This is a free Ebook
-IT CAN NOT BE SOLD-
Fred McAllen - Author

For Stock Trading Books and Day Trading Courses
Visit my Website at:
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From the Author

Welcome to the world of Trading and Investing.

This Free Ebook is a courtesy gift to you and I hope you enjoy it.

Be aware - I am a tell-it-like-is guy. *I don't pull any punches, sprinkle anything with sugar, or put 'lipstick on a pig.' You will hear it straight from me.*

Some of the topics and phrases may not make much sense to you at this point, but that is what I am here for. With 25 years experience in Trading and Investing, my goal is to help others learn the "Tricks of the Trade", so to speak. Trading and Investing is not a difficult task. There are many ways to either Trade, or Invest. The most important thing for every individual is to be knowledgeable regarding the Trading and Investing World.

Some believe that buying a Mutual Fund is the best way to Invest. For others, there is a desire to gain wealth in Day Trading Stocks, Options, or Forex. Whatever your desire, BE KNOWLEDGEABLE!

Please Note: Do not be overwhelmed with the 'lingo' and topics in this ebook. By reading the Stock Market books I either write, or sell, you will learn the 'Lingo'.

Best Regards,
Fred McAllen

Profit
In
Bull and Bear Markets

What are you?

- Aspiring Day Trader?
- Long Term Investor?
- Short Term Investor?
- Swing Trader?
- Options Trader?
- Forex Trader?

It Doesn't Matter!

If you are thinking of Trading the Markets, or are currently invested for retirement in Stocks, Mutual Funds, CDs, or Money Market Funds, you *ARE* an investor and your future DEPENDS on your knowledge of investing. If you are relying on a so-called 'Professional' to make your investment decisions – then that is your first mistake.

Want to know how to:

- **Day Trade**
- **Swing trade**
- **Profit in a declining Market**
- **Make Money in all Markets**
- **Protect the Value of your Investments**
- **Avoid turning a Win Position into a Loser**
- **Make Money even when your Advisor Loses**
- **Learn the Pros Investing and Trading Strategies**
- **Learn to read and implement Chart Strategies**
- **Learn when the Pros Buy**
- **Learn when the Pros Sell**

Sure you do!

Let's start with some very basic information that you should be aware of.

First:

To The Day Trader:

You should never attempt to trade any market without the proper knowledge to do so. And reading a few Stock Market or Trading articles posted on Investment Firm websites, or a bunch of little 15 page ebooks will **NOT** prepare you for a career in Trading. That is ONLY giving you enough knowledge to be **'Dangerous'.** This 'Rule' applies whether you are trading in Stocks, Bonds, Options, or Forex.

Next:

To The Investor:

Fire your Financial Advisor!

Yes, that is a bold statement.

In today's world, the term 'Financial Advisor' means little or nothing. Unlike in years past when your investments were advised, made, and handled by a Stock Broker with years of experience under his belt, that is no longer the case.

The 'Modern Day Financial Advisors' are being recruited from job posting sites like Monster.com and Hot Jobs by the Investment Firms that need sales personnel. Yes, the major Investment Firms compete for what is referred to as "Assets under Management". And in order to increase these assets, investment money must be placed with their firms. Your Money!

To accomplish this all important goal the Investment Firms must have sales personnel to actively sell investments to the public (you).

Here is where it gets interesting!

These Investment Firms actively solicit sales people by listing job openings on the Internet and also contacting unemployed persons who have posted a resume on the Internet.

Now, in order for these new people to 'Legally' sell investments, they must first be licensed. This is accomplished by the Investment Firm purchasing a short online course for the new recruit, and paying the fees to take the necessary exam. Once the recruit passes the exam, this person can now legally sell you investments.

Is this not Disturbing to you?

In a matter of a few weeks, an unemployed individual with absolutely no Capital Market experience whatsoever, suddenly becomes a salesperson AND your **Advisor?**

This person is responsible for making YOUR Investment decisions that will ultimately be your retirement!

