

# How to Start Trading

The Definitive Guide to the Best Trading Tools and Strategies



[tradingtools.net](https://tradingtools.net)

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## Introduction

Are you looking for a free, easy, step-by-step guide on how to Start Trading ?

This Definitive Guide will show you how to get started and become a profitable trader, all in a step-by-step tutorial (with pictures and videos).

You're looking for a side income, you'd love to quit your day job. Or maybe you need to invest for retirement ... but you have no clue where to start. You're overwhelmed.

Whether you're a beginner or a seasoned trader, I'm sure you find it difficult to choose a strategy, or pick the best stocks or forex pairs.

You need the best free charting software, a good broker with low costs and a great platform, but there's just so much to choose from....

You've watched youtube videos, read blogs, seen countless websites, downloaded ebooks, but you're lost, you just don't know where to start.

I've been there.

My name is John Treadle, I've been a trader for over 15 years, now making a consistent income from my trading strategies. On my blog [tradingtools.net](http://tradingtools.net) I provide you with all the necessary tools to help you in your trading journey.

I'll share with you what has or hasn't worked for me over the years and the best tools I've come across.

Hopefully I can fast track your learning curve.

# How to Start Trading?

This free guide will take you step-by-step and provide you with all the tips to start trading and grow as a trader.

You don't have to go searching hundreds of websites, it's all here, made simple.

## Start by learning what trading really is

In short, trading is the act of profiting from the financial markets.

In its most basic form, you buy financial assets (stocks, currency pairs, bonds, indexes, cryptocurrencies,..) at a certain price and hope to sell them at a higher price and pocket the difference.

To do that, you have to open a trading account with a broker, usually online.

Your brokerage account is like a separate bank account, so opening a broker account is just like opening a new bank account.

You will have to make a bank transfer of the sum of money you want to invest in that brokerage account and that money will be used to buy and sell assets.

At any given time, your broker will then tell you what is your cash balance and the value of your invested sums.



## Know the difference between Trading and Investing

Trading and Investing can seem quite similar, but there are actually differences.

The main one is the time horizon. An investor will usually buy and hold assets over an extended period of time. A trader will have more frequent operations and could just as well buy or sell assets.

But another difference is your market participation, meaning the way you intervene in the market.

Some forms of trading are extremely active, like Day Trading (getting in and out of your positions within the same day).

Scalping is even more extreme, with trades that last only a few seconds or minutes, multiple times a day. I'll dig into Scalping a little further along.

## Decide if you prefer to be long or short, or both

As a trader, your aim will be to buy an asset hoping its price will rise (that's called going long).

But you could also borrow it, sell it and buy it back hoping its price will drop (what we call going short).

Going short is a counter intuitive way of trading and cannot be done on all assets. It's also extremely regulated, because losses can be unlimited.

For example, if you go short on a stock worth \$100, your losses will accumulate if the price of that stock goes up.

Therefore there is no limit to your potential losses.

# How to Start Trading?

However, if you go long that same \$100 stock, the maximum you can lose is that \$100, so that's a big difference.

You now understand why speculating on the decline of an asset is quite an advanced strategy, and should only be undertaken by experienced traders.

Going LONG	Going SHORT
Means Buying a Stock	Means Selling a Stock
Unlimited Gains (Stock goes up)	Limited Gains (Stock goes to zero)
Limited Losses (Stock goes to zero)	Unlimited Losses (Stock goes up)

If you're interested in short trading, then I can tell you some traders are making a killing out of it.

Check out Alex Temiz on Twitter, he's a fantastic short trader.

Some stocks are also the most shorted due to their volatility and liquidity, Tesla ([TSLA](#)) being one of them.

I have an article if you want to learn how to [profit from a Stock Market crash](#), something that has proved quite useful in these testing Covid times...

## Make a decision: is trading for you ?

OK, so the first question you have to ask yourself: is trading for me?

Starting to trade can feel a bit overwhelming and quite intimidating. Most of the time you won't know where to start.

The questions you should ask yourself:



# How to Start Trading?

- Am I capable of being a good trader?
- Should I start trading Forex ? or Stocks ?
- Where can I learn, do I need a course?
- Can I start trading with just 100\$ ?
- What are the risks? Can I loose all my funds?
- What about cryptocurrencies ?

All of these questions are very valid, and I'm going to answer them in this Guide.

But also keep in mind that you won't really know if trading is for you unless you give it a try. As Ingvar Kamprad, founder of Ikea, famously said: "Only those who are asleep make no mistake"

## How much money do you need to Start Trading?

Such an important question. I'll cover this in a lot of detail in Step 1, but if you're going to try trading and have no experience at all, you have to be very careful with your funds.

Rule #1 : don't commit too much money upfront if you're a newbie.

Just set aside a small amount from your salary, or your savings, and give it a try.

There's one rule to judge whether you've chosen the adequate amount to start trading:

**You have to be comfortable with the idea of loosing 100% of that amount**

If you're not comfortable, then it means the amount's too high. Reduce it.

For some people, it will be 1% of their savings, for others it will be 10%, that depends on your appetite for risk and your funds.

You can start trading with as low as \$100, many [Robo-advisors](#) will allow you to open an account for such an amount.

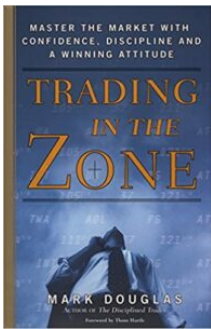
Step 1 of this guide will help you define your startup funds depending on your goals and time horizon.

## Before you start trading, make a commitment

Do yourself a favor. Don't try trading just for fun. Do it seriously, I mean really. Commit.

It takes a lot of hard work, and discipline, but it can be hugely rewarding. Don't just gamble all your money in one go, take it step-by-step, methodically, this is what works.

There's a book considered to be a bible among traders covering all the psychological aspects, it's called [Trading in the Zone](#), by Mark Douglas.



Douglas uncovers the underlying reasons for lack of consistency and helps traders overcome the ingrained mental habits that cost them money.

In short, to be successful in trading, you will need two things above all else : passion and discipline.

But why go through all that trouble ?

## Good to know: trading could be hugely rewarding

Depending on how successful you'll be, the upsides of trading can be pretty life changing:

- Generating a side income on top of your salary;
- Setting aside some funds for retirement;
- You may even quit your day job if you manage to be consistent.

The great news is that there are so many tools available to aspiring traders, you can really get started with little or no money spent on courses, strategies, etc... and this step-by-step Guide is here to do just that.

# How to Start Trading?

If you want to learn more about the most successful traders, I have several resources for you:

- [The Great Big Success Page](#): all the best traders ever, with links to their strategies, net worth, etc...
- [17 successful Forex Traders you can Emulate](#): follow the best Forex traders

## Recap video: Where to Start?

In this video, we recap a few elements on the initial steps you need to take.



Ok now, let's get to it: how do you start trading ?

We'll take it in 7 easy steps.

## Step 1: Defining your Goals

### Assess your financial baggage

How much money will you allocate to trading?

That question is key, because getting started with \$100 in your account isn't exactly the same as starting with \$10,000, or \$100,000. Then depending on your goals, that will tell you the level of risk you are going to have to take.

Let's me illustrate why this is key.

It's all a factor of funds, goals and time horizon.

If you have \$1,000 available and want to reach \$100,000 in two years, that's a 900% return per year, so you need to multiply your account by ten every year, pretty steep right ?

That is hardly a rate of return any normal trader can achieve, let alone consistently. But if that's your real target, then you are going to have to take **A LOT of risk**. And you stand quite a reasonable chance to lose all your funds.

So you have to tune your expectations.

### Have realistic expectations

Let's see how these things can map out in a simple way.

The tables below show you how much money you can make under three scenarios, with startup funds of:

# How to Start Trading?

- \$1,000,
- \$10,000,
- \$100,000

In each scenario the table tells you how much you end up with depending on your annual return and time horizon (1, 2, 5, 10 or 20 years).

## How much will you earn if you start with \$1,000 ?

### Starting funds: \$1,000

		1 year	2 years	5 years	10 years	20 years
Annual Return	2%	\$1 020	\$1 040	\$1 104	\$1 219	\$1 486
	5%	\$1 050	\$1 103	\$1 276	\$1 629	\$2 653
	10%	\$1 100	\$1 210	\$1 611	\$2 594	\$6 727
	15%	\$1 150	\$1 323	\$2 011	\$4 046	\$16 367
	20%	\$1 200	\$1 440	\$2 488	\$6 192	\$38 338
	30%	\$1 300	\$1 690	\$3 713	\$13 786	\$190 050
	50%	\$1 500	\$2 250	\$7 594	\$57 665	\$3 325 257

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**How the table reads :** if you invest \$1,000 for 10 years at a yearly return of 20%, you will end up with \$6,192 after 10 years.

