



Every Pinoy's quick start guide to

# INVESTING IN PHILIPPINE STOCK MARKET

*with free guide to Philippine pooled fund investments!*

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# 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'ts. 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.

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.

Here comes the very first step you need to do to start investing.

## BE A SMART PINOY 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 YOUR ONLINE TRADING ACCOUNT

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) 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](#). That tutorial is well applicable to anyone –students, newbies, OFWs and even non-Filipino residents! The main challenge in this option is that COL Financial will need the accomplished printed-out forms. This means you need to either go to their office / business center to submit the requirements (will take only around 15 minutes), OR you send all the requirements via a courier service and wait for their email for the additional needed next steps.

Another easier option for anyone (including OFWs and those in provinces) **who has BDO account enrolled in BDO online banking** is to try out BDO Nomura. This option allows you to open a trading account 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 to Open a Trading Account Online with BDO Nomura](#).

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 needed platform to buy a stock, you want to make sure that you have enough money to do so.

## STEP 2 – FUND YOUR TRADING ACCOUNT

Funding your trading account is done by making a bank deposit or merchant payment. It works like paying for your bills through a bank. The manual approach is 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 your 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 (broker) account as merchant and do the funding online. No more long queues in your bank's branch! Yay!

It normally takes one trading (banking) day for your deposit to reflect on your trading account. It can be shorter for other brokers, possibly within the day if you're within the cut-off time.

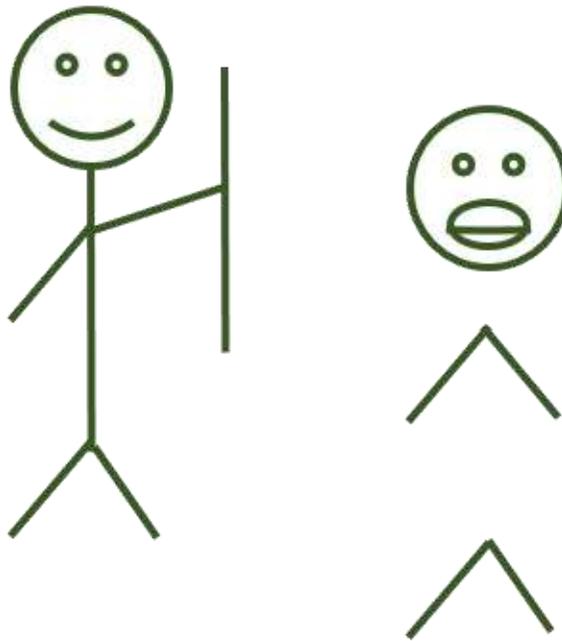
By now you have your trading account and enough funds in it. Time to buy your first stock!

### STEP 3 – BUY YOUR FIRST STOCK

Yahoo! This will be the most exciting yet challenging part of your investing journey.

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.



To solve your first problem, just [check this tutorial >>How to Place Buy / Sell Stock Transactions <<](#) and 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 >> How to Choose What Stocks to Buy and Sell <<](#).

### 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*. Also take 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 Withdraw Funds from Your Trading Account<<](#) how to do this.

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### 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, 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...**

### OTHER RESOURCES

I also listed other resources below 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](#)
- ✓ [Bo Sanchez Truly Rich Club Stocks Update \[highly recommended for beginners!\]](#)

If you have any question, you can quickly send them [here](#).

*Bawal mahiya, future mo at ni family usapan dito.* 😊

Also subscribe to my [YouTube channel](#) for more learning videos [here](#).

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!

## BONUS - POOLED INVESTMENT QUICK GUIDE

There are two way to start investing in stocks – direct investing and indirect investing.

**Direct investing** is exactly what I described above.

I call this direct investing because YOU do all the activities YOURSELF in this way.

This includes funding your account, finding which specific stocks to buy/sell (which could demand lots of time of study) and actually executing the buy and sell orders on your computer screen.

You totally don't need anyone, aside from your funded broker account, to make money since you can do all these things at the comfort of your home just with your gadget connected to the internet.

If you want to invest in, say the company that manages and operates the giant SM malls, then you can just log-in to your trading account and buy *SMPH* stocks (SMPH is the stock code of SM Prime Holdings) even with your smartphone. You can also always see how your money fluctuates with the movement of the market on your gadget screen.

The problem is... direct investing could be overwhelming for a beginner (as with any undertaking at the start), but it becomes very easy to do once you get the hang of it. If you are serious in actively managing your investment, direct investing could be the path for you. Since you are the direct investor on this, you also take full responsibility for the possible losses you can incur.

But there are a lot of people who have no time or interest to study about how stock prices move and really monitor their investments on a weekly (or daily) basis.

Instead, these people just wish to get better returns than what ordinary bank deposits can offer. This includes full-time employees, OFWs abroad, financially-established people or anyone who has excess money to invest on top of their normal daily needs.

They simply want to “*invest their excess money hoping that after some time, they get their money back with decent returns*”.

That's where **indirect investing** comes in.

Indirect investing could be divided into two – Mutual Funds and UITF (Unit Investment Trust Fund). These two operate very similar since they are just variations of the general **pooled investment fund** from several investors, invested into predefined types of investments, and actively managed **not by you** but by a professional fund or investment manager.

To learn more about these options, you can go to below resources.

- ✓ [How to Invest in Philippine Mutual Funds Online for Beginners](#)
- ✓ [How to Invest in Philippine Unit Investment Trust Fund \(UITF's\) for Beginners](#)

Personally, I have both direct stock investments and mutual fund / UITF investments, so nothing can stop you to try them out both and do your own assessment through time.

Happy investing!

[BACK TO RESOURCES](#)

## LIMITED OFFER

You must have heard about Gina, Bo Sanchez's house-helper turned accountant, who is now a millionaire.

A few years ago, Bo decided to teach her to invest in the stock market. Every month, she set apart a small portion of her salary to buy stocks.

Now, her small investments have returned — and she is now a millionaire.

If his maid can do it, you can do it too!

GOOD NEWS! The story is shared in a new a book, entitled, How My Maid Became a Millionaire. You can order a copy of this book FOR FREE — just pay for the shipping cost and it's all yours.

To get a copy of How My Maid Became a Millionaire for FREE (just pay for the shipping cost), click the <http://smartpinoyinvestor.com/freebook>



## JOIN THE ONLINE WEALTH SUMMIT 2018

Sharing another exciting learning event from one of my mentors!

And the best thing is you can join this wherever you are.

Yep, this will be an online 4-hr seminar session full of practical lessons on improving your financial life. Online access is only Php 100.00. Such a small price for a huge learning experience.

You will also learn here the single very secret I used to level-up my own financial life.

I don't want to waste your time so you go straight [here](#) for sign-up.

**BO. SANCHEZ**  
2018 ONLINE WEALTH SUMMIT

# MONEY MACHINES

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**How To Build Your Active And  
Passive Income At The Same Time**

**015**

The banner features a red background with a white diagonal stripe. The text is primarily in white and black. A dark blue circle contains the date and time information. A vertical white banner on the right side of the circle contains the price. The overall design is clean and professional.