- ✓ Where is the knowledge?
- ✓ Where is the experience?
- ✓ Has this person ever bought or sold even 'ONE' Security?
- ✓ Your Retirement depends upon this inexperienced individual?

I have BEEN THERE – I have WITNESSED it!

I have heard the instructors tell the new recruits:
"Buy ONE share of an investment. Thus, when asked if the investment is 'Safe', you can assure them of the 'Safety' of the investment, because you Own it yourself !"

Make NO mistake – this is NOT an isolated incident or occurrence.
Investment Firms turn out a new batch of recruits every single week with three things in hand.

1. They are supplied with boxes of sales brochures and a tablet computer to log into the Investment Firm system, allowing collected information such as your address, phone number, and an estimate of what you might have to invest to be transferred to the home office database.
2. They are given a territory consisting of a few square miles to canvass and collect information. This means going door to door

meeting the residents, introducing themselves, and obtaining as much information as possible.

3. They are given quotas to meet. Meaning they must contact a minimum number of people per day (usually 25 or more), record the information they obtain and transfer it to the Firm's system via the internet.

These salespeople are NOT trained or have any experience whatsoever in the markets, they are trained to sell. Nothing more, and nothing less.

Therefore, the commissioned salesperson "Advises" you to invest in whatever investment product is currently paying the highest commission, or whatever the Investment Firm currently has in their inventory that they need to "Unload".

Never rely on an Inexperienced Salesman for Investment Advice!

A new recruit once commented to me:

"Is this legal? Is this Instructor lying to us?"

My reply, "Are His lips moving?"

You can do better. Much better. These Firms and their recruits do not have the best interest of the investor in mind. They want your money – and they will make money on fees and commissions whether the value of your investment increases or not.

These are just a **FEW** of the things that you are **NEVER** told!

Now! Let's look at some Basic things you need to know about Trading and Investing.

General Knowledge

As we look at the Basics, keep in mind that the Capital Markets, whether you are interested in Stocks, Bonds, Options, Forex, or Futures, have one thing in common. **Supply and Demand.**

Supply and demand dictate the Price Movement of all Capital Markets. With this in mind, possessing the knowledge to correctly ascertain General Market movement, and reasonably predict Future Market movement, are key factors for your success.

The Following is an Overview of what you should know. These are the ‘Basics’.

Remember: In today’s world of Trading and Investing, even these “Basics” are NOT enough. Your Financial Future depends upon your knowledge.

Before you Buy

- ✓ Check market indicators for overall direction
- ✓ Scan the industry groups
- ✓ Cull out the stocks with the most potentially profitable formation
- ✓ Concentrate majority of buying in continuation-type movements

- Know where protective stop will be
- Never guess a bottom (and go long)
- Don’t feel that you must be 100% invested all the times.
- Always be in harmony with the market
- Always be consistent

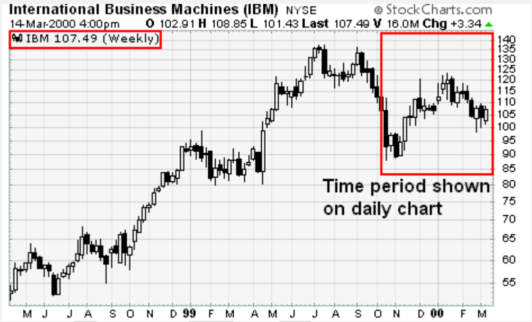
Do you **REALLY** think an Investment Sales Representative considers **ANY** of the above details before selling you the “Latest Mutual Fund”?

NO! I’ll answer that for you! They Don’t. They only look at the Commission, or the “Load”, calculate what they will make on the sale, then “Advise” you to purchase.

READING CHARTS

- Look at each high-low-close spike – forming pattern **with insight into the next major move.**

- Look at volume plot
- Look at 200 day MA
- Be aware of its long-range background
- Look at its relative-strength



To the Trader: You MUST know about the markets, and **MORE**, like the back of your hand.

To the Investor –

1. Has your “Advisor” ever given you this type of information?

2. Does your Advisor even KNOW this information?

3. How many **Hundreds of Thousands** of Investments were sold to people just like you when the Market was at an All-Time-High?

