

**9 Things To Do
Differently**

**Developing a
Trading Plan**



**How Competent Are
You As a Trader?**

Affirmations and Anchoring



**Market Update
Matthew Sharratt**

Can't Stay **Focused
On Your Trading?
Are Yesterdays Losses
Influencing Today's Trades?**

(CLICK TO LEARN MORE)

Trading Mind
software

Click Here!

**"Can We
Talk? My
Step-By-Step
Trading
SECRETS
Could Be The
EDGE You've
Been
Dreaming
About..."**

Click Here!

**ULTIMATE
SWING
TRADER**

**SWING INTO
PROFIT...
in Just 10 Minutes
a Day!**

Click Here!

Trading in the Trend

Enjoy outstanding results with this simple stock trading system

Get an Edge in Your Trading!

How to 'become' a trader that wins in any market or strategy!

Forex Trading for Winners

Take your Trading to a New Level With Stealth Forex Trading Systems

Stop Trading Your Money Away

You'll never make a good income trading. Build a real business!

Stock Trading Course

Trade Stocks with Confidence! Use these Proven Stock Trading Strategies.

Brain Forex Trade SyStem

Forex Trade System with Artificial Intelligence Price Predictions

Powerful Trading Strategy

Trade Forex and Stocks with Powerful Trading Strategy!

Amazing Trading Formula!

Remarkable new stock trading techniques revealed that anyone can learn.

**HIGH VELOCITY
MARKET MASTER™**



GET IN GET OUT GET DONE!

CONTENTS



MARKET UPDATE

Matthew Sharratt

Page 5

TRADING ARTICLES

Graeme Pearson

9 Things To Do Differently

Page 11

Louise Bedford

Developing a Trading Plan

Page 15

Gary Stone

Affirmations and Anchoring

Page 19

Van K. Tharp, Ph.D.

How Competent Are You As a Trader?

Page 23

REGULARS

News and Events Page 8

Did You Know? Page 22

Quotes to Inspire Page 24

Trader's Library – Book Review
Page 25



YOUR TRADING SOLUTIONS

T +61 3 8682 8774 | F +61 3 8678 3034 | Graeme@yourtradingsolutions.com |

www.yourtradingsolutions.com

FROM The Editors



Welcome to Issue 31 of the **Your Trading Solutions** eMagazine.

In this issue I have written an article titled "9 Things To Do Differently" I look at some research done on what drives success. Gary Stone discusses getting your mind right in "Affirmations and Anchoring". Louise Bedford's article "Developing a Trading Plan" looks at some foundations for a good trading plan. In Van K. Tharp's article "How Competent Are You As a Trader?" he looks at *being* the trader you want to be.

We have our regular Market Update with Matthew Sharratt from SCM Equities. Matt is offering all YTS eMagazine readers a full review of your portfolio and he will put a comprehensive investment plan together for you free of charge.

We hope you enjoy the current issue of the **Your Trading Solutions** eMagazine. If you have any comments or feedback, please direct them to: support@yourtradingsolutions.com

Your Trading Solutions is committed to assisting Traders to gain the right knowledge and to educate themselves to make informed decisions about financial matters.

All our love and best wishes to you for a continued happy and profitable 2012!

Graeme and Natalie Pearson



Note: Articles have been reprinted in the English language supplied

eMagazine Producers

Natalie & Graeme Pearson

Editors

Natalie & Graeme Pearson

Natalie@OrganisedForYou.com.au

support@YourTradingSolutions.com

Design

Natalie Pearson

Contributors

Louise Bedford, Graeme Pearson, Matthew Sharratt, Gary Stone, Van K. Tharp.

Contribution & Advertising Enquiries

Natalie Pearson

Natalie@OrganisedForYou.com.au

Important Message

All of the information contained in the Your Trading Solutions eMagazine should not be taken as financial, legal or accounting advice.

The producers, editors, contributors and any other associated parties expressly disclaim any and all liability and responsibility to every person or party, whether a reader or consumer of this eMagazine.

We do not endorse the views, statements, claims, strategies or ideas that are put forth in this eMagazine. We are merely relaying the information.

Any business or financial strategy or investment should only be applied after taking into consideration your own financial situation and you should seek professional advice before making any decisions.

We are not liable for any losses you may incur directly or indirectly as a result of reading the Your Trading Solutions eMagazine.



1st March 2013

Markets Report for February 2013

February Markets

S&P 500 +1.09%
XJO +4.63%

Aussie Equities Outperform Again!!

Australian equities had another strong month in Feb delivering investors a solid 4.63% gain and outperforming the S&P by 3.54% before currency movements.

As we have been highlighting for a while, the case for buying Australian equities has been strong since early 2012 due to falling interest rates (term deposits rates) and the divergence that had built up between Australian and world equities. If you go back to previous issues of the newsletter you will be able to read our reasoning for this.

