

GUIDE IN
BUYING
AND
SELLING
STOCKS

The ASK is the price that the stock is being offered for. The BID is the price one is willing to buy the stock for.

Imagine you're buying mangoes in the market. The vendor is selling them for Php60/kg. (ASK). You bargain with her to give it to you for just Php50/kg. (BID).

Same thing with buying or selling stocks. As I have mentioned in my previous post 'How to Buy Stocks', the rule is: 'Buy at the ASK, Sell at the BID'. If you are buying, you look at the ASK. If you're selling, you look at the BID.

And for easier recall, use the acronym B.A.S.B. which you may give whatever meaning to, whichever works for you. Here are some suggestions:

1. Buy And Sell Business
2. Brother And Sister Bonding
3. Be A Successful Businessman

Today, I will explain what the columns for Bid and Ask mean. As usual, we'll do this by looking at the image first before reading the description that follows.

BUY at the ASK

The screenshot shows the COL FINANCIAL PHILIPPINES trading interface. At the top, there are market indicators for PSEI, ALL, FIN, IND, HLDG, PRO, SVC, M-O, Trades, and Value. The 'Market' status is 'Pre-Open'. Below this is a navigation bar with tabs for Home, Quotes, Trade, Research, and StreetSmart. The 'Trade' tab is active, showing 'ENTER ORDER (Step 1 of 3)'. The main area is divided into several sections:

- Order Details:** Transaction type is 'BUY', Board is 'MAIN', Term is 'DAY', and Stock Code is 'all'. There are input fields for '# of Shares' and 'Price'.
- MAIN BOARD:** The stock name 'AYALA LAND, INC.' is highlighted. Below it is a table with columns for 'Size' and 'Price' under both 'Bid' and 'Ask' categories.
- Last 5 Trades:** A table showing recent trade activity with columns for Time, Volume, Price, Buyer, and Seller.
- Market Data:** A table on the right side showing various market statistics such as Previous, Last, Change, %Change, Open, High, Low, Value, Trades, Volume, Outstanding, Inst. Status, Market Status, BoardLot, Fluctuation, Floor Price, CeilingPrice, Dyn T Low, Dyn T High, Par Value, Margin Rate %, and Open to Foreign.

Red circles and boxes highlight the 'Market' status, the stock name 'AYALA LAND, INC.', and the 'Ask' price columns in the bid/ask table.

First make sure that the market is open (M-F, 9:30-11:30am, 1:30-3:30pm). In this case, it's only a few minutes before it opens so it says 'Pre-Open' under Market.

We're buying Ayala Land Inc. as an example. Once you type the Stock Code on the 1st box (in this case, ALI), all the info about it will appear on the right side.

On the ASK board, you'd find the top 5 lowest ASK prices: 27.20, 27.30, 27.40, 27.50 and 27.60. Beside them, you will find the total number of shares being offered, as well as the number of people offering them.

The 1st row shows: 27.20 – 5,500 – 4

So, for ALI, the lowest ASK price that you can buy it for is 27.20. There are a total of 5,500 shares being offered at this price. And there are 4 traders offering them.

Same thing for the 2nd row: 27.30 – 900 – 2

The 2nd lowest ASK price for ALI is 27.30. There are 900 shares being offered at this price. There are 2 traders offering them.

And so on and so forth.

Thus, if you want an immediate execution of your order, refer right away at the price in the 1st row of the ASK box.

What happens if you had mistakenly put in a higher price?

As I've shown you in my post 'How to Buy Stocks', your order would still be executed at the lowest price being offered.

How about if you put in a lower price than the lowest ASK price?

In that case, your order will not be immediately executed. It will then be considered a Day Order. You will be bidding against other buyers and you will have to wait within the day for a trader to accept your Bid price before your order gets executed. If no trader offers the stock at your Bid price within the day, your Order will be automatically cancelled.