## How much will you earn if you start with \$10,000 ?

### Starting funds: \$10,000

		1 year	2 years	5 years	10 years	20 years
Annual Return	2%	\$10 200	\$10 404	\$11 041	\$12 190	\$14 859
	5%	\$10 500	\$11 025	\$12 763	\$16 289	\$26 533
	10%	\$11 000	\$12 100	\$16 105	\$25 937	\$67 275
	15%	\$11 500	\$13 225	\$20 114	\$40 456	\$163 665
	20%	\$12 000	\$14 400	\$24 883	\$61 917	\$383 376
	30%	\$13 000	\$16 900	\$37 129	\$137 858	\$1 900 496
	50%	\$15 000	\$22 500	\$75 938	\$576 650	\$33 252 567

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As you can see, if you want to cross the \$1 million mark with \$10,000 starting capital, you need to make between 20% to 30% a year for approximately 20 years.

## How much will you earn if you start with \$100k?

### Starting funds: \$100,000

		1 year	2 years	5 years	10 years	20 years
Annual Return	2%	\$102 000	\$104 040	\$110 408	\$121 899	\$148 595
	5%	\$105 000	\$110 250	\$127 628	\$162 889	\$265 330
	10%	\$110 000	\$121 000	\$161 051	\$259 374	\$672 750
	15%	\$115 000	\$132 250	\$201 136	\$404 556	\$1 636 654
	20%	\$120 000	\$144 000	\$248 832	\$619 174	\$3 833 760
	30%	\$130 000	\$169 000	\$371 293	\$1 378 585	\$19 004 964
	50%	\$150 000	\$225 000	\$759 375	\$5 766 504	\$332 525 673

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Obviously, starting with \$100,000 is a much more comfortable situation, but you still need to make a decent return over at least 10 to 20 years to reach a million dollars.

# How to Start Trading?

These tables can help you set **realistic expectations** for your expected rate of return depending on your starting funds and your time horizon. It can also guide you to a type of trading (high leverage for example if you expect high returns).

**Note :** If you're aiming for a rate of return consistently higher than 20% a year, be aware that very few traders achieve this kind of performance on the long run.

Another thing to keep in mind. You legally need \$25,000 to day trade stocks in the US (this is called the PDT or [Pattern Day Trader](#) rule).

If you buy and sell a stock within the same day, your account will be flagged by your broker if it doesn't have the minimum funding. Forex, on the other hand, does not require minimum funding, however I wouldn't advise to start with less than \$500.

Another thing, don't forget that your funds will have to pay for the broker's commissions. A lot of new online brokers advertise zero commission trading, but that's not always the case, and don't get fooled, there's always a twist to that (as explained in [this post on Robinhood](#)).

## What is your purpose for trading?

Before you start trading, you have to be clear on your intent, otherwise you'll get mixed up. If you just want a side income to complement your monthly salary, that means two things:

1. You should not gamble that monthly salary, but you can use a part of it to trade. Maybe you also have some savings on the side;
2. On the other hand, the bright side it that you're not depending entirely on trading to pay your bills, so that lifts a bit of pressure on your expected returns.

It is much safer to start by trading a share of your monthly income than to decide from the outset that you're going to quit your job and make a living out of trading. Take it step by step, and maybe if you're successful and consistent you might achieve that dream.

There are some great books on Day Trading that will help you define your goals and give you an idea of what it takes.

I definitely recommend checking out these [top recommendations](#). You can start with Andrew Aziz's « [How to Day Trade for a Living](#) ».

If however you're looking to save funds for retirement and are ready to be a long term value investor, like Warren Buffett for example, then you have to adopt a specific strategy. And definitely the book I recommend if this is the path you want to follow is every value investor's bible, [The Intelligent Investor](#), by Benjamin Graham.

So start by defining your purpose.

## Your time horizon will define your trading style

A crucial part of defining your goals and strategies in trading is defining your time horizon. This will guide you to a specific trading style.

Here are the most common trading styles:

- **Investing:** usually long to very long term, holding positions (usually stocks) anywhere from a couple of years to 50 years or more. This is for traders who either have a large capital that can provide regular earnings or for those who are ready to give their investments time to mature. In the long run these strategies have always proven very successful if done right, but it requires sitting on your hands most of time, leveraging the famous power of the [Snowball Effect](#).
- **Swing Trading:** holding positions over several days, weeks, maybe a few years. Quite compatible with a day job for example;
- **Day Trading:** positions are entered and exited daily. The day trader has no open position at the daily market close. Nearly impossible if you have a day job;
- **Scalping:** very short term trading, positions last a few seconds or minutes maximum. Scalping requires a lot of screen time, it is incompatible with a day job.



Usually a scalper will use very volatile assets, because he needs to profit from very short swings in the asset. Investors on the other hand will be much more interested in the long term fundamental value of an asset. These are two radically different approaches to the market, so you need to think carefully about this.

Another factor is the time you are willing to dedicate to trading. If you have a day job and cannot spend too much time on your screen, it's going to be difficult to scalp or day trade. You might opt for swing trading or investing instead.

## The all-mighty snowball effect, or the Importance of compounding

Compounded interest is one of the most powerful forces driving your financial returns over time.

Basically, compounded interest is interest over interest. Let me take an example:

If you earn 10% on a \$100 deposit, in year 1 you will earn \$10. But if you reinject these \$10 in your capital then in year 2 you are earning \$11. Interest will apply on a higher capital. This is what we call the snowball effect.

It is a hugely powerful force. Albert Einstein called it « the eight wonder of the world » and Warren Buffett made a fortune out of it. [Inc.com](#) made an [interesting article](#) around that.

## Use a free compound interest calculator

A calculator can help you compute how much interest builds up over time from a given sum and defines interest due: [Compound Interest Calculator](#)

Compound interest is something that is hardly taught in schools.

If you start saving and investing while you're young, you can make a huge difference in your life thanks to compounded interest. Here are some ideas to [start investing before you're 30](#).

# How to Start Trading?

Now that you have a clearer idea of how to define your goals, you need to choose a market to trade. I'll help you make that choice in [Step 2](#).

You're starting to have an idea of your goals and time horizon. Now you need to **choose a market to trade**.

## Recap Video: How much can you really make?

In this video, we recap a few elements in Section 1 on how much you can really expect to make with trading.



## Step 2 : Choose Market to Trade

Stocks, Bonds, Forex, Options, Futures, Cryptocurrencies, ... what exactly are they and how can you choose ?

Let's start looking at these different assets and what it means to trade them.

The tough thing about markets is the range of terminology used. It can sometimes be a little difficult to navigate in the ocean of technical jargon.

But I'll try and keep this simple, and to start with I have great video for you to watch.

It has been made by William Ackman **"Everything You Need to Know About Finance and Investing in Under an Hour"**.

It's a great piece of education well worth your time.

Here it is:



Income Statement: One Year Later

	Amount
Lemonade stands	1
Cups sold per stand	800
Cups sold	800
Price per cup	\$1.00
Revenue	\$800
Less: COGS	(200)
Less: Depreciation	(60)
Less: Labor	(530)
EBIT	\$10
Margin	1.3%
Less: Interest	(25)
EBT	(\$15)
Less: Taxes	\$
Net Income	(\$10)
Per Share	(\$0.01)

Clearly a great introduction to Finance and the Markets right?

Moving on, you still need to choose a market to trade. So, let's try and understand the different assets that you could start trading:

## Stocks

Also called equities, or shares, stocks are a small portion of the capital of a company. When you own a share of Microsoft, you own part of the company, you are a shareholder. And when Microsoft makes a profit and decides to distribute it to its shareholders you will earn a small profit per share, called the [dividend](#). Owning stocks is one of the simplest forms of trading or investing. You simply choose a company that you think has a profitable future ahead. Then you buy a stock and hold it for as long as you want.

To get a better understanding of stock trading, I have a complete guide providing you with « [20 Ways to Learn Stock Trading](#) ».

## Bonds

A bond is different. When a company needs to borrow funds to finance its development, it has several options. It can go to a bank and get a loan, or it could float bonds on the market.

