

TRADING EXPERTS PRESENTS:

TRADE THEORY



SUCCESSFUL TRADING DURING
VOLATILE TIMES

Trading Experts Presents:

Trade Theory



This past year was an amazing year from a trading standpoint. We traded into new all time highs twice, through two corrections and even sprinkled in a bear market to start the year off. If you were able to persevere through the end of the year and overcome the fear of Mr Market, this year there will be even more to learn, attain, succeed, master, and achieve. Only if you are willing to put the work in, of course.

Trading Experts 10 Step Challenge To The Alpha Chat



The new year for most people seems like a mystery, to us we smell a whole lot of cheddar. In this program you will learn about the new tax updates on retirement accounts along with new trading strategies that professional money managers employ during these rocky times. You will learn why 3% of Harvard MBAs earn 10X more than their peers. You will learn the truth about the market, how to drown out the noise, breathe and stay positive during the hard times. We even peppered in a simple secret about IPOs.

If you made it through 2020 with your head held high you can overcome anything the market will throw at you this year. We also have a guest dropping in to help you with interview preparations. So let's jump right into it!

From Shake and Ben G

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Have you ever met a new trader coming off their first winning trade? I bet they seem cocky, like they own the world and the market is their playground. They see the market as a simple game, one they will continue to win over and over again. They eventually find out after a few lucky trades -- it's not as easy as it looks.

***“The worst tempered people I’ve ever
met were the ones who knew they were wrong.”***

Trading Experts

We can't even knock that cocky trader because in today's day and age, modern technology has made becoming a market participant quite simple. You can download an app like Robinhood with \$0 commissions or utilize these shady brokerage sites that allow you to open an account with \$10 and offer 1000:1 leverage -- what can go wrong? There is no shortage of these young bucks as we get a fresh crop every week in our DM's looking to talk trash. What new traders fail to realize is that repeating trades over a long period of time involves far more than luck to still be in the game years later. It

requires elements the cocky trader doesn't fathom such as hard work, discipline, and flexibility to continuously adapt to an ever changing market environment. To bring all of those skills together over a sustained period of time requires a level of commitment that enables ordinary people to do extraordinary things.

To gain this knowledge of the markets requires a willingness to commit to success because trading most often does *not* provide a quick reward. Now you might be thinking, "*Hold up... Shake just swung AAOI for 2 weeks and made over 45%,*" or "*Bennett took Amazon for \$160 points in 2 months...*" Yes those are what most would think are quick rewards. However, you have to take note how long we prepared for those trades. Even our recent swing in ONCE through \$66 shows this feat:



ONCE held that \$66 level **12 times** over the past **18 months!** We stalked the name and checked on it daily for over a year ensuring we would not miss the trade when it finally triggered. Sure enough when it was ready, we were in.

Committed traders are able to stay in the ‘zone’, harnessing the fear, pain, embarrassment and other negative emotions that interrupt the smooth flow of their trades. The best traders have to be a master of what the Chinese call “active passivity” or *wu-wei*. They know how to be patient and how to focus on making the moves at the right time. You could buy the best company in the world but if you’re buying at the wrong time, it doesn’t matter what company it is. You’re going to be in for a rough ride. This capacity to utilize *wu-wei* to their advantage enables them to identify the best trading opportunities and capture them in the most cost efficient way. Remember, being a trader in the zone is not just buying the right stock -- it’s about identifying winning trades and maximizing the profits in them while minimizing the losses in the failed trades.

“By failing to prepare, you are preparing to fail.”

Benjamin Franklin

An experienced trader is one who is bright, analytical, self disciplined and able to be calm during times when most are fearful. You ever see the guy calmly sitting at the bar when a bar fight breaks out, that's the type of trader you want to be. This same trader that can sell just as easily as he buys. Most new investors who sell a winner that ultimately goes higher, will utter the 3 fateful words:

“Shoulda, woulda, coulda...”

Rookie Trader

I will tell you from experience trying to catch bottoms and tops is a suckers racket at best just like the casinos. Even when we look back at our winners and see them higher, we look to see why we got out and how we can improve on the next trade to improve our profitability.

The most successful traders continue to challenge themselves; new scores and new financial goals. It is not just about the money, it is more about the intellectual challenge, the ability to formulate a game plan, execute it and see the results. If you remember Mr. X from our prior stories he was a successful biotech trader from our prior firm that once said:

“To be in the zone you have to work your ass off, be disciplined, and repeat the traders mantra -- buy well, sell better. It is hard to sell it, so you have to be a better seller, it allows you to sleep at night.”

