings and decreasing discretionary spending. 3. Telecommuting. The brain drain will continue as inexpensive labor with advanced degrees compete for medical, laboratory and other traditional technical careers. Local economies will shift as the need to live and work in the same location become incidental. Concentration of local economic conditions will be based upon shared interest, education and lifestyle leaving pockets of declining population and decreasing services, tax base and other provisions. 4. Global Green. As the ability for those with money to relocate or travel globally increases so will the desire to live and work in pristine conditions. Nations will impose pollution taxation and other measures while individual corporations compete by increasing the barriers to entry via the environmental impact. 5. Science of Management and Investing. It's not there yet but technology is gaining rapidly in the predictive quality of information.

88. Buy and Hold Basics

The buy and hold strategy is essentially just what it sounds like: Purchase stocks and then hold them for an extended period of time. The underlying assumption for the buy and hold strategy is that stocks tend to go up in price over extended periods of time. Research supports this trend in a growing capitalist economy and the strategy has made millions rich. There is also something to be said about not having to ride the emotional roller coaster with every increase and dip in the market...just buy the stock and check on it once in awhile. Is a buy and hold strategy right for you? Take this quick quiz to find out:

1. You are investing with long term goals in mind.
2. You are unlikely to need the additional cash on short notice.
3. You would like to reduce commissions and other fees.
4. You would like to reduce or defer taxes.

If you answered "yes" to any of the above then a buy and hold strategy might be a good fit for at least a portion of your portfolio.

89. Value Investing Made Easy

Value stock investing is solid and sexless right? Not necessarily. It's not always easy to determine if a stock is selling under the inherent value or simply dying. It can also be difficult to determine when - or if - a stock will reach its full potential; disruptive technologies, legislation and other market forces can dramatically alter the landscape of any potential stock. Originally attributed to Benjamin Graham, the grandfather of value investing, the goal is to buy stock in companies selling below book or appraised value. Value investing requires the ability to evaluate the intrinsic value of a company against the share price. Use the following as a foundation:

1. Price to Earnings/ PE Ratio
2. Dividends
3. Book Value
4. Cash flow

90. What's Your Swing Trading Strategy?

If you need to ask what swing trading is then chances are you need a little more experience under your belt before giving it a try. Swing trading can be thought of as a hybrid between day trading and holding long term. Swing traders typically hold for a few days up to a few weeks in relation to the volatility of the stock. George Soros is widely known for his use of swing trading strategies but don't expect the same results right out of the chute. Swing trading depends on the filter criteria used for the swing charts such as time or percentage of high/low. For those of you who like charts, swing trading is going to be right up your alley! The type of swing trading strategy selected will vary depending upon the stock, market volatility and to some degree...individual preference. Your swing trading strategy can be as simple as the classic Merrill method based upon a percentage of the price movement or other criteria like the Four week rule (buy when the price reaches a four week high and sell when the price hits a four week low). If you are interested in technical trading analysis then begin swing trading by learning to read and understand two or three of the better known systems. A few you might find interesting include:

1. Zig-Zag
2. Point & Figure
3. Kagi
4. Renko
5. Filter Waves

If you are brand new to swing trading then test your strategy right here at wallstreetsurvivor.com. Wall Street Survivor allows users to manage their own $100,000 fantasy stock portfolio while competing risk-free against friends, peers, colleagues or other players for the chance to win lucrative cash prizes.

91. Start Strategizing

Do you actually have a stock market strategy or are you merely making it up as you go? Take this quick quiz to see if your stock market strategy measures up:

91. I frequently buy or sell based upon "tips" or "intuition".

92. Buy what you know (Peter Lynch) is limited to companies advertising on the Super-Bowl.
93. Buy and Hold has no part in a modern day portfolio: It's only function is as an inheritance.
94. I consult the stars for my value investing strategy.
95. "Irrational exuberance" and the "bigger fool theory" account for most of my profits.

Seriously though, stock market strategy is as good as what you know. Learn about stock market investing and have fun doing it right here at wallstreetsurvivor.com.

92. Defensive and Cyclical Stock Market Sectors

A Stock Market Sector is simply a convenient way to compare and categorize stocks according to industry. Two popular classifications include "Defensive" and "Cyclical" stocks with defensive stocks consisting of staple goods or utilities and cyclical stock sectors comprised of most everything else. Stock market sectors allow you to compare a stock against others within the same industry; a prime consideration when investing. Understanding stock market sectors can also help you balance risk versus growth to suit your own situation. For safety or to hedge against risk in a falling market look to defensive stocks like utility companies. This only makes sense; people don't suddenly stop taking hot showers because the market has taken a turn for the worse. Instead, they pay their electric bill to keep the hot water flowing and cut back in other areas.