For example, Microsoft will decide to borrow \$100 million on the market and will issue 1 million bonds worth \$100 dollars each. To each investor (bond holder) Microsoft will pay an interest (called coupon), for example 2% per year, just like it would pay the bank an interest if it had taken a loan.

So if you buy a Microsoft bond, you're actually lending Microsoft some money, and Microsoft will repay you that money at a specific period of time, let's say in 5 years time (Bond maturity).

In the meantime, it will pay you the fixed interest, which is why Bonds fall in a category called « Fixed Income » products.

# How to Start Trading?

The risk you take when you buy a bond is that the company will fail to pay back its debt. That's why companies that pay high interests are usually the most risky, the extreme case being "Junk Bonds".

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## Forex

The forex market is the Foreign Exchange or currency market, where world currency pairs are traded against one another 24 hours a day (except weekends). A currency pair will be the EUR/USD for example, representing the exchange rate of 1 euro converted into US dollars.

It is one of the biggest markets out there and trades around the clock, which is very convenient if you have a day job. But it's also one of the most risky, because you can usually trade with a lot of leverage. Leverage is the concept of buying an asset for a fraction only of its cost, thereby multiplying your potential profit (and risk). If you're interested, here's an article on [Leverage in the Foreign Exchange market](#).

If you're specifically interested in Forex, you can check out my [12 Ways to Learn Forex Trading](#) or you can start learning from the best and check out [17 Forex Traders you can emulate](#). My [Great Big Success Page](#) also has a list of the Top Forex Traders in the world or Hedge Fund managers, with links to their strategies, net worth, ...

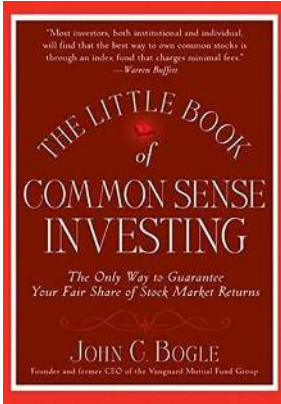
## Trackers (ETF)

Trackers (also called Exchange Traded Funds – ETF) are a recent form of investment.

Their popularity keeps growing thanks to their low-cost and tax efficient model.

# How to Start Trading?

They are investment funds traded on stock exchanges, holding collections of securities (stocks for example) that usually replicate an index (eg. S&P 500), an industrial sector (eg. Healthcare) or a specific strategy (eg. High Yield dividend stocks). They are quite similar to mutual funds.



For an insight on ETFs you can read John C. Bogle's (founder of Vanguard Group) great « [Little Book of Common Sense Investing](#)».

ETFs are a relatively simple way to trade when you don't have time to look for individual stocks, but want to follow a specific sector (biotech, energy, ...) or category of stocks (Dividend Aristocrats, ...).

If you're interested in knowing more about some recommended ETFs, check out this article on the [Top 5 ETFs for 2020](#) on Bankrate.

## Options, Futures

Options and Futures are more complex assets to trade, they are called derivatives. That means they have an underlying asset, like stocks or bonds or Forex.

An option will give you the right to buy (call option) or sell (put option) a specific security at a precise price (strike price) at a specific point in time (expiry date). Futures will be quite similar, except that at expiry date you have to buy or sell the security.

Options are used in many different types of strategies, like hedging, income or speculation. As a highly leveraged product, options trading can be hugely profitable, but is definitely not for novice traders, they demand quite a high degree of skill.

If you want to know more about options, here's a list of the [Best Options Trading Books](#).

## Cryptocurrencies

We all know Bitcoin, the king of cryptocurrencies. But there are countless others.

In short, cryptocurrencies are internet-based mediums of exchange that use cryptography to conduct financial transactions. Cryptocurrencies use the blockchain's technology to enforce decentralized, transparent and immutable transactions. The main idea behind cryptocurrencies is the absence of any centralized authority, making them in theory immune from government interference.

Cryptocurrencies can be exchanged very quickly, with low transaction fees and in a secured manner using a public key (similar to a bank account number) and a private key (similar to a transaction password).

They can also be traded on specific exchanges, their huge volatility making them both extremely dangerous but also potentially quite rewarding.

I have a few articles to help you better understand cryptocurrencies and how to trade them:

- [What is Bitcoin: better understand the king of cryptos](#)
- [Why is Bitcoin a unique opportunity?](#)
- [The top cryptocurrency exchanges: where to trade cryptocurrencies](#)
- [Bitcoin's wildest predictions](#): how some well-known punters price BTC above \$100k

## Which one is best for you?

You need to choose a market to trade, but can't seem to decide. Yes, it can be tricky, so let me help you:

# How to Start Trading?

- Choose **Stocks** if you like the idea of investing in a company or a product that you believe in, or in a CEO you trust. Stocks are a good option for long term investment or dividend strategies. If you think Amazon, Tesla, or Netflix will change the world, then their respective stocks give you an option to be a part of that story and profit from it. Amazon first listed at \$18 in 1997, if you had invested \$1,000 at that time, your investment would be worth a staggering \$120,000 as of Q1 2020.
- Choose **Bonds** if you want a steady fixed stream of income with a risk level you can easily control. In an environment of very low interest rates, bonds can be a good way to diversify a portfolio with low risk assets and decent returns. But Bonds won't make you rich overnight, so that might be a good option only once you have reached a certain level of funds.
- **Forex** will be your option if you want highly leveraged and therefore high risk trading, or if you want to trade news events from the economic calendar. There are very few successful forex traders but if you have the skill and discipline, Forex can probably be one of the most lucrative forms of trading. See how you can get inspired by these [Top Forex traders](#).
- **Trackers (ETF)** are a great way to get started. They allow you to invest in a basket of assets, thereby spreading the risk. You can even choose a sector you believe in. They are low-cost (with fees as low as 0,05%), tax friendly, and available with many brokers or robo-advisors (more on that below). Check out item 12. in this article about stock trading, it covers [Passive Investing with ETFs](#).
- **Options and Futures:** as a beginner, I would definitely not venture in derivatives straight away. But if you're willing to put in the effort, to educate yourself, or if you're already a seasoned trader then options can be very rewarding. Trading derivatives is the most leveraged form of investing, and there are so many option strategies available. I'll guide you to a number of them.
- Go for **Cryptocurrencies** only if you are in one of two cases :
  - a) if you are convinced that cryptos and blockchain will change the world forever and you are willing to take a long term bet on them (see my [Long Term Bitcoin Strategy](#)). You will be called a HODLER in crypto jargon.
  - b) if you're a seasoned scalper and you want to trade the crypto's huge volatility.

There's an interesting article at [Lendedu.com](#) on [How to Start Investing](#). It can help you take your first steps as an investor, have a look at it.



Now let's take a look at some statistics to see what are the odds of you becoming a successful trader.

## What are your chances of becoming a successful trader?

Common wisdom says that 90 to 95% of all traders fail. But there is no scientific evidence to that, so it is kind of a popular estimate. That was until a European regulation came into effect mid 2018, requiring brokers to display on their marketing material what percentage of their clients lost money.

And here are the brokers with the most extreme scores:

- **eToro** : with 75% of losing accounts, eToro came out first. This is probably due to their CopyTrader technology or social trading functionalities enabling traders to exchange ideas or even replicate leading traders' performance.
- **FXTM** came out last with 89% of losing accounts, probably holding a base of mostly inexperienced traders;

More complete numbers are available [here](#) .

It is interesting to look at the reasons behind this low success rate. Tradeciety ran through a lot of broker data and came up with an interesting breakdown of the reasons why most traders fail :



All the stats can be found [here](#).

## Video recap: The Best Markets for Beginners

In this video, we recap a few elements to help you pick the right market for you.



Now that you have a better understanding of financial markets and how to choose a market to trade, let's take a look at Robo-advisors. A semi passive form of investing that could get you started .

If trading looks a bit overwhelming, there's a first step you can take. **Choosing a Robo-Advisor.**

That's all explained in [Step 3](#).

### Step 3 – Consider Robo Advisors

Robo-Advisors are essentially online portfolio managers.

They're great if you're comfortable with a **hands off approach** to trading and investing.

It can also be a way to dip your toe and get a feel for financial markets before you start trading.

So, let's try and understand what are Robo-Advisors and how can you pick the best one for you.

#### What are Robo-Advisors?

New young startups are creating innovative and revolutionary ways to invest funds, they are called Robo-Advisors.

