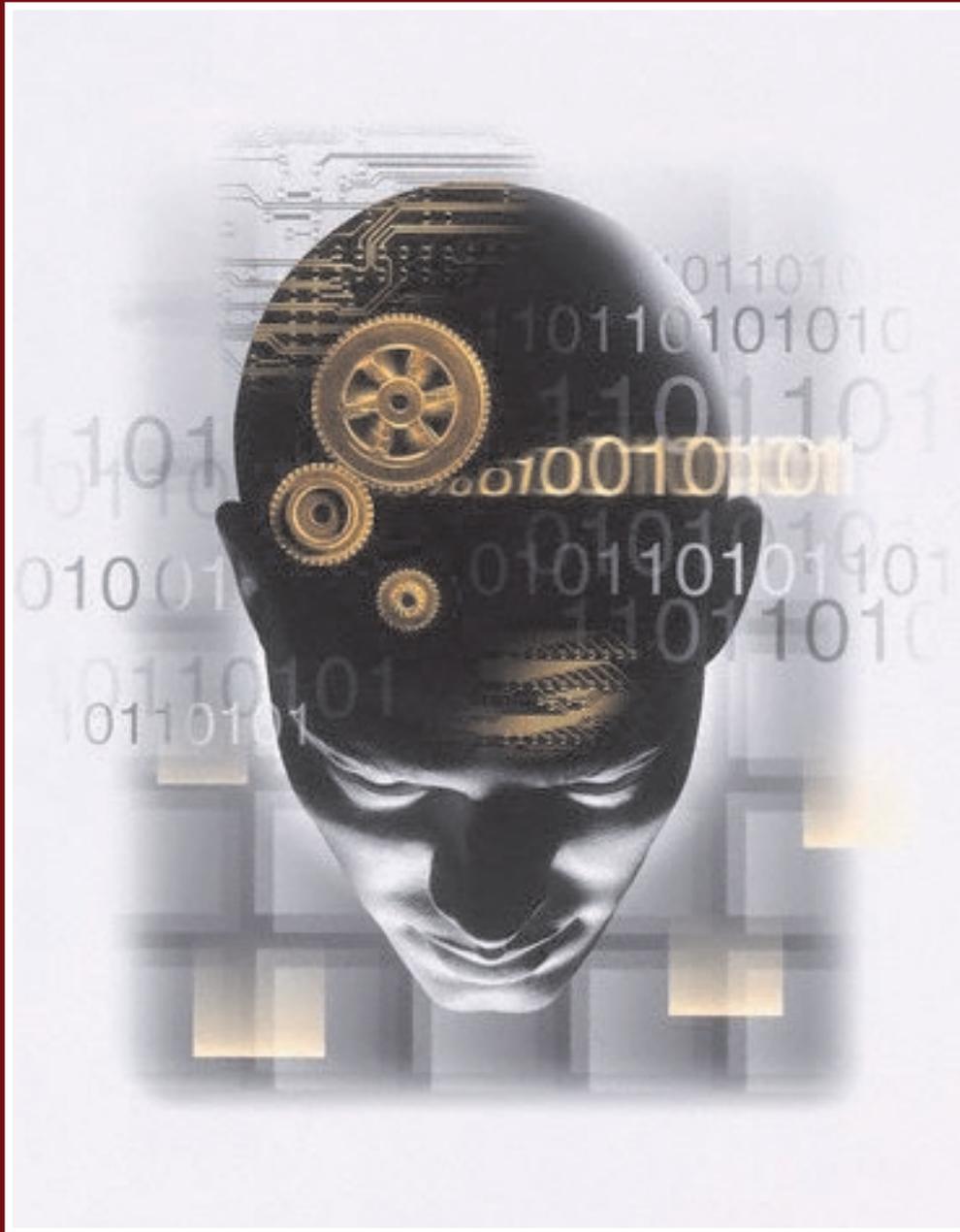


Mindset Of The Millionaire Traders



Windsor Advisory Services

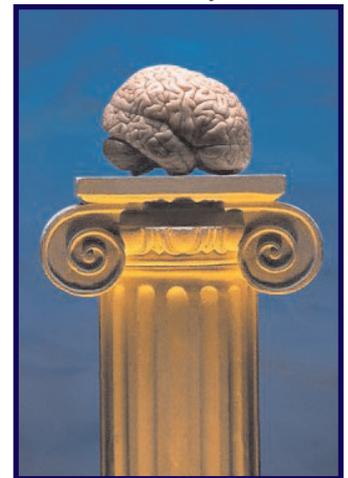
Mindset Of The Millionaire Traders

The world's top traders may all have different methods for making money but they all tend to share the same personality traits that make them great traders. To be a successful trader you must approach the markets with the right attitude. Here, I have isolated ten key traits that the world's top traders have if you are going to achieve longer-term success.

Ten Personality Traits To Make You Successful!

You Are Responsible

You are in charge of your own destiny and responsible for your own actions. No one else can be blamed. In today's society this seems to be an alien trait to many people. There is always someone to blame. The fact is, if you want to trade successfully, you need to take actions and understand that you, alone, are responsible - no one else. Traders who lose are quick to blame the friend they got the tip from, the newspaper they read the story in, or their broker. It's everyone's fault but their own. When you place a trade you need to evaluate it yourself and understand that you are responsible for its profit or loss. This leads on to understanding the environment you are operating in and are happy to accept the loss or profit as your own.



