

NEWS TRADING STRATEGY



Trade for
Good.



A **news trading strategy** involves trading based on news and market expectations, both before and following news releases.

Trading on news announcements can require a skilled mind-set as news can travel very quickly on digital media.

Traders will need to assess the news immediately after it's released and make a quick judgement on how to trade it.



Benefits of news trading

- **A defined entry and exit strategy.** Entering and exiting a trade is based on how the market interprets the news, which is commonly outlined in a trader's plan.
- **Many trade opportunities.** Every day, there are several news events and economic releases that can provide trading opportunities. You can follow crucial news announcements by monitoring our reporting calendar at the Trade for Good website.



Drawbacks of news trading

- **Overnight risk.** Depending on the type of news, trading positions may be open over several days. Any positions that are left open overnight incur overnight risk.
- **News trading requires expert skills.** News traders need to understand how certain announcements will affect their positions and the wider financial market.