This trader was known for leaving his Patek Philippe on his desk that was a few feet away from traders who barely could afford rent in the city.



He was the calm guy during the bar fight, a \$100,000 watch meant nothing to him and neither did the fluctuations of the market. When the pikers were scared, he backed up the truck. When everyone was high fiving on a name he was sitting in, he would be selling stock -- rinse and repeat the *wu-wei* way.

Trade Theory Task

In the group chat share a story (Start the post with *Wu-Wei lesson learned*) when you were the rookie trader and got caught up on the wrong side of *wu-wei*, than let's hear a story of a great trade you put on when you were able to use *wu-wei* towards your advantage.

Prey or Predator

For animals, time is their greatest enemy, if they are the prey and wander too long, they are as good as dead. If they are the predator and wait too long to strike, their prey will escape. Both the prey and predator will become skillful at evading or catching from experience, and with experience comes time. As a trader one needs to be quick and patient at the same time. You must be quick to make a decision, yet patient enough to give it time to be successful. As your experience grows over the years you will be able to handle more complex problems with much greater ease. Remember that first time when you only had \$1,000 to trade and were wondering if you should go all in on one idea or spread it across three? And now \$1,000 might not even be a feeler position or an amount to ponder on with such trivial questions.

One can have no smaller or greater mastery than mastery of oneself

Leonardo Da Vinci

We have been hard wired for thousands of years to make us feel we can skip steps, avoid the process, magically gain power through easy shortcuts or depend on our amazing natural abilities. That's a crock of shit. Trading experience takes time and at bats. Most dream of the allure of going from odd lot trader to a big block holder, however if you flipped that switch, most would not be up to the task simply because of their lack of experience. It's a different game at that level.

Do not become a captive to the opinion or fear of others, always focus on number one and how you can improve today. If you are meant to become a successful trader, then be a successful trader now and focus on 5:1+ risk reward trades. In time, the profits and account size will show itself. Cheat and cut corners and make excuses and eventually those chickens come home to roost. Most however strive to be different, they love to go against the grain to show their smarts, but the market has no time for a petty ego. All this brings is temporary distractions and in time it will mercilessly expose their weakness and impatience.

What is the task of a trader? Making money, that is all that matters, nothing else. Not how many likes on your last post, or why you bought Apple 10 years ago and still have a few shares left. Focus on the task of a trader and nothing else. Forget about dreaming of the future, focus on the simple and immediate skills, because these are the things

that can help achieve that future dream. Improving these skills now will give you the confidence to focus on the goals at hand.

Understand that all you should concern yourself with in the early stages (first few years) of your trading career is that of acquiring the correct and practical knowledge in the most efficient manner possible. We tend to be mesmerized by people's appearances, not the psychology behind what they say or do. So when you are looking for efficient ways, focus on how the people you interact with talk, not on what they have. Now there are other ways to learn, such as what you are doing right now (reading) and you can also learn from your own experiences, now all of these methods on their own tend to be hit or miss. However if you can combine them and take pieces from here and there, in time the puzzle starts to take shape. Reading this, your own trades and even our advice will only get you so far, by doing these things you are putting yourself at a major advantage, you are saving yourself time. None of these methods are exactly considered time savers as the process is a long one, however without the right path and process, the destination will never get closer than the horizon. **When we are able to learn something in a concentrated manner it has added value.**

Trade Theory Task

What are your 3 goals for this year that will make you more successful than last year?

First write them down on a piece of paper and tape it to your computer screen. If you have the guts and want to be accountable for your goal, post it in the chat!



11 Simple Rules of Trading Experts

Over my last 14 years investing in the markets, from penny stock picker to licensed trader and advisor. I have learned trading lessons the easy and hard way continuously trying to improve (simplify) the process of making sound investing decisions. Let's review these simple rules that continue to hold true in the market.