SCM Equities International

Contact:

Dealing Desk

global@scmequities.com.au

Matthew Sharratt

Portfolio Manager

matthew.sharratt@scmequities.com.au

+61 2 8226 8280

www.scmequities.com.au

[AFSL 313 495](tel:61282268280)

XJO Break Out



As you can see from the monthly chart above the XJO has technically broken above the key 5000



level, this is a very important psychologically for the market and we would now expect that this level will now act as support for the market in the weeks and months ahead.

Is the market too complacent?

During the month we have been focusing on managing portfolio risk or more aptly, capital protection strategies for portfolios.

Our reasoning for this is;

1. Markets have run up very hard relatively quickly
2. Uncertainty still remains, (Italian political stalemate , sequestration in the US to name but two) yet the market is not pricing this in
3. Low volatility makes portfolio protection very cheap

The last point is the most important. The low volatility is something we have been advising our clients to take advantage of by taking out protection for their portfolio. Think of protection as insurance, you pay out now to protect your asset/profits for the future.

Let me give you an example I just priced up for a client today on their US Share portfolio.

The value of this portfolio was approximately AUD \$520K. They had a good profit buffer to protect but really whether this was a fresh investment or a well-established portfolio makes little difference.

We looked at using Options to cap there downside risk whilst still leaving the upside potential for gains in place. We constructed a scenario where they had protection out until June if the S&P was to fall 1.65% for a total cost of less than 2% of the portfolio value.

We used the S&P500 ETF (code SPY), last trade price was 151.45, to place the protection by;

- Buying the 149 June Puts for 4.22
- Selling the 135 June Puts for 1.32
- This will cost 2.9 per contract; each contract has a value (multiplier of 100).
- To protect the portfolio we will need to buy 34 contracts
- Total cost will be \$9860 ($34 \times (2.9 \times 100)$)
- This protection kicks in if SPY falls below 149, 1.65%...nice and tight.
- The cost for the portfolio is only 1.91%.

By implementing this trade we have effectively and cheaply given the portfolio insurance cover against a fall in the market. Now I stress this is a hedging strategy specific for this client, your requirement may well differ, what I want to show is there is always an opportunity in the market to take advantage of and currently the opportunity is cheap but effective insurance.

If you want to find out more about this or any aspect of managing a portfolio in equity markets please drop me a line or give me a call.



About SCM Equities

SCM Equities are specialist in Australian and International equity markets; they are specialists in Integrated Portfolio Management and running Individual Managed Portfolio's for their clients and provide comprehensive economic and company specific research and recommendations. As a special offer for Your Trading Solutions subscriber, if you mention you are from YTS, you will get 3 months free access to their model investment portfolios in Australia and US.

Contact Matthew Sharratt for further information.

Regards

Matthew Sharratt
Head of Global Markets



SCM Equities Pty Limited

AFSL 313 495

Level 11, 1 Chifley Square, Sydney NSW 2000

PO Box R995, Royal Exchange NSW 1225

T 02 8226 8280 F 02 8226 8255

E matthew.sharratt@scmequities.com.au W www.scmequities.com.au

Warning: This report provides general advice only and document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this report, you should consider whether the advice is appropriate for your individual financial circumstances and needs.

The report and any advice is subject to change without notice, but SCM Equities shall not be under any duty to update or correct it. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

General Disclosure

This research has been issued by SCM Equities Pty Limited (ABN 46 124 553 224, AFSL 313 495) ("SCM Equities"). It is intended for clients of SCM Equities only and may not be reproduced or distributed without the consent of SCM Equities.

So far as laws and regulatory requirements permit, SCM Equities, does not warrant or represent that the information in the report including any advice is accurate, reliable, complete or current (Information). The Information is indicative and prepared for information purposes only and does not purport to contain all matters relevant to any particular company or issuer. SCM Equities believes the information or advice in the report has been obtained from sources that are accurate at the time of issue, but it has not independently checked or verified that information and does not warrant its accuracy or reliability.

Important disclosure information regarding the subject companies covered in this report is available at www.scmequities.com.au/disclosures.

NEWS and Events



Perth Trading & Investing

Seminars & Expo

23rd-24th March 2013

Venue: Perth Convention & Exhibition Centre

21 Mounts Bay Road, Perth 6000

Times: 10am – 5pm Daily

Discounted Tickets available online at

<http://www.tradingandinvestingexpo.com.au/>

Brisbane Trading and Investment

Seminar & Expo

1st-2nd June 2013

Venue: Brisbane Convention and Exhibition Centre

Cnr Merivale and Glenelg Streets, Southbank, Brisbane, 4101

Times: Saturday 1st June: 10am – 5pm

Sunday 2nd June: 10am – 4pm

Discounted Tickets available online at

<http://www.tradingandinvestingexpo.com.au/>

9

Things To Do Differently

By Graeme Pearson

I read an article the other day which I thought the key points were worth sharing. It was an article from the Harvard Business Review on "9 Things Successful People Do Differently" by Heidi Grant Halvorson. I thought I would share it for a couple of reasons. Firstly I think there is great value in looking at what successful people do in their life that you can look at applying yourself. It falls into the modelling way of thinking which you can gain a lot from. The other reason is that it is based on years of research and not just some superficial guff based on some circumstantial evidence being spruiked by a schmaltzy marketer.