These essentially mobile platforms offer a fully digital experience. Their user-friendly interfaces help you save and invest money with minimum effort and cost.

It is now possible to get started investing in a matter of minutes and a few clicks. Costs are also a fraction of what old school wealth management firms used to charge.

#### When should you pick a Robo-Advisor vs Trading?

First, keep in mind that Robo-Advisors do not provide financial planning but automated or semi-automated services.

So if you need a high degree of customization or advanced tax optimization they might not be the best choice.

If however, you are looking for low-cost, user friendly and reasonably passive services, Robo-advisors are the thing. In fact, you can't really compare them to trading because as a trader you make the decisions, and risk reward ratios are accordingly totally different.

## The 10 things to look at before choosing a Robo-Advisor

Robo-advisors fall under many categories, and new ones keep opening, so here are the 10 things I recommend you to look at before choosing:

1. Minimum deposit requirement: could range from \$0 to as much as \$25,000
2. Management Fees: usually between 0.15% and 0.5% of your assets annually
3. Portfolio content: stocks, forex, mutual funds, fixed income, ETFs, cryptocurrencies,...
4. Account types: taxable accounts, IRA (Individual Retirement Account)
5. Goal setting functionalities: ability to set targets (save for retirement, retiring before a certain age,...)
6. Tax loss harvesting capabilities
7. Advisor or Broker-Dealer: very different from a regulatory perspective, Investment Advisors can provide targeted advice
8. Socially Responsible Investing (SRI): is it available?
9. Educational content: availability of tutorials, courses, advice
10. Customer service: mode of access (mail, phone, chat), open on weekends?

## The Top 5 Robo-Advisors

Here are my top 5 Robo-Advisors and what makes them attractive:



# How to Start Trading?

**Betterment:** no minimum deposit, excellent service, goal setting functionalities, personalized projections, tax-loss harvesting, automatic re-balancing. When you sign-up, they will analyze your profile and goals and make personalized recommendations. Excellent mobile app, it will tell you exactly what mix of stocks, bonds or ETFs will be invested depending on the risk appetite and time horizon. Lastly, the *Betterment Everyday* service is a cash management suite that helps you make the most of everyday money. Clearly one of the industry leaders.



**Wealthfront:** offers a full range of services for hands off investors. It is one of the most highly regarded apps with its planning tools, automated portfolios and advanced tax optimization strategies. Wealthfront features low fees and a full range of services for hands-off investors, goal investing, even an interest-paying cash account. Account minimum is \$500. Wealthfront is consistently rated among the top Robo-advisors by leading industry websites.



**Personal Capital** provides leading financial tools and advice for high net-worth customers. It boasts very advanced services, combining a robo-advisors with personalized advisory services. It is truly one of the best apps to track and manage your money, with award winning tools, it is quickly becoming a very significant player of the Wealth Management

industry. Personal Capital is only open to US customers and targets \$100,000 plus customers. You can use Personal Capital's app for free to receive regular summaries of your spending, net worth, and investment portfolio.



**Ellevest** is an excellent service for goal-based investing, and it specifically targets women. It has been created under the principle that women have specific investment needs (longer lifespan or gender pay gap). No minimum investment is required. The service is perfect for newbies but allows investment in 21 different asset classes. As a fiduciary, Ellevest has an obligation to act in its client's best interest. There are three types of accounts at Ellevest :

- Digital: personalized investment portfolio, Ellevest Impact Portfolios, Automatic deposits, Automatic rebalancing, unlimited support from Concierge Team
  - Premium : Digital features + access to a certified financial planner and executive coaches
  - Private Wealth Management: only for qualified clients, offering private wealth management with values-based investing options.
- 



**SoFi** wants to help you get ahead of your financial life. Borrowing, saving, spending, or investing are all possible using SoFi. If you want a loan, a number of options are opened to you: student loan refinancing, medical resident refinancing, dental resident refinancing, mortgages, mortgages refinancing, personal loans and more.

Investing with SoFi comes with no fees, and you can go with either automated investing or active investing if you want to be more hands-on.

Like all of the companies featured above, SoFi is purely digital, which is why it can be aggressive on tariffs. SoFi definitely stands out for the quality of its educational material.

---

If you want a more in-depth review of the available robo-advisors, check out my article on [The 15 best Robo-advisors](#).

Now if you decide that Robo-Advisors are not for you, and you want to push ahead with trading, let's see how you can take the first essential step and learn trading.

That's explained in [Step 4](#).

## Step 4: Learn Trading in 12 Easy Steps

We are coming to a crucial step here. You need to **Learn Trading**, and we're going to do that in 12 easy steps.

But let's be clear.

You can get the best educational background you want (trading books, seminars, courses,...), but until you are live in front of that screen with graphics pulled up and real funds ready to be traded, you will never know how good or ready you are.

So you need to learn trading fast.

The sum of psychological factors that go into trading activity (fear of losing, fear of pulling the trigger, revenge trading, excessive confidence, FOMO...) is just huge.

In fact, one of the most important bricks of your education as a trader should be around handling your emotions and learning to cope with losses.

There's an interesting speech Charlie Munger gave at Harvard on [The Psychology of Human Misjudgment](#).

It explores the tricks our mind plays on us, and a lot of them can be applied to trading.

Most of the educational material around trading usually covers psychology in quite some length. And trust me, this is THE most important thing that you will have to learn and master.

So, how can you learn Trading? Here are 12 easy tips.

## Tip #1: Read the best trading and investing books

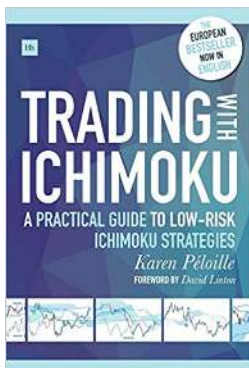
One of the best (and cheapest) ways to learn trading is by reading books. Make sure you select books written by well known traders, only they have the credibility to really teach you the tricks.

Depending on the type of trading you've decided to look into, I have a book selection for you to check out:

- [The Top 10 Day Trading Books](#)
- [The Top 12 Investment Books for Beginners](#)
- [The Best Options Trading Books](#)
- [The Top Rated Personal Finance Books](#)

Out of these book selections, my 4 favorite reads are clearly :

- [How to Day Trade for a Living](#) by Andrew Aziz
- [How to Make Money in Stocks](#) by William J. O'Neil
- [The Little Book that Still Beats the Market](#) by Joel Greenblatt
- [Market Wizards](#) by Jack D. Schwager



I would add a special mention to a book written by Karen Peloille, a famous French trader known for her mastery of the Ichimoku system, a Japanese system she trades very efficiently.

Check out [Trading with Ichimoku](#) by Karen Peloille

I am especially fond of the Ichimoku system and have traded it quite a lot, you can check out my [Simple Ichimoku Trading Strategy](#).



Lastly, I've always felt that Real Estate was a fabulous way to reinvest potential gains from trading once they got significant. Or maybe you have read the Great Book **Rich Dad Poor Dad** by Robert Kiyosaki, then you should be interested in this list of the [Top 10 Books on Real Estate Investing](#).

### Tip #2: Learn from free online resources

Here's the good news, there's a wealth of free education available.



If you want to learn Forex, start by reading this [Beginner's Guide to Forex Trading from Investopedia](#). It is extremely well written, simple to understand and covers all the basics : what is the Forex Market, Forex for Speculation, Why we can Trade Currencies, A Brief History of Forex, Currency as an Asset Class, Forex Trading Risks, and a host of other resources.



Another great free resource for Forex Trading is the « **School of Pipsology** » over at [Babypips.com](#).

The course is 100% free, very detailed, extremely clear, definitely a place you could start from.

#### School of Pipsology

If you want to learn **Stock trading**, then turn to these [Stock Basics articles](#) from Investopedia. They are very well written, simple to understand and will give you all the basic knowledge: what are stocks, the different types of stocks, how stocks trade, ... and lots of other basic know-how on the markets.

### Tip #3: Read free articles on trading

Quite a vast amount of literature is produced daily on stock trading, however regular articles stand out in terms of quality, usually from a few websites. Bloomberg is one of them, with daily articles and news on all types of assets in their Markets or Currencies section. Google Finance and Yahoo Finance are also quality sources, so is [investopedia.com](https://www.investopedia.com).

More specialized articles can be found on [seekingalpha.com](https://seekingalpha.com). Some of these sites will enable you to subscribe to RSS threads, providing you with a regular feed of their articles.