1. What's expensive tends to get more expensive, focus on buying on the way up
2. As much as you love this particular trade, it's just another one and there will be thousands more, focus on moving your stop to breakeven as the trade starts to work in your favor, if it never works in your favor that is a sign to take the loss and forget the story as to why you should be right
3. Dollar cost averaging at a lower price is ok once, and sometimes needed twice, anymore your adding to a sinking ship, cut the loss or stop adding
4. Money is made slow, give it time, most short term moves have at least a 3 day move in them, try to avoid selling too soon such as selling the same day your buying, instead keep moving your stop up and see how much more of the move you're actually a part of
5. There are always new gimmicks in the market, avoid them, the cheap and worthless name are gas station sushi, sure they may have a fast move but we all know they never last and by the time you are aware you already missed the meat of the move
6. Earnings are unpredictable, avoid holding through them as often as possible, if you have a solid cushion (10%+) in the name, and you hold through it, right or wrong your mindset should be holding until the next earnings report, if that is not realistic (you know yourself better than I do) don't waste your time with earnings
7. The larger your allocation of capital is in fewer names the greater the fluctuations of your overall return will be (good and bad), the more you diversify your capital the closer you will get towards average market returns, which comes down to your own risk tolerance
8. Focus on the percentages and the dollars follow, focus on the dollars and you will cap your upside

9. One of the secrets to trading isn't being the best traders or having the best price, it's having extremely specific goals so you know what your aiming for, most traders never set monthly, yearly PnL goals and end up running in circles or never knowing when to take a break

10. If it takes more than 2 sentences or 30 seconds to explain an idea, it's probably a bad idea

11. If you are going to celebrate your wins, don't whine about your losses, no one likes a cry baby

One last bonus rule, the simplest long term investment strategy is to just continue to buy the SPY, this is so boring, virtually everyone cannot do it, yet it works, a good rule of thumb is to keep 1 of your accounts that strictly follows this method and see if you can beat the market. If you can it's a win, if you can't at least your account beat you which is still a win. There are few win wins in investing, this is one of them. The best account to follow this approach is in your 401k, the second best is in a taxable account.

Trade Theory Task

In the group share your list of simple rules.

A Chat with Mr X



Mr X was a legend on our desk, extremely humble and kind. A wildly rare combination to find on a trading desk. When you are worth over \$100 million, there is a permanent sense of calm that the uber rich radiate. *Mr X* was known to leave his Pateks at his desk, sometimes even over the weekend, when a few feet away you have pikers scared about being down \$.20 in BAC and if they could afford to get a Snapple at lunch.

There were times that *Mr X* would come by to ask the younger traders how their day was going and to see if he could help. Getting a minute or two with *Mr X* was the same feeling as if you got to hang with Kate Upton at the bar.

I remember one cocky rookie bragging about his chat with *Mr X* after he left for the day.

"You guys think Mr X is a legend, he only made \$80 bucks today, I made more than him!"

"He meant \$80,000 piker," Jack shouts, not breaking eye contact from his screens.

The piker was quickly humbled.

Even though *Mr X* was worth well over \$100 million, he still followed his rules as if he was just starting out with his first \$1,000. He was often remembered for always saying *"it's all about the percentages not the dollars"*. Below are the top 9 things that I learned from our brief chats when I used to trade next to *Mr X*.

1. 98% of trading comes down to preparation.
2. Know your A+, A, B, C setups, chuck the D and F setups.
3. Trade your highest probability setups.
4. Reduce risk when it's not working (a prime example is if he bought a breakout and it went a few cents and came right back, he would take a majority off and would always be willing to buy back).
5. Focus on names in play, out of the thousands of stocks out there, each day there are only a handful that are ready, you need to find those names.
6. Know your weaknesses, Mr X's were (sound familiar) selling too early, not having size for the move.
7. Knowing how to read charts and volume is one of the few 1-2 punches you need, forget the bells and whistles.
8. Sometimes 3rd time isn't a charm, however eventually 7th, 8th, 9th time it's much more likely to go. Just when you're about to throw in the towel is usually right around the time it's going to go.
9. The more time frames a level lines up with, the higher the probability of the set up (monthly, weekly, daily, hourly, 15 min).

Macro vs Mickey Flag



Our bread and butter is the bull flag, however they come in a variety of shapes and sizes coupled with our tendency to be wildly impatient with the macro flags and super patient with the mickey mouse flag. Hopefully this lesson will be a nice slap in the face to wake our asses up. You remember LULU the 7 year bull flag that was setting up in a \$40 range as we battled for months trying to be perfect buying \$80 to \$84 only to look back and wonder how we were taking losses when it ripped 100% higher after the day it triggered? Other than one or two of us, none of us made as close to what we should have made (myself included) in such a slam dunk that should have been the trade of the year. Grinds my gears thinking of this Big Picture trade that we all knew about as clear as day, yet for the most part we messed up with our goldfish-like attention spans of winners like these.

