INVESTING IN THE PHILIPPINE STOCK MARKET

A quick-starting kit for beginners

Omeng Tawid
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To the maximum extent permitted by law, the author and his associates disclaim any and all liability in the event anything in this book proves to be inaccurate, incomplete or unreliable, or results in any kind of loss.
I dedicate this book to all hard-working Filipinos whose only desire is a better life for their families.
You’re all God’s vessel of perfect love to them.
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Share This
HAHA!

I actually had a hard time contemplating to pursue or not finishing this book.

Initially I just wanted to give back the fun I had investing in the stock market by sharing it to you.

But on the other side, I’m afraid I might be giving you an incomplete picture of what stock investing is all about. I might be pushing you into the realm of gambling in the stock market as opposed to investing. As you know, gambling should not be encouraged, more so in public.
I wish I could help you not just in the early stage of your stocks investing journey, but also in every succeeding steps of the way.

But just to help you get started, I managed to go on and compiled all I learned from my own experience.

Make no mistake. I don't claim to be perfect at investing. Like you, I'm still learning.

But if you want your money to start working for you one day soon, allow me to sing your first lullaby.

I’m glad to be part of your financial journey!

For your dreams and passion,

Omeng Tawid

P.S. Grow your wealth and achieve financial freedom. If this is your first time investing in the
stock market, I’m excited for you. You’re taking charge of your financial life. You may want to take advantage of the TrulyRichClub. Receive Stocks Update every month telling you everything you need to know about your stock investments, plus a mountain load of materials for your financial and spiritual growth. It’s your regular overdose of guidance and inspiration.

To try it out, log-on now at the TrulyRichClub.
CHAPTER 1
Investigating Investing
What the heck is the stock market?!?

Welcome to the world of stocks investing!

You’re now one step closer towards improving the important financial aspect of your life. For that give yourself a pat on your shoulder! 😊

And the first thing you should do before investing your first peso is find out as much as you can about what stocks are and how to use them to achieve your wealth-building goals.

So let’s begin!
Stock Market 101

**Stocks** are simply shares of ownership in a corporation. Thus anyone owning stocks or shares of a company is called the company’s shareholder or stockholder. Being a part-owner, you partake in the performance, growth, earnings and profits, as well as losses, of these companies.

The **stock market** is the place where people converge to buy and sell shares or stocks through an authorized stockbroker. That means once you have your broker and enough money to buy stocks, you can readily start investing in the stock market and brand yourself as a noble shareholder of giant fantastic companies.

In the Philippines, the Philippine stock market is the place where you can invest in Philippine Stock Exchange (PSE) - listed companies. And only those people or firms accredited by PSE as authorized brokers can participate directly in trading and putting buy or sell orders.
**Why Invest?** To make your hard-earned money work even harder for you

Investing enables one’s savings to grow or appreciate to achieve various long term financial goals. It is said to be the most effective way of building personal wealth and attaining future financial security for oneself. It also safeguards one’s capital against inflation which erodes the purchasing power of your money if it’s not invested.

**Why stock market?**
**Because history says so!**

The fact is that stock market is not the only type of investment present in the capital market. But history has proven that investing in stock soup gives delicious returns!
investing in the stock market over the long-term has outperformed all fixed-income instruments, plus it offers good protection against inflation. The market undeniably continuously experiences highs and lows, dumps and trumps, and blows and dips, but these short-term pictures are just tiny pixels compared to the general uptrend portrait recognized in the long run.

**Who can invest? Everyone can!**
Anyone can invest in the stock market. It is a readily available choice of financial vehicle for those who want to make their hard-earned money work even harder for them. Millionaires or not, everyone can earn in the same battle field.

Everyone motivated can do it.

**When should you invest? When you’re ready!**
That’s when you have money you won’t need for your basic expenses, which you would otherwise put in a bank. It’s better if it’s made available in a longer time as it allows the investment to ride through the
company’s growth and be less exposed to market volatility and sentiments.

