

The **TRADER'S**™ *Journal*

www.tradersjournal.com

VOLUME 3 ISSUE 11

Retail Trading with Market Maker Consciousness

Balancing the Demands of Life
and Trading

How to Avoid Tripping Yourself Up

The Psychology of Handling
Market Losses

TRADING TOOLS:

Spread & Pairs Trading

Equity Curve analysis

3-Drive Pattern

The Dragon Pattern

Inside Bar with the MACD

Kagi Charts

Momentum Reversals

ISSN 1793-2149



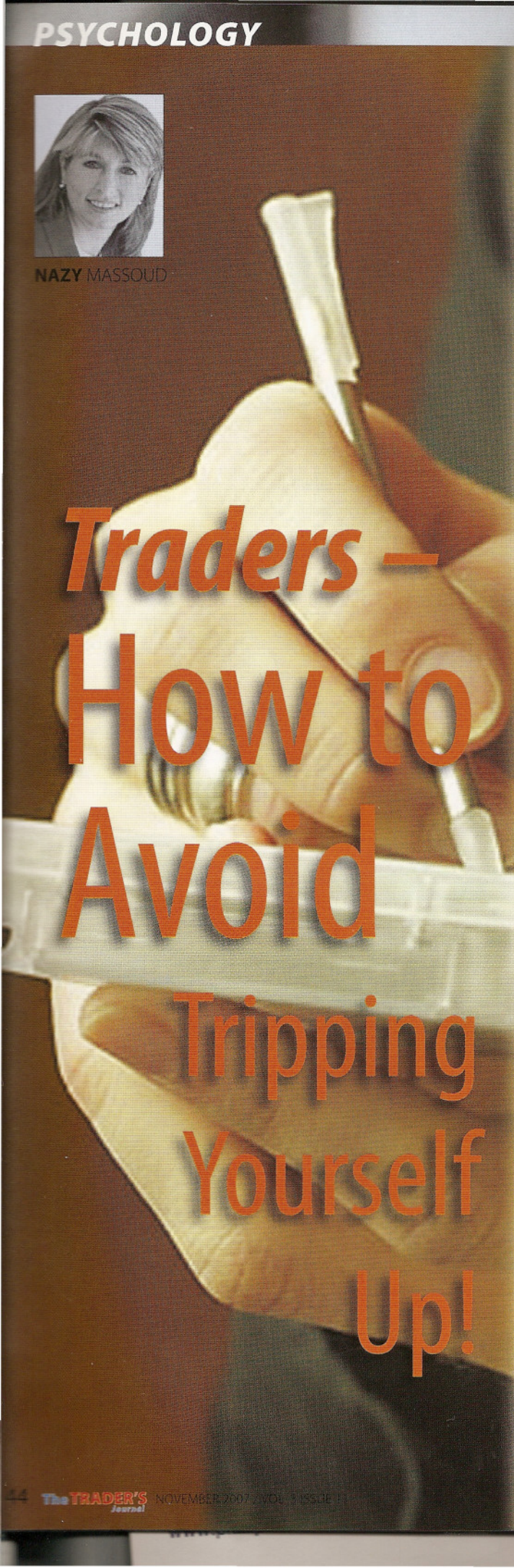
9 771793 214905

MICA(P) 229/05/2007

SG\$9.80 / A\$9.95 / HK\$68 / RM\$19.80



NAZY MASSOUD

A close-up photograph of a hand holding a pen over a notepad. The hand is wearing a gold ring. The background is a dark, textured surface.

Traders – How to Avoid Tripping Yourself Up!

1. When the trade goes against you, get out of the trade. - Do not move your stops.
2. Clear your mind before taking another trade. Then, you are not reacting to your loss. You can concentrate and find the right trade for you.
3. Look at each trade individually. By doing this, you are not influenced by the results of previous trades and are not taking unwarranted risks. When you are up, you are not risking all of your profits from winning trades. Similarly, when you are down, you are not increasing the size of your trades to make up for what you have already lost.
4. Have a trading budget and stick to it. - Only risk what you can afford to lose.
5. Think about trading as a game similar to 'Monopoly?.' As you know, each game has its rules and as you become more experienced at it and become more comfortable with the rules, it becomes more fun...
6. Stick to your plan. - One of the best ways that I have heard someone define trading is: "Trading is simple, but not easy. And the greatest difficulty is to accept the simple rules and obey them with discipline."
7. Remember, trading is a process. - You have to stick to your plan for a while, before jumping from one thing to another.

