

BEGINNERS GUIDE TO DAY TRADING



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About Us

Maitra is a Financial Broking House headquartered in Chennai.

Established in 2012, we have a strong network of business associates and branches all across South India with a patronage of 11,000+ clients.

Kick starting as a financial portal with operations only in commodity trading, Maitra has now ventured into other Investment opportunities like Equity and Derivatives, to envisage the diverse needs of all our clients and provide a complete array of financial trading products and services.

The essence of Maitra is to partner you in all your investments, breaking all barriers that traders and investors face in terms of cost, support and technology. Although we are radically changing and evolving, our belief and passion to be the pioneers and most insightful, hasn't. At Maitra, we aim to be accessible, responsive and connected, both to the markets we serve and our clients.



Introduction

Day trading has recently acquired immense popularity as more and more individuals seek ways to achieve financial freedom. The desire to live a happy and self-driven life has given rise to the exciting world of day trading. If you have found your interest in this fascinating mode of making money, then this guide is there to get on board effortlessly. The market in India is full of an ever-growing list of brokers and freelance day traders. To compete with them and find a suitable position in the market, you need a guide or, better, a companion. This short manual will acquaint you with some basics of day trading while helping you stay on track for your financial goals. Let's begin with the correct understanding of “what is day trading?”



What is Day Trading?

If you look at the definition, then day trading can be defined as, *"Sale and purchase of stocks/securities within a single day."*

To explain it further, let's look at this example, you purchase 35 shares of Reliance Ltd and sell them on the same trading day as you have purchased. Then this scenario will be considered as a day trade event. You can make multiple purchases in a day and can sell them off by the end of the trading hours. Every day trader begins a new trade on each day and finishes it by the end of the day. This trading activity is also known as "intra-day trading". Several strategies will help you capitalize your investments on limited price movements, especially in the case of currencies and high-liquid stocks. Day trading aims at equipping you with the volatility of the market and further attaining a grasp over market movements.

Defining Principles for Success as a Day Trader

Now, there are several principles, or you can say, requirements that one needs to adhere to while beginning in the world of day trading. Some of the principle actions include the creation of goals, determination of strategy, and volatility assessment, among others. If you aim to become a professional day trader, you may also need a platform to access the market and further utilize tools to get quick updates and make swift decisions. **Maitra Commodities** is one such platform equipped with the most facile interface and efficient tools to get you started. Yet, there are still some principles; you need to take care of.



- 1 **Professional Approach:** Sentiments don't work in the world of trading, so you should undoubtedly leave them behind. Besides, you need to develop a good base of knowledge, including all the market fundamentals, to mitigate unnecessary losses. You can develop skills like chart reading and technical skills to have a smooth day trading experience. Consult with someone experienced to determine the market conditions and accordingly the set ins and outs for trading.
- 2 **Adequate Capital:** Being a day trader, you should ensure that you invest only that much amount you can bear to lose. It will help you safeguard yourself from financial ruins and will enable you to get rid of sentimental trading. Your principle should be "invest within the limit, so as you don't lose everything you have". Intraday trading may require you to have good capital, as it's crucial to make money on the slightest movements of prices. Yet, you can get yourself a margin account and take the benefit of volatile swings in a short time.
- 3 **Strategy:** A day trader needs to implement a strategy to compete within the market. The experts have devised several day trading strategies like new based trading, swing trading and more. You need to choose one after understanding the benefits and drawbacks of each point. As a novice in day trading, you need time and patience to understand the market's movements and then choose a suitable strategy for day trade.



How to Plan Trades - *What To Trade and How to Trade*

To plan your trades, you need to focus on two components, i.e. what and how. The market has several varieties, like indexes, stocks, bonds, futures and much more. However, being a day trader, the best option for your stocks, thanks to quick liquidity and volatility. Other than this, the commission, if you choose Maitra Commodities, is negligible. You can easily create a suitable trading plan and get onboard to start your trading activities. The plan will help you understand what, how and when to trade along with the appropriate quantities. You need to have an original trading plan with a little inspiration from the outline given below.