## Bloomberg

Currencies Futures Economics Fixed Income ETFs Sectors

DAX INDEX 13745.43 ▼ -4.350 -0.03% NIKKEI 225 23827.73 ▼ -33.480 -0.14%

Concerning Forex market news, one of the leading websites for is [dailyfx.com](https://dailyfx.com). It provides the latest info on world markets, facts that affect currencies and even analyst tips.



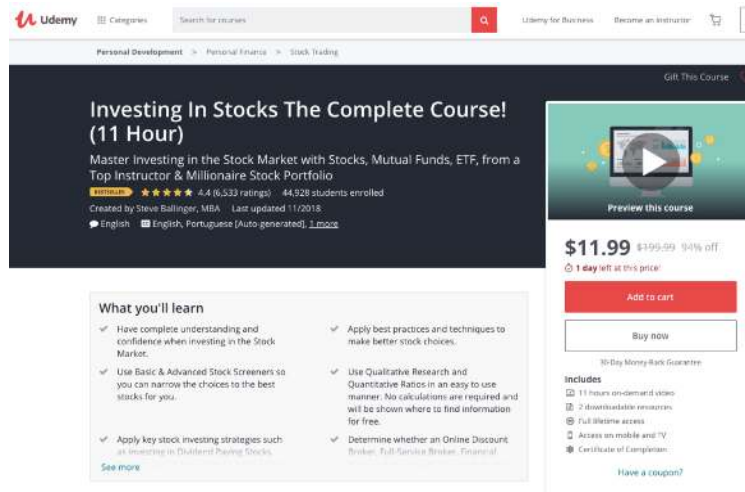
Forex news can also be found at [fxstreet.com](https://fxstreet.com) or [forex.com](https://forex.com).

## Tip #4: Buy an online trading course

Once you have given yourself a basic education, there is a possibility that you'll want to take things a step further. Online courses can provide you more advanced techniques, and [Udemy](https://www.udemy.com) is a wonderful platform for that.

Some of the courses are very affordable (**as low as \$10.99**) and can provide you very valuable tools and techniques. While choosing an online course, I recommend that you **carefully read the reviews** so that you choose the ones with an established reputation.

# How to Start Trading?



Warrior Trading is another great provider of Trading Courses. It has a very high reputation, and provides courses for absolutely all types of traders (day traders, swing traders,...).



## Tip #5: Attend a Trading Seminar

Trading seminars are a great way to **exchange first hand with top-notch traders** or other like-minded investors. You can also get insights on things that are not that easy to convey in online courses: **trading psychology, real life examples, track records.**

For some people it really unlocks something in their trading performance and they refer to the seminar as the point in time when their trading took a leap forward.

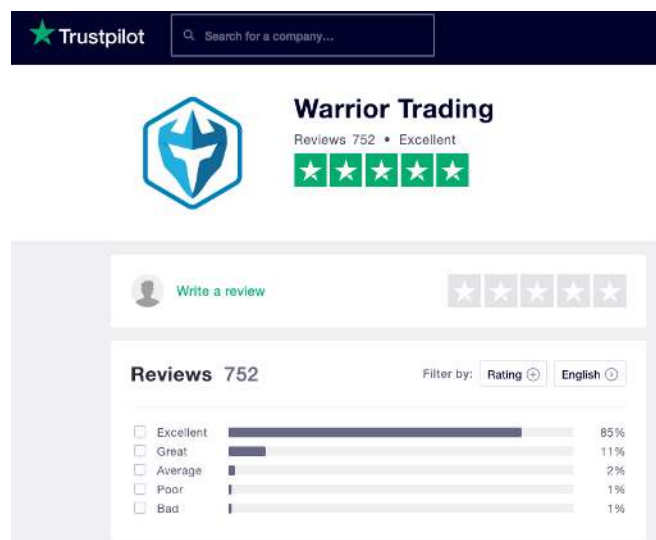
Another important point is that a seminar **creates a community**, and that bond can tremendously help you in overcoming the inevitable difficulties you will face.

### A few well-known seminars

# How to Start Trading?

Seminars are usually much more expensive than online courses, but they will give you the real life experience. Some well-known ones include:

- **Dan Zanger:** a trading legend famous for having turned \$10,775 to over \$18,000,000 in under 2 years; as an alternative, Dan also has a famous newsletter (The Zanger Report) edited via his website [Chartpattern.com](http://Chartpattern.com);
- **Mark Minervini** is another Wall Street veteran and famous trader. His seminar is called the **Master Trader Program**, it has good reviews and is definitely one of the references in terms of Trading seminars;
- **Warrior Trading:** Ross Cameron is an acclaimed trainer. He proposes a range of options, from online courses to Chat Room access or full-blown Trader Masterclasses. Worth checking out, his **Trustpilot** rankings are outstanding.



## Tip #6: Emulate the greatest traders

Learning from the greatest traders is both inspiring and thought provoking.

Along the years, I have researched hundreds of traders and strategies, and for Forex Trading I've shortlisted the best of them. They're not all well-known, but all are highly skilled. You can find them in this article on [17 successful Forex Traders you can emulate](#).

# How to Start Trading?

A great way to learn more about these amazing traders is to read the [Market Wizards](#) series of books written by [Jack D. Schwager](#).

I suggest you also learn from some of the world's most outstanding traders in some great books that have been written on their success stories:



- [Warren Buffett](#) : the legendary Oracle of Omaha
- [Ray Dalio](#) : founder of Bridgewater Associates
- [George Soros](#) : the man who broke the Bank of England
- [Jesse Livermore](#) : the trader on which « [Reminiscences of a Stock Operator](#) » was based
- [Ed Seykota](#) : turned \$5k into \$15m in 12 years
- [Richard Dennis](#) : the man behind the fascinating « Turtle Traders » experiment
- [Paul Tudor Jones](#) : another legendary hedge fund wizard

## Tip #7: Find some trade ideas using social trading

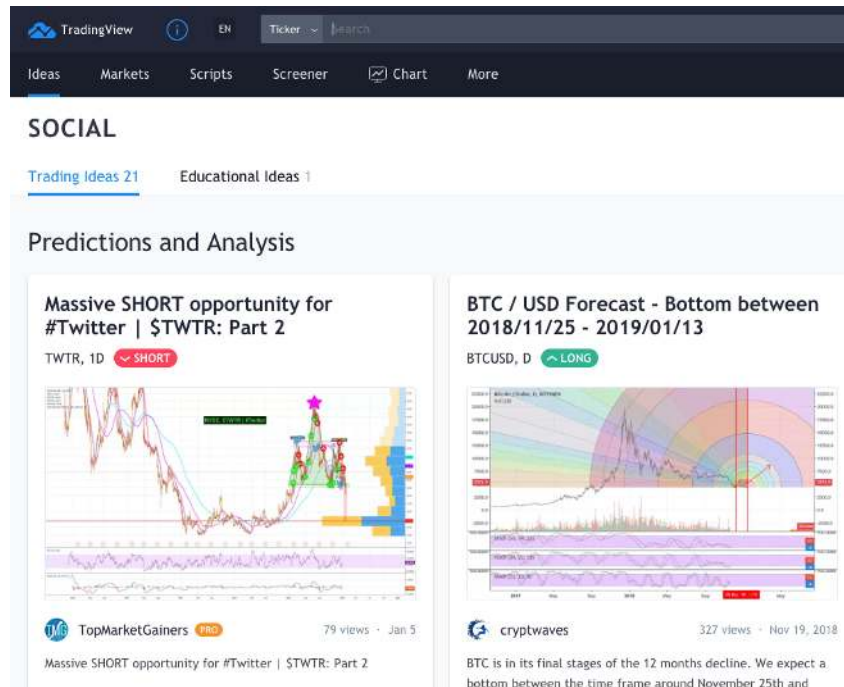
Exchanging trading ideas with other investors is a great way to break the isolation.

A few platforms will allow you to do that.

One of the best options is to use the social networking capabilities of [TradingView](#).

This tool is amazing, it integrates one of the most powerful charting platforms with social trading, screeners, and it even has broker integration for those who want to trade from the charts.

# How to Start Trading?



Then, some brokers are totally oriented towards social trading. **eToro** is the most well-known, allowing you to connect with other traders, discuss trading strategies and even use the CopyTrader technology to automatically copy the trading performance of the best traders.

## Tip #8: Learn to trade with Youtube videos

Videos are a great way to learn, and there is some very valuable content available free on Youtube.

Here's a couple of very useful videos, tackling the basics of Forex along with some psychological aspects of Forex Trading.

