



7

steps to becoming a profitable trader

"The smarter way to financial freedom"



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7 STEPS TO BECOMING A PROFITABLE TRADER

INTRODUCTION

Thank you for taking time to download this e-book about becoming a profitable trader. I am sure that you will enjoy it and benefit from it as much as the many others who have read it.

My intention for this e-book is to give you some ideas and tips that will help you become a better trader by applying what you learn. To the experienced trader, you may well know some of the ideas or at least have a similar way of thinking. To the new trader, the ideas may seem simple but believe me they are extremely effective if you put them to practice. I urge you to keep an open mind when reading this e-book and ask yourself “how can I implement these ideas into my trading plan?”

With all of the recent changes in our failing economy, we all want to try to find ways to make and keep money. I mean, who wants the weight of this recession to affect their financial accounts? That is why it is important to understand stock trading. Trading gives you the opportunity to take control over your life and your finances. This e-book will give you foolproof tips to make your financial future even brighter!

Don't you want the option to decide to work or stay home and let your money work for you? Wouldn't it be nice to be able to retire in a few years? What about your kids, wouldn't it be nice to know that your trading strategies, learned from this e-book, have created a strong foundation for their financial

independence in the future? Keep reading to find out how you can do all of these things plus whatever else you desire.

Trading requires an excellent risk management plan whether you know this or not. There are certain rules that must be applied if you want to be a successful trader in the stock market. People everywhere want to know the answer the question “how do I become a profitable trader?” Well the answer is closer than you think. This e-book will change your life and the lives of those around you.

STEP 1 - HAVE A GOOD RISK MANAGEMENT SYSTEM

As far as I am concerned, risk is similar to the “F” word, it is a four-letter word ending in “K”. You can make a lot of money on the stock market if you just stick to a simple disciplined system with strict trading rules, but you can also lose a lot, and very quickly if you don’t.

I believe that one of the most important things about trading on the stock market is risk management. You must have a clearly defined risk management plan that keeps you in the game even if you have a few trades in a row that go against you. Far too many people get involved with trading stocks and shares and only focus on how much money they are going to make and how fast they are going to make. They forget that it is also possible to lose money, and if you don’t have a strict plan in place, you can lose it very fast indeed.

Whenever I place a trade, as well as looking at how much profit I can hopefully take, I will always look at how much I can possibly lose if the market goes against me. Risk management is an absolute must if you want to stay in the trading business long term. If you don’t have a good trading plan and a disciplined risk management system in place, you are not a trader, you are a gambler. Believe me, there is no place for gamblers in the stock market.

Without going too much into risk management systems in this e-book, I want to point out a very simple way of managing your risk in the markets. A very easy tool on all trading platforms helps you do just that and they are called stop losses. A stop loss is an order that you can place at a price that, if your stock price falls to low, you can automatically sell the stock. If your trading platform does not allow you to use stop losses, change to another trading platform straight away.

Let me give you an example of how a stop loss can work for you to protect your money.

Let's say you buy ABC stock at 20\$, and you are expecting it to rally to about 32\$, which would make you a nice profit of 12\$ per share. On the other hand, you have decided that if the stock falls in price to 18\$ that you would want to get rid of it with a small loss of only 2\$ per share. When you place an order to buy the stock at 20\$, at the same time, you should place a stop loss at 18\$ to protect yourself from having major losses. So in the event that the stock goes in the opposite direction of what you predicted it to go, you will be sold out of the trade at a small loss that will not damage your trading account. You will live to trade another day.

So what could happen if you don't use a stop loss? Well let's say that you bought the same stock for 20\$ thinking that it was going to go up to 32\$ as before, and the market turns against you straight away and the price drops over night to 15\$. Would you sell at this point and risk losing 25% of your money? Maybe you will, or maybe you will hope that the stock will turn back around and go up again. Then the day after, the market closes down again and the stock you bought for 20\$ is now trading at 12\$ and you are down by 40%.

You see, there is nothing in the rules of the stock market that says a stock price cannot fall from 20\$ to .50c within a very short time. All you have to do is look at what happened to the majority of the share prices from August 2007 to the beginning of 2009. If that happens to you, I am sure that you would then turn around and say that the stock market is a dangerous place and that it's not for you. Unfortunately, this has happened to many people that have bought stocks and shares using a normal broker who did not advise them to use stop losses.

