

## When To Trade:

### 6 Trading Strategies To Help You Beat The Stock Market

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Everyone is looking for a good trading strategy. How about if you had 6 to choose from? With a little bit of experience and discipline, you'll find these to be quite useful.

1. Post-opening buying. If stocks rise 5% or more during early trading on any given day and it doesn't make the news it will generally fall off after about 30 minutes or so of trading and the price will level. There are occasions when market makers are attempting to artificially inflate stock prices in order to sell off excess inventory. If the stock doesn't fall off after about 30 minutes it is quite likely that they will continue to rise throughout the day. The tactic for this type of trading is to buy at 1/16 above the high of the day and sell at 1/16 below the low of the day.
2. Post-opening selling. This strategy is the direct opposite of the strategy mentioned above. When a stock opens low with no news it could be that there are nervous investors placing sell orders from the day before. It could also be the result of artificially lowered prices in order to draw in panic sellers so that market makers can purchase shares as the price declines and sell as they rise. The value of these stocks are generally recovered after about thirty minutes of trading and profit makers can make money by selling the stocks they've just purchased on the decline at the average price. If the stock continues to fall after 30 minutes or show no sign of recovery chances are that it will continue to decline throughout the day. The tactic for this investment type is to sell short at 1/16 of the days low and set a stop at 1/16 above the high for the day.
3. Playing the spread. This method is a little easier to understand than some of the others. Buy at 1/16 up and sell at 1/16 down. This method works best with stocks that don't typically see more of a spread than 3/8 of a point. When you manage these trades successfully you will see the growth of a quarter point per trade. The problem with this type of trading is that you cannot always sell as soon as you place the sell order so it may not work, as market makers are more than aware of this tactic. It often takes several tries within a day in order for this to succeed.
4. Grinding. This is another tactic that is considered relatively easy. This is the act of buying an in demand stock as it is on the rise and selling quickly at 1/8 or 1/4 of a point for a quick profit.
5. Fading the market. This is a contrarian strategy in which buyers capitalize by buying weaknesses and selling strengths meaning you buy stocks with small declines hoping they will see gains when the market reverses. With this type of investing you should hold on selling until the stock trades above its opening. The logic behind this tactic is that current owners will

sell in order to prevent further loss, which will drive the prices down for the short term.

6. Shop the final hour. The last hour of trading on any given day will typically see stocks easing back from their highest prices of the day. The reason for this is that day traders and market makers are exiting their positions in order to 'guarantee' their profits. This results in lower prices on many stocks during the very last hour of trading and opportunities for short trading possibilities abound as the result of this common practice.

Keep your stops close. It's important to save your capital and live to trade another day.

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