HOW TO MAKE MONEY TRADING FINANCIAL MARKETS

Discover how the experts make huge gains whether the market is booming, crashing or even flat

Including *Ten Top Trading Tips The Professionals Don’t Tell You* by Best-Selling Author, Vince Stanzione
Contents

My background and how I can help you ................................................................. 03
Introduction to Spread Betting – What you need to know ............................... 06
How to place a spread bet ...................................................................................... 08
How to protect your downside without capping your profits ......................... 10
How to pick winning trades and follow a system ............................................. 11
Winning traders trade what they SEE not what they think ............................ 14
10 tips from a trading veteran to help you put the odds in your favour ........... 16

Sharing this document
We welcome you to share this document with your friends and family however we ask you not to make any changes.

Published by: First Information

Copyright 2017 Vince Stanzione First Information all rights reserved

info@fintrader.net

www.winonmarkets.net

Risk warning - disclaimer

Information and strategies contained in this guide are intended as educational information only and should not be used as a sole trading guide. International currency, stock index or commodity prices can be highly volatile and unpredictable. The past is not a guide to future performance and strategies that have worked in the past may not work in the future. Trading involves a high level of risk and may not be suitable for all readers. The value of any trade, and income derived from it, can go down as well as up and your capital is at risk. Although due care has been taken in preparing this document, we disclaim liability for any inaccuracies or omissions.
My background and how I can help you


I don’t tell you this to impress you; this is not about my financial success, it’s about achieving yours and making your money work harder for you but if you are going to learn to trade I believe you should do it from someone that is successful, as the old saying goes "you don’t want to buy a hair tonic restorer from a bald man".
Low Interest rates are here to stay

If you’re sick of earning 1% a year on your hard earned savings, fed up of investing with “experts” that can’t beat a blindfolded monkey and consistently lose your money, but still charge you high fees, or have tried a trading system, but failed miserably because it was too difficult, too complicated or just too time consuming... then this for you, it’s time to learn what the professionals do and start making money from financial markets.

Financial markets are open to everyone not just the fat cat bankers

In today’s fast moving global financial markets there are massive opportunities to profit from up, down and even sideways market movements. Every day there are opportunities in financial markets such as Crude Oil, Gold, Coffee, Corn, Shares, Currencies, financial indices like the Dow Jones and FTSE100.

The once closed off areas which where only open to the “fat cat bankers” are now open for anyone with nothing more than internet access and a small amount of capital.

In my “Making Money From Financial Spread Trading” course I share my experience in a simple to follow way, with no jargon. Through my workbook, DVD’s and website you too will learn the secrets to making money from financial markets and how to profit from up, down and even sideways market movements.

Within less than 30 days you will be able to trade markets, including shares, commodities, currencies and bonds. You will get access to a virtual account so you can practice your skills and then, when you’re ready, start using real money.

The step-by-step system does not involve watching a screen all day; you can place and check trades at a time of day that suits you. Most days you will not have to spend more than 15 minutes, trading markets is an excellent way to make an extra second income.
Why making money from financial markets makes sense

Consider this:

You can operate from anywhere that has internet access which these days is about everywhere so your “office” can be your favourite café or a remote log cabin.

No selling, getting friends involved, no staff and no red tape.

You can start with small amounts and build up.

Your risk is strictly capped, yet your gains are unlimited.

For those in the UK, Financial Spread Betting is TAX FREE. If you’re outside the UK you can still use my system and I have a special edition for those based in the US.

You can also use my system for trading shares and these can be traded in an ISA which currently allows you to invest £20,000 a year with all profits being tax free.

I have successful students in over 109 countries. This system can be used globally with various trading accounts including Financial Spread Betting, CFDs, Futures, Margined FX or traditional buying and selling of shares.

A quick guide to trading financial markets

This booklet will not make you a financial genius, rather it will give you a good outline and understanding for trading financial markets and how to avoid many of the pitfalls others make when trading markets.