4. What do you think those Investments are worth now? 40% less? 50% less?

For Instance:

If you invested $100,000 in 2007 as the market reached its high. Your investment value likely dropped 40% to 55% over the following 24 months.

Not a very good feeling to look at that Account Statement is it?

Did your Advisor WILLINGLY sell you an investment in 2007?

Did your Investment Advisor tell you NOT to look at your Statements?

Did you hear the old "Song and Dance?" - "It'll come back!"

Maybe it will come back. In what, 5 years? 10 years?
Point is: Possessing the knowledge to know WHEN to invest is your responsibility.

Let me say this:

"Any investor who does not have basic general knowledge about price movements in the market and blindly relies on an Advisor to make investment decisions should keep his/her money in the bank. You don't have to be a Day Trader to invest 'wisely'. That is the reason I wrote the books, 'Charting and Technical Analysis' and 'Common Sense Investing'. An average investor can learn enough from those 2 books to make good decisions about investing and avoid being dragged down by Bear Markets losing an average of 30% of their investments."

Yes, that is my sales pitch. Either educate yourself, or keep your money in the bank. Your choice!

Know WHEN TO BUY

- Risk extremely low (support just beneath purchase price) with excellent upside potential.

- Continuation buys - when stock drops back close to its MA and consolidates. MA should still be clearly trending higher. Then it breaks out above resistance.

- Early in bull market plenty of stocks breaking out for the first time, later very few but still plenty of continuation variety buys.

- Use Stops

You don’t have to watch market closely or become emotionally involved. The less emotional the decision, the better.
The more mechanical the system and the less subject to judgments and emotions, the more profitable you will be.

The Market is a ZERO SUM Game. For every buyer, there is a seller, and vice versa.

Recognizing buying opportunities requires knowledge.

NEVER Invest because:

- ✓ You got a “Tip” on a great stock at the office water cooler.
- ✓ A Stock Scam Artist with a forum on the Internet claims immediate profits.
- ✓ A Salesman with a License “Prophesizes” great returns.
- ✓ A “Talking Head” on CNBC, or any Financial News Channel provides their “Expert” opinion.

NOTE: Do you realize "One" of the 'Experts' that repeatedly gives Market Updates and advice on one of the most popular Financial Networks was a Phone Clerk prior to being hired as an 'Expert'?

This is the quality of information and advice the general public receives in today's Financial Investment World!

Trading and Investment decisions must be made with knowledge. Knowledge you acquire and will be able to apply in making your investment decisions.

Buying/Selling patterns – These are all covered in my books. (I know, another sales pitch!)

REFINING BUYING PROCESS

Resistance

- ✓ Always check overhead resistance
- ✓ Know the probability of advance
- ✓ Know your Risk/Reward ratio

Volume

- ✓ Never trust a breakout that isn't accompanied by a significant increase in volume.
- ✓ Know what "Thin Trading" means
- ✓ Know the importance of Volume
- ✓ Know the Average Volume

Market and Relative Strength

Measure how strong a stock is in relation to the overall market. Not only should the overall market be advancing, your investment should be in a strong sector of the market. If your favorite stock is NOT currently showing strength, find another investment. There are 1000s to choose from.

Buying checklist

- Check overall direction of market
- Scan the industry groups that look best technically
- List stocks that are in trading range
- Narrow down the list
- Set what stop loss level should be
- Put in buy-stop orders

NEVER! - NEVER Buy because some **Investment Firm RAISED THEIR RATING** on a Stock!

Let me jump back up on my soapbox for a minute.

"Just a tidbit of information from experience: Level II Day Trading Platform Software used by Day Traders, allows you to see the Market *live* – Not *only* see the 'Minute by Minute' stock prices, but also, 'who' is buying and 'who' is selling.

I have personally sat in front of my screen countless times watching Investment Firms **continually sell** a Stock that they 'raised' their RATING on that SAME DAY!

