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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*

Sunday, June 3, 2012

## Reading : Brian Hoffman

Trading will often take you to your breaking point and then present the opportunity you were looking for once you have given up. This is the rotation that most traders are trapped in. Hitting all their losers and scratching or passing on most of their would be winners.

These occurrences are no coincidence. The market is designed to do this. This is how a live auction comes to a fair price. Everybody is competing at once to find an edge. There are many participants with varying agendas running a countless number of strategies at any given time. The price is rarely going to do what you want it to. If it did, there would be no price efficiency and price would tend to perpetually move in one direction.

*The market has a single purpose. That purpose is to make sure that nobody has a static edge by repeating the same exact strategy.* Otherwise, it would get massively exploited with huge capital. If there was such a loophole that developed, it would be quickly closed. Participants instantaneously catch onto it then the price returns to complete efficiency. This action is not created by any individual or specific group, it is the auction itself and all the participants acting in the entirety that create the movement.

This makes even the best hindsight or paper strategy completely ineffective *without an experienced speculator driving the decisions.*

*Profitable trading day in and day out comes down a trader being able to use their feel and experiences to quickly adapt to what they see.* This is not avoidable. Many will try to convince you otherwise but it is just simply not true.

**Brian Hoffman**

Posted by [SMART Trader](#) at 7:44 PM



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