I will go through Financial Spread Betting or Spread Trading but the same applies to those wishing to buy and sell shares via an online broker.
Introduction to Spread Betting –
What you need to know

Financial Spread betting also known as Financial Spread Trading has seen massive growth over the last decade in the UK and is a flexible and tax-efficient way to back anything from shares, currencies, commodities and even interest rates (Bonds).

Financial Spread Betting lets you gain exposure to the performance of key markets, without having to put up the full value of the transaction, as you’re trading on margin.

So you can profit from market moves while only putting forward a margin deposit as collateral, this can be as low as 5% of the contract value. Think of it like a mortgage on a house where you only put up a deposit.

As your transaction is a bet, your profits are free from UK capital gains tax and income tax, and trades on individual shares are free from stamp duty. Those outside the UK may also be able to Spread Bet, however, the same tax advantages do not apply.

A similar product called a Contract for difference or CFD is available to you in most parts of Europe, Australia, South Africa and Singapore.

Q: Which market can you profit from?

A: All of them
One of the major advantages of Financial Spread Betting over conventional share trading, is that it is just as easy to go short as it is to go long. That is, you can profit even when a particular market is falling, you simply open a SELL/DOWN bet rather than a BUY/UP bet. Other methods of shorting shares are often expensive and not easily available to smaller private traders.

Financial Spread Betting can be used to trade from less than one minute up to 12 months and can be used to cover a range of different investment strategies. For instance, you could use spread bets to hedge the value of your existing holdings, Hedge against a currency exchange movement or to speculate on market volatility.

You also have the flexibility to respond quickly to any changes in market conditions as most Financial Spread Betting companies are open 24 hours a day. Financial Spread Betting companies have been at the forefront of technology and it is now possible to trade on a mobile device such a smartphone or tablet.

As the popularity of Financial Spread Betting has grown so have the number of Financial Spread Betting Brokers, as traders this is good news as the competition has lead to better products, lower spreads and smaller bet sizes.

Another advantage is the ability to trade in your base currency, for instance sterling, even though the market may be traded in US Dollars, for example, Gold or Oil, this means you don’t have to worry about exchange rates.
How to place a **spread bet**

The good news is that most brokers offer a virtual account so you can practice trade before you risk any real money and then you can see how trades work with live market prices but without putting any of your money at risk.

A spread bet will have two prices the BID (SELL) and the OFFER (BUY). The BID is what you can sell at which is the lower price and the OFFER is what you can buy at the higher price. The difference between the BID and OFFER is the spread or, in other words, the brokers' profit margin.

As traders we want the spread to be as narrow as possible as we need to get past the spread before we make any money.

Let’s look at an example on trading VODAFONE Shares.

With a spread bet we also have an expiry date these are normally three months ahead with the main contract being March, June, September and December.
Just because you place a trade with an expiry date, of say September, you can close out before. Also as a trade approaches expiry date you can also roll over to a further dated contract.

There are also Daily Funded Bets (DFB) which last for one day and then automatically close and re-open for the next day. The problem with these trades they can become expensive if a trade is held more than a few days, so you would be better off with a longer dated contract where you pay the initial spread upfront but then have no daily funding costs.

**Trade Size**

Staying with the VODAFONE example lets say we want to buy £10 a point (that’s the same as owning 1000 shares). Our buy price is 218.97 to make it easier we’ll round it up to 219.00. a point is the same as a one pence movement so 219 to 220 is 1 point.

In this example we buy £10 a point at 220.

A few days later the price is quoted at 226/227 so we now sell £10 at 226

Our profit is 6 points x £10 so £60.

Of course we can also do the opposite and profit from a falling price so we would sell first and then buy to close after.

**Exposure with only a deposit**

If you buy 1000 shares in VODAFONE at 227, via a stockbroker, you will be asked for the full amount within a few days so, in this case £22,700.00. You would also pay stamp duty in the UK and the brokers commission.

