FOREX TRADING
MONEY MANAGEMENT
Tips for Beginners
How to Lower Your Risks
Day Trading Forex

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Forex Trading Money Management Tips for Beginners

How to Lower Your Risks Day Trading Forex

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How this book can be used by you right away

Forex Trading Money Management Tips for Beginners is written to provide straightforward, easy to understand and easy to apply advice, tips and techniques that can be the backbone of any traders success in the financial markets.

Use Forex Trading Money Management Tips for Beginners as an overview or a guide if you will, to what to study and learn first to become consistently profitable from investing and trading. I give you concise information as to what to learn first and what to look for as far as further information is concerned. I tell you only the most critical things to learn first because those are absolutely the most important and the ones that will make you money right away if you do them.

Instead of trying to read Forex Trading Money Management Tips for Beginners fast I recommend that you go slow and look up and search for the main things the book talks about that will help you to become successful right away. Skip over anything that is important and it could for sure cause you to lose some money. No one wants that now, right?
If you need to study each thing one at a time so you can fully grasp it *so be it*. You do not need to be in any hurry. The market is *always* going to be there waiting to give you a chance to make money. You can start trading today *on as little as $500 capital to start with.*

I also did not put all the history of Forex and all the stats in *Forex Trading Money Management Tips for Beginners*. You can look all of that up online at your leisure if you want to know that information. While it is good to know, it *will not* make you real money in the live Forex market every day.

There are links to some references in the book which I have made clickable for your ease of use. All you need to do is click on the link and it should take you directly to the information in the reference, all clickable links were live as of the writing of *Forex Trading Money Management Tips for Beginners*. I encourage you to do more research on your own after having read this entire book once or twice. You will not be able to digest all of the information this book provides in one reading as a beginner.

The information in *Forex Trading Money Management Tips for Beginners* can give you a head start on your
education and training learning curve and get you on the fast track to making real money right away in the live financial markets. It will be up to you to follow the advice in the book though. There are lots of decisions to make before you even learning anything or study anything. Again I will say, I recommend you take your time and learn to do this business the right way from the first day. Doing it any other way can and will get your trading capital account FUBAR.

Here is one more tip I will give you before you get going. If you are a beginner and are going to day trade and trade live with real money and you have only been studying investing and trading for less than one year I recommend you only trade a micro account. You can do this on an account size of as little as $500 dollars to start and still be in the live market making real trades with real money. You won’t make a lot of money however it will give you a taste of the live market environment both good and bad. If you want to try to earn as you learn this is the only way you can do it.
Who I wrote this book for and why I wrote it

I like to start off all of my books with this section. It gives me a chance to really connect with you as a brand new trader and let you know that what I am writing about in *Forex Trading Money Management Tips for Beginners* is specifically written for you. All the books in my New Day Trader, Swing Trader, and Position Trader Learning Series are geared for people wishing to enter the business of making money with money that are brand new and have zero knowledge yet and a limited budget for trading capital. Here is one thing I tell all brand new traders who come to me for mentoring. Those that have the needed edge in market speculation will get paid from those who don’t. You can take *that* to the bank!!!

As a brand new investor and trader with zero knowledge of the business you are at a loss as to what information you actually do and do not need. Much of what the current trading education industry is putting out is not only giving you information that is all backwards, it is *very unrealistic* to do in the live markets, and can get you into *a lot of trouble*. Why would you want to learn something that could potentially cause you to lose money right away in your new trading business? The trading education industry
is not regulated so beware of that. Anyone can put out a YouTube video of *anything* and brand new traders who are watching these types of things thinking that what they are viewing are the right things to do.

I get a lot of flak from the trading education community for opening up the door for new brand new traders and giving them real opportunity to learn trading the right way from the first day and do it on the cheap. Most trading shown in books, video training and webinars these days is taught not only unrealistically it shows you information you really don’t need and that cannot help you have an edge. They are showing you how to trade on information that has already happened, and there is *zero* edge in that.

I have seen brand new investors and traders waste a serious amount of valuable education and training time on learning information that will not do them any good and can even cause them to lose some of their hard earned money right away in the live markets. No one wants that however it is a huge mistake that brand new traders make because they don’t know any better.
New traders also spend *waaaay* too much time on looking for the magical combination of indicators, settings and colors they think will show them something that is going to help them make more money. There are *no* shortcuts or bells that go ding to tell you to enter the right position so stop looking right now and if you are using something like that and you’re losing money that is why. All you need to see is right in front of you on the price chart and that is price and time. Those are the *only* things that professionals care about and nothing else. You can certainly use your chart like a crystal ball to tell you where price will go with a high degree of certainty and I will tell you how later in this book.

I wrote *Forex Trading Money Management Tips for Beginners* for all beginning aspiring investors and traders who are just getting their head around doing the day trading and swing trading business. Everyone has their own ideas of what they think day trading and swing trading are and *what it can do for them.* *Forex Trading Money Management Tips for Beginners* is for people who want to start their own business and become investors and traders in today’s financial markets, but have *zero* experience and are looking for the best quality information to get them started.
Forex Trading Money Management Tips for Beginners is for beginners and will detail many of the things that a brand new trader must learn not to do before they can become consistently profitable in the live markets. You’re heard the saying “just say no to drugs”, just say no to day trading and you and your account will be waaaaay ahead of the game to start off. Don’t say I didn’t warn you, OK, continue with your insanity and read this entire book to give yourself a fighting chance.

Many of the things I tell brand new investors and traders in all my books may sound like I am a broken record and some things you read may sound repetitive. I do that for a specific reason because much of what trading is about is doing those same actions over and over again repetitively to make money the same way every day. It is the only way professional traders do it and how they develop their edge to win in the live markets against the best market participants in the world.

The learning curve in this business and it is a business can be long, brutal and very very expensive if you learn the wrong way. Forex Trading Money Management Tips for Beginners aims to tell you how do study it the right way the first time and greatly reduce that long
learning curve by showing you what the market is really made of and who are actually in control of it and when they are in control of it. When you have this information and can see it on a live price chart in real time and pull the trigger without hesitation you can make a lot of damn money!

If you can just take the time to read this information in Forex Trading Money Management Tips for Beginners, let it sink in and then continue on your educational journey you will have done yourself a huge favor and also begun to give yourself the needed edge to succeed in this business and be able to start trading on as little as $500 capital to start with.

The reason Forex Trading Money Management Tips for Beginners is unique is that it is going to tell you about who your competition is and how you can beat them, what you need to study first that will make you rich fast, where you need to go to get consistently profitable quickly, when you should and should not be in the live market and how about the other information you need to know to be able to trade and invest in today's financial markets (or any tradable market) with confidence and zero fear and to be able to do it the right way from the start as I said, on as
little as $500 capital to start with.

Picture yourself throwing all your startup capital into the bonfire at the party you’ll throw for yourself for starting your new trading business up and watch it burn up in smoke and flames right before your very eyes. You smell that? That’s all your money burning up because you went to fast or did not learn what to do the right way from the first day of your business and did not develop the needed edge to compete at the highest level. Trust me when I say, the sharks in the market will chomp up your trading account without hesitation. We’ll get to the sharks a little later on in the book so you know who they are and what they can do to you as a brand new beginner trader.

While I love mentoring brand new traders, I have them working on daily charts learning supply and demand trading **ON DAILY CHARTS**! If you want to get into the financial market investing and trading business and you want to make money, **LOTS OF IT**, you would want to be doing what the smart money does right? Smart money doesn’t day trade, they don’t use five minute charts, and they don’t try to scalp, why, because they are in this business to make money, **scads of it**! If you make the decision to day trade when
first starting out you should only do it with a small amount of money if you plan to trade live in real time that way if you lose it all on your first try you won’t be stressed out over the loss of all the money because you read this entire book and knew you had a very high probability of doing so.

Forex Trading Money Management Tips for Beginners is going to give you the brutal truth about day trading then you can make your own decision as to how you will approach trading. What was it Jack Nicholson’s character Colonial Nathan Jessup said in the movie A Few Good Men? “You can’t handle the truth”! Do you want to invest and trade with real information or do you want to be lied too? The only thing in investing and trading that can’t lie to you is price action on your trading chart. Smart money cannot hide what they are doing in the market and it shows up on the price chart you look at every day you just need to be able to spot what they are doing where they are doing it.

Brand new traders all make the same mistakes over and over because they don’t know any better, now you do. They do what everyone else is doing and study what everyone else is studying thus they have the same results and failures as everyone else. Don’t be that trader! If you can just take the time to read this
information in this book, let it sink in and then continue on your educational journey you will have done yourself a huge favor and also begun to give yourself the needed edge to succeed in this business.

This business isn’t really an H&P type of business, what is H&P you might be asking, hoping and praying. You don’t need a rosary you need an edge. I’m not going to sugar coat it, this business is an ugly place for an untrained and underfunded beginner. There are very bad people in the live market who are looking to take all of your money from you, and they will should you not be prepared properly to go to work in the live markets. Again, don’t say I haven’t tried to warn you.

You absolutely need to have a competitive edge in the markets, and you must have it before you do anything in the live markets with real money. I will have some other books out that detail how to develop your edge for making money in today’s live markets, I encourage you to read them all as soon as they come out if you are in this business to make money. If you run with the ‘sheeple of the herd’ you can be assured to not have any edge so don’t, they all study the same information and are all programmed the same way to lose money repeatedly.
My hope from **Forex Trading Money Management Tips for Beginners** is that you understand how *important* it is to have a competitive edge when putting your hard earned money at risk in the markets. Each day, the wealth from trader accounts is transferred from those without an edge into the accounts of those who have developed that all needed important winning edge. *Which one do you want to be?*

There are only two groups of people who are doing business in the markets, the professionals and the retail investors and traders. The retail group includes both “wanna be” traders and also brand new traders with *zero* experience at all who are just trying to be cool and say they work in the market.

**Forex Trading Money Management Tips for Beginners** will be an excellent introduction for someone has *zero* or very little experience in the financial markets for what they can expect to research and learn if they want to have *any chance* at being successful making real money in the live markets. If you’re brand new this book will be an incredible read for someone who wants to get a head start, if you have a little knowledge *already* and are *struggling* with your trading and investing I hope this book can give you more
information and help you learn something new. I *purposely* do not put any charts or graphs in *Forex Trading Money Management Tips for Beginners* and I will tell you why. This is a very good book for the novice as it is easy to absorb information. Since you’re new all you need to do at this point is try to absorb what is said here.

**Simple,** basic and easy to understand, if I can give you one word of advice at this point in *Forex Trading Money Management Tips for Beginners* I will tell you to keep it simple because trading *really is* simple if you keep it that way. You *do not* need any indicators or fancy systems, methods or software that the so called gurus are all touting. The market *only* works on supply and demand and supply and demand is the *only thing* that moves price on a chart from one value area to another. *Doesn’t it make sense then* to study what makes the market do what it does and use that as your trading method?

To me it is a *no brainer* however most brand new investors and traders are of the notion that they need some sort of fancy system or method. As I said, keep it simple and it will be. There is no *easier* and *faster* method to learn than supply and demand so I
encourage you to get right to it and learn how and why the market does what it does and then go in there and get paid from it. **Forex Trading Money Management Tips for Beginners** cuts right to the core and lays out a progressive foundation of principles on which you can indeed begin swing trading for high profit as long as you have done the education and training the right way *from the first day*.

Here is the first tip I can give you. Don’t waste time on learning things that will not help you make money in the live market. You don’t need to know the history of the financial markets and what all the old time guys who made a lot of money did to make their loot. It’s not even the same market or economics as it was when they were in the live market so don’t waste any valuable education and learning time on learning that information.

I encourage you to begin to learn only what will make you money in today’s markets. If you would like to go back and study all that history once you have become consistently profitable on a daily basis so be it. If and when you do become successful in this business you will have a lot of time on your hands anyway because at that juncture trading is boring and it is a lot of
waiting around.

In the meantime, let’s get you learning how to drive your new money train down the tracks of gold to the front door of your bank so you can deposit all the profits you are going to learn how to take out of today’s markets. You don’t need to know what happened in the market 100 years ago you need to know what is happening in the market right now and how to make money from it. Let’s try to cut down your learning curve so that you can start making real money right from the start of your new investing and trading business.

When you are done reading Forex Trading Money Management Tips for Beginners you will have an excellent basic explanation of what and what not to do before you even study anything or do any kind of education. The information in Forex Trading Money Management Tips for Beginners will put you on the fast track to becoming a successful self-directed investor and trader with very little money invested other than the cost of this book, learning it Harvard or Columbia business school would cost one hundred thousand dollars or more.
I have tried to give you in *Forex Trading Money Management Tips for Beginners* the truth of what happens in real life, in real time and in real money in the live markets every day. There are *no short cuts* and you must do the time if you want to drive your own money train. I try to keep the explanations clear concise, simple and uncomplicated. This book gives you substantial value and is going to be the foundation of your pre education for trading.

I also wrote *Forex Trading Money Management Tips for Beginners* because I was incensed at how trading is taught in most books and courses so wrong and unrealistically. I have even heard industry people say that it is done intentionally so that the smart money can continue to profit. All they give you is unrealistic information that *will not* help you in the live markets using real money. *Why* would you want to learn something the wrong way from the start that could cause you to lose your hard-earned money? *To me that’s just crazy.*

As a professional investor and trader, I felt it was time to show that most learning by new people in the business can be *very easy* if they learn what to do the right way from the very start of their education.
process. What this book is going to tell you is how *not to make the mistakes* that most new investors and traders make that cause them to lose money right away.

The market is not a big secret and all of the information you need to make a trading decision is right out in the open. If you know where to find the information and know what to look for you *can* and *will* make *some* money *every day* in the market provided you are looking at the *right* information.

Unfortunately the trading-education industry does not have a good track record when it comes to its information practices and due to very little regulation in the industry, most people learn to trade *completely wrong* from someone who is good at marketing and sales but not so good at trading or who *doesn’t even trade at all*. Later on I will discuss the importance of getting a mentor and how doing so can also *greatly expedite* your learning curve and help you to make real money faster.

As I always say, there a lot of unscrupulous junkware selling locusts out there, waiting to prey on unsuspecting new investors and traders coming into the business. I am certainly *not* one them, I am not
trying to sell you any fancy indicators, methods, systems or “secrets” of the financial markets. I’m not trying to shove any red or green hopium pills down your throat. I am just an honest real money trader who is giving you the best advice and information you can have right upfront before you make any mistakes. What you do with that information is up to you, either you “get it” in this business or you don’t! If you want to live the trader lifestyle everyone talks about and is so keen on attaining, Forex Trading Money Management Tips for Beginners will tell you how to start living it.

If anything, Forex Trading Money Management Tips for Beginners is giving you the harsh reality as to what it will take for you to actually be able to make real money in the live market and be consistently profitable doing it. Honestly, all of us in the markets who are already doing it for real and using real money every day are waiting for all the new people to coming into the market so we can continue to profit. Should you chose not to listen to what this book is telling you that is OK because as I said previously it is the untrained and unprepared brand new trader that professionals make their money from in the live markets.
I encourage you to read this entire book through thoroughly one time from the beginning and not skip anything. It is very important to grasp the foundational principles described as the book progresses. By skipping around you could perhaps miss a critical step or some information that is part of the order in which investing and trading needs to be learned.

**Forex Trading Money Management Tips for Beginners** can help you keep it simple and filter the *huge amount* of information out there down to *only* what you need to know right away and then can work towards adding more information and studies as you go. My philosophy is to *start small and build on success* have limited exposure while you hone your skills, then progress as you become more competent.

You can use **Forex Trading Money Management Tips for Beginners** and the references, suggestions and tips in it to go further into your educational studies of the markets and there dynamics. Knowing market dynamics is going to be critical for you to have the winning edge you will need to be a successful market participant.

This business is *no joke*. I always say, there are people
in the live market who will walk over dead bodies to get paid and make money so make no mistake they are in there to take all of your money. They see you, they know what mistakes you are going to make over and over and over again. This is how they get paid from the sheeple of the herd.

So who are these sheeple of the herd I keep talking about, YOU, that’s who!

Sheeple of the herd! Sounds like a B horror movie or a cult doesn’t it? The sheeple of the herd as I call them are the retail investors and traders from around the world who all study the same thing, do the same thing, and trade the same way as everyone else. They all trade from the same charts and make the same mistakes over and over again. They are very easy to see on the charts thus they are very easy targets to make money from.

All of us who have made it and make money consistently in the market are making it from the novice traders who have visions of grandeur and dollar signs rolling around in their eyes like some old cartoon. If you want to make it in this business, I would listen to the advice in Forex Trading Money Management Tips for Beginners very carefully. I am
going to share with you information that real money traders don’t want you to know about.

I have probably scared you a little bit by now as a newbie beginner however a little fright can’t hurt you at this point, what can though is not paying attention to what Forex Trading Money Management Tips for Beginners is telling you not to do. Every time you are thinking to yourself “oh I will just come back to that” or “I will skip that because it is not important” just think about the bonfire at your party. If you want to get your new money train cruising down the tracks of gold to the front door of your bank every day, don’t skip one word of this book.
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Best part of the trading lifestyle

My final advice to new beginner Forex traders
Always follow the path of least resistance

The road to consistent profitability and (the front door of your bank) is traveled down the path of least resistance; the smart money shows you the way on the price chart so why not just let them take the lead down the path? It is said that it takes 10,000 hours of reading charts to be able to get consistently profitable as a retail trader, why not cut down that time and learn to let the smart money do all the dirty work.

Using your charts to know where price turns are going to happen is a function of price and time, and also supply and demand. Study supply and demand trading, and you will have the information you need to make critical decisions required to make money in the live markets with the smart money. They already know this valuable information because they are the ones who control the markets.

Do you need a crystal ball to tell you what the smart money was going to do? Everyone who invests and trades would like to have one of these, right? Well actually, you do, your crystal ball is your price chart. If you train yourself properly and get the right education and learn the right information from the start, you can use your price chart as a crystal ball to see where price
is going to turn before it gets there. You will also be able to predict where it may go to with a high degree of certainty.

I have a great idea what price is doing and where price action is going to go before it goes there with a high degree of certainty from quantifying the price action of the asset I am working in. I do this the same way every time without deviation or hesitation. When the chart tells me the information I need to know for entry I act on it with unwavering action according to my rule based plan.