Be sensible, use stop losses all the time and protect your money. It could take just one big loss to wipe you out if you do not have stop losses in place.

We have a very carefully planned out risk management system that will help you protect yourself from major losses on trades and that will protect you as you learn to trade. For example, when placing a trade, you should never risk more losing more than 1% of your trading capital on any one trade. Let's say you have a trading fund of 10,000\$ and you are going to place a trade to buy ABC stock again at 20\$. You have calculated that a safe place to put your stop loss is at 18\$ in case the trade turns against you. You are willing to put at risk 2\$ per trade. You should then look at your 1% rule, which states that you can never risk more than 1% on any one trade. 1% of 10,000\$ is 100\$ which means that you are not allowed to buy more than 50 shares of ABC stock, because 50 shares at a possible loss of 2\$ = 100\$. Therefore, you would only buy that amount of shares in ABC and no more. This way, you will be allowed to make many mistakes and still be around to tell the tale.

If you decide that you do want to come to one of our trading courses, we will show you our full set of trading rules, which we have designed to protect your hard-earned cash. It is a very simple but effective way of controlling your risk management and will allow you to trade and make money safely even if you get it wrong a few times, and believe me you will in the beginning. It is all part of trading. I recommend that when you are beginning to trade that you trade with small amounts of money. Your focus in the early stages of trading should be on learning how to trade and not on making money. Once you have the hang of trading properly, you will definitely make money. After all, money is only the bi-product of trading correctly.

Once you have decided where to place a stop loss order, you should only move it in the direction of the trade. For example,

if you have bought the stock at 20\$ and placed the stop loss at 18\$ you NEVER, EVER, EVER move the stop loss down again. Once the stock moves up to say 25\$ you may want to move your stop loss to 21\$ to lock in a small profit, or at least move it up to breakeven point, or B.E.P. But, let's just say that the price starts to drop again, you should make one of two decisions: you either sell the shares and get out of the trade taking a profit, or you trust your original judgement that the stock price is going to move up and trust that your stop loss will not get triggered. If the price does drop and you do get stopped out, you should celebrate the fact that you are managing your risk properly. At no time ever should you move the stop loss back down again. Stops must only move in one direction, and that is in the direction of the stock. If you are buying, you move the stop up and if you are shorting a stock, you should move the stop loss down.

Your goal should be to move your stop losses to breakeven point as soon as possible without risking getting stopped out prematurely due to day to day volatility.

STEP 2 - KEEP THINGS SIMPLE - DO NOT OVER COMPLICATE THINGS

Contrary to popular opinion, trading on the stock market is considerably easy to do. It's simple, prices go up, prices go down, and prices go sideways. Once you have learned the basics of technical analysis you will be able to easily spot these price trends and have a good idea which way the market is going to move. I am not suggesting that you will be able to predict the future, but when you get good at technical analysis you will be able to get it right more times than you get it wrong.

If the prices are going up, you buy at a low price and sell at a higher price to make a profit. On the other hand, there is also a way in which you can sell the market short if the prices are falling so that you can make money on the way down as well. You are selling the stock at a high price to your broker and then buying it back at a cheaper price when the shares have gone down in price. I know this may sound strange, but it is something that all good traders use at times when the markets are going down. If the prices are going nowhere except sideways, guess what, you go and play golf or whatever else you enjoy doing, and come back when the prices are moving again. It's as simple as that.

So if it is as simple as that, why do people over complicate things? The easy answer is because we are human beings; it's as simple as that. We humans love to complicate matters for some reason. That's how we are built, we are naturally curious and are always looking for more. If something seems to be too easy, we ask ourselves why and start looking for reasons or begin to look for is a better way to do it, even when we know that things are actually working just fine now. Believe me, there is no need to look any further for a more complicated way to trade on the financial markets. If you just stick to your carefully planned trading system, you will make money on a regular basis. If you stick to your risk

management system, when you do lose money, it will only be a small amount that will not harm your trading account. It is when you start to deviate from your system that things seem to magically go wrong and you begin to lose money. My point is, have a good plan and stick to it religiously.

