On line Trading

In Online share trading the trading is done by using computer and internet connection. In other words trading done through computer having internet connection is called online share trading. Basically people use online share trading who want to trade themselves. Instead of going to any share broker you can do trading yourself using online share trading method. In this method you must have a computer and internet connection or else you can make use of internet cafe. Nowadays due to internet facility lots of things have become easier as compared to earlier days. So making use of the great internet facility you can start your own online share trading.

Essential of Online Trading -

¨ Online trading account - You have to open an online trading account with any of the bank or financial trading system like ICICIdirect.com, 5paisa.com, Sharekhan.com etc. Their will be nominal annual charges. These charges vary from bank to bank but should not be more than Rs.1000 annually.
¨ A computer with internet connection or can do trading in internet cafe.
¨ After successfully opening the online account you will receive the username and password with the help of which you can login in online trading system and trade yourself.
¨ The trading system executive (with whom you opened trading account) will help you initially about how to use the online trading system.
¨ Once you get familiar with the system then you can trade yourself at your home or in the internet cafe.
¨ Nowadays you can get internet enabled on your cell (which is called GPRS) whose speed will be sufficient to do trading and also the charges of GPRS are very nominal.

Online share trading services in India

There are three primary things required to start online share trading.
(1)Demat account (Trading shares' account); (2) Trading financial account, (3) a computer and internet connection or else you can go to internet cafe.
¨ Online Demat Account -
You have to open online trading account that is also called as Demat account.(If you want to know more about Demat account then please go to Basics of share market Indian and check in share market and its analysis section. There are number of share broker agents with whom you can open your trading account. Following are the some of the names of broker agent where you can contact them and open your trading account.
www.icicidirect.com, www.sharekhan.com. www.5paisa.com , www.indiabulls.com etc. these are just few agents you will find more.

Points to remember while opening your trading account

- Enquire about brokerage rates and taxes you have to pay for your trading account.
- You have to open the trading account with the agent who is offering you the lowest brokerage rates.
- Different brokerage rates are available for different trading methods like delivery trading and intraday (day
  trading) trading.
- Before opening your account try to insist the agent to get demo of there online trading software or terminal and

check your reliability and Speed.
- Also confirm about there charges and any hidden charges if you have to pay.

Please properly verify above points and then decide with whom you would like to open the trading account.

Now you have your on online trading account, let's go for another most important requirement needed for you to start your online trading account.

¨ Computer -
Second most important requirement is computer. Nowadays you get very good computer in very affordable price. You may also go for second hand (used) computer but its better to go for new one as they are available for very less prices.
Precaution - Get the computer configuration details and price and compare with other shops and then finalize your deal.Because the price of computer varies due to configuration so get proper configuration details.
NOTE - If you can't afford to buy a computer, then you can go to Internet café and do your trading. This method is also absolutely fine.

¨ Internet Connection -
Third requirement is your internet connection. Nowadays you get internet broadband connection very fast and very importantly at very less price. Following are the companies which provide broad band internet connection.
BSNL/VSNL broadband, Tata broadband, Sify broad band, Reliance Broad band etc.
Precaution - Get proper price range and speed of the internet connection they are going to provide you. The price depends on internet speed and data they provide to you. So get proper confirmation and then go for that company's connection
Another option -
Alternate option for Internet Broad band connection is GPRS connection. GPRS connection is the internet connection has to be activated on your cell phone (mobile phone) and then the cell phone has to be connected to your computer. The GPRS connection is bit cheaper as compared to broad band connection but you may get less speed as compared to broad band connection. The choice is yours.
On the second part the Airtel, Tata Indicom Reliance, Idea etc these all and many other provides GPRS connection and they will help you to set up your mobile phone with your computer for internet access.
Above three are the primary requirements for starting your own online share trading.
NOTE - If in case if you don't want to purchase a computer and don't want to get internet connection then you can go and trade in internet cafe. This is also absolutely possible and fine.
After getting your prime requirement for starting your online share trading now its time to start your share trading.
Let's go to next chapter.
What is offline share trading - Trading done through share broker is called offline share trading method. Just to brief you about offline trading.
As this section is only dedicated to online share trading so let's proceed.
So till now you would have been understood about online share trading.
Now let's go to next chapter. to know before starting your online share trading
Please make a note of following things before starting your online share trading.
¨ Must be aware of Share Market - You must be well aware about share trading, knowledge of share market and shares, fully aware of your online trading software or terminal.
¨ Refer our website fully - To have basic idea about different types of share trading and other

share market related information.
¨ Keep yourself updated - It always very important to keep updated yourself about latest news about share market and companies etc. it really helps you in share trading.
"Share market always reacts to appropriate news"

