

# Discover how to make money from Fixed Odds Financial Trading







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It is estimated that the daily turnover in the FOREX market is anywhere from US\$1.3 trillion to US\$4.5 trillion. On an average day, 1.46 billion shares, valued at \$46.1 billion, trade on the New York Stock Exchange and £20.9 billion shares trade on the London Stock Exchange. However, it has been estimated that 90% of people who play the markets lose (including the so called professionals).

What makes the 10% successful?

# Good money management.

Your capital is your livelihood, don't lose it. A good rule of thumb is never invest more than 5-10% of your capital in one trade, then, if you lose a trade, you are still in the game.

## Watch the World.

Become a news junkie, be aware of current events. The stock market is emotional and events like wars, terrorism and interest rate movements can have a large immediate impact on prices.

# Let your winners run, and kill your losers quickly.

Speaks for itself, but if you're winning, let it run. It's tempting to take your money while you're ahead. But try and resist and let it go.

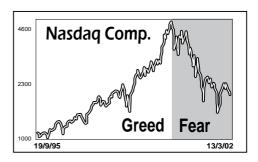
# **Technical analysis**

This is a fancy name for the study of stock market charts. People have spent lifetimes studying and developing charting techniques. Charting software can be bought for thousands of pounds, or you can find it free on the Internet and at BetOnMarkets.co.uk. Develop your own charting plan (see chapter three).

### **Greed and fear**

Try to understand the emotional aspect of the markets, whilst not letting your own emotions influence your trading. Look at the chart of the famous tech bubble, companies that hadn't made a cent were selling for ridiculous prices. This was greed

at its best and it was a trend worth following. Don't try and pick tops or bottoms, instead wait for a trend to establish itself before trading. They say fear is greater than greed.





There is no better place to play the world's financial markets than BetOnMarkets.co.uk. As a newbie you can learn the ropes with small amounts of £5 and as an expert you can trade up to £50,000. With BetOnMarkets you never actually own the Stock or currency you are buying, you are just trading its movement, so there is **no need for expensive contracts** or individual shares.

# Plus your profits are tax free\*

You can bet up, down or sideways on a number of globally traded markets quickly and simply and your risk is limited to your stake at all times yet **high leverage** is still possible. This means that you can **never lose more on a trade than you bargained for**, unlike other forms of financial trading.

You choose the closing time and date for all trades which can be as little as 10 minutes to as long as 6 months.

<sup>\*</sup>Tax law can be changed or may differ if you pay tax in a jurisdiction other than the UK.

You can adjust your positions according to any situation that arises. This means you can cut a loss or save a profit.

You don't run the risk of being stopped out in a highly volatile market, as you can with other forms of financial trading.

In a range bound market you can make good profits unlike other forms of financial trading.

You can hedge your existing share portfolio cheaply against a sudden turn in the markets.

FACT FILE. The Forex market is basically just one currency against another, like the pound against the US dollar (the pound is nicknamed 'cable' because the US dollar and British pound were the first currencies traded by telegraphic cable), this is an exciting 24-hour market.

The FTSE 100, Dow Jones and Nasdaq are called indices. They are basically the average price of the top shares trading on that exchange. The FTSE 100 is English while the Dow Jones and Nasdaq are American.

A Bull market is a rising market, whilst a Bear market describes a descending one.



Many books and many careers have been made on this topic. Here is a simple example using a moving average. The graph below has two lines, one is the Wall Street index and the other is the 30 day moving average (the average price of the past 30 days trading). If we had bought the day after the Wall Street index broke the 30 day moving average, then sold 30 days later, we would have made profits.



There are many variations on these techniques, another one is to plot a 250 day moving average on a chart to see which direction (up or down) the market is trending, then plot a 50 day moving average and use that as the buy or sell point (you can short [profit from a fall] the markets with BetOnMarkets.co.uk). Once the position has been bought some traders use the 20 day moving average as a signal to know when to sell. Of course there are infinite variations to these rules and you may find yourself becoming mired in things like fibonacci retracements and stochastic oscillators, but simplicity is often the best.

