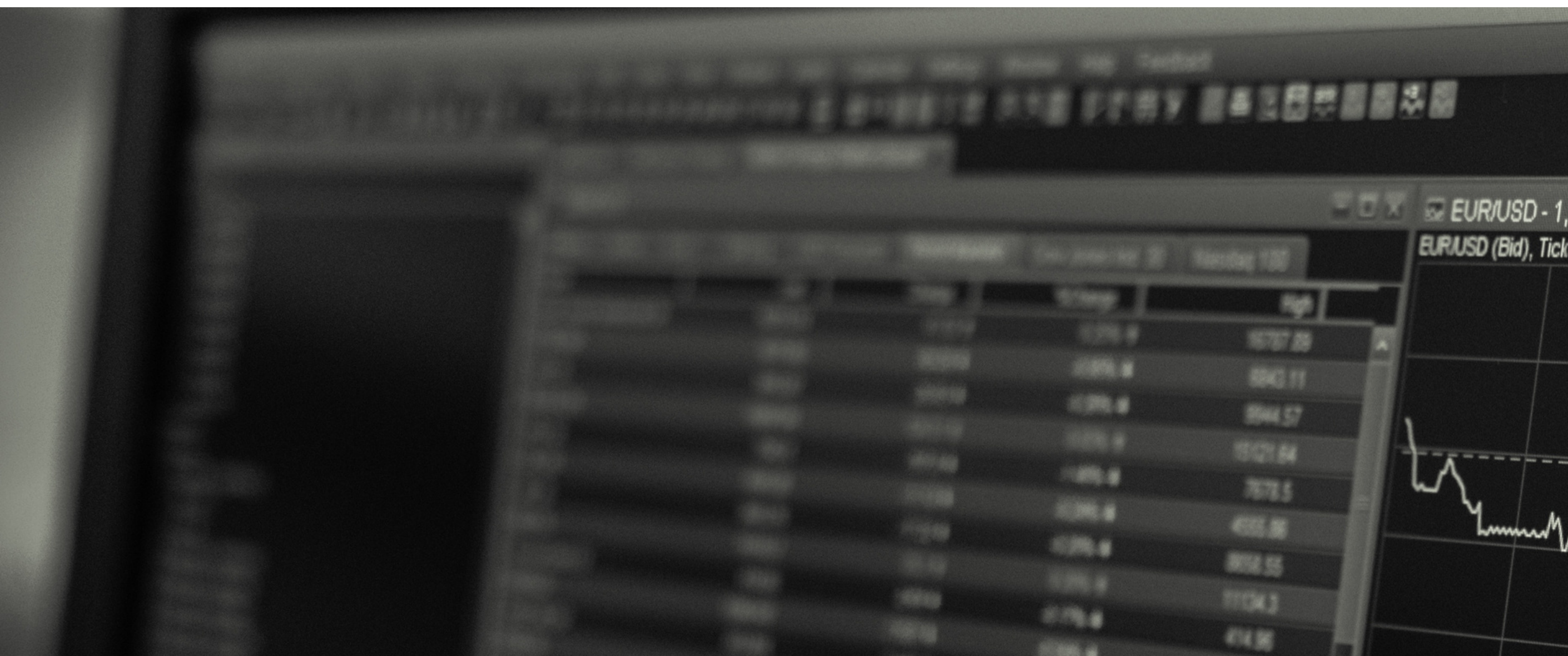
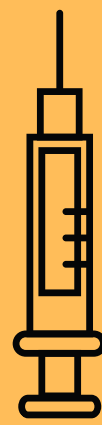
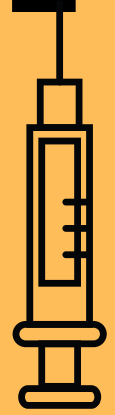




TRADING TIPS DURING PANDEMIC.



