

Trading Strategies by Bob Eldridge

Better Trading Techniques by Bob Eldridge! This article details the various techniques and strategies, which can be used for better trade performance and profiting in the stock market. With a large number of people getting engaged in the business of stock market investing rather than conventional trade, the competition has been increasing steadily among the traders. This being the case, the need for better trade techniques is being felt like never before in the highly competitive trading world. Stock market investing is one aspect that promises an assured success rate to any trader who wants to tread on the path of better trade performance. There are a number of techniques that people generally adopt while trading in the stock market. Various trade gurus who have witnessed phenomenal success during their trading days also advocate some strategies, which can be used in market investment in order to maximise profits. Though there are a number of stock market strategies, all of which are directed at ensuring a better trade atmosphere, it is imperative that one understands some of the most common strategies before moving on to the more complex and advanced ones.

Some Common Tips For Trading One tip that can be extensively used for better trade is hedging. Hedging is a tip that can help those people whose main motive is capital protection. This particular technique can help traders to considerably reduce the levels of risk involved in the trade by purchasing the put option, which will later allow the trader to sell the stock at a fixed price in case the market value of that stock option should fail. Some of the age-old techniques, such as Dogs of the Dow are still being used, though in a slightly changed manner. The basic trick in making use of this strategy is to select some worst Dow stocks available in the market, which potentially have high yield rate in the future. Trade gurus advise those traders who are willing to take a risk in the field of market investment. The basic idea is to purchase low priced stocks so that they yield better trade results in the future during a bull market spell.

Risky Techniques That May Benefit You Apart from this, there are other risky trading strategies that can be adopted as well. One such trading strategy is buying on the margin. This technique is aimed at better trade performance and toys with the idea of purchasing goods and stocks with borrowed money. Usually, this money is borrowed from the broker. This allows the trader to purchase a large amount of stock for a considerably low amount. However, the stakes included in this business strategy are extremely high as well because if, due to some unexpected, unforeseen circumstances, the purchased stock suffers a great loss in the market value, the corresponding loss for the trader who had purchased the stock with the borrowed amount will be much higher. Yet another strategy that can be used in order to ensure better trade performance includes Dollar Cost and Value Averaging. This technique requires the trader to invest a pre-fixed amount in the trade market on a regular basis so that he is protected from the risks of the market and continues to enjoy regular returns irrespective of the inflation and deflation taking place in the market.

About the author: - Bob Eldridge is a skilful trader who is a faculty instructor for BetterTrades. His expert tips and trading strategies are used by many of stock traders and investors worldwide.

About the Author

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