A macro flag adds a layer of probability to a trade. This is due to the Support and Resistance levels being far more relevant. Macro flags take longer to form, sometimes years, but when the level finally breaks the move tends to be large.

CAT was less of a mess up, however even for this name we had such a good price, yet were too scared to give anything back. This ended up a 60% swing when it was good for almost a 100% just by being a tad bit more patient.

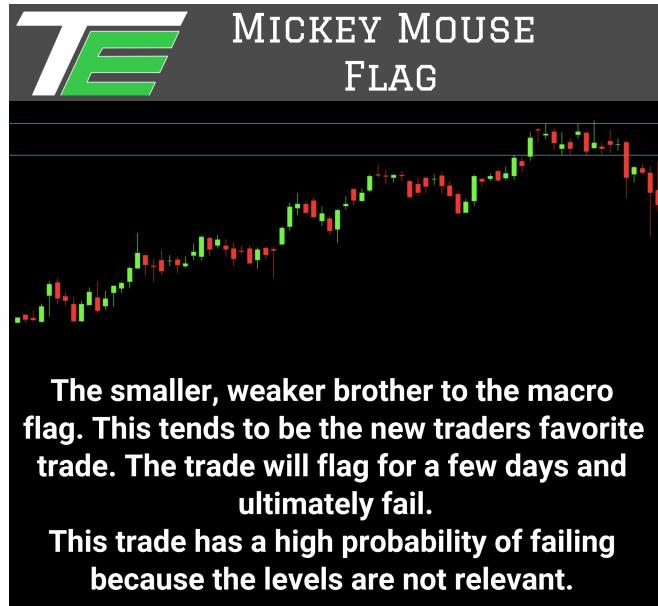
The main thing I want you to focus on is how long these trades set up, not necessarily my venting of these two slam dunks that we JR Smith'd.



When you look at the two examples above, LULU set up for 7 years and CAT set up for 6 years. Less than a year after, they took out those major resistance levels and both went on to make nearly 100% moves in a year. You and I know, holding a winner for a week is hard, a month is like being a saint and holding a stock for a year is like being a monk as we try to Roger Rabbit every breakout that comes across our screen. However how many 5% swings do you need to make up for one 100% chop? "A lot" would be the answer. These 7 year set ups don't come knocking every day however these are the setups we need to be hunting for. Not these Mickey Mouse Flags.



These are the flags that the newer trader tends to love, it's been flagging for 4 days it's going to rip to the moon! Ends up popping a buck only to reverse the move. When you are already long a name and it flags, sure they can be great spots to look to add and areas to move up stop if the flag continues to the upside. When you are scanning, if you can put more energy in the LULU and CAT's of the world of macro flags and forget these mickey mouse flags, your trading and account should follow suit with the overall trend of the macro winners higher.



When looking for a macro flag, I want you to ask yourself a few questions:

1. Has resistance been attempted on 3 separate occasions that are at least a month apart (not testing the same level for the last 3 days chief)
2. Has the resistance level been forming for over a year? (the more years the better)
3. Have the pivot lows been getting higher as the years have progressed?
4. What is the catalyst for the final break when it goes? (this you will answer when you finally get in)

Trade Theory Task

Your task is to go out and find 1 chart that has a major bull flag that has been setting up for at least a year, plus has attempted said level at least 3 times in the past with at least a month apart between each retest. Once you find it let's hear the game plan!

Existential Vacuum

Have you ever had the feeling of emptiness, a void within oneself, that you are caught in a situation with no exit in place? This has been a widespread phenomenon that has been going on since our ancestors learned how to start a fire. As we have adapted as a species we have lost the animal instincts that we were originally born with. In this day and age, just imagine you were downtown and had to meet a friend at a bar uptown with no iPhone. That menial task might give you a flash of fear, that Google Maps or Uber won't come to the rescue.

