

File Created by [Blogging Rebirth](#) WP Plugin

Choosing Your Stock Market Broker

You should be able to find several indispensable facts about Stock Market in the following paragraphs. If there's at least one fact you didn't know before, imagine the difference it might make.

A stock market broker is a licensed investor on their own right or a trader. They either work for a company or on their own or can invest in the stock market for individual investors or corporations.

Only members of the stock exchange can conduct transactions, and even if you want to trade online, you will still need a broker because individuals do not have access to the electronic markets.

Investor needs

The specific needs of the investor are the first consideration in the choice of a stock market broker. If you as the investor want to receive advice on which stocks to buy or to sell and yet are uncomfortable with making trades on the internet, you need to hire a full-service broker.

On the other hand, those investors who are confident and knowledgeable to make their own trading decisions are better off with discount brokers.

Competitors

When finished with deciding on the type of broker you want to hire, you as the investors are advised to compare a few competitors in order to find out if there are significant differences in costs.

This is significant because you may want to hire your broker for a number of trades to be made. Other pertinent details would include the amount of cash to be deposited, the type of margin accounts to be used, and the kind of services to be rendered.

Qualifications

Stockbrokers in the U.S. must first take Series 7 and Series 63 examinations in order to receive their stockbroker license. Beginners in the business of stock brokerage must first learn the market.

Many expert brokers first started out spending long hours on the phone building up their client base. These expert brokers have expanded on the success of their former customers.

Now that we've covered those aspects of Stock Market, let's turn to some of the other factors that need to be considered.

The key point here is credibility because stockbrokers often advise their clients on the best and most suitable investments.

Functions

A good stockbroker must have the ability to explain the workings of the stock exchange to his clients. After the orientation and the client has a working knowledge of what to expect, the stockbroker can then collect information on the client's needs and financial ability.

The stockbroker may draw up an investment plan and the stockbroker will put the order out on the floor of the securities exchange by phone or by computer.

Once the transaction is done, the client (now the buyer) pays for the stocks. The broker then performs the clearing and settlement procedures and transfers the stock title accordingly.

Choices

As a beginning investor, it is important to decide right away whether you want to hire a discount stock market broker or a full-service broker.

Discount brokers supply a minimal level of service, but they also allow you to make trading decisions online. Full-service brokers will provide the same, plus in-depth analysis if necessary. They will also give out advice with each trade. The only difference is that their services call for higher commissions and fees.

Commitment

Schedule a meeting first before committing to any brokerage house. You are supposed to know your broker personally before handing him your money.

Find out what exactly is the specialty of your potential broker. It is quite acceptable to first question each stockbroker about their different trading styles and what they typically handle.

Welcome to the fascinating world of stocks, brokers and the stock market.

Sometimes it's tough to sort out all the details related to this subject, but I'm positive you'll have no trouble making sense of the information presented above.

About the Author

By Anders Eriksson, feel free to visit his soon to be top ranked Perpetual20 training site: [Perpetual 20](#)

You can also find this article published on [Choosing Your Stock Market Broker](#)