On the chart below, you will see that the stock has fallen until it reached a low point at around 27.40\$ where the sellers stopped and the buyers took over again before rising again until it reaches a point of around 33\$ where the buyers start to lose interest and the sellers step in again. You will notice that this has happened on a few occasions. This is a good example of a channelling stock. We call the line that we have drawn across the bottom of the chart the line of support. It is a line where the bears cannot seem to push the price down any further and the bulls take over buying again. We call the line at the top of the chart the line of resistance and it that point where the bulls run out of steam and cannot seem to push the prices any higher and the bears start to take control again.



It would be reasonable to say that seeing as past performance shows that when the stock price reaches the support line at around 27.50\$, we would want to buy the stock and place a stop loss at about 26.20\$ to protect us from any major losses just in case the stock changes personality and does not perform as expected. This way, we only risk losing 1.30\$ per share (Please make sure that this fits in with your risk management system).

It would also be reasonable to say that we would want to sell the stock once it reaches a price of around 32.90\$. I would personally want to sell it just a few cents before it reaches the resistance line to make sure that I get out before everyone starts to sell. If I hold on to the stock too long, hoping to grab an extra few cents, I may run the risk of losing out on a decent sale price if the sellers kick in early and start to drag the price down again. By using the support line, we have a good idea of where it is going to fall to don't we? The idea is not to be greedy. Make sure that you take a decent profit and get out of the trade before everyone else starts to sell.

By repeating this buying and selling method with the channelling stock we can profit many times as the price reaches the resistance line before turning back up again. You may well want to work out how much you would have made by trading this one stock. But, beware once the stock moves outside of the channel, it has probably changed its personality and you no longer want to be trading this stock again until you know what the price expectations are again.

We can also lock in our profits on the way up by moving our stop loss up as the stock price moves up, always making sure we don't keep it too tight. We must always give the price enough room to move on a daily basis. Far too many people place their stops too tight without giving the stock breathing room and get stopped out prematurely only to find that the price continues upwards and therefore lose out on a better sale price. We go into stop loss management in great detail on our courses and share with you other ways in which to lock in your profits.

The message is quite simple, once you find a system that works, stick to it and carry on making money. I have met a lot of traders that have been consistently making money because they stick to their system and then they decide to change their trading plan for no real reason apart from that they got bored with it. Oddly enough, once they changed their plan

they started to lose money. Remember the old saying, “If it isn’t broken, don’t try and fix it”.

Most of the time, the easiest and most simple plan is the best plan. Before you ever enter a trade, you must decide where to buy and where you are going to sell to take profits and most of all, where are you going to place your stop loss in case the trade goes wrong.

STEP 3 - YOU MUST HAVE CLEAR PLANS

Whatever we do in life, we should have a plan. A long while ago, I heard a saying that has stuck with me for the rest of my life. It states that “People who are failing to plan are planning to fail” and how true that statement is. If you stop now to think about it. I have done it myself before in the past where I have got to the end of a year and realized that I have not achieved anything only to discover that I hadn't really had any clear set out plans to work to. I quickly realized that if I wanted to achieve anything, I first had to decide what it was and have a plan on how to get there. This goes for all areas of your life and not just for business or trading on the stock market.

When you decide to go on a holiday, you usually have a plan. You probably even plan it before you go so that you know exactly where you are going and maybe what you are going to do once you get there. You plan the travelling times and transport details so that you are not left stranded at the airport. You plan on how much money you are going to allocate for your stay and maybe even how much you need to change before you go just in case you need a bit of foreign currency when you get there. You might even start to plan what you are going to do when you get there, like trips and excursions or the odd evening out. I doubt very much that you will just get there and see what happens. It might be a bit more exciting that way but you are leaving yourself open to doing nothing. You probably even arrange travel insurance just in case something goes wrong.

Trading on the stock market is no exception to the rule. You need to have a well thought out and prepared plan in order for you to succeed. If you think that you can consistently make money without a plan you may be a bit disappointed.

Ask yourself a few questions like, why are you trading? What do you want to achieve from trading on a long term, medium term and short-term basis? The usual answer I hear from people when I ask them these questions is something like “To make more money” and that answer is nearly correct but it is not really precise enough. The reason we want to trade is probably to make money but how much do you want to make, and in what time scale? Are you in the market for the long term or are you looking to get rich quick by trading? Are you looking to save enough money for an early retirement or are you looking to earn extra cash day in, day out so that you can afford to buy a new car or pay off your mortgage?