Learning to be a great investor and trader does not have to be a long, hard road—trust me on this. I had to unlearn a lot of things that are of no use to anyone in the live markets. I don’t want you make those same errors. Cut down your learning curve so that you can start making real money right from the start of your new investing and trading business. Here is a huge tip for you. Always follow the smart money!

This is how I make money in the market today. I sit in the market with a resting order in the vicinity of the smart money and wait for the retail traders to make their mistakes. Then, I watch the smart money pounce on them. It is very easy to spot this once you know
what you are looking for on the charts and have trained your eyes to see it at a glance.

The smart money knows the average investors are going to do this, and just herd them to areas where they can be fleeced of their money and then sent on their way. It’s just business as usual. Smart money is experts at buying at wholesale prices in the market, and selling at retail. In other words, buying low and selling high. Sounds fairly simple right? The smart money is in the business to make money. Make no mistake about it; they are there to empty the retail investor and traders’ account.

Retail investors and traders are the ‘sheeple of the herd,’ as I said before. They have no idea that they are being led down a one way street that leads to them getting fleeced of all their money. They are the ones who are paying the smart money and losing all of their own assets in the live markets every single day, WHY, because they have been trained to do so.

Once you to start to think like the smart money and adopt their mentality, you can see where they are selling or buying in the live market. Then you can make money right along with them instead of paying them. If you want to be consistently profitable in your
investing and trading business, you *MUST* accept and absorb these basic supply and demand money making principles.

Learning to identify where the smart money is selling and buying on the price chart takes some time. Once you have this skill mastered, you will become consistently profitable almost overnight. Professionals are able to know what the ‘sheeple of the herd’ are doing even before they do it because they can read a price chart and know where the supply and demand value areas are and where the smart money has their resting orders in the live market. Then they just enter where those orders are and sit back and make money off the smart money’s volume.

All I did was study supply and demand trading and train myself to see both of these things happening in the live market. Once I was able to see it at a glance, I immediately started to make money consistently. It took me about a year because I had already studied all the wrong things and had to unlearn about 95% of what I had learned over 4 years. Now I have a double whammy method because I was already using price action.

You must be able to react without hesitation or fear,
and have the confidence in your skills to have a resting order in the market where the smart money has their money. You can also use a market order to enter, however you need to have supreme confidence in your skills to do this type of order.

If you bought this book and have zero experience in the markets, I would encourage you as I have said to study supply and demand investing and trading because it is the only method through which markets move from one value area to another. Become an expert at identifying where the smart money has their orders in the live market and then mimic their actions.

Every day part of my morning routine is looking at current price action and looking for where it has already been and could not trade at and \textit{could not stay at} for any amount of time and then I look to where I think the current price action is going to go to with a high degree of certainty. The smart money shows you all this on the chart.

If you know what you are looking for and how and where to look it is honestly not that hard. The smart money leaves clues all over the chart, and it is up to the retail investor and trader to do their homework and spot the smart money’s enormous foot prints. Is it
possible? Yes, *it absolutely is.*

The smart money cannot hide certain aspects of what they are doing in the market. When the retail investor and trader can read a chart and spot the tracks, they can jump on the smart money’s back and let them do all the heavy lifting when the markets shift. Footprints of the big boys are huge, and they paint the picture for you right on your chart every day — *can you see it?*

A consistently profitable investor and trader in today’s markets follow the smart money. They take the path of least resistance to reach their goals. Why not follow them and have the way paved for you by their money and their volume. *Just sit back and enjoy the ride.*
Do you want to win, be right or make money?

Mixing emotions with money-based decisions is usually a plan for disaster! I ask people who come to me for help if they want to be a winner and be right all the time or be a money maker. Unfortunately, too many brand new traders think that being right is more important than making money, I beg to differ!

Trading success is not just about winning and losing individual trades, it is about making money over time and actually keeping it. You must look at the big picture to become successful. It is a common known fact among professional traders that risk/reward ratio, not winning percentage, is the real key to becoming profitable and sustaining a career as a trader for the long term. What seems perfectly logical to do in our minds may not work quite the same in the live market using real money.

I tell brand new traders they must think in terms of probabilities, and get it ingrained into the subconscious of their trading mind. They must be able to ultimately eliminate emotions for every single trade they place. This may perhaps be the most difficult aspect of becoming a true professional trader, but a trait that one simply must have to stand any chance of
Most brand new traders think that they have to win all the time. As someone once said in a movie “thaaaaaths not entirely true”! Being a professional trader means that you actually will have some unfavorable outcomes in the market and you are OK with it. I have a positive outcome maybe 40% of the time however I make a double bottom oil tanker full of money from that outcome. The other 60% of the time doesn’t cost me a lot, because part of my plan is to know how much I will potentially lose before I take the position.

Should you have a negative outcome on a position if you are using supply and demand it most likely means you saw the value area you opened your position up from wrong that’s all, nothing sinister happened. When this happens to me I just know I needed to have looked further back on the chart to see the supply and demand curve better and perhaps looked at a higher time frame. You need to always be aware of the big picture.

If you have followed your plan everything is known before you click the mouse to place the position in the market. You know what you are risking as your stop to
gain your profit target. All of the information is given to you on the chart. It is your job as the professional to figure out the signals that allow you to identify, quantify and execute quality trading opportunities. Once the opportunity to acquire a position arises you must be decisive and act without hesitation. You should already have determined what your entry; stop loss and profit target will be before taking the position. If it does not meet your criteria then just pass and reassess.

It is very important to develop discipline and have a mindset that is psychologically strong and unwavering for working in the live market. Retail investors and traders do not take the needed time to develop such a mentality and can also get too comfortable trading demo.

*Demo trading is not some video game.* Demo trading is only good for learning your chosen platform for live trading and I highly suggest learning your platform trying out your trading plan to make sure it works and then going right into the live market to try it out with real money. You should do this with a very small amount of money to start off. You can start trading micro Forex for around $500 if you find the right
broker.
Do you like money? Do you like your money?

This section is worth its weight in gold and the information is priceless for a brand new self-directed trader and while lengthy it is worth every cent you paid for this book. If you have zero experience or have already started your trading business but have begun to falter it’s OK. The information I am going to give to you in this section is the most important information you will ever receive in your trading career about money so I encourage you to really take the time to absorb it and follow it if you would like to be a consistently profitable market participant.

Strict money management and risk control is essential to achieve long-term success in the financial markets. The high level of leverage and margin available to traders makes it important to manage risk exposure and to avoid overleveraged positions. As I said earlier if you are going to use leverage or margin you had better learn everything about it and what can happen to you if you get jammed up on a trade going bad on you. Always trade with a stop loss!

If I had only 1 tip I could give brand new investors and traders coming into the business who have zero knowledge and have not done any research, training or
education yet, I would tell them to study money management and risk management first *before* they even begin to look at any other information about the investing and trading business. If you only take away one thing from reading this entire book I would tell you it should be that to study money management and risk management *first* will be the most important you have ever done for yourself as an investor and trader.

New people *do not spend nearly enough time* learning about risk management and money management and it gets them into trouble right from the start. You need to have a risk management plan to be able to be consistently profitable in investing and trading in the live markets. If you don’t, you might as well write a check to your broker for the entire balance of your capital account because you will undoubtedly lose *every bit of it* without a plan.

Being wrong in trading isn’t *wrong* however *staying wrong* in trading will be *death* to your account! Your job in your investing and trading business is to be a money manager not a money maker. You get paid to take risks yes, however you have to be an expert at controlling them, the money is just a byproduct of that
function. The truth of it is simple, money management wins over time, there is no other way to put it. The very first thing that a brand new trader should learn and \textit{understand completely} is risk and money management.

All of the people I know in this business who are money makers actually do not even worry about making money. There sole focus is preserving the capital \textit{they already have}. They manage their risk on every position at all costs and know that they can have a loser every now and then and are ok with it.

When people ask me for help getting started in the trading business one of the first things I ask them is if they have studied money management and risk management. To many times I have had people come to me for mentoring help and I ask them how much time they spent on learning money management. Most of the time, the answer I get is “what do you mean”; it never surprises me and is the response I anticipate.

If a brand new trader takes the time to learn money management in the beginning there won’t be any having to go backward in the learning curve, which can get \textit{verrrrrry} expensive. Unfortunately \textit{no one} tells new traders they need to study money management first
and they are left to fill in the blanks themselves. Well now, if you have purchased this book and you are brand new to trading, you know that you need to study money management first if you don’t want to lose money in the live market.

The number one thing I have people learn who come to me for help when they are first starting out is risk and money management, they don’t get to learn anything else before this is mastered 100%. This is the one area where most new people make some of their mistakes. I find that they are quick to jump into trading their demo accounts once they have some knowledge about the mechanics of trading however they have spent very little or no time at all on learning money management. Once they start losing money right away they wonder what the heck is happening and why things are working like they thought.

Everyone wants to make some money in the live markets. That is what this business is all about however one must take the proper steps to make sure that they have all of the information to be able to do so in the live market. Without proper money management skills it is very easy to develop bad habits on the demo account which when taken with them
into a live market situation can cause serious damage to a real money account and very quickly. These bad habits are very hard to break once they are developed and ingrained into the traders psyche.

In learning money management a new self-directed investor or trader can begin to see what their own personal risk tolerance is. You must know this before ever stepping foot in the live market with your hard earned real money. There are plenty of scenarios and formulas for risk management however what most investors and traders find out is that they will only want to lose a set sum of money before saying OK that’s enough and close out a losing position with a loss. Part of being a winning professional trader is to learn how to lose professionally as well. You will not win every single position you enter, you should also be prepared for that.

Most of these professionals have what I call “smart plans” meaning their position is managed from the time it is executed in the live market until the time it closes itself out at the designated profit target. Notice I said closes itself out. That is because most professionals including me use an automated system to do their trading.
Money management in the live market is what it is all about not trading. You don’t actually make money by trading you make money by being in the market in your position. If you don’t have any money left you can’t be in the market.

To succeed at trading the financial markets, you need to not only thoroughly understand position sizing, and risk amount per trade, you also need to consistently execute each of these aspects of money management in combination with a highly effective yet simple to understand trading strategy that uses price action in conjunction with supply and demand principles.

Learning money management requires time and attention to detail that most all new traders are not willing to do. Once you have a live position in the market you go from be a trader to a risk and money manager. The only thing you have control over once you are in the live market is how much money you don’t lose.

Experienced successful investors and traders know that employing a rule based money management strategy is one of critical concepts of risk management. Money management for account preservation is not
sexy at all and very boring to study however they are the most important skills in investing and trading that person in the business need to have an understanding of and to have mastered.

If you cannot fully grasp and understand the implications of money management as well as how to actually implement money management principles and techniques, you have a very limited chance of becoming a consistently profitable trader. Until you completely understand and are comfortable with how to have, and how to follow a money management plan I encourage you to stay out of the live market.

Not learning proper trade and money management – Not using stop losses and cutting losses early. You hear that a million times in your investing and trading career. Why is it then, that almost every brand new investor and trader lacks this skill? They have not taken the time to learn this very important skill from the start and it almost always causes them some account pain in the beginning.

The main reason why the professionals are so successful is because they stick to their plan no matter if they are losing money or making a lot of money. They do not ever deviate from their plan because they
know that over a long period of time they will be consistently profitable from having done so.

These people have developed an edge over the sheeple of the herd and exploit them with their edge to make money from them every day. They know what mistakes the sheeple of the herd make over and over again on a daily basis and so does the smart money.

The successful investor or trader then just watches for the smart money to make their move on the sheeple of the herd and then just capitalize right along with them on their power and volume. They know that the herd does not trade with a plan and can see their errors because of it.

There is no letting a position that is in profit come back to turn into a loser due to having the stop loss already in the live market. I have entered the position already knowing what my stop loss amount is money wise so there is no question as to how much I will lose should the position not work out as planned. Once the profit target is hit the position automatically closes and then it is time to look for the next opportunity.

Profitable investors and traders know they can make consistent profits over time and do not look to make
all their money on one or two big positions. They realize and accept they will have a higher probability of having a positive outcome over *many successful outcomes* in the market versus just a few. They only are looking for the lowest risk highest reward positions and will just *wait* until the opportunity arises. When the opportunity *does* come they are decisive and take *immediate* action. Once the action has completed they look for the next one.

Being decisive to smooth your equity curve and managing risk effectively are the skills which should be focused on learning first *versus* last and unfortunately most losing retail investors and traders don’t realize this *until it is too late*. This is what makes consistently profitable investors and traders different than unprofitable investors and traders.

Having a set plan and also having it automated so your profit target and stop loss are deployed when your position is executed in the live market is another way to avoid making money mistakes. As I said before, the only thing you have control of once you are in the live market is how much money you *don’t lose*. By doing it this way and having it automated you can take out some of the stress involved when your real money
is working in the live market.

A money management plan for the type of trading you are doing should be tailored to what *your* risk appetite is *not* anyone else’s. Trading is a very personal business and what works for one trader will *not* work for another. Another way to make your money management plan your own is to compose it to what market you are working and also what time frame you are working in that market.

Your plan should take into account the volatility of the market, time of day you are trading, how many lots or contracts you are trading with. Most successful traders in the market have this information incorporated into their plan and that is what makes them so successful.

The first and foremost thing about money management is to have a plan and then *actually* use it. Too many times traders will compose a money management plan, go in the live market, get into some trouble on a position and the plan goes *out the window*. Unfortunately so does *large amounts* of their risk capital most of the time.

I tell brand new traders what they will find that works
for them the best is the *most simple* money management strategy that they can come up with. They will not know for sure how successful it will be, however that is better than to not have anything in place and doing nothing. The only people I know who make money every day in the markets are the people who have great money management skills, and are well capitalized for the type investing and trading they do. To do it any other way invites financial disaster and risk of ruin. Don’t be that trader!

Once you have studied risk management and then apply it to how you want to invest and trade you can begin to have some success *as long as* you stick to your money management plan and *never* deviate from it. This is where most retail traders get themselves into trouble and cause themselves to lose money. They will set a stop loss and then when price action approaches the stop they will adjust it or take it out altogether. *BAD IDEA!* Once your stop loss is in the market you should *never move it*.

Risk in investing and trading is *unavoidable* however with the proper training and a good sound plan can be diminished when the plan is followed. Risk is also diminished over time when the investor and trader
gains more knowledge as to how much appetite for risk they really have. Without this knowledge the investor or trade cannot gain an understanding or get the experience and competence to make consistent profits.

When you make the decision to go live with real money, that’s when it gets serious and very real for you. You are now in competition with the big boys, who have billions of dollars to play with and have the best super computer technology in the world and code slinging geeks to tell the computer what to see and what trades to execute.

You absolutely need to have a competitive edge in the markets, and you must have it before you do anything in the live markets with real money. I will have some other books out that detail how to develop your edge for making money in today’s live markets, I encourage you to read them all as soon as they come out if you are in this business to make money. If you run with the ‘sheeple of the herd’ you can be assured to not have any edge so don’t, they all study the same information and are all programmed the same way to lose money repeatedly.
To be consistently profitable over the long term one must consider capital preservation their number one rule. *To be successful in this business it cannot be any other way.* It takes money to make money in the financial markets and *once your money is gone it is gone.* This is why I tell clients they *must* study risk and money management *first* and *foremost.*

The moment your deploy capital in the live market you go from being an investor or day trader to a risk and money manager. You have *already* determined the probabilities of having a positive outcome on a position before you took it. Now all there is to do is sit back and let the market pay you by managing your risk on the position. Once you have your money management plan and rules in place it is critical that you be disciplined to follow the plan and all the rules at all costs. It is best to have them written out in a word document or a spread sheet and kept right by you at your work station at all times for reference if you need to.

All professional investors and traders I know will say the same thing if asked what is the number one thing they consider to be important in their business that is *capital preservation.* If you lose all your money in the
market you can’t be in the market.

You don’t need to be “in there” all the time. I only deploy my capital in the live market when I am 100% sure of what I want to do before I do it. I only have to win around 40% of the time to make a nice return from the live market. I am only looking for the lowest risk, highest reward, and highest probability opportunities. I swing and position trade so I do not have to take action that often however when I do everything is I do is predetermined by my plan criteria.

A trick I have traders I help out use is to set their demo account balance to whatever amount they think they will be going to capitalize their real money account with, this way they will know right off if they can work in the live market with that amount of capital or not.

I did not choose to do that and the first time I went in the live futures market and as I said, I promptly lost two thousand dollars. I got back out and studied more. I went back in the live market again and lost another two thousand dollars. Now I am down a total of four thousand dollars real money and scratching my head going dude WTF.
The reason I had lost money is because I did not have any money management skills developed. What I just said I lost is the perfect example of that. The live market *is not* the place to be if you have not done your proper education. There are sharks with fully loaded revolvers in the market waiting for you.

I tell new people that what they are going to find is that what is going to work for them in the long run in their own business and makes money for them is a combination of things they have learned from others and on their own. They put it all together and all of the sudden they have something going and an edge that is making them money on a consistent basis. The only thing that matters in the live market is what works for *you* and makes *you* money. *Once you have found your edge never ever share it!*  

Risk management should be very important to you as a trader if you want to be consistently profitable. You always need to be thinking in terms of capital preservation and not worried as much about capital appreciation. If your plan is solid, the money will come on its own if you are following your rule based plan. Your job as a trader is not to make money your job is to *manage* the money you *already have* so you can
make more. You can't sit at the table if you don't have any checks as they say in Vegas.

Even if you were careless and lost only 50% of your capital you would still need to make 100% to get all your money back. It is possible to do this albeit very hard, and *not likely*, especially for the retail sheeple of the herd. Once they begin to lose money they will start to jump around to different asset classes and systems, this only compounds their problems.

All the trading books (including mine), say that you should not ever risk more than 1 – 2% of available trading capital on any given day trade. On Swing trades, this number may be 3 – 5% of their trading capital. You will have a maximum dollar amount you can lose on any trading day, and *you will cease trading immediately when that number is hit*. What this number is to you depends on your account size. *You should never trade more than you are willing to lose.* The larger your account is *the less* you should be using as risk. On some of my accounts I use .025%.

If you set your daily goal at $600 dollars and are risking $200 on a trade and are stopped out 3 times then *you are done* for that trading day. Turn your charts off and go have a good day. The market will be
Trading and thinking like a consistently profitable trader will allow your trading to improve enormously and the profits will come much easier as you learn to control your risk and let the profits take care of themselves. Always using a SL that's within your comfort level as far as risk goes. You get paid to take risk. So take risk! But also be a money manager. Everyone I know in this business has the goal of having their SL as close to their entry as possible thus having the lowest amount of risk possible. Experienced traders control risk, inexperienced traders just chase money. **You will not have a 100 % success rate**... if you win 51 % and lose 49 % you just need to make a nice living out of the 2 % difference.

