

Unlock Your Potential with the Realities of Trading

SAMPLE

Chapter 1: The Best Trader in the World

GBP EUR

“Life itself is a risky enterprise. Sometimes we fly high, enjoying great success. But then suddenly we fall into deep disappointments and the haunting reality of a failure, leaving our hearts wondering if there is anything worth looking forward to.” – Joe Stowell

There are super traders all around the world. If you don't know them, I know some of them. They earn their livelihood by trading and they're financially free. Now the question is: Who's the best trader in the world? Indeed, the best trader exists. Now, I won't mention names, but I'll tell you how the best trader trades.

The best trader doesn't argue with the markets – he always admits his mistakes. Most people tend to feel they're right, even if facts prove them wrong. Extremely terrible speculators don't accept their errors. It's really a psychological condition that makes a person refuse to think he's made a mistake, even if reality shows otherwise. Being overconfident in riding a position that's determinedly negative is definitely not a good thing. Top traders always acknowledge their mistakes.

Likewise, the best trader may use any kind of positive expectancy system including fundamental strategies and anticipate that the market will move in a certain direction. If the price movement or fundamental figures happen to be against his expectation, he'll smooth all his positions immediately. No arguments, no hope. Financial markets have no mercy upon anybody. If things go against you, then get out of the market without wasting time. Every good speculator I've studied is really good at cutting positions that seem to go determinedly against them. Yet, whenever the market proves them right, they run their gains for a considerable amount of time.

The greatest trader accepts the uncertainty that can affect any open orders; they even do this before they open the orders. Uncertainty remains our ally, since speculation is a game in its own right. Negativity is also included in the game. The best trader doesn't feel sad when a trade goes negative, nor does he feel too happy when a trade goes positive.

Using a System Profitably is Conditional

Are you a successful trader? Did you like the results you produced as a trader in the previous year? If not, what errors did you make and how can you improve your results henceforth? You may need a trading system that takes care of some cogent factors contributing to profitable trading. Do you have these factors in mind? Please consider some of them:

1. *Do I have a rule to follow in my speculative activities?* A trading strategy should be approached with the level of seriousness and enthusiasm with which one would approach any high level endeavour or business. The entry, exit, position sizing and other rules of this strategy must be followed to the letter.
2. *Do I have a worst-case emergency plan?* A good system should have a rule (or rules) that can deal with any adverse movements that can affect an open trade, as well as a rule that makes you exit quickly if things are no longer going in your favour.
3. *Do I have a positive expectancy system that can enable me to survive the current type of market?* A good system ought to make money in good market conditions and make as little drawdowns as possible in bad markets conditions. It should have positive expectancy incorporated into it, which means that at least, two dollars should be expected for each dollar that is being risked. In other word, you should be profitable on a long-term basis even with only 30% accuracy.
4. *Do I have a technique that will continue working even if the market conditions change without warning?* Yes, a good trading system ought to survive all market conditions. A good trading system can work well in bull or bear markets. But maybe you should stay out of extremely consolidating markets! You just need to stick to its rules.

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