

Forum: [Hack Forums](#)

Thread: [Interested To Learn Day Trading](#)

Life - June 17, 2017, 3:24 am

So I have been on a break from HackForums for awhile now and I am back finally.. I have been looking at Day Trading for so long now and I think now is the time to actually try and find the best way to learn!

I am sure there are many people here with experience?? I'd like to think so ?

So if there are what would you suggest to be the best way of going about learning Day Trading? Any tips? Things to avoid? etc.

Very plain and probably stupid question but I have no clue where to start its somewhat overwhelming... Thanks! ?

.Reef - June 17, 2017, 3:27 am

<https://hackforums.net/showthread.php?tid=5644426>

Life - June 17, 2017, 3:30 am

(Jun 17, 2017 03:27 AM).Reef Wrote: [\[CITE\]](#) <https://hackforums.net/showthread.php?tid=5644426>
Legend! ? Thank you for that. Much appreciated !

.Reef - June 17, 2017, 3:33 am

(Jun 17, 2017 03:30 AM)Eckzdee Wrote: [\[CITE\]](#) Legend! ? Thank you for that. Much appreciated !
Not my thread but I came across it and it has tons of useful information. Goodluck!

Kanyoozle - June 17, 2017, 1:41 pm

Day trading what though? Stocks, futures, commodities, forex?

Specify what do you want to day trade.

Bestpenny - June 22, 2017, 11:22 am

How much time and efforts are you willing to invest into learning Day trading? It's like minimum 6 month to get the fundamentals and technicals to trade with confidence

vexius - June 23, 2017, 4:02 am

He can learn all the theory in a month but the hard part is to use it

[??? - June 23, 2017, 4:39 am

How much capital do you have to trade? That might narrow down your asset classes

kong3245 - June 23, 2017, 6:21 am

Day traders usually focus on the charts and try to find patterns in the trading. This can work sometimes but it's going to have a lower success rate than buying undervalued stocks and holding for a while. You're better off combining both methods like most hedge fund managers do. Look for undervalued stocks that day traders or technical analysts might purchase, and you will know it's a lower risk stock because the valuation is low. I've tried both methods over the six years I've been investing. I started off day trading because it requires far less skill and knowledge compared to

valuing stocks. It went well, but I started to realize the big price changes happen due to valuations. That's when I combined both and my returns and success rate increased exponentially. You will have to work a lot harder to learn how to value stocks, but it will work far better.

I measure the intrinsic value by taking the earnings to common shareholders for the past 12 months and putting a conservative multiple on it. Once you have that, you add the number to the current shareholder equity and you have an estimated intrinsic value. The hardest part is determining what multiple to put on it. Some will have very low multiples and some will have very high on the market. The high ones will react more drastically to bad news, and the low ones will react more drastically to good news. Almost all value investors use the Benjamin Graham formula (Net income to common shareholders $\times (8.5 + 2g)$ g = expected long-term earnings growth rate. You can expect the overall market to increase earnings by 5% over the long-term, so the fair multiple will be 18.5 on average. If the overall market has net income to common shareholders of 1,000,000 and shareholder equity of 250,000, the intrinsic value would be 18,750,000 because the market grows 5% on average over the long-term.

However, some stocks will grow much faster and will usually have higher multiples to compensate for the extra growth. You need to keep conservative multiples in case something bad happens regardless of the estimated growth. Once you come up with the multiple and add the current shareholder equity, you will have a reasonably fair value market cap. If it's higher than the current market cap on the stock market, it's undervalued. If it's lower than the current market cap on the stock market, it's overvalued. Overvalued stocks can still achieve good returns over the long-term if they meet the expectations, but it's not a worthwhile gamble most of the time. Some of the best investments will be fair valued companies. Some will be overvalued companies. Some will be undervalued companies. However, the overvalued companies will have much more additional risk so you don't want to consider them.

Sometimes the stock market will adjust to your intrinsic value estimation in a few months, sometimes it will take years. The intrinsic value changes as earnings are released and economic conditions change... You might hold a stock for a month, a few months, or years, but you will average excellent returns over the long-term if you know what you're doing.

Poseidon - June 23, 2017, 1:37 pm

I would recommend day starting off day-trading crypto currencies, for a few reasons.

- For a beginner it's easier to get into. You can also start with a small amount of money.
- The market is a lot more volatile and therefore there is potential for a lot more gains than stocks.
- In my experience, it's also a lot more predictable.
- Crypto market is open 24/7 so if you have work or school you can still day trade when you get back and/or on weekends. Stock markets are only open Mon-Fri, 9:30 - 4:00 and close early on Fridays.

I trade both stocks as well as cryptos, however I have made money faster with crypto currencies.

kong3245 - June 25, 2017, 6:01 am

(Jun 23, 2017 01:37 PM)Poseidon Wrote: [\[CITE\]](#) I would recommend day starting off day-trading crypto currencies, for a few reasons.

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I trade both stocks as well as cryptos, however I have made money faster with crypto currencies. How is the cryptocurrency market more predictable than the stock market? I highly doubt you loaded up on Bitcoin when it was trading for \$1 or even \$10, but all intelligent investors know the stock market will go up over the long-term.