There are probably a thousand and one reasons why people want to trade but please take a few moments to ask yourself what specifically you want to achieve from trading. You need to be clear on this. We will help people create a 15 year plan to early retirement by looking at how much they want to invest from the start and how much they are willing to add to their trading account on a monthly basis as well as what percentage profit they are looking to make each month. By doing this you will be able to see the effects of what is commonly known as “compounding interest.” We will share with you how to create a critical mass of money so that you will never have to work again if you choose not to.

On a short-term basis, whenever you enter a trade, you **MUST** have a plan of action. In the example of buying a stock, as we mentioned earlier, at what price are you going to buy and when are you going to buy it? What type of buy order are you going to use when you buy? Where are you going to place your stop loss to protect your money if the trade goes against you? And a strange one to most people is at what price are you going to sell? Most people just tell me “when the stock has reached its highest price” but believe me you need to have a target price of when you are going to sell. If you don’t, you will probably make the same mistake as most traders and keep “hoping” that the stock is going to keep rising, even when it has started to fall in price. You see the price falling

but your gut instinct tells you that the price should go up even more, and before you know it, you have a trade on your hands that was making you money and is now losing money. One of the golden rules of trading is “Never let a winning trade turn into a losing trade”

One of the best times to make your trading decisions and your specific entry and exit plans is when the markets are actually closed. This way, you will not be hypnotised by the computer screen as the lights are flashing with each tick up and down in the stock price. You will not be tempted to jump into the trade as you see the price going up before your very eyes as you start to think that you are going to miss the trade. There are literally thousands of stocks on the American stock market, if you miss this trade, there is no reason to worry or panic, because there are hundreds more just around the corner.

When the market is closed, you can sit down in a controlled and relaxed manner and take the time to work out where the major support and resistance lines are. You can also draw trend lines to decide where your ideal buying price would be and where your stop loss should go and most of all, where you are going to sell if the stock price moves up in your favour. Only when you have a clear plan should you ever consider entering a trade.

Once you have done all this, in most online trading platforms, you can enter your trade ready for the opening of the markets. We will discuss, in a lot more detail, which are the best ways of entering the market so that you can buy a stock at the price you want to pay instead of taking the hit and miss approach and paying over the odds.

If your order gets filled at the opening of the markets, the only thing you have to do is make sure that you monitor the price and adjust your stop losses to lock in your profits. Having said that, many of the professional traders will have their plans

ready, and they wait until the last hour of trading before entering a trade. We will also spend more time on this way of trading on our live courses.

Another thing we like to do is keep things really simple. Remember the old acronym KISS, which stands for “Keep It Super Simple” or “Keep It Simple Stupid.” That is exactly what we want to do when we are trading. A decent trade should be screaming at you from the computer screen when it is ready to buy. If you have to start to squint at the screen looking to see if it is a buy or a short opportunity, you should go to the next stock and ignore that one. The most important key on your computer keyboard is the space bar, which will, in most software packages, move you to the next stock.

If a stock is in an uptrend, you would be looking to buy the stock cheap and sell it at a higher price. If a stock is in a downtrend, you will be looking to sell the stock short and buy it back at a cheaper price. It is as simple as that, but the majority of people try to make things more complicated than they really are. Believe me, I have done it many times before and even though I consider myself very disciplined there will be times when I will be kicking myself for making a silly mistake and regret it later. If you ever place a trade that you wish you hadn't, get out straight away and move on.

STEP 4 - LEARN TO KEEP CONTROL OF YOUR EMOTIONS

Your emotions are very important when it comes to your trading success or failure. You cannot be fearful or afraid to make trading choices. Once you have learned all of the tips from this e-book, you will be on your way to success. You also have to be careful not to let greed peak its ugly head out during your trading. You have to make decisions that are in the best interest of your financial future.

On days when you are feeling positive emotions, you are thinking with a clear head, and you are confident, your trading decisions should be sound. You have given yourself the opportunity to weigh your options; therefore, you make great trading choices. On the other hand, when your mind is clouded with negative thoughts and doubt, you may struggle with your trading decisions and possibly lose lots of money.

Trading on the stock market is an emotional rollercoaster! The most important thing you must learn is to take control of your emotions. The main emotions that either paralyze a trader or help destroy a trader's account are FEAR and GREED. Let me explain.