93. Momentum Stock Trading

Momentum stocks are measured by the rate of change over the past 20, 30, 50 or 250 days prior trading with special attention to the rate of change. Think of it like a rolling stone that picks up speed as it rolls downhill. It begins slowly but then continues to increase until hitting maximum velocity at which point it will stop or reverse itself. A similar situation happens in momentum trading: The rate of change often begins slowly and then gains momentum (hence the name) until a reversal point is reached. Momentum can be positive or negative representing increasing or decreasing prices. Momentum trading is a form of technical trading or technical analysis. Considered a bit simplistic by many, momentum trading is heavily reliant upon market timing as well as an inherent understanding of the stock or industry. So, is momentum stock trading in your future? Test your temperament:

1. Are you willing and able to spend time learning the sector or stock well enough to understand the drivers rather than the hype?
2. Are you an adrenaline junky? Apply elsewhere. Cool, calm and collective wins this game.
3. Are you good at making snap decisions?
4. Are you excellent at numbers with the ability to calculate on the go?

Want to try your hand at selecting momentum stocks without the risk? Put your own virtual portfolio to the test right here.

94. Day Trading Stocks Online

Herd mentality, the madness of crowds or pure genius...say what you will but day trading stocks online can build or break fortunes for those able to handle the challenge and inherent risk. Not for the faint-hearted, day trading isn't solely comprised of the fool-hardy novices depicted in the media. Many who specialize in this area have exceptional timing, understanding of the psychology of investing and equally impressive technical savvy to draw upon for their decision-making. Day trading is a skill that requires discipline, hard work and a lot of practice to master (a little luck never hurt either). Think you have what it takes to make a living day trading stocks online? How many of these can you define?

1. Adam & Eve Tops
2. Hell's Triangle
3. Hindenberg Omens
4. Bollinger Bands

If they sound more like twisted movie titles than trading terms then don't quit your day job just yet. Instead, try your hand at virtual day trading. With real cash prizes it might be the best investment you make this year!

95. Dividend Investing

Dividend investing seemed to fall out of favor and then make a come-back as baby boomers sought refuge from volatile markets, but many younger people have yet to discover the benefit of dividend investing. Dividends are the distribution of corporate earnings sent to shareholders. They usually consist of cash or shares of stock which can be cashed or reinvested. The emphasis of dividend investing is not on rising share price but rather return via anticipated distribution of earnings (although it's entirely possible to obtain both). At a fundamental level, dividend investing makes sense: Buy what you know and share in the profit each and every time you (or any of the other hundreds of millions of people on the planet) buy the item. If the idea of holding stock that generates cash payments then dividend investing might be a good addition to your portfolio. Use these criteria to explore potential dividend stocks:

1. Don't purchase a dividend stock exclusively on the basis of yield but rather assure the company is in a strong overall position to assure the continuity of your dividends.
2. Review the operating cash flow per share. No cash flow means no dividend.
3. Examine the history, industry and company before making a final decision.

4. Periodically re-evaluate your holding to head off potential problems in the future.

96. Buy What You Know

"Buy what you know", the famous phrase coined by Peter Lynch is a well used quotee but what does it really entail and how can it make you a better investor? In simplistic terms, buying what you know takes advantage of your familiarity with a product or market and translates that knowledge into potential earnings. Think of it this way; good investors understand opportunity and risk. They weigh the opportunity against the risk in order to determine the value of a potential investment. Without knowledge of the industry you don't have a method of ascertaining the reliability of information, ratios or reports associated with any company or stock. Warren Buffet calls it the "circle of competence" but more often than not, the "circle of incompetence" may better describe the majority of lay investors. Use these quick steps to identify potential sectors that would allow you to buy what you know:

1. Jot down areas of expertise and interest. This might consist of formal education and training or simply a hobby.
2. Narrow your list by selecting those items you enjoy learning more about. Buying what you know also requires diligent research to stay abreast of changing markets.
3. Research the industry.
4. Research individual stocks.

Try before you actually buy. If you are new to investing then spend time learning the ropes by setting up a virtual portfolio at wallstreetsurvivor.com. It's a risk free way to test your skill and knowledge.

97. Fibonacci Ratios in Finance

Think back a few years to high school and you will likely remember lessons dealing with the Golden Ratio and Fibonacci ratios. For those needing a little refresher, Fibonacci numbers are a sequence of numbers where each is the sum of the two preceding numbers (1,1,2,3,5,8,13,21,34 and so forth). This sequence of numbers forms various ratios including the infamous "Golden Ratio" which is .618. Other common Fibonacci ratios include .382, 618, 786 etc... Advocates of Fibonacci ratios point to the tendency of markets to mimic natural science so likewise, expect the ratios to hold true for investing as well. These ratios form the basis for critical points in the market and allow investors to forecast buying or selling opportunities once they identify the ratio sequence. Traders use Fibonacci ratios to predict the next high or low for a market or stock. Interested in learning more about Fibonacci ratios or want to test the theory without risk? Sign up for a virtual portfolio with wallstreetsurvivor.com and see for yourself it it really works or not!