It is also important to note that you should find time to assess your financial standing, age, return objective, and experience to find out if it is the best time to invest for you. It is never too early to start.

But remember that stock market operates on the power of compounding, which makes time your dearest ally. It makes your investment grow exponentially when your earnings or dividends begin to generate their own earnings. Those who enter sooner have that advantage. Every day you delay is a day wasted for your money to work for you.

Below illustration table compares the returns of investing in the stock market at three starting ages with the same total investment amount, assuming a growth of 10% annually. Make time your best friend!
<table>
<thead>
<tr>
<th>STARTING AGE</th>
<th>25</th>
<th>35</th>
<th>45</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual</td>
<td>Php</td>
<td>Php</td>
<td>Php</td>
</tr>
<tr>
<td>Investment</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Years Investing</td>
<td>10 years</td>
<td>10 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Total</td>
<td>Php</td>
<td>Php</td>
<td>Php</td>
</tr>
<tr>
<td>Investment</td>
<td>600,000</td>
<td>600,000</td>
<td>600,000</td>
</tr>
<tr>
<td>Ending Value at age 65</td>
<td>Php</td>
<td>Php</td>
<td>Php</td>
</tr>
<tr>
<td></td>
<td>20,189,953</td>
<td>7,784,101</td>
<td>3,001,108</td>
</tr>
</tbody>
</table>

*Taken from the investing primer of Philippine Stock Exchange (PSE)*

**How do you make money? By price appreciation and dividends**

There are basically two ways you can make your money grow in the stock market – either through capital appreciation or through receiving dividends. **Capital appreciation** (or capital gain) means an increase in the market price of a stock. This is where the old popular rule “buy low, sell high” originates.
from. You buy something at a low price and sell it at a higher price, the difference of which becomes your gross profit.

As an example, Manila Electric Company, or Meralco (stock code: MER) shares passed through Php200 per share level last December 7 2010, then it reached Php248.8 per share on Jan 4 2011. That’s a capital gain of 48.8 pesos per share, or more than 20% increase in less than a month. While it is considerably a large return on investment, some more active and volatile stocks can achieve the same or even higher within a single day.
Of course there’s also the other side of the coin. Stock prices going down can also happen resulting to losses in your investments. See below what happened to MER Price starting last week of January 2011:
In both cases, unless you actually sell your winning or losing stocks, you only see “paper gain” or “paper loss” in your portfolio. If you decide to keep your shares, those paper losses or gains can be bigger in value, or take opposite roles. In the case above, if MER shares were kept until January 12 2011, the

*Data based on closing prices*
paper gain could have been bigger given that its price reached above PhP280 per share. But keeping it longer until early February would drag it down back to 220+ level.

The second way of making money is through receiving **dividends**. This represents part of the company earnings that’s not going to be reinvested for future business plans and is instead divided into its shareholders. Dividends are given in the form of cash or stocks.

As an example, Metropolitan Bank & Trust Co. (stock code: MBT) has declared a **cash dividend** amounting to P1.00 per share (with May 16, 2011 record date - the date when stockholders to be entitled of dividends are identified and recorded). Cash dividend represents cash earnings given for every share of stock as decided by the company. This means that if you have 10,000 shares of MBT as of the record date, you will receive a cash dividend of Php10, 000.00 pesos, gross of tax (Php1.00 x 10,000). Take note
that under the Philippine Tax Code, these cash dividends are subject to income tax of 10%.

The second type of dividends is **stock dividends**. Here, instead of cash, additional shares are given to present stockholders for free. You can sell those stocks just like your ordinary stocks anytime after they are issued.

Different companies can have different positions when it comes to declaring dividends. Some can be very generous, and are known in giving consistent dividends, while some are not. It all depends on the performance and decision of the company subject to government institutions’ regulations. You can navigate through the PSE website to check all the dividend declarations of listed companies.
CHAPTER 2
Choose Your Winning System
Have a winning game plan!

