



How to trade the stock market with just \$100

Historically, [stock trading](#) has provided generous returns to traders and investors over time. Thus, stocks stand on top of the list of best financial instruments for trading. Other advantages of stocks include:

- Easy to sell and buy.
- Grow with the economy.
- Stay ahead of inflation.

Thousands of investors and traders invest in the stock market today, but you may fall among those who feel that it requires a lot of money to trade stocks. Is your unwillingness to risk a massive amount or lack of funds bothering you? Do you wish to become part of this popular market? Then do not worry, the article is for you. Money is not a hurdle in financial market trading. You can become a successful stock trader with just \$100.

How to start stock trading at just \$100?

As a stock trader, you can harvest most out of the financial market with a small amount of \$100 by following few steps:

Step 1: Choose a brokerage firm: Find authentic online brokerage firms that offer you the best trading features and top technical tools to analyse your trade.

Step 2: Choose the stocks you wish to trade: Do deep research and find those stocks which you understand better. Working in your comfort zone will lead to the best results.

Step 3: Work out on trading strategy: Before starting the trade, you need to decide which strategy you will follow.

Step 4: Start trading: Once you have taken essential prerequisite steps and have your online trading account set up, you can start stock trading.

Can you trade stocks with \$100?

The clear answer to this question is yes. But the size of profit will entirely depend on the broker you wish to trade with and the strategy you plan to follow.

Technically speaking, you can definitely start trading with \$100 if your broker permits.

However, your investment will never be successful if your technique or strategy is not vigilantly

calculated. Thus, you should always go ahead with the idea to trade with just \$100 by detailed research, precise calculation of your risk, trading strategy and outcomes.

A detailed explanation of stock trading step

Step 1: Choose the right brokerage firm

If you wish to become a successful stock trader and trade favourable with the amount \$100, you require a broker which fulfils the following requirements from your side.

1) Minimum deposit: Your selected financial service provider should have a minimum deposit amount of \$100 or less than that. Otherwise, you will not have a sufficient amount to deposit.

2) Charges: Find out that your broker charges an amount based on commission or spread. The spread is a better option, as it charges you based on the amount you trade. Trading on the commission-based module will trigger the minimum amount for each trade.

3) Margin and leverage: Try to trade with those firms that provide you with better trade leverage.

Here some best brokers which successfully meet each requirement:

1) ROinvesting:

Regulation: The Cyprus Securities and Exchange Commission

Minimum amount: \$100

Maximum leverage: 1:500

2) 101investing:

Regulation: The Cyprus Securities and Exchange Commission

Minimum amount: \$100

Maximum leverage: 1:400

Step 2: Choosing stocks

As you do not have a considerable amount to lose, stock selection should be backed by in-depth research and critical factors. The trader should consider the points mentioned below before picking stocks:

1. Invest in those firms which dominate their sector
2. Invest in those stock which you understand better
3. Do not overload in more than two sectors
4. Buy stock of that firm which have a robust track record
5. Dividend of the firm also plays a vital role
6. Choose carefully between growth stocks and capital stocks

Step 3: Determine the trading strategy

Your strategy while trading decides your success, and it is vital with such a small amount. You need to consider the amount per trade when to trade stocks, risk management strategy when to enter the stock market, conditions to exit stock market trade and profit loss ratio or success rate.

1) Amount per trade: The excellent way is to spend a larger portion of your \$100 but, open single trade with this amount. This allows you to harvest profit from a single trade in a better way instead of going with multiple small trades. You can spend sixty per cent of your bankroll in every trade and at the same time not more than one trade open.

2) When to trade stocks: The best time to trade in the stock market is during market session overlaps.

3) When to enter the stock market: Your trading strategy should contain the conditions to enter the stock market. You can make use of various technical indicators to decide. Some of these indicators include:

- Momentum
- Chart patterns
- Candle patterns
- Volatility
- Oscillators
- Volume

4) Conditions to exit trade: Traders with an amount of \$100 need a more dynamic approach, so here are several rules to exit a trade.

Instead of using the regular loss order, use a trailing stop-loss order. Stick to similar management strategies, but with a trailing stop-loss. You will have to exit the stock market in case the price hit your stop and stay in the market as long as the trends are in your favour.

5) Risk management: In general, when you are trading with a more considerable amount of capital, you should not risk more than two per cent. But, here in the article, we are talking about trading at \$100. Hence you can ensure a little higher risk. It is because your losses are restricted to only what you have in your trading account. The three per risk is reasonable in your trading conditions.

6) Profit-loss ratio: The profit-loss ratio or win-loss ratio is usually for those traders who wish to day trade stocks. It uses win-rate, which is the number of won trades out of the total number of trades to estimate the probability of success. The win-rate or success rate above 50% or win-loss ratio above 1.0 is generally favourable.

Step 4: Start Trading

The last step is to start trading in the stock market. Instead of jumping directly into the trading arena, you can practice trade through a demo or virtual trading account provided by the broker. It is absolutely free, and you can make its use to apply your strategies and check their outcomes. Once you get confident and ready to face the real market, you will have to open an online trading account with the broker. The process is easy and straightforward. You will have to undergo the following process:

- 1) Get yourself registered by providing name, surname, country, profession, email id and phone number for verification.
- 2) Upload the required documents, which include identity proof and address proof.
- 3) Choose the trade and deposit the amount

[ROinvesting](#) and [101investing](#) both offer a demo or virtual trading account to its clients.

The Bottom Line

Stock market trading might appear stressful for inexperienced traders. It is also the reason why some traders choose to trade stocks with a small amount first. Trading with an amount of \$100 is possible but will need some additional amendments in general trading strategies. You can always start with a virtual trading account to try these strategies and check whether you can handle it or not. You can spend \$100 once you feel comfortable on the virtual trading account.