Another interesting aspect of the study is that many of the successful people studied didn't have a clear understanding of why they succeed or fail. In addition to this the reason for their success was not due to some innate talents which they were born with but more to do with what they do. So lets look at what they do differently.

Get Specific

You have probably heard this one many times in relation to goal setting and there is good reason why. It works. On first attempt most people set very vague goals like "I want financial freedom", "I want to lose weight" or "I want to be a profitable trader". If your goal was to be a profitable trader, as soon as you make one more dollar than you have lost you have achieved that goal. That is probably not the outcome you had in mind. A better goal may be that you obtain an average annual return of 20% on your trading.

It is also important to get specific on what actions you are going to take to achieve your goals. As an attempt to gain your 20% per annum goal you might commit to spending more time on your psychology. Again this is still vague. A better action step would be to spend 30 minutes a day reading trading psychology books or visualising.

Seize The Moment

This is all about actually taking the action necessary to move you closer to your goals. It is a little more than just taking action. The key here is to be prepared to take action and seize the moment. This may seem like a bit of a contradiction a bit like planning to be spontaneous. Your aim is to create the mindset of having mental cues for yourself. This can be done by creating if-then statements where a decision is made in advance of an event happening.



An example of this might be if I see an opportunity to take an action towards my goal then I will spend at least 10 minutes taking some action. Another

example could be if it is Sunday then I will do a review of my trades for the week before I go to bed. This kind of planning has been shown to increase your chances of taking action by roughly 300%..

Know How Far You Have Left To Go



Successfully achieving a goal requires regular and honest review time. With a clear specific idea of your goal in step one you have something to contrast against to identify if you are on track and how much further you have to go. This gives you the opportunity to make any necessary adjustments to your course. Frequent monitoring prevents you from getting too far off course and allows you to make fine adjustments to avoid the situation of having to overcorrect.

Be A Realistic Optimist

It is important to find a balance between having a high level of positive belief in yourself and your abilities and at the same time being realistic about what is required to achieve your goals. All too often in today's instant gratification society too much is expected for little effort. This way of thinking leaves you ill prepared for the task ahead and increases the odds of failure significantly. Any goal worth having is going to take considerable time, effort and persistence to realise that goal. Be prepared for it and avoid disappointment.

This also plays an important part in setting the goal to start with. You need to have a healthy level of belief firstly in that the goal can be completed and second that *you* can achieve it. If you set a goal that is too unrealistic then your sub-conscious mind will just reject it and you are almost doomed before you begin.

Focus On Getting Better, Rather Than Being Good

A good quote to sum this up is "Every day, in every way, I am getting better and better" by Emile Coué. This is looking beyond our current capabilities to be able to achieve a goal and believing that you can acquire the necessary skills along the way to complete it. A common trap is to only focus on goals within your current abilities which will just result in a continuation of what you have already got.



Research has proven that the belief that your intelligence, personality and abilities are fixed is completely wrong. This getting better approach creates the mindset of continual improvement and removes the ego from the equation to allow you to be more open to accepting set backs as a learning experience rather than failure. Aiming towards being better also promotes a solution focused approach rather than a problem focussed one.

Have Grit

Having grit is about commitment, consistency and persistence. Grit is a good predictor of success and is a good indicator of the number of losses you will endure before you give up trading. If your belief is that you don't have grit and there is nothing you can do about it then you are wrong. Effort, planning, persistence and good strategies are the foundations of success which are all things which can be learnt or developed.

Build Your Willpower Muscle

Your willpower or self-control can be seen as a muscle and the same rules apply as with any other muscle. When you workout that muscle will get stronger and on the flip side when a muscle doesn't get exercised it will become weaker.



In order to build willpower you can set yourself tasks which you would otherwise prefer not to do. Start with a simple activity to start with and like before create if-then statements to pre-plan your defence for times of vulnerability. For example if I realise I have entered a trade which doesn't meet my rules then I will exit the trade immediately. As you succeed at small

challenges move on to tougher challenges to build your willpower.

Don't Tempt Fate

If you are aware of what your weaknesses are then it is best to avoid situations where you are vulnerable as much as possible. Don't make things any more difficult than they already are to achieve your goals. No matter how much you have exercised and built up your willpower superman still has his kryptonite.

You might find that if you do your trading analysis late at night or when you are tired you tend to make mistakes or poor trading decisions. Part of your process for doing your analysis therefore might become to ask the simple question of "am I tired?" up front before you start any work and if the answer is yes then allocate another time which you are more likely to be alert.