Now that you know the very basics of stocks investing, it’s time to put them to use and kick-off your stock market expedition. Information without action is dead!

The following pointers may help guide you in starting your adventure in the stock market world!

Invest in yourself

Here’s the reality: You can never invest if you do not have a cash flow (meaning money entering your pocket in a regular basis), staying healthy is one way of investing in yourself!
for the obvious reason that you need money to buy any stocks.

So invest first in yourself before trying investing in companies.

**Pay yourself first**

Paying yourself first means getting your fair share of your paycheck, of what you’ve worked for each month. Many people do pay others before themselves, and so they are left with nothing for their savings and investments. And after many years of working hard, their financial condition is nothing different than when they started working.

So setting aside a portion of your income for your savings is a must. And you allot a part of this savings for your long-term investments.

Start saving small amount and build it up through time. What’s important is that you acquire the discipline of saving and develop the habit constantly.
You should design your own plan of saving system and allow them to work harder for you. Put in as much money as you can in your liquid savings until you can start funding your stock investments.

At this point, it’s worth emphasizing the rule of using only your free cash in your investments. Free cash means money you wouldn’t use in your day to day expenses and you would otherwise put in the bank. That’s why it’s important that you really pay yourself first because unless you start saving a part of your earnings, you would not have the money seed to grow in the market field.

**Set your investing goals**

One of the biggest mistakes investors make is not having clear long-term investment objectives, focusing on short-term returns, rumors and price swings. Not having these essential clearly-defined objectives exposes you to the risk of relying on just anything that comes along your way instead of
sticking to your planned strategy based on a more comprehensive and sound foundation, which has a higher probability of success.

These goals can be different for individual investors. Some just want to maintain their capital’s purchasing power while others want their investments to provide cash flow for the kind of lifestyle they desire. Still others want to make their assets grow aside from having a continuous source of cash flow for them and their loved ones. But whatever those goals are, there must be corresponding attached objectives for each that can be used in the future to assess if you’re achieving that particular goal, and should prompt you to make changes as necessary. The whole point is in being clear with your goals and objectives so as not to make you lost in the wilderness.
Know thyself

Closely related with identifying your goals is defining what type of stock market participant you will be and setting-up your game plan. You need this to be clear with yourself as to what extent you’ll get involved in your investments so you can be totally committed to it. Your returns will result from your investing horizon.

I’m a passive investor. Cool as a cucumber!

Are you a passive investor or an active trader?

Investors (or long-termers) are market participants who buy only great companies, and really don’t care selling them after several years, say ten to twenty
years. They hold them and go for the long term. Because of this, they are very picky when it comes to choosing their stocks, making sure those companies have solid big reputation and potential for growth. This is a totally passive approach, and is readily available to those who don’t want to be bothered by all the complexities but still want to make money out of investing. This method takes various names like peso-cost averaging or money-cost averaging. Online broker Citiseconline calls it Easy Investment Program. These conservative investors make money from dividends, stocks rights, and price appreciation.

**Traders** are different.

They like short-term pursuits, so they need to time the market. They also sell in a shorter timeframe, within a matter of days, even hours. They just buy and sell stocks every day.

Anyone can be a trader, but not everyone can be a successful trader. It requires a lot of time analyzing
and understanding the current market situation, a lot of expertise and a lot of fees associated with many buy and sell orders.

While passive investors look for the fundamentals of companies, active traders look solely at the current price conditions of the stocks. And since they trade full time, they need to check the market health every day (even the market of foreign nations) and have the discipline to follow strict rules without which, they cross the boundary toward gambling.

The Third Approach (Semi-Passive)

Balancing the passive and active methods paves the way to the third approach. In this semi-passive (or semi-active) strategy, you combine your buying with some timing. Unlike pure passive investing where you keep on buying every single month, you assess first the condition of the market and your potential stock before placing your orders. You buy when the
price is beneath your “Buy below Price” and you sell when the price is near your “Target Price”.

