



“Education for Knowledge, Science & Culture”

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Shri Swami Vivekanand Shikshan Sanstha's

VIVEKANAND COLLEGE, KOLHAPUR (AUTONOMOUS)

Department of Economics

Topic: **Methods of Trading**

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Methods of trading

1. Intraday Trading –

Intraday trading is about buying and selling your holdings during the same trading day.

The main objective of the trader is to make profits by taking the advantage of stock market movements.

The level of profits depend on the extent of fluctuations in the prices of the stocks that the trader holds in his portfolio.

To perform intraday trading, you need to have an active online trading account.

Intraday trading involves the buy/sell orders being specified by the person who is involved in trading.

The basic purpose of initiating orders is to close them or square off before the closing of the stock market

2. Swing Trading

- Swing trading is a style of trading that attempts to capture gains in a stock (or any financial instrument) over a period of a few days to several weeks.
- Swing traders primarily use [technical analysis](#) to look for trading opportunities.
- These traders may utilize [fundamental analysis](#) in addition to analyzing price trends and patterns.

3. Positional Trading

Position trader refers to an individual who holds an investment for an extended period of time with the expectation that it will appreciate in value.

The average time frames for holding positions can be measured in weeks to months.

They are less concerned with short-term fluctuations and the news of the day unless it impacts the long term view of their position.

The main advantage of position trading is that there isn't much demand on the trader's time.

4. Options Trading

- An option is a contract that allows (but doesn't require) an investor to buy or sell an underlying instrument like a security at a predetermined price over a certain period of time.
- Buying and selling options is done on the options market, which trades contracts based on securities.
- Buying an option that allows you to buy shares at a later time is called a "call option," whereas buying an option that allows you to sell shares at a later time is called a "put option."

BOLT

- * The Bombay On-line Trading System (BOLT) is on-line Trading System for trading in Stocks.
- * The System is operational at Bombay Stock Exchange - the premier Stock Exchange in the South East Asian region since March 1995.
- * It is one of the few Stock Trading systems around the globe, which handles hybrid/mixed mode of trading i.e. Order driven as well as quote driven.
- * Main objectives of BOLT are increases trading capacity of the stock exchange, improve market transparency, eliminate unmatched trades and delayed reporting, promote fairness and speedy matching.

BSE Online-Trading(BOLT)