Focus On What You Will Do, Not What You Won't Do

One of the best ways to eliminate a bad habit is to replace it with a good habit. If I told you not to think about a pink elephant most people can't help themselves but to think about a pink elephant. The same holds for our thoughts and behaviours. If you are trying to quit smoking and you are constantly telling yourself "I must quit smoking" the repetitive message of smoking is being reinforced. By trying not to engage in a bad habit, your habit gets strengthened rather than broken.



Use the same concept discussed previously to make a decision beforehand of what you will do instead of the undesirable habit. Also be aware of what some of the triggers are for that unwanted habit. This could be a situation or a certain feeling. For example you may have identified that boredom was a trigger for you to take trades which don't meet your rules. In this case you might create a statement along the lines of - if I notice myself feeling bored then do something active that I enjoy. Just changing your physiology may be enough to break the pattern.

It is now up to you to develop some new habits or behaviours to improve your chances of success. None of the things discussed are any special traits that only certain people are born with. The 9 things are either skills or strategies which will boost your performance. It is all about what you do.

If you would like more information on applying the 9 things successful people do differently to your trading or would like support on your trading journey then free to contact me at graeme@yourtradingsolutions.com to help you become the best trader you can be.



About the Author: Graeme Pearson is a Professional Trader and Trading Coach for Your Trading Solutions. Since resigning from his Full-time job as a Mechanical Engineer back in 2006, Graeme realised that although he had reached his goal of financial independence something was still missing. Graeme found that he gained great pleasure in helping others and particularly when that help involved trading. Graeme now utilises his trading experience, Neuro Linguistic Programming and coaching training to combine mindset and methodology to help other traders become the best they can be. For more information about coaching contact Graeme at: graeme@yourtradingsolutions.com

Developing a Trading Plan

By Louise Bedford

Years ago during my university days, I was told of a study into Harvard business graduates. The study was designed to establish the common factors that lead graduates to ultimately succeed financially. Interestingly, twenty or so years after their degrees, 5% of the graduates were earning 95% of the total money earned by all graduates. It was the same 5% that had written down their goals and dreams all those years ago. The maintenance of a written life plan somehow helped these graduates to attain their goals. Some even carried their personal mission statements in their wallets.



Do you want to be in the top 5% of investors? Quick – grab a pen and paper and get writing. It is absolutely essential! Take heart from the words of Warren Buffett: “To invest successfully over a lifetime does not require a stratospheric IQ, unusual business insights, or inside information. What’s needed is a sound framework for making decisions and the ability to keep emotions from corroding that framework”. A trading plan can provide you with the framework that you need to succeed in the sharemarket..

Putting Pen to Paper

Wayne Goldsmith, (www.moregold.com.au) is a sports scientist and consultant. He says the first step towards achieving sporting success "is to define specific goals to accomplish within set time limits. Wanting to 'win' is not sufficient. The daily process of moving towards that goal must be mapped out to ensure success." Treat the business of trading as seriously as if you were preparing to represent your country at the Olympics. Define your personal level of aggression, estimate the returns for different strategies and be realistic about your own capabilities. Consider every conceivable occurrence in advance.



Money is made as a by-product of following a sound trading plan, and adhering to the principles of money management. If you end up losing a significant proportion of your trading capital due to greed and ignorance, you can no longer trade, and you are out of the game.

What to Include

Your plan must cover some basic issues such as your trading goals and objectives, which accounting structure from which to trade, and how you will handle your positions when you go on holidays. A trading plan must also cover 3 essential areas:

* Entry

* Exit

* Position Sizing

Entry

Decide whether to use fundamental or technical analysis methods to trigger your entry into a position. There is no room for gut-feel in the markets when you are starting out. Over time, you may develop an inkling that a trade will work out well, but this will take many years of successful trading. When experienced traders talk about a 'gut-feel', it often means that they have internalised many of the indicators that imply an enduring trend, after years of honing their skills. Trading is about making money. It is not about feeling right. Stop trusting your gut feelings. Traders can only afford to trust their trading plans.

Develop a scientific process for analysing signals, and do not let your emotions dictate your trading habits. You need to define your signal in words so that another trader unfamiliar with your technique can duplicate your strategy. If it's not duplicatable, it's not a system.



Exit

Before you place your order, you must decide on where you will exit. I advocate that you use a stop loss to capture your profits and avoid large losses. There are four main ways to set a stop loss:

- Pattern based stop loss traders will exit trades if the share breaks downwards through a trend-line or a significant line of support.
- Technical indicators can be used as a stop. A dead cross of two moving averages may trigger an exit.
- Percent drawdown or retracement methods suggest that if the instrument drops in value by a set percentage eg. 7%, then an exit should be made.
- Volatility based stops rely on significant changes in volatility past a pre-defined level in order to trigger an exit.



To exit a position in the sharemarket, you can choose to implement one of these types of stops or even a hybrid of any of these methods. Derivatives can use all of these types of stops and more. If you are unfamiliar with any of these techniques, it is essential that you research them to find out the most appropriate stop for your own requirements.

