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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*

Friday, August 1, 2014

## Practice Patience

Recently I checked a live discussion of the method just to know how well it worked. It was during market open. To be frank many people are not approaching trading the right way. They bring in their day job culture to the trading desk.

In our day job we are supposed to start doing work immediately after switching on the system. Just idling and watching is not considered as work. Traders are so impatient and need to trade desperately on market open itself. They jump on to a mediocre trade and lose. Then hesitate to take the next best opportunity. Fear of missing out sets in and they impatiently enters another trade and get stopped out. This cycle goes on.

Further everybody wants their trade to play out immediately. They have no patience to sit tight and trail. Every small adverse move drains their patience and the trade is exited well before extracting its potential.

I do get a lot of mails from many new traders. One question is often repeated and they want to know how long it will take to become profitable. Frankly, I don't know. It may take a few weeks, months or years. But people are so impatient that they start to complain after a week of live trading. Many of them might have shifted to some other method losing their patience, I am sure.

Impatience has become the basic character of the generation. We need everything to be instant like Instant messaging, instant information, and of course instant food. We want everything and we want it now. We have no time to learn the method. We have no time to wait for good setups and we have no time to wait for the trade to play out. Please do understand that this impatience is a derivative of fear and greed, the cardinal sins of trading.

*"One moment of patience may ward off great disaster. One moment of impatience may ruin a whole life" – Chinese Proverb*

Posted by [SMART Trader](#) at 10:45 PM



## 18 comments:



[Uday Dave](#) August 1, 2014 at 11:17 PM

Sir

Very well said.

URD

Reply



[Unknown](#) August 2, 2014 at 12:36 AM

Great post ST sir. Patience is key for success in Market. The following lines are extracts from Nial Fuller article.

Crocodiles are a trader's best role model

\*crops are designed and have evolved to be patient "sniper" hunters..many little meals do not interest them as much as a big juicy nourishing meal does. By trading less...our aim is to make a nice large "meaty" size trade that sustains us until our next trade.

\*\*"All good things come to those who wait" being patient, possibly frugal, disciplined and well planned.

\*Crocs have a high strike-rate-----they wait and wait and control themselves with precision until their prey almost walks into their mouth... then they feed. As traders, waiting and being patient can increase your strike rate. Controlling ourselves is really all we can do as traders...This is how you get a high strike rate as trader, not by trading a hundred times a week in some futile effort to "scalp" the markets.

\*Crocodiles are good at avoiding risky situations; they learn fast---As traders, we need to learn from our mistakes, and fast, because money is on the line. Our version of "avoiding risky situations" is not over-trading and not risking too much per trade.

\*Conserving energy for the next kill---The crocodile waits for the big meal because it makes more sense to wait and conserve energy by eating a large chunk of protein less often, I actually imagine that I am making money by not trading and by simply doing nothing, because by not losing money from over-trading and over-involvement...technically you ARE making money.

RakeshKY

Reply

[Unknown](#) August 2, 2014 at 8:32 AM



Perfect post, you highlighted all the problems I am facing

1. I am so impatient that I usually take a losing trade in first 30 min
2. So fearful that yesterday I turned a winning trade into a loser because it was not turning favorable in the first 15 min
3. I find it difficult to wait for good setup, difficult to trail profitable positions....

Reply

▼ Replies



Ashish August 2, 2014 at 9:36 AM

Umang, I am there with you too,  
Ashish

Reply



Ashish August 2, 2014 at 9:32 AM

Dear ST

Great article! I am regular reader of your posts, its immensely useful. This article just speaks of my mind and most of them too we jump into trade no sooner the market opens. You write: 'We have no time to wait for the trade to play out. How long one has to wait for the trade to play out either in their favour or not once a trade is taken? How do you address this, since it is very critical once trade is taken, do we wait for 2 or 3 candles to print and then decide to stay on or quit? Your valuable guidance will be very helpful.

Thanks in advance.