### A video by Jayson Graystone : 10 ways to Learn Forex Trading



## Forex News Trading with Jarratt Davis.

### Step by Step guide

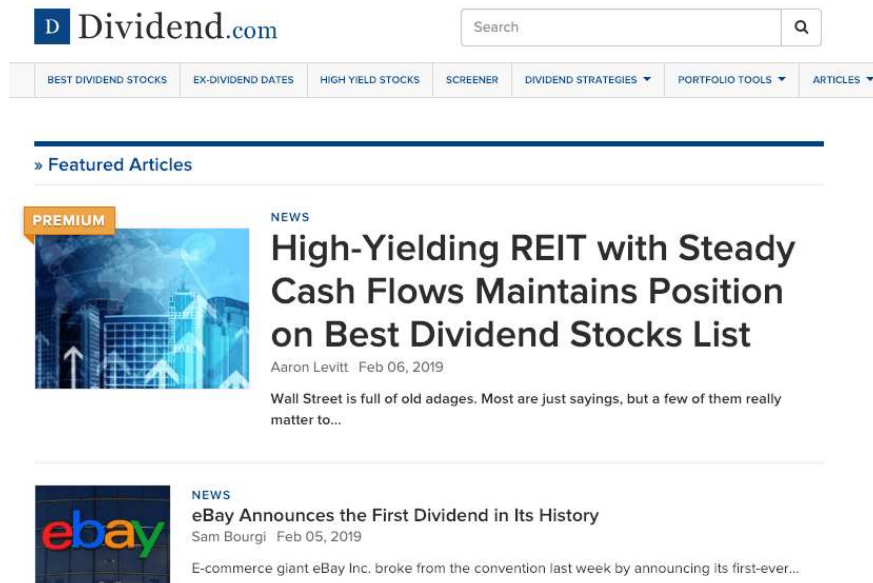
- News trading IS profitable
- You CAN predict the news
- The process is fairly SIMPLE
- Time, practice, experience is required
- Once mastered you can achieve consistent profits
- Trade examples step by step breakdown

## Tip #9: Dividend Investing 101

A great form of passive income strategy is to buy dividend paying stocks.

This is a strategy quite similar to the buy and hold long term approach, except that you **focus more on the regular cash flow from dividends** than on the capital appreciation of your stocks. Investopedia has a [series of introductory articles](#) on dividends and dividend investing.

There are also some very good specialized websites for dividend investors, such as [dividend.com](https://dividend.com), proposing a proprietary **DARS rating** to select and screen the best dividend stocks. I have tried it and can vouch for the quality of the selection.



If you want to take things further, check out this article around [12 Tips to buy Dividend Stocks](#).

## Tip #10: Subscribe to Investment Newsletters

There's a good number of newsletters available for stock pickers. They can provide you with lots of trade ideas. Here's a list of some interesting ones, some free, some paid:

- [Morning Brew](#) : a free daily delivery of the top business stories
- [Income Investor](#) : published by Gordon Pape, recommended securities for an 8% yearly return
- [Thoughts from the Frontline](#) : written by John Mauldin, it is one of the most read weekly newsletters in the investing world, published weekly





MORNING BREW

## Tip #11: Subscribe to online Investment Research

Paying for research can be a good option if you're out of ideas or don't have the time to do the research. Some very good subscription services are available such as [Investors Business Daily](#) (IBD), created by William J. O'neil the founder of the CANSLIM model. You can also give [Zacks](#) a try or [Morningstar](#), both very well-known stock advisory services.

BREAKING: Futures Edge Lower, But Several Top Stocks Move Toward Buy Zones Late

IBD DIGITAL  
2 months for \$20 [Get Started Now](#)

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### TODAY'S MARKETS

NASDAQ  
7,375.28  
↑ 0.36% ↑ 26.81

S&P 500 2,731.61 ↑ 0.22% ↑ 6.09  
DJIA 25,390.30 ↑ 0.08% ↑ 21.22  
NYSE VOL (MIL) 3.382 ↑ 3.48% ↑ 121  
NASDAQ VOL (MIL) 2.119 ↑ 4.65% ↑ 103

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ibol	Company	Price	Price Chg.	Price % Chg.	Volume	% Chg.	IBD Tools
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## Tip #12: Take a riskier approach with options

In case you want to take a more aggressive approach to trading, you can turn to **options**.

Essentially, an option allows (but doesn't require) an investor to buy or sell an underlying asset at a predetermined price (strike price) over a precise period of time. You will have two types of options: **Call options (option to buy)** or **Put options (options to sell)**.

A lot of brokers offer options, check this [Options Basic Tutorial](#) if you want to know more about those securities. I also have an article reviewing the [Best Options Trading books](#).

### Benefits and risks of options trading

On the one hand, options require **smaller amounts of capital** than buying stocks outright and they **can be used to hedge** or protect an investor from a downside risk.

On the other hand, you could **end up exposed to unlimited losses** if you're not careful. You will also need to manage the **time decay** factor (evolution of the price as the expiration date approaches). Finally you'll have to make sure margin requirements don't build up too much in terms of trading costs.

All being said, **good options traders are often among the most successful** and mastering this asset class can put you in an entirely different league in terms of earnings.

Now that you've kicked off your education as a trader, you need to choose a good broker and start practicing on a demo account, time to move to [Step 5](#).

## Step 5: Get a broker, some gear, and demo

If you want to be a profitable trader, **choosing a broker** that fits with your goals and trading style is key.

The good news is that competition among online brokers is fierce, which keeps costs on the low side.

There are many options open to you, but choosing a broker will mostly depend on the degree of sophistication you are willing to pay for.

Do you want a state of the art platform or a mostly low-cost option?

Let's take a look at the 10 things you should consider when choosing an online broker:

# How to Start Trading?

1. **Where you live:** depending on your place of residence, all brokers might not be available. Interactive Brokers, FXCM or IG might be available worldwide, while Charles Schwab or TD Ameritrade will only accept US citizens.
2. **Minimum account funding:** some brokers could ask you for up to \$5,000 but most will have minimal requirements;
3. **Securities you want to trade:** some brokers are specialized in Forex, others in CFDs. If you're going for stocks, is it US stocks, European stocks? If cryptos is your choice, then you might need a dedicated crypto exchange.
4. **Fees & Commissions:** this is absolutely key, transaction costs will be a huge part of your P&L. Be careful with zero commission brokers, you will always pay something in a form or another (check out my [Robinhood](#) review). If you are going to be a scalper, getting the lowest possible transaction costs is mandatory;
5. **Platform** is another key element. Look at the charting capabilities, is there a mobile platform, how elaborate are the tools? Again, if you're going to scalp for example, you will need hotkeys and lightning fast execution.
6. **Social Trading** functionalities: can you share ideas with other traders, are there « copy trading » options to follow the best traders?
7. **Educational resources:** if you're a beginner, the quality and quantity of online training material will be important.
8. **Paper trading:** make sure your broker provides paper trading accounts, this will enable you to learn the physics of trading firsthand and check if you have a viable strategy
9. **Market data and analysis:** if you're already a seasoned trader, you might want high end investment analysis and fundamental information provided by professional investors
10. **Funds protection:** is the broker a member of specific regulatory authorities that will provide rules and protection (FINRA, SIPC, FDIC)? Look out specifically for the SIPC the consumer protection rules to keep your funds safe.

This might seem a little overwhelming, so let me simplify things and make five broker recommendations depending on what type of trader you are :

- **Option #1: eTORO** ⇒ if you're a beginner looking to try your hand at swing trading stocks and would like copy trading options, and the possibility to trade Forex, stocks, or cryptos. The winner for dipping your toes and social trading.
- **Option #2: Robinhood** ⇒ a very good discount broker, with an ultra simple interface and mobile app. Read my [full review](#). The clear winner for ease of use.
- **Option #3 : eTrade** ⇒ if you live in the US, an excellent broker for beginners. Includes \$0 trades. Excellent platform, regularly awarded (especially options). Great mobile app. The winner for mobile trading.
- **Option #4: Interactive Brokers** ⇒ if you need pro features, IB is a very advanced broker with rock bottom transaction fees if you're a heavy trader (perfect for Day Traders). Their platform could use some refreshing but their margin rates are unbeatable. Accessible in 26 countries. The winner for fees & commissions.
- **Option #5: TD Ameritrade** ⇒ for their fantastic platform *thinkorswim*, a great option for beginners, regularly awarded in best broker rankings. Fantastic educational material, no minimum deposit and \$0 stock trades. The winner for Platform & Tools.