The capital one starts their business with should be capital that is **disposable**. Meaning that if all the capital happened to be lost to the markets the investor or trader would not be hurt by the loss *in any way*. I have clients I mentor do that visualization I was talking about earlier in this book. I have them think about throwing their starting capital into their barbeque and turning it on and watching their money burning up in flames and smoke.
It sounds harsh I know, however the reality of it is that when a new investor or trader who has entered the business is not using a rules based plan, has not done the proper education and training and learned what they need to know to take only high probability positions that will give the highest reward and have the lowest risk the outcome is virtually almost always the same. Flames and smoke!

Once you have your money management plan and rules in place it is critical that you be disciplined, follow the plan and all the rules at all costs. It is best to have them written out in a word document or a spreadsheet and kept right by you at your workstation at all times for reference.

Having a set plan and also having your profit target and stop loss be deployed when your position is executed in the live market is another way to avoid making mistakes. As I said before the only thing you have control of once you are in the live market is how much money you don’t lose. By doing it this way you can take out some of the stress involved when your real money is working in the live market.

There is also plenty of information on risk
management and money management online. I would tell you to figure out what type of trader you want to be and to figure out what your money goals are first and then tailor your money management plan to the goals you set for yourself. Learn the right information the right way from the first day and you should have no problems.

Protecting their capital is what professional trader’s do most however they also take great steps to protect the amount of unrealized profit that becomes part of the total equity of his account. To the experienced professional protecting profits is just as important as protecting themselves and limiting losses.

Having a “smart plan” should be the goal of every futures trading business. Smart money management should be a part of every trading strategy and it is something that I really stress all the time to new traders who come to me for help. I tell them to just stay out of the live market until they have a plan composed that they know works for them that is suited for their personality type and also the type trading which they desire to do.

Manage your risk capital with a good risk management profile, and you will be in the markets for
as long as you want to be in them. **Any other scenario is not acceptable.** You can do a search for the following to get more information: Trading risk management, money management in day trading, risk of ruin.

If you haven’t mastered money management I strongly encourage you to *stay out* of the live markets until you do. To really succeed at trading the financial markets, you need to not only *thoroughly* understand risk reward, position sizing, and risk amount per trade, you also need to consistently execute each of these aspects of money management in combination with a highly effective yet simple to understand trading strategy like price action and supply and demand principles. You can do all the scans you want however until you master money management those scans won’t help you.

The best principle in risk management can be stated in three words. **“Use a stop”**! No one, *especially* a brand new trader or investor can be prepared enough for the *volatility* and *brutality* of the live market. It is fine to practice on a demo account to learn your software platform for entries and exits however it is completely another thing to be able to do it in a live market
environment with the best market participants in the world who are trying to take your money. *Keep it simple, be prepared, have a plan and watch your money and you can’t go wrong.*

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Your ego is not a good money manager

Professional traders have a secret weapon that makes them successful. What is it you may be asking? They know what their limitations are and never exceed them. It is honestly that simple. I won’t lie to you and tell you that they all knew this right from the start, no one does. It takes quite some time to know what one’s risk tolerance is for using their hard earned real money in the live markets.

As a brand new beginner it is imperative that you have your self under control before you ever step foot in the live market and execute a position with your hard earned real money. Trading psychology in financial market investing and trading is very important and is something that new traders do not understand and how critical it is to their success.

People getting into this business who are brand new fail to develop the needed mental toughness to succeed in the markets. It is no game in there, and there are people who will walk over the wreckage of your account to get paid. Make no mistake; it takes mental toughness to do this business and you must develop it.
Being a consistently profitable investor and trader means *many* things. It means knowing when to be decisive and take action. It also means knowing when *not* to trade. Professionals develop a thick skin and know when something is *not* a good deal. Once you develop these skills you will know when to just “stay out”. You do not have to “be in” the market all the time to make some money.

It takes a long time to get to this level of psychological toughness. Most new people who come into this business have unrealistic expectations on what they will be able to pull out of the market on a daily basis. *We have all* been there though. Most professionals who are at the level of consistency of making money on a daily basis if they are day traders have accepted that the market will only give out so much and they are good with that.

That should be a huge clue, however because people think this is a get rich quick business when they first get into it and they think that they can learn a few chart patterns and some price action and then can go into the live make and make jet fuel money. New traders are buying Ferrari’s and Gulfstream 650’s before ever making a live trade with real money.
There are many things involved in financial market trading that can cause emotional swings that can affect your trading decisions. Lack of self-control in the markets leads to stress, anxiety and ultimately money loss. No one wants that however most new traders coming into the business are looking for instant gratification and quick money. This leads to a lot of very bad decisions and self-sabotage in new traders and it can get verrrrrrry ugly!

Having your head on straight and your psychology in order is something you must master before you ever step foot into the live market with your hard earned real money. Unfortunately this is one of the biggest mistakes brand new traders make when they first enter the business, and was mentioned in the mistakes brand new traders make chapter, I encourage you to re-read that entire chapter if need be.

The professional trader knows that becoming emotional over a position can be the cause of their losing money and they avoid losing their money like it is the plague. I know for me I would rather eat broken glass and wash it down with gasoline or light myself on fire than lose money back to the market so I just turn everything off. How do I do that? It’s not easy and
takes a long time to master. I trade like I am in a fugue state. I am here by myself in my office with zero distractions other than my trusted companion Angel my cat he’s always on me about clicking the mouse too much.

You must master your own psychology. Having structure and discipline are traits of the most successful investors and traders. Having these two traits among others are critical to being a professional self-directed investor and trader. Without them it will be very hard to become consistently profitable on a daily basis. All investors and traders who are successful have the same traits when it comes to working in the live markets. They know that there is a huge different between being emotional and just plain stupid about their investing and trading in the markets.

Too many times I see brand new traders coming in thinking they can outsmart the market, guess what you can’t. You are the one who is going to get FUBAR. This part of this book will serve as a guide for the brand new investor and trader with zero experience and give you a starting point as to what to study and where to go to get more information on trading psychology. There are plenty of articles out there on trading
psychology and I encourage you to read the ones that may pertain to any issues you may think you have before beginning in this business.

One thing I can tell you that is an absolute about the live market is that as I said, there are people in there who will walk over dead bodies to get paid and make money and you can bet they would walk over yours to get you to pay them rest assured. You must learn to have a “kill everyone” mentality when working in the live markets. You must be able to be decisive and have zero fear and the confidence in your skills to know you will make the right decision at the right time and always follow your plan. They will carve your account up like it is a Thanksgiving turkey and not break a sweat, they eat money.

By now if you have read this far, this book might be scaring the crap out of you. That is probably a good thing. If you are brand new and want to really do this business and are not just playing around.

Here are some things to ask yourself before you begin your investing and trading education and training. Am I the type of individual who is impulsive, tend to worry a lot? Can I remain calm in very tense circumstances? Can I be decisive when it comes time to make a hard
decision? Do I have the ability to follow rules and follow a plan of action? Can I solve complex problems while under pressure?

If you can answer these questions **honestly** to yourself you may have a good chance at becoming a successful investor and trader. If you are not able to be truthful with yourself I will be brutally honest with you here, perhaps it might be best to look at another profession.

You must build a rock solid foundation of principles to work from in investing and trading and a psychological base is no different than the trading base. You must have it from the beginning to become successful; you must develop structure and discipline that is **unbending**.

Having structure and discipline are traits of the most successful investors and traders. Having these two traits among others are critical to being a professional self-directed investor and trader. Without them it will be very **hard** to become consistently profitable on a daily basis.

Investors and traders **must** be able to keep their emotions in balance when doing this business. The **worst thing** traders can do is to become emotional
over a position. When a position is going against them, they can get stressed, knowing they can lose money. Losing money is part of the cost of doing business, and it is a known fact, so there is no reason to become stressed over it. Wasn’t it Gordon Gekko that said “Relax pal, first lesson in business is don't get emotional about stocks, it clouds your judgment,” I couldn’t have said it better myself!

Professional traders don’t let emotions cloud their judgment and rattle them. Despite the stress and pressure that come with their work, they can remain focused and execute their rule based plan without hesitation. They have mental and emotional toughness.

It’s this kind of motivation, mental toughness and highly competitive by nature as well as an inner driving force to overcome competition that fuels the best traders to go the extra mile to achieve their goals. You have to be willing to have a “kill everyone” mentality to work in the live markets. Professional traders know that there are people in the live markets who will walk over dead bodies to get paid and have no qualms about following the smart money down that path of least resistance everyone is always talking about.
Successful traders know their own trading personality profile, they know what makes them tick (no pun intended). They all have developed all the personality traits needed to be a consistently profitable market participant over the long term. They develop habit patterns such as having a morning routine that they do religiously every day before trading. I talked about them at length earlier in the book so now might be a good time to re-read those habits and make a note to start developing them.

When clients come to me for mentoring one of the first things I ask them is if they have looked inside themselves, the only place a trader becomes successful from is within. A mentor or a trading coach can only help a new investor or trader so much. New aspiring investors and traders must look within themselves and figure out what they need to do to enhance and perfect their performance in the live market.

I tell all new investors and traders they must have their emotions under control before they ever set foot in the live markets and put their hard earned money to work. It is one thing to learn how to execute your trading plan on a demo account to learn how the platform you will be utilizing to place your positions in
the live market. It is entirely another thing to do it in a live market environment with the best market participants in the world. I suggest moving into the live market as soon as possible on a micro account in order to experience the psychology of live market environment trading and the feelings that go along with using real money to work with, especially if you’re losing. As I said, you can be wrong you just can’t stay wrong.

Take some small real money positions and always use a stop loss and profit target. If you use an ATM strategy that places the stop and the profit target at the time the position order is placed in the live market, there should be nothing to do but sit back and let the market do all the work, you can be strictly hands off.

The less you have to do while in a live position, the better off you are. There is no stress involved in letting the market do all the work for you. If a position goes against you, then you have a possibility of losing money. If you already realize this before you enter the market, then again I will say, there should be no stress or anxiety about it.
When readying yourself to move into the live markets with real money you should have overcome all of the following issues. Fear of success as it will hold you back from achieving consistency and being indecisive when making a trade decision. If you are following your plan this should not be an issue at all. You should have overcome all barriers to making mistakes while executing your plan.

You are not hesitant at all and can execute a position without any emotion at all and then follow through for the final outcome good or bad. You have removed all stressors from your trading environment (no kids, no pets, NO WIFE). You are now committed to becoming a consistently profitable market participant and know that you are able to go in to the live market with zero fear and know that there will be losses at times and are ok with that.

Losing money is part of the cost of doing business, and it is a known fact, so there is no reason to become stressed over it. It is what it is, and is going to happen at some point the question is how much you lose. Quite honestly that is the only thing you have control of once your capital is deployed in the live market.
There is also a lot of fear involved in trading. When traders make a mistake in their analysis, which causes them to take a loss, they can develop a fear of being wrong all the time. This can psychologically prevent them from “pulling the trigger” when they need to. This is all the more reason to trade with a plan and stick to it in good times and bad.

The flip side of that is that traders will not let a position go to its profit target and thus cannot realize the full profit potential of the position and cause themselves not to make as much money as they could have. They close the position out early before the profit target is hit for fear of losing the gains they already have in the position. If you have analyzed your supply and demand value areas properly this should not be an issue and your profit margin should already be known.

The worst thing traders can do is grudge trade or impulse trade. They think that they have to get back at the market due to having a loss. What they should do is take a break and walk away, get some air, have something to eat, or whatever. Then go back and evaluate what happened with a clear perspective. Unfortunately, this is hardly the case, and often
traders go *right back* into the markets and continue to lose money. The market *doesn’t care* if you take a loss; however, *you* should!

The day you “pull the trigger” and go from your demo account to your real live trading account your whole world is going to change including your emotions. It did for all of us who have made it and it will for you as well. You *will* have to do it however the better prepared you have made yourself for the outcomes the better you will do from the onset of your live market activity.

I have a great idea what price is doing and where price action is going to go before it goes there with a high degree of certainty from quantifying the price action of the asset I am working in. I do this the same way every time without deviation or hesitation. When the chart tells me the information I need to know for entry I act on it with unwavering action.

In this section I will leave you with this. Check your ego at the door please it doesn’t belong in the live markets. The thing I am saying here is that in live market trading you need to check your ego at the door when the opening bell sounds. In the live financial markets your ego is not your amigo! There is a line in a
song that comes to mind here. “Check yourself before you wreck yourself”.

To trade like a machine a trader must be well prepared at the beginning of every trading day. This can only come from paying attention to detail, mastering a strategy and focusing on execution. Also, knowing who you are trading against is critical. If you understand, and can identify the human emotions of fear and greed of the sheeple of the herd on a price chart you can make these emotions work for you instead of against you. Putting all this together is what will make you a world class trader.

You can do a simple search for “trading psychology” online and do more research as to what you need to know and how you can overcome any issues you may have before making any costly mistakes. This is what it takes to become a professional in this business.
Using a rules based strategy will help your money management

In live market trading it helps to keep the decision making process as consistent and objective as possible. Using a rules based plan for your trading is a must and is a trait all successful investors and traders I know possess. A winning plan should be able to sustain your profitability over time in order that you can keep all your hard earned profits you make from the markets. Your simple rule based strategy should only have you buying at price levels where demand (wholesale prices) exceeds supply and selling at price levels where supply (retail prices) exceeds demand.

The reality of it is that too many undisciplined new traders don’t spend enough time composing a rules based plan for the type of trading they wish to do. I have my clients think about what their monetary goals are and then help them compose a great trading plan, becoming a great trader, and attaining their goals.

There is no room for excuses in the professional traders mind and thus they know that they are the final decision maker on what is being done or NOT done. They are in complete control of all aspects of their trading plan. They have mastered keeping their
emotions fully controlled and are aware they are in control of the destiny of their long term investment strategy and management of their portfolio. This is one of the things that make them so successful and it is all done by following their rule based plan.

Let me paint a couple of different pictures for you right up front so you can get a picture of what it will be like going in the live markets without a rule based plan and unprepared or even underprepared in your mind. This will give you an idea of what can happen by not having or using a rule based plan in your trading and investing business.

Think of yourself on a nice vacation down in beautiful Australia and you are out sport fishing somewhere around the Great Barrier Reef.

Now you are preparing to set your line but need to get your chum (bait) out first and as you are working on the chum you accidently cut a very deep gash into your leg around your Femoral artery, and just at the moment you do that a rogue wave hits the boat and knocks you and the chum bucket overboard and into the water. Now you are the water bleeding profusely with the chum and the 21 foot great white sharks that frequent the area you are fishing in. It is said that
great white sharks can smell blood in the water for 1000 nautical miles and be in the area in a nanosecond. You can finish this one however you like but the sharks win.

The second one is real easy. Imagine you have some huge cajones and you decide you are going play Russian roulette with a loaded revolver that’s fully loaded. As the song says “click click BOOM”! Only you are the one who is going to get FUBAR. That’s what you’ll be doing by going in the live market unprepared and without a plan. You can kid yourself all you want and say “it will never happen to me” however trust me it will.

While these examples may seem harsh to you if you are brand new and have zero experience and are looking for information to get you started in the trading and investing business just remember them when you are screwing around on demo doing all the kooky stuff you will do. Demo is where you can do all that crazy stuff you will try, like trading 20 cars on crude oil or gold with no plan. Get it alllll out of your system in demo though because the sharks are waiting for you in the live market. The sharks just might hand you a loaded revolver so be prepared.
I tell *all* new people I help out that what you will find is that over the course of your learning curve and time in the live markets that you will ultimately find that what is going to work for you and make you money every day or month is a combination of things you have learned over time and have put together to make your own winning rule based plan. What works for one trader will not work the same way for another however that does not mean you cannot adapt different ideas to fit your own trading style.

Developing a trading plan takes a lot of hard work sometimes as much if not more than actually learning how to trade and operate your platform. It takes time to see what works for you and what does not. It also takes a lot of time to develop the rules that go along with your trading plan. Having a plan and some rules are critical in this business. To not have them and stick to them is a recipe for financial disaster and account ruin.

It doesn’t matter how many or how few rules you have in your plan. Most investors and traders I know who are consistently profitable on a daily basis have a simple plan that is perhaps one page or less. It is one thing to have a plan it is however the most important
thing to do is to **follow the plan at all costs**. I always say if you are a known rule breaker then just don’t too many however you must have some.

One exercise I like my clients to do to get them in the habit of following their plan is to pretend they are an airline pilot and they have to follow a checklist at all times and never break any procedural rules or all lives could be lost. Airline pilots by the way are some of the best investors and traders out there in the business today. They are used to doing what I just described and will not deviate for any reason.

Take the last paragraph and just imagine that your account balance is the lives and if you do not follow your plan *all* of your money could be lost. Make no mistake you can perhaps lose *all* of your money by not having and following a plan.

Successful investors and traders know that that having a simple plan is the only way to have a profitable significant *edge* in the live markets. A plan does not have to be complicated to be successful and these consistently profitable investors and traders have come to realize this and actually use the simplest methods in investing and trading which as I said, is supply and demand.
One of the things that traders do is they get monitoring their positions confused with trade management. If you have followed your rules based plan and determined your entry and exit as well as your stop loss and profit target there should be nothing to do really.

What I mean by monitoring your position is to make sure your automated strategy if you are using one is doing what it is supposed to be doing. This is critical as even the best automated strategy can have a discombobulation at some point.

I only recommend using an automated system if you are using it for putting on and taking off positions as well as executing a stop loss and profit target at the same time as the position is being executed in the live market. Then it is truly hands off. All you need to do at that point is to keep your hands off the mouse and let the market do all the heavy lifting for you. Can you do that?

Until you can monitor your live market positions without actually doing anything I strongly recommend that you stay out of the real live market with your hard earned real money. Just because you are monitoring
what is going on does not mean you have to take any action!

The sooner you can get your head around that last statement the more money you will be able to make. That’s is what you are in this business for so have some control and do what needs to be done to become successful. Be disciplined and don’t make the mistakes this book details. Do not become one of the sheeple of the herd and do what everyone else does and study what everyone else studies.