With a Spread Bet you would only need to pay a deposit of 5% so around £1135.00 which is just a margin or deposit. This gives you leverage which means a small movement leads to a larger gain or, of course, loss.

**Example of a short trade on the FTSE100 Index**

The FTSE100 index is trading at 7100/7101 we decide to sell £1 a point at 7100 (we sell at the lower price).

Two weeks after the FTSE100 is trading at 7020/7021 so we close our trade at 7021.

So we sold at 7100 we bought back at 7021 and our profit was 79 points X £1 a point so £79.

Of course had the FTSE100 moved higher than we would have lost money.
How to protect your downside
without capping your profits

Adding a STOP LOSS

With Spread Betting it is possible to place a STOP LOSS which allows you to limit your risk. Most financial bookmakers will also allow a guaranteed stop lose which, as the name suggests, guarantees your maximum risk, however, the upside is still unlimited so your maximum risk is known at the outset, for example, £200 total risk.

Let’s look at placing a spread bet in Gold with a guaranteed stop loss.

Gold is trading at 1200/1201 and we think Gold will move higher so we buy £2 a point at 1201. We now want to also protect our downside so we place a stop 50 points away, in this case 1151.

Unfortunately, Gold does not go higher, as expected, and starts falling sharply, however, as we have a Guaranteed Stop Loss so we are closed out at 1151, therefore our loss was £2 x 50 points £100.

Summary

Placing a spread trade either online, via your phone or tablet or via calling a dealer (yes, you can still phone and speak to a dealer) is a fairly straightforward process.

From one trading account it’s possible to trade Shares including UK, European and US, Currencies, Commodities and Bonds.

Many markets are open 24 hours a day and, even if they are closed, you can place orders which we executed once the market opens.

If you follow the basic principles and ensure you have a guaranteed stop loss your risk is strictly capped but your gains are unlimited.

Before using real money you can practice trade with a virtual account.
Now you know the basics of placing a spread bet the big question you are likely asking is how do I pick winning trades?

In my course “Making Money From Financial Spread Trading” I explain the exact system I use, to know when to buy and, more importantly, when to sell. I have developed this over many years with the aim to remove emotions and make the trading decisions systematic.

The only way to be successful at trading financial markets is:

1. To treat it as a serious business. Regardless if you are only starting small you have to have a trading system and plan. Many trading markets are gambling and trading on hunches and tips which is why the majority do not make money.

2. Many spend too much time focusing on when to get into a trade whereas the most important part is getting out. My system has an exact exit rule. Once you are in a trade it can be hard to know when to exit and emotions can get in the way, especially when a trade is going against you, hence having a system to exit is so important.

3. Many new trades mistake luck with being good. I have seen new trades place relatively large trades for their account sizes and make very large gains quickly only to lose all there gains equally as fast.
It’s not how often you win – it’s keeping losses small and wins BIG

Most new trades think it’s all about how many winning trades you have whereas, truth is, I can make money even if I am wrong more times than I am right. In fact, I can be wrong 80% of the time and still make money and here is how:-

If I lose £100 on 8 trades but I make £500 on the 2 winning trades then I am still up. The fact that my win to lose ratio looks awful, I am still making money and as a trader that is all we care about.

When I was a broker I had access to 1000’s of accounts so I could see what clients where doing and, of course, the majority would do the opposite they would take profits quickly and let the losing trades run and run because they did not want to be “wrong”. Being “wrong” is just part of the business and its pointless arguing with the market and wanting to be right. All the most successful traders are good at cutting losses and moving on.

Hoping is not a trading strategy

I often see those with losing trades “hoping” that they would turn around. You cannot afford to trade and invest like this – if something is not working out as planned cut it and get out – taking a small loss now is less painful than taking a big loss later.

