



Some tips for trader

Types of Traders

Traders

Traders do buying and selling of shares based in technical analysis, news etc. they are not bothered about the fundamentals of the company or how good the company is doing or whether the company is in profit or loss. They also depend on news important numbers like inflation, IIP, Quarterly results numbers etc.

1. Day traders also called as intraday traders. Day traders buy and sell on daily basis they don't hold positions (stocks) overnight. Most of the day traders make use of margin amount. If you are new then you should avoid day trading especially using margin amount.

2. Swing traders - Traders hold the position for couple of days. Even some traders hold the position from couple of weeks to couple of months based on the technical strategy and allow the profits to pour in.

Investors

Most of investor does buying and selling based on the company fundamentals, how good the company is doing etc.

Some investors also make use of technical charts to enter and exit their positions. Investing is considered as safe as compared to trading. Investor looks for growth stock which is potential in failure and plans to invest in such stocks.

Types of Investors

Basically investing is done for long term in share market to get good returns. Long term is variable and it varies from one year to couple of years. So based on investing duration the investor's are on classified as follows,

1. Short term investing - Investors invest for very short period like couple of months to till a year.
2. Mid term to Long term investing - Investors invest for a year to couple of years.

Now you have understood the basic difference between trader and investor, we will see the successful mantras for trading for traders.

According to our analysis there are 3 mantras for successful traders.

1. Take low risk
2. Try to minimize your loss
3. Your experience counts

1. Take low risk

This is one of the very important success mantras in trading. Trading is not possible without risk, so take small risk and avoid big risk. Traders mostly fail by taking big risk like doing overtrading (trading when market is uncertain or when market is not giving any signal etc.) managing your money/capital is must if you want to achieve in trading.

- a) Never put all your savings into trading.
- b) Never put all your trading capital/money in single trade.
- c) If you are start trading with very small capital.
- d) Never act on tips immediately without confirming from your side.



2. Try to minimize losses

Losses are part of trading. It is not possible to do trading without losses but you have to minimize loss and increase profits. Losses occur because markets behave based on various factors and parameters which are not in trader's control. So its trader responsibility to strictly trade with stop loss trigger price to minimize the losses. So concentrate on profits, if you trade goes wrong then come out by accepting by analyzing what went wrong, either you did mistake or market is acting smart. If market is acting smart then you should stay away and not to enter unless you are confident about the market move.

- 3. Your Experience** We get lots of email from traders to know the short cuts to earn money in share market and we always keep saying that there is not short cut to earn money in share market. Lots of new comers to share market enter into trading and make losses because they don't know what trading is and very importantly trading is required experience and its not the job of overnight reading of trading articles and strategies and start trading on very next day. So we keep advising to all new comers also traders who are not getting success to do paper trading practice without actual risking your money. We have already wrote how to do practice without actual risking your money at, Paper Tradrading. Without experience it's not possible to get consistent success in trading share market, so don't risk your hard earned money without gaining trading experience.

Experience removes your mental blocks What type of person you are is also important for success of your trading. If you are short temper, indiscipline, acting without thinking then trading is extremely difficult for you. So to overcome all these unwanted characters you have to gain experience by doing paper trading practice. Experience will remove all your mental blocks and you will start doing successful trading. Take your own time to gain experience, don't hurry and jump to start doing trading.