

4.5 CHOOSE THE RIGHT VARIANT TO SUBSTITUTE THE UNDERLINED WORDS AND WORD COMBINATIONS

1. Once you develop a plan, stick to it and do not change it solely as a result of your emotions.

proceed with

keep doing

keep up

keep on

2. Discipline is a vital key to day trading success.

critical

important

substantial

considerable

3. Swing trading has the capability of providing higher returns than day trading.

is able to provide

is able of providing

has the capacity to provide

has the capacity of providing

4. Unlike day traders who liquidate their positions at the end of each day, swing traders assume overnight risk.

take

expect

take in

take over

5. Successful day trading requires that you have access to good and reliable up-to-date sources of financial and market information throughout the trading day.

requires your having access

requires you having access

requires that you would have access

requires on your having access

6. The only items of hardware that you require to trade online are a **properly** configured computer and a monitor.

duly

duely

dully

duelly

7. It is crucial **for an active day trader to spend** the money necessary to create a solid trading platform.

that an active day trader spend

that an active day trader spends

that an active day trader will spend

that an active day trader would spend

8. This is **by far** the most commonly used type of online trading service.

far

far and away

still

considerably

9. Internet based discount brokers vary **in how** they execute customer orders.

in the way

by the way

at the way

on the way

10. Some firms choose to route certain orders to **another** broker or third party for execution.

a different

the next

the other

other

11. Consequently, for active day traders who want instant confirmations, NASDAQ Level II quotes, and direct access to exchanges and ECNs, an EDAT system **is preferable to** trading through a traditional Web based online broker.

is preferred to

prefers to

is preferring to

preferred to

12. This can **delay** the time it takes to complete a trade.

detain

restrain

detach

deprive

13. There are some of the leading firms **offering** Electronic Direct Access Trading systems to active stock traders together with the applicable commissions and monthly fees charged.

that offer

what offer

who offer

those offering

14. An EDAT system **will enable the day trader** to have direct contact with specialists on the floor of the New York Stock Exchange, the market makers on NASDAQ and the various ECNs.

will make it possible for the day trader

will make it possibly for the day trader

will make it possible to the day trader

will make it possibly to the day trader

☞ 4.6 FIND AND CORRECT MISTAKES IN THE FOLLOWING SENTENCES

On cases where the markets are set to opening up strongly, there will often be large gaps of the open prices of certain stocks from the prior day's closing prices. This can provide profitable opportunities of day traders. The following sets out an easy to implement strategy or tactic that may be using to capitalize on these opportunities.

Suppose that, prior in the opening bell, indications are that the market will open up quite strongly. A large amount of buy orders on many stocks that have been placed prior to the market open will cause market makers to increase the price of such stocks at the commencement of trade. In many cases, the amount which the market maker opens or "gaps" up a particular stock will be higher than what is justified. This creates what is often refer to as a "Bull Trap". In other words, the stock is sometimes opened out excessively high to entice investors to buy simply because the stock shows strength at the open.

The setting up of a Bull Trap is the main reason why many stocks that gap up on the open tend to retreat back in price after the first hour or so of trade. Once the pre-market open buy orders have all been fill, the demand on these stocks often subsides.

There are exceptions, however, and these are what create some potentially profitable day trading opportunities. In particular, chances are good that if a stock that has opened out is able to reach a new daily high through the first hour of trading, the strength shown at the open was real and not artificial because there has been additional and continued buying after the pre-market orders have been filling.

☞ **4.7 STUDY THE TABLE AND FILL IN THE BLANKS WITH THE CORRECT FORM OF THE VERB (Differing Prepositions and Conjunctions)**

<u>Meaning</u>	<u>Preposition</u>	<u>Conjunction</u>
for this reason	because of	because
in spite of this	despite	although

at the time when	during	While
in a similar way	like	as if

In the following examples, the objects of the prepositions, and the verbs of the subordinate clauses are underlined.

Preposition: They were upset **because of** the delay.

Conjunction: They were upset **because** they were delayed.

Preposition: **Despite** the rain, we enjoyed ourselves.

Conjunction: **Although** it rained, we enjoyed ourselves.

Preposition: We stayed indoors **during** the storm.

Conjunction: We stayed indoors **while** the storm raged.

Preposition: It looks **like** rain.

Conjunction: It looks **as if** it will rain.

1. We stayed up late, _____ we were tired. (although, despite)
2. They bought these stocks, _____ their price trend. (although, despite)
3. I enjoy the course, _____ the professor is a good teacher. (because, because of)
4. She looks _____ your sister. (as if, like)
5. Please wait _____ I make a phone call. (during, while)
6. Did you hear any new information _____ the conference? (during, while)
7. It looked _____ we would not be able to leave until the next day. (as if, like)
8. We all felt tired _____ the long working hours. (because, because of)
9. I studied the quotations _____ I was waiting. (during, while)
10. Her eyes shone _____ stars. (as if, like)