Your job now as a professional investor and trader is to manage your money and control risk at all costs. You are basing all of the decisions you make on your developed logic not with emotions. You are confident that you would much rather pursue a low risk entry or have only a small loss if it should happen. It is only low risk, high reward and high probability outcomes that you are looking for now, just like the Wall Street banks and the smart money.

I recommend that if you are not able to give investing and trading your full-time attention, you should have your money managed by someone qualified who does it for a living. Learn as much as you can about the trading business, and then when you are ready, you
can make the transition to doing it as a full-time business for yourself. You can certainly do the learning and education phase of this business part time however you *absolutely should not do* the trading part of it part time.

Learn to think independently and make *unlimited* money for yourself for the rest of your life!
Use the *easiest* trading method there is to learn as a beginner

There are only a few different ways to be a market speculator. You would either become an intraday trader, a swing trader or position trader or a scalper. I am sorry to inform you that there is *no such thing* as scalping unless you are an algorithm. *Are* you an algorithm? I think not! Even *if* you could scalp you would need to be using an account size of five hundred thousand dollars or more to make it worth the costs that you would incur doing that type of trading. Don’t be a kook and try it because as a retail trader you will lose *all* of your freakin money. *ALLLL OOOOOOF ITTTTTT*!

If I could introduce you to a far superior stress-free and relaxed approach to investing and trading that yields less risk and much more reward potential than the rapid paced, mentally draining high frequency trading intraday strategies would you want to do it? If you could make an *unlimited* amount of money and not have to be in front of your workstation while you are doing it would you be down for that?

I am talking about the “end of day” trading approach, where you only have to spend a *small amount* of your
time in front of the charts per day interacting with the live markets, and have a much better chance of achieving great results for such little effort. When I say small amount of time I’m talking maybe 5-10 minutes small, that’s it. The rest of the time in between those 5-10 minutes is yours to be doing anything it is you want; anywhere in the world you want to do it. It honestly doesn’t get any better than that in this business; it’s the ultimate slacker lifestyle way of making an income for yourself. Remember, you don’t need a job you need an income, right? End-of-day trading basically allows you to fit in trading around your schedule as a beginner when you are first learning how to trade.

One thing is absolutely for sure in trading, and that is time equals money. The longer term your perspective is the more money you will make. EOD trading allows you to be in the market for a longer period of time thus making you more money. Just because you are in the market for an extended period of time does not mean you need to be in front of your workstation for a long time. One of the hidden benefits of EOD trading is that it also captures overnight gains (which could be a lot) that the other trading sessions may add to your position. I always like to say that you don’t make a lot
of money by trading you make a lot of money by being in your position in the live market.

The beautiful thing about end of day trading is you only have to check the charts at one critical time of the session, the New York Close. New York close candles are considered to be the standard by smart money and also many professional traders and essential for end of day trading strategies. This allows many people to take up trading, while not having a negative effect on their normal day to day life lifestyle. End of day trading strategies are focused mainly on using the daily time frame, it’s easy because you only need one chart set up other than a weekly or a monthly for doing MTF analysis. As a beginner it is the easiest fastest method to learn to make real money right away in the live markets.

It’s only when a brand new investor or trade truly starts grasping the realities of end of day trading that they realize how much time they could be free. What is freedom worth to you? For me, I already had a lot of freedom from another business I already owned, I just wanted more of it, freedom that is, and I also happen to love money so I also wanted to make scads more of it as well. I had to learn how to capitalize on low
volume, low risk, high reward, but also high probability trades.

Sometimes it’s just those subtle things that you overlook, like the closing price, that can give you a piece critical information to anticipate future price movements. When combining the PA of your chosen instruments with supply and demand and EOD trade signals it is the most robust easily repeatable method for any beginner to learn in a short period of time, in order to begin making money right away.

One of the biggest advantages of end of day trading is the way in which it allows traders to carry out their trading activity around a demanding “slacker lifestyle” or other various shenanigans in the life of a slacker trader. Weather its hopping a plane to go meet friends in Europe for a fun weekend or scuba diving in Belize with whale sharks, chilling out at the marina on the back of the boat, what it’s going to be?

You’ve heard the saying “trade less and make more”? This EOD method of investing and trading is exactly how you are able to do that. It has some great advantages for a beginner investor and trader that will enable them to make money right away right from the start of their career which we will talk about now. An
obvious reason for end-of-day trading is that it’s a lot easier to set up and implement for a beginner trader.

As a beginner here is something for you to think about. One or two trades a month can make you a very wealthy with regard to the size of the amount of money you win on those one or two trades, and you don’t even have to be in front of your workstation. If you trade stocks there are over seven thousand stocks available to trade on a daily basis at any given time so it is quite easy to find something that has a signal which may meet the criteria of your rule-based trading plan. There are 250 trading days in a year so you have plenty of time to make money.

Brand new investors and traders are able to step back and look at the bigger picture, and contrast the daily time frame vs. noise charts as I call them (lower time frame), have a much clearer and more accurate view on how the market is moving. This means better accuracy, lower risk and higher reward higher probability potential for each trade. The only other charts they need to look at when doing EOD trading are the weekly or the monthly or both to get the bigger picture curve for the supply and demand value areas they need to trade from.
Once you have learned and mastered an effective trading strategy like supply and demand and use it in conjunction with price action, you then need to formulate it into a rule based trading plan to achieve your profit goals from the markets. Beginners tend to over-complicate the easiest part of trading, which is analyzing the charts and looking for a trading signal. It is because they are conditioned to do this right from the start of their trading career. If you are only trading from your rule based plan there should be no question as to what set ups you are taking.

Some advantages to end of day trading for beginners are: end of day keeps you out of the market noise and intraday volatility that happens every day which in turn reduces the stress that is caused by watching lower TF charts. This method of trading is the easiest by far for a beginner to utilize the supply and demand method of trading on and be able to make money right away.

This end of day method of trading is the method that actually lets a trader live the slacker trader lifestyle everyone is so keen on that gets into this business. This trading style actually enables to you to live it. I always love saying intraday traders are only ones who
work 80 hours a week to have more free time, really? I work about 30 minutes a week if that, although I am a position trade who thinks in long term time horizons. I can put my marker in the market in the morning, get driven to the airport and be anywhere on the planet in 24 hours and making money while I’m en route.

Stay in the trend and your profits run *blah blah blah* new traders hear that a million times when they are first starting out but no one tells them how to do it. With end of day trading you can do just that because you only have to look at a chart one time a day. *Can you get your head around that?* I sure did, and quick too. You should be in the trend *until your plan rules say it’s time to not be in the trend anymore* and if you have automated your trading plan and method there should be *nothing* for you to do.

The beautiful thing about the supply and demand trading techniques used in end of day trading is that they can be used on *any* liquid market on *any* time just in case you decide you want to do a bit of short term income trading, these supply and demand trading techniques can slide easily into your method, all without compromising your trading potential or your capital account.
End of day trading is much more objective because you only have to analyze *one signal* at the end of the day. It honestly does not get any easier than that. Automating your trade plan also keeps the decision making tasks to a minimum and reduces your workload as well so you can be living the slacker lifestyle we were talking about, *right*. If the signal is there *BOOM* your plan takes the signal if it’s not then *IT’S NOT*. When your plan is automated you can “set and forget” and go live your life.

By implementing this kind of “set and forget” approach with an automated buy stop order, you don’t have to sit it in front of the screen and wait for the execution to occur. The automated buy stop order will automatically trigger you in if one occurs. This removes emotion from the equation, because you are letting the market do all the dirty for you. The trade will either trigger and work out, or hit your stop loss or not even trigger at all. Set and forget combined with EOD trading is a very powerful combination. When your method is automated you can be hands off and **be right and in** or **be right out**.

This type of investing and trading also keeps your cost of doing business down, *waaaay* down. Remember it
costs money to make money in the financial markets and the less you have to pay in commissions, settlement fee’s broker fee’s etc. the more you can be spending on adding more contracts or shares to your next position or buying fuel for the G650.

You can either trade the signals you get at the end of the day or you can chose to trade them on the open of the next day, the choice is completely personal when doing this type of investing and trading. These is no right or wrong way written in stone the only right way is the way that works for you and matches up with your trading plan and methods, it also fits your personality and makes you money, period!

Your rule based plan should have your executions being automatically done for you and your SL taking you out of the position if you use a trailing SL methodology, if not, then your exit should only if your PT is executed from the PA.

One more way that end of day trading is great for investors and traders are that it keeps you clean and sober from becoming a “chart monger”. What is that you may be asking? A chart monger is a retard newbie dumb ass who is addicted to the action of the chart so much they cannot get away from them and have a life.
The difference between “chart mongers” and educated traders is not letting the euphoric feeling of winning money influence you’re trading psychology and behavior.

You must be able to and have the ability to step away and break the connection from the live market. End of day trading helps with this and much more as far as a trader’s psychology is concerned. You must be able to disconnect if you want to have all of that slacker time we’ve been talking about. I won’t lie and say I never took my laptop into bed with me when I was first coming up however once I learned about end of day trading I just turned everything into a slacker lifestyle perspective and that was all it took for me. What’s it going to be for you?

This business can have physically draining and mind numbing effects take their toll not only on the traders account, but also on their day-to-day life. This business can and will burn your soul if you let it, don’t be that trader.

One time when I was coming up learning trading, I had bought the house I have right now and my sister was here doing some work for me. I was in my office screaming at the chart I was on at the time and she
just looked at me and said dude “you need to chill”, I was like a madman. Finally after a while when I got my head out of it and became consistently profitable she would call and say “did you get that potty office chair and fridge for your office yet”? I still laugh about that one, but she was right and that is one of the biggest reasons I went to EOD trading. The free time and freedom I have now are something everyone who gets into this business wants but is not willing to spend the time to learn how to get so they trade intraday and think it is the way.

Once I learned EOD trading I never looked back, and rarely trade intraday unless it is for short term income or if I need to buy fuel for the G650 for a weekend jaunt to where ever. Just kidding but you get what I am saying right?

You would be hard to argue with a trading system that allows you to make you an income, lets you do any hobbies or interests that you would otherwise have been doing in your spare time, now you can do them full time, it’s a hard deal to beat, and you can only get it (the slacker lifestyle) from investing and trading in the financial markets. Set, forget and head to the jet.
Freedom, unlimited income, slacker lifestyle, *what the hell are you waiting for?*

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It is essential for you to overcome over trading as a beginner

There is a line in the song Smugglers Blues by Glen Frye that states “the lure of easy money has a very strong appeal” in trading for brand new traders that is what gets them into a loot of trouble. Don’t be that trader! The key to consistent profits is not as elusive as most traders think, I ask new traders do you want to get rich quick or do you want to get rich forever? The easy part of investing and trading is making the mistakes, the hard part is what to do with all the cash you will make from being patient and letting the market come to you and give you what you want. What do you like? Do you fancy cars, private jet travel or better yet owning your own G650 or perhaps your own little piece of heaven in the Caribbean somewhere?

New people who get into the trading business have dollar signs in their eyes. They are buying Ferrari’s and G650’s before they ever make a live trade. The unrealistic expectations they have can cloud their judgment as to what is real and not real. All they see is the amount of money that they can potentially make. People want instant gratification and are willing to do anything to get it, like taking on large amounts of risk
and over trading their accounts; this is especially true of brand new self-directed investors and traders. Unfortunately the markets do not work that way and there are people *already in there* who *do* have a kill everyone mentality and are waiting for brand new investors and traders coming into the business who have the unrealistic expectation that they are different and can beat the market. They know what you’re thinking before you *think it* and what you are going to do before you even do it and they’re getting rich off of it. Wouldn’t you like to be one of *them*?

This section is important for a beginner and will try and get you to think and explain that you don’t need to overtrade to make exceptional returns, what you’ve got to focus on is finding those low risk high-probability trades, they are plentiful if you know what to look for *where*. It all builds on those supply and demand principles you studied for your trading method. New traders think that in order to make a lot of money trading you need to take a lot of trades, *which could not be further from the truth*. Over trading is relative depending on the type of trader you are and the time frame(s) used to make trading decisions.

Trading too large for account size and misusing margin
and leverage as a beginner are what causes new retail traders to blow out their account before they even have a chance to make any money. Brokers make it very easy for you to do this due to the amount of leverage and margin they offer the new trader. They know and are counting on the fact that you have not done much education and you do not have any kind of money management skills.

Overtrading is a problem for a lot of traders who are brand new to the business of making money with money. New traders think they have to be in there all the time to be making money and that is simply not the case. They have no idea that they can actually trade less and make more, much more. They don’t understand or appreciate what you can achieve by going for the only the lowest risk highest reward highest-probability trades; going for fewer trades, but only higher-probability trades.

Many new people coming into this business get in the habit of over trading their accounts from the start on their demo account and they think that they can get away with it in the live market environment. That could not be further from the truth trust me on that! A trick I have brand new traders I help out use is to set their
demo account balance to whatever amount they think they will be going to capitalize their real money account with, this way they will know right off if they can work in the live market with that amount of capital or not.

Most new traders when they hear professionals talking about “over trading” think that over trading is taking too many trades in one day or at one time. Over trading is simply using more margin than you have the account size for on any given trade. The rule of thumb is to only use 2% of your account size as a stop on any one trade. You should start off with this in mind as a beginner and then compose your money management plan for the account size you will be trading and also what asset classes you will be working in.

A huge mistake new investors and traders make is that they come into the business undercapitalized and have not prepared themselves for the circumstances of losing some money. It takes a good amount of beginning capital to start off in the live market in order to give yourself a chance of have a successful outcome to your career and business, and a new investor and trader needs to be well capitalized in order to be able to test out their plan and method if they have developed one. How much money is being well
As a general rule of thumb the number most professionals recommend starting with at least twenty-five thousand dollars of investing and trading capital to start out for a new investor and trader to be well capitalized in order to be able to test out their plan and method if they have developed one is with for trading full size contracts and positions. This amount of money will enable a new investor and trader to see if they really have what it takes to do this business in a live market environment and have some longevity. I have also seen the numbers as high as 50 to 100 thousand dollars. I know this is not what you wanted to hear however I am trying to keep it perspective for you. It is also another reason to read this book very carefully and grasp and understand the principles it talks about fully. Unless you are very very good and/or very lucky or a combination of both you need to realize that you will surely lose some money when you first start out investing and trading real money in the live market, it is pretty much a given.

To go into the live market with 2-3 thousand real dollars is not necessarily unrealistic as long as you were only using it to trade a micro Forex or micro-cap stocks. To try anything else with that sum of money is
not recommended at all. You have to remember to always take into account the expenses of making money with money, it’s not free, there is exchange and settlement fee’s to be paid along with commissions.

Consistently profitable day traders are the ones who typically take only the few quality opportunities offered to them every day, typically near the open of the trading session. These traders are usually very good at making key decisions on the fly and do well. Day trading also allows traders to take advantage of the many short-term imbalances in the markets each day however you have to have trained yourself to see these imbalances to be able to capitalize on them.

Here is a quick tip I can give you. Supply and demand is most out of balance at or near the opening of trading in any financial market. This is the best time to be looking to execute a position into the market. Have a resting order at your noted value area and let the market do all the work for you to give you your fill. If you don’t know what you are doing, don't trade at the open. But if you do trade because that is the time when most of the transfer between accounts occurs, morning is the golden opportunity.
The downside of intraday trading is that it is made to look attractive due to the get rich quick aspect of the business. While you can perhaps do very well in a short period of time, 97% end up losing money in this business. There is also the added difficulty of competing with market makers, HFT’s, and AMM’s at the day trading level. Day trading is the most time-consuming style of trading as it requires you to be in front of your computer screens while you're trading. If you are not good at making quick decisions you are not likely to succeed at day trading. You’ll also need a huge freakin trading capital account!

I also tell clients just starting out to set their demo account balance to the amount of starting capital they have in mind to work with in the live market when they begin to trade live. I tell them to program their demo account to add in all commissions and exchange fees they will be paying in the real market. As I said there are expenses to making money with money.

This information is easy to get from the broker you will be using. Just ask them what the cost of one round turn will be and also what all exchange and clearing fees would be on that round turn. This information is critical to have in order to have a real world market
feel when practicing your skills on demo. Once you have all the numbers just plug them into the demo platform you will be using and then you will have a somewhat accurate picture of what you will be doing in the live market in real time for when you begin to use real money.

Just always keep in mind that investing and trading on demo *is not real time* and the orders you are executing *are not* being transmitted to the live market. There is no one on the other side of the positions you are executing. In the live markets for every seller there has to be a buyer and for every buyer there has to be a seller. The markets only work on supply and demand.

When you are ready to go live with real money I encourage you to start off with a micro Forex account to get yourself familiar with live real money trading and executing live positions into the real time markets. You can start off with a live money micro Forex account for *as little as 500 dollars* depending on what country you are in. Once you have some experience with using real money and the jitters have subsided then perhaps you can move into some other asset classes after you have built up your account to be able to take on more risk.
With real money on the line you must always have your positions planned out before ever executing a position order. I recommend to my clients that they have their stop loss and profit target executed with the position order for a no stress hands off entry. To do this you need to be utilizing a trading platform which will allow you to build an executable strategy of this type. Do your research to find out which software will allow you to do this.

To actually make a daily living from investing and trading, professionals are trading a large account size in order to be able to trade a sizable amount of contracts known on the inside as trading “size”. Most professional traders trading an account size of one hundred thousand dollars or more are seasoned professional investors and traders who have done the time and have successfully built up their account size over a long time to be able to trade enough size to make a living doing trading and investing as a business.

Remember this, leverage kills accounts. If you have to use leverage as a beginner it is best you just stay out of the live market until you can enter and be properly funded in your live trading account and if you are going to use leverage you had better make damn sure
you understand *everything* there is known about using it and what the can happen to you if you get over extended and lose all of your money.

I strongly encourage you to take in what I said in that last paragraph. Should you try to go into the live market unprepared and underfunded you will be doing it of your own volition. Don’t say I did not try to give you the right advice here because I am. I will say it one more time *for the sake of your account*. If you try to go into the live market underfunded and under prepared training wise you will LOSE ALL OF YOUR MONEY! Don’t be *that* trader!

Chasing trades and trying to *be in* the market all the time and forcing trades out of boredom are a *huge mistake* brand new trader’s make, if you are working with a rule based plan for what you are doing in the live market you should not have this problem. Your rule based plan is the only thing that tells you when to take a position or not. If you are following your plan, you should never be over trading and you would never be forcing a trade or seeing something that is not there. I hate to tell you this, but if a setup is not there *it’s not there!* Trying to be in the market all the time only leads to over trading and high costs of doing
business. Remember there are still costs of day trading and the lower you keep your costs the more money you will have in your account to work with in the market.