98. Day Trading System

Do you have a day trading system? Do day trading systems actually work? Many investors swear by them and present enticing examples to support the use of a day trading system but for every advocate there is an equally vocal critic charging day trading systems simply cannot forecast the complexities of a market involving human nature. So, who is right? In many respects they both are correct. The market represents known variables as well as unknown variables. The known variables (price, exchange rate, economy etc...) are those things that can be tracked, measured and eventually systematized while the unknown variables (human behavior) is far less subject to quantifications. Don't believe all the hype you hear on late night infomercials; instead, take your time to try out various systems to understand how they work. Whether you adopt one or more for use in your own investing the knowledge gained from understanding what others are doing will be a distinct advantage in your understanding of market psychology. Use these criteria to evaluate any supposed day trading systems before spending - or risking - your hard earned money:

1. A good day trading systems is one that enhances your ability to make decisions - not removes you from the decision-making process.
2. It provides forecasting probabilities not simply historical precedents.
3. Forecasting is probabilistic - there are never any guarantees.
4. It is not based on "hot tips" or other questionable methods.

Not sure which day trading system is right for you? Try out a variety of different ones with your own virtual stock portfolio at wallstreetsurvivor.com.

99. Index Market Stock Strategy Trading

Index Market Stock Strategy Trading requires an understanding of the underlying index being tracked and the market forces at play. In simplistic terms, a stock market index is simply a compilation of stocks that are related; they might all be technology stocks, do business in a specific nation, belong to a certain exchange or so forth. There is a wide variety of indices to follow depending upon your area of expertise and interest with the most well known being the S&P 500. As always, investing in areas you know and understand provides a built-in edge. Many new investors find index investing to be a great way to diversify, keep expenses lower and still take advantage of tax savings but there isn't a one size suites all approach. Begin by exploring different indices and fund choices to decide if buying your own diversified portfolio of stock or an index fund is a better choice for you. Begin your home work by learning more about these popular Indices:

- Dow Jones Industrial Average (DJIA)
- Standard & Poor's 500 (S&P 500)
- Financial Times Stock Exchange (London's FTSE)
- Wilshire 5000

- Nasdaq Composite
- Russell 2000

100. Day Trading Signal

Before you quit your day job to take up day trading, test your response to each of the following:

- Quarterly earnings or sales are up more than 25 percent. Do you buy more or sell and take the profit?
- Company XYZ is trading below net cash at $7 per share; according to conventional wisdom do you buy?
- Market indexes are in a downtrend - is it a good buying opportunity or time to sell?

Confused about a day trade signal? Not sure when to buy or sell? Learn how to read, recognize and use various day trading signals.

101. Exit Strategies: How to Choose Your Stops

Knowing When to Sell is Important, stop losses are every investor's safety net against the inherent risks of the stock market. One big loser can eliminate a solid portfolio so protection is crucial. However, not everyone has the time and ability to continuously watch the market. Not everyone has their finger cocked on the trigger ready to sell at all times. The casual investor is often preoccupied with a variety of different things; there is precious little time to monitor the markets from 9:30am to 4pm. But that doesn't mean you can't take advantage of stop loss protection.

A dynamic new company called Smart Stops. is gaining a lot of attention lately with their ability to simplify and instruct the casual investor in all things exit strategy. SmartStops are sell triggers that help you identify when the price of any stock or ETF in your portfolio fall below a threshold that makes them likely to continue falling. SmartStops actively monitors your holdings and alerts you when a sell trigger is activated. SmartStops are calculated each market day using advanced analytics that combine a number of factors including daily market factors, historic trends and an optimal exit strategy. They produce both short-term and long-term exit points to better support varying trading strategies and risk profiles.

The SmartStops system is proven to be one of the most successful trading strategies around. Let's say you purchased 1,000 shares of S&P 500 ETF SPY in 1998. If you had been using a MACD strategy to determine exits you would have made $1,420 profit over the course of the next 10 years; using an 8% trailing stop strategy would have made you $20,610; if you used a buy and hold strategy you would have profited by $32,860. All those numbers are impressive and profitable. However SmartStops long term stops would have made you $44,600, and SmartStops short term stops would have made you $53,980!

In the downturn of 2008, SmartStops would have literally saved you fortunes. SmartStops alerted traders to get out of Merryl Lynch above $60 (currently at $10.74), Lehman Brothers at $58 (currently bankrupt), Google at $690 (currently at $437), and Fannie Mae at $61 (currently at $0.56). Don't watch your fortunes collapse around you. Locking in profits and cutting losses can save your portfolio.