Ashish

Reply

▼ Replies



SMART Trader August 2, 2014 at 10:17 AM

Ashish

Every moment in the market is unique and such rules cannot be made.  
It depends on lot of factors like, trend, momentum, Critical mass, Trouble areas, location, risk, possible order flow etc  
Understanding the influence of these factors well and long experience in applying these concepts is the only solution

If somebody wants to become an engineer, he needs to spend at least 4 years on his study and spend 10-15 Lakhs on tuition fee and expenses. But people are not prepared to spend even 4 weeks to learn this craft with much more earning potential. That is the reason why 95% fail

ST

Reply



Tomichan Matheikal August 2, 2014 at 10:29 AM

Impatience has become the hallmark of the young generation. Not only in trading, just anywhere - on the roads where they rush and kill...

Reply

▼ Replies



SMART Trader August 2, 2014 at 10:59 AM

Right Sir

People need instant gratification. Waiting is hard, and there is an innate desire to have what we want when we want it.  
If we don't get this our psychological responses are anxiety, frustration and tension. I foresee a good market for instant "Kids"

ST

Reply



Arvind August 2, 2014 at 11:41 AM

How long it will take to become profitable?

Ans. In my case, I am paper trading this method using NSE paathshala since July 2013.

I come every day in my uncle's office with a small tiffin box. Take my seat in one corner of the office. Practice to trade this method. Go home with a little more confidence earned than the previous day. This is my daily routine.

My journey till now.

1. Huge loss.
2. Loss.
3. No profit, No loss.
4. Little profit.

Now I am in the phase of 'Little profit'.

Just thought to share my experience till today and the way I am practicing patience.

Thanks.

Arvind

Reply



**capturesunshine** August 2, 2014 at 12:58 PM

Agreed with your point. We have forgotten, how to wait. Speed always kills!

Reply



**Unknown** August 2, 2014 at 1:28 PM

This comment has been removed by the author.

Reply

▼ Replies



**SMART Trader** August 2, 2014 at 4:49 PM

Yes. There is only a thin line between wisdom and foolishness. Hanging on to the losing trade is not patience. It is foolishness. "Patience is power. Patience is not the absence of action; rather it is "timing". It waits for the right time to act, for the right principles and in the right way." -Fulton J. Sheen

ST



**Uday Dave** August 2, 2014 at 10:48 PM

"Hanging on to the losing trade." I was once asked, suppose you have two positions in the market. In one position you are in some profit and in one position you are in loss. Now you need to square off any one position before the market close because of some reasons. What would you do, which one would you square off? I said I would square off the position where I make some money. I would like to pocket the gains whatever I have and allow the losing position to run in the hopes that tomorrow will be a different and it will turn into the profit. I thought I gave the very wise answer. But I was wrong. Suppose you have two shops in two different areas. One is making profits but another one is making losses. What would you do as a good businessman? You would likely try to pay attention to the one which is making losses and you might very well opt to shut that loss making shop. You would never allow the loss making shop to run and that is the real objective of doing the business. Make the gains, not the losses. But when we do trading, we forget this and we do exactly opposite. Why, because we have a fear of loss. We do not want to take the loss. It hurts our ego. So we hang on to the losing one and get out of the winning one.

Thanks.

URD

Reply



**Unknown** August 2, 2014 at 2:44 PM

Thanks ST for the Post!!

Reply



**Deven Malhotra** August 2, 2014 at 6:26 PM

Hi ST,  
Well said !!

Thanks,  
Ddeven Malhotra

Reply



**NPA Trader** August 2, 2014 at 7:47 PM

Hi ST,  
Most of the people are having patience when their position is in loss but not in the case of profit. But they are not ready to follow a good strategy even we teach them what we follow. In my case i have introduced "Nifty Nirvana". They are telling that i am wasting my time. Even they are not ready to know the concept. They don't believe in stop loss concept also. This is my experience with most of our people.

Reply



**xrtrader1** August 3, 2014 at 8:51 AM

Excellent Post ST..

Reply



**VKM** August 3, 2014 at 10:53 AM

Great post ST sir, and nice examples by G Kumar and UR Dave.Thanks

VKM

Reply

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