There are many people out there who have attended a wealth creation or trading seminar where they have been introduced to the basic concepts of making vast amounts of money in a very short time by trading on the stock market. They leave the seminar all pumped up and ready to make their fortune. They go away and start to paper trade (this can be done on many online systems) which means that you study the stock market but don't actually place a trade with your own money. You do it with a demo account with fictitious money. It is just a fictitious trade that you can do to practice trading.

Paper trading is all very well and maybe a good way of practicing but you are not actually using any of your hard earned cash to trade with so the emotions of fear and greed never actually kick in. I know many people who are excellent at paper trading but have never placed a trade in their life. The reason for this is the F word, FEAR. The emotion of fear can paralyze people from actually beginning to trade. Maybe it's the thought of actually letting go of your money and the risk that you will lose some of it.

I remember a few years ago having to coach a good friend of mine, who had been to many advanced trading courses, and who knows a lot about trading. The problem was that although he had set up and funded his trading account and knew his stuff intellectually, he was choosing stocks that he wanted to buy after careful technical analysis, he could not bring himself to press the enter key on his computer to actually place the buy order. I had to literally talk him through it over the phone and encourage him to place his first trade.

The way to get over this is to start trading with a very small amount of cash that you can afford to lose. Whatever you do, don't use your rent money or your kids' education funds to start trading. The idea is that you actually start to trade with a small amount that you are prepared to use as your education costs to learning how to trade. Let's face it, the time you are going to make the most mistakes at anything you do is in the beginning right? So you might as well make small mistakes that you can afford until you get good at it.

I believe that in the very early stages of trading, your focus should not be on making money but rather getting good at trading. Money is the bi-product of a good trader. Once you become good at trading, the money starts to flow without a problem. Your goal should be to become good at trading first and foremost.

I believe that the worst thing you could do is start to make money on everyone of your first trades. Why, because you run the risk of becoming over confident too soon and blowing the lot on a risky trade. You are far better to trade small, make your mistakes and learn from them in order to become a better trader for the long term. I have seen far too many traders make money very early on and get too confident to the point that they almost get cocky and don't bother using stop losses and trading with amounts of money that are far too big for their risk management system. Have a plan and stick to it.

There is no point in being scared of the markets but rather have respect for the markets. By keeping a tight control of your risk management, even if you go through a bad spell of trading, you will be able to make more losing trades than winning trades and still make money on the stock markets.

The other emotion is GREED. This is probably worse than fear because it is more likely to get you into trouble in the long run. Traders who are greedy are consistently looking for the big deal that will make them rich. Don't get me wrong, those deals are out there but they are few and far between. You are far better placing small consistent trades that are properly risk managed and take lots of smaller profits than looking out for the big one that will make you rich.

I heard a great story about two hunters, a rabbit hunter and an elephant hunter. The rabbit hunter's family had three square meals a day on a regular basis and the elephant hunter's family went for ages between meals. When he finally came home with an elephant, the whole family and street could feast for a week but then they went hungry waiting for the next big feast to come along.

What happens is that a greedy trader will be making a profit on a trade, and he knows that it has reached a level where he

should sell and take a reasonable profit, but then the greed kicks in and the little voice inside them says “just wait and see if the price will go a bit higher so that you make even more money” and then what happens is that the price drops and their profits start to diminish. A greedy trader will, out of greediness stay in the trade hoping and wishing that the stock price will go up again to make his massive profits even as they see the price ticking downwards and see their profit disappearing. You cannot let ego get in the way of trading.

As we mentioned before, if you have a careful plan laid out before you enter the trade, you will have either set an automatic sell order or at least have a mental target of when to sell and take profits as well as having a carefully placed stop loss. No matter what happens, if you planned to sell at a certain price, SELL and stick to your plan, or at least place a tight stop loss so that you protect your profits. By doing this, you will become conditioned and more disciplined to stick to your plans and make more money in the long run.

There are many other ways of locking in your profits and at the same time creating the possibility of making even more but this will be discussed at a later stage. A good trader will always stick to their plan no matter what. In our courses, we spend a lot of time going over trading plans to help each individual create a trading plan that is personal to them. However, they must always incorporate our strict risk management system into their plans.

STEP 5 - TAKE INTELLIGENT ACTION

Something that has always surprised me with people that go to traders workshop or seminar is that they spend a lot of money to educate themselves and then do nothing about it. But as we mentioned earlier, this is where the emotion of fear has taken over them. You could call it procrastination but I think that the only reason people procrastinate is to put off the fact that they might screw up and therefore feel bad about it. Again, this is all part of being human and something that you must overcome if you want to become good at anything including trading.