If this particular Stock is now a **STRONG BUY,** (their new rating) then why are they **SELLING**? Continuously! All Day! And NEVER show up on the BUY side of the screen? This is not something that just happens occasionally, it happens more times than not."

You must

- Know how to Gage Market Strength
- DO NOT rely on others

SELLING SHORT

- Stocks fall much faster than they rise
- Don't short a stock that is too thin
- Don't short a stock above 200 day MA
- Don't short a stock that is part of a strong group

Selling short is a matter of Buying in reverse. Most individual investors do not understand the concept of Short Selling.

The most basic explanation is:

1. The investor/trader, believing that the price is going to decline, borrows shares of a stock from his broker and sells those shares at the current price.(done electronically)

2. When the price of the stock declines, the investor/trader purchases this same stock on the open market at a lower price and returns the borrowed stock to his broker.

3. The investor/trader retains the profit – the difference in the sale at the higher price, and the purchase at the lower price.

This is simply another tool used to profit from a falling stock and/or a falling market.

This is a valuable tool and every investor/trader should know how it works and when to use it.

Options

Understanding Options is highly valuable to the Trader, and equally important to the Long Term Investor.

However, most do not understand Options.

Have you ever had a Coupon for a Pizza?

Sure you have! Then you have dealt in **OPTIONS!**

In its basic form, that is an Option. It gives you the **Right to Buy** a Pizza at a set price for a certain period of time. You could possibly even sell that Pizza coupon to a fellow pizza lover. Or you could hold that coupon in case the price of pizza increased, allowing you to still eat a pizza at the low price listed on the coupon.

Stock options are not much different. So how could they be used to make a profit?

For Instance:

1. Protect the value of your investments in the event of a decline.
2. Profit from an advance in the Market
3. Profit from a decline in the Market
4. Profit from a Market Crash
5. Control large investment with minimal dollars.

There are numerous opportunities to use Options.

You MUST know all the benefits and be able to include their use in your investment knowledge. **Don't leave home without them!**

"Let me throw in another sales pitch. In my book 'Common Sense Investing' I describe in detail how an investor can profit using options even when the market is NOT moving, or when the

market is going up or down. These strategies can be used to make constant income from the investments you are holding."

Bonds

The **LESS** exciting Investment Vehicle!
Bonds should be a part of every investment Portfolio.

However, there is:

1. A time to Buy Bonds
2. A time to Sell Bonds
3. A time to Trade Bonds

There are:

1. Good Bond Investments
2. Bad Bond Investments
3. Long Term Bond Investments
4. Short Term Bond Investments

"The Good, The Bad, and The Ugly Bonds"

What could possibly be exciting about a Fixed Income Security that only pays you a fixed amount of interest on a regular basis?

How about
- Safety
- Potential Value Increase

Buying and Selling Bonds can be very profitable.

Always Remember: Bond Prices and Interest Rates are **INVERTED. NEVER by bonds just because you think they are safe. Their**

prices fluctuate and you might be either stuck with the bond or face taking a loss just to get your money out of it.

Forex Trading!

If you are new to Forex trading, or new to investing in general, then this can open your eyes to a world you never knew existed, while not overwhelming you with too much complicated financial jargon.

There are a lot of factors unique to the Forex market which make it a very exciting, fast-paced alternative to traditional investing:

1. The market runs 24 hours a day, but it depends what times are best to trade.
2. The market is affected by world events and news more so than others.
3. There are no commissions to be paid out on your trades.
4. Extremely high-liquidity.

100:1 Leverage (move $100,000 in currency using only $1,000 of your own money!)

Sound Exciting?

The term **'Forex'** is short-hand for '**foreign exchange**.'

What is being exchanged on this market are *not* stocks or bonds, but **currencies** (monies) from around the world. In other words, the Forex market is *the* place where U.S. dollars, Euros, Yen and other major currencies are bought and sold. It represents the largest financial market in the world by volume.

Imagine that you're going on a trip to France. You have $1,000 U.S. dollars to spend on food, transportation, souvenirs and tours. You're a smart traveler, though, so you don't want to carry all of that $1,000 as cash in either currency.

