



**GOLD WORLD**



# How to Buy Canadian

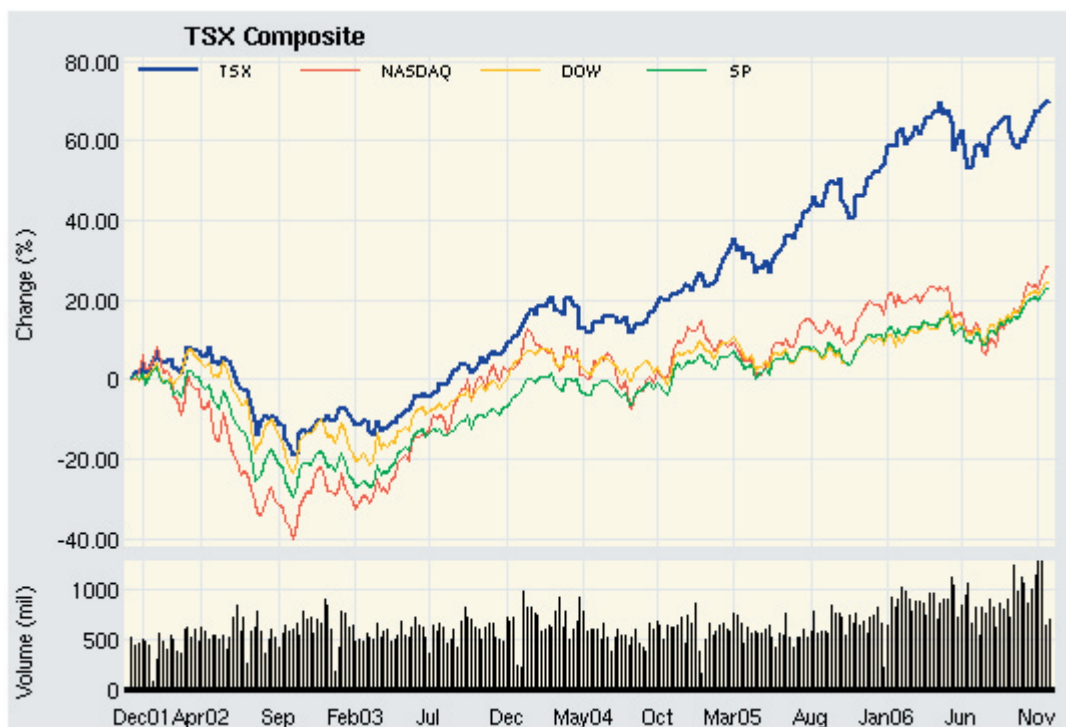
**Explosive Investment Opportunities Are Waiting For You Right Across the Border in the Toronto Stock Exchange and TSX Venture Exchange**

## **Here's How You Can Get in NOW...**

Dear Fellow Investor,

It seems as if everyone wants a piece of the Canadian stock exchanges nowadays. And why not?!

The Toronto Stock Exchange (TSX), Canada's main stock index, has well outperformed the DOW, NASDAQ, and S&P 500 over the past four years. The TSX has tacked on nearly 40% while the three main American exchanges have averaged a measly 23%.