Some people say that “knowledge is power” but that’s not necessarily true because knowledge can only be power if you actually put it into action. You can have all the knowledge in the world but if you don’t put it into action it is worthless. The best thing you can do is trust your capabilities, chose the right stocks to buy, have a clear plan of action and put it into action place your trades and manage them well.

I do understand that in the beginning you may be a little nervous about placing your first trade but, whether you are nervous or not, you still have to press the enter key. And after all, who says it is nervousness, the word nervous is only a label for a set of feelings and emotions. What if you gave it a different label like excitement or anticipation? I am sure there are many moments in your life that you can think of now that made you nervous in the beginning but once you got started you really enjoyed it.

Going back to paper trading for a moment I am a great believer that you should practice your trades but you have got to take proper action and get started trading for real. Paper trading is good but unless you actually take action, you will never experience the true feelings of trading and you will certainly not make any money by paper trading alone. When

you start to use your own money, the game takes on a whole new dimension.

There is a saying in the trading industry which says that people sometimes get “paralysis through analysis” and what this means is that they spend ages analysing their stocks but become paralysed by over analysing them and never actually place the trade. Now don't get me wrong, you must analyse your stocks but don't overdo it. A good trade should scream from the computer screen at you telling you to either buy or short. If you have to really squint and try to find the perfect buy or short, I suggest you just move on to another stock.

My advice is to take your knowledge and put it to action as soon as you can and make sure you begin with small amounts in the beginning just in case you do get it wrong. And have I mentioned that you must have a strict risk management system in place?

I fully recommend that you do continue to study the markets as much as you can as well as taking action. There are many books about trading and there are also loads of good web sites where you can study from. I personally use a charting system called Telechart from a company called Worden and they have a fantastic knowledge base on their web site where members can log in and learn new things. They say that we learn something new every day anyway, so if you make an extra effort to learn even more on a regular basis you are bound to become a better trader as long as you put the knowledge into action.

Don't do what many ex traders have done in the past which is, learn loads of new stuff and then never actually put it into action then complain bitterly that they have wasted loads of time and money trading and then claim that trading does not work. I agree trading does not work, you have to make it

work for you. You have to buckle down, get stuck in and put your knowledge to action and start making money.

Believe me, there is no better feeling in the world than seeing the fruits of your hard-earned knowledge. Once you see just how easy trading really is it will benefit you for years to come. There is nothing better than seeing a winning trade work out. It gives you a great feeling of personal satisfaction knowing that you have learned something new and are putting it into action and making money from it.

STEP 6 - YOU MUST HAVE A RECORD KEEPING SYSTEM

A very important part of trading is something that not everyone loves to do but is something that everyone should do if they want to become a great trader, and that is book keeping. And by book keeping I mean keeping a good record of the trades that you are making. There are two things that you should achieve from making a trade. One is making a profit and the other is gaining knowledge. Now, you can never guarantee that you will make a profit, but you should always make sure that you learn from every trade that you make.

A good way to learn from every trade you make is to either print out or copy and paste the chart on the day that you enter the trade and make some clear notes about the reasons why you entered the trade. You can do this easily in a decent word processor program package. I would recommend that you write the reason you placed the trade as well as your plan for the trade, which should include your entry and exit plan as well as your stop loss plan. You could even write down what indicators gave you the signals to buy the stock and whatever else helped you with your decision to enter the trade.

When you do exit the trade, I recommend that you do the exact same process. Print out or copy and paste the screen shot of the chart, and make notes of why and how you exited the trade. Again, you should include what signals you used in order to help you make the decision to exit. And more importantly, did you make money out of the trade and what did you learn from the trade?

You may be asking why go to all this trouble. The answer is easy. If you keep records of the trades you make you will soon build up a library of trades that you will be able to look back at for future reference and learn from them. You will probably

find that it will help stop you from making the same mistake in the future. It will also give you a great reference to which strategies work the best for you and which ones you should avoid using in the future. Like I said before, you may not make money on every trade but you should be able to learn from every trade.

