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### Day trade-off

#### **Bathrobes are optional, but the wins aren't guaranteed.**

February 1, 2000

Internet trading seems like a stress-free way to earn money. Run a bath, place a trade, dry off, count your earnings. How can you lose? After all, there is no end to the market's rising fortunes.

Wrong. Even on a good day, getting in and out of a stock at precisely the right time is as risky as placing your chips on the roulette table. I bought the right shares but traded at the wrong times.

On the Thursday before my trip to Vegas, clad in a bathrobe and situated in the comparatively relaxed surroundings of my home office in San Francisco, I begin investing. Foolishly, I assume that all I have to do is log on, punch in my credit card number and begin trading. But by noon I am still navigating countless Web page time-outs and error messages trying to complete ETrade's damn online registration form.

Next I have to print the registration form and FedEx it to the ETrade offices in New York. In the meantime, I set up a tracking portfolio of interesting companies. Most of them are infrastructure plays: Ariba, Wink, Trintech, Sycamore Networks, Netopia, Copper Mountain Networks, Digital Impact, and Vignette. I add UBid as the token electronic-commerce company and Microsoft and Pixar just for fun. Heck. This is Red Herring's money. All the stocks performed well in the past. My mouth is dry as I try to decide how much to put down for my first bet. I opt for 25 shares of UBid for \$41 a share in the hopes that something will happen.

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Initial public offerings seem like the shortest route to a quick buck, so I try to enter the IPO section of ETrade. I am asked to fill yet another form then told, politely, to sod off. I feel like I have been refused membership in an exclusive money-making club (which I have been). So I try for the next best thing: a recent IPO. Digital Impact has just gone public and its share price is going nuts. I buy 20 shares at 49 7/16, too late to make a killing but just in time to make it a good day as the shares rise to \$60. By the end of the day I am \$225 ahead, a return of 11 percent on my investment. Easy money and not bad for a novice. I wonder if I can give up my day job and become a day trader.

The next day is not so good. I stumble into the living room at 8 a.m. to see how my meager portfolio is doing. Digital Impact has dropped to \$46. But Ubid has climbed to \$44. Now I am like a desperate gambler trying to recoup recent losses. I notice that Vignette shares are climbing, so I sell Digital Impact at \$50 (making a very small profit) and buy a stingy four shares of Vignette at \$196. They climb to \$211. It's time to cash out. But I can't because the ETrade site is giving me an error message.

I dial the 800 number and Sharon, a harassed help-desk person, is trying to help me with just enough information to get me off the phone. Now I am frustrated. I have no idea if I am ahead or behind, and trades don't show up for four days. I ring ETrade's press office and they promise to call back, but don't. Great billboards, but what a way to run a business!

Eventually, I give up. At the end of the 48 hours I am \$103.64 ahead (not including the \$19.95 it costs to make each trade), but the experience has been needlessly frustrating. Next time I'll just take the whole lot to Las Vegas.

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