



Every Pinoy's quick starting guide to

Investing in Philippine Stock Market

Smart Pinoy Investor Series



HOW TO INVEST IN PHILIPPINE STOCK MARKET

START INVESTING THIS WEEK

STEP 0 – INVESTIGATE INVESTING

Understand first what investing in stock market is all about. Hey, it's your hard-earned money at stake here so never plunge into the market without knowing the basic do's and don't's. However, this should be a continuing process so you can proceed to the next steps while doing this. But let me give you a quick start points here.

When a company wants to raise money for possible expansion, one option it can take is to raise the fund from people outside the company. It can do so by selling a minority part of ownership of the company to these people, whom we will call as investors. This form of ownership in a corporation is called **shares**, which can also be called **stocks**. If you buy a stock of a company, you therefore become a part-owner of it. Cool, noh?

So how do you make sure that you make money out of investing?

Simple: Become part-owners of fantastic companies. In other words, only buy shares or stocks of companies who are earning big money consistently! **Key word**: consistently.

You'll learn some tips below how to do this.

BE A SMART INVESTOR

Hi there!

Welcome to this quick start guide to investing in Philippine stock market.

Check this [page](#) for more beginners' topics.

Email me [here](#) if you have other questions.

Happy investing! 😊

- Omeng Tawid

STEP 1 – OPEN AN ONLINE TRADING ACCOUNT

Unfortunately, you cannot buy your first stock alone. You will need what you call a **stockbroker** or **trading participant** who will place buy or sell orders on your behalf in the Philippine Stock Exchange (PSE). PSE is the place where people converge to buy and sell stocks.

Fortunately, there are now online brokers available which will allow you to do all your transactions all online (funding your account, buying/selling your stocks, and withdrawing your money).

Opening an online trading account is very similar to opening a normal savings account in a bank. You just need to submit accomplished forms and basic requirements (photocopy of government-issued ID's and billing statement) to your chosen online broker's office.

Don't worry, this will be a one-time application only; the rest of the steps (like buying stocks and withdrawing your money) can all be done online.

COL Financial, formerly Citiseconline, is my recommended online broker for beginners. You can check this post for the step by step tutorial [HOW TO OPEN AN ONLINE STOCK TRADING ACCOUNT IN COL FINANCIAL GROUP](#). That tutorial is well applicable to anyone –students, newbies, OFWs and even non-Filipino residents!

Also for anyone (including OFWs and those in provinces) **who have BDO Online account**, do you know that you can open a trading account all online without the hassle of going to your broker's office? That means you can buy your first stock anytime soon if you fall in this category. Click here to find out how > [How to Open a Trading Account Online with BDO Nomura](#).

STEP 2 – FUND YOUR TRADING ACCOUNT

Once your online trading account is approved, it's now ready for funding. Remember, you're *buying* a stock here, so that buying will certainly entail money. While your trading account will give you the gateway to buy a stock, you want to make sure that you have the money to do so.

Funding your trading account is done by making a bank deposit. It works like paying for your bills through a bank. You go to a branch of BPI, BDO or Metrobank, fill out the Merchant Payment slip with your account number (this is provided to you via email once your trading account is approved by your chosen broker) and indicate the amount you'll deposit. This deposit will be entirely transferred directly to you trading account which you can use to buy your first stock.

PRO TIP: If you do online banking with your favorite bank, you can enroll your trading account as merchant and fund it online. No more long queues in your bank's branch!

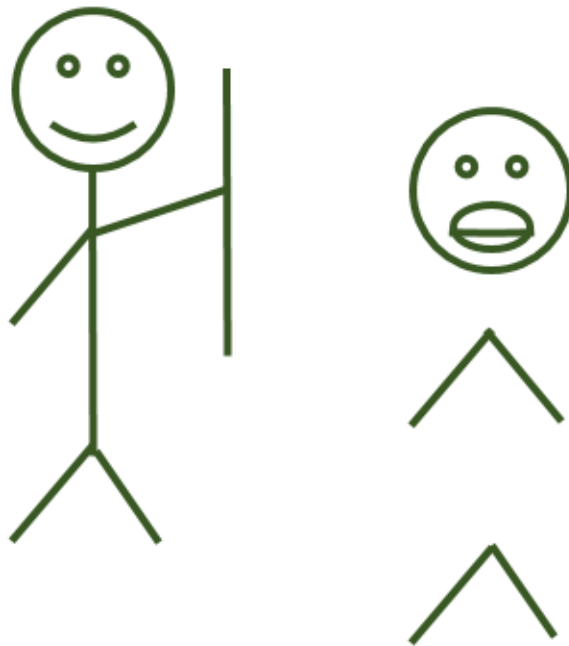
STEP 3 – BUY YOUR FIRST STOCK

Yahoo!

By now you have your trading account and enough funds in it. Time to buy your first stock!

Let me warn you: At this point, you'll have two problems as a beginner:

- (1) If you log-in in to your trading account, you may become overwhelmed with the lots of menus and numbers you see on your screen. It's easy to be discouraged and confused not knowing what to do with all those buttons. But don't you worry, I created a simple tutorial you can follow so you make your way to buy your first stock.
- (2) Another more important problem you will have is not knowing exactly **what stocks to buy**. There are more than 200 stocks currently you can choose from, which one will make you money down the road? Again, don't worry, I've got your back.



(3)

To solve your first problem, just [check this tutorial](#), follow the steps to buy your first stock and ignore the rest (at this point).

To solve your second problem on screening what stocks to buy, I shared simple practical tips for you in [this post](#).

STEP 4 – SELL YOUR STOCKS

If you've done Step 3 above properly, you'll soon see your investment growing through time. And if you're happy with the earnings, you can go sell it. (Hey, don't forget the risk associated with investing in stocks. Stocks prices fluctuate up and down every trading day, so don't be surprised if you see your

investment declining in value. It all boils down to your strategy and time horizon how your stock investment will grow its value through time).

The steps in selling are very similar to what you did in Step 3, except that you're *selling* at this stage, as opposed to *buying*. Note that you can sell anytime.

STEP 5 – ENJOY YOUR PROFITS

Once you're done selling, you can now withdraw back your investments if you want to. Withdrawing your investment means you're transferring your investment money from your trading account to your bank account so you can withdraw it using your ATM card, for example. You can follow this [easy tutorial](#) how to do this.

THAT'S IT!

Personally, I make my investment account as my giant piggy bank and consider it as my long-term investment! That means I just add monthly to my investment money, buy my carefully chosen stocks, and sell when I believe it's already time to sell. I don't withdraw and take it out. Instead, I use the selling proceeds to buy other cheap stocks and repeat the whole process, thus making the power of compounding work for me. 😊

You're done at this point! In case you'll want more help...

I also listed some resources below you can check to help make investing (and growing your money) easier for you:

- [My Maid Invests in the Stock Market... and Why You Should, Too! \(nice read!\)](#)
- [Screening your stocks selection using COL Financial's Model Portfolio](#)
- [Easy Investing with Strategic Averaging Method](#)
- [Intelligent Investing with Pinoy Investor Newsletter](#)
- [Getting the whole picture – Personal Finance + Investment Strategies \[Free Seminar!\]](#)

If you have any question, you can send them [here](#). Bawal mahiya, future mo at ni family usapan dito. 😊

Kitakits soon,
Omeng Tawid

PS: I hope this really gave you an overview you want to see about stocks investing.

May I also request that you share this quick guide to your network? That way you become part of increasing financial literacy of our kababayan. Let's help create the next generation become a better and richer Philippines. God bless!