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There is a substantial risk of loss associated with trading Derivatives . Losses can and will occur. My methods will not ensure profits

Saturday, July 5, 2014

Three Thoughts

Trading is just like any other profession like Medicine, Law, Accounting, Teaching and Engineering . It is all about skill development. But unlike trading, these professions have an advantage. We can always conceal our failure and mediocrity there. We can always put the blame on others and situations .We rarely suffers due to our mediocrity and inefficiency. Our client or our employer always suffers. Just think about this for a moment. How many people you know, excel in their chosen professions?

There is no such escape routes in trading. We just can't conceal or hide our mediocrity and inefficiency. Our account will shout it louder. There is no other way but to shoulder the whole responsibility for what has happened. Have you ever thought why most of the traders fail miserably in markets? Let me share some random thoughts.

Every other profession has a well defined knowledge base and curriculum. This knowledge is taught systematically for several months or for many years. There are evaluation methods like tests and examinations to ensure that the students have absorbed the knowledge well. Unfortunately, we traders have no such knowledge base. We have to build it on our own and most of the times we end up with wrong methods

In other professions, after learning the basics, people undergo rigorous training under expert supervision. Doctors undergo clinical practice. Lawyers begin practice as juniors to an expert lawyer. Accountants do article ship and teachers go for education training. Trading is the only profession in this world where you read a book on weekend and start betting big money on Monday.

Finally think about how much money we need to spend on education to land up in a good profession. We may need to spend several lakhs to become a specialist doctor. How much we need to spend for an engineering degree and a reputed MBA?. Here in trading, people are not willing to spend on education and pay tuition fee to the market. Everybody wants to mint money from day one.

No wonder, people find it difficult to survive as a trader. There are no short cuts. Select a method with an edge and get yourself trained. Be ready to pay some tuition fee to the market.

Posted by [SMART Trader](#) at 1:54 PM



37 comments:



[Only Nifty](#) July 5, 2014 at 5:08 PM

Exactly the same thought, i have discussed with my close friend yesterday...when he thrown a Q, "How good Trading is, as a profession" .. I concluded saying, it is one of BEST profession in world.. because you got to WIN yourself completely to succeed, against evil emotions... there is no UNDO option here :)

Reply

▼ Replies



[SMART Trader](#) July 5, 2014 at 9:05 PM

Right. trading is the best profession.
I really enjoy the freedom

ST

Reply



[Unknown](#) July 5, 2014 at 6:11 PM

Hi ST
Very well written. Our equity curve will not ever lie. It will surely tell us where we stand and what the true picture is.
The moot question is: What should be the curriculum?

Thanks
TBP

Reply

▼ Replies



SMART Trader July 5, 2014 at 9:09 PM

That is what we are all searching for
What should be learned? Here all of us agree to disagree.

ST

Reply



Guru Krish (Trading Nirvana) July 5, 2014 at 6:28 PM

Hi ST,

Yes, I agree. To add to it, we become more spiritual (not on the religious sense) on How best you are with your own mind. How are you able to control it. How are you able to concentrate on the "Price" alone leaving the noise aside. How is your "EGO" when trade goes against you. How fast you are able to forget the past and move on with the "PRESENT" (price). "Acceptance" of wrong trade and sticking with "Discipline" is the best lesson one can get in order to grow up in this profession.

Reply

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SMART Trader July 5, 2014 at 9:38 PM

In my humble opinion all these issues are only symptoms.
The root cause is our inability to accept the uncertain nature of the market
We fear the unknown and our mind perceive uncertainty as danger. So our unconscious override rational thoughts to avoid uncertainty and ambiguity. There is only one solution. Train your brain till it start trusting what you do is in the best interest. Once it happens all these problems will disappear on its own

ST

ST



Uday Dave July 6, 2014 at 9:04 AM

Sir

Very true.

Acquire the knowledge, select the method/system with an edge, and then train your brain.

URD



Guru Krish (Trading Nirvana) July 6, 2014 at 3:27 PM

ST,

Yes, Inability to accept the uncertain nature of the market is the key thought which is also shutting down many people venturing into it. whenever I say that, I trade for living, there is def a sense of dis-belief and this puts a tough mark on my conscious too... I am yet to overcome this stage.. Do you recommend any thought process on which I can develop this ??