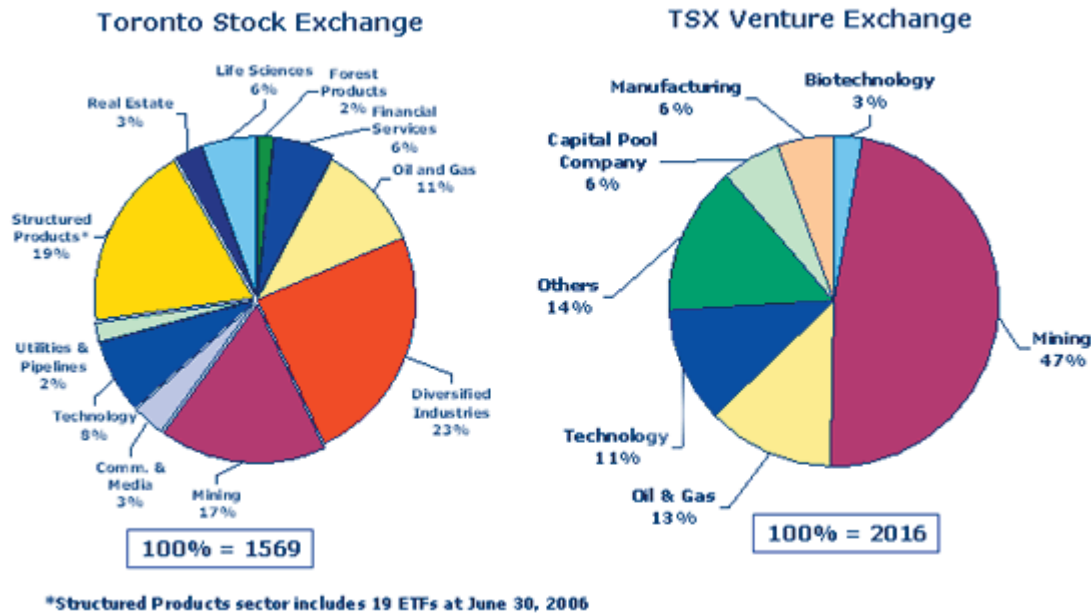


And the gains on the TSX Venture Exchange (TSX-V) have been even bigger. Since the beginning of 2002, the TSX-V has ballooned over **195%!!**



The TSX is currently sitting at record highs. But believe me, the party is far from over.

Fact is, both exchanges are heavily weighted in commodities, especially energy and metals. And as most of you know, the commodity bull market is FAR from over.



In fact, most analysts, including myself, think the bull hasn't even crossed the midway point yet. And to investors like you and me, that means one simple thing: There's still plenty of cold hard cash out there waiting to be made.

I even think that the TSX could experience a 15% gain next year. But here's the thing . . .

Most Americans don't have a clue where they can go to buy and sell Canadian equities. I know this because of the massive number of emails I get asking for help trading Canadian stocks.

So, I've decided to put together this report to point investors who are interested in buying Canadian equities in the right direction.



Today, the majority of U.S. citizens trade stocks online through brokers like AmeriTrade, Fidelity, and Scottrade. And for the most part, these brokers won't allow Americans to trade Canadian stocks.

If a Canadian firm has a U.S. listing, however, then buying and selling it is no problem. But the percentage of Canadian companies that are actually listed on an American exchange is very low.

So if you want to trade Canadian stocks that don't have a U.S. listing, you need to open an account with a new broker.

I know that it is sort of a pain. But believe me, the money that can be made in the Canadian equity market far exceeds spending 30 minutes opening an account.

In all my years of trading experience in the Canadian market, I have found several online trading sites that accommodate different needs. I want to quickly tell you about a few that I usually recommend to my readers. So let's get started

## **PennTrade**

[www.PennTrade.com](http://www.PennTrade.com)

PennTrade is an easy to use broker that a lot of readers like to go through even though they're a bit pricey. Their commission is a hefty \$29.95 per trade. However, to offset this commission, PennTrade offers some sweet incentives that you should take into consideration when choosing an online broker. They have no extra charges for market orders, limit orders, large volume, small volume, or stocks under \$1.00. Plus every 10th trade is free.



A small "activity assessment fee," related to Section 31 of the Securities and Exchange Act of 1934, applies on sell transactions. The rate for 2006 is \$0.0307 -- about three cents -- per \$1,000 of sale proceeds. This rate is adjusted annually by the SEC and posted on its website.

PennTrade requires only \$500 to open an account, which can be met with cash, equivalent securities or any combination of the two.

## Interactive Brokers - [www.interactivebrokers.com](http://www.interactivebrokers.com)

Interactive Brokers is another firm that readers like because they allow U.S. citizens to economically trade Canadian equities as well as stocks from eight other countries as well as FOREX and bonds. The commission on Canadian trades is only 1 cent (Canadian) per share traded with a minimum commission of CDN2.00 and a maximum commission of 0.2% of the trade value.