Resources - To keep updated yourself you have to read financial newspaper like business standard, economic times etc. On the internet you can access/open financial related websites like www.businessstandard.com , www.economictimes.com , www.capitalmarket.com etc. On these websites you will get all news related to share market, government news, company's announcements etc which will affect the share market.
Share market daily open at 9:5 am and closes at 3:30 pm, Saturday and Sunday are holidays for share market.
If you open the financial websites before market opens then you will get the idea about today's share market movement, either it is bullish (going up) or bearish (coming down), (want to know other terms then please check our website) other information like movement of other Asian markets and USA market which has huge impact on our Indian share market. Asian markets start early then our Indian market.
Action Plan - Now you have to plan your action as you are ready will all the information required for share market. Now your action plan is to select shares which are I news or select shares from sector which is in news.
Sector like IT, cement, Petrochemical etc. If there is news on any particular companies/shares or on any sector then definitely there will be movement, if the news is appropriate.
During market hours also you have to keep alert about news. Always trade or select shares/ companies which are involved in news. This is one of the easiest methods of tracking shares and doing trading on them.
Also it is also always better that do some study and research before starting your trading. For example note down today's top gainers, top losers, and volume toppers etc and tomorrow keep a close watch on them this is also one method of selecting shares and trading on them.
One more very important point is you should be always aware about news like when company is declaring its dividend, companies merger plans, demerger plans, quarter results, major acquisitions, collaborations etc .
This type of news will definitely makes great movement on related company shares.

Advantages of Online Trading

¨

¨ Its reliable, convenient and you can take your own decisions yourself by actual selling or analyzing the market on the computer screen instead of calling broker all the time and getting news about the market.
¨ Its not possible or practical for a broker to update you about each and every news about the market or any news which will influence or affect the share market. Because he may be having many other customers like you and even if he updates you by that time the news have been affected the concerned sector or share. So if you are doing online trading yourself, then you may save yourself from big disaster. You will get news and updates on various websites and also on your online trading system and most of the information will be free of cost. "Always remember share market always get influences (or affected) by the appropriate news. So get updated or be in touch with news all the time. This will benefit
you always.¨ By doing online trading yourself, you can see and judge where market (or your share) is heading by seeing different graphs online yourself, which is not possible if you're trading through

broker. Some online trading systems have graphs integrated in their system, so your job is to just add those graphs and check the status of current market (or share) (graphs will be discussed later). And depending on your analysis you can take steps towards your successfully trading.

¨ All your transactions and related documents can be seen online and can also be downloaded to your PC without depending on your broker. You can also check the status of your amount on daily basis through you online trading system. There are very important benefits (advantages) of online share trading over offline share trading.

That means:-

¨ No need to depend on broker -

First up of all you need not have to depend on any share broker for buying and selling of shares; i. e no need to depend on any broker or anybody else to place the order or to square off the order. In short you are the boss of yourself to do trading of shares. Depending on broker may result in delay of buying and selling of shares which may in turn result in huge loss or less profit. If you are doing online share trading then you can execute your trades at any time because you are observing every movement of share market right in front of your computer screen.

¨ All updates on your computer screen -

As you have internet connection with you will get all updates of government news, companies' announcements, and corporate declaration etc during market hours. It's not so practically for your broker to provide you all the updates and news. So its very important point that you get all news, especially those news which affects share market right in front of your computer screen.

"Share Market always reacts to appropriate news"

¨ Independent for your trades -

On the other part you will get all information of your traders on your computer screen. You can view yourself your profits and losses done and depending on your current situation you can plan your further trades. In other words you are totally independent for your trades from your broker. You are boss of your self.

Disadvantages of Online Trading

¨ In online trading system you may face problem of disconnection to internet due to which you will not be able to login to your online trading system and hence you can't do trading yourself. At such critical times you have to call trading system executive and do trading or square off your transactions.

¨ If may face other problems such as electricity cut-off, PC problem etc during online trading then immediately you have to contact your trading system executive and place orders or do trading.

Problems online share trading

As there are couples of good advantages there are also some technical disadvantages. As every coin have two sides.

¨ Disconnection from Internet - In online share trading there is the possibility that your internet connection may get slow or get stopped, this may result in disconnection from share market. At such critical times you have to call your executive (from whom you opened your trading account) and place your order or square off your pending orders.

¨ Computer Problem - If your computer stops functioning then this may also result in disconnection from share market at this time also you have contact your executive.

¨ Other Problem - Other problems like electricity disconnection. Solution for this is inverter or batter backup. Above all technical problems which may exist at any time and they are beyond our control means not in control.

Online share trading tips

¨ Do not over trade - Do not put all your money in share market.
¨ Do not put all your money in single share or single sector - Put or divide your money in multiple shares or sectors. This may reduce the risk of heavy loss.
¨ Do not panic or fear - Think twice before making your trade/plan and once done stick to it, don't panic or fear.
¨ Accept Loss - If you trade is going against you and if you are not sure about your trade then immediately accept the loss and come out of your trade. It will save you from heavy loss.
¨ Right Opportunity - Do not fall in trade early, wait for right opportunity and then trade. It's very important.
"Wait, Watch and then trade" you will get success.
¨ Everyday is not trading day - Do not force yourself to do trading everyday. It's wrong. If you are not sure about the market movement for that day then it always wise decision to be away from market and not to trade.
¨ Keep you greediness away - Most of the people loose in share market due to greediness. Get satisfied whatever profit you get and come out of that trade and wait for next opportunity. Don't wait to take huge for that single trade.

Note: All the blue coloured words in this page are linked to web-pages in internet.