

# Newsletter

## Ready Set Grow

You have \$50,000 virtual dollars to invest in 220 companies listed on the ASX.

*Your challenge now - to see if you can make that \$50,000 grow.*

Can you do it?



## Game essentials

In order to be able to complete your Game challenge successfully, it is vital that you take note of all the essentials listed below.

**Logging in:** Not sure how to login, or having problems logging in, please read 'How to login'

**Prize eligibility:** To be eligible, you need to have purchased shares, within the Game, in four different companies over the Game Period. One buy transaction must have been completed by 16 September.

**Market hours:** You can put your order in at any time; however, the market is only open between the hours of 10am and 4pm Sydney time. Please note there is a clearing period between 4 pm and 4.12 pm and an order may still be processed over this time.

*Tip: If you want to place a trade for the next day, do it after 4.12 pm.*

**Placing your first trade:** If you are not sure how to place your first trade...Watch 'How to buy shares' (10 MB) or you can read 'How to place an order'.

**If an order is not being filled** and is sitting in pending orders, please read 'Pending orders'.

**Understanding order types:** When placing an order, you will also need to understand the different types of orders.

An order in the sharemarket is the request you put in to either buy or sell a certain number of shares in a particular company. You can enter either a 'market to limit' order or a 'limit' order as highlighted in the tutorial - How to buy shares. Knowing which type of order to use is important so let's take a look at the difference.

**A Market to limit order:** When you enter a 'market to limit' order you don't nominate a price to buy or to sell at. Instead your order will be filled, as much as it can be, at the current market price then it becomes a limit order.

For example: Suppose you wanted to buy 5,000 shares in XYZ company but there were only 4,000 shares available at the current market price. The system would purchase 4,000 shares for you at the current market price, say \$10.00 and then for the remaining 1,000 shares your order would become a limit order for 1,000

shares at \$10.00. These shares will only be processed if the price stays at \$10.00 or less. If your order is not being processed it may be that the price has moved above \$10.00.

You can check your pending orders to see if the order has been completely filled or if it has become a limit order. You can either reactivate the order by clicking amend and making it a market to limit order again or alternatively you can keep it as a limit order but change it to a price you are happy to buy (or sell) at.

If you are having trouble understanding this watch - How to buy shares for a market order example.

**A Limit order:** A limit order lets you specify the maximum price you are prepared to pay for shares if buying. If selling, it lets you set the lowest price you are prepared to accept.

Your order will be executed at the best price possible. Suppose you want to buy at a limit of \$10.00. You will get them at a lower price if there are shares available at a lower price, but if the price is above \$10.00 your order won't be filled.

If you are prepared to sell at \$10.00 but no lower you might end up selling at say \$10.50 if prices are higher but not at \$9.50 because that is below your limit.

Make sure you are clear on what price you are prepared to accept when you put your order in.

If you are having trouble understanding this watch - How to sell shares for a limit order example.

*If you don't like the idea of a 'market to limit' order you might consider using a limit order but make sure the price you set it is not too far away from the market otherwise your order might not get filled.*

*So now the Game has started, it's time for action.*

The Games team

#### Previous newsletters

- Game 1 winners
- Getting ready

#### Financial links

- Google finance
- Ninemsn money
- The Bull
- Trading room
- Yahoo finance

#### Financial news

- The Age
- The Australian
- Business Review Weekly
- Bloomberg