The table below summarizes the major differences among the three strategies. Note that this is just a very loose classification. (Others call active traders as speculators while semi-passive as medium-term traders).

<table>
<thead>
<tr>
<th>Passive Investors</th>
<th>Active Traders</th>
<th>Semi-Passive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Looks at company quality</td>
<td>Looks at stocks’ price</td>
<td>Looks at company quality and price</td>
</tr>
<tr>
<td>No need of timing</td>
<td>All about timing</td>
<td>Uses little timing</td>
</tr>
<tr>
<td>Never sells (long-term hold)</td>
<td>Always sells (days/weeks)</td>
<td>Sells after few months when target price (or near) is reached</td>
</tr>
</tbody>
</table>
Now that you’re ready, clear with your goals, and set with what type of player you’re going to be, it’s time to dip to the water and see if it’s hot or cold.
Have Your First Order
Let’s get started!

The first two chapters show you just some of the basic preparation you need to know before getting started in the stock market. Let’s now feel that real market heat by having your first touch of it.

With all those basics, starting investing in the stock market then becomes a simple following of rules - choosing your broker, opening your trading account, placing your orders, and keeping track of your investments.

Choosing your broker

One needs a stockbroker to invest in the stock market.
Your broker can either be the traditional live broker type, or the online one accessed through the internet. A list of more than 150 brokers is provided in the PSE website for your reference.

Your choice of what type of broker to use should be based on the service best suited for your needs. Some people prefer live brokers due to the “rumors and stories” they get from them, plus the fact that they get to talk to real warm bodies. They can ask question, seek advice and get answers personally.

Online brokers on the other hand are designed for self-directed investors and who want to manage their portfolio online. You place your orders directly and make transactions in your computer. It also offers the lowest commission rate (0.25%) in buying and selling stocks. The downside of this is that a computer can’t entertain your queries. You do all your analysis by yourself with the aid of market researches offered by your online brokers. You can get the full list of authorized brokers in the PSE.
website, but below are some of the most widely known online brokers in the country.

Citiseconline is the leading online brokerage firm in the Philippines. It has been actively trading since 2001, and is also a listed company in the PSE (with stock symbol COL). They offer free seminars to its customers and the general public, and have launched the EIP or Easy Investment Program for passive investors. You can open with 5,000 initial investment. Philstocks by Accord Capital is another broker that also allows you to start trading immediately with
5,000 pesos and prides itself with a one screen do-it-all trading console. **BPI Trade** and **FirstMetroSec** are also good choices and are tied up with their bank counterparts, allowing easy transfer of funds between your trading account and savings/current account. With FirstMetroSec, you just need to open a Metrobank bank account and enroll it in its internet banking service, after which you can enroll for a trading account (also online). Same procedure goes for BPI Trade. All these four online brokers practically offer the same services.

Opening an online trading account is pretty easy just like applying for a bank account. You submit the required forms and documents, and initial cash (if necessary, depending on the broker), and you wait for a few days for your account log-on details (username and password) to be emailed to you. You can then start buying stocks after sufficiently funding your trading account.
Also remember that once you have your own account, you’re not obligated to buy your stocks right away. In fact, you can just leave it there and start your stock market self-study by navigating in their websites, touching the stock market without touching your cash. These brokers pay a lot to their analysts to provide their clients relevant researches, company updates, market news and insights about the prevailing market conditions. Online brokers also allow you to track all your transactions in your computer screen.
Placing your orders

Unlike having a traditional broker where you communicate your order through a phone call or text message, online trading allows you to place your order directly through the internet. Below image depicts a typical online window when making an order entry (from BPI Trade):

Here you will see the important fields necessary for placing any order. These details include the side or
type of order, the stock symbol or code, the volume or the number of shares you want to buy or sell, and the price. Some brokers require even more details like the type of your order (limit versus market) and the validity and timing of the order (‘Day’ versus ‘GTW’ versus ‘GTC’ versus ‘ATC’). See other online order entry windows below. While these functionalities can be helpful in some of your strategies for a more active trading, the first three mentioned constitutes the very basic order.
There are certain restrictions you need to follow when filling them out to make a valid order.

