QUICKTRADEWIN

BEGINNER DAY TRADER CHEAT SHEET

10 Things Every Beginner Should Know Before Placing Their First Trade

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Welcome to QuickTradeWin!

Day trading can seem complicated when you're first starting. Charts, candlesticks, orders, trends, and trading terminology can feel overwhelming.

This cheat sheet was created to introduce you to some of the most important concepts every beginner should understand before placing a trade.

Remember: Trading involves risk. Take your time, learn the basics, and practice before risking real money.

Let's get started!

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1. What Is Day Trading?

Day trading is the practice of buying and selling a financial instrument within the same trading day.

Day traders may trade assets such as:

- Stocks
- ETFs
- Futures
- Options

The goal is generally to take advantage of price movements.

For example, a trader may buy an asset at one price and sell it later at a higher price. However, prices can also move against the trader, resulting in losses.

Important: Day trading is risky, and profits are never guaranteed.

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2. Understanding Candlesticks

Candlestick charts show how the price of an asset moved during a specific period.

A candlestick typically shows:

Open — The price at the beginning of the period.

Close — The price at the end of the period.

High — The highest price reached.

Low — The lowest price reached.

A series of candlesticks can help traders understand whether prices are generally moving upward, downward, or sideways.

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3. Market Order vs. Limit Order

Market Order

A market order is an instruction to buy or sell at the best currently available price.

The trade is generally executed quickly, but the exact price may vary.

Limit Order

A limit order allows you to specify the price at which you're willing to buy or sell.

For example:

You may decide:

> "I only want to buy this stock if the price reaches $50."

The order may not execute if the market never reaches your chosen price.

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4. What Is the Bid and Ask?

The **Bid** is generally the highest price a buyer is currently willing to pay.

The **Ask** is generally the lowest price a seller is currently willing to accept.

The difference between these two prices is called the **spread**.

Understanding the bid and ask can help beginners better understand how trades are executed.

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5. Support and Resistance

Support

Support is an area where a price has historically shown buying interest and may stop falling temporarily.

Resistance

Resistance is an area where a price has historically shown selling pressure and may stop rising temporarily.

These levels are not guarantees. Prices can break through support or resistance.

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6. What Is a Stop-Loss?

A stop-loss is an order or predetermined price level designed to limit a potential loss.

Before entering a trade, many traders decide:

- Where you will enter.
- Where you will exit if the trade moves against you.
- How much money you are willing to risk.

Having a risk-management plan can help prevent one trade from causing an unexpectedly large loss.

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7. Understanding Risk vs. Reward

Before entering a trade, consider:

How much could I lose?

and

How much could I potentially gain?

For example:

- Potential risk: $50
- Potential reward: $100

This would represent a potential **1:2 risk-to-reward relationship**.

This does not guarantee the trade will be successful. It simply helps you evaluate the potential risk and reward before entering.

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8. Never Risk More Than You Can Afford to Lose

This is one of the most important lessons for any trader.

Day trading involves real financial risk.

Avoid trading money needed for:

- Rent or mortgage payments
- Food
- Utilities
- Emergency expenses
- Other essential bills

Many beginners choose to start by practicing with **paper trading**, which allows them to practice strategies without risking real money.

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9. Have a Trading Plan

Before entering a trade, ask yourself:

✔ What am I trading?

✔ Why am I entering this trade?

✔ Where is my entry?

✔ Where is my stop-loss?

✔ Where is my profit target?

✔ How much money am I risking?

If you cannot answer these questions, consider waiting before entering the trade.

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10. The Most Important Rule: Keep Learning

Successful trading is not about finding a guaranteed strategy.

There are **no guaranteed profits** in day trading.

Learning about:

- Market structure
- Charts
- Trading strategies
- Risk management
- Trading psychology

can help you build a stronger foundation.

Take your time.

Practice.

Learn from mistakes.

And never stop managing your risk.

YOUR PRE-TRADE CHECKLIST

Before placing a trade, ask yourself:

☐ Do I understand why I'm entering this trade?

☐ Do I know my entry price?

☐ Do I know where I will exit if I'm wrong?

☐ Do I have a profit target?

☐ Do I understand how much money I could lose?

☐ Am I risking money I can afford to lose?

☐ Am I following my trading plan?

REMEMBER:

If you don't know your risk before entering a trade, stop and reassess.

READY TO LEARN MORE?

You've learned some of the basic concepts every beginner should understand.

But this is just the beginning.

Get the Complete QuickTradeWin Beginner Day Trading Guide

Learn more about:

✓ Essential day trading terminology

✓ Understanding trading charts

✓ Candlestick patterns

✓ Support and resistance

✓ Breakout strategies

✓ Pullback strategies

✓ Reversal strategies

✓ Gap and Go trading

✓ Trend trading

✓ Risk management

✓ And more!

Get the Complete Beginner Day Trading Guide Today

Visit QuickTradeWin to continue your trading education.

IMPORTANT DISCLAIMER

QuickTradeWin provides educational content only and does not provide financial, investment, or trading advice.

Day trading involves substantial risk, and you can lose money. Past performance does not guarantee future results.

Always do your own research and consider consulting a qualified financial professional before making financial decisions.

QUICKTRADEWIN

LEARN BEFORE YOU TRADE.

Start with education. Practice responsibly. Manage your risk.