Technical Trading How I started and why I trade technically

When I first started in the stock market my main focus was fundamentals. I would read newspapers, study accounts, research company information and while this was interesting the truth is that I never made any money from this approach. Good news would come out and the share price would go down.

Companies that had massive valuations and, based on fundamentals, were over bought and expensive continued to go up.
I then realised that “common sense” normal company analysis just did not work over the short to medium term; true fundamentals do always catch up in the end. During the end of 1999 and up to around May 2000 we had the great internet DOT COM, telecom and technology boom. Companies that made no money, had no hope of making any money and on historic valuations which made your eyes water, continued to go up, and well run companies with cash and good earnings were dumped.

Of course it had to end and the fundamentals started to take over but I then realised “The market can remain irrational longer than you can remain solvent” as economist John Maynard Keynes once said.

One of the life changing moments in my trading was reading some very old books which are still in print today. With some of the rules that I tested from various reading, together with my trading and computer experience, I was able to develop the trading style I use today and I will teach you in my course.

My main style is “trend trading” and allows me to make money from up and down moves in financial markets. I can use this system on shares, currencies, indices and commodities.

The system works on the basis that “price is king” Rather than trading on what you THINK you trade with what you SEE
Winning traders trade what they see not what they think

If the price goes to 60, 61, 65, 70, it is going up, it doesn’t matter what the indicator or news says or what you THINK should be happening, the price tells you the truth and should always be obeyed. Many new traders lose larger amounts of money trying to pick the top or a bottom, this is risky and not required to succeed – unless you have psychic powers then stick to a trading system and don’t guess.

Managing Risk

In trading and investing we are dealing in unknowns and factors out of our control – what you can control is the amount of money you risk on any one investment. However sure you are that XYZ is going to soar make sure you only invest a percentage of your trading bank then should it not turnout as you hoped you can still live to fight another day. If you money manage and keep losses small and your wins big then you can lose more times than you win and still make money.

Don’t get carried away by technology

I use technology to help me filter shares, however, I am not looking at my phone all day.

I use basic charts to help me identify trends and set rules on when to get in and, more importantly, out.

Just to be clear, you don’t need to be good at maths or be a computer wizard to be a profitable trader just some basic skills and the ability to follow my tired and tested system.
Don’t have a directional basis or a fixed view

Many want to either always to just buy and go long a market, others are always bearish and want to go short – a good trader should be neutral and happy to trade markets either way. For example, I may be long a stock, such as Apple, for many months that is in an uptrend and then when it breaks that trend he will sell and go short, allowing me to profit from Up and Down moves. I don’t fall in love with a stock or a currency.

Now turn over for my
Ten Top Tips to Help You Get Started in Financial Trading
10 tips from a trading veteran to help you put the odds in your favour

When you have been trading futures, options, stocks and commodities for over 30 years, it can be easy to forget what it was like starting out. In this booklet, I will share with you some of the secrets that I wish I’d known when I started trading. Whilst I have focused on Financial Spread Betting, the principles I outline are valid, regardless if you’re using CFDs, FX, Futures, Exchange Traded Funds, or just buying shares via a stockbroker.
You can make money in all market conditions up, down and even sideways

While many areas of the media report grim headlines, what they forget to tell you is that opportunities to make money as a smart trader are all around you. Today, thanks to spread trading, you too can profit from markets, shares, currencies and commodities to go down (Short Sell) or to go up (Long Buy). You can even trade sideways (Barrier Range), where you would bet for a market to stay in a trading range, such as the FTSE 100 to stay within a range of 6,800 to 7,000 for the next 10 days. This can be done via a bookmaker such as www.binary.com

Remember, shares and markets fall faster than they rise. So you can make faster returns in a falling market than in a rising one.

For example, Crude Oil went up for around 5 years, but then reversed nearly all the games in 5 months in late 2008.