In supply and demand trading the chart tells you what to do. If you have trained your eyes to see where the unfilled orders are in the live market you should only be looking to execute positions at those areas and nowhere else. You are only looking to execute a position if the opportunity is telling you that it is a low risk high reward high probability opportunity.

The absolute best way to avoid over trading is to have what you consider a trade to be built into your rule based plan and let your plan criteria tell you whether or not you should actually take a position or not, this will keep your emotions out of the game. You should have rules for quantifying what you think price action is doing in regard to the bigger picture of supply and demand on your trading chart. If you have these types of rules in your rule based plan to begin with there should be no reason for you to be in a position unless the criteria of your plan have been met.

Having a set plan and also having your profit target and stop loss be deployed when your position is
executed in the live market is another way to avoid over trading and making mistakes, by doing it this way, and also having your plan automated you can take out some of the stress involved when your real money is working in the live market. As I always say in every book, the only thing you have control of once you are in the live market is you and how much money you don’t lose.
You *must* overcome the fear of “pulling the trigger” on a trade

The absolute only way you as a retail sheeple of the herd trader or investor will be able to make a living in the live market on a consistent daily basis is to be 100% confident in your skills and have *zero fear* or apprehension about being decisive when it comes time to pull the trigger on a live trade. The logic, rules, and strategy of S&D trading are certainly not rocket science; however brand new traders tend to complicate things for themselves at the onset of their trading careers. The challenge comes in when you actually attempt to execute a consistently profitable strategy on a regular basis.

When trading properly, you have to get excited to sell after the majority of the sheeple of the herd has bought and after a big rally in price, this will challenge every emotional bone in your body to the core, and can be very daunting for a beginner. This chapter is about some ways to help reduce the emotional obstacles to consistently profitable trading for a brand new beginner.

To make a living as a professional trader, *especially* doing it intraday you will need to be trading a very
large risk capital account. I strongly advise against day trading unless you have a very large capital account and can trade size. What do I mean by a large capital account size? I mean one hundred thousand or more dollars to start. This is really the only way you could make any real money by trading intraday and make a living at it.

The one thing I can tell you that works, is keeping it simple and it will be. I strictly am a position trader now. I made some money day trading and got the hell out. I don’t day trade anymore and I don’t recommend you do either. I know you won’t listen to me at least for now and you will day trade so just learn it the right way from the start if that’s what you want to do.

So here are some ways that a brand new beginner can reduce the emotional impact of working in the live markets with their hard earned real money. The first way I tell new traders they can do this is by simply making the candle color on the chart they use the same color. Most people use red and green candles which make for a cool looking chart but may not always be the best choice for real trading in the live market with real money and I’ll tell you why.
If you are selling short *after* a rally in price and *into* an objective supply level (which is the highest probability shorting opportunity), you are likely getting ready to sell short *right after a bunch of big green candles form*. Selling short after a series of big green ERC candles is scary as hell and *not* comfortable as that creates the strong illusion that price is going to keep going higher, *what is even scarier is that it absolutely could*. If you are doing it in gold or crude it could cause you to *piss your pants* if you’re wrong!

This huge move is normally seen like I previously have said as a large expanded range candle (ERC) or a bunch of them. Does not matter what color you make your candles and I suggest you just have them the same color, as the color of the candles will *make no difference* as to what data the candle is telling you. The only people that can make an ERC in the live market are the smart money. The color of the candles is not nearly as important as the location of the candles the smart money is making.

All that matters is that you understand and become an expert at what to see, quantify it and where it is happening. When PA comes back and revisits this value area again in the future is when you want to be
there waiting with your resting order in the live market or be at you’re work station ready to click the mouse and execute the position. Here is another tip. You already can see where price traded at, you need to see and quantify where price could not trade at.

Once you learn to see these value areas and quantify them in real time you will be able to invest in any asset class on any time frame, you will also be able to have the confidence to set it and forget it. This is the most robust method of investing and trading there is today and has been this way since the beginning of time. Every new trader thinks they need some magic method or indicator and they are sadly mistaken.

Set it and forget it trading is also one of the names for supply and demand trading. In this type of method you can set your resting order in the market based on your rules and analysis and then just wait for price action to come to you, doing this can greatly reduce the stress of trying to click the mouse to pull the trigger when it is time to do so.

The investing and trading business is a business that is all about patience. It is a lot of waiting around for a price to get to where you need it to be to make your money and that can take a while sometimes. It requires
an iron will not to chase the price or to see something that is just not there. Doing these last two, chasing and seeing things that are not there, will get a new trader into a lot of trouble. **IF IT’S NOT THERE, IT’S NOT THERE!** All the more better to only work from a rule based plan that has criteria that tells you when to execute a position.

Only do what you know to be true when working in the live market. The value areas are *quite easy to spot* once you have trained your eye to look at current price action and then look up and left as far back as you need to go. Spot them, draw your lines accordingly, then *wait* for PA to come back and fill your resting order you have waiting. If you are using an automated strategy which as I said, I *strongly* encourage you to do, all you will have to do is *set it and forget it*, sit back and wait to get paid. When you set and forget it can truly give you all the free time you are looking for from your brand new trading business *and then some*. If you are willing to put forth the effort and learn how to trade with a *set it and forget it* mindset you can have a very nice life from trading the financial markets.

If you are there with your order you can take advantage of this movement and make money from it.
I also recommend that you have a stop-loss order and a profit-target-exit order attached to your entry order when it is in the live market waiting for price action to come and fill it. I suggest you automate as much of your trading plan as possible and let the market do all of the dirty work for you.

All you have to do when your order is executed is sit back and wait to get paid, very simple, it honestly doesn’t really get any easier than that! To be successful you must be able to filter what is real and what is not. That takes a while to learn, however it is do able. You just have to want to do it. Just ask yourself this one question: do I want to continue to lose money? Your answer should be a no brainer! Smart money shows you the money – can you find it? Open your eyes and smell the money.

I tell newbie’s the day you “pull the trigger” and go from your demo account to your real live trading account your whole world is going to change including your emotions. It did for all of us who have made it and it will for you as well. You will have to do it (pull the trigger and trade live) however the better prepared you have made yourself for the outcomes the better you will do from the onset of your live market activity. You need to be on point need and at the top of your
game when pulling the trigger with your capital, if you are not; you most certainly can and will get FUBAR.

All traders who have overcome the fear of pulling the trigger on a trade who have become consistently profitable use a solid uncomplicated rule based plan. They have achieved their long term success by properly executing their plan flawlessly over and over and over again. They are prepared to execute a position at all times with zero fear or hesitation and this is just one of the traits that make them successful. Make no mistake about it, you better have overcome any fears of clicking the mouse to execute a trade and be completely prepared to work in the live market before you ever set foot in there with real money.

Your rule based plan should be solid by now and include your criteria for entry and exit using supply and demand value area information and any other metrics you have incorporated into your plan. This information should also have your risk reward criteria as well. If you’re set up does not give you the correct risk reward that fits your plan criteria then it is up to you to make the decision to not take action, you now know when not to trade.
I tell new traders they can be wrong after they pull the trigger, they just can’t stay wrong, as it could be will be death to their account! If you have taken a position and it starts to go against you, it is not time to panic and start trying to exit. Why? If you have created a rule based plan that takes into account that a position might pull back a little you will have a protective stop loss there to save anything catastrophic from happening, right.

A traders strict adherence to their rule based plan ensures that they have the edge needed to pull the trigger in the live markets every day with zero fear and have the confidence in knowing that by following the plan they will be giving themselves the best possible opportunity for a high probability positive outcome and ensuring their long term survival in the live markets.

Your trading plan will be the difference between success and failure in the live market. When you are writing and making your trading plan you will need to keep in mind what type of trader you have decided on becoming and what your goals will be. Your trading plan should be tailored to the type of investing and trading you will be doing in the live market and also
reflect your psychological makeup which will also help when you do pull the trigger on a trade.

The plan you make for trading is entirely personal and should not reflect what any other investor or trader is doing. How you become successful is going to be entirely dependent on you not someone else. You are in control of your investing and trading business and your plan should be your own. Once you have your psychology and emotions under control you will achieve consistency and be able to make as much money in the live markets as you desire. Combine that with solid money management principles and you will have become a professional investor and trader who can pull the trigger on a position and just sit back and enjoy the ride.

There is also a lot of fear involved in trading. When traders make a mistake in their analysis, which causes them to take a loss, they can develop a fear of being wrong all the time. This can psychologically prevent them from “pulling the trigger” when they need to. I remember the first time I pulled the trigger with real money and executed a live market position. My hand was physically shaking after I clicked the mouse and I thought my heart was going to burst out of my chest it
was beating so hard. I have a laugh about it now but man that was a crazzzy adrenalin rush for sure, it gets easier though, trust me.

Another great way to overcome the fear of pulling the trigger and filter out fear and greed from your trading is to automate it. When you see that your criteria of your rule based plan are set up in the market you should set your resting order in the live market and then let your automated plan do all the work for you.

You should filter out news, events, and all data that will not help you in the live market and automating your metrics can also help with this. You now know that the only thing that matters in the market is where the imbalance of supply and demand is and where the smart money has their resting orders in the market. Additionally, you must know where the retail ‘sheeple of the herd’ are making their mistakes also.

When smart money is buying you want to be buying, when smart money is selling you want to be selling. You know what they are doing and can see it on your price chart. You are now investing like and trading like they do and therefore shall make money with them all day, every day.
It’s this kind of motivation, mental toughness and highly competitive by nature as well as an inner driving force to overcome competition that fuels the best traders to go the extra mile to achieve their goals. Having a “kill everyone” mentality to work in the live markets and pulling the trigger when everyone else *is doing the wrong thing* can be daunting to say the least and will challenge your being to the core. Call it being contrarian or whatever you like but if you can’t do it (pull the trigger live) you should just stay the hell out of the live market until you can.

Successful traders know their own trading personality profile, they know what makes them tick (no pun intended again). They all have developed all the personality traits needed to be a consistently profitable market participant over the long term. They develop habit patterns such as having a morning routine that they do religiously every day before trading. This also helps them to be relaxed and to able to just pull the trigger without fear every time, kind of like a machine would.

The take away from this chapter is that you *will* need to be prepared to work in the live markets with your hard earned real money. You can trade and learn your
trading platform on demo however you will have to pull the trigger and trade live with real money at some point. The choice is entirely yours as to how you will prepare yourself psychologically to compete with the best traders and investors on the plant on a daily basis and make money.

A trading checklist can be a subpart of your trading plan or a condensed trading plan, it could even be a type of scoring sheet to check off that you can reference when you’re on the edge of your seat about to jump in the market. Your check list should include all the parameters of what you exactly need to execute a trade. If all of the parameters on your checklist are not met then your check list is not complete and it is good to take no action. Cash is also a position, always remember that.

This checklist is one thing that can really be of assistance to a brand new trader in the sense that they can have something to follow as a guide line that works in conjunction with their rules based trading plan they have composed for the type of trading and investing they wish to do.

What does a check list need to have on it you may be asking? Your trading check list is going to be the most
personal part of your plan actually because it is going to tell you whether to pull the trigger \textit{or not} to execute a position in the live market with real money. Should your parameters not be met on the check list, as I said in the last section, it is going to be best to \textit{take no action}.

Something your check list \textit{could} include as basics are: What is the trend is it up or down. Is it approaching a supply or demand value area? If you are using any indicators are they giving you buy or sell signals in that supply or demand value area? Are there any important data points coming out that could be a catalyst for price action to be pushed into your charted supply or demand value area? Are there any of your indicators which are giving you confluence for trade execution? Are there any of your candlestick reversal signals in the value area?

These are just some basics that can be on the check list. You will need to do \textit{a lot} of searching within yourself to develop what your execution signals will ultimately be though. No one is going to be pushing the button on the mouse \textit{but you} so it is important to have it all down pat \textit{before} you push any buttons.
When it all started to come together for me it was not until I start using the principles of supply and demand in conjunction with price action that I started to really see a change in my profits. I had to go back and learn the basics of what supply and demand are to be able to understand how to utilize them in the live market. Supply and demand is the only thing that moves price in the market.

Now I can place a resting order in the live market, get driven to the airport, board a plane and fly anywhere on the planet with confidence and zero fear. I truly set and forget. Stops are in; emotion is out as it were.

The thing I count on knowing is that my stop loss and profit targets are in the live market as well. There is nothing but time at this point which has enabled me to write this book you are reading and all the others I have out currently. When you do a set it and forget it trade you had better have done your homework!

One more great way that can help you to pull the trigger on a live trade and to really succeed at trading the financial markets, is for you to thoroughly understand risk reward, position sizing, and risk amount per trade, you also need to consistently
execute each of these aspects of money management in combination with a highly effective yet simple to understand trading strategy like price action and supply and demand principles. As a brand new beginner people do not do this and it ends up costing them some or all of their hard earned money in the beginning and it doesn’t have too.

Concentrate on having on a solid well-constructed trading risk plan. The better your plan is, the more you're going to be able to move forward with confidence and zero fear and be able to pull the trigger without hesitation. You can also identify when your best trading schedule is. When do you find you do your best trading, during RTH, Asian session, London? If you can determine what time works best for you it can greatly help with your profitability. Only go in the live market you work in when the liquidity providers are providing liquidity in your market.

The consistently profitable trader is actually very excited about pulling the trigger on a trade because they know that the trading opportunity is very low risk, as you are entering your position as close to your protective buy stop as possible and it is all automated so you can be truly hands off. Make sure you always
adjust your position size to a level that you're more than comfortable with and when it's time for entry, instead of watching the chart and fearing a potential loss, focus on how low risk the opportunity is. I’ll say this one more damn time. Only trade with capital that is disposable so if it is all lost in the markets there is no emotional attachment to it.

The best traders are the best because they constantly try to improve themselves. I can’t stress enough how important this mindset is in trading. The markets are dynamic, and they will demand the very best of you day in and day out. Automate your plan, keep your losses small, use mono colored candles then just set it and forget it. Pull the trigger, make money!

Here is a trick I give the people I mentor to use. You want to get the best price in the market right? Buy low sell high as it were. Cut out a coupon (any coupon) out of the paper and tape it to the top of your trading station monitor so you can always see it. Then when it is time for you to pull the trigger look at that coupon and ask yourself “am I really buying low” “am I really selling high”? After a while you will have broken yourself of any bad habits, trust me.
Only two things can happen, you can be paying them every day or you can be making some money right along with them. Don’t be the one who pays be the one who gets paid!
Develop a “smart plan” then implement it for the best money management

Another way to increase your win percentage is with an important edge-building consistency tool which is to use a “smart plan”.

Professional investors and traders, at least the ones I know and associate with, are only interested in one thing and that is capital preservation. Nothing else makes any difference and is the most important thing that is in their plan for money management in the live market.

Most of these professionals have what I call “smart plans” meaning their position is managed from the time it is executed in the live market until the time it closes itself out at the designated profit target. Notice I said closes itself out. That is because most professionals including me use an automated system to do their trading.

Money management in the live market is what it is all about not trading. You don’t actually make money by trading you make money by being in the market in your position. If you don’t have any money left you can’t be in the market.
Having a “smart plan” should be the goal of every trading business. Smart money management should be a part of every trading strategy and it is something that I really stress all the time to new traders who come to me for help. I tell them to just stay out of the live market until they have a plan composed that they know works for them that is suited for their personality type and also the type trading which they desire to do.

New traders make the mistake of not having a plan to manage their trade once they get a fill and once that happens they have no idea how to deal with it. They sometimes get panicked when the trade is suddenly making money and they don’t know what to do to manage the equity they have in the position and will close the position prematurely.

The best way to filter out fear and greed from your trading is to automate it. When you see your criteria of your rule based plan is set up in the market you should set your resting order in the live market and then your automated smart plan do all the work for you. The chart tells you what to do and where to do it you just have to have a solid plan for what to do with the information the chart gives you. I even have a
smart plan for long term horizon positions I am in. The smart plan automatically moves up the SL when the PA of the existing position moves up a certain amount, the entire management of the position from open to close is *hands off*.

The consistently profitable winning professional investor and trader *only* enters a position based on their plan which normally calls for the stop loss and profit target to be *already known* before the position is even entered. I personally use an automated entry so there is *no emotion in it*. I just set the entry parameter in the live market and when I am filled everything is done for me. All I need do at that point is wait to get paid. There is zero stress, zero drama, and zero complications.

My smart system executes my trade and places the stop loss and profit target right when the trade is executed. There is no doing anything manually. Once the position is executed it either makes money or gives me a small but manageable loss. Most of the time, I don’t even look at the chart and am not even there while the trade is working. I am at the beach, or the cigar club or anywhere but in front of the chart, that is the beauty of the smart plan, it’s smart.
All that matters at the end of my trading is how much I have made in the market, that’s it, no office politics, no BS drama, no complications, just money making. I don’t even need to be in my office to make money as my own 3MS&D+3 method takes of all the business for me because that is how my “smart plan” is composed. Profit target and stop loss are in emotion is out, beautiful!

As I always like to say, you have to be willing to develop then have a “kill everyone” mentality to work in the live markets. Professional traders know that there are people in the live markets who will walk over dead bodies to get paid and have no qualms about following the smart money to where they are going. Professionals let the smart money lead the way and do all of the dirty work, moving and shaking with their money and volume. Why not just learn to do the same?
Ways beginners can increase their money management and winning percentage

I always ask brand new traders who come to me for help if being right all the time, winning lots of trades or making a lot of money is the most important thing to them and then I wait for their answer. The answer I always get is “I want to make money”, hell we all want to make money in the financial markets it is what they are there for.

Unfortunately, new traders think that winning trades is more important than making money, IT’S NOT. Nothing is more important in the live market than making money! Dig this, you can be wrong 40-50% of the time and still make a double bottom oil tanker full of money. You can be wrong, you just can’t stay wrong. Winning and being right are typically things that brand new people to the business associate with being profitable and successful, that could not further from the truth.

Your entry needs to be correct in trading the live markets, meaning low-risk, high-reward, and high probability, if it is not, the other components of your trade, such as the exit and management will not work in the manner they should. This section focuses on
some simple and powerful methods related to how you can and should increase your winning percentage as a beginner so you can make money right away. First and foremost though, you must have a full risk and money management plan in place in your overall trading plan for any of the following ideas to work. You must have a complete handle on what your own appetite for risk is and what your trading capital account can allow you to trade with.

