
7 Pitfalls to
Avoid in the
Stock Market
FREE CHECKLIST
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Your Financial Independence is at the Heart of Everything We Teach

Your Checklist:
7 Pitfalls to Avoid in the Stock Market
By Jim Berg and John Atkinson

Introduction

Hi there,

Over the past 30+ years of trading the market (18 as a professional Advisor), Jim has seen countless traders and investors blow themselves up financially…….emotionally…… or both.

Whether you're an experienced investor or trader, or just about to start, be sure to use this Checklist so you do NOT make these 7 common mistakes in the stock or share market:

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Over the next 5 pages we briefly explain why it's so important not to fall into these common pitfalls and offer a solution for each.

May you trade with Jim's *Weight-of-Evidence,'*

Jim Berg and John Atkinson
April 2017

Pitfall #1: *"Time in the Market is More Important than Timing. Anything Less than 5 years is Gambling"*

Problem: This is the mantra that many financial planners and advisors are taught to pass on to their clients. "*Buy and Hold for the Long Term*". Why? Because if they don't know when to sell, how would they know when to tell you when to get back in?"

Solution: Jim says;
" I never wake up in the morning and wonder what I will do with my stocks that day.

I have a Rule for everything so I know how to find WHICH stocks to Buy, precisely WHEN to Buy – and more importantly, when to SELL."

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Pitfall #2: *"Use Leverage to Magnify Your Profits"*

Problem: This is often recommended by '*spruikers'* to those who have small starting capital as a way to '*fast track'* their growth- using leveraged instruments such as Margin Loans, Options, Warrants, CFDs, Forex, Futures, etc.

The problem is that, using such leveraged instruments, LOSSES can be magnified many over too, so:

1. You could lose most of your initial capital very quickly

2. Even worse, your exposure could end up as more than what you started with!

Solution: We do not recommend the use of leveraged instruments, particularly for novice traders and investors.

For those with low starting capital, we suggest you build on your education while you build your capital elsewhere, so you have back tested what you learn and are well prepared when you are ready to start.

Remember Aesops Fable: ' *Slow and steady wins the race'*. Jim's '*Weight-of-Evidence'* system looks for stocks/shares which are fundamentally sound, are in rising trends and which pass all his documented and thoroughly tested entry criteria.

In Jim's '*live examples'* selected for the notional portfolios in our weekly Report, we show how to keep losses low and how to target profits twice the size of losses, using Jim's end-of day or end of week system.

Pitfall #3: *"You'll never go broke selling at a profit"*

Problem: This is another catch cry which many brokers advise their clients. It assumes that every trade will be profitable – and that is NOT POSSIBLE.

Do the math yourself: What happens if you sell all your profitable trades and hang on to losing ones, especially if the market is falling? How long before your portfolio would contain many open losses?

Solution: No one can be profitable all of the time, so all traders and investors have losses. That's why it's important BEFORE you buy a stock, to decide the price where you will exit if you are wrong. This is called an *Initial Stop*.

We teach how to calculate the price of your Stop to protect capital and how to Manage the Risk of losses overall, not only on each trade but also on your total Portfolio. Once prices move up, we then show how to protect open profits with Jim's *Adjusted Stop, Trailing Stop, Profit Targets* and *JB Profit Taker.*

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Pitfall #4: *"The Market is going down. Sell anything that is even money or in profit and hold on to your stocks that are in loss"*

Problem: This is the BHP approach:" **B**uy **H**ope and **P**ray". During the GFC, many stocks and Indices across the world fell 50% and more. Thousands of investors lost their retirement savings as a result. Again, do the math: a fall of **50%** requires the market to rise back **100%** -- just to get back to even!…… How long does that take?

Can you wear the pain? The market has never failed to rebound and make a new high eventually. However, be aware though that not all stocks within the Index will do that. Some will continue to fall until they are first dropped from the Index ….and some eventually delisted.

Solution: In late 2007, in our weekly Report, Jim showed his analysis over the previous 20 years and warned our Members of the potential for a crash or correction and showed the signals he was watching for confirmation.

Just two weeks later, those Signals were triggered, so Jim closed our Report's notional portfolio ***before the GFC*** - and it remained closed for the next 18 months. Those Members who followed Jims lead did NOT lose millions of dollars between them.

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Then, while other investors were desperately trying to claw back to where they had been after the GFC, Jim showed our Members how to take advantage of the rising trend to ADD to their profits and capital - which they had protected *before the GFC*

Pitfall #5: *"The Market has gone down. Buy more of the same stocks now at a better value and lower your average price"*

Problem: This is called "*dollar cost averaging*" and is a losing strategy. If the market continues down, you will have even more concrete in your boots to make you sink further.

