

**THE
STOCK
TRADING
POCKET BOOK**

LEARN TO TRADE IN JUST 8 HOURS!



DR. ANINA ABRAHAM

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INTRODUCTION

The SINGLE most important reason why people lose money trading is LACK OF DISCIPLINE.

If you cannot follow the rules of trading...
DO NOT TRADE.

This book has short listed the most important rules of the game.. follow the rules AND WIN!!

Trading can become really complicated when you use 200 technical indicators,

each one telling you to do something different! However, when you finish with this book, you'll see how intraday trading can be really simple.

This book gives point wise guidelines on how to set up a trade. The technical indicators that matter the most are mentioned and how to use them by simply watching the charts. Knowing when to enter and when to exit is all you need to know to make those millions.

The book mostly gives examples of when to buy in a bull market. The same rules apply in the reverse when you short the stock in a bear market.

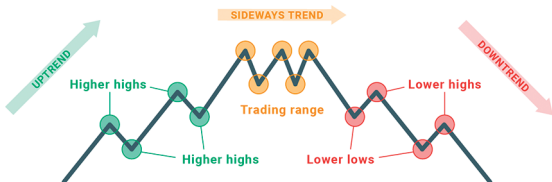
It is very important to have a good trading platform which has good charts and simple steps to execute trades. The internet speed should be very good and most importantly you should be in a positive frame of mind.

This book is written with examples taken from the National Stock Exchange, India. The principles can be used to trade anywhere in the world.

Losses are a part of trading. It is important to know when to stop trading, when not to trade at all and when to put all your money into that one trade.

TYPES OF MARKET TRENDS

UPTREND	DOWNTREND	SIDWAYS TREND
Bull market	Bear market	Consolidation
Higher highs, higher lows	Lower highs, lower lows	Same highs and same lows



- ⇒ In a bull market, the stock price goes up, retraces a bit and goes up even higher than the previous closing price.

- ⇒ Again there is a small retracement, the stock hits a higher bottom as compared to the previous candle and then starts going up.

- ⇒ So, it makes higher highs and higher lows.

- ⇒ In a consolidation trend, the stock price moves sideways. It does not go higher than a certain price or go below a certain price. It is range bound.

IDENTIFY THE TREND

- ⇒ The first and most crucial step in trading is to identify the trend the stock is in and the market as a whole. Also look at worldwide markets and look at the overall trend.
- ⇒ Why is this important??
 1. BUY in an uptrend
 2. SELL in a downtrend
 3. STAY AWAY in a sideways trend

⇒ Many times stocks are in a downtrend when the market (NIFTY) is bullish. It is always safer to trade stocks which move with the overall market trend.

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