Position Sizing

The key to managing risk is to position size correctly. Buy fewer shares and allow the price action room to move if conditions have become lumpy. Seek risk by buying more shares when in profit, or if conditions are more stable. There are many ways to correctly gauge your

position size according to sound risk and money management principles. Whichever method you follow, make it explicit by writing it in your trading plan.

If you would like to download a trading plan template, there is one available for free from my website www.tradingsecrets.com.au. It will help you work through all of the vital issues that need to be included in a sophisticated trading plan to can give you an edge in the sharemarket.

To help you pursue your trading goals, if you would like to download a trading plan template called a 'Trading Plan Review', there is one available for free from my website www.tradinggame.com.au. Simply enter the competition to potentially win a free Home Study Course, and you will also receive 1 month free forum access, as well as a copy of my Trading Plan Review. It will help you work through all of the vital issues that need to be included in a sophisticated trading plan to can give you an edge in the sharemarket.

Want to get Louise's free 5-part e-course so you can excel in the markets? Register your details right now at www.tradinggame.com.au and you'll never look back.

Louise Bedford (www.tradingsecrets.com.au) is a full-time private trader and author of *The Secret of Writing Options*, *The Secret of Candlestick Charting* and *Trading Secrets*.



DID You Know?



Wesfarmers

Wesfarmers Limited (WES) is a diversified business operation including supermarkets, department stores, home improvement and office supplies, insurance, resources, chemicals, energy and fertilisers, and industrials and safety products. Wesfarmers is the largest private employer in Australia, with almost 200,000 employees across the country and is one of Australia's largest public companies and one of Australia's largest retailers.

The company was founded on 27 June 1914 as the Westralian Farmers Co-operative, which focused on the provision of services and merchandise to the Western Australian rural community.

In 1924 it established the first public radio station in Western Australia with 6WF before it passed into the hands of ABC in 1929.

On 2 July 2007, Wesfarmers announced it was purchasing the Coles Group retail business for A\$22 billion making it the largest successful take-over in Australian corporate history. Wesfarmers officially took control of Coles on 23 November 2007, after paying almost A\$20 billion for the company.

The company changed its name to Wesfarmers Limited in 1984, coinciding with its restructuring from a co-operative to a public company when it was listed on the Australian Stock Exchange. Wesfarmers traded at an all time low of \$0.62 on the 3rd June 1985 and reached an all time high of \$42.54 on the 29th June 2007.

<http://en.wikipedia.org/wiki/Wesfarmers>

Affirmations and Anchoring

by Gary Stone

Have you ever wondered what sets successful traders apart from ordinary market participants? It comes down to self belief and the ability to execute ones edge according to a trading plan.



Once you have a strategy or system that has a demonstrated edge, the next step is to cultivate your beliefs so that you can execute your edge flawlessly. Flawless execution can be achieved when the mind's eye shifts from an outcome bias that is affected by 'noise' and fear, to purely focusing on processes to execute the edge.

None of this happens naturally. Even if you have an edge, you will understand how simple it is to be distracted, lose faith and find yourself off-course. So imagine how difficult it is if you don't know whether you have an edge or not. So a core skills objective of trading an edge is to align your thoughts with your actions such that you can give yourself the best chance of flawless execution of your plan and hence your edge.



Developing the right kind of mindset is one of the most important requirements to successfully trading the markets. Amongst others, using powerful techniques such as affirmations and anchoring, it becomes possible to transform your thoughts so that they align with your execution processes.

Many actions are guided by our thoughts and subconscious. The self-talk conversations that pop into our minds can either encourage or discourage successful behaviour. Affirmations that are aligned with our objectives can block out the nonsense and static noise that creates the distraction and substitute the correct thoughts in their place.

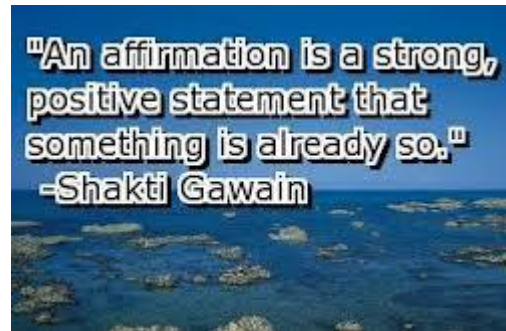
Step by step guide to establishing your own affirmations

1. Develop the affirmation yourself – Your affirmations need to directly benefit you. Invest the necessary effort into devising your own customised affirmations by putting careful thought into the words that you choose.

2. They have to be positive – Focus on the positive action. What you really want to achieve, not what you don't want to achieve.

3. Make your affirmations short and clear – It's not a paragraph, it's a change statement.

4. Use a format that personalises the affirmation – Like, "I am consistently following my trading plan" or "I implement the risk management techniques of my edge" or "I am at peace with all trade outcomes whether they be individual profit or loss trades as both are built into my edge".



