

INVEST LIKE A PRO



B&A WHITE GROUP

Table Of Content

- 1 Looking To Get Started With Penny Stocks
- 2 Looking To Get Started With Penny Stocks
- 3 3 Steps To Profitable Stock Picking
- 4 Profitable Trading System
- 5 Chasing Value Versus Growth
- 6 Choosing A Stockbroker
- 7 How To Trade Stock Timing Is Everything

Looking To Get Started With Penny Stocks

If you are looking are thinking that Penny Stocks are a “Get Rich Quick Scheme”, I’m sorry to disappoint you. Although great fortunes can be made from penny stocks, people can also lose everything they invest in Penny Stocks. The most important investment you can make at the start of your investment career is to invest in education.

Why Education and not stock?

Diving head first into the stock market is a great way of losing your money which is why we don’t recommend it. The best thing to do is to read, read and read some more before investing. One of the best places to get free information on penny stocks and trading methods is from the internet.

Forums, websites, news sites and eBooks are a great way to improve your penny stock investment education. There are some great books that you can borrow from libraries or purchase cheaply from shops.

When reading on the internet, please be cautious of stock recommendations and strategies and methods. Stock recommendations and opinions from internet forums can be biased and cannot be fully trusted without doing your own research. Similarly, eBooks with strategies which promise great returns usually do not work as suggested. The reason for this is, even if the strategy worked well for the author, there is no guarantee that it will work for everyone else because everyone is different although you may learn something that you did not already know.

Google News has a business section which is group for free up-to-date information on stocks. Yahoo Finance also has good news section and also provides free charts and company information.

No matter who you get advice from, whether it’s from a financial consultant or friend, you should always carry out your own additional research. You should make decisions based on facts rather than opinions.

Looking To Get Started With Penny Stocks

If you are looking are thinking that Penny Stocks are a “Get Rich Quick Scheme”, I’m sorry to disappoint you. Although great fortunes can be made from penny stocks, people can also lose everything they invest in Penny Stocks. The most important investment you can make at the start of your investment career is to invest in education.

Why Education and not stock?

Diving head first into the stock market is a great way of losing your money which is why we don’t recommend it. The best thing to do is to read, read and read some more before investing. One of the best places to get free information on penny stocks and trading methods is from the internet.

Forums, websites, news sites and eBooks are a great way to improve your penny stock investment education. There are some great books that you can borrow from libraries or purchase cheaply from shops.

When reading on the internet, please be cautious of stock recommendations and strategies and methods. Stock recommendations and opinions from internet forums can be biased and cannot be fully trusted without doing your own research. Similarly, eBooks with strategies which promise great returns usually do not work as suggested. The reason for this is, even if the strategy worked well for the author, there is no guarantee that it will work for everyone else because everyone is different although you may learn something that you did not already know.

Google News has a business section which is group for free up-to-date information on stocks. Yahoo Finance also has good news section and also provides free charts and company information.

No matter who you get advice from, whether it’s from a financial consultant or friend, you should always carry out your own additional research. You should make decisions based on facts rather than opinions.

3 Steps To Profitable Stock Picking

Stock picking is a very complicated process and investors have different approaches. However, it is wise to follow general steps to minimize the risk of the investments. This article will outline these basic steps for picking high performance stocks.

Step 1. Decide on the time frame and the general strategy of the investment. This step is very important because it will dictate the type of stocks you buy.

Suppose you decide to be a long term investor, you would want to find stocks that have sustainable competitive advantages along with stable growth. The key for finding these stocks is by looking at the historical performance of each stock over the past decades and do a simple business S.W.O.T. (Strength-weakness-opportunity-threat) analysis on the company.

If you decide to be a short term investor, you would like to adhere to one of the following strategies:

a. Momentum Trading. This strategy is to look for stocks that increase in both price and volume over the recent past. Most technical analyses support this trading strategy. My advice on this strategy is to look for stocks that have demonstrated stable and smooth rises in their prices. The idea is that when the stocks are not volatile, you can simply ride the up-trend until the trend breaks.

b. Contrarian Strategy. This strategy is to look for over-reactions in the stock market. Researches show that stock market is not always efficient, which means prices do not always accurately represent the values of the stocks. When a company announces a bad news, people panic and price often drops below the stock's fair value. To decide whether a stock over-reacted to a news, you should look at the possibility of recovery from the impact of the bad news. For example, if the stock drops 20% after the company loses a legal case that has no permanent damage to the business's brand and product, you can be confident that the market over-reacted. My advice on this strategy is to find a list of stocks that have recent drops in prices, analyze the potential for a reversal (through candlestick analysis). If the stocks demonstrate candlestick reversal patterns, I will go through the recent news to analyze the causes of the recent price drops to determine the existence of over-sold opportunities.

Step 2. Conduct researches that give you a selection of stocks that is consistent to your investment time frame and strategy. There are numerous stock screeners on the web that can help you find stocks according to your needs.