10 THINGS TRADING COMPANIES DON’T WANT YOU TO KNOW WHEN TRADING ON THE STOCK MARKET
10 Things Trading Companies Don’t Want You to Know When Trading on the Stock Market

The stock market is a gloriously complicated structure that will leave many confused. At least, that is what some trading companies would like you to believe. The truth is that anyone can learn how to trade, all it takes is the right resources, knowledge and patience.

As a first-time trader, it certainly helps to be guided by a trading company with the experience to give you the advice you need, but one thing you should always keep in mind is that even a company being paid good money is going to keep some insider knowledge hidden.
1. It’s not that hard and you don’t have to be that smart

Dressed in business suits and set up in fancy offices can give the illusion that only the smart elite are capable of working trade magic. The truth is actually hidden behind the glamour. It is one of the industry’s biggest misconceptions that you have to either be university educated or some kind of financial genius to make a success of trading. The truth is that some of the most successful traders are self-taught as most of the skills that will make you a success are not taught at school.
2. It takes time to strike it lucky

It is true that some are a success in trading right out of the gates, but the many trading companies who punt the idea that trading success takes time are the ones who are giving you realistic expectations. You will make errors, you might lose money but you will gain the kind of knowledge that cannot be bought and that knowledge in turn can bring you success. Trading is not your average job, and there can be a lot of financial uncertainty, especially during the beginning phases.
3. It can be boring

The pace and the euphoria often shown in movies or spoken about in books is not a representation of the life of most traders. This profession is actually somewhat boring, mostly thanks to the same traits that will make your trading profitable. Successful traders are likely to be exceptionally disciplined, they aren’t always impulsive which means they stick to their trading plans with devout fury and once settled the highs are not that high and the lows aren’t that low. It’s just the way it is.
4. You don’t need a fancy set up

Advanced software, a snazzy laptop and massive screens are not going to help you make money. In fact, you don’t need all that many tools. What you need is an informed mind that is capable of weighing up the pros and cons of a trade, and the confidence to make your own decisions and stick to them. There are some basic trading related programmes out there that could make life easier, but you don’t have to pay out a fortune on your office set up.
5. Not all traders are wealthy

Think about it, those same people guiding you to financial bliss, a certain utopia where you are free from all financial worries, are sitting behind a desk all day. Why are they not living the life they promise you? If they were making the kind of money they claim they are, would they not rather be out there travelling or sipping champagne beside their swimming pool at 10 in the morning? The truth is, you’re going to make money but you’re not likely to be Oprah rich.

6. Index investing is hard to beat

A quick look at Wall Street trading pretty much spells out this story. The key to investment success means diversity (you probably already know this) but this also means throwing some of your money into an index fund that has proven to yield a generous slice of the dividends. When your money is on the line, you cannot go wrong with an index fund. Index fund success is an open secret but many brokers don’t invest in it for the simple reason that it is boring.
7. There might be more costs than you think

Brokers make some of their money by taking a cut from the trader, usually in the form of commission or what is known as a spread. But sometimes, that is not the only costs you as a trader will end up paying out. Beware those brokers who add on more than you should be expected to pay, this is often a trait of a poor or unfair broker.
8. Percentage returns don’t matter

The professional traders is really not all that concerned about the percentage of returns. A percentage can sound like you’ve made a fortune, but could actually mean you made very little. Because of this, traders don’t put much emphasis on this facet of trading.

9. Passive trading is not what it seems

There is no get rich quick scheme at play with trading, unless you can throw loads of capital at your investments, in which case you might not need a passive income at all. Seeing that you are probably not a millionaire with money to burn, you can expect to do a bit of hard work over a number of years, before you start reaping the rewards.
10. The income you make for trading won’t be used on frivolous expenses, at least not for now

The last thing trading companies probably won’t tell you is that the money you make won’t be money to spend on indulgent products or holidays. Your trading income should not be used like an ATM. Trading doesn’t just give you money, it’s going to take your money as well. Think of it like a business. A businessman has to put as much money into his company as he takes out and will only start making a profit once he has made the sacrifices.