- 01 **Figure out the Goals:** You need to understand what drives you towards trading. Is there any goal you want to achieve, or do you simply want to create a side income option? Choose a suitable goal and work in the same direction.
- 02 **Time for Trading:** You need to determine how much time you can spare for trading. It will help you decide the right strategy to apply.
- 03 **SMART Objective:** Your goals can be long term, but the objective needs to be specific, measurable, achievable, relevant, and of course, time-constrained. So, you can put it like, I will make Rs 25000 by the end of the day through trading on Tata's Shares.
- 04 **Determine your Risk-Reward Ratio:** To begin day trading, you need to evaluate your risk-bearing capacity. This should be analyzed following the trading strategy as well as individual trade.
- 05 **Evaluate the Capital:** It's mentioned in the principles as well. Before you start with trading, ensure how much capital you have to invest.
- 06 **Market Knowledge:** You need to decide how much knowledge you have about the market and further plan the aspects of your trading strategy.
- 07 **Maintain Records:** To make sure your trading plan is in action, you need to maintain a record of actions. It will help you decide what is useful and what's not.

Risk, Reward, Timing

Day trading is all about risk, reward and accurate timing. **Maitra Commodities** and their experts have created a platform where you can determine the risks using their tools and get a hold of your trading strategy. Most people are found quite sceptical about engaging in day trading. It's because of the myths and misconceptions developed regarding profitability aspects. Other than that, scams over the internet have also developed hesitation in the market. Beginners usually get scammed by getting lured into schemes of quick riches. However, anything quick is not to be trusted. It will only enhance the risk and demotivate your trading spirit. In present times, some individuals are making handsome sums "in" and "with" stock market risks.



The professionals and experts of the money market argue that day trading is much more risky than rewarding. However, professionals engaged in day trading have the opinion of substantial profits available in the market. Profitability during day trading is certainly achievable; however, the rate of success is a small concern. It's due to the existing scams along with the market complexities that are not ideally easy to comprehend. However, if you consult with someone working in the market for a longer duration, then you can rest assured with your investments.

It's certainly true that day trading is not feasible for all. There are intricate aspects like timing and risk management, which is not easy to be performed. Understanding the market is very important because only you will be able to determine a suitable strategy to work in the short term. There are several rags to riches stories, but you should know that not everyone ends up like that. Right timing and luck are crucial to achieving good returns in stock market exchanges.

How to Start Day Trading

Now, you must be thinking about how you should get started. So, there are several platforms offering day trades in options like stocks, equity, indexes, commodities, and much more. Maitra Commodities offers extensive packages to help you create your brokerage account and start trading. Unlike other fake platforms, Maitra Commodities has a client base of 11000 clients spread across the South Indian continent. With the help of technology, experience and expertise, the platform offers simplified trading solutions. You can simply upload your KYC and get started with your account creation process. Moreover, you can use tools like charts, options scanners and many more tools. They offer trading in equity markets, commodity markets, depository, mutual funds and IPOs. Moreover, they have several plans suited to diverse individual needs.




Most Popular Day Trading Strategies

A wide range of intraday trading strategies is available in the market. So to make it easy for you, here are some of the shortlisted options.

- 01 Scalping:** You can use small changes within the prices to gain limited profits within the day.
- 02 Range Trading:** The strategy applied resistance and support levels to assess the decisions for buying and selling shares.
- 03 News Based Trading:** The strategy works around the buzz in the financial news market. You can determine trading opportunities by analyzing the growing volatility.
- 04 High-Frequency Trading:** This strategy employs algorithms in the form of software to take advantage of short-term or low inadequacies of the market.

Day Trading Common Mistakes to Avoid

Now quickly check out what mistakes you may make during day trading and try to avoid them.

-  New trading is fine, but getting too excited could hurt your profits. Don't panic in situations and avoid making emotional responses.
-  Don't move in the direction of volatility. Stay around the stable price directions.
-  Moving ahead of the determined risk-reward ratio would be the most wrong decision. Do not cross the boundaries, or you will end up regretting it.

To get started with exciting and reliable day trading, get in touch with
Maitra Commodities.





www.maitracommodities.com

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Brokers in South India Today.

GET STARTED

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- ⚠ Investment in securities markets are subjected to market risks. Please read all the scheme related documents carefully.
- ⚠ The contents provided are only for informational purpose. Detailed study and research must be done by the investor before entering the market. Maitra Commodities will not be liable or responsible for any losses incurred by the client.

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