Financial Markets take the “stairs up and an elevator down”

Financial markets are like a see-saw; if money flows out of one market, such as equity markets, then it flows into another market, such as commodities or bonds. A good example of this was where money flowed out of stocks and into US treasury Bonds.
If the US dollar is weak, then the Euro, Swiss or Australian Dollar will be strong. Trading is a zero sum game; you always have a winner and a loser. In the currency (FX) market we are always trading one currency against another for example EUR/USD or GBP/JPY.

<table>
<thead>
<tr>
<th>Markets</th>
<th>Sell</th>
<th>Buy</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD/USD</td>
<td>7978.0</td>
<td>7978.6</td>
<td>-27.2</td>
</tr>
<tr>
<td>EUR/CHF</td>
<td>11249.2</td>
<td>11251.2</td>
<td>93.2</td>
</tr>
<tr>
<td>EUR/GBP</td>
<td>8916.0</td>
<td>8916.9</td>
<td>-26.6</td>
</tr>
<tr>
<td>EUR/JPY</td>
<td>13022.5</td>
<td>13024.0</td>
<td>-22.1</td>
</tr>
<tr>
<td>NZD/USD</td>
<td>7501.9</td>
<td>7503.9</td>
<td>-16.0</td>
</tr>
<tr>
<td>USD/CAD</td>
<td>12508.8</td>
<td>12510.5</td>
<td>64.6</td>
</tr>
<tr>
<td>USD/CNH</td>
<td>67400.1</td>
<td>67415.1</td>
<td>-26.6</td>
</tr>
<tr>
<td>USD/RUB</td>
<td>593813.8</td>
<td>594813.8</td>
<td>-2545.5</td>
</tr>
</tbody>
</table>

Also, don’t just think about your home market. Most UK based traders only buy UK listed stocks. However, it’s a big world out there and it’s as easy for you to trade Apple, Total SA, and China Telecom as BT Group.

Many also have a directional bias, such as always wanting to be long or always negative. A good trader should be happy to trade and profit from up or down movements. I often stop and reverse trades. So for example, I may be Long Netflix (NFLX) and then when the trade is closed, I can then open a new short trade and profit from a down move.
2

Start small and build up

No successful trader starts out in a big way. For my own trading, I started out with £2,000 of risk capital. Today I trade £100,000+ per transaction without even blinking.

Thanks to small bet sizes and practice accounts offered by some financial bookmakers and brokers, you can trade via a real system with no risk. This beats the old paper trading game. Then you can start trading with small stakes and build up.

One of my secrets of success is using the power of compounding profits and trades.

Many new traders often try to carry too big a position with too little capital, and trade too frequently for the size of the account. I see new traders wanting to trade in the most volatile or “exciting” markets, when the truth is, they should be trading more conservative slower moving markets, especially when starting out.

A Grain of Rice

The daughter of the Chinese Emperor was ill, and he promised riches beyond compare to whoever could cure her. A young peasant named Pong Lo entered the palace. With his wit and bravery, he restored the Princess’ health and won her heart. As a reward, Pong Lo asked for her hand in marriage. The emperor refused and asked the peasant to think of anything else he would like.

After several moments of thought, Pong Lo said, “I would like a grain of rice.” “A grain of rice! That’s nonsense! Ask me for fine silks, the grandest room in the palace, a stable full of wild stallions - they shall be yours!”
“A grain of rice will do” said Pong Lo “But, if his Majesty insists, he may double the amount every day for a hundred days.”

So, on the first day, a grain of rice was delivered to Pong Lo. On the second, 2 grains of rice were delivered, on the third day 4 grains, and on the fourth day 8 grains. On the fifth day 16 grains, on the sixth day 32 grains, on the seventh day 64 grains, on the eighth day 128 grains. By the twelfth day, the grains of rice numbered 2,048. By the twentieth day 524,288 grains were delivered. And by the thirtieth day 536,870,912 grains - requiring 40 servants to carry them to Pong Lo.