5. Your affirmations can be in writing or recorded – If recorded, research using binaural beats sounds as background to your affirmations. Learn about the different frequencies at which brain waves operate. Recorded affirmations have distinct advantages over just written affirmations. You can record a 'loud' copy and a subliminal copy with binaural beats where the words are indistinguishable to your conscious mind. Not to worry your subconscious mind will hear them. You can also have multiple affirmations that are used in different circumstances. (There is plenty of free and inexpensive recording software around for mixing sound.)

6. Place your written affirmations in a place where you can see them when executing trades – If you have a common area where you conduct analysis and trading execution such as an office or workstation, place your written affirmations at your fingertips.

7. Read or listen to your affirmations before the action and repeat them out loud – The objective is to reprogram your subconscious mind with re-energised beliefs



about yourself wrt to trading. Your affirmations must be said out loud, with conviction and emotion and before the actual event. The more energy we put into the statements the more they get entrenched into our subconscious. You can listen to recorded affirmations whenever you want, whilst driving or sitting on public transport but the most effective time is when you fall asleep which you should spend some time researching.

8. Affirmations work best with frequency- Transitioning one's mind to achieve change takes time and effort. The more frequently you can repeat your affirmations, the higher the probability that you will reach your desired goals.

Anchoring



Anchoring is an NLP technique that is used extensively by professional sports athletes and over achievers. Tiger Woods, for example, has been known to store the positive golf shots by 'stacking' his great shots and totally discarding his failures. Before taking the next shot he is known to fire his anchor and recall his great performances.

Anchoring positive affirmations before trade execution heightens the senses and focuses the mind on what really needs to be done in that very moment by automatically and instantly recalling pre-programmed thoughts.

There are two parts to anchoring:

1. The trigger or stimulus – that activates the engagement.
2. The response – the automatic and unconscious mood change that occurs as a result of the trigger.

For years I read and reread Mark Douglas book "Trading in the Zone", created my very own affirmations and my trigger became reading them before each and every trading event. The action, heightened my senses, made me 'switch on' and drove me to focus on achieving flawless trade execution. Still today I regularly listen to affirmations when I drive the car. The advent of iPods and subsequent technologies have made this quite simple for anybody to do.

I hear you say that none of this psychological stuff really matters, all you have to do is pick the winners. Rubbish. If you want to be a successful trader you first need a positive statistical edge. If you don't have one, either build one or buy one. Once you have an edge, it comes down to getting your trust in the edge and yourself to a level that breeds confidence to flawlessly execute the edge according to your trading plan. In reality, flawless execution of the edge over a large sample is all that matters.

Gary Stone is the founding Director of Share Wealth Systems and leads the Research and Development Team. Trading and researching the markets since 1990, Gary is motivated by a conviction to help people do better. He has a strong belief that gaining knowledge in the market is not enough. "Investors need to be able to step into a set of repeatable and measurable processes that emanate from the market. Without a set of rigorous processes the probability of success is low". A contributor to media outlets such as Sky Business News, ABC Radio, Your Trading Edge Magazine and the Australian Technical Analysis Association, Gary is regarded as a well-researched and credible market commentator.





Trading skills can be one of the most difficult skills to acquire, yet how many traders take on a coach to help them with their trading? If we were to talk about any sporting endeavour which you wanted to achieve your best in then you would hardly think twice about taking on someone to help make it work for us, but trading, no, that seems to be different. Of course trading coaches may not be cheap, but in most cases they are a lot cheaper than the losses which many make in the markets.

A quote by Derek Bok sums it up nicely **“If you think education is expensive, try ignorance”**.

It is not difficult to make money in the markets, but there are many things you need to learn and you also may need to “unlearn”. It is learning to do what you learn intellectually, that ultimately proves so difficult. Knowing what you should do is not enough. That is where the coach comes in to help you not only to know what you should do, but actually do it.

A large number of losses exist through not following a profitable trading system and this is where the coach comes in to find out what is stopping you working in your own best interest.

Your coach will give you methods to follow to help strengthen your internal discipline and continues to work with you until it works for you. That is when the fees charged will be dwarfed in comparison with the money you can make from the markets.

Winners go for what they need. **If you think there is scope for improvement in your trading then you should do something about it. The first step is to decide that you are going to be a winner, and then just do it.**

Become the Best Trader You Can Be!

When would now be a good time become a successful trader and make massive profits from the market? Pick up the phone and CALL NOW on +61 400 482 653 or email me on graeme@yourtradingsolutions.com for more information on our transformational coaching. Graeme Pearson.

As Anthony Robbins says **“Never leave the scene of a decision without taking the first step”**



How Competent Are You As a Trader?

by Van Tharp, Ph.D.

How competent are you as a trader? Do you make money every year? Do you make money at all? Can you live off your trading? Maybe you make money, but not enough to cover all your trading expenses. Or perhaps you made a lot of money once, lost it all and then some, and now you are just trying to get it all back.

Based on your response to the previous paragraph, rate your competence as a trader on a scale of one to ten, where 1 is terrible (you lose regularly), 5 is neutral (you break even), and 10 is very good (you make a living trading). You would rate yourself a ten if your earnings are in the top 1% of all Americans. So how would you rate yourself?



