

# Perspective



When Bennett & I were first hired as rookie traders, we were told we're the 'new crop' of traders. Our first trading desk was actually pretty comical. Bennett & I were the only Americans on the desk besides our boss. The other 10 traders were all of Asian descent, straight off the boat. We certainly stuck out like sore thumbs at that desk.



The office was fresh off a 'fat trimming week' -- where they fire mass amounts of traders not delivering results. So this being my first job out of college, I was very curious as to what happened to all the traders? It wasn't a seemingly corrective time in the market. From talking to people at other desks, it seemed traders were doing pretty well. We were in a trending market so swing trading was in full effect. (This is the time when professional traders make the most money). So I asked my new boss Chaz, "What happened to all the traders during the

fat trimming? Why were so many traders fired so abruptly.” Mind you, this is my first real job, one of my first days and I’m already walking on eggshells in fear of my career. I haven’t even traded a single share yet.



Chaz begins to tell us about the previous crop of traders who didn’t work out in the slightest. He tells us they tried this new strategy where they strictly hired Ivy League Graduates seeing as they’re the smartest young adults in the country. Good thing Bennett & I didn’t apply then!



So I ask Chaz, “What happened?”

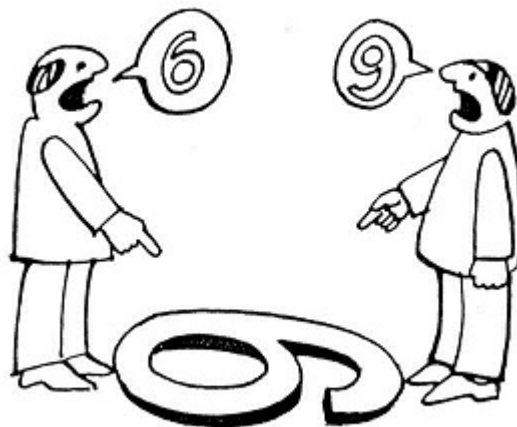
“We talk about how trading is a mental game every single day. You can have all the tools to succeed, put yourself in the right position to make money, but if you’re not right mentally

then you will manufacture mistakes left and right. Every one of these Harvard or Yale kids I hired will probably go on to be astrophysicists, but one thing they will NEVER be are traders," Chaz states.

"You see, these Ivy grads have a knack for figuring everything out to its core. However, the market fluctuates in a random pattern at times. Granted, it's based off human emotions, which is something you could never make an equation or model for. It caused these brainiacs so much mental anguish when they couldn't figure out why a trade failed or where they went wrong. This mental anguish created a blockade in their minds which will never allow them to find success in trading. In trading you have to be flexible -- things can change in an instant! They could not accept the market was outsmarting them and ultimately blow up & fail."

I said to Chaz, "But these are the smartest guys in the country. How the hell can a dumbass like myself find success while a summa cum laude Harvard grad is failing?"

Chaz responded, with a big smile on his face, "I was hoping you'd come to that conclusion. You see the market is constantly giving off information. Every single second with every tick, there's information. There isn't happy or painful information -- just information. It may seem as if the market is causing you to feel a certain way, but that is just how your mind is PERCEIVING the information. See, PERCEPTION is one of the most important attributes a trader can utilize."



This finally began to make sense to me. Professionals don't perceive anything about the markets as painful, therefore they are able to process information from an unbiased stance. It is imperative you are able to see the market from an objective perspective. You must be able to act without any hesitation, but also with the appropriate amount of positive restraint to counteract the negative effects of overconfidence or exuberance. In essence, your goal is to create a unique state of mind which we call a *trader's mentality*.

The goal in trading is to always remain flexible in your thought process in order to gain the trader's mentality. You do not have to be the smartest person in the world to understand technical analysis and human behavior. You can even be a dumbass and figure it all out!