

Newsletter

Starting with a plan in mind?

"By failing to prepare, you are preparing to fail." Benjamin Franklin

If you don't have a plan when trading, you may be setting yourself up for failure right from the start.

It is important that you have a Game plan.

By having a plan, if there is volatility, you will be more prepared and able to make good decisions rather than reacting and making wrong decisions.

So how do you get a plan happening...here are some basic questions to help you get started:

1) What is your overall investment strategy going to be?

- Will you select a certain number of shares and buy and hold for the entire Game?
- Will you consider selling shares if they are not performing? What parameters will you set for this to be activated e.g. how low are you prepared for them to go?
- Or will you hold no matter what?
- Or is your strategy to buy and sell shares? Will you take your profits as you go and then invest in something else or the same stock?

Tip: *Keep an eye on how much are you spending on brokerage compared to the profit you are making?*

2) Will you diversify your investment?

- Will you buy stocks from different sectors? This is a great way to help protect your investment.
- Or will you only focus on one sector?

3) Have you decided when to take your profits?

- If your shares rise by a certain percentage above your purchase price, will you continue to hold them, or will you sell and take your profit?
- If yes, at what point will you take your profit e.g. % increase?

4) If the stock falls or is not performing as you would like, do you have a plan of when to sell?

- Have you made any decisions regarding how low you are prepared for a share to go, before getting out? For example, you might set a certain percentage below your purchase price as the lowest you are prepared to let the share price fall before you sell your shares.

Tip: *You can set your falling sell once you have purchased your stocks.*

- Also, if you decide to sell, what factors or indicators will you use, to help you make the decision, to step back in?

Set a goal for this Game, decide what you want to achieve, as this will also help keep you motivated.



Don't play alone

Create your own league so you have a group of friends or family playing the Game with you. You can have fun, interact online and learn together at the



Game with you. You can have fun, interact online and learn together at the same time. You can even have your own prize or go for the Game's league prize.



Log into the Game and create your league here, then send out your invite via email.

If you haven't started yet

It's not too late to get started, take some time out and work through the questions above.

If you are not sure what stocks to buy, sign up to the Stock Doctor trial and take the time to listen to their first webinar - Game on with Stock Doctor and get signed up to the next one - Smarter Game Strategies (see dates below).

Stock Doctor Webinars



Webinar 1 recording

Game on with Stock Doctor

Webinar 2 - Smarter Game strategies

Thursday 30 August 2018 @ 12.30 pm AEST

[Register now](#)



Have a defined strategy for buying and selling stocks

An essential part of any successful investor's toolkit is a defined framework for making buy and sell decisions. This allows them to block out the noisy nonsense that can occur in the market on a daily basis and remain focused on the objective they aim to achieve from the market in the long-term.

You will learn that investing without a stock selection and rejection strategy is like being on a raft in the middle of rapids with no paddle. The best outcome you can expect is to go with the raging river hoping you don't crash into a rock or tumble over a waterfall. When the cut and thrust of the market is happening all around you, your emotional triggers can move into overdrive. For those who can't keep them in check, it can lead to irrational decision making and sustained under-performance.

You also need to manage your expectations. No investor should expect that their well-defined strategy will deliver a 100% success rate all the time. If you focus on getting around 6-7 of 10 picks right then, you are well on the way to outperforming the market, as the potential upside of those successes will far outweigh the negatives. Furthermore, should their fundamental qualities be retained, then today's underperformers may help

contribute to tomorrow's outperformance when the market eventually appreciates their qualities. The fact that you will be playing the Game in the middle of reporting season provides you with an excellent opportunity to assess and make decisions from a fresh set of data.

The world's most renowned investor Warren Buffet once famously said,

"To invest successfully over a lifetime does not require a stratospheric IQ, unusual insight or inside information."

What's needed is a sound intellectual framework for making decisions and the ability to keep emotions from corroding that framework."

Therefore, make sure your strategy is clearly defined for making both buying and selling decisions and stick to it for the length of the game. And, here is a little secret; the reason why most portfolios in the real-world fall into neglect and underperform is not that of the strategy employed. Instead, it is the failure to execute the strategy with discipline. Therefore, being armed with your intellectual framework for making informed decisions gives you the best chance of keeping the psychological demons under control.

Take up your complimentary Stock Doctor membership today – register for the Game and get access.

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Game update





TOP 3 RANKED PLAYERS

S&P/ASX 200 PERFORMANCE

Down -1.00% ▼ **-1.00%**
for the week

Cactus2
\$59,954

TOP LEAGUE

5 HOT STOCKS

	ASX Code	Company Name	% Change
1	ALU	Altium Limited	40.79% ▲
2	BBN	BABY BUNTING	35.96% ▲
3	TPM	TPG Telecom Limited	34.68% ▲
4	WTC	WiseTech Global	31.61% ▲
5	ECX	Eclix Limited	28.64% ▲

5 COLD STOCKS

	ASX Code	Company Name	% Change
1	PGH	Pact Group Hldgs Ltd	-24.31% ▼
2	ORG	Origin Energy	-16.84% ▼
3	SGM	Sims Metal Mgmt Ltd	-15.26% ▼
4	ILU	Iluka Resources	-15.00% ▼
5	WSA	Western Areas Ltd	-13.35% ▼

*Stocks are based on price performance 15 - 22 August. **Please note** - these are not stock recommendations.

ASX Sharemarket Game

Learn how to buy and sell shares.

Register now at: asx.com.au/game



Also here is the company performance list for 2 - 15 August.