2021



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NUMBERS & STATISTICS

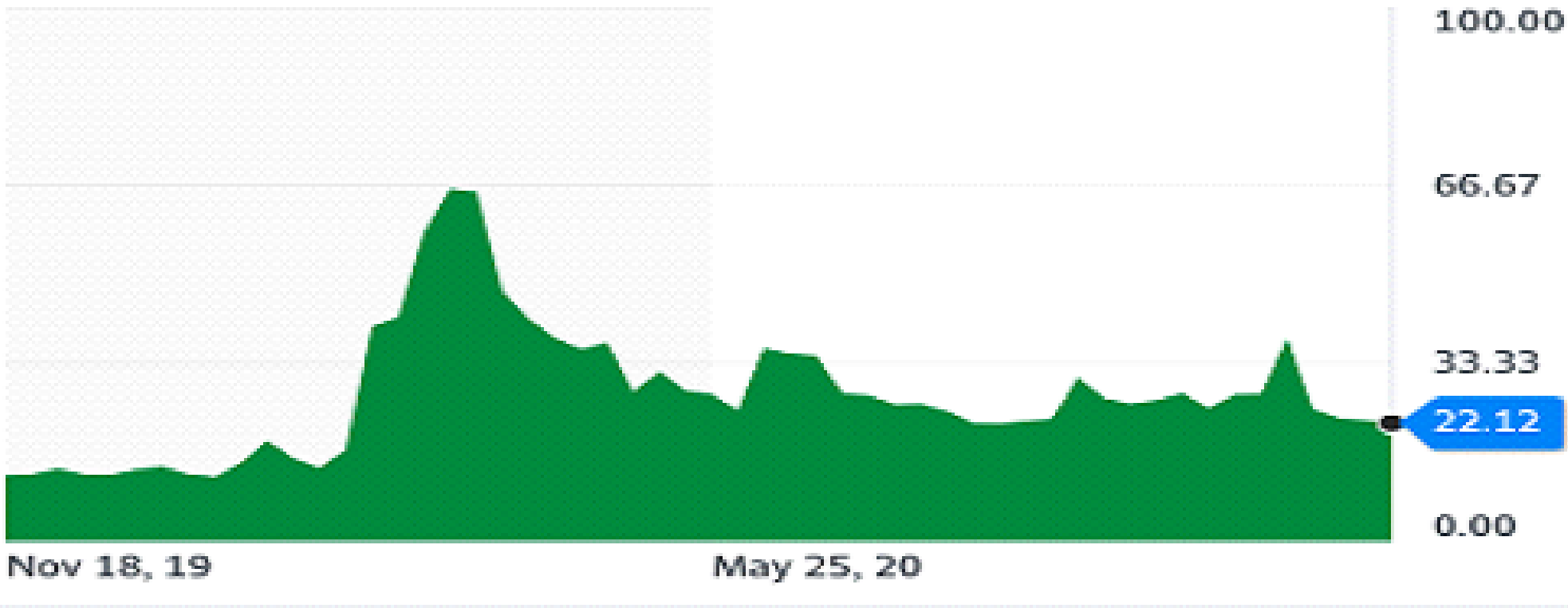
The pandemic has clearly accelerated a number of trends that were already under way as:

- working from home and e-commerce;
- software is eating the world.
- there is no point trying to fight central banks and their monetary policy.
- rising government debts and central bank intervention to buy the bonds.
- low inflation with zero or negative interest rates.
- "NEW KIDS ON THE BLOCK" - **FAANG** (FB, AMZN, AAPL, NFLX, Google)



On 27 February 2020 Dow Jones Industrial Average dropped 1 191 points, its largest one-day drop since the 2008 financial crisis.

Volatility in the market as measured by VIX index (fear index) has jumped to the highest level since 2009.



Many businesses, from small restaurants to large luxury cruise lines, have closed while most people around the globe are forced to stay at home.

a pandemic's overview

HOW TO MAKE MONEY IN PANDEMIC?

First and the most important - don't lose!

Therefore, risk management has become an essential component for traders. Risk management is vital to minimize risk in today's unpredictable markets.

RISK MANAGEMENT IN TRADING IS:
“MINIMISE LOSSES – MAXIMISING RETURNS”

TIPS to survive (make money) during the pandemic

- Position sizing.

As a rule of thumb, most retail investors risk no more than 2% of their investment capital on any one trade.

For example, if an investor has a \$10 000 account and decides to set their maximum account risk at 2%, they cannot risk more than \$200 per trade (2% x \$10 000). Even if the investor loses 10 consecutive trades in a row, they have only lost 20% of their investment capital.

The risk of using leverage is the same as using cash but be very careful not to be overleveraged!

Forex brokers offer leverage ranging from 1:5 to 1:100 or even more sometimes and traders need to decide what leverage is suitable for them.

If brokers offer 1:500 leverage, this means that for every \$1 of their capital, traders receive \$500 to trade with.

Trading with 1:1000 leverage is recommended only for those who have some experience in the financial market. New traders should be warned that if they try to apply it, they are likely to lose their entire account balance – probably in a matter of minutes.

Margin-Based Leverage = Total Value of Transaction / Margin Required

If you are required to deposit 1% of total transaction value as margin and you intend to trade financial instrument, which is equivalent to \$100 000, the margin required would be \$ 1 000. Thus, your margin-based leverage will be 100:1 (100 000/1 000).

Margin Required	Maximum Leverage
5.00%	20:1
3.00%	33:1
2.00%	50:1
1.00%	100:1
0.50%	200:1
0.25%	400:1

Relationship between Margin and Leverage

Most traders use leverage to maximize their return.

Don't forget – more leverage more risk! It's a double-edged sword!



pandemic's

IMPORTANT ADVICES!