1. First is the **stock symbol**. You just can’t buy from a store something that doesn’t exist. Be familiar with the codes of your favorite stocks.
2. Second is the volume (or number of shares). This is where the board lot table matters, shown below. All buying and selling orders are subject to a minimum number of shares as prescribed by the board lot table instituted by the PSE.

<table>
<thead>
<tr>
<th>Price</th>
<th>Minimum Fluctuations (Tick Size)</th>
<th>Lot Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0001 - 0.0099</td>
<td>0.0001</td>
<td>1,000,000</td>
</tr>
<tr>
<td>0.0100 - 0.0490</td>
<td>0.0010</td>
<td>100,000</td>
</tr>
<tr>
<td>0.0500 - 0.2490</td>
<td>0.0010</td>
<td>10,000</td>
</tr>
<tr>
<td>0.2500 - 0.4950</td>
<td>0.0050</td>
<td>10,000</td>
</tr>
<tr>
<td>0.5000 - 4.9900</td>
<td>0.0100</td>
<td>1,000</td>
</tr>
<tr>
<td>5.0000 - 9.9900</td>
<td>0.0100</td>
<td>100</td>
</tr>
<tr>
<td>10.0000 - 19.9800</td>
<td>0.0200</td>
<td>100</td>
</tr>
<tr>
<td>20.0000 - 49.9500</td>
<td>0.0500</td>
<td>100</td>
</tr>
<tr>
<td>50.0000 - 99.9500</td>
<td>0.0500</td>
<td>10</td>
</tr>
<tr>
<td>100.0000 - 199.9000</td>
<td>0.1000</td>
<td>10</td>
</tr>
<tr>
<td>Interval</td>
<td>Price</td>
<td>Lot Size</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------</td>
<td>----------</td>
</tr>
<tr>
<td>200.0000 - 499.8000</td>
<td>0.2000</td>
<td>10</td>
</tr>
<tr>
<td>500.0000 - 999.5000</td>
<td>0.5000</td>
<td>10</td>
</tr>
<tr>
<td>1,000.0000 - 1,999.0000</td>
<td>1.0000</td>
<td>5</td>
</tr>
<tr>
<td>2,000.0000 - 4,998.0000</td>
<td>2.0000</td>
<td>5</td>
</tr>
<tr>
<td>5,000.0000 - up</td>
<td>5.0000</td>
<td>5</td>
</tr>
</tbody>
</table>

The board lot and fluctuation table above simply dictates the minimum number of shares (lot size) that can be traded and the stock price’s allowed fluctuation (tick size), both depending on the present market (or reference) price of the stock. This minimum lot size is called a Board Lot.

For example, if Meralco stocks are priced at Php250 per share, inside the [200.0000 - 499.8000] interval, then the minimum number of MER shares you can buy is 10. If you want to buy or sell more shares, you can post larger volumes using only multiples of 10, like 10, 20, 500, 1000 etc (for main board lot). Volumes like 7, 13, or 319 will be rejected. (You can
use the odd lot market for this when the volume is less than the main board lot).

3. Third is the **price**. This price can either be a ‘bid price’ if you’re buying, or an ‘ask price’ if you’re the one selling. At any trading day, you can put a bid/ask price within the range $[0.5\times CP(\text{floor}) - 1.5\times CP(\text{ceiling})]$, where CP is the closing price of the stock the previous trading day.

The board lot and fluctuation table also dictates the prices allowed for use in your order postings. In the example above with Meralco at Php250 price, the table shows the minimum price fluctuation to be 0.2, so you can only post an order price with this jump like 250.6, 250.4, 250.2, 250, 249.8, 249.6 etc. The stock price also moves with this increment so it can’t achieve prices like 250.15, or 249.7.