<- Poor 1 - 2 - 3 - 4 - 5 - 6 - 7 - 8 - 9 - 10 Very Good ->

Rate Yourself Now _____

Now, rate your future competence on the same scale. This feeling refers to how successful you think you'll be in the next year, or in the next five years.

Rate Yourself Now _____

Guess what? You've just given yourself a predictor of your success. Competence at trading starts with feeling competent and being competent. If the average of your above scores is less than 6, you've got work to do.

This all gets into some key psychological issues about trading. Most people think that trading success comes from finding some magic secret and once you have that, you just apply it. And once you've applied it, you BECOME a successful trader.

But that's not how it works. Success comes from inside. You must BE a successful trader. That means you must have the persona that successful traders have. What is their nature? What is their beingness?

When you step into the BEINGNESS of a trader, you will start to do what successful traders do, only then will you start to have what successful traders have: success and profits..

The Floor Trader Who Could

In the Peak Performance Course for Traders and Investors, I wrote about a floor trader who made millions in the market. However, one day, because of poor position sizing™ strategies, and perhaps a little too much cockiness, he lost all but the \$30,000 he put away just in case something like this happened. So he still had a \$30,000 cash reserve to sustain him as a trader. (And this was 15+ years ago when \$30,000 went farther than it does today.)



Regardless, having only \$30,000 really got to him. He felt like he couldn't spend any money and that he had to be particularly careful in everything he did. In fact, he said he used to go into bars at happy hour, buy one drink and eat all the free food—and that was dinner.

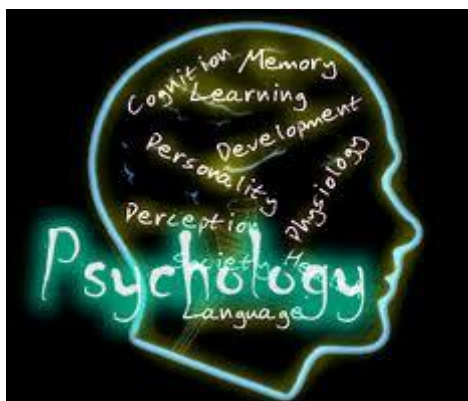
During this time, he didn't trade well. Within a few months, his \$30,000 was down to about \$10,000. He didn't have the beingness of a successful trader! He was very concerned about losing. And he was living at a lifestyle that was way below the lifestyle he had when he was successful.

At this point, he made the realization that he was no longer that person who had made millions in the market. He said to himself, "What the heck, I only have \$10,000 left, so I'm just going to go back to the type of person I used to be." And he did just that—he resumed his old lifestyle, which meant that he probably had enough money to last him about two weeks.

At the same time he made the decision to resume his old lifestyle, everything else inside of him shifted. He could trade well again, and he was making a lot more money than he was spending. He was now BEING a good trader, and within a few years, he was a millionaire trader again.

So What Does This Mean for You?

Does this mean that you should just assume that you are a competent trader, spend money like you were going to make millions in the market this year, and just charge forward? No, not at all.



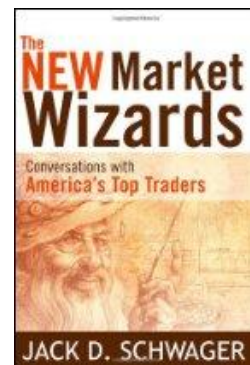
Here's what it means: you need to study the psychology of competent traders. One way for you to do this would be to find good traders and try to get inside their heads. I've already done this; you can find this information in the Peak Performance Course. Study what good traders are like and then become one.

In addition to studying successful traders, you need to develop a business plan and some systems that work. Almost every good trader I know of works hard to create these things. Remember, the reason you are doing all of this is so you'll have the confidence to trade well. When you have a great business plan and some great systems in place that you've proven will work through your testing and simulation, it is easy to assume the BEINGNESS of a good trader.

The Market Wizard Exercise

I'd like to talk about one of the exercises we've done in the Peak Performance 101 Workshop. I call it the Market Wizard exercise. (The term Market Wizard is derived from Jack Schwager's famous book in which he interviews the world's top traders).

The first part of the exercise is to imagine yourself in a situation in which you are not doing well at all in trading. Now, get up and walk away. Look at what you look like when you are trading poorly. Notice your body. You'll probably notice that you are slumped over, tense, and not breathing properly.



The second part of the exercise is to imagine a Market Wizard sitting in that same situation in which you were having so much trouble. What is that person doing? How are they handling things? The amazing thing about this exercise is that everyone can do it—even beginning traders who have never seen a great trader in action. Even novice traders know exactly how that Market Wizard is BEING. And typically he is relaxed, upright, and breathing well. Basically, he is behaving totally differently from the way you were.

The third part of the exercise is to go over to your chair and become that Market Wizard. This is a perfect illustration of how you must BE a great trader to DO what great traders do, and HAVE their results.