In desperation the Emperor did the only honourable thing he could do, and consented to the marriage. Out of consideration for the Emperor’s feelings, no rice was served at the wedding banquet!

(Retold from “A Grain of Rice by Helena Pittman)
Diversify

The advantage of trading with a financial bookmaker, and now with the vast number of Exchange Traded Funds (ETFs), is that it allows you to trade numerous products, such as currencies, commodities, stocks and bonds, all from one account. Yet most customers stick to FTSE or DOW.

By diversifying your bets, you reduce risk, especially in non-correlated markets. For example, the S&P500, Dow, FTSE and the Dax are all major stock indices.

As such, you can safely say if the S&P goes down, the others follow.

However, if you traded one of the above, and also Gold, Oil, Wheat or $/Swiss Franc, you would have a far better balanced account.

Another successful strategy that I trade, is trading sectors or Sector ETFs. For example, you could bet one sector to go down, such as Financials, and one sector to go up, such as Consumer Staples.

You can trade on major sectors, both to go Long (buy) and to go Short (sell). You can also spread bet many Exchange Traded Funds, which enable you to take a view on a certain sector such as Nuclear Energy, Mining or Agriculture.
Here is an example of the Technology Sector ETF (XLX)

One trade gives you exposure to a basket of technology shares (72 in total) including
AAPL  Apple Inc, MSFT Microsoft Corp, FB Facebook and GOOG Alphabet

The ten S&P500 sectors which can be traded via a spread bet, traded options or bought via an online broker are:

- Consumer Discretionary Select Sector SPDR Fund - XLY
- Consumer Staples Select Sector SPDR Fund - XLP
- Energy Select Sector SPDR Fund - XLE
- Financial Select Sector SPDR Fund – XLF
- Real Estate Sector SPDR Fund - XLRE
- Health Care Select Sector SPDR Fund - XLV
- Industrial Select Sector SPDR Fund - XLI
- Materials Select Sector SPDR Fund - XLB
- Technology Select Sector SPDR Fund - XLK
- Utilities Select Sector SPDR Fund - XLU

It’s possible to be long on sector and short on another, or you could be long the S&P500 and short the Financial Sector.
Know your personality and trading style

While “day trading” and short term bets may sound exciting, the truth is that my wealth has not come from short term bets. It has come from trading trends over weeks, months and years.

While brokers and bookmakers like to generate more business from active customers, the winners in the long run are the least active traders.

For many readers that are more conservative, and with a little grey hair, you will not be suited to short term in and out trading. As a trend trader, I am not glued to a screen all day and only check prices at the end of the day; on some trades, I only check once a week.

Many new traders confuse being “busy” with making money. In many cases, a good trending stock can be left to run. This can be far more profitable than trying to second guess each twist and turn.

Do be careful with the online dealing and now with the new services available on smart phones and devices like the iPad and iWatch. It can be tempting to over check prices and overreact to short term movements.

Remember, millions of pounds have been invested in these new online dealing platforms. But for whose benefit?

I look at shares and markets as if they are people - Stocks often act like people. You have various personalities and a stock can change from one to another.

Personalities can be aggressive, steady plodders, hyper, which normally burn out, and predictable. Charts and a moving average can help you spot the personalities which you can trade. There is nothing wrong with hyper stocks but understand that you are playing with fire.

Protect yourself with stops and be ready to walk away when it all ends.

Most new traders overtrade without doing enough research. Many do not understand how much risk or exposure they have entered into. I remember one client opening up £10 a point on the Italian MIB thinking that was a small trade. At the time the MIB index was 43,500 and a move of 500 point.
Money management is the key to survival

A good trader does not need to make money that often. In fact, you could get 80% of your trades wrong and still make money. Let’s say you lose £100 on 8 trades and you then make £500 on two trades. You are in profit, even though your win to lose ratio is terrible.

However sure you are that the market will crash or XYZ is going to soar, make your first trade a small one, and then, if you are correct, add more to that trade.