## Exchanges for Crypto Trading

If you specifically want to trade cryptos, I've covered the [Top Cryptocurrency Exchanges](#) for buying Bitcoin or Altcoins.

If you are going to be an active Crypto Day Trader, then you definitely have to take a look at the [Coinigy platform](#).

## Now Open a Demo Account

This is probably one of the most important pieces of advice in this guide:

**“DO NOT TRADE WITH REAL FUNDS UNTIL YOU HAVE AT LEAST 2 MONTHS OF PROFITABLE DEMO TRADING”**

You wouldn't drive a car without a license, why would you waste precious funds and start trading until you have reasonable assurance that you can be profitable? that would be madness.

So the advice is simple, open a demo account with your broker of choice (most offer that option), and start trading.

Here are the 3 main reasons to open a Demo Account

1. **Learn the mechanics of trading:** how to place an order, the different types of orders (limit, stop,...), the impact of commissions, margin requirements, etc... On a demo account you can mess it all up, there's no consequence other than climbing the learning curve.
2. **See if the market you've chosen fits you:** if you've chosen Forex, demo trading it will tell you if the dynamics of that market fit you
3. **Test your trading style:** not everyone can be a scalper, it requires a lot resistance to stress, long hours of screen time, etc... Scalping on a demo account

Let's be clear : even if you successfully trade demo for 2 consecutive months, you won't know if you can replicate that until you go with live funds. So it would be madness to go live without these successful two months. Do it seriously, treat trading like a business, you will only succeed if you're committed, serious and disciplined.

Another great platform to Trade Demo is **TradingView**. The HTML5 web-based interface is fantastic, and the number of tools and functionalities limitless (screeners, social trading,...). I've covered Tradingview in this Complete [Beginner's Guide](#).

## Choosing the Best Day Trading Setup and Gear

A broker is fine, so is a Demo account, but none of that is possible without adequate gear.

Here's a complete article on the [Top Day Trading and Gaming Setup](#). Choose the best PC, an ergonomic chair, a real Day Trading Desk, and wide and high-quality trading monitors.

# How to Start Trading?

If you've chosen trading for the nomadic lifestyle, a laptop is definitely what you need. In order to make the right choice you will need to check a few of your laptop's specs:

- **Speed.** Trading means quick decision making, You need a laptop that boots quickly in order not to miss a trade.
- **Screen size and quality.** Essential given the long hours of screen time.
- **Lightweight.** You will carry your laptop with you everywhere.

Given these criterias, here is a selection of the [best laptops for trading](#).

## Get yourself a comfortable Trading Chair



[Ergohuman](#)

As a Day Trader, it's likely you are going to spend hours in front of your screen. Your eyes will feel sore and your back will ache, but if you want to make this easier, check out this amazing Trading Chair.

Designed and made with the total comfort of humankind in mind. Esthetics, form and function allow this series to utilize a synchro tilt mechanism with infinite lock, sliding seat, pneumatic height adjustment, and headrest option all in one very unique chair...

Give yourself a treat.

Now that you're all set up with a Broker, an account, and some gear, let's take a look at some of the free websites that can really help you in your trading.

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## Step 6: Use Free Stock Chart Websites

Whilst your broker might have a great platform, with all the bells and whistles, it might not have all the functionalities available. That's why you can use **Free Stock Chart Websites**.

There are a few fantastic free options that are well worth considering to perform your Technical or Fundamental analysis.

These sites include advanced graphics with powerful indicators, position follow-up, screeners or social trading.

Let's take a look at some available options.

### The Best Free Stock Chart websites

I've covered the [top 10 Free Stock Chart websites](#) in a detailed article, but if you want to shortcut your way, go with one of the following.

Here are the top 3 Stock Charting platforms :

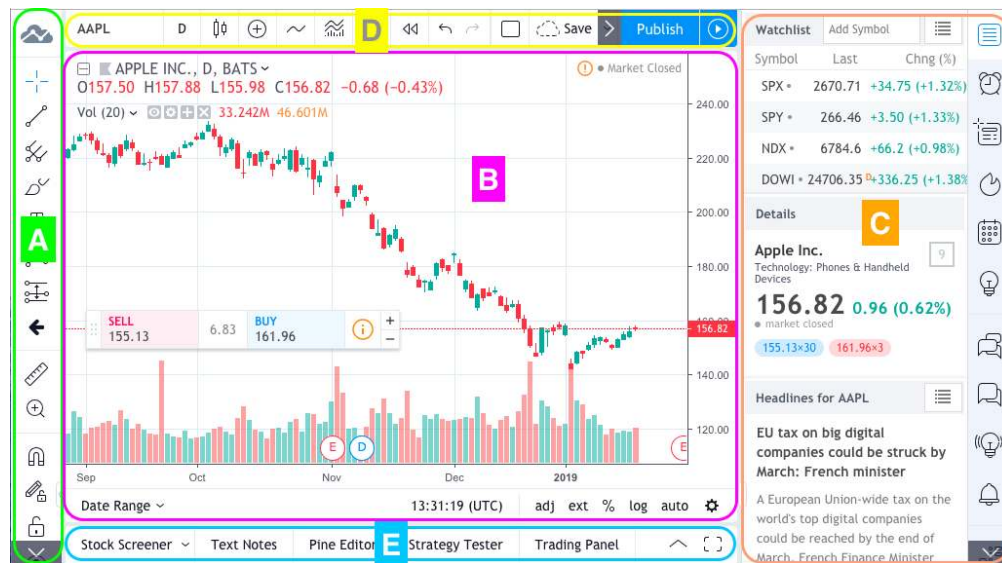
1. [TradingView.com](#) : the most powerful and flexible to use
2. [Finviz.com](#) : for its fantastic screening capabilities
3. [Stockcharts.com](#) : a timeless reference of so many websites and traders

### TradingView, the most versatile and fluid platform out there



# How to Start Trading?

TradingView is an amazing all-in-one platform for all your technical analysis needs. It is the most widely used and certainly the most versatile. Read my complete [TradingView Beginner's Guide](#), it also includes a full PDF handbook that's entirely free to download.



**Pros:** TradingView has a clean and powerful HTML5 interface, making it really nice and fluid to use. It has tons of indicators, social trading, and so many powerful features. You can even trade directly from the interface if you have an account with one of the partnering brokers (FXCM, Oanda, Tradestation, Saxo, Forex.com, ...).

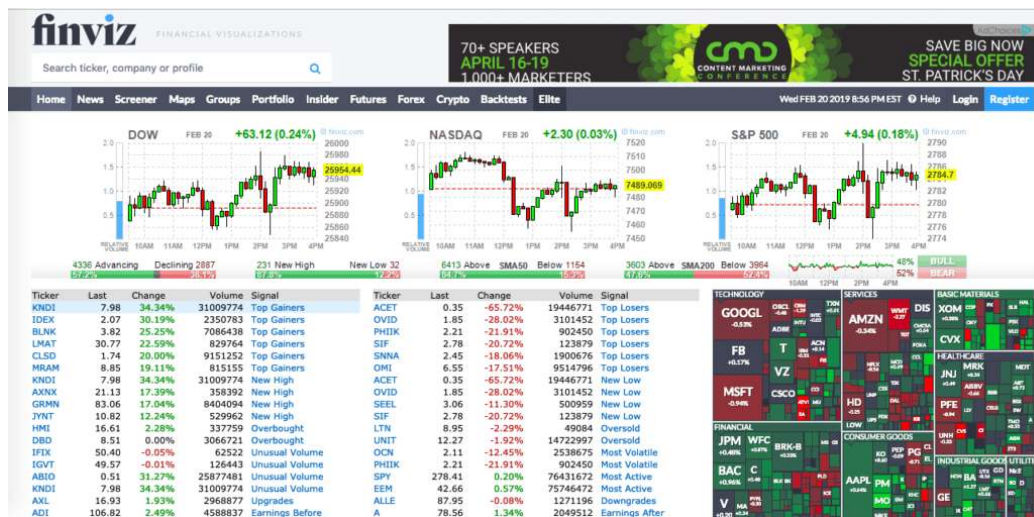
**Cons:** pop-ups on the free version. Its also takes a bit of time to learn how to use some of the most advanced tools.

**TradingView** has four account types: Free – Pro – Pro+ – Premium. The pricing ranges from \$9.95 to \$39.95 per month. The Free option is great, it provides access to most of the advanced features and offers a fantastic set of tools.

