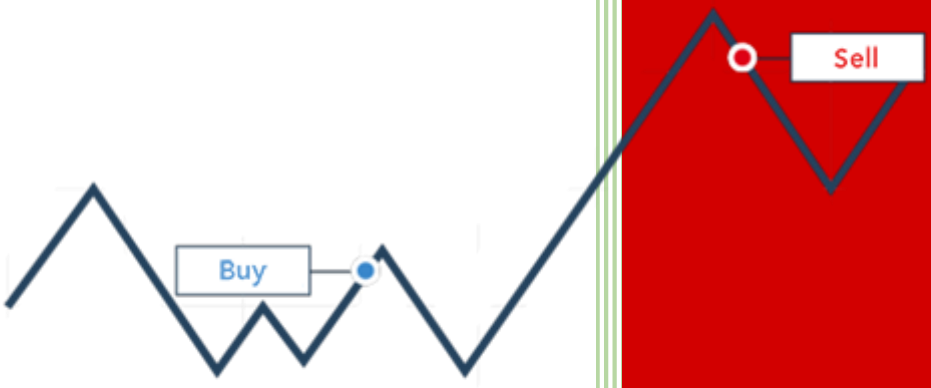
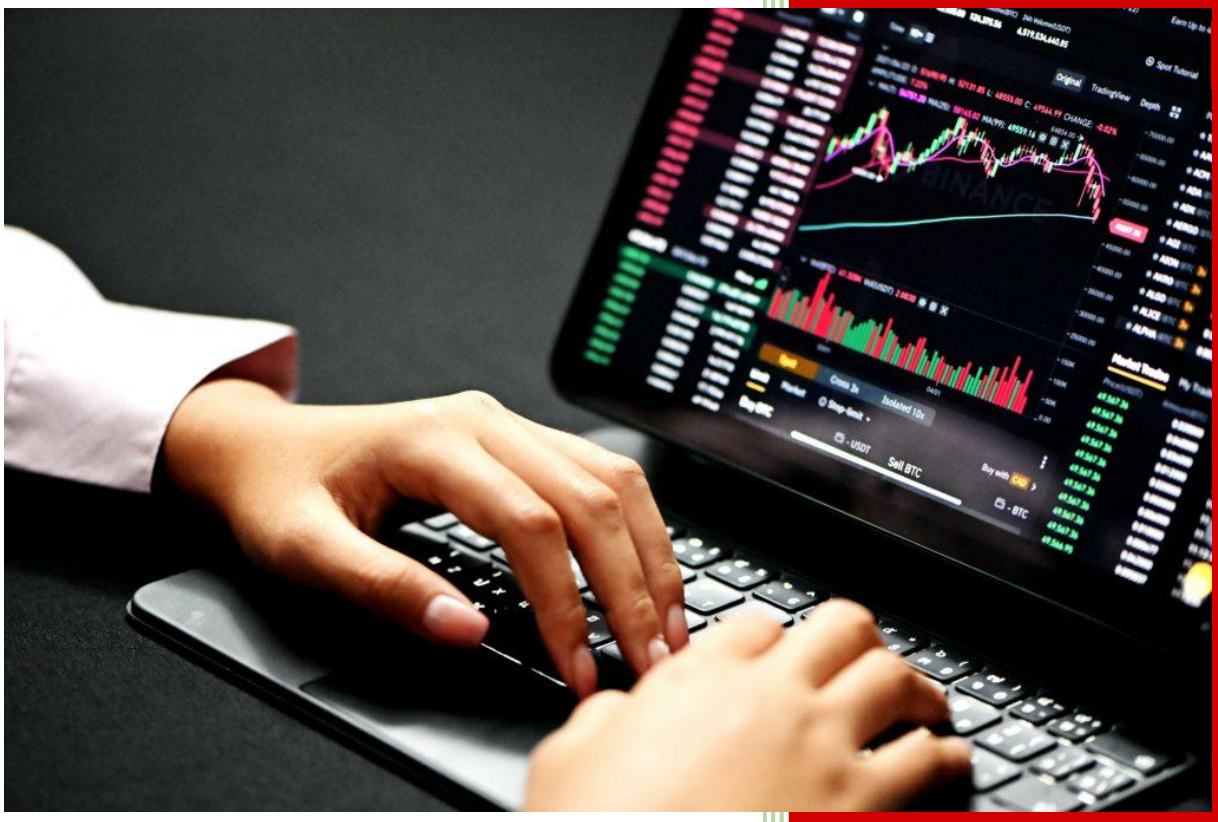
2027

Cheat sheet for daytrading at IG





Kristofer Båth

Foreword

I am no stockbroker or expert in technical or fundamental analysis in any form and will therefore not go into such details and neither about investments in general. Beginners who need basic knowledge about stock trading will find lots of tips and advice through both Google and YouTube which has tons of guiding video tutorials that show how you can proceed in different situations. The main purpose of this thin but concrete booklet is to highlight common risks for costly mistakes connected with intraday trading which can be described as opening and closing of positions within one or few days instead of a long-term investment. Most people call it "daytrading" and I myself use IG's Barriers because with that system you can almost steplessly make a personal choice of volume and leverage based on invested capital and risk appetite. The fees are also reasonable in comparison with (for example) expensive certificates.

However, Barriers does not provide an option for placing pending orders but are more intended for trading that takes place in real time and mostly for "scalping" small profit during a couple of hours. If you lack time for that you should instead consider CFD´s or vanilla options which are constructed in a different way and different kind of leverage but offers the advantage that you can place orders that execute a purchase only if the price reaches a desired level. This is however not favourable if you have to wait a very long time for it to happen but will at least reduce impulsive decisions that can put you in bad situations. In terms of technical indicators I use MACD and Parabolic SAR, often set to 1 minute to get small hints in real time of when the price will shift direction and momentum. To open an account at IG: www.ig.com/en

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