Instead, you put $500 into traveler's checks for safe keeping, and convert the remaining $500 into Euros (the Franc was replaced by the Euro at the formation of the European Union, of which France is a member).

On the actual day that you go to get your money converted, the **foreign exchange rate** is set at **1 US Dollar = 0.68679 Euro**. This rate is the **official, interbank rate** for strict cash-to-cash conversions. After you do the math, you see that your $500 in U.S. Dollars turns into a mere $343.397 Euro.

Ouch! You've just taken a hit to the tune of $156.60 right off the bat in terms of buying power, even though you haven't spent a cent.

What happened?

What's happened is that the Euro was stronger than the Dollar at the time you made the exchange. Your Dollar wasn't worth as much as the Euro. Therefore, you could not purchase 500 Euro with 500 Dollars. Keep in mind, however, that this wouldn't necessarily limit your buying power. How much you have to spend while in France depends on the cost of living.

For example, if the equivalent of a $15 meal in the U.S. is only $12 in France, you may save enough to offset the hit you took on the exchange rate. Now, remember that you're a smart traveler. You keep up with the financial markets, and check the exchange rate each day of your trip. On the third day, you notice that the Dollar is continuing to weaken against the Euro. A Forex trader attempts to profit from these fluctuations in currencies.

Before you decide that this is the Market for you - Keep in mind that anytime there is a chance for **Great Reward**, there is always a chance of **Great Risk!**

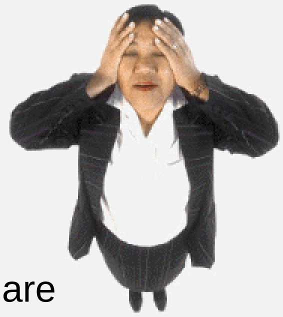
In short – Yes, the potential is there to make quick money, but the potential also exists to lose quickly also.

Risk

You must know your Risk Tolerance Level.

Every Investment carries a certain amount of RISK.
Stocks have risk. But as you know, there are some that have higher risk than others.
For Instance:

- A Blue Chip Company carries less Risk on the investment than a Start Up Company.
- A Government Bond is the safest investment, however it DOES have risk. Albeit extremely minimal. AAA rated bonds carry less Risk than Junk Bonds. However, the Return on Junk Bonds can be very high.
- Options carry a certain amount of Risk.
- Forex has likely the highest risk.



What matters is what investment will allow you to sleep at night? Never invest in something that causes worry and concern to a degree that you lose sleep. It's not worth it.

You may be thinking you are safe because you are invested in Mutual Funds. If so, do a couple of things.

1. Calculate the Fees!
2. Do **any** amount of research!

You will quickly find that the Fees charged by Mutual Funds are 'Shameful" at best. Mutual Funds use the S&P 500 as their 'BENCHMARK' to gage their performance.
HUH?

If they can do NO better than the S&P 500, and MOST DO NOT, what's the point of having a 'Fund'? Why not just buy shares of the S&P 500 Index?

You CAN do better!
Take responsibility for your OWN investments!

What is your Favorite Investment?

- Stocks?
- Bonds?
- Options?

It is a given that in order to accumulate money, your money must work for you. It is also a given that Money Market investments, like CDs, are not enough. They don’t work hard enough to add to the accumulation process.

Therefore, Securities are the most likely vehicle to carry your finances to their full potential. Whatever Security you choose, you ALSO must gain the knowledge to properly invest.

However, to do this, you must have knowledge. You MUST have a PLAN. You MUST have Strategies!

You must know

- When to Buy
- What to Buy
- How to Buy
- When to Sell

Relying on others to Advise you in your decisions is disastrous.

REMEMBER:

- **Investment Advisors DO NOT work for YOU!**

- **Investment Firms DO NOT work for you!**

Learn how to protect your Investment.
Learn how to Choose an Investment

WHEN TO SELL

- Don’t average down in a negative situation
- Don’t refuse to sell because the overall market trend is bullish
- Don’t wait for the next rally to sell
- Always have a protective stop-loss

Ok! Here I go hopping on my soapbox again!