Once posted, that order can either be fully matched, partially matched or remain unmatched. If it’s carried out, you will be given a confirmation invoice by your stockbroker showing the details of the transaction, either via your personal email or in their site.
Costs of Trading - How Much Will You Need?

The Costs Involved
The following lists the basic charges for buying and selling transactions.

<table>
<thead>
<tr>
<th>FEE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission</td>
<td>.25% of the gross trade amount or 20 whichever is higher</td>
</tr>
<tr>
<td>Value-added Tax (VAT)</td>
<td>12% of Commission</td>
</tr>
<tr>
<td>Philippine Stock Exchange Transaction Fee</td>
<td>.005% of the Gross Trade Amount</td>
</tr>
<tr>
<td>(PSE Trans Fee)*</td>
<td></td>
</tr>
<tr>
<td>Securities Clearing Corporation of the Philippines Fee (SCCP)*</td>
<td>.01% of Gross Trade Amount</td>
</tr>
</tbody>
</table>

**Additional Fee for Selling**

| Stock Transaction Tax (or Sales Tax)          | 0.5% of Gross Trade Amount                                             |
All these charges add to (in case of a buy order) or subtract from (if it’s a sell order) the Gross Trade Amount or Transaction Amount:

**Gross Trade Amount** = Number of shares*Price per share.

Also check your broker for the slight modifications in their actual computation. Philstocks, for example, has PSE Fee (Philippine Central Depository Ad Valorem) which includes transaction and other brokerage fees of .0002 totaling to 0.02217% of the transaction amount. BPI Trade applies 0.012% PSE Fee and 0.011% SCCP Fee. For Citiseconline, the table above shows their exact computation with 0.25% commission.

Shown below is a sample computation from Citiseconline for a buy and sell of 1000 shares of Ayala Land Inc. (stock code: ALI). The values can be confirmed using the computation table above:
BUY OF 1000 SHARES OF ALI AT PHP 15.3 PER SHARE

**Gross trade amount** = 1000 * 15.3 = 15300

<table>
<thead>
<tr>
<th>FEE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission</td>
<td>0.0025 * 15300 = 38.25</td>
</tr>
<tr>
<td>Value Add Tax (VAT)</td>
<td>0.0012 * 38.25 = 4.59</td>
</tr>
<tr>
<td>Philippine Stock Exchange Transaction Fee (PSE Trans Fee)*</td>
<td>0.000005 * 15300 = 0.77</td>
</tr>
<tr>
<td>Securities Clearing Corporation of the Philippines Fee (SCCP)</td>
<td>0.001 * 15300 = 1.53</td>
</tr>
</tbody>
</table>

**Additional Fee for Selling**

| Sales Tax (for Selling)                                            | None for this buying activity |

**TOTAL** 45.14

So the total purchase amount is 15300 + 45.14 (total charge) = 15345.14.
SELL OF 1000 SHARES OF ALI AT PHP 15.6 PER SHARE

Gross trade amount = 1000*15.6 = 15600

<table>
<thead>
<tr>
<th>FEE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commission</td>
<td>.0025*15600 = 39</td>
</tr>
<tr>
<td>Value Add Tax (VAT)</td>
<td>0.0012*39 = 4.68</td>
</tr>
<tr>
<td>Philippine Stock Exchange Transaction Fee (PSE Trans Fee)*</td>
<td>0.00005*15600 = 0.78</td>
</tr>
<tr>
<td>Securities Clearing Corporation of the Philippines Fee (SCCP)</td>
<td>.0001*15600 = 1.56</td>
</tr>
<tr>
<td>Additional Fee for Selling</td>
<td></td>
</tr>
<tr>
<td>Sales Tax (for Selling)</td>
<td>0.005*15600 = 78</td>
</tr>
<tr>
<td>TOTAL</td>
<td>124.02</td>
</tr>
</tbody>
</table>

So the net sale proceeds received is 15600 – 124.02 = 15475.98.
**TIP:** You may prepare a ready MS Excel file that will automatically calculate these for any given order. In that way you can immediately have an idea on how much you’ll need for all your transactions and the profit you can make for your target selling prices. 😊

**Trading Hours- When to Post Your Order**

You can do your trades daily, Mondays to Fridays, except during holidays (legal or special) or when the Bangko Sentral ng Pilipinas (BSP) clearing Office is closed, and such other days as may otherwise be declared by the SEC (Securities and Exchange Commission) or PSE to be a non-trading day.