#### How to get these charts

Go to the BetOnMarkets.co.uk site and click on the charting tab, then scroll down one and click charts, in the next box



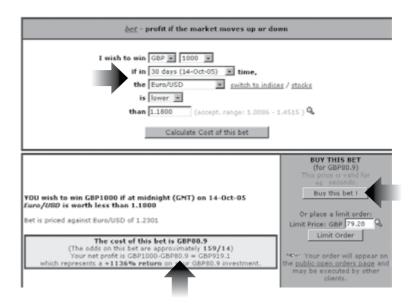
click **advanced** and then **indices**. Select **the index of your choice** then further down select, Period to chart **(six months)**, indicator **(moving average)**, number of days **(30)** then click **draw chart**.



Let's say that you believe the Euro/US\$ is due for a drop over the next month.

Go to http://www.betonmarkets.co.uk and click on Forex (under markets on the left hand side of the page). Then click the Bull/Bear button below that.





You can then see the current price and the choices you can make. In this example we clicked I wish to win £1000 pounds in 30 days if the price is lower than 1.1800. We then clicked Calculate Cost of this bet. We were then informed that the cost of the trade will be £80.90. This amount is the most we could possibly lose on the trade. If correct, we would receive the full £1000 (which includes the stake).

Plus you can sell the trade before 30 days is up to limit a loss or to lock in a profit.

You can do this yourself or just set up a trigger or a stop loss to automatically sell the trade if the Euro/USD hits a level you specify.

## **FACT FILE:** The Trades

#### **Double Up (or Down)**

Profit from a rise (or fall) between now and the close of trading today.

#### Intraday up (or Down)

Profit from an intraday market rise (or fall).

#### **Super Double**

Profit on consecutive intraday market trends.

#### **Bull/Bear**

Profit if the market rises or falls between now and a chosen date (from 5 days to six months in the future).

#### **Expiry Range**

Profit from predicting the level of the market on a chosen date.

#### One Touch (or no Touch)

Profit if the market (never) touches a given barrier.

#### **Barrier Range**

Profit if market trades within a given range.

#### **Double Touch**

Profit if market touches two barriers.

#### **Up or Down**

Profit if market trades out of a range.

#### The Run Bets

A series of quick trades that depend on the movement of various markets.



Statistically, the best day to be a bull on the Dow Jones is Monday. The best day to be a bear is Wednesday.

Statistically, the best months to be a bull on the Dow Jones are March, August and December. The best months to be a bear are January, February and September.

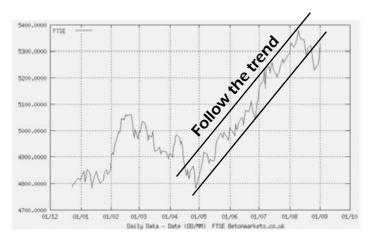
Statistically, the S&P500 shows a bullish bias during the last trading day and the first 3-4 days of the month.

Statistically the bullish bias known as the Santa Claus rally typically kicks in on the Dow Jones around the end of November and lasts until the end of the year.

Be aware of things like American Federal Bank interest rate announcements. Find out when the next one is and watch how the currencies react to it. These are good times to see volatility in prices, especially on the US dollar. You may have heard the phrase, 'When America sneezes, we all catch a

cold' well, stock markets all around the world generally react to America.

Trending Channels: Look out for formations like this below, you can see this type of scenario in any market anywhere in the world. Follow the trend. One day it will stop and reverse, but it's easier to trend follow than to try and pick tops and bottoms.



Currency markets: Things to watch that are good for a currency are, a rise in interest rates, a rise in GDP or a rise in exports. Also a fall in unemployment is considered good news. Bad news is the opposite of the above and any natural disasters, political tensions or terrorist threats that may happen.

Information and strategies contained in this guide are intended as educational information only and should not be used as a sole trading guide. International currency, stock index or commodity prices can be highly volatile and unpredictable. The past is not a guide to future performance and strategies that have worked in the past may not work in the future. Fixed odds financial trading involves a high level of risk and may not be suitable for all customers. The value of any trade, and income derived from it can go down as well as up and your capital is at risk. Although due care has been taken in preparing this document, we disclaim liability for any inaccuracies or omissions. Fixed-odds financial betting is not regulated by the FSA. Please view the website's Terms and Conditions for full risk disclaimer and conditions of service.



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# Free £10 trade

Open an account, email support@betonmarkets.co.uk quoting the code UK-BOM, and we will deposit £10 into your account



FACT FILE. BetOnMarkets.co.uk was founded in 1999. Since that time millions of trades have been placed with BetOnMarkets.co.uk. It is now a global group offering Fixed odds Financial Trading to the world.

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