

✎ 4.3 INSERT THE WORDS (change the word form if necessary):

position trade, investor, day trading, market maker, spread, online trading, scalp, day trader, technical analysis, fluctuation, trader, swing trader.

1. ... tend to make many trades per day, looking for what they perceive as imperfections in price.
2. ... activity is often referred to as scalping.
3. ... make trades which can last minutes to days.
4. ... can last anywhere from intraday to weeks, even months.
5. ... uses an internet connection to access internet based brokers.
6. Day traders ... the spreads by dealing directly with ... on the private trading systems called electronic communication networks (ECNs).
7. So-called bandits do little research and just watch for moving stocks with good
8. Others are more scientific about day trading, relying on news and ... to catch intraday price
9. The individuals who do day trading are ..., not ... in the traditional sense.

✎ 4.4 INSERT THE PREPOSITIONS WHERE NECESSARY

What is Day Trading?

Perhaps you've heard all the media hype ... day trading, but still don't know exactly what it is. ... a nutshell, it's daily, online stock trading ... very short investment horizons.

Some work shoulder-...-shoulder ... trading rooms, while others work ... their homes or offices. ... their eyes glued ... computer screens tick-...-tick, day traders may execute ... a hundred trades a day. They typically don't hold stocks overnight just ... case there's bad news. ... fact, they may holds stocks ... only a few seconds ... limit risk.

... example, at 10:00 AM a day trader might buy 1000 shares ... stock XYZ just as the price begins to rise ... good news, then sell it ... 10:04 AM when it's ... 1/2 (\$0.50). The day trader makes \$500, minus commission. With today's cheap commissions of \$29.95 or less per trade, that's a quick \$440.10 or better, excluding taxes.

The broader meaning ... the term *day trading* includes those who trade daily ... their homes or offices, ... Internet brokerages. These day traders might buy and sell stocks ... minutes, but might also hold some overnight or longer. The latest buzzword ... this is swing trading, with an investment horizon ... 1-5 days.

Many day traders focus primarily ... the NASDAQ Stock Exchange. It's typically more volatile than the NYSE or AMEX, so it offers more opportunities to play the intraday price waves. That's exactly what day traders do. But volatility also carries high risk, so one must watch prices like a hawk. ... the time it takes to grab a cup ... coffee, a stock may move 1/2 point or more.