PSE trading hours are from 9:30am to 03:30 pm, including a market recess from 12:00nn-1:30PM. Note that you can start placing your orders 30 minutes before the market opens or at 9:00am.

You can also put off-hours orders (or orders after the trading hours) in preparation for the next trading day. This feature is especially useful for those who
are not able to monitor the market and place orders during the actual trading hours.

Be aware also of the specific restrictions and schedule of your broker regarding posting orders after trading hours. BPI Trade for example accepts off-hour orders on weekdays from 05:30PM to 11:56PM while Citiseconline can accept them after 4:30PM until before 8:55 AM of the next trading day.

How to Get Your Money Out of the Market

You can withdraw your money out of your trading account anytime subject to the withdrawal policies of your broker and your cash balance available for withdrawal. Note that cash proceeds from your matched sell orders will only be available for withdrawal three days after the transaction day (T+3), though you can use it right away for your new buy orders. Check your broker for their specific policies and conditions on this.

If you totally want to get out of the market but still have stock positions in your hand, you will need to sell them first before you can take it out as cash.
The previous chapters only serve to guide you in your first steps along your stock investing journey. Obviously, there’s a lot more to the stock market than what’s contained in this book. The following can help you plan your next moves:

**Save More**
Saving is a prerequisite of investing. Seeing your investment growing should drive and motivate you to save more each year. And the best way to do this is by increasing your income at a rate greater than the rate of increase of your expenses. Find your own little ways on how you can save more.
Invest More
With more savings, invest in more than one company and industry as a form of diversification. Investing more also gives you the benefit of seeing more significant earnings during favorable market uptrend.

Learn More
This is for those who want to spend more time in their stock investments. There are a lot of venues available to increase your knowledge about stocks investing which can be rewarding in the end. If you want to test your trading skills before actually investing, you may try first the “PSE Stock Trading Game” which can be found at the PSE website.

Check More
Finally, check your stock portfolio from time to time to see if it’s working as planned. You may want to dispose stocks that are not moving and replace them with more aggressive ones, or add more conservative ones to reduce your risks. The important thing is to make sure that you’re investing
in quality investments, and that it is aimed toward your goals.

As a final note, once you get started, keep practicing and build up your momentum over time. Your investment will grow at the extent your knowledge is growing. Start humbly, keep saving, learn from your experiences, ask questions, test your answers, and stick to what applies to you.

Have fun (and millions) investing! 😊
Epilogue

Receive Stocks Update Report

Obviously, it wasn’t easy for me the first time I started investing.

I needed all the guidance I could get to protect every peso I put in the market.

Specifically I needed to know when and what stocks to buy and sell, their entry and exit price levels, and their target prices. I also needed a constant direction for my investments.

That’s how the TrulyRichClub helped me.

You may also want to take advantage of the entire TrulyRichClub system to guide you in all succeeding steps of the way.

It’s a powerful system that rests on a larger financial and spiritual education.
You’ll receive Stocks Update report twice a month, telling you what to buy and sell for your stock investments, written simply without the use of financial jargon.

You’ll know everything you need to know about your stock investments in a short report.

It will tell you the new undervalued stocks that you can buy.

At rare times when gems are seen with penny stocks backed up with intelligent speculation, you’ll also receive recommendation for some of them for your “extra funds”.

By the way, it’s not just about stocks. You’ll also receive a mountain load of materials for your financial and spiritual growth in the form of inspiring ebooks, monthly audio PowerTalks, and practical and easy-to-apply WealthStrategies newsletters.