Don't forget – more leverage more risk! It's a double-edged sword!

• Adjust stops

A stop loss is an essential tool to use, especially in times of increasing volatility(pandemic).

A stop-loss is designed to limit an investor's loss on a security position that makes an unfavorable move.

One key advantage of using a stop-loss order is you don't need to monitor your holdings daily.

Stop-loss orders are also a way to lock in profits.

There are no rules for the level at which stops should be placed. It depends on individual investing style and risk appetite. Most of the intraday traders might use 5% level, while a long-term investor might choose 15%.

The main disadvantage is that s short-term fluctuations in financial markets price could activate the stop price.

Remember: If you think you are wrong, get out. Always trade with placed stop loss order.

Many traders say, “I know I am wrong” – as they continue to hold on their position and lose money without stop loss order. This is the shortest way to close out your account.

Do not hang around hoping and wishing. During the pandemic everything could happen.

(I will wait just one more day..... tomorrow will be okwe are close to the turning point.....)

• Monitor open positions.

A lot of activity is happening in the financial market during the pandemic crisis. Therefore, monitoring your trades often can help you react to forthcoming news quicker.

Many individuals’ traders buy and sell based on the latest news, tips, and price action.

For example – Covid-19 vaccine.

Be careful – creating a lot of activity, doesn't mean much success.

Always record a trade as a part of your monitoring. It helps you analyze things you should be doing and things you should be avoiding. When you write your trades on a piece of paper you will see the magic how useful that is.

There are many alert options on different platforms, which will send you a notification once your target is reached.

Write your losses. It really works. When you do this, you can develop strategies for prevention. Don't forget – to be a profitable trader you have to avoid making the same mistakes.

• Close before weekend

News is very essential during this period of a global pandemic. To stay safe better to close your trades before the weekend.

A good example is what happened in the second week of March. On that Monday, the price of crude oil opened 30% below its close on Friday.

• Manage emotions.

There can be various emotions like getting attached to an asset which has given excellent returns in the past (could be a currency, crypto, stock, bond etc.). Good traders trade with a plan and without emotions. Traders should also avoid being greedy for profits and fearful about losses.

There is a rule:

- How do you feel?

- Do you feel up to the challenge ahead?

If you are not emotionally and psychologically ready to do battle in the market, take the day off – otherwise, you risk losing your shirt.

- **ADJUST STOPS.**

- **MONITOR YOUR POSITIONS.**

- **CLOSE BEFORE THE WEEKEND.**

Control the emotions:

HOMEWORK - PREPARE YOUR TRADING PLAN!

80% of day traders quit within two years. During the pandemic is getting faster!

How to be a part of the rest 20%?

There is a very simple answer

The trader's chances are based on their skills and system of winning and losing. There is no such thing as winning without losing. Professional traders know before they enter a trade that the odds are in their favor or they wouldn't be there. By letting their profits ride and cutting losses short, a trader may lose some battles, but they will win the war.

Don't forget – The Pandemic is a WAR!

The most common trading mistakes during the pandemic:

- Changing trading strategy after 5 losing trades in a row.
- Not expecting the unexpected.
- Not keeping track of relevant news releases.
- Not being prepared.
- Not doing a post-trading analysis.
- Not using a trading journal.
- Not fully learning one method.
- Failing to adapt to changing markets.
- Letting hindsight influence your trading.
- Not understanding the difference between long term and short term perspective.

Markets go up and they go down, sometimes they move fast and sometimes a little bit slower, but it is the nature of how financial markets behave. However, if you are trading because of a thrill and excitement, you won't last long in this business. Adopt a professional mindset and use appropriate language to avoid emotional trading.

Wishful thinking about the price is a very, very dangerous game.

Financial markets are highly correlated. Traders often believe that by taking several trades in different instruments they are diversifying and lowering their risk. What these traders don't realize is that, especially if your trading instruments are somehow related, they often move in sync and instead of decreasing your risk, you are actually increasing it.

Don't forget – the two biggest enemies are fear and greed.

Only risk what you can lose comfortably.

During the pandemic you can lose everything just for short period of time if you don't follow the trading plan. **Don't play casino during the pandemic.**

„Working from home“ attracts many new traders in the financial markets in the same way as a trip to Las Vegas.

Many of them haven't learned basic trading strategies and techniques because they are oblivious to the nature of risk.

The game looks black and white from their perspective. This greedy behavior occasionally pays off with a big win but mostly loses consistently over time, opening the door to failure and final exit from the trading game.

Never ever take trades based on opinions, tweets or promise made by other people, especially during pandemic.