Another good reason for printing out the charts on the day you enter a trade, and making notes of the reasons you entered the trade may sound strange, but many times after entering a trade. If you don't take notes of why you entered it and you don't take a note of what your plan is for the trade, you can actually forget why and then you end up not having a plan. This is like setting off on a car journey without an end destination or a map.

When you get into the habit of keeping good trading records, it will vastly increase the probability of becoming a great trader. "Show me a good set of trading records and I will show you a good trader." Trading is just like any other profession, you must become a professional at what you do and keeping good record is key to becoming a good trader.

I personally keep records of every trade I make and give them a grade as well. I grade my entries, exits, and overall trade with a very easy grading system. A, B or C Trades that have a grade of A are the best ones and trades with a C are not very good. The reason I do this is purely so that I can judge how my trading is increasing in quality as I go along.

Another good book keeping rule is an obvious one but you must keep a record of the trades you make and show whether they make a loss or a profit. Apart from having to do this for your accountant, it is a great way of again, keeping track of how you are doing. I personally keep a profit and loss account of all my trades on a month-by-month basis. This way, I can tell where I am up to at any time in regards to my monthly

trading goals. I like to know at any stage of the month if I am heading towards my monthly target.

STEP 7 - SET YOURSELF REGULAR TARGETS

Trading is just like any other professional activity, and I believe that you must have regular targets and goals to help keep you on track of where you want to go. For example, you may have a target to make 5% every month by trading which is very achievable. So in this example you should make sure that you can see at a glance where you are in relation to this target. By doing this, it keeps you on track and reminds you what your aim is.

If you don't keep a track of your progress, you will probably get to the end of the month and wonder why you didn't hit your target.

You should have a long-term target, and a set of smaller medium targets that will guide you towards the long-term target and a set of smaller short-term targets that move you towards the medium term targets. By doing this, you are breaking down what maybe a large task into bite size chunks which will be much easier to achieve.

On the same basis, you are always better to start with the end in mind and work backwards. This way you will be able to work out what small steps are needed along the way in order to get you to your bigger, long-term target.

TYING IT ALL TOGETHER

And there you have it! All the tools you need to be a successful trader. Weren't the steps given a lot easier than you thought they would be? Who would have thought, a beginning trader and a veteran trader both learning something new and exciting about trading! You must always have a plan and excellent record keeping with anything you do, just like trading. A simple plan is always the first step in the right direction. Don't let those emotions get the best of you when trading!

I have a few more suggestions for you. After reading this e-book, you need to let your clicking finger move as quickly as possible to [The Trader's Edge](#). This 3-day course is phenomenal. The small class sizes will give you the extra help that you need in your trading plan. You will finish this course with a winner's mindset and create wealth in no time! All mind blocks and emotions will be gone. Only confidence and belief in yourself will remain.

This 3-day course will coach you to trading success. No more panicky moments and debating whether to buy, sell, or hold stock. Maybe you just want to make a little extra money and not make this your career. This course will teach you everything you need to know to create and maintain your healthy mindset.

There you have it. You just received so much information in such a short amount of time. You will have plenty of time and money to spare when you complete a course. Please don't wait. You deserve the opportunity to make money and trade like a professional. All this can be yours with the click your mouse!

ABOUT THE AUTHORS



Our key trader, Martin Astley has been a successful businessman since the early age of 20 and has a long list of business that he has created and sold which include many businesses in Tenerife as well as in the UK. He is still very actively involved in his international estate agency and is a very keen trader. Martin is a self-made man and knows what it takes to succeed in business and the financial world. Through a vast, hands on knowledge he knows both the theory but more importantly the practicalities of making money in all economic

climates. As well as being a keen trader Martin is also a certified trainer of Neuro Linguistic Programming (NLP) and uses these cutting edge tools to help you learn at an incredible speed but more importantly retain the knowledge at a very deep level of both conscious and unconscious awareness.

Vinay Parmar comes from a corporate financial and banking background and is also a certified trainer of NLP. He uses his expertise in the field to help you understand all about the mental fitness approach to wealth creation. Vinay will share with you how to master your emotions and how to create a winning mentality, which is key to becoming successful in any area of your life. He will show you techniques that you can use not only in your trading skills but also in the rest of your life to help you overcome barriers and limiting beliefs. His interactive and fun approach has made Vinay one of the UK's top trainers and entertaining keynote speakers. He will teach you that you can have the life you choose instead of the life that has chosen you and more importantly, have fun along the way.

