How to trade the NASDAQ 100 Index
INTRODUCTION

Based in New York City and second only to the New York Stock Exchange (NYSE) the NASDAQ 100 is a U.S stock exchange and it is the second-largest in the world as measured by market capitalization. It was founded in 1985 by NASDAQ Inc. and the same are responsible for its operation as well.

Most US technology giants known for their disruptive technologies are grouped in this index. There are other sectors as well, including biotechnology, healthcare and retail.

This is one market you should probably consider if you want to get in on the action and experience its uniqueness. That's because it is endowed with the kind of cash flow and market dominance that attracts both investors and traders alike.

WHAT IS THE NASDAQ 100?

The NASDAQ 100 is an index that comprises the 100 largest most actively traded US non-financial companies listed on the NASDAQ stock exchange. It is what is known as a modified capitalization index or market-value-weighted index. This is an index of the stock market, where the components of stock are measured as per the total market value of their outstanding shares.

The measurement for each stock is determined by its market capitalization. This means the influence of a particular component is proportional to its market cap.

Even though the index is not entirely made up of tech companies, US tech companies are a standard for measuring the performance of the index since they make up a significant majority of it.
STOCKS OF NASDAQ (100 BIGGEST COMPANIES)

NASDAQ 100 implies it comprises 100 companies. But it is slightly over 100 and sits at 102 equity securities due to companies with double share classes. An example is Google’s parent company, Alphabet, with Class A of GOOGL and Class C GOOG all contained within the same index.

Here is a table containing the companies that make up the NASDAQ 100 according to their weight as retrieved on the 29th of May 2022.

<table>
<thead>
<tr>
<th>Company</th>
<th>Symbol</th>
<th>Weight</th>
<th>Price</th>
<th>Chg</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apple Inc</td>
<td>AAPL</td>
<td>12.438</td>
<td>148.04</td>
<td>-0.67</td>
<td>(-0.45%)</td>
</tr>
<tr>
<td>Microsoft Corp</td>
<td>MSFT</td>
<td>10.47</td>
<td>270.72</td>
<td>-1.78</td>
<td>(-0.65%)</td>
</tr>
<tr>
<td>Amazon.com Inc</td>
<td>AMZN</td>
<td>6.415</td>
<td>121.48</td>
<td>-1.53</td>
<td>(-1.24%)</td>
</tr>
<tr>
<td>Tesla Inc</td>
<td>TSLA</td>
<td>3.796</td>
<td>730.51</td>
<td>13.85</td>
<td>(1.93%)</td>
</tr>
<tr>
<td>Alphabet Inc</td>
<td>GOOG</td>
<td>3.793</td>
<td>2,347.49</td>
<td>2.90</td>
<td>(0.12%)</td>
</tr>
<tr>
<td>Alphabet Inc</td>
<td>GOOGL</td>
<td>3.611</td>
<td>2,344.96</td>
<td>1.97</td>
<td>(0.08%)</td>
</tr>
<tr>
<td>Meta Platforms Inc</td>
<td>FB</td>
<td>3.467</td>
<td>198.00</td>
<td>2.35</td>
<td>(1.20%)</td>
</tr>
<tr>
<td>NVIDIA Corp</td>
<td>NVDA</td>
<td>3.413</td>
<td>187.13</td>
<td>-2.13</td>
<td>(-1.13%)</td>
</tr>
<tr>
<td>Broadcom Inc</td>
<td>AVGO</td>
<td>1.996</td>
<td>565.00</td>
<td>-7.99</td>
<td>(-1.39%)</td>
</tr>
<tr>
<td>PepsiCo Inc</td>
<td>PEP</td>
<td>1.959</td>
<td>165.96</td>
<td>-0.60</td>
<td>(-0.36%)</td>
</tr>
<tr>
<td>Costco Wholesale Corp</td>
<td>COST</td>
<td>1.779</td>
<td>468.69</td>
<td>-3.09</td>
<td>(-0.65%)</td>
</tr>
<tr>
<td>Adobe Inc</td>
<td>ADBE</td>
<td>1.741</td>
<td>428.84</td>
<td>-4.58</td>
<td>(-1.06%)</td>
</tr>
<tr>
<td>Comcast Corp</td>
<td>CMCSA</td>
<td>1.64</td>
<td>42.98</td>
<td>0.35</td>
<td>(0.82%)</td>
</tr>
<tr>
<td>Cisco Systems Inc</td>
<td>CSCO</td>
<td>1.61</td>
<td>45.16</td>
<td>-0.42</td>
<td>(-0.91%)</td>
</tr>
</tbody>
</table>
HOW MUCH IS NEEDED TO TRADE NASDAQ?