So what do you need to do? Understand the psychology of top traders and investors and then adopt it. Study, work hard, and develop a plan that you believe in. Develop confidence in your future success and, when you are ready, just BE a great trader. The results will follow.

About the Author: Trading coach, and author, Dr. Van K. Tharp is widely recognized for his best-selling books and his outstanding Peak Performance Home Study program—a highly regarded classic that is suitable for all levels of traders and investors. You can learn more about Van Tharp at www.vantharp.com.



QUOTES To Inspire

"The tragedy of life doesn't lie in not reaching your goal.

The tragedy lies in having no goal to reach."

~ Benjamin Mays

"Success is a state of mind. If you want success, start seeing yourself as a success."

~ Dr. Joyce Brothers

"A speculator must concern himself with making money out of the market and not with insisting that the tape must agree with him. Never argue with it or ask for reasons or explanations."

~ Jesse Livermore

"Writing down your trades is the best exercise in the world."

~ Linda Bradford Raschke

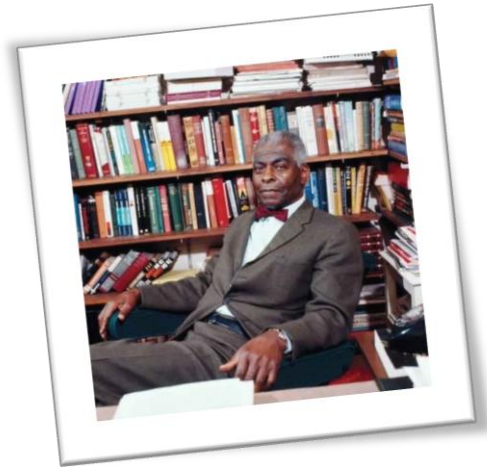


"The markets can be understood looking backward but must be traded looking forward."

~ Larry Williams

"In reading the lives of great men, I found that the first victory they won was over themselves... self-discipline with all of them came first."

~ Harry S. Truman



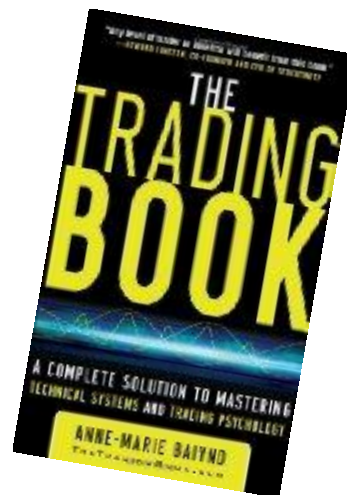
Each issue we will feature a Review from Amazon.com about a book that we would recommend for your Trading Library. If you would like to purchase the book each month simply click on the image and you will be taken directly to our Amazon A-Store to securely take your order.

The Trading Book

By Anne-Marie Baiynd



Click directly on the image to
purchase this book



Product Description

You don't have to be a professional trader to win big in the stock market. That's what Anne-Marie Baiynd learned when she changed her career from neuroscience researcher to full-time momentum trader. Now, with her popular website and this brilliant new book, she teaches other traders how to master the market using her proven combination of analytics and psychology. The Trading Book shows you how to:

- Master the power of technical trading
- Increase profits using probabilities and pattern recognition
- Focus on precision trading for consistent results
- Discover the benefits of waves and fibs

- Embrace the habits of highly effective traders

This one-of-a-kind guide goes beyond the numbers and statistics to show you the complex psychology behind the trades—from the greatest gains to the hardest losses. You'll discover how other traders deal with making counterintuitive decisions; how to use technical indicators to identify the momentum and direction of the markets; and how to achieve your long-term financial goals through discipline, dedication, and endurance.

Filled with insightful case studies, interviews, exercises, and guidelines for keeping a personal trading journal, this is more than a crash course for beginners or an industry guide for experts. This is the book on trading.

Customer Review By Michael K Liedtke

I wish this book was written and I read it when I started trading in 2007. It would of saved me money. In the book Ann MARie shows you her day trading system and gives you psychological insights that are needed to become a successful Day Trader.

If you read this book and study her system which is based upon a momentum style trading system using technical indicators and Fibonacci retracement numbers you have a chance of becoming a successful day trader. I say this because understanding the system and training your mind to day trade is two different things. However it can be done with practice and persistence .

This is a book which I will read multiple times because it's information needs to be committed to memory and practiced so that responses to trading are second nature. Anyone who has day traded knows that Trading stocks is very complex. In the book Ann MARie breaks down the complexities and shows her system in simple useable form. Diagrams are also included for visual aids.

Now, I have been using this system with great success and I am constantly improving as time goes by. Michael Jordan once said that there are those that want things, there are those that wish for things and then there are those that make things happen. To be successful in day trading you have to make it happen.

Read this book, study it. Then practice it using a simulated trading account. Then trade the system using only small share sizes in the beginning. Your success will depend upon you making it happen. Good Luck.