Pyramiding a successful trade is the key to making large returns. Never add to a losing trade!

Financial Spread Betting, CFDs and Futures are leveraged products. Therefore, a relatively small movement can be magnified. This is great when it goes your way, but not that nice when it does not.

For example, if you bought 1000 shares of Vodafone at £2.20, that would be an investment of £22,000. With a spread bet, you could bet £10 a point (the same as 1000 shares). However, you would only need around 5% deposit of £1,100 and you would still have the exposure with a smaller investment.

Leverage is not a bad thing to have, but you need to treat it with respect; many new traders go to the maximum leverage limit they can have.

However, it would be wiser to use less leverage—you don’t have to drive at the maximum speed limit!

However “smart” we think we are in trading and investing we are dealing with unknowns, what is known and what we can control is how much we decide to risk on each trade, and that is what you should be spending more time on.

Vince Stanzione
6

Cut your losses and let winners run –
Spend more time planning your EXIT

Everyone tells you this, but few can do it. Trading comes down to psychology; everyone wants to win and no one likes to be wrong, or be classed as a loser.

Most unsuccessful traders take profits quickly, yet they will let losing trades run and run in the hope that things will get better.

When I was a broker, I would see this all the time. Clients wanted to get out of winning trades and found it easy to close these out, but getting them to close losing trades was near impossible.

The table shows what you have to make back to recover your losses.

Returns needed to break even

<table>
<thead>
<tr>
<th>Percent Loss</th>
<th>Percent Gain</th>
<th>Percent Loss</th>
<th>Percent Gain</th>
</tr>
</thead>
<tbody>
<tr>
<td>5%</td>
<td>5.3%</td>
<td>55%</td>
<td>122.2%</td>
</tr>
<tr>
<td>10%</td>
<td>11.1%</td>
<td>60%</td>
<td>150.0%</td>
</tr>
<tr>
<td>15%</td>
<td>17.6%</td>
<td>65%</td>
<td>185.7%</td>
</tr>
<tr>
<td>20%</td>
<td>25.0%</td>
<td>70%</td>
<td>233.3%</td>
</tr>
<tr>
<td>25%</td>
<td>33.3%</td>
<td>75%</td>
<td>300.0%</td>
</tr>
<tr>
<td>30%</td>
<td>42.9%</td>
<td>80%</td>
<td>400.0%</td>
</tr>
<tr>
<td>35%</td>
<td>53.8%</td>
<td>85%</td>
<td>566.7%</td>
</tr>
<tr>
<td>40%</td>
<td>66.7%</td>
<td>90%</td>
<td>900.0%</td>
</tr>
<tr>
<td>45%</td>
<td>81.8%</td>
<td>95%</td>
<td>1900.0%</td>
</tr>
<tr>
<td>50%</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What I suggest is that you have a mechanical approach to exits and entries. That is, you have a get out point set on opening a trade. I cover this in full in my course Making Money From Financial Spread Trading.

Financial Bookmakers offer a guaranteed stop loss on most products. This means that you can place a bet knowing that the most you can lose is known, say £200. Yet your profit could be unlimited.
Another good tip is to trail stops, which is to lock in some profits but keep the trade running. Once a trade moves into profit, you could move the stop loss to your entry point. This means that the worst case scenario is a break-even trade.

A price channel or “Donchian Channel” can easily be added to a price chart. In this example, we see a 20 day high and low channel; as the price moves up, so does the channel. Think of the channel as a safety net which allows you to lock in profits.

Most new traders spend too much time planning when to get in and buy, when in fact, they should spend much more time on the exit strategy and how much they are going to trade. In my course I explain exactly how to get in and out.
7

Treat Financial Spread Trading and investing like a business

If you want to make real money, you need to treat this as a business and work to a professional standard. Keep records of your trades, invest time and money to learn to trade, and continue to update your skills. It is a never ending learning process.

