

# Global Trader: Trading For The *Cosmopolitan* Singaporean

What's in store for the trader on the go? Technology has opened the doors for global trader who wants to unlimited access to the world's Forex and financial markets. *By Soh Tiong Hum*



Singaporeans are a well-traveled. Many travel for work and play. This is especially true for professionals, managers, executives and businessmen (PMEBs). Now, the internet has made it possible for PMEBS who are also investors and traders to be connected to the financial markets even on the go. This would not be easy or possible a decade ago. Technology has made it affordable, convenient and stylish for the trader to participate in the various markets. So how do you go about connecting to your market when you travel? Which markets do you invest in?

#### WHICH MARKET SHOULD I TRADE IN?

The most popular market is probably the US stock market which is the largest domestic market by capitalization. According to statistics from the World Federation of Exchanges, the market capitalization of the NYSE Euronext is USD 9.2 billion at the end 2008. The forex market is fast catching up among retail investors and traders these days. At more than US\$3 trillion per day in transaction, this is market is HUGE.

Both stock market and forex markets have their merits. What's highly attractive to the trader on the go is the 24-hour access provided by the forex market. It is suitable whichever time zone you are located in, the pace of lifestyle you want, when you want to trade.

#### WHERE CAN I GET NEWS AND INFORMATION?

There are many websites where the trader can get breaking news. For example, Martketwatch ([marketwatch.com](http://marketwatch.com)) is a website that I visit for information on the US market. Besides news and analysis, each article has a comment section that provides a highly entertaining read. The postings made by US readers provide local insight into issues such as the housing crisis. Readers from different regions put together their notes for comparison. Some of their stories also give a personal angle into the trials and pain that they go through. When the comments are put together, they become a consensus poll of the man-on-the-street that may reinforce or refute the author.

Other websites I visit include CNBC ([cnbc.com](http://cnbc.com)) and Reuters ([reuters.com](http://reuters.com)). These two websites deliver highly objective and informed analysis with an international angle. Moreover, I also visit DailyFx

(dailyfx.com) and Forex Factory (forexfactory.com). They provide two very important features that I need when I trade forex – technical analysis and fundamental news.

The DailyFx provides technical analysis on major currencies. While I will inspect the charts of each currency pair myself, the analysis provided by DailyFx will give me the technical levels that analysts are looking at. It is a good way to look out for strong levels and get a feel of the market.

Forex Factory has a very important feature and that is the fundamental news calendar. It is a calendar of market moving events that happen around the world. This includes interest rate announcements, economic data and speeches by Central Bankers or other equally influential people. Forex Factory also has a user-friendly feature. Its clock can be set according to our time zone. This is useful because other calendars use the Greenwich Mean Time and they require us to always make a mental adjustment.

Knowing when market-moving events take place each day allows me to position and speculate on an outcome or avoid having a position at the wrong time. Now one calendar is not sufficient because some events may be left out so it is good to consult a second calendar. FXStreet (fxstreet.com) is a good backup.

### WHICH BROKERAGE SHOULD I USE?

Brokerages compete based on service differentiation. That means they are likely to offer different trading spreads, commissions or trading platforms. I do not consider the provision of charts as an important factor. That's because there are very good charting software for US stocks and currency pairs available entirely for free. However I consider brokerages that provide platforms where customers can place trades directly through charts to be providing an excellent service.

There are some important considerations for the cosmopolitan trader:

1. **Location of phone support:** This is important in an emergency. Key questions

to ask: Is it available in the time zone you want and how expensive is it if you need to make an international call?

2. **Means of funds transfer:** This determines how easy you can fund or withdraw money from your account. Besides accessibility, an additional issue is Internet security if you are relying on online access.

3. **Web-based or installed application:** Trading can be done through web-based applications or through one installed on a personal device. If you use a web-based trading platform, there is no limitation where you can go as long as you have access to a computer and an Internet connection. Security of personal information is important in this instance because you may be using an unsecured device available publicly to other users. On the other hand, some brokers provide a specialized trading platform that requires you to install it in your own device. Such applications have more features built-in and can often be personalized. They are powerful but you have to carry it with you.

### WHAT SORT OF DEVICE SHOULD I GET?

A good laptop is a must-have but it is not the only choice. Many brokerages now support trading through mobile devices. Brokers such as IG Markets, CMC Markets and SAXO Capital Markets all offer mobile trading platforms through popular mobile phone or PDA models. You can access your mobile trader platform as long as your personal device is compatible with the service. The service is handy, easy to use and for the sophisticated trader who is concerned with his or her image, they are guaranteed to make heads turn.

In addition, please consider your Charting software. To be truly on the go with a small device, traders must equip himself with both the trading platform to buy and sell AND a software that can show charts clearly on a small screen. Brokers may provide the

former but not the latter. For example, Meta Trader (metaquotes.net) is excellent software that can be installed on a PDA.

### TAKING CARE OF RISKS

When I trade during a trip, I always ensure that risk management steps are taken. My brokers let me set stop loss and limit levels together with my position. Making use of such features allows me to take a hands-off approach. It also means that my positions are taken care of even if I might be on the plane.

Stop loss levels – They are actually cut-loss levels. It means that when prices reach the level that I indicated, it will close my position to limit my loss. Some brokers go on to offer guaranteed stop loss levels. Guaranteed stop levels go an additional step to ensure that in a situation when price may move too fast, my position is cut at exactly the level where I want.

**Limit levels** – They are take-profit levels. I set these levels so that my position can be closed even when I am not monitoring.

**OCO orders (one cancel other)** – They make sure that my stops and limits levels cancel each other whenever one of them is triggered.

It is obvious by now that the global trader is a noteworthy individual. He or she has an exciting lifestyle that is aspired by others but he must also take additional effort to keep up-to-date with the latest developments. When I travel, I make sure that all my preparations have been done. When all is ready, I can have a smooth 'sailing' trip, make money at the same time and be emotionally at ease. ■

Soh Tiong Hum is the founder of TerraSeeds Market Technician Pte Ltd, an education provider in strategies for Stocks, Forex, Futures, Commodities and Options Trading. He is a professional trader and also works with trainers to develop learning programs for technical analysis. He can be reached at [paperandpencil@terraseeds.com](mailto:paperandpencil@terraseeds.com)