Ways beginners can increase their winning percentage right away are always make sure they have the correct profit margin that meets their plan criteria for what a profit margin is to them. That can only be determined by you as to how much you want to make on a given position. Your profit margin from your value area is the distance from your entry to your profit target.

An S&D value area is a price level where there is competition to buy or sell an instrument. If you are trying to buy where others are looking to buy, you are going to have to compete with them at that value area which makes getting filled there challenging for a beginner trader. A much easier way to get your buy/sell order filled, is to buy/sell before price reaches the value area where there is less competition to
buy/sell and gives you a much easier and better chance at getting filled. Another way to think about it is instead of buying when there is competition to buy/sell, buy/sell back for your profit when there is still competition to sell/buy.

So here you go then. If you are looking for trading opportunities that offer you 3:1 risk reward, make sure the chart is offering you at least 4:1. If you are looking for 4:1 risk reward, make sure the chart is offering you at least 5:1. If you want to increase your winning percentage even more, if you are looking for 3:1, make sure the chart is offering 5:1 and take profit at 3:1-4.5:1.

You must be able to qualify and quantify real demand and supply in any and all markets with a very high degree of certainty. There is no guessing to this, either you know how to do it or you don’t. If you don’t, take some advice here and stay the hell out of the live market until you have it down pat and can execute positions without hesitation and know what you’re looking for as far as your PM. The smart money gives you all the information you need to do this, and is clearly seen on a price chart if you know what you’re looking for.
The next way to up your winning trades is to *only trade from original value areas*. What does that mean you’re asking? To only trade form an original value area means to only initiate positions from a value area that has *never been tested* once it became a value area, hence being original. This is the *only time* and place you want to be executing a position from and also the only place where the smart money will be working from. If you have learned how to spot them and quantify PA on a chart you should have no problems identifying an original level. Did you look up, left and back far enough? That is one mistake brand new trades make in identifying original value areas, they don’t look back far enough on the chart to make sure the area they are looking at is not just a pivot area.

Another way to increase your win percentage is with an important edge-building consistency tool which is to use a “smart plan”.

The consistently profitable winning professional investor and trader *only* enters a position based on their plan which normally calls for the stop loss and profit target to be *already known* before the position is even entered. I personally use an automated entry so
there is *no emotion in it*. I just set the entry parameter in the live market and when I am filled everything is done for me. All I need do at that point is wait to get paid. There is zero stress, zero drama, and zero complications.

There is no letting a position that is in profit come back to turn into a loser due to having the stop loss already in the live market. I have entered the position *already knowing* what my stop loss amount is money wise so there is *no question* as to how much I will lose should the position not work out as planned. Once the profit target is hit the position automatically closes and then it is time to look for the next opportunity.

Most of these professionals have what I call “smart plans” meaning their position is managed from the time it is executed in the live market until the time it closes itself out at the designated profit target. Notice I said closes *itself* out. That is because most professionals including me use an automated system to do their trading.

My smart system executes my trade and places the stop loss and profit target right when the trade is executed. There is no doing anything manually. Once the position is executed it either makes money or gives
me a small but manageable loss. Most of the time, I don’t even look at the chart and am not even there while the trade is working. I am at the beach, or the cigar club or anywhere but in front of the chart, that is the beauty of the smart plan, it’s smart.

Having a “smart plan” should be the goal of every trading business. Smart money management should be a part of every trading strategy and it is something that I really stress all the time to new traders who come to me for help. I tell them to just stay out of the live market until they have a plan composed that they know works for them that is suited for their personality type and also the type trading which they desire to do.

New traders make the mistake of not having a plan to manage their trade once they get a fill and once that happens they have no idea how to deal with it. They sometimes get panicked when the trade is suddenly making money and they don’t know what to do to manage the equity they have in the position and will close the position prematurely.

The best way to filter out fear and greed from your trading is to automate it. When you see your criteria of your rule based plan is set up in the market you
should set your resting order in the live market and then your automated smart plan do all the work for you. The chart tells you what to do and where to do it you just have to have a solid plan for what to do with the information the chart gives you. I even have a smart plan for long term horizon positions I am in. The smart plan automatically moves up the SL when the PA of the existing position moves up a certain amount, the entire management of the position from open to close is hands off.

Another way to enhance the information you can get from supply and demand value areas on the price chart you are working is to use multiple time frame analysis (MTF). You can also use MTF analysis to line up a smaller TF value area with a larger TF value area from the big picture that is happening in the market you are working in. Using multiple time frames is a must for being in the right place at the right time on a price chart. Use MTF to stack the probabilities in your favor and up your winning percentage at the same time. I only look at daily charts to trade from so my HTF charts are the weekly and the monthly. Sometimes if I need to see historical data I will search out a 30 year chart online. You can look at some historical charts and get data at http://www.macrotrends.net/
Should you have a negative outcome on a position if you are using supply and demand it most likely means you saw the value area you opened your position up from wrong that’s all, nothing sinister happened. When this happens to me I just know I should have looked further back on the chart to see the supply and demand curve better and perhaps looked at a higher time frame. You need to always be aware of the big picture. Using multiple time frame (MTF) analysis or correlative charts is the way to be aware of what is happening in the big picture.

In supply and demand trading it is all about putting the probabilities in your favor. All you should be looking for are low risk high reward high probability entries on the chart you are working on. If it’s not there, IT’S NOT THERE! I encourage you to study MTF if you are going trade in the live market with real money. I will have another book coming out on MTF soon so be watching for it.

If you are still having trouble seeing the value areas I encourage you to go back and analyze why? Ask yourself these questions. Have you looked back far enough left? Are you using multiple time frames (MTF) to do analysis? Does it help you to understand how to
look for and evaluate PA on higher time frame (HTF) charts and how get the curve as well? Look in your journal and analyze what you have done previously that worked and did not. Then just do what did work for you over and over and over again!

Also using correlative markets can be an advantage for a new trader’s win percentage. How I use correlative markets is to see when one market is up the reverse should be true in the other market. The ones I do this with the most is the VIX and the S&P. I love to trade the ETF VTI which is a total stock market index fund that mirrors the S&P’s PA. I know then when the VIX is going down the S&P is going to go up. VTI will go up/down right along with the S&P because it has the same PA patterns and value areas. Only work from the right value areas you have marked off on the charts you work from and you should be able to make money right along with the smart money.

One problem that arises when a trader gets good at seeing the value areas is that when they mark them off and put their resting order in the live market what happens is that their order does not get filled. It is because the banks and hedge funds are working there. Your 1 lot is going to have to wait until the banks 100
thousand lot order is filled. You can always try to front run them, just remember that if you do you will be *increasing your risk* and might be going off your plan if the front running parameter is not built into your plan.

The last way to have a good win percentage is to have a thorough understanding of probability boosters and how to *use them to your advantage* to give you a winning edge over the competition you have in the live markets which is as I have said, the smart money, Wall Street banks, hedge and mutual funds and *allllll* of the other professional traders around the world who “*get it*” and work off of a rule based plan they have composed for their style of investing and trading.

*Probability boosters are different parameters that can help clarify whether you will want to execute a position or *not* in the live market. They are called different names in the trading business I just happen to use this particular moniker. They all do the same thing and give the same result provided they are learned the right way and used properly.*

All professional investors and traders I know are prepared *before* they step foot in the live markets and know there is no such thing as winning every single time, *it’s just not realistic.* They know before they enter
a position what their odds are of having a positive outcome. They have stacked probability in their favor and have the confidence to be in there competing against the best investors and traders on the planet. They do this with probability boosters.

Use probability boosters as a way to increase your winning edge, when using them in conjunction with your supply and demand trading. These probability boosters can help you to increase your chances of gaining a low risk high reward high probability entry in the market which is all you should be looking for when deploying your capital into the live markets. Another name for these probability boosters is odds enhancers or probability enhancers although it is just semantics as they all have the same function in your rule based trading plan.

While there are quite a few of the probability boosters you can study and utilize in your trading and investing. I will give you the four main ones now in this book then you can go out and do a search online for the rest of them and then pick which ones you may want to use and incorporate into the rule based plan you will be using to trade with.
The four biggest probability boosters are: 1. how much time did price spend at a value area? 2. How fast did price move away from the value area? 3. How far did price move away from the value area before returning to it? 4. Has price action ever been back to that area yet? Number 3 is also the probability booster that provides the information about your profit margin.

There are a lot of other ways and extra things like probability boosters to aid the trader in the use of supply and demand that are beyond the scope of this basic book. I will have another book coming up soon that details how to use probability boosters to see more trade set ups so be looking for that book soon at all of your favorite booksellers online. Remember, probability boosters are parameters you can use in your trading plan to give an extra edge over your competition to put the odds in your favor in the live market and increase your winning edge.

When you have mastered your trading strategy and combined that with the money management principles in your money management plan, it will only be a matter of time before you are making consistent profits in the markets and winning as much as you want.
A competitive edge includes as I said earlier a mental edge with discipline, laser focus, and a fail-proof strategy. Enforcing some rules in your strategy is critical and following them at all costs will absolutely make sure you can beat the competition. I always say that if you are a known rule breaker, then just don’t establish too many. However, the ones you do have must be followed as if your very life depended on them, as I said, your account balance certainly does!

Trading in today’s markets is competition at the very top level, where the stakes are the highest. Educate yourself to be a competitor and a winner. You want to have success, right? You need to do it right then!
Those fancy indicators will not help you manage your money – lose them

Do you want to make money? It's why you bought this book right? The good news is you don’t need any fancy colorful indicators junking up you’re charts to do it. You do want to make money right, well then let's get to it then shall we?

Indicators you say? What you add to a raw price chart can strongly influence your trading decision. I’ve seen people waste many hours looking for the be all and end all indicator. There isn't one SO STOP looking!! Indicators are just tools. They are fine if used properly and in the context they should be used in, as an aide, nothing more and certainly NOT for trade decisions!! Please don't let the use of lagging indicators become your reality you will surely be sorry, hence the reason I wrote this book so that you could learn the right way the first time not waste time on learning and education that will only help you lose money. Why do that to yourself? That's right; no one will do it to you but you.

There is only one principle that causes a market—any market—to move price and that is supply and demand. Supply, demand and price action of what I am looking
at are the only principles I use in my investing and trading. You do not need any fancy lagging indicators to see supply and demand on a price chart. The sooner you learn that, the better you will trade and the more money you will make.

All the information is given to you by the smart money players, they leave huge clues that are left for you to sort out, all you need to do is learn to see their huge clues in the market and be able to spot them in real time on a price chart. You can and will most likely make money every day. This is what you need to educate yourself to do. All the rest is BS (including indicators) and won’t help you at all in the live market situation. I always love saying, “I don’t care why they’re doing it I only care when and where they are doing it from!”

There are many other factors that can influence the markets such as reaction to news and political events around the world. Movement of price action always starts off from and gravitates toward value areas of supply and demand. Price action is always attracted to unfilled orders of the smart money, which reside in the live market.
Reaction to news and events just propels price action to these supply and demand value areas more quickly, sometimes much more quickly. You certainly don’t need any fancy colorful indicators to show you that. Price action on the chart shows you what is happening in real time and real time information is what you need to make your critical decisions with not data that is lagging.

What was it Gordon Gekko said? “The most important commodity I know of is information” I also say that even more important than that is knowing how and where to find that information. I love to learn and it was a lot of fun for me however I will say that 95% of what I learned does not help in any way in the way that I trade and invest today. I hope to be able to help you to not waste any valuable education time so that you can be on your way to making real money every day faster than I did. It is one of the main reasons I wrote this book.

Most books and seminars are overloaded with conventional trading analysis which tends to teach you how to buy when everyone else buys and sell when everyone else sells (sheeple of the herd mentality), which is high risk, low reward, and low probability and
will absolutely cause you to lose money if you follow these types of teachings. All most everything that is being taught, in these courses and seminars, is usually completely unrealistic to do in a live market environment with real money.

Brand new traders are buying after price has rallied and also offers buy and sell signals based on indicators and oscillators that always lag price, which means high risk buying and selling. This is how it is mostly taught to brand new investors and traders from the very beginning and only causes them to lose money when they go in the live market and try these things they have been told are the right thing to do and the right way to trade.

There a lot of unscrupulous junkware selling locusts out there waiting to prey on unsuspecting new investors and traders coming into the business, trying to sell you any fancy colorful indicators that go “ding” to tell you when to enter the financial markets. You can use those at the peril of your capital account if you like although I strongly urge you not too.

It is critically important for you to have the important distinction between indicators (if you are going to use them) that may help you in choosing the right tool to
use given the market environment you are trading in. While I am not an advocate of using indicators to trade with, some of them can be beneficial to a trader if they are used properly and only in certain situations to provide confluence of price action at a supply and demand value area.

Some technical indicators measure overbought and oversold conditions in a market and some indicate what the trend of a given market is at that time. You should only be using the indicators to see these conditions and only be using them as I said to give you confluence of price action as it is in the supply and demand value area or approaching one.

Always remember that live price action is the only indicator that does not lag in the information it is providing for you. All the other fancy named indicators do nothing but lag in information as they are always late in printing what has actually already happened with price. Knowing how and when to use the right tool at the right time to support your trading decision(s) is critical. Learn the proper way to use your tools and you can make as much money in the live market as you desire.
It is most unfortunate that many investors and traders just beginning in this business use up a lot of time and energy and sometimes a lot of hard earned money learning and studying the wrong information from the start of their careers. I was no different. I studied everything I could get my hands on. I watched every video on every method I could. Ultimately though what I found out is that the way someone will invest and trade their real live money account is in no way the way they do things when they are learning how to trade and invest especially using a demo account.

While I was learning price chart reading I learned and used every freakin technical indicator there is available. Interestingly, I do not use any indicators at all any more in my investing and trading business now. The only true indicators of what the market is doing and going to do are price and time. Price and time are all I look at on my charts now. They tell me where the supply and demand value areas are on the chart. Those are the only places I take action at. I look for where the smart money is going to deploy their capital to move the markets and then just do what they do where they are doing it from. That’s the real way to make money in the live markets.
What was it Jack Nicholson’s character Colonial Nathan Jessup said in the movie A Few Good Men? “You can’t handle the truth”! Do you want to invest and trade with real information or do you want to be lied too? The only thing in investing and trading that can’t lie to you is price action on your trading chart. Smart money cannot hide what they are doing in the market and it shows up on the price chart you look at every day you just need to be able to spot what they are doing where they are doing it.

There are no indicators needed, no fancy terms, and no math equations to know, just the principles of supply and demand. It is the only thing that moves price action in the live markets. It has been this way since there was a market and it will be this way until the market is no more which will be the end of days. The sooner you can get your head around that idea the sooner you can start making real money.

You must put in the time and get the proper education if you want drive your own money train daily. You must be able to react without hesitation or fear, and have the confidence in your skills to have a resting order in the market where the smart money has their money. You can also use a market order to
enter, however you need to have supreme confidence in your skills to do this type of order. If you are using any kind of lagging indicators on your charts how can you make a trade decision in real time without fear? You don’t have the right information, how could you?

Price and time are the only things smart money care about in the live market and all you need to see this is price action. How much time a given price spends at any value area before it fluctuates again is a function of the smart money’s buying and selling at that price level. All the smart money cares about is controlling their risk in the market and so should you! They are only looking for a low risk, high reward entry where their risk is controlled by how close their stop is to their entry. Easy to state however it is very hard to execute in the live market for a retail investor and trader. Smart money is only looking for the highest probability outcome in the market; they do it without indicators so should you!

Simple, basic, and easy to understand, if I can give you one word of advice at this point in this book I will tell you to keep it simple because trading really is simple if you keep it that way. You do not need any indicators or fancy systems, methods or software that the so called
gurus are all touting. The market *only* works on supply and demand and supply and demand is the *only thing* that as I said earlier moves price on a chart from one value area to another.

The ‘sheeple of the herd’ also listen to the talking heads on the news and the analysts who get paid to make certain predictions. The herd only over complicates things for themselves by adding all kinds of lagging indicators to their charts, which they have been told work well and have been instructed to use.

Real money investors and traders who are consistently profitable *do what the smart money does*. They trade with the ‘sheeple of the herd.’ Professional investors and traders know where the sheeple of the herd are making their errors in the live market because they can see them doing it on the price chart. If you study supply and demand trading you will be able to see them as well and make money from them every day because they make the same mistakes over and over.

Here is something to help you put this section in perspective. Wall Street banks and institutions *don’t use indicators* to base their trading decisions on. They also only are in the business to make money and not lose it so they don’t day trade. So if you can get your
head around that and then start to think and trade like them and see where they are working at on the price chart there should be no reason you are not making some money on a daily basis. Smart money is only looking for the highest probability outcome in the market; they do it without indicators so should you!
Beginner money management mistakes are expensive – here’s what not to do

People as I said get into this business thinking with unrealistic expectations that they are going to make millions of dollars from the start. We all thought it at least once. It is the investors and traders who develop the mindset of becoming well-off and having a great amount of freedom who are the ones who start ahead of the herd and who usually do well in the live markets.

I am not saying that you could not make millions of dollars in the markets because you surely can. You would just need to be using hundreds of millions of dollars to do so.

It is mostly Wall Street banks and hedge funds who are using a lot of leverage which is borrowed money, and OPM (other people’s money) to make the profits they book. The leverage is most of the time money they borrowed from the Wall Street bankers or is it bankster’s, Hmmmmm, more like loan sharks if you ask me. They also use the money you put into your IRA or your 401K and then take all of your beginning trading capital from you because you were not prepared to work with them in the live market, whose fault is that?
All the content in *Forex Trading Money Management Tips for Beginners* is unique in that the information being shared here is all in one place at one time for beginners so they do not have to search around and waste a lot of time doing so. Most of us who do this business professionally are counting on the inexperienced to make all of the mistakes that this book details. It is how we make our money. We buy and sell from the retail investor and trader who have not taken the proper steps to become prepared to be successful in this business.

The most important thing about market education is learning it the right way from the beginning and *not* making the mistakes that other people are making. Don’t become one of the sheeple of the herd. If you learn what *not* to do right from the very start, *you will already have an edge* over the others who did not take the time to educate themselves properly—this is whom you can actually make money from in the financial markets once you can see their fear and greed.

