

# ANOTHERWINNINGTRADE.COM

## Success Trading Group

We are often asked how in the world did your Success Trading Group record **200 wins and only 5 losses** on its Main Trade Table? Well, let me first state that it is true. The Success Trading Main Table is posted in the member's section and records every trade we have made since we started the Success Trading service.

While we obviously can't tell you our exact "system" we use to pick trades; we can provide you with a an outline of exactly how we go after our stock picking ideas.

### **SYSTEM OVERVIEW**

- <> Research for safer quality stocks
- <> Study trading ranges
- <> Buy on dips and sell on peaks
- <> Implement money management techniques
- <> Don't be greedy
- <> Short-term plays

### **TRADE ONLY QUALITY STOCKS**

- <> To reduce chances of major drops
- <> Follow just a few stocks – know them intimately
- <> Invest in best of each segment to reduce risk
- <> Pick good industries – follow trend
- <> Pick stocks with "good numbers" (fundamentals)
- <> Pick stocks with good management and public image

### **BUYING ON DOWNSWINGS; SELLING ON UPSWINGS**

- <> Know each stock's historical trading range and focus on last 60 days
- <> Chart peaks and valleys and find entry and exit points that the stock hits frequently

### **PROTECT YOUR MONEY WITH MANAGEMENT TECHNIQUES**

- <> Pick a budget you could tolerate to lose
- <> Be prepared to cost average frequently
- <> Enter 50% of budget into 1<sup>st</sup> position, and 50% into 2nd position
- <> Cost average when your stock bottoms out and settles to new low level only, don't cost average just because it dips

### **PLAN EXIT POSITION BEFORE YOU ENTER**

- <> Generally, try to make 50 cents to \$1 per share; don't focus on percentage
- <> Place sell order for day only if you can't watch the stock

### **REDUCE RISK BY...**

- <> Avoiding positions with earnings coming out
- <> Down or out of favor industries are to be avoided / remember these are short-term plays and we're not investing for the long term

### **GET OUT OF THE "INVESTING" MENTALITY AND GET INTO "MAKE A PROFIT TODAY" MENTALITY**

- <> Take any profit you make as often as you can because stocks move up and down by nature
- <> We're not waiting for the stock to turn or make significant moves
- <> We're not trying to find the stock that can hit us a homerun

### **BAILING OUT**

- <> Sometimes you just have to bail out because time is money
- <> When to? Stock drops more than 20%
- <> Then what? If stock was good before, it will probably be good again. Buy it back and cost average once it finds a bottom. Then don't wait for it to come all the way back, sell it at the top or near the top of its new trading range and repeat until you recover.

### **HOW TO SALVAGE A BAD TRADE POSITION**

- <> Cost average at 20% loss level
- <> Sell out beyond 20% and wait for bottom and new range and trade-out
- <> Hold for long-term

### **MUST USE DEEP DISCOUNT BROKERS**

- <> Scottrade, E-Trade etc...

### **STAY ON TOP OF YOUR STOCK LIST**

- <> Keep abreast of any major bad news and delete from list immediately
- <> Study and search for new stocks continuously