Solution: Learn how to put the odds in your favour. Woody Allen once said; " *Buy stocks that go up……and if they don't go up, don't buy them!"*

We teach Jim's structured '*Weight-of-Evidence'* approach so that we only buy stocks which are in rising trends and which pass all of his thoroughly-tested entry criteria

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Pitfall #6: *" This stock has doubled in the last 6 months. Get in now and double your money in the NEXT 6 months"*

Problem: Imagine playing '*Pass the Parcel'* and the music is getting faster and faster and is just about to stop….. do you want to risk being the last one holding the parcel?

After unusual rises in stock prices, the probability increases that there will be no more buyers left to pay top dollar so the sellers will move in, with prices dropping quickly on high volatility very soon after.

Solution: Past performance should not be taken as an indication of future performance. Caution should be exercised in assessing past performance. All stocks are subject to market forces and unpredictable events that may adversely affect their future performance.

We teach how Jim buys stocks/shares which are in **rising trends**. In addition, he purposely WAITS for them to:

1. Cool off and retrace first
2. Stabilize with LOW volatility, then
3. Start to move up again a certain amount before Jim buys.

That way, Jim's aim is that you will already own those stocks when they start to move up further – so that you can be one of those able to sell out at a profit to those who like to chase trains after they've left the station……

Pitfall #7: " *I can do this on my own"*

Problem: For many, the share / stock market can be a lonely and dangerous place to trade and invest.

The shocking reality is that about 90% of new traders lose so much money within their first year – so they give up in despair.

For those who last the year, many will fail later if they do not have the right education and the discipline to follow a proven Plan.

Solution: Jim says; " *The easiest way to learn to trade is to find a mentor and have them take you, step by step, through a series of trades. You will then learn their complete trading strategy, entry, stops, exits and why and how they act/react to price moves.*

I want to protect your interests at a different level. I know how hard you work to make a dollar. I know how important it is that you don't lose it. I know how critical your trading capital and retirement funds are to you.

I respect your situation, so I will help you differently than anybody else, with my unique 'Weight-of-Evidence' and mentoring-style approach. Why? Because your financial independence is at the heart of everything I teach.

"My trading is mechanical. I put a lot of thought into creating and testing my system. In the middle of a trade I don't think about what I am doing, I simply react to price movements by following my Rules.

There are very few stock or share trading & investing newsletters which trade one system and publish their results. We do. "

Where to From Here?

We trust you found this Checklist useful? If so, or if you have any queries, please email us at Info@ShareTradingEducation.com

If you are looking for credible education to help you:

1. Get started in the market or to
2. Improve your current performance

Then we invite you to join our weekly mentoring-style '*Investing & Online Trading Report*'.

Try it for a month or 2 and see if Jim's approach and teaching style are right for you. {*There's no lock-in contract* so you can easily cancel at any time if not}.

Your financial independence is at the heart of everything we teach, so feel free to Contact Us if you have any queries on how we can help you.

To start your training, **Click Here Now →**

To your success,
Jim Berg and John Atkinson

Your Invitation from Jim and John

Our mission is to help you become a better trader and investor, using Jim's:

1. Common sense '*Weight-of-Evidence'* approach
2. World famous JB Volatility Indicators and
3. Profitable Strategies that really work

all developed and tested over 30 years of trading and investing in the market.

Our weekly mentoring- style Report is designed to:

A. Help you hone your trading and investing skills and

B. Build your confidence and abilities

so you will be best prepared **to take maximum advantage of rising trends.**

Our aim is to help you learn:

- ✓ How to select **WHICH** shares to buy
- ✓ Precisely **WHEN to Buy** and, most importantly, to know
- ✓ **WHEN to SELL** -- with confidence.

There's no lock-in contract, so you can cancel at any time.

Become a Member of our weekly '*Investing & Online Trading'* Report today and you will also receive a **Bonus Welcome Package.**

For more info, Click Here Now ===>

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They'll appreciate it and so will we! *Please do not spam, thank you.*

If you have been sent this by a friend, we invite you to sign up to our complimentary Traders' & Investors' Club at our Free Downloads page at **www.ShareTradingEducation.com** - to receive your:

- ✓ Jim Berg's 3 Free Videos on how he trades with '*Weight-of-Evidence'*
- ✓ Your FREE Sample of Jim Berg's weekly ' *Investing & Online Trading'* mentoring-style Report
- ✓ Jim's complimentary AUDIO MP3 - *'3 Steps to Successful Investing'*
- ✓ Your periodical Wraps with useful trading & investing tips
- ✓ Many unadvertised Bonus Gifts

To YOUR Success - from the ShareTradingEducation.com team