



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 some quick start points here.

When a company wants to raise money for possible expansion, one option it can take is to raise the funds 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.

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 more formally a **trading participant** who will place buy or sell orders on your behalf in the Philippine Stock Exchange (PSE). PSE is simply the place designated in our country where people converge to buy and sell stocks.

## 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

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

## STEP 1 – OPEN YOUR ONLINE TRADING ACCOUNT

A trading account provided by a broker allows you to buy and sell stocks. Fortunately, there are now online brokers available which will allow you to do all your transactions online (account opening, 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 (copies 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 afterwards.

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 YOUR STOCK TRADING ACCOUNT ONLINE IN COL FINANCIAL \(EVEN USING YOUR MOBILE PHONE\)](#). *If the link doesn't work, you can copy-paste to your browser the URL that comes next: <http://smartpinoyinvestor.com/colfinancial>*

That tutorial is well applicable to anyone –employees, self-employed, students, OFWs, retirees and even non-Filipino residents! You can either **(1)** apply online, OR **(2)** go to their office with the accomplished printed-out forms OR **(3)** you send all the requirements via a courier service. In all cases, you then wait for their email for the additional needed next steps which is account funding & activation.

Another easier option for anyone (including OFWs and those in provinces) **who already has BDO account enrolled in BDO online banking** is to try out its partner online stockbroker BDO Nomura. Just like COL Financial, 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](#). (<http://smartpinoyinvestor.com/bdonomura>)

Once your online trading account is approved, you'll receive an email containing your account details which at this point is now ready for funding.

Remember, you're *buying* a stock here, so that buying will certainly require initial capital. While your trading account will give you the needed *platform* to buy a stock, you want to make sure that you have enough *funds* to do so. You can fund with as low as 1000 pesos only.

## 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, etc, 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. No fees to be deducted and this becomes part of your capital to finally buy stocks.

**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 or less for your deposit to reflect on your trading account. It can be shorter for other brokers, possibly within the day if you're within their cut-off time for funding.

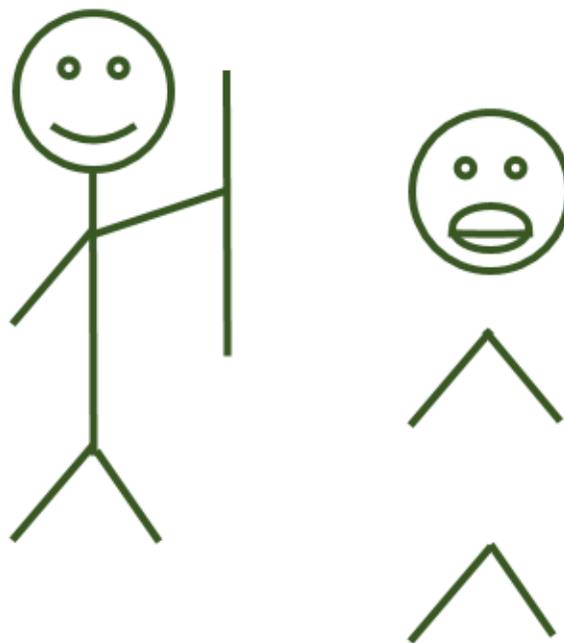
At this point, you have your trading account and enough funds in it. Time to buy your first stock!

### 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 challenges as a beginner:

- (1) If you log-on 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 currently more than 200 stocks 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<<](http://smartpinoyinvestor.com/buysell) (<http://smartpinoyinvestor.com/buysell> ) 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 <<](http://smartpinoyinvestor.com/stockpicks). (<http://smartpinoyinvestor.com/stockpicks>)

## 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. The good news is you can sell anytime.

(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*.

## 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<<](http://smartpinoyinvestor.com/withdraw) (<http://smartpinoyinvestor.com/withdraw>) how to do this.

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*THAT'S IT!*

*Those are the five simple steps to get started in Philippine Stock Market!*

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.

But it's really all up to you how you will handle your investment. Being a direct stock investor, you're totally free when to buy, when to sell, and when to withdraw and enjoy you profits! ☺

**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!](http://smartpinoyinvestor.com/trc/mymaidinvests) (**nice read!**) (<http://smartpinoyinvestor.com/trc/mymaidinvests>)
- ✓ [Top Three Ways How New Investors Lose Money](https://wp.me/p4piAB-1rE) (<https://wp.me/p4piAB-1rE>)

- ✓ [Screening your stocks selection using COL Financial's Model Portfolio](http://www.smartpinoyinvestor.com/stockpicks)  
(<http://www.smartpinoyinvestor.com/stockpicks>)
- ✓ [Easy Investing with Strategic Averaging Method](http://www.smartpinoyinvestor.com/samtutorial)  
(<http://www.smartpinoyinvestor.com/samtutorial>)
- ✓ [Bo Sanchez Truly Rich Club Stocks Update](http://smartpinoyinvestor.com/trulyrichclub) [*highly recommended for beginners!*]  
(<http://smartpinoyinvestor.com/trulyrichclub>)

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

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

Also make sure to subscribe to my [YouTube channel](#) for more learning videos [here](#).  
<http://smartpinoyinvestor.com/youtube>



Kitakits soon,  
**Omeng Tawid**

**PS:** I really hope this quick guide gave you an overview you think you need about stocks investing. If not, help me improve it by sending me a note at [omeng@smartpinoyinvestor.com](mailto:omeng@smartpinoyinvestor.com).

If you liked this, I invite you to share this quick guide to your network.

Just forward this link to them – [SmartPinoyInvestor.com/ebook](http://SmartPinoyInvestor.com/ebook).

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!

## FREE WEBINAR

You can also join our online learning session. It's FREE and online which means you can attend wherever you are.

Sign-up here - <http://smartpinoyinvestor.com/webinar> for schedule and topics.

## 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](http://www.smartpinoyinvestor.com/mutualfund)  
(<http://www.smartpinoyinvestor.com/mutualfund>)
- ✓ [2020 Best Performing Mutual Funds in the Philippines](#)
- ✓ [How to Invest in Philippine Unit Investment Trust Fund \(UITF's\) for Beginners](http://www.smartpinoyinvestor.com/uitf)  
(<http://www.smartpinoyinvestor.com/uitf>)

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>



## FOR EMPLOYEES/SELF-EMPLOYEES

If you're a private employee or self-employed, chances are you are an SSS and a Pag-IBIG member.

Do you know that you can now monitor and access your SSS and Pag-IBIG records online?

You can even apply for SSS Salary Loan Online and get rewards and discounts with your Pag-IBIG ID card.

Check below resources to maximize your membership in these two institutions.

[SSS Online – Check your contributions \(http://smartpinoyinvestor.com/sss\)](http://smartpinoyinvestor.com/sss)

[2020 Guide to Virtual Pag-IBIG Online – Check your Contributions \(http://smartpinoyinvestor.com/virtualpagibig\)](http://smartpinoyinvestor.com/virtualpagibig)

**PS.** If you want more free learning videos, check out my [YouTube channel](#) for more practical lessons.

Create your Financial  
Freedom today.



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