

Day Trading as your Day Job?

By Peter Macfarlane for The Q Wealth Report

During holiday times our minds often dream of easy money, of not having to go back to our day job. And that, of course, is what *The Q Wealth Report* is all about – creating, preserving and growing wealth, so you can live in the paradise of your choice and not have to work a day job for an employer.

Day trading, whether it be futures, options, forex, or other contracts, looks like a perfect solution. In theory you can trade for a few hours a day from your laptop and spend the rest of the time on the beach. Many people I talk to these days have enrolled on 'day trading courses' and such like, with various self-styled gurus – and they are preparing to go it alone as soon as they can.

A word of caution here, however: day trading is dangerous to your wealth!

What I mean is that out of all the people I talk to who want to become day traders, the vast majority end up losing money. No doubt some people can do very well at this, but they are in a small minority. Getting rich generally requires not just skills, but hard work.

So what is the best course of action?

If you've decided you would like to give day trading a try, go ahead. Just please don't invest more than you can comfortably afford to lose. That means, invest no more than 5% of your total portfolio. Build up profits until you can withdraw your entire initial risk capital, then feel free to play with the profits. That's the smart, conservative way of doing it.

Remember also that there are plenty of good opportunities there in the markets without having to invest in short term trades. By all means invest in the stock market, but keep some of your wealth in more conservative instruments – like regular stocks. Day trading is simply gambling against other speculators on very short term

movements. Fundamentals do affect markets, but over periods of weeks or months or years, not from one minute to the next.

Keep another day job besides day trading. That doesn't mean you have to sit behind a desk working for an employer, but diversify your income streams so you don't have to rely on just one source of income.

So by all means try day trading or forex markets, but only with a tiny risk capital, and be prepared to lose everything.

Note: if you are looking for a good offshore brokerage house that offers online access to world markets from an offshore base, which will allow you to open accounts with offshore corporations and foundations, Q Wealth can refer you to the largest and oldest established independent brokerage house in Panama, with which a number of our clients have been very happy. To preserve the confidentiality of our members we won't publish the name here in public, but you will find them listed in the Q Practical Offshore Banking Guide 2008 which is [free for download](#) in the [Members' Section](#).