# How to Start Trading?

## Finviz.com, for its fantastic screening capabilities

- **Finviz** is well-known for its fantastic free screening capabilities. With screeners, you can enhance your watchlists and narrow down on stocks with very specific characteristics.
- **Finviz** excels with its free Stock Screener, mainly on US stocks. The filter options are amazing, you can screen stocks by literally every available criteria (from detailed financial ratios, technical analysis patterns, etc...).



**Pros:** great screening capabilities. Most of the website and functionalities are totally free.

**Cons:** you can only analyze US stocks.

## Stockcharts can also be a great option

Stockcharts.com is another hugely successful platform claiming 1.6m users, boasting award winning charting and analysis tools.

I'm sure you've seen their charts on dozens of websites, news articles, trading books or even seminars. They offer paid and free options.

Stockcharts has a number of very distinctive features, some of which stand out from other online websites:

# How to Start Trading?

- SharpCharts: a unique award-winning bar/candlestick charting program. The main reason people come to Stockcharts.
- PerfCharts: interactive charts that allow you to compare the performance of up to 10 different securities on a percentage variation basis;
- CandleGlance Groups: display up to 12 mini charts displayed side by side, great to get a quick overview of stocks that stand out;
- Seasonality: display a stock's monthly price performance or trends over a specific time period;
- GalleryView: view charts on multiple time frames side by side, very useful for some trading strategies relying on simultaneous short, medium and long term analysis;
- MarketCarpet: Scan a wide group of stocks and detect trends and technical patterns;
- Relative Rotation Graphs: side by side display of the relative momentum and strength of a stock;
- Dynamic Yield Curve: an interactive chart showing the relationship between securities and interest rates.

**Pros:** a reference in the trading world and lots of unique features.

**Cons:** the interface is not quite as fluid as TradingView, sometimes looks a little old-school.

Here's a [real-time evolution](#) of these three platform's popularity

## Cryptocurrency Analysis Tools

If you want to analyze the dynamics of Bitcoin or other altcoins, you can definitely use [Tradingview](#) , but there are more dedicated options, I have covered the [top 3 Cryptocurrency and Bitcoin analysis tools](#).

- [Coinigy.com](#)
- [Coinmarketcap.com](#)
- [Blockchain.info](#)

So now that's we've covered some great free charting tools, let's move on to [Step 7](#) and find some profitable Trading Strategies.

### Step 7: Find Profitable Trading Strategie

You've chosen a market and a trading style. You have a broker and a demo account. Now you need a **Profitable Trading Strategy**.

Ironically, finding a good Strategy isn't all that hard.

The hard part is sticking to it, trading it consistently, and remaining disciplined.

**All great traders will tell you:** Success in trading will be defined by your mental ability to manage losing periods while remaining consistent in applying your strategy.

### How to Decide What Strategy you're Looking for?

Before you start searching all over the place to **find profitable strategies**, you need to go back to your initial choices.

What asset have you decided to trade, over what time horizon ? (Eg. Forex, swing trading).

Remember, this is one of the first steps we took. You made these choices depending on your goals, your initial funds and your personality. If you're not clear on that, go back to Steps 1 and 2.

Keep in mind that success will come from finding good strategies and making them your own.

### Three things you need to check to make sure you have the right Strategy

1. Backtest the Strategy (check out The [Resources](#) page for some backtesting tools)
2. Trade it on a demo account for a reasonable period (4 to 8 weeks)
3. Monitor your results closely, and make the Strategy your own.

That way, you will know what to expect and be prepared.

For example, let's say you discover that your strategy has losing periods that can generate drawdowns of around 5 or 10%. Then you know that trading it successfully means sitting out these periods without panicking or skipping to another strategy.

This is fundamental. All strategies have losing streaks, and being able to remain confident in your strategy when it loses is the key to success.

Now all you have to do is to find strategies from established traders and make them your own. But first, let me explain why the **Trader counts more than the Strategy**.

## Why different people get different results from the exact same Strategy?

A lot of strategies can be profitable, if traded consistently.

But studies have shown that if you provide the exact same strategy to a Group of people, they will all trade it differently, and with different outcomes.

## What the Turtle Experiment taught us

This is the true story behind Wall Street legend Richard Dennis, his disciples, the **Turtles**, and the trading techniques that made them millionaires.

What happens when ordinary people are taught a system to make extraordinary money?

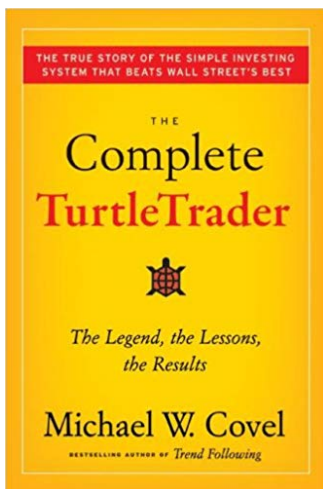
# How to Start Trading?

Richard Dennis made a fortune on Wall Street by investing according to a few simple rules. Convinced that great trading was a skill that could be taught to anyone, **he made a bet with his partner and ran a classified ad in the *Wall Street Journal* looking for novices to train.**

His recruits, later known as the Turtles, had anything but traditional Wall Street backgrounds; they included a professional blackjack player, a pianist, and a fantasy game designer.

For two weeks, Dennis taught them his investment rules and philosophy, and set them loose to start trading, each with a million dollars of *his* money.

By the time the experiment ended, Dennis had made a hundred million dollars from his Turtles and created one killer Wall Street legend.



If you want to know more about this incredible experiment, check out [The Complete TurtleTrader: How 23 Novice Investors Became Overnight Millionaires](#)

The lesson from that is that with the exact same Strategy, some traders will be successful, but others won't.

Psychology makes all the difference. We all react differently to loss, gain, fear and greed. And for that reason, we will get different results from the exact same Strategy.

Ok, so now let's see where you can find some good Strategies.

## The best sources for finding profitable strategies

Over the years I have come across a number of very good traders. The links to their strategies are here below. I recommend you check them one by one, and get a feel for them.

## Forex Trading Strategies

1. Linda Bradford Raschke's book « [Street Smart](#) » is a very good source of trading strategies. Check out the « Holy grail », you can also research it online, it has been quite widely publicized;
2. Karen Peloille's Ichimoku strategies in her book « [Trading with Ichimoku](#) »: to me some of the best strategies available
3. Jarratt Davis' Forex [news trading strategies](#)
4. Kim Krompass's [unique trading strategy](#)
5. Chaos Trader 63's Ichimoku strategies at [FX At One Glance](#)

## Other types of strategies (mixed, Forex, stocks,...)

1. Warrior Trading's strategies for trading Bull Flags and Flat top breakouts. Here is a [very good video](#) where they are explained
2. Stock picks from the Contrarian Outlook website, edited by Brett Owens, it has given me loads of high yielding opportunities and I highly recommend the free articles along with the monthly paid namesake newsletter, it is brilliant
3. My own Simplified [Ichimoku strategy](#)
4. Strategies from the traders at SMB Capital, a highly reputed Proprietary Trading firm fiunded by Mike Bellafiore. Check their [Youtube Channel](#)

## Crypto Trading Strategies

1. My own Long-Term [Bitcoin strategy](#)

If you're specifically interested in Forex, I also have this list of [17 very good Forex Traders](#) you can emulate, it contains links to many other profitable strategies.

So, I hope you can find some good strategies in the above.

I'll keep adding more as we go, but you already have a good choice of solid strategies that you can start testing.

## How to Start Trading?

Remember: do your homework, backtest, demo, then go live. Make these strategies your own, and stay disciplined.

Trading is a journey, it takes time. Most successful investors are patient people. So don't rush it.

There's no easy *get rich quick* scheme. Making it as a successful trader will take a lot of dedication and discipline. But it is worth it, a million times.

If you have moderate expectations and favor a hands off approach, go for automated trading (Robo-Advisors).

Otherwise, follow the steps I have listed here, and you will stand a good chance to start hitting some of your targets.





# Final words

I hope you have found this guide useful and that it will help you in your trading journey.

If you want to suggest any additions or changes, drop a comment on the [website](#).

I have provided the guide entirely free, without collecting your email.

I don't collect emails and spam people with unwanted content.

If you want to thank me and help support my website, you can buy me a beer using the below Paypal QR code or this [link](#).

Cheers and Safe Trading to all!