Being a top-tier index, Nasdaq's reputation is reliant on the companies that are traded. That's why all companies and brokers who offer access to Nasdaq are expected to have a solid history of top-notch performance, as well as being regulated.

These shares are somewhat premium given the nature of the companies involved. At any given moment depending on the company, its shares may skyrocket. As such, if you are thinking of having some worthwhile shares in your portfolio or something to trade while you are building up your trading career, you might want to consider Nasdaq 100. It's important to note that prices can go in the other direction, too - so do trade carefully.

The minimum requirement needed to start trading the Nasdaq 100 depends on the broker you choose to open an account with. Your experience will be enhanced if your broker is extensively regulated, makes trading a social activity so you don't have to feel alone, and offers stellar customer service.

At tixee, we have a hassle-free account-opening process and educational tools to help get you up to speed with the offerings of Nasdaq 100.

We have a range of accounts to choose from to suit the needs of every kind of trader.

Get in touch today for an unforgettable start to your trading career.
HOW TO TRADE THE NASDAQ 100 AND STEPS TO OPEN AN ACCOUNT

The first step necessary for trading the Nasdaq 100 is to mentally prepare your mind for taking such a bold step. Afterward, you follow a guideline as recommended by a regulated broker.

Ideally, the process should have the following semblance:

Find a robust broker online

Finding a broker that has the right combination of the services you desire is not as easy as it seems online. A trait of a good broker that you should be on the lookout for is a broker that also offers you access to the exchange or exchanges that you are interested in. The reason for this is that not all brokers have access to NASDAQ. When you finally find a broker that offers access to NASDAQ, ensure that they are the right fit for you.

Opening an account with a broker

This is similar to opening an account with a bank but often easier without some of the tedious requirements or waiting time.

A broker offers you connectivity to the rest of the market and acts as an intermediary between you and a securities exchange – the market where the selling and buying of financial assets are done. The reason for this is that securities exchanges will not accept dealing directly with individuals who are not members of the said exchange.

Reasons why you need a broker will vary depending on your individual circumstances, but chances are your budget might be limited. A broker will provide you with access to a greater amount of capital you necessarily might not have at that particular time.

Brokers operate independently and their minimum requirement for signing up is also based on the offerings of the broker.

A broker should provide complete clarity on the fees that it operates on, its trading platform, access to a range of markets, and ease in the way an account can be opened and maintained.

Prices usually reflect the kind of offers that are available to new investors or traders. Here you can get a look at the levels that are offered at tixee.
Opening an account with a broker

The next step for you will be to deposit some money in your account. Like deposits made in banks, this will be deposited to your broker and it should be a process that is quick without any delays or roadblocks.

The conventional means for depositing money remains the same – it can either be via a bank transfer, credit or debit card.

Start trading the NASDAQ

This is the price. This is your first step in actually trading the NASDAQ. Ideally, your broker should be able to steer you in the right direction as you approach your trading journey, with hopefully fewer complications than if you were to try it by yourself.