Thanks for your help.

GK



Unknown July 7, 2014 at 11:58 AM

To quote Robin Sharma:
"The seduction of safety is more dangerous than the perception of uncertainty.
The perception of uncertainty is always less dangerous than the heartbreak of complacency."

Regards,
KSG

Reply



RAVI July 5, 2014 at 6:34 PM

Very well said!

Reply

▼ Replies



SMART Trader July 5, 2014 at 8:59 PM

Thanks

ST

Reply

Sunil Saranjame July 5, 2014 at 7:51 PM



On the lighter side, some 5/6 years ago there used to be a joke going around in one of the forums. ".... if surgeons learned their profession like traders then there would be dead bodies all over the place! :D

Reply

▼ Replies



SMART Trader July 5, 2014 at 8:58 PM

SS

Nice one :)

I read somewhere that 80% of the population are not experts in their chosen professions

This is applicable to all walks of life Doctors, Engineers, Teachers and Lawyers.

Pray that you do not end up consulting someone from this group when in need

ST

Reply



NPA Trader July 5, 2014 at 9:21 PM

Simple but powerful article. Article's like his will definitely give confidence to the traders. We need this type of regular health checkup from the doctor(ST).

Reply

▼ Replies



SMART Trader July 5, 2014 at 9:58 PM

Thanks

Glad you did not tell "Physician, heal thyself"

ST

Reply



Sunil Saranjame July 5, 2014 at 11:15 PM

yes, ST, the 80/20 "rule" applies in all walks of life. In my neighborhood there are like a dozen vada pav vendors but only a couple of them are doing good.

Taking this point on a galactic scale, are we human beings the 20% in our Galaxy?

Anyway, that's a philosophical question!

Nice to see so many traders taking up dp trading and all thanks to you and your efforts.

Regards,

Reply

▼ Replies



SMART Trader July 6, 2014 at 7:49 AM

SS

Nifty Nirvana became popular only because of you.

You saved this blog from premature death by providing much needed Oxygen, "Readership"

Thanks a lot

ST

Reply



Uday Dave July 6, 2014 at 12:40 PM

Sir

I have posted a sort of quiz on my blog about the dilemma of entering into a trade on BO or BPB. I request you and other blog readers to visit the <http://charttechnicals.blogspot.in/> and participate in it if you feel its worth.

Sir, I would request you to hold your opinion/feedback till you feel others have participated enough as I would like to conclude it finally with your opinion/feedback.

Thanks.

URD

Reply

▼ Replies



SMART Trader July 6, 2014 at 6:12 PM

Right

ST

Reply



Joe P July 6, 2014 at 2:00 PM

ST sir,
Reading your blogs is such a wonderful insight and entirely new approach, appreciate your systematic approach to reply to all the comments and enlightening us always ,keep up the good work,I have ordered for YTC book and waiting to read it,

Reply

▼ Replies



SMART Trader July 6, 2014 at 6:12 PM

Joe
Thanks for the visit and comment

ST

Reply



Allwin July 6, 2014 at 4:07 PM

Good Post ST.
One query, what is your view point on some people comparing trading with gambling? How are they different?

Thanks,
Allwin

Reply

▼ Replies



SMART Trader July 6, 2014 at 7:06 PM

Gamble is a risky action in the hope of a desired result
World is progressing because a few dare to dream and gamble.
Every product is a gamble
Every business is a gamble
Every research is a gamble
Every idea is a gamble
Gambling is not a dirty word. Proud to be a gambler

ST



Unknown July 7, 2014 at 12:12 PM

Hi Allwin,

For further reading, please go through the comment section of June 17, 2014 post (17062014). You may find the replies of ST Sir and others to a similar question to be of much relevance.

Regards,
KSG

Reply



Unknown July 6, 2014 at 5:03 PM

In other professions its not that difficult to move forward by hiding your mistakes from others but in trading you wont be able to cheat yourself for a much a longer time. Market would pullout the dead from the closet.