Education

Many traders take tips from friend's brokers and newspapers without knowing how and why the markets really work; they are of course doomed to fail. You would not try and drive a car without having lessons and the same applies to trading. You need to study and learn about trading before you start to trade. This may sound obvious but the bulk of traders don't bother to learn the basics. You need to spend time reading about all the aspects from psychology to different approaches and methods. Once you have learned about the environment you are working in you need to derive a method you are comfortable with.

Develop Your Own Method

The method you develop should be one that is compatible with your personality and what you have learned. The approach you adopt must be comfortable for you. Randy Mackay, one of the worlds top traders asserted: "Virtually every successful trader I know ultimately ended up with a trading style suited to their personality." This is one of the reasons

many traders who purchase systems off the shelf don't make money, even if the system is a good one. While the odds of finding a good system are small, the odds of getting a system that fits your personality are smaller still. If you can't stand to give back profit then a longer term trading system will not suit your personality, even though it may be profitable over time. You have lots of different methods you can trade: Long term, short term, breakouts, reversals, the list is endless. You need to decide which one you are comfortable with, and which one you fully understand the logic of, and which one you are confident will work for you.

Confidence

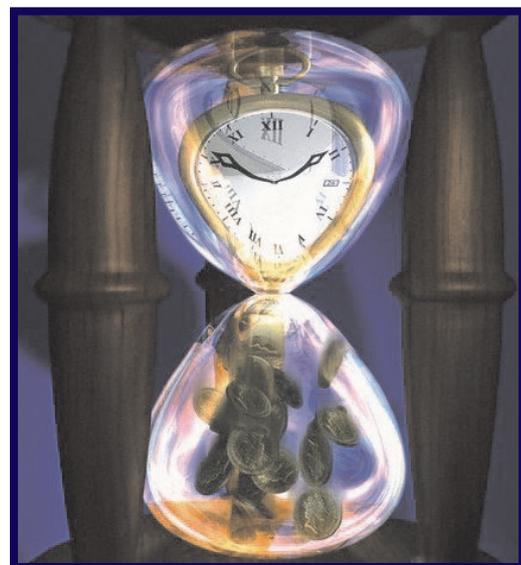
All successful traders have confidence that they will succeed longer term in their aim to make money. This is a universal characteristic amongst the top traders and stems from the points we have just covered. Dr Van Tharpe a psychologist who has studied the world's top traders and the personality traits that make them successful, concluded that winning traders believe "they have won the game before they start"

Discipline

Discipline stems from confidence. It is the one trait that every top trader when interviewed refers to and its importance cannot be over estimated. There are two reasons why discipline is so critical:

1. First, it will help you maintain proper risk control, and allow to execute trades in accordance with your method during a losing streak that all systems suffer.
2. Second, it stops you from second guessing your system. If you do this you will almost always get it wrong.

Why? Because you will tend to pick the comfortable trades, and these are not the ones that are likely to make money longer term. Bill Eckhardt a trader who helped train the world famous turtle traders once said "what feels good is often the wrong thing to do" and this is very true in trading. It's difficult to take trades when your friends, newspapers and your broker tell you otherwise. But successful traders don't believe in running with the herd and feeling comfortable. They believe in making money. Being disciplined and feeling uncomfortable is necessary for longer-term success. You are never immune from bad



trading habits. None of us are - we are all emotional beings. The best that you can do is suppress your emotions and having discipline, and is essential to keep them in check.

Assume The Worst - Money Management

Many traders only think of the profits they can make from a trade, but never consider the worst eventuality. They are blinded by greed. The fact is that all the top traders tend to know their downside as soon as they enter a trade, and decide whether the risk of the trade is worth taking. Money management is essential for trading success, and by always assuming the worst, you can decide if the risk reward of the trade is right for you. As a broker once said to me about trading, *"Always assume the worst and you wont be disappointed. Things can only get better."*

No system makes money all of the time and no top trader does either, so it is important in these losing periods to have strict money management criteria in place to help you preserve your equity as best you can. Money management is, perhaps, more important than your trading method itself. You may have a successful system, but if it loses all your money quickly and recovers when you have lost your stake, it is of little use. You need to reserve your equity so you can stay in the game longer term. Always decide if you can take the prospect of the worst eventuality in relation to your trading capital.

Know What Your Edge Is

It is a fact that 90% of traders lose money longer term. Your edge is what separates you from them. Any successful trader has something that sets his or her method and personality apart from the majority and enables them to make money when others lose. You need an edge that you can define and gives you confidence that you can beat the herd. If you don't know what your edge is, you don't have one!

Love What You Are Doing

Trading is mentally demanding. It's tough and not all traders are suited to it. To illustrate how tough it can be, I have known several traders commit suicide after taking heavy losses. This is an extreme, but you get the picture of the demands it can put on someone's personality. As in all walks of life, not everyone is cut out to be a trader. If the market makes you angry, frustrated, or all you can think about is trades you have on and nothing else, then trading is not for you. All the worlds top traders enjoy what they do. They know at the end of the day they will make money, which is the whole aim of trading in the first place. They enjoy the challenge and the

rewards trading can bring, and can handle the stress that is an inevitable part of trading.

Final Words

Many of the above traits may seem obvious, but the bulk of traders don't possess them and that's why they are doomed to failure. If you want to be successful in trading, you need to be aware of your personality. You need to know the environment you are working in and decide if trading is right for you. Trading is one of the greatest challenges around and with adequate education and preparation, can yield immense rewards for those willing to accept the challenge.