1. How many times have you been “Advised” to add to your investment because your investment has declined in value?

2. “Buy and Hold” - How many times have you heard that?

3. “Average Down” – How many times have you heard that?

Investment Advisors will tell you that a Declining Investment is a BUYING Opportunity! Really! What? They screwed up telling you to buy the 1st time – Now think you WANT some more?

Using our example above:
If you Invested $100,000 when the market was at, or near, the high in 2007, and IF you held the investment, you would likely be down as much as 55% within 24 months.

“Buy and Hold” Theory – The fallacy of this Theory becomes obvious when you consider WHO bought at the top, and WHO sold, both at the top, and who sold ALL the way down!

Do you REALLY think the Professionals were BUYING at the TOP? The Professionals were NOT buying at the top, The Novices were. The inexperienced Traders and Investors were doing the buying.

And yes! I cover all this and more in ‘Charting and Technical Analysis’.

Average Down - Ever heard the saying "Throw good money after bad?" That pretty much sums it up!

Adding to a losing position ONLY creates a Bigger Loser!

You **MUST** know

- When to sell
- When to buy
- When to take a small lose instead of a 55% hit on your Investment and/or Retirement account.

Buy and Hold

This is one of the most popular 'Arguments' in the Investing and Trading World. Yes, Investing in Stocks has "Historically" averaged about a 10% per year return.

What is WRONG with this Theory?

It Depends upon 3 Things:

1. **HOW long you are able to HOLD your investment!**
2. **When you purchased your Investment!**
3. **When you need to Sell your Investment!**

If you purchased your Stocks in, let's say, 1950 and held them until 2007, then sold them at the Markets All-Time-High. YES! You would likely have made a 10% per year return.

Do you receive 10% per year in Dividends from your Investments? No!

So, you must depend upon the Advance in the Company's 'worth', and subsequent increase in Stock price to realize a 10% return on your investment.

Let's Keep Going on this subject!

Since you MUST depend on the advance in Stock Price to realize the full potential of your investment, then:

- It Not ONLY Depends upon WHEN you Purchased.
- It ALSO Depends upon WHEN you need to Sell!

This being the case: The '**WHEN**' you **Purchased** would ALSO need to be at a LOW point in the Market, and/or Stock price. And the **WHEN** you **Sell** would need to be at a High point in the Market and/or Stock price.

Point is:
The 'Buy and Hold' Theory **IS ONLY** correct under certain, and perfect, conditions.

The Investors who purchased Stock in the Late 1990s and Early 2000, at or near the high of the market and held their investments, are **STILL BROKE! Some may be Bankrupt!**

The Fallacy

Financial Advisors will consistently tell you that "Buy and Hold" is the WAY to invest. When presented with this Theory –

ASK the Advisor who purports **NON-SENSE** such as this "if the SAME advice was given to Investors in 2000, or in 2007?"

When you invest, you **DO NOT** know when you will need that money for a special circumstance and/or an emergency. You **DO NOT** have the liberty of always choosing **WHEN** you will **Sell** and/or **Withdraw** your funds to be used for other purposes. You may need your funds at a time when the prices are low, the Market is in Bear Stages, or the country is in a recession. Thus, a 10% return would be Highly Unlikely!

And while I am on my soapbox I'll let you in on another bit of information that is covered in 'Common Sense Investing.'

Since 1900, over the past 110 years, there has been a Bear Market on the average of every 3.5 years with the average decline in the market of 30%. Bear Markets have always been here and will always come around just like clockwork. So given the knowledge that with 100% certainty there will be Bear Markets every few years in the future, where is the common sense of 'Holding' an investment and watching the value be decimated by the next Bear Market? Investors are not stupid! They just don't know how to avoid the big market declines. That is the reason I wrote the books.

OK! I'll hop back down from my proverbial soapbox now.

Another VERY common Sales Tactic:

"If Christopher Columbus deposited ONE PENNY in1492 in an interest bearing account drawing 6% - in 2009 that ONE PENNY would have grown to 121 BILLION dollars!"