Monitor your position

If you don’t have a risk management plan, this next step will be hard for you. Most people usually have a set of steps they will use in making sure they are not burnt. There are risk management tools that might add to your trading success. Feel free to speak to us to learn more about these.
It is worthy to note that using technical analysis to understand the buy and sell signals on charts can significantly make or break your trading career. This is where naked trading or the use of indicators comes in.

The above chart shows how the MACD or moving average convergence divergence is used to filter long and short signals in NASDAQ 100 trading. The MACD is made up of the MACD line or the blue line in the chart and the orange line is the signal line. When they both cross the bottom or the green circle, a buy signal is offered. Invariably, a sell signal is established when they cross the red line.

There are a couple of indicators to use but the important thing to consider is a risk management style that is appropriate for your needs.
OPTIONS TO TRADE NASDAQ INDEX DIRECTLY

Because NASDAQ in itself is not a tradable instrument, traders can trade the NASDAQ 100 without buying the underlying asset. This can be via ETFs or CFDs. The perk to this is that you can trade when this index moves with fewer fees and enjoy all the benefits.

Let's expand on these a bit further.

**Futures CFDs**

These are in the same vein as futures for commodities, in that they allow you to trade irrespective of you believing an index will rise or fall. Say you believe that the price of the NASDAQ 100 will rise, you can opt for a ‘Buy’ position (going long) where you could profit from the movement of the index – note that this is absolutely dependent on it going above the price it was opened. Should it go south, on the other hand, that is an exposure to risk that you have to be willing to take.

If you believe the prices will fall, then a ‘Sell’ position (going short) is what you will likely go for. This position will typically provide you profit when an index loses its value. This is also dependent on the price falling below the price it was opened for. A rise in the price it was opened for is a definite loss on your part and this too should be a risk that you are willing to take.
Options CFDs

These give you access to trade on the value of an Options contract rather than the underlying instrument itself. An options contract gives the seller the right (but not the obligation) to partake in the buying or selling of an underlying instrument such as a stock, an index, forex pair, or commodity.

The benefits of trading options are that trades happen at prices that are lower than the asset itself. Invariably, while the lower prices are enticing, options are known for their high volatility. That is why you need exposure as an experienced trader before venturing down this route.

ETFs

Short for Exchange Traded Funds, ETFs are made up of different securities and tradable assets - but they act as one. They have close similarities with the indices of popular countries e.g. S&P 500 from the USA, FTSE from the UK, DAX 40 from Germany, Hong Kong 50 in China, and Nikkei 225 from Japan.

ETFs are different from futures because they are traded during regular trading hours. Their price may also have a lower valuation than a whole index. This gives traders an opportunity to open positions even with less equity.
FOLLOWING THE PRICE MOVEMENTS OF NASDAQ 100

Following the market activity of NASDAQ 100 is essential to keep up with that sector, particularly which company shares are having a spike or decline in value. This will help you decide on the long or short positions that you open.

You can look up the NASDAQ portal to keep up with trending events and company shares, or you could directly search for the company that interests you to follow its latest activities.

STRATEGIES TO TRADE THE NASDAQ 100

As with all trading instruments, you’ll need a trading strategy. Unlike shares, no specific company earning reports are given. This means that traders would have to rely even more on trading strategies like the ones below.

Swing trading and how to swing trade NASDAQ 100

This is where a position is opened based on market trends. A swing trader relies on technical analysis tools such as charts and other key information to get a grasp of the behaviour of the underlying instrument. This is a good way of determining if the price will rise or fall.

Swing trading positions are usually held for a medium time period, but they can be closed at any time the trader sees fit to do so.

Day trading and how to day trade NASDAQ 100

Day trading is trading that opens and closes on the same day. Say you open a position anticipating it will move in a particular direction during an entire day, at the end of that day, you will close your position having made either a profit or loss.