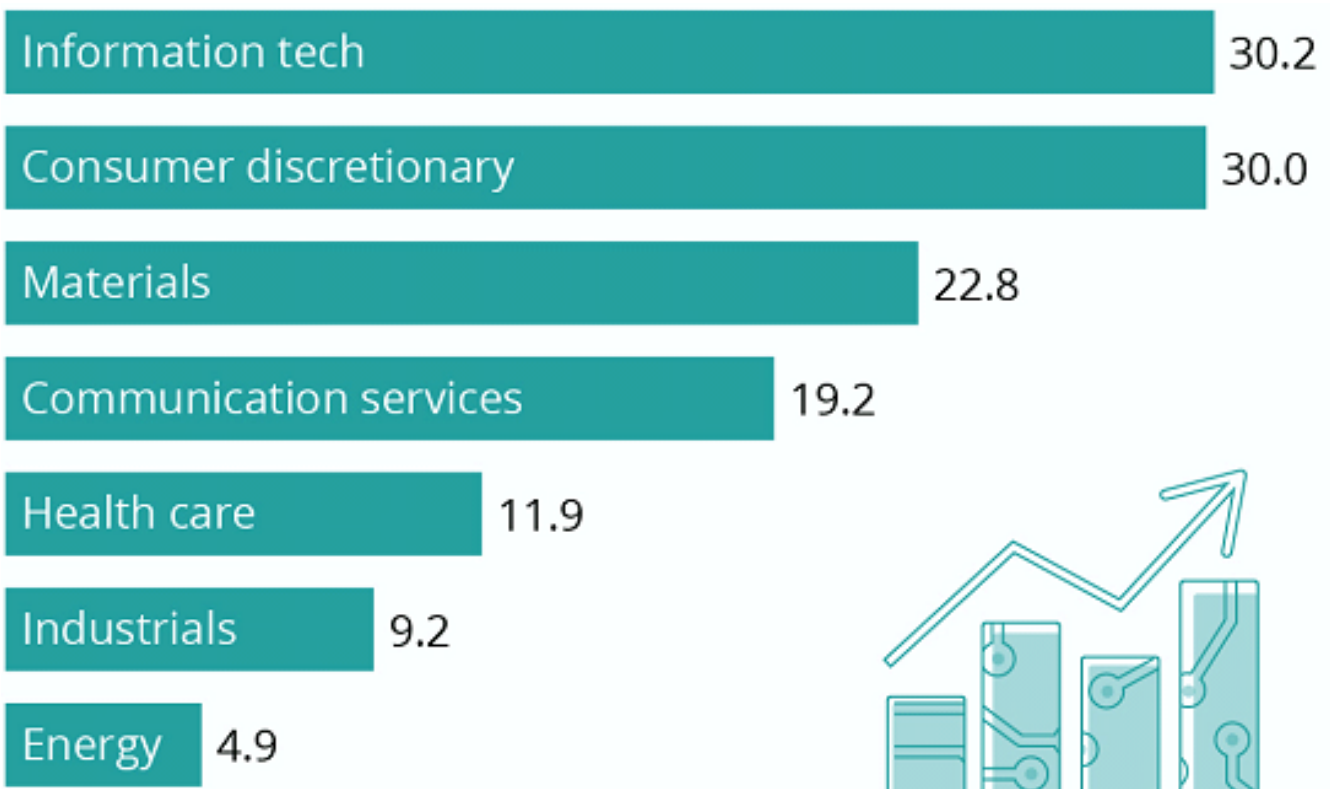
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THE BEST FINANCIAL INSTRUMENTS DURING COVID PANDEMIC.

It’s been 100 days since the World Health Organization declared COVID-19 a pandemic on Mar 11. The news led to a historic sell-off in the equity markets, ending the biggest U.S. bull market run in the history. In fact, the three major U.S. indices slipped into a bear market in less than a month, representing the fastest-ever bear market.

- 1. **Biotechnology and health care sectors are showing some resilience compared to broad benchmarks due to their participation in the hunt for COVID-19 treatments.**
- 2. **Teleconferencing software companies have also attracted buying interest, but the group got pummeled last week after stocks were run up too far, too fast.**
- 3. **FAANG (Facebook, Amazon, Apple, Netflix and Google)**
- 4. **One-year relative performance**
- 5. **If you are looking for investment during pandemic the best idea is to invest into Exchange Traded Funds (ETF).**

Most notably, the S&P 500 is up about 40% from the late March lows even though U.S.-China trade tensions, civil war and a second wave of COVID-19 infections weighed on investors’ sentiment. While every sector of the market has rallied, information technology and consumer discretionary has been the clear winner during the pandemic.



Source: MarketWatch



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We strongly believe that **this challenge will pass soon**, and will make us stronger as people , and as society as well.

Adaptation is the key factor, not only for living, but for trading as well.

Learn how to do it with us.

THE TEAM OF REGULATED BROKERS.

on the pandemic situation and coming new year