The decision you are making to get into the trading business is one of the most important decisions of your life. Getting into this business and becoming good
enough at it to make a comfortable living from it will test your being to the very core. This is one business that will expose every flaw you have and then some. There is no hiding in this business, and there are people in the business already who know you better than you know yourself at this juncture and they are going to take complete advantage of your every flaw until you “get it” and become a consistently profitable professional whose using a rule based plan every day.

This section of the book details some of the reasons why 97% of all brand new day traders swing traders and also investors fail and lose all of their money. I encourage you to use this section as a reference guide as to what not to do to prepare to work in the live market. The mistakes I detail in this book are universally made by virtually all brand new investors and traders because they don’t have the right information from the start of their time in the business. Now you do, you’re welcome!

So here are some of the top reasons why brand new traders fail and lose all of their money. 1. Brand new traders have unrealistic goals to start. 2. Brand new traders do not treat trading as a business. 3. Brand new traders not do proper education and training. 4.
Brand new traders fail learn to read a price chart properly. 5. Brand new traders do not learn enough money management. 6. Brand new traders fail to develop their psychology for trading. 7. Brand new traders do not compose a winning rule based plan. 8. Brand new traders fail to compose a trading journal. 9. Brand traders invest and trade real money before they are ready to do so. 10. Brand new traders try to trade to many different assets. 11. Brand new traders jump from method to method. 12. Brand new traders fail to get mentoring.

If you pay strict attention to what has been detailed in this section of the book and learn what not to do, you have an excellent chance of becoming a successful and profitable self-directed market participant. Should you decide not to listen to what it says in this book you will have a verrrrry looong and expensive journey I assure you of that! Don’t be that trader!

There is a certain progression of things that brand new investors and traders need to know and study. Unfortunately no one tells them in the beginning that most of the information they need is basic and is mostly common sense, buy low sell high. They don’t usually find out until it is too late for their account and
they have blown out or ran it down so far they cannot trade live anymore until they deposit more risk capital.

Should you decide to try to take any short cuts or sidestep any of the learning process, you can be assured of losing some or all of your money in the live market. The learning curve in this business is different for everyone. Some people catch on to it right away while it takes others quite some time to “get it”.

I encourage you to take as much time as you need to learn everything you need to know for the style of trading or investing you wish to do and build your trading plan around that style. There is a lot to know to be successful in this business and the more you can know in advance the higher the probability of you having a positive financial outcome from working in the live market. Anything else is not acceptable.

Right now, your main concern should be to gather all the pertinent information you can to decide if the financial market industry is a good fit for you. This book offers information to give you a starting point for further exploration.

Forex Trading Money Management Tips for Beginners is meant to expedite your learning curve which can
sometimes be long and costly. I spent 5 years teaching myself and learning how to trade and invest. As I said, you can Google this or that information however it would take you many years to learn what I am going to tell you in this book before you could invest any of your hard earned real money in the live markets and have a chance making real money.

Here’s a thought for you to ponder. If you are studying the same information and the same books that everyone else is then don’t you think you would have the same results as everyone else? If you are buying and selling with everyone else you are bound to make the same mistakes and have the same results. Now ask yourself this question. Am I in the business to make money or lose it? High probability says that if you study the same information as the sheeple of the herd you will become one of them and have the same trading results as them. Remember this always. Everyone other than you is your competition and you must develop an edge to beat them.

As has been said many times before but is worth repeating in Forex Trading Money Management Tips for Beginners trading is not a get rich quick business, it is not the lottery, and it is not some magic lamp with a
money genie that can make you rich with a wave of their hands. The only people getting rich quick in this business are banks and hedge funds. They use OPM (other people’s money) and lots of leverage to put on huge bets that, if they lose, they really didn’t lose because they aren’t using their own money. Retail sheeple of the herd traders don’t have that luxury.

New traders waste a lot of time and energy looking for the holy grail of trading methods and while it does exist it is not what you think and I just told you exactly what it is above. As I said the education part of the trading business adds a lot of marketing hype to what trading is when it is mostly just common sense. Most new traders are so focused on how much money they can make they don’t think about how much money they can lose and that is a problem. Traders tend to look at trading and making money in the short term versus the long term. Now you know how to look at it.
Best part of the trading lifestyle

I have worked independently for most of my adult professional career because I don’t play well others, hell I’ll be honest and just say it, I just don’t like most people. I’m the person who tells people what to do, to be more blunt I don’t get fucked I’m the one who does the fucking, you dig?

Trading is a loner’s profession for sure, I have always made my own life and that choice is one entirely made by moi. Becoming a self-directed investor and trader was a very easy choice for me to make as far as my lifestyle. I already had a lot freedom from another business I already owned; I just wanted more of it, and an unlimited income.

I have always been one to make my own way and as an independent self-directed investor and trader I only have to depend on myself to make an income. I have not relied on anyone else for making money or an income in 20 years and have been semi-retired since I was 41. How’s that hour drive both ways to your job at the “at will” employer feel? Let’s face it you don’t need a job you need an income, the question is who do you want to depend on for it, your “at will” employer? I walk ten steps from my bedroom to my office
(sometimes even sans clothes), I know TMI, but that’s my commute to work. Could you get your head around that? Then keep reading and get busy learning!

All that matters at the end of my trading is how much I have made, that’s it, no office politics, no BS drama, no complications, just money making. I don’t even need to be in my office to make money as my own 3MS&D+3 method takes of all the business for me because that is how my “smart plan” is composed. Profit target and stop loss are in emotion is out, beautiful! Honestly I am either scuba diving, driving very fast cars, or on a plane to somewhere most of the time I am making money, I’m not even there doing it. I don’t publish my 3MS&D+3 method because it is my edge over the competition. I will say that involves the use of the top 4 probability boosters and a known profit margin.

My buddies at the cigar club hate me. When it’s the darkest depths of Winter here where I’m from and they ask what I’m doing for the weekend and I say I’m going to the beach, they know I am actually going to the beach albeit in Belize or Grand Cayman. It is hilarious the way they look at me when I say it, then there’s usually some kind of cursing. LOL When I am home Angel my cat and I take a cat nap at 3pm every
day, well, he cat naps, I cat daddy nap. Can you just take a nap at 3pm at your job?

If you make 20-30 large trading in week, going to the beach to unwind for the weekend isn’t that big of a deal. I just call the plane service (I like to fly private charter and never have to stand in line, you?) then call the car service to drive me the plane, what’s the problem? I spend most of my time every day doing things I really like to do, I do “me”, not anyone else, savvy? I work on things I want to work on, not what others tell me I have to work on. That level of professional autonomy is rare, do you do that at your job, you can if you just take the time to learning trading the right way from the first day.

The sense of accomplishment when you achieve self-directed trading success in the markets independently is unparalleled. There's nothing like finding and taking a good trade that produces lots of upside gain and looooots of money. This is especially true when that trade is making income for you from the sheeple of the herd.

One of the things about lifestyle trading is that I can live and trade from just about anywhere in the world I chose to be at any particular moment, as long as there
is WIFI there I can make an unlimited income. Trading independently offers a level of personal freedom that isn't present in most jobs. Can you just take off and go, do you want too? Maybe you ought to read this entire book again then!

I won’t lie and say sometimes it can be challenging, the truth is that it can often be—and has been—a challenging career choice and one that frankly is less-than-ideal for many people I encounter. It can take a long time learn enough to make enough of an income to live on and you have to grow some huge balls. You need to be on point and at the top of your game every fuckin second your money is exposed in the live market because as I always say there are people in there who will walk over dead bodies to make money so you’d better know what you’re getting yourself into, it can sometimes mentally draining for some people. Don’t be that trader.

Lifestyle trading is great because it affords you the time to do the things that matter to you. By trading higher timeframes there is less data for you have to look at thus leaving you time for you. I use the daily, weekly and monthly charts, and that’s about it. I rarely go below the daily TF and if I do it is to look inside of a daily candle to dial in a value area for a better entry
but that’s all, even then then it’s a 4 hour chart. Here is a tip, the less data you look at the more money you can/will make. If you really want to dial it in you can use end-of-day signals in conjunction with supply and demand value areas for an edge that’s razor shape that will punish your competition in whatever instrument you work in, you’ve heard the saying trade less and make more, this is exactly how you do that.

Less trading allows you to have the slacker trader lifestyle everyone is so keen on attaining. If your smart plan is only allowing you to execute and trade the lowest risk highest reward, highest probability setups, hence have a lot of time on your hands from all the waiting around. Can you hear Tom Petty singing “the waaaiting is the hardest parrrrt”, now you will! LOL

Smart trading equals smart living in lifestyle trading. Make no mistake, it can be a tough road however once you know what you are doing it can be a road paved with gold instead of the smoking wreckage of your burned out capital account. What lifestyle do you chose to have, do you want to depend on someone else or yourself?

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My final advice to new beginner Forex traders

Listen don’t fuck around, investing and trading or the business of making money with money as I like to call it, is dead serious and should you try to get cute, fancy or try to sidestep any part of the learning for doing it only one thing will happen, you’ll get FUBAR and lose all of your money. Matter of fact, all of the professionals are counting on you doing so (getting fancy) in order for them to continue to profit from you, and continue transferring your account to theirs, is that what you want?

I’m just trying to give you the brutal truth in trading, and if you’re not ready to handle it then you should wait to begin this business until you are, can you Jack screaming “YOU CAN’T HANDLE THE TRUTH”. I get a lot of flak from others for letting beginners know what’s up however I know it is falling on deaf ears most of the time so I don’t really worry about it too much.

I also get a lot of flak for talking about S&D trading and giving some details of how it works in the live markets. People always say why are you giving it away,
I’m not really giving any secrets away honestly. *The markets only work on supply and demand and always will*, it’s nothing fancy which is why most new traders get in trouble, they think it is complex and it’s not.

The reality of the live markets is that there are people in there who are smarter than you, have *waaaaaaaay* more money than you, have better algo than you and are trying to take your money and transfer it from your account to theirs. They don't know you, care about you, or have any feelings if you are having a bad day at the office and lose all your damn money. It's just business. The business of making money with money and it is always *your* money. Don't be *that* trader. Learn to do this business the right way from the beginning and you won't be.

Trading in today’s financial markets it is competition at the very top level, where the stakes are the highest. Educate yourself to be a competitor and a winner. You want to have success, right? You need to be prepared to work with the best market participants in the world. That’s who are in there in the live financial markets and *they are looking to kill your account*. Don’t get killed!
The best advice I can give you is *not to enter* the live market with real money until you are ready. It’s really that simple. No one is making you do this business. You are the boss and in control of what you are doing, *so have some*. Entering the live market and using real money before you are fully ready and confident enough to do so will only cause you to lose money and question your skills.

If you just think about what this book is telling you to do logically, *and* what to study, you can soon be driving you’re new Ferrari down the road paved of gold right to the front door of your bank to deposit all of your profits from the success from your new Forex investing and trading business.

All the different types of investors and traders I know use a rule based plan. They all have different rules for the different methods they trade. Their strict adherence to their rule based plan ensures that they have the edge needed to go into the live markets every day with zero fear and have the confidence in knowing that by following the plan they will be giving themselves the best possible opportunity for a high probability positive outcome and ensuring their long term survival in the live markets.
To really succeed at trading the financial markets, you need to not only *thoroughly* understand risk reward, position sizing, and risk amount per trade, you also need to consistently execute each of these aspects of money management in combination with a highly effective yet simple to understand trading strategy like price action and supply and demand principles.

Having a plan and sticking to it is one thing that all investors and traders must overcome to be a successful market participant for a long term financial benefit. This should be the goal of anyone considering a business or career in the investing and trading business. Making *some* money every day should be the goal of all investors and traders no matter what asset class you are working in. This is easier said than done though.

Brand new traders tend to self-sabotage their own efforts at the beginning of their trading careers and businesses because they had not learned that there is a lot to know and have mastered before one can become successful in this business. There are a lot of different things we can do to improve our trading, but there are also things we can do to sabotage our trading as well. One of those things is not *getting* or
having enough information.

It is my goal in this book to give you the information that can help you right from the start of your new trading business the first day. It is so important for traders to start out right from the beginning because the outcome of not having done so is very expensive and no one likes to or wants to lose money. Unfortunately brand new investors and traders tend to lose almost all of their money on their first try in the markets.

The average brand new investor or trader who does not do the proper education and training right from the start loses twenty one thousand dollars on average in the first three months of live trading and an average of forty five thousand dollars in their first year. That’s ugly if you ask me. I’ll take the forty large if you’re just going to throw it out.

Almost all brand new investors and traders make the mistakes in this book when they first start out. Now that you have read this entire book and know what not to do you can have a head start to driving your money train to the bank on a daily basis. I encourage you to read to other books in my beginner’s series as they detail how to become consistently profitable right
from the start of your business.

You absolutely need to have a competitive edge in the markets, and you must have it before you do anything in the live markets with real money. I know I probably sound like a broken record in saying that by now however if you don’t develop your edge before going into the live financial markets you’re the one who will be broke(n). If you run with the ‘sheeple of the herd’ you can be assured to not have any edge. They all study the same information and are all programmed the same way to lose money repeatedly. Don’t be that trader! Always follow the smart money!

Make no mistake this is a dead serious business and you should treat that way. You as a retail investor or trader have a limited chance of having a positive outcome in the live market against the best market participants in the world, not to mention having to try to make money from the machines. It is said that 70% of the market making is done by super computers now. You can’t beat them however you can train yourself to see what they are doing on a price chart and then make money with them.

I like to think of it (the market) as a big bank ATM machine because it is open virtually 24 hours a day
seven days a week just about. You just need to have the proper PIN# to get your money out. Do the training and education and do not make these mistakes in this book and you will be well on your way to having your own personal PIN# to make unlimited money in the live markets every day. While the market is like a big ATM that is open 24 hours a day if you don’t have the right PIN# your money will get sucked into it, of that you can be assured.

As I said to make it in this business you must have the 3 p’s patience, persistence and perseverance. Here are some extra tips I can give you. If I have said it once I have said it 100 million times. Trade smart OR JUST DON’T TRADE! If you have to use leverage you should not be investing or trading with real money. Only invest or trade with money that is disposable and can’t hurt you if you lose all of it. Learn this business right from the beginning on day one. Don’t become one of the sheeple of the herd and study what everyone else is doing.

When the market you are working is volatile take smaller positions. Always feel free to take your profit; the market is always going to be there with more. Only be in the market when the liquidity providers are there
providing liquidity. You should only be in the market if your rule based plan has told you to be in the market and all of the criteria of your plan for executing a live position are there.

Do what the smart money does where they do it at and you have a much higher probability of a positive outcome! Trade what you see happening NOT what you THINK is GOING to happen, you can only do this by using supply and demand to trade with. You can’t lose any money in the market if you’re not in it. Never ever enter a trend after it has begun, you will only be diminishing your profit margin and increasing your risk. Never enter a position when the PA is sideways, hence the CHOP SHOP.

If you don't really see an S&D level then hey guess what, don't enter!! You don't have to always be in the market. If you just wait till PA gets to where you need it to be for you to get what you want you’ll get what you want. Let the market do all the heavy lifting for you. Only do what you know to be true when working in the live market. The value areas are quite easy to spot once you have trained your eye to look at current price action and then look up and left. Spot them, draw your lines accordingly, then wait (I said wait
goddamit!) for PA to come back and fill your resting order you have waiting. If you are using an automated strategy which I strongly encourage you to do, all you will have to do is sit back and wait to get paid. The best advice I can give you is, always use a stop and keep your hand off that damn mouse!!

Finally it is all about being organized and disciplined. Successful traders have this down pat. They have developed their trading edge over time and have mastered it and built their trading plan around this edge. Some of these traders even go as far as writing their plan out on paper and keeping it with them at all times. It takes a lot of time and patience to develop this type of system and these investors and traders have taken the appropriate amount of time to get it down which in turn has made them into consistently profitable and successful market participants. Isn’t that what you want to be?

One last thing I can leave you with. Remember the smoke and flames coming out of your barbeque because you threw all your money in there and didn’t have a rule based plan as to how to work in the live markets, where you are in competition with sharks that are waiting to hand you a loaded revolver that is
Here is one more visual I can give you to solidify how important it is being prepared and competing in the market with an edge over your competition. Remember in the movie Jaws when the boat captain got devoured whole by the shark? He was a stupid ass and went after an advisory underprepared hence the line “you’re gonna need a bigger boat”. Just imagine your whole capital account is Quint the boat captain going down the throat of the shark whole, that’s what will happen in the live market should you decide to go in there without an edge and a proper education, except you’ll be saying “I’m gonna need more capital”.

Like I said, it’s a friggin brutal business so let this be your wakeup call!
I put this bonus section in my new trader books because I feel it can help you get a huge head start in developing your edge for working in the live markets. It took me years to find this information and now I give to you in this book as a bonus. You’re welcome!

This bonus section is just a glimpse of what it is going to take to become successful in the live markets. If you are brand new to this business here are some ideas for using your time in the best way. You first obviously need to have a grasp on all of the data in the above sections. There is a lot of work to do and I hope this section can give you some ideas as to what you need to do.

Demo trading or simulated trading to get the practice of putting on a position and taking off a position is good. It is good for learning how to place your SL and PT and manage them if you work that way. Demo trading is very good to get to know how your software platform works and how to use all the tools it offers you. Drawing lines on your value areas, mapping PA etc.

If you don't have a lot of time right when you first get
into this business to practice trading on demo during regular market sessions then what you can do is record the session and then trade it at a time when you can practice. I recommend that you get a trading platform that enables you to do this as it will help you to cut down your learning curve and practice time greatly.

You want to be in there making REAL money don't you? Do what needs to be done and get it done!!!

I would like you to always remember that simulated/demo trading is just that. You are not trading against anyone so it does not really matter what you are doing. There is no one on other side of what you’re doing. It is great for learning your chosen platform and learning your system/method. You do have a method or system and a rule based plan right? Remember on demo it's really about practicing your strategy and entries and exit's and that's it. It will not work the same in the live market so you should prepare yourself with that in mind.

http://www.informedtrades.com/index.php has a huge amount of free courses for the brand new investor and trader. Simit the owner over there has done a fine job at compiling all the data and information that a brand new investor and trader will need to know and can study there for free. You can journal there and also
perhaps get your questions answered by other investors and traders to help you expedite your learning curve.