The most successful traders have the “mental edge” that sets them apart from the rest. Learn how to develop this winning mindset and overcome the most common psychological pitfalls of trading. Nazy Massoud describes a seven-step plan to accomplish this goal

Have you ever been in situations where you had series of several winning trades that was wiped out by one losing trade?

Has this problem become a pattern?

Like some of my clients, you may be saying, “I have spent hours creating my plan.” You start the day with every intention of following it. After a few losing trades, you lose control and with that your plan goes out the window. You try to make up for your losses by chasing after deals and increasing the size of your trades. At this point in the day, you get in at the wrong entry point and the size does not warrant the risk.

The other scenario I have heard is that you have started the day by following your plan. You start making money. Then, you feel that you are on a roll and do not have to follow any plans. You know what to do and go for a trade that did not follow your plan with more shares or contracts than the other trades. Then it happens. This single trade wipes out all of your winnings.

You wonder what happened. “Where did I go wrong?”

You might blame your system and change from one system to another. With each new system producing similar results, you become more and more frustrated and angry. Not only are you losing money on your trading, you are losing money and time on every new system that you purchase....

Next, you might say to yourself, “I do not know enough!” and start buying one book after another. You attend seminars to become more familiar with trading. Yet, you are not seeing that much of a difference in your results. You are wondering what has happened. “Why am I not getting the results that I want?”

You might even think, “It is the type of security that I am trading. This is not the market for me.” So, you change markets and go through similar frustrations, headaches and results....

No matter what you do, your results are still not what you expect them to be. So, you might throw your hands up and not know what to do.

Do any of these scenarios sound familiar? If so, you are not the only one with this dilemma. Lots of traders go through this.

The most successful traders know the secret. They know what it takes to be successful. They know that the secret to their success lies in their mindset. It is the mental edge that they develop that separates them from the rest of the traders.

There are 7 steps that you can take when your trades go against you.

1. When the trade goes against you, get out of the trade. – Do not move your stops.
2. Clear your mind before taking another trade. Then, you are not reacting to your loss. You can concentrate and find the right trade for you.
3. Look at each trade individually. By doing this, you are not influenced by the results of previous trades and are not taking unwarranted risks. When you are up, you are not risking all of your profits from winning trades. Similarly, when you are down, you are not increasing the size of your trades to make up for what you have already lost.
4. Have a trading budget and stick to it. – Only risk what you can afford to lose.

5. Think about trading as a game similar to ‘Monopoly.’ As you know, each game has its rules and as you become more experienced at it and become more comfortable with the rules, it becomes more fun....

6. Stick to your plan. – One of the best ways that I have heard someone define trading is: “Trading is simple, but not easy. And the greatest difficulty is to accept the simple rules and obey them with discipline.”

7. Remember, trading is a process. – You have to stick to your plan for a while, before jumping from one thing to another. As Michael Jordan says:

“I have missed more than 9,000 shots in my career. I have lost almost 300 games. On 26 occasions, I have been entrusted to take the game-winning shot...and I missed. I have failed over and over and over again in my life. And that’s precisely why I succeed.”

By following these simple steps, your career as a trader will become more effective, more rewarding and ultimately more successful.

Remember: Perseverance is key! Like Albert Einstein said:

“It’s not that I’m so smart, it’s just that I stay with problems longer.”

Nazy Massoud, a Wall Street Insider, shows traders, investors and hedge fund managers how to develop the mental edge to execute trades more profitably. For more tips and a FREE report on “The 3 Biggest Psychological Triggers That Can Make or Break a Trader,” go to www.MentalEdgeTrading.com.