With its December2011 Stocks Update Report, TrulyRichClub parades itself with its TOP 10 winning
stock picks for 2010-2011. (Note that past performance doesn’t guarantee exact same results in the future. TrulyRichClub may have different stock recommendations now.)

Top 10 Past Winners of TrulyRichClub’s Stocks
– taken from Dec2011 Stocks Update Report

<table>
<thead>
<tr>
<th>STOCKS</th>
<th>STOCK SYMBOL</th>
<th>TIME RECOMMENDED</th>
<th>TIME HELD</th>
<th>PRICE RANGE</th>
<th>YOUR RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lepanto</td>
<td>LC</td>
<td>Dec 2010 to May 2011</td>
<td>5 Months</td>
<td>P0.34 to P0.85</td>
<td>150%</td>
</tr>
<tr>
<td>Jollibee</td>
<td>JFC</td>
<td>Mar 2010 to May 2011</td>
<td>14 Months</td>
<td>P47.50 to P94.45</td>
<td>98%</td>
</tr>
<tr>
<td>Security Bank</td>
<td>SECB</td>
<td>Mar 2010 to May 2011</td>
<td>14 Months</td>
<td>P53.00 to P96.20</td>
<td>81%</td>
</tr>
<tr>
<td>DMCI</td>
<td>DMC</td>
<td>Sep 2010 to May 2011</td>
<td>8 Months</td>
<td>P27.25 to P44.80</td>
<td>64%</td>
</tr>
<tr>
<td>Int’l Container</td>
<td>ICT</td>
<td>Sep 2010 to May 2011</td>
<td>8 Months</td>
<td>P32.40 to P48.70</td>
<td>50%</td>
</tr>
<tr>
<td>Company</td>
<td>Symbol</td>
<td>Start Date</td>
<td>End Date</td>
<td>Periods</td>
<td>Initial Price</td>
</tr>
<tr>
<td>-------------------------</td>
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<tr>
<td>First Gen Co.</td>
<td>FGEN</td>
<td>Mar 2010</td>
<td>May 2011</td>
<td>14 months</td>
<td>P9.80</td>
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<tr>
<td>Megaworld</td>
<td>MEG</td>
<td>Jul 2010</td>
<td>May 2011</td>
<td>10 months</td>
<td>P1.54</td>
</tr>
<tr>
<td>Nickel Asia</td>
<td>NKL</td>
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<td>May 2011</td>
<td>8 months</td>
<td>P15.00</td>
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<tr>
<td>Ayala Land</td>
<td>ALI</td>
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<td>May 2011</td>
<td>14 months</td>
<td>P11.25</td>
</tr>
<tr>
<td>Energy Dev’t Co.</td>
<td>EDC</td>
<td>Mar 2010</td>
<td>May 2011</td>
<td>14 months</td>
<td>P4.85</td>
</tr>
</tbody>
</table>

To try it out, join the [TrulyRichClub](#) now.

Have fun (and millions) investing!
The goal of this book is simple - To cover the basics and essentials of stock investing, and help you help yourself in your financial life.

I hope I was able to attain that with you.

In case you have any suggestions or comments to better achieve that end, then please share your thoughts and help improve this book.

It can be anything - in the content, the presentation, the organization, or any random message. You can send all them here. As a gift, you will receive my second investing book for free. 😊

Finally, you are welcome to share this book with anyone and everyone. Help them cut the chase as well.

Here are some ways to share:  Facebook | Twitter
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Join also our exclusive Facebook group – Investing in the Philippines Stock Market – Tips and Tricks, and get exclusive access to our private vault of financial ebooks, mp3 files and other tools and resources for your investing journey!

It’s been my pleasure “meeting” you in this book. Thank you for the opportunity of being part of your financial journey.

In the meantime, keep learning.

For your dreams and passion,

Omeng Tawid

P.S. This book is just the brief copy of the original edition. Get the complete and more comprehensive version here.
INVESTING IN THE PHILIPPINE STOCK MARKET