

As we grow older, we begin to get a perspective on events and things. A baby will collapse into tears, totally distraught over some little thing. For the baby, survival is implied in getting what they want or need right now. Adults see a broader picture. Unfortunately, some traders tend to take a baby's point of view to trading. Each trade, each tick, becomes all important in the moment. Each trade becomes endowed with the significance of survival.

BALANCE AND EQUANIMITY

By taking the long view, a trader keeps herself from being caught up in euphoria or despair or panic. We all know what these emotions can do to a trader. The long view gives you balance and equanimity. The long view gives you wisdom. And wisdom takes away the immediacy of each trade which is just one step in the long journey of trading.

60

Twelve Habitudes of Highly Successful Traders

The successful trader views each trade as but one in a series of possibilities and probabilities. As Tom Basso puts it, "Each trade is but the first of the next 1,000 trades." When this is true for you, each trade is relatively meaningless. A loss? So what, the next one could be a profit. A profit? Well, that's nice, but the next one could easily be a loss. The order of the profits and losses doesn't matter.

DON'T SWEAT THE SMALL STUFF

When you take the long view, you don't sweat the small stuff. If you get all hot and bothered about something during the trading day, ask yourself, "How important will this be tomorrow or next week or next month?"

Did you get a bad fill? Look at your fills as a whole. If they're usually fair, keep going. The next fill will be better. If they're usually terrible, you need to change the way you execute or you need to change your broker. Taking the long view also means that you don't keep doing what doesn't serve you.

STOP DOING WHAT DOESN'T WORK

Find out what works. Verify that it does work. Then and only then you can trade it. A trader who takes the long view won't rush into trading a new method or system until she has fully checked it out to make sure she truly does have an edge.

VIEWING DRAWDOWNS AS TEMPORARY

When you have a verified trading method that works for the most part, you can be comfortable with setbacks. As you project trading your method into the future, you can anticipate

winning over time. Because of this you're willing and able to tolerate losses. You detach from the importance of individual and current results.

Since losses are an integral part of trading, it's important to take them in stride. Losses are a necessary cost of doing business. They are like inventory to a merchant or food to a restaurateur. A restaurateur doesn't whine, "Oh, I hope I don't have to buy food today!" Nor does he complain, "Oh, I had to buy so much food last week!" Of course not. Expenses are planned for and accepted. Losses are an expense of trading. By accepting loss we remove its sting.

Only a loser fears loss. Winners accept it. Fear attracts what we fear. We attract that which we focus on, and we focus on what we fear. "Don't lose." says a trader and sooner or later usually sooner, that trader creates losses. By taking the long view the concern about losing diminishes. The focus is shifted. The concept of losing loses its magnetism for fear and more loss.

By taking the long view a trader ceases to define herself by today's trading. She and her trading are part of a much larger picture. She creates a boundary between herself and her trading. She creates a boundary between one trade and all the rest of her trading.

The long view allows a trader to view a drawdown as a temporary situation. When a drawdown is only temporary, it loses its power to discourage. By taking the long view, a successful trader can remain optimistic even as he experiences a losing period. He can even get excited because he knows that drawdowns are usually followed by periods of large profits. When a drawdown is believed to be merely a passing phenomena, it won't disrupt a trader's faith in his proven methods. A drawdown becomes a simple detour on the road to certain success. It's merely a pause in a winning strategy.

GAINING CLARITY

The long view enables a trader to be optimistic about the future even as he remains realistic in the present. With an optimistic view of the future, a trader is able to accept with clarity current market conditions. A clear view of current price action is essential to successful trading.

A successful trader accepts the information the market is giving him even if it goes against his current position. He can