>>trading is the best profession.
Complex too till you climb all the slippery slopes... :)

Mathew
Reply

▼ Replies



SMART Trader July 6, 2014 at 7:44 PM

Mathew
Many traders have unrealistic expectations.I know a few high net worth traders trading 9 digit capital.
They just want to make something more than the risk free bank deposit interest. They consider 24% PA as a good return
Let us do some calculations
Capital 100000, 24% PA 24000, Per Month 2000, Nifty Points 40
If you can capture 2 nifty points a day after commissions you make 24% on your capital
But we are not satisfied with even 500 points a month. Trading 2 Lakh capital people expect to live like Mukesh Ambani

ST

Reply



vikram July 6, 2014 at 5:54 PM

ST,

Very true!!

In fact, I tried your method last year for a week or so, but I was not successful mainly because I was taking your BPB, BOF, BO, TST, etc literally without thinking about the location, space, order flow, etc. Moreover, there is(was) a perception that day trader do not make money but real money is in swing/positional trading. Then I moved to swing trading (SAR method) seeing my profits made in trend days taken back by the market in range/choppy days hitting DH/DL. But what I gained was screen time. Then I got fed up with swing trading and checked back your blog again. Read your e-book and read your blog. Started trading with 1 lot about a week ago. Now, DP trading is making more sense.

To summarize, even with focused efforts, it needs screen time to get feel of the market and making execution and trade management better. As a novice, we all expected to learn trading within a weekend and start minting money within a month, but reality strikes. Most of the books are not based on reality and so most of the traders leave the field. The lucky ones who get your knowledge and guidance still need the screen time to earn profits. There are no short cuts.. we all need good theoretical knowledge and on-the-job training under expert guidance... Many thanks to you for starting the DP cult and making people adopt day trading for living and providing financial freedom... ..

Reply

▼ Replies



SMART Trader July 6, 2014 at 6:36 PM

Vikram

There will be a million ways to day trade the markets successfully.

But what ever method you trade, it is basically a decision making process

In the beginning you will make much more wrong decisions than the right ones. This will change as you gain experience. Once you start making good decisions than the bad ones, your trading will turn around

Please don't call this DP "Cult". I hate them

<http://niftynirvana.blogspot.in/2012/11/trading-cults.html>

ST



vikram July 7, 2014 at 9:27 AM

Point taken!

Reply



Unknown July 6, 2014 at 8:38 PM

This comment has been removed by the author.

Reply



goodidea.vishal July 6, 2014 at 9:17 PM

We want Salary (profit) from market on first day of Working (Trading). we dont wait at least for a month end . there is no ROCKET science in trading .

for ex.- We learn 10 +2 + Graduation + PG + Apprentice =JOB . then whole month work & after we get salary . there is toooooo long process for it . same as it is in bussiness,sports,acting,singing..etc.

But only trading field we want immediate result from first day of trading ,how it is possible ? then we blame for system,market..etc.

Patience is key to success.

PPMWP-Perfect Practice Man Makes Perfect . .

Thanks ST

Reply



Trekkie July 7, 2014 at 9:16 AM

Dear ST,

Another very nice article, thank you.

The tuition fee we pay will be directly proportional to our effort IF the right system is found. Here with DP trading we have that advantage , we have a great system and to add icing to the cake we have a great mentor/teacher. All we need to do is put in the time and effort.

Reply



Unknown July 7, 2014 at 9:39 AM

Hi ST

Want to know how different is NiftyNirvana from Lance Beggs' material?

If we get everything here, how would Lance Beggs' material add on??

Thanks

TBP

Reply

▼ Replies

SMART Trader July 7, 2014 at 1:50 PM



TBP

I learned how the market functions from Lance
The method other than the three trade patterns differs
He trades a structure of higher time frame S/R where as mine is DPs
He try to trade trend where as I am trading ranges.
He monitors three time frames. I look at only 3 M
He is more of a scalper where as I attempt to capture whole swings
He monitors candle patterns. i don't do
His method is built for 24 Hr market. My method is suitable for day markets
In short different vehicles but the chassis is same

ST

Reply



Unknown July 7, 2014 at 2:21 PM

Thanks ST

Reply



LuckyHaa July 8, 2014 at 2:47 AM

Hi ST,

You some where mentioned you subscribed stockbee paid portal.. what is your personal view. Is it worth ???I am basically swing trader
Indian stocks..Is it worth if i paid that much money for yearly subscription ? and he is trading only US stock...I appreciate your response

Reply

▼ Replies



SMART Trader July 8, 2014 at 11:48 AM

Paid subscription is not worth unless you are trading US markets

ST

Reply

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