I encourage you to study and use supply and demand trading. You can find a great free supply and demand learning thread here: http://www.forexfactory.com/showthread.php?t=428204 Alfonso over there does an awesome job and goes above and beyond what any trader should do to teach new traders supply and demand trading. You should buy him a Ferrari when you become successful. Don’t worry that it is a Forex related thread; supply and demand trading works on any liquid asset class on any time frame you chose to look at and trade from.

Go there and learn with the other new traders who are there. All the rules of using supply and demand for trading are listed on the first page of the thread. There are plenty of chart examples as well. You can also do a search online for a foundation and application course for supply and demand. They are online for free for anyone who can find the information. There are only 2-3 people who teach this type of trading and you should learn it from whomever you understand the best and are the most comfortable with.
All successful investors and traders I know have a daily pre-market routine. They all do the same thing to prepare for the market every day, the same way, all the time. They are in the habit of doing this every single day. They have a checklist of what their routine is and go down the list every day. They have their notes from their analysis right there so they can see them at a glance.

One of the reasons why professional traders have become successful is because they know what they are going to do before they take any action. It is one of the traits that all professionals I know have. They would not even think of going into the live market with their real money without having quantified what the price action of the asset they are working in is doing.

You can get a free demo account on think or swim by just calling. Normally the feed is delayed by 15 minutes. I believe however if you call and ask the technical services person who answers the call you can get them to make it so your feed is in real time. This is important in the sense that if you need to make a real time decision to acquire a position the 15 minute delay could be a problem for that.
Here are a couple of capital scenarios for a beginning day trader or swing trader. You can begin to trade immediately in the live market with real on money on as little as $500. Once you have completed your training and education, become consistently profitable on demo and composed your rule based plan for the type of investing and trading you wish to do you can then begin to trade in the live markets with real money.

The live market environment is the only place you can make real money with your account so you should do it as soon as possible. By trading live right away you will also be able to test your rule based plan and the criteria you have developed to execute live market positions. If it is not going to work in the live market the market will let you know right away trust me on that. The only way you can make real money is to use real money! By trading live right away you will be able to experience both the good and bad feelings of investing and trading live with real money. You’ll find that you become much more emotional when trading real money.

The only way to trade in real time as a beginner in the live market with real money and do it on a $500
account size is to trade micro Forex or micro-cap stocks. Only these two types of instruments would allow you to get a taste of the live market with real money and see if everything you have done up to this point will actually work in real time live with real money. I recommend that all brand new investors and traders start out in this way due to the brutality and volatility of the markets. Brand new investors and traders have no idea what it will be like in the live market using their real money until they actually do it.

Once you become proficient and consistently profitable with smaller lot or share sizes, you can then just scale you’re trading. Once you experience consistent profitable success with small positions, instead of trading more instruments just increase the number of lot or shares for each position.

Model yourself repeatedly after highly successful traders – adopting both their attitudes and behaviors. Find a successful trader or investor or one of each and study them. Look at hedge fund owners who have returned 20% or more over a prolonged period of time. Study them then try to develop a style which emulates this successful method and make one of your own. Before you know it YOU will be the one making 20% or
The absolute biggest advantage when it comes to being successful in investing and trading, is having stuck with it. That's when you can feel good and know that no one did it but you. The more you try to find the Holy Grail and jump from method to method the less chance you will have to succeed in investing and trading, hence the 97% failure rate. Those of us who HAVE made it and ARE successful have traveled a looooong road, which we now cruise our Ferraris on. JK

One of the most common traits all of the successful investors and traders I know is that they all use a journal. If you get into the practice of writing down all of your trades in a journal the information in there can be invaluable to you should you hit a rough patch of trading. Trust me everyone hits a rough patch at some point.

To become consistently profitable and successful in investing and trading can be a long and very expensive learning curve. To go from being a novice who makes a lot of mistakes to a professional who avoids making them like their life depended on it takes quite a bit of time. A journal can help cut down the time it takes and also help with the learning process everyone must go
You might think it takes too much time to journal all your trades however the time you take while doing it is what can be the greatest value of all. The more data you write down the better idea you can have of what is working and what did not work. The journal can and should be used as a self-education tool to further your trading career. I know of no successful professional investor or trader who has not used a journal. They only act on a position if the data points to having had a low risk high reward high probability outcome.

One of the first questions I ask anyone who comes to me for mentoring help is if they use a journal in their trading and if so how long they have been doing it. The information I can look at in the journal can help me to ascertain how I can help them right from the start. I can see their strengths, weaknesses and if they are biased toward any type of trading. I can also look at how they can improve their efficiency and make suggestions on other data they may add to their journal.

In addition to the technical aspects of your trading you record in the journal you can also include how the market was acting, the sentiment, and what the
conditions were that caused you to enter a position. Recording this type of data in your journal will give you a reference point to see what conditions you set that were met that gave you the highest probability for having a positive outcome in the market at that time.

Most investors and traders like to think they are very decisive and disciplined. Then they go back and read the notes in their journal and find out they made some mistakes and perhaps even may have deviated from their trading plan. This information can be a good thing in the sense that it will help to improve any problems which may be arising in the daily work in the market.

You must be able rationalize why you did things the way you did them when in the live market. You are in control of all the variables that enable you to have a positive outcome as a market participant. So have some control and journal why you did it a certain way. No one is making you do this business but you.

I always tell clients to think like they are a money manager of a hedge fund or mutual fund. I have them think about how they would explain their choice on entering a position to their client and what the client would think of their reasons to having their money
entered into the live market in this manner. If you can’t convince the client how do you convince yourself?

Once you have your desired template and the data which you would like to have in the journal you can go back and see your winning positions and then work to emulate those conditions in the future in the live market over and over again. Seeing what you did where and when you did it for a positive outcome can give you trading an edge that will last you forever.

Having a winning edge is what separates the consistently profitable investors and traders from the sheeple of the herd. When you can see what you did right and know what they are doing wrong you can capitalize on their mistakes and realize more profits.

Over time as your account balance builds up it will be just be a matter of adding more size to your positions when entering the same way you have been doing it all along on the winners. That’s how serious money is made in the markets. If you have learned how to see where the supply and demand value areas are on the price chart this will only add to your edge and give you the confidence to enter with the smart money with zero fear.
Over the long run you will just develop the habits of taking a position without even thinking about it when your conditions are met in the market. The reason is because you have reviewed what works over and over again in the analysis you have done on your journal and know what works when and also more importantly what does not.

Another way that the journal can be of great assistance is in your morning routine. You do have a morning routine don’t you? You can use the journal as a way to see what times in the market you have been working in that the liquidity providers are providing liquidity as that is the only time you should be in the market anyway.

You can tell where the supply and demand value areas are going to be because you have already mapped them out and recorded the data in the journal for future reference. It is these value areas that you want to be trading from and taking your profits at. You can even assign them a points system so that you can know when the best time to enter will be.

I suggest you develop a morning routine. Get into the habit of doing the same thing every day all the time.
Here is a good morning routine to start getting in the habit of doing every day before you go in the live market to work. Turn on your charts. While the charts are booting up review your journal and any notes you have made. OK charts are up. Look at current PA where is it in relation to the London and Asian sessions? Where is it in relation to the previous day’s session? Now look above and left and below and left and see where current PA is. Where are the value areas? Where is the curve at? Draw your S&D value area lines accordingly, and then trade according to your plan.

As a brand new trader and investor you should fully realize that no one book is going to give you all of the information that you need to have to be able to make a living at trading. While there are entire books written on the subjects this book covers. This book is written to tell beginning Forex day traders and investors how to do just that, begin.

Everyone has to start somewhere in this business and you must have the right information from the very first day if you want to become successful in this business. You don’t need to know everything all at one time nor could you. You don’t have to learn how to trade every asset class and how to become an expert in every
conceivable aspect of trading. You should concentrate on becoming a specialist versus being a generalist.

You should focus on one market at a time and become an expert at it. This will enable you to make a very good living. A trader friend of mine said to me one time. "Why do you want to learn a bunch of markets when you can just add another contract to what you are already doing that is making you money"? It was like he punched me in the face. Talk about an AHHHA moment!!

Supply and demand trading is by no means the only way to trade the markets, it is however the only thing that makes price move in a market and you need to fully understand that and have a complete grasp of the principles of supply and demand to be a money maker and have an edge in the live markets.

All brand new traders think they need some magic indicator or system to make money in the markets and that could not be further from the truth. This book has given you the truth in trading which is that the markets only work on supply and demand, period! Honestly, the sooner you can wrap your head around what I just said the more money you make in the live markets.
You can do anything you want on a demo platform because no one is on the other side of your trade. When you try to do all that crazy stuff you do on demo in the real world in the real markets you will undoubtedly lose some or perhaps even all of your hard earned money so don’t you owe it to yourself to learn this business the right way from the first day with the best information?

If you go into the market without having done the work required to learn this business thoroughly the market will punish you beyond your wildest imagination make no mistake of that. You might think you can learn a couple of chart patterns and set ups and perhaps a little risk management but trust me when I say that all of us who are in the market every day and make money in the market everyday can see you coming a mile away and know that you have not fully prepared and educated yourself.

Your lack of education and knowledge makes you stand out like a sore thumb in the live market and you can be seen making the same mistakes over and over and over again in the same way all the time and those professionals and smart money players just capitalize on the lack of education and knowledge that the brand
new investor and trader has until they do finally “get it” or we have taken all of their money and transferred it from their account to ours. That’s all the market is really is a transfer of accounts and money to those who know what they are doing and are completely prepared, and work from a rules based plan at all times from those who do not.

The best thing about the market is that it is there every day waiting to pay out the trader who is ready to do business. There are brand new people stepping into the live market every day who are in no way, shape or form ready to deal with the brutality or volatility that can happen in a nanosecond in the live markets on a daily basis. Those of us who work in there and know what to do and when to do it just capitalize and make our money from those who don’t know what the hell just hit them. Which trader do you want to be?

Listen don’t take my word for it, talk to some real money traders and investors and ask them questions. I was fortunate to be brought into the business by someone who was a real money trader and then found a mentor later on after I was already trading with my own real money. He was able to help me move to the professional level.
My choosing to write this book for all the brand new traders and investors just in the beginning stages of their learning curve is the reason I feel there is nothing out there that tells you everything that is important to know to make real money versus just telling you something that will help you learn to trade. The business of making money with money is very serious and you should have your head on straight before you ever begin to use real money to work with.

I have no “system” or magic indicators that will go “ding” and tell you when to enter a trade to try to sell you. No hopium pills here. Just the real world information that you need that will help you to become a consistently profitable trader with an edge on a daily basis if you follow what it says to do in here in this book. I don’t have a fancy “trading room” or service to try to sell you, hell I don’t even have a freakin website.

I am fortunate that I actually do live the trader lifestyle everyone is so keen on attaining. I have chosen a way of trading that allows me to have all of the free time I could ever want or need and still make plenty of money. That is why I am able to sit down and write a book like this for all of the brand new people who
want to get into this business and need some basic starting information from someone who actually *really is* a swing trader and investor and not someone who is just a book marketer.

This book is a true to life factual book about how I came into this business and how I got the level of proficiency that I am at today. No one taught me to do this business. I am self-trained and self-made as far as how I got to be where I am today. I started out with my own risk capital and did not have any outside funding at all. I built up my account from nothing to be able to trade in the manner I do today.

I will say again that it is always better if you can find a mentor to help cut down the long learning curve there is in this business however it *can* be learned on one’s own if you have the proper amount of time to devote to it.

I *strongly* recommend that any new trader tries to find a mentor if possible; a professional real money investor or trader who can answer questions from a real, live market perspective, someone who only invests and trades with real money. Experienced investors and traders can be of great value to the novice retail trader due to their knowledge base and
their developed mental abilities to work in the markets full-time, using real money.

New investors and traders have a lack of psychological knowledge that in the beginning is a detriment to them, and they are their own worst enemy at this point. I would call or text my mentor and say I just did this or that, and he would just say, “In real money?”

I had doubled my demo account four months in a row on demo. Then instead of resetting it again, I let it go and took it up to over three hundred thousand dollars. Once I had done this, he urged me to go in the live market and see if I could really do it with real money. I finally went live and never looked back. I still have an occasional losing day now and then, though. No one is perfect. No one!

What I mean by a losing day is not making any money and giving the market some of my own money. That is my definition of a losing day. What’s yours? I would rather light myself on fire or eat broken glass and wash it down with gasoline than give the market any of my own capital.

I encourage you to get help even if you have to pay for it. The amount of time it can cut off your learning
curve will be well worth the money spent, and the return on investment will be tenfold. It won’t be inexpensive as most professionals are in the market and monitoring whatever positions they have and to mentor you means they need to take time away from what they need to be focused on so be prepared to pay if you want professional help.

The mentor I had and still call and ask questions to every now and then, trades a very large account and does very well. It is all he has ever done for a living all of his life. I did not have a mentor for live trading until I was already doing it and making some money consistently however as I said above if you can find someone who can help you from the start it will greatly reduce your learning curve.

As I said you are your own worst problem when you are just starting out in this business and a mentor can greatly help you from being a detriment to yourself and keep you from self-sabotaging your trading. Too many times people come into this business with dollars signs rolling around in their eyes like some old cartoon.

As has been said before, this is not a get rich quick
business unless you are a hedge fund, and using OPM (other people’s money) and leverage or both. It is precisely the opposite for retail traders. It is a very slow growth of your equity curve and your business.

Don’t get me wrong. You can and perhaps may make a lot of money in this business. Depending on the amount of capital you choose to deploy in the live market at any given time. The trader who mentored me is a full time trader who trades a very large account size. This business is all he has ever done for a living and the only “job” he has ever had. There are days where he pulls out five to ten thousand dollars or more. He is a former bond pit trader so he has firsthand knowledge of the inner workings of the market.

I actually never had a mentor until I was already trading live with real money. He would ask how I was doing and I would be cagy and answer "making a little" Interestingly, he does not trade anything like I do. He is more of a quant than anything else, he likes his numbers. I do what the smart money is doing where they are doing it from and make my money along with them so should you.
I am self-taught and self-made and did it all on my own which makes the success all the sweeter. All of the businesses I own I have started on my own with no help or money from anyone. *I just did it* and you can too.

This book affords readers who are brand new to swing trading and investing the opportunity to really learn and expand their knowledge base as new Forex traders from someone who came up on his own and trades and invests and trades with real money on a daily basis. This book should be a *must read* for novice and inexperienced traders looking to build on their foundations and strategies.

It is my hope that one day it could be taught as a course at all of the top business schools and should be *required reading* for anyone who has zero knowledge of trading and investing who wants to get into it and do it as a business. If you know someone who wants to trade please let them know about this book.

This book gives you a great idea of what it will really take to become a successful consistently profitable trader on a daily basis. There are zero shortcuts to success in this business and there is only fortune to be
had by those who take the right approach and learn the business the right way from the first day. Anything else is not acceptable when your hard earned money is at stake right?

As far as all the rules and regulations of trading are concerned for individual self-directed traders I encourage you to know what ones are pertinent to the style of trading and investing you intend to do for your business. I cover a couple of them in this book however you must do your own due diligence on what is the best way to trade and invest for you once you have the information you need.

I hope you have enjoyed this bonus section as it will serve you well if you follow the advice I give in here. No one wants to spend a lot of time doing all the education and training to do this business only to find that they lose money right away. Making a comfortable living from investing and trading the financial markets is completely possible if prepared for in the right manner.

If you start off small a build on success you will have a much better chance of having long term success and longevity in the business.
Oh and one last thing.

Don't stay long too long!
Extra links
http://www.informedtrades.com/index.php has a huge amount of free courses for the brand new investor and trader.

This is a great free supply and demand learning thread http://www.forexfactory.com/showthread.php?t=428204

Here is a link to a video that teaches how to draw the proper type of lines around a supply and demand value area. https://www.youtube.com/watch?v=jRjdR_kPMyw

Much more information on Forex Futures can be found on the CME website, The CME is: www.cmegroup.com.

You can look at some historical charts and get data at http://www.macrotrends.net/

Here is a great link with a lot of frequently asked questions by brand new traders and investors. http://education.howthemarketworks.com/stocks/beginner-stock-trading-questions/ I encourage you to have a look and try to absorb a little bit of the basic information at a time. You don’t need to know it all by
heart verbatim however it can help you to understand some of the mechanics of how the markets work.

This link helps you to have a better understanding of how stocks are affected by supply and demand. 

The next links will really peel your eyes open and make you think if you really want to get into this business or not. All links provided in this section are working as of the writing of this book.

https://en.wikipedia.org/wiki/Fractional-reserve_banking

https://www.youtube.com/watch?v=TcGldf0UFxU this video is long and I suggest you watch it in 30 minute segments and then try to digest the data. It’s scary because some of things the presenter is talking about happened in 2008 and he is talking about them in what I would guess by the clothing and cars is the 1980’s. 2008 financial crisis had not even happened yet.

This next video will only compliment the one just above and you should watch it and pay strict attention to some of the things the people being interviewed are
saying.

https://www.youtube.com/watch?v=z7nTplUffXg

I encourage you to share these last two videos with everyone you know and love.

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Glossary of terms and abbreviations

ATM = automated trade management

AMM = Automated Market Makers

AI/AO = All in all out

Base or basing = an area where price is moving sideways and price is in balance.

BP = Big or bigger picture

BO = break out

DD = Due diligence

EOD = End of day

EOT = End of trend

ERC = Expanded range candle

FUBAR = fleeced up beyond account recovery

HH = Higher High

HL = lower high

LL = lower low

LH = lower high
PDL = previous day’s low
PDH = previous day’s high
SPEC = speculator
S&R = support and resistance
Range bound = sideways price action
TF = time frame
Trending = PA is in an up or down trend
ROI = Return on investment
RTH = Regular trading hours
TA = Technical analysis
TL = trend line(s)
TOS = Think or Swim
VAP = value area proximity
Disclaimer

This book is for educational purposes only. Futures, options, equities, and spot currency trading have large potential risk and traders should be well-educated before putting real money at risk. You must be aware of the risks and willing to accept them in order to invest in all markets. Never trade with money you can't afford to lose. This book is neither a recommendation or solicitation, nor an offer to buy/sell a futures contract or currency.

Forex, futures, stock, and options trading are not appropriate for everyone. There is a substantial risk of loss associated with trading these markets. Losses can and will occur. No system or methodology has ever been developed that can guarantee profits or ensure freedom from losses. No representation or implication is being made that using the trading concepts methodology or system or the information in this book will generate profits or ensure freedom from losses.

HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS
MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.