

Online Stock Trading: Higher Commission Fee Actually Increases

Profit For Many...

By David Teng

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Value Discovery Investor Alert <http://www.value-discovery.com>

Online stock trading is probably not for you if you are not a frequent trader. By a frequent trader, we mean if you have more than one stock transaction per month.

If you trade less than once per month, you will probably be better off going with a full-service brokerage firm other than the online stock trading offered by the discount brokerage firms.

If you like the ease of online stock trading, your full service brokerage firm can still offer you this service.

The main point is that full service brokerage firms usually have better execution than the discount brokerage firms. Since you do not trade often, your transactions are likely to be larger than that of frequent traders.

A good execution can mean up to 1% lower cost basis than your cost basis at discount brokerage firms. Even with the higher commission cost, you will end up with a lower cost in your stock purchase.

However, if you trade often, then you want your commissions to be as low as possible. Discount brokerage firms can give you all that: low commissions and online stock trading.

Here's a online stock trading comparison table (full, discount, specialty) http://www.value-discovery.com/buy_stock_online_table.htm that will make sure you pick out the best brokerage structure for yourself.

Value Discovery Investor Alert strives to provide comprehensive while truthful investment information to individual investors. You may find out more useful investment information and tips at <http://www.value-discovery.com>

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