SELL at the BID

COL FINANCIAL PHILIPPINES

PSEI 0.00 ALL 0.00% FIN 0.00% IND 0.00% HLDG 0.00% PRO 0.00% SVC 0.00% M-O 0.00% Trades 0 Value 0 **Market Pre-Open...**

Home Quotes Trade Research StreetSmart Jan. 17 9:26:49 AM Log-Off

Enter Order View/Modify Order Trading History Portfolio O-H Order O-H View/Cancel EIP Scheduler

ENTER ORDER (Step 1 of 3)

Order Details [chart] MAIN BOARD Page Updates Every 15 Sec

Transaction BUY SELL

Board MAIN ODDLOT

Term DAY GTC ATC

Stock Code **ali** Quote

of Shares - +

Price - +

Net

Preview Order Clear

BUY ORDER

Cash Balance	
Actual	Available
81.34	81.34

AYALA LAND, INC.

Bid		Ask	
Size	Price	Price	Size
12	2,100	27.2000	5,500
6	700	27.1500	900
3	2,900	27.1000	63,800
1	10,000	27.0500	53,400
7	69,100	27.0000	3,400

Last 5 Trades

Time	Volume	Price	Buyer	Seller
0	0	0.0000	0	0
0	0	0.0000	0	0
0	0	0.0000	0	0
0	0	0.0000	0	0
0	0	0.0000	0	0

Previous	27.1500
Last	NO TRADE
Change	NO TRADE
%Change	NO TRADE
Open	NO TRADE
High	NO TRADE
Low	NO TRADE
Value	0
Trades	NOTRADE
Volume	NO TRADE
Outstanding	13,751,704,176
Inst. Status	Authorized
Market Status	Preopen/Preclose No Cancel
BoardLot	100
Fluctuation	0.0500
Floor Price	13.5800
CeilingPrice	40.7000
Dyn T Low	24.4350
Dyn T High	29.8650
Par Value	1.0000
Margin Rate %	100
Open to Foreign	YES

Since, we are selling, we will be looking at the prices (BID) that people are willing to pay for our stocks. We're still using ALI as our example.

The 1st row shows: 12 – 2,100 – 27.20

This means that there are 12 people wanting to buy 2,100 (in total) shares of ALI at 27.20.

Same goes for the 2nd row: 6 – 700 – 27.15

6 people wanting to buy a total of 700 ALI shares for 27.15.

And so on and so forth.

P.S. Last November 27, 2012, Bro. Bo issued a SELL signal for BPI. Thus, if you are following the SAM for BPI, then SELL. If you are following EIP as a strategy for BPI, continue buying.

As of November 28, 2012 closing prices

STOCK	Current Price	Buy Below Price	Target Price	Action to Take
AC	487.00	452.17	520.00	Stop buying for now
AP	35.05	33.21	38.19	Stop buying for now
FPH	94.00	99.74	114.70	Continue buying
JGS	37.00	34.78	40.00	Stop buying for now
MBT	99.00	104.35	120.00	Continue buying
MEG	2.47	2.50	2.87	Continue buying
SMPH	15.12	14.78	17.00	Stop buying for now

We, [TrulyRichClub members](#), are lucky because we use the very same strategy that Warren Buffet uses: SAM.

So, when we get a 'Stock Alert' from Bro. Bo suggesting we sell a particular stock, I get super excited coz then I'd see how much profit I've made from my shares. With Jollibee, I made over 1k when I sold them (I only had 40 shares. Imagine if I had more?)

Thanks & God bless,



If you have any related questions or want guidance please contact our **Concierge Director, Ms. Joey** via:

1. Call/Text: **0917-8990296**
2. Official FB Page: <https://www.facebook.com/TheOfficialTrulyRichClub>
3. Email: supportgold@boclubs.com

P.S. 1. [COL Financial, Inc.](#) is the recommended Stock Broker of Bro. Bo Sanchez to all his TRC Members.

P.S. 2. Wanna join us at the '*Happiest Place on Earth*'? We do a meet and greet with Bro. Bo every Sunday at the **Feast PICC**. Please feel free to join us after the 3rd session. For Feast schedules in PICC and other areas around the metro, please refer to the right side of [Kerygma Family](#) homepage.