I know you have heard many similar stories in various 'Sales Pitches'!

Like, "IF" your great grandfather deposited the proverbial Penny drawing 6% – It would be worth a Million or some such NON-SENSE now.
-OR-
The famous Compounding Story that the Investment Firms use today –

"If you double a penny every day for 30 days
you will have 10 Million at the end of the month."

What utter Non-Sense!

That would be 100% Interest compounded "Daily". Complete Foolishness in efforts to convince an Investor to hand over their money so the "**Assets under Management" increases for the Firm**!

In reality:

1. Mine and your Great Grandfather DIDN'T deposit a penny, didn't even know that you or I would ever exist, and there ARE NO Investments that pay 100% Compounded Daily return!
2. I wasn't around in 1492, and wasn't even born 100 years ago to deposit ANYTHING in order to be wealthy now!
3. I have no idea if I will even have any Heirs 100 years from now, or if they would get the money IF I deposited a penny for them today!

Point is: You are the ONLY one that has ANY control of your financial future. Sales people will tell you anything to make a sale. They will not be there when your investment is declining, and if they are they will only try to assure you "it will come back".

- Getting back to 'EVEN' is not an investment plan.
- Watching your investment value decline is not an investment plan.
- Blindly investing your hard-earned money with no knowledge other than what you are told in the 'sales pitch' is *NOT* an investment plan.

Educate YOURSELF!!

See personal note below.

On a Personal Note:

This is why I Retired from being a Financial Advisor. The tactics of today's Investment Firms are deceitful at best and extremely harmful to the general public and the Individual Investor in particular.

There has never been a time when the Financial Markets were plagued with a higher number of inexperienced, unknowledgeable salespeople, actively promoting unwise investments to the general public.

I have visited sales training classes for these new recruits. I have listened to them 'Cold Calling' potential investors, promoting unwise investment products. Products that would most certainly hand the unknowing investor a loss.

Yet, these tactics continue on a daily basis. These Investment Firms farm out a new class of Licensed Un-professionals every single week, all strapped with production quotas, and hungry to sell you something you DON'T need.

*Do **NOT** be fooled by a 'License' that can be obtained through an online course. This 'License' in **NO WAY** constitutes knowledge, and certainly does **NOT** constitute experience.*

As I mentioned earlier, I have been there. I have watched it happen.

I have heard the salesmen SELL 30 year Bonds to 74 year old widows because the bond paid slightly more interest than her CD.

If she needs her money for any reason before her 104th birthday, will she sell that bond for a profit, or a loss someday? Or will she wait till she is 104 years old and get her money back when the bond matures?

Mutual Funds were sold by the thousands to the average investor at the height of the market in 1999-2000 and again in 2007. Every one of those sales likely caused a loss to the investor.

During this past decade, from the start of 2000 to 2010 the S&P 500 was down 23%. Ten years of no net gains in the overall market. A 'Secular' Bear Market is now in place and will likely continue for 5 to 10 more years. This is covered in detail in 'Common Sense Investing.' You must know how to protect your investments, when to invest, and when to keep your money in your pocket.

Remember that on the average, a Bear Market occurs every 3.5 years, and yes, these occur even during a Secular Bear Market. You do the math. The last one started in 2007 and possibly ended in 2009. Are you prepared for the next one that will occur sometime within the next 1 ½ to 2 years?

The examples included in this book, and countless others, caused the realization that every individual must have their OWN knowledge and make their OWN Investment decisions. No one told you how to make your money, and no one but you has your best interests in mind when investing it.

I really hate for this to sound like a "Sales Pitch", because it's not. But you must be knowledgeable regarding your Investments, and reading a couple of books and learning from my experience can save you thousands of dollars by preparing for the future. I strive to make Trading and Investing books available and affordable for everyone.

As I said earlier, either educate yourself or keep your money in the bank. The next step is yours.

Best regards,

Fred McAllen

For investment books, tips, and information, visit my website at:
http://www.fredmcallen.com