Check out the complete list of commission fees below...

Country	Tier	Commissions	Minimum per Order	Maximum per Order
 United States	All	USD 0.005 per share	USD 1.00	0.2% of trade value
	Non-Smart Routed API orders <=500 Shares	USD 0.013 per share	USD 1.30	0.2% of trade value
	Non-Smart Routed API orders >500 Shares	USD 0.008 per share		
	VWAP orders	USD 0.015 per share	USD 1.50	0.2% of trade value
 Canada	All	CDN 0.01 per share	CAD 2.00	0.2% of trade value
 Belgium	All	0.1% of trade value	EUR 4.00	EUR 29.00
 France	All	0.1 % of trade value	EUR 4.00	EUR 29.00
 Germany	Xetra	0.1% of trade value	EUR 4.00	EUR 29.00
	SWB	0.12% of trade value	EUR 4.00	None
	FWB	0.15% of trade value	EUR 4.00	None
 Netherlands	All	0.1 % of trade value	EUR 4.00	EUR 29.00
 Sweden	All	0.1% of trade value	SEK 30.00	SEK 300 .00
 Switzerland	All	0.1% of trade value	CHF 10.00	None
 United Kingdom	Up to GBP 50,000 Trade Value	GBP 6.00	GBP 6.00	GBP 6.00
	> GBP 50,000 Trade Value	GBP 6.00+ 0.05% of incremental trade value>GBP 50,000	GBP 6.00	GBP 29.00
 Japan	All	0.08% of trade value	JPY 450	

Interactive Brokers offers all the same standard trading tools as you would expect with AmeriTrade or any other big name online broker.

## **CIBC Investor's Edge**

[www.investorsedge.cibc.com](http://www.investorsedge.cibc.com)

CIBC charges \$25 for trades up to 1,000 shares in U.S. or Canadian equities. The majority of mutual funds available through CIBC can be purchased without front-end loads.

As long as you keep \$5,000 in your non-registered account you won't have to pay any maintenance fees. They also provide a nifty commission calculator that you can access [here](#).

## **E\*Trade Canada**

[www.canada.etrade.com](http://www.canada.etrade.com)

The value behind E\*TRADE Canada's name lies in its tireless effort to challenge the old ways of doing business. The company has succeeded in delivering a diversified and integrated portfolio of innovative, customer-focused brokerage products and services by remaining true to our operating ideals and well-proven formula-regularly asking, can this be done better?

Commission fees are \$0.005/share to \$0.03/share depending on share value and have a 1.5% max of the principal value.

## **eNorthern**

[www.enorthern.com](http://www.enorthern.com)

eNorthern charges a flat rate of \$24 for up to 1,200 trades. In addition to their flat fee they also charge commission as well. If the stock price is less than or equal to \$2, they pull 1.5% commission from the dollar value of the trade. If the share costs more than \$2 it's an extra 2.5 cents per share.

Other brokerages include:

- Merrill Lynch HSBC
- Qtrade Investor
- Action Direct
- RBC Investments

## **One last option...**

I know that there are many people who still feel uncomfortable trading stocks online and prefer to do it the old fashioned way. If this sounds like something you're interested in, then I recommend going through **Canaccord Capital Corp.**

We have established a contact for readers who are interested in buying Canadian stocks through this route. Contact Mike Bruin through his email address at [mike\\_bruin@canaccord.com](mailto:mike_bruin@canaccord.com). You can also call Mike toll-free at 800.663.8061 ext. 7438 or directly at 604.643.7438

Well, there you have it. A brief run down of options for buying Canadian stocks. They are all pretty much the same give or take a few dollars or cents on flat fees and commission rates. But make sure to investigate them all to find the broker that fits your personal trading style.

As always, good luck and have fun investing,

James West  
*Managing Editor, GoldWorld.com*

