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Introduction

Many investors are perfectly satisfied with the more traditional investing opportunities: They build solid portfolios containing individual stocks and bonds, mutual and exchange-traded funds, and so forth, and are generally content to let investment counselors manage their accounts. Other investors, however, prefer to take a more active role: Perhaps they want to manage their accounts themselves or broaden their investment horizons (and increase their potential returns) by delving into more volatile markets.

As an investor, you can be as aggressive as your personality and bank account allow. To be successful, however, you need more than the right attitude or a boatload of cash. You need information, and that's what this book tries to give you. *High-Powered Investing All-in-One For Dummies*, 2nd edition, is a book written specifically for experienced investors who want to pursue and manage more aggressive investment vehicles.

About This Book

The key to successfully expanding your investment opportunities is, of course, information. This book introduces you to high-powered investing techniques and options you can pursue as you expand your portfolio — all in plain English. Whether you're just beginning to explore more advanced investing or have been dabbling in it for a while but need strategies to increase your success, this book can give you the information you want. For example, you can find

- ✓ **What your high-powered investing or trading options are:** A whole series of investment opportunities go beyond the traditional stocks and bonds. You can trade commodities, foreign currencies, and futures and options, all of which require a more hands-on approach. If you're well-heeled, you may decide that hedge funds — private investment partnerships — are the way to go. You can find information on all these vehicles in this book.
- ✓ **Keys to being a successful trader:** Investing and trading are vastly different. With the former, you buy and hold with the expectation that your returns will increase over time as the value of the security goes up. With the latter, your success depends on how accurately you're able to read the market and how quickly you can react to fluctuations. Nearly all the higher-end investment options covered in this book — currencies, commodities, futures, and options — rely to a greater or lesser extent on these trading skills.
- ✓ **How to value a business or spot pricing trends:** One key to being a successful investor is knowing how to get the information you need to make good — and timely — decisions. When the value of the underlying security is important, you need to know how to evaluate it. When being able to recognize market trends is the key to success, you have to know how to forecast them.

This updated edition of *High-Powered Investing All-in-One For Dummies* gives you the information and answers you need to incorporate these investing strategies and options into your own personal investing style. Even if you don't adopt most of the principles and techniques described in this book, your awareness of them will make you a better investor.

Unless you're going to become a professional trader (rather than simply an empowered personal investor), you probably don't need to know everything in this book. You can bypass paragraphs with a Technical Stuff icon, which highlights esoteric details that not everyone has the stomach or time for, and sidebars, for those dizzyingly technical explanations that go on for more than a paragraph (and don't they usually?). Neither are vital to your ability to ramp up your investing strategy.

Within this book, you may also note that some web addresses break across two lines of text. If you're reading this book in print and want to visit one of these web pages, simply key in the web address exactly as it's noted in the text, pretending as though the line break doesn't exist. If you're reading this as an e-book, you have it easy — just click the web address to be taken directly to the web page.

Foolish Assumptions

Aggressive or high-end investing options aren't an ideal fit (or a good option) for everyone, and *High-Powered Investing All-in-One For Dummies*, 2nd Edition, was written with a particular reader in mind. Here's what we assume about you:

- ✓ You're fairly familiar with basic investments and have some experience in the world of investing. You know what the markets are, for example, and have already bought and sold some securities.
- ✓ You want to expand your investment options to include more than the traditional stocks and bonds.
- ✓ You want to become a more active trader and make money more consistently by letting your profits run

and cutting your losses short.

- ✓ You have enough investment capital that you can safely invest in more volatile markets or participate in a hedge fund.
- ✓ You understand basic market forecasting strategies but want to know more about how to use technical analysis to anticipate and react to trends.

Icons Used in This Book

You'll see several icons scattered around the margins of the text. Here's the function of each:



This icon notes something you should keep in mind about the topic at hand. It may refer to something covered elsewhere in the book, or it may highlight something you need to know for future investing decisions.



Tip information tells you how to invest a little better, a little smarter, a little more efficiently. The information can help you ask better questions or make smarter moves with your money.



Plenty of things in the world of investing can cause you to make expensive mistakes. These points help you avoid big problems.



Here's where you'll find interesting but nonessential information. Whether this icon highlights background info, investment theories, or trivia, it's all skippable. Read it or pass it up as you like.

Beyond the Book

In addition to the material in the print or e-book you're reading right now, this product also comes with additional information you can access on the web. Check out the free Cheat Sheet at

www.dummies.com/cheatsheet/highpoweredinvestingaio for information on important financial ratios, essential economic reports, and financial risk variables known as the Greeks.

Head to www.dummies.com/extras/highpoweredinvestingaio to find secrets that successful investors and traders use, tactics to help you align your investment portfolio with your values, strategies that let you take advantage of emerging markets and new technologies, tips that help you avoid costly mistakes, and more.

Where to Go from Here

Where you go from here depends entirely on you. If you're a start-at-the-beginning-and-read-through-to-the-end type of person, by all means, feel free to do just that. But you may find that picking and choosing topics of interest is more suited to your style. Fortunately, you can find what you're looking for in a number of ways. You can use the Table of Contents to find general discussions or the index to find specific topics. Or if you prefer, you can

simply thumb through the pages and alight on whatever topic catches your eye. The bottom line? Use this book however you need to. If you're just beginning your foray into more advanced investing, however, you may want to begin with Book I, which contains basic information.