Position trading and how to position trade NASDAQ 100

This is where a trader holds on to a trade for a long time that may span weeks or months, with the anticipation that it moves in the direction that the trader hoped for. Say you open a position on three CFDs on US-Tech 100 on a Monday, anticipating a price surge, you will have to wait until the end of the month before you close your position. This way you will gain exposure to the market over weeks of trading. This is different from day trading, where all opened positions are limited to the span of a single day.
WHERE TO TRADE NASDAQ 100

This ties in with an earlier section of this eBook that discusses finding a licensed and regulated broker. In addition to all the points mentioned, ensuring there is an adherence to regulation and dedicated customer service to address any questions or concerns. You should also seek a broker that is transparent in their approach, and that there are no grey areas that might jeopardise your trading experience.

A renowned website that would help ease any concerns or doubts when choosing a broker is Trustpilot. Trustpilot is a Danish firm that came about in 2007. It offers public reviews and verifications for almost any company worldwide.

WHY TIXEE OFFERS ONE OF THE BEST PLATFORMS FOR YOU TO TRADE NASDAQ 100

The online community can be a risky place, but at tixee we reinforce trust and transparency. Our platform ensures your needs for safety, simplicity, attentiveness, and support are adequately met.

Our own reviews on Trustpilot can attest to this bold claim. We are ever-present and interact with all the reviews we receive, irrespective of their nature. We believe in taking responsibility for our actions and continuously hold ourselves accountable.

What matters is the licence and regulation of a company, its treatment of issues and requests by its customer support, user-friendly trading platform, its transparency, education, research tools, promotion, and reviews.

We offer you the opportunity to trade on margin, providing you with a reasonable margin.

Getting started is as easy as ABC and we can get you up and running whenever you are ready to build your trading career.

The setup, readiness, and the formalities we have taken to ensure a seamless process for your unforgettable experience are what sets us apart and make us the best at what we do.

Buy/sell NASDAQ 100 CFD’s with tixee. Any questions? Feel free to reach out.
BEST TIME TO TRADE NASDAQ

Even after you’ve set up your account and made the necessary deposit, you wouldn’t just jump in and start trading on the fly. We’ll make sure you have all the support you need to be clear on the correct market trading hours.

As a US index, the NASDAQ 100 adheres to the EST time zone, from, opening at 9:30 am EST and closing at 4:00 EST. There is however a specific movement that is wrought with volume that takes place in 1 hour after opening from 9:30 a.m. - 10:30 a.m. Eastern time (ET). During this time, the biggest moves in the shortest amount of time occur from Monday to Friday. It is advised that you stop trading around 11:30 a.m. because volatility and volume slow down.

You should also be aware of US holidays that affect the market:

- New Year’s Day - January 1st, annually
- Martin Luther King, Jr. Day - January 16th, annually
- Presidents’ Day - Third Monday in February, annually
- Good Friday - The Friday before Easter, annually
- Memorial Day - End of May, annually
- Independence Day - 4th of July, annually
- Labor Day - First Monday of September, annually
- Thanksgiving Day - Mid-November, annually
- Christmas Day - December 25th, annually

There are some days when the market has half days. These include the days before and after Independence Day (July 3rd and 5th), as well as the days after Thanksgiving and Christmas Eve.
CONCLUSION

We have reached the end of yet another educational Ebook from tixee. This one points to the second biggest stock market in the world where trading opportunities abound.

These are trades that can make or break your portfolio - so adequate planning is needed in order to proceed. A good plan involves doing your own research before opening any trading account. Additionally, it shouldn’t just be any broker, but a broker like tixee that is licensed and regulated. It’s also important to consider the margin provided, the trading tools available, the risk management approach of the company, the quality of customer support and the user-friendliness of the platform.

At tixee, we offer access to popular NASDAQ 100 traded companies like Tesla (TSLA), Amazon (AMZN), Netflix (NFLX), and a host of others.

Get in touch today to start trading.
REFERENCES

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- Daily FX - David Bradfield - Nasdaq trading basics: how to trade Nasdaq 100
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Trading leveraged products is risky, and you may lose all your capital. Trading CFDs may not be suitable for all traders.

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