You should not be trading for fun, excitement or to impress your friends. You are in business to make money!

Many have opened financial spread betting accounts as an escape from their “boring” daytime jobs and are really gambling with no system or plan.
Don’t get carried away by technology

It’s easy to get blown away by all the great software, online trading, real-time data, charts, smartphone apps, business channels and bells and whistles.

The truth is, less is more, and information overload makes you a worse trader. The more complicated your system, the less chance it will work or that you will follow it.

The majority of technical trading indicators are a total waste of time, and you do not need to waste money on expensive trading software that claims to predict markets. The most important factor when trading any market is the price.

If the price goes to 50, 51, 55, 60, it is going up; it doesn’t matter what the indicator or news says or what you think should be happening. The price tells you the truth and should always be obeyed.

Trade with what you see, not what you think. Yes, XYZ could be overvalued and at some stage you may be right, but the old saying “Markets can remain irrational a lot longer than you can remain solvent” is very true.
The crowd and media are normally wrong

Some of the best times to buy are when the crowd is terrified and there is blood on the streets. Markets go down because of lack of buyers, not because of sellers. For a bull market to continue, you need new money to keep the party going, similar to a Ponzi or pyramid scheme.

If everyone is bullish on the market, then it has no other way to go but down, as everyone that wanted to buy has already done so. A classic example of this was the NASDAQ in March 2000.

On the reverse, I have made a very good profit from the Tobacco sector over the last decade. Tobacco companies were despised by Wall Street back in 2000 -2002. Since then, many companies such as BAT are up over 800%, and that's not including the dividends.

In my course, I reveal the sentiment indicators that I use and how to know what the crowd is doing. Be aware that stock market crashes do not start when everyone expects them. Front covers of business magazines can be good contra indicators.

This was a front cover published at the end of May 2008 with Oil at $135. By the end of the same year Oil was at $36.

Many traders don’t realise the news they hear and read has, in many cases, already been discounted by the market.

Often, new traders jump into a market based on a story in the morning paper or on a business channel; the market, many times, has already discounted the information.
Don’t feel you have to trade all the time –
Don’t mistake good luck with skill

Only gamblers bet on markets every single day. Sometimes the best trades are the ones you do not make. Trading can become addictive, both for losing traders who want to get even, and winning traders who are now on a roll and want to take over the world in 5 days!

After a few profitable trades, some traders become wild and un-conservative. They base their trades on hunches and long shots, rather than sound fundamental and technical reasoning, or they put their money into one deal that “can’t fail”.

Markets have been here for years and they will be here for many more to come. As already stated, the best trades are trend trends where a trade is entered long or short and is left to run with the trend.

Don’t make new trades or mess with an open winning trade just because you’re bored or want something new. I have seen many sell shares like Apple and ARM Holdings with small profits as they become bored. Had they just stayed with them, they would have made far bigger returns for doing nothing.

Don’t dig up your healthy plants and keep your weeds!

I Just Wait Until There Is Money Lying On The Corner

“I just wait until there is money lying on the corner, and all I have to do is go over there and pick it up. I do nothing in the meantime. Even people who lose money in the market say, “I just lost my money, now I have to do something to make it back.” No you don’t. You should sit there until you find something.”

Jim Rogers -Market Wizards
“There is nothing new on Wall Street or in stock speculation. What has happened in the past will happen again, and again, and again. This is because human nature does not change, and it is human emotion, solidly built into human nature, that always gets in the way of human intelligence. Of this I am sure.”

Jesse Livermore

SUMMARY

I hope you have found this introduction guide of value. I have just touched on the basics here but I hope you can see that trading financial markets is not as complicated as many will try and lead you to believe. You don’t have to give up your day time job to start making money and you don’t need a massive amount of starting capital.

If you would like to learn more about financial trading and following a step-by-step system then take a look at www.winonmarkets.net

Wishing you lots of success

Vince Stanzione