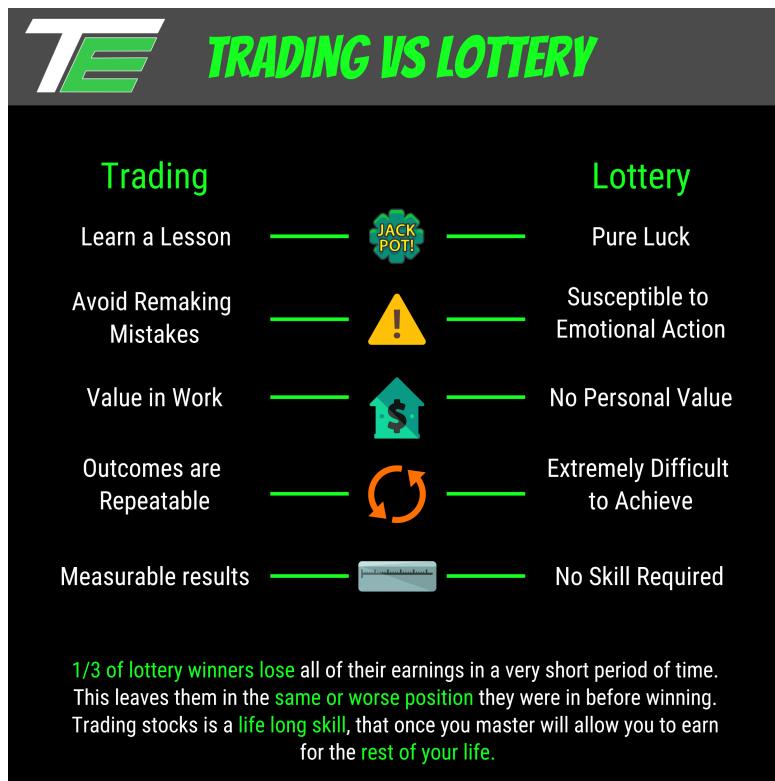
In today's day and age there is no instinct inside us to show us what we have to do to succeed. We have no tradition to tell us what we ought to do. We are instructed to go to college, get in debt, get a job to pay off debt, only to retire poor in the end.

For most people, they have no idea what they want to do. These people tend to fall into one of two camps, either they want to conform and do what everyone else is doing or the totalitarian camp of doing what others (their parents) wish they would do. If you have ever gotten trapped in this existential vacuum it usually results in a state of boredom. The dread of Mondays and the celebration of Fridays, which lead to the Sunday Scaries. The reason for this cycle stems from a feeling of total and ultimate meaninglessness in their lives.

What men actually need is not a tensionless state of ease but rather the striving and struggling for a worthwhile goal, a freely chosen task. If your worthwhile goal is to grow your account to its first million, ask yourself honestly, if you could have \$10 million right now or work to earn it the hard way which would you choose? And do not use the cop out of "*I would take the \$10 million now and smartly invest it*", ask yourself that question honestly. Personally, if I was given the opportunity to have the number that I am striving for today without having to work for it, I would say no. We want to strive towards the goal and earn it, not to simply be given it. If you are going to spend your time on any skillset make sure there is purpose to the task, if there isn't and money is involved, it's much easier to just hire someone else to do it and focus on the task that does light you up.

Trade Theory Task

Be honest with yourself, what is the purpose of trading for you? This can be personal and you might not want to share it which is fine, so be real with yourself. Answer this as if no one is ever going to see it. Write it down on paper and keep it close by, when you are feeling down look back and reflect on your purpose. If you want to share with the chat we would love to know your purpose!



Purpose

DURING SHITTY TIMES, FORCES THAT WERE BEYOND YOUR CONTROL CAN TAKE AWAY EVERYTHING YOU POSSESS EXCEPT ONE THING, AND THAT IS YOUR FREEDOM TO CHOOSE HOW YOU WILL RESPOND TO THE SITUATION.

Life is much more than just a quest for pleasure or power, life is primarily a quest for meaning. The greatest task for any person in finding success is to find meaning in one's life. To find this meaning, it can usually be found in work that you are passionate about, a person you are passionate about or the courage to persevere during the difficult times for the benefit of others.

Often when one feels lost or confused in life, you might wonder why am I here, what is my purpose, or what is the meaning in life? Once you are able to answer these questions you can define your purpose and pour your heart into it. Maybe it's trading or being a father, or being the best at whatever skillset floats your boat.

To determine your meaning in life there tends to be three roads that are open for business. The first is by creating something or by doing a deed that helps others. The second is by experiencing something or encountering someone. Meaning can be found in things other than just work but also in love. Lastly which tends to be most important to one's own purpose in life, even if you were a helpless victim in a hopeless situation facing a fate that you cannot change, however one that you are able to rise above and grow beyond.

Now you might be thinking you are on one of those roads or are currently riding down all three. For myself, my passions stem from a few things, largely related to the three topics I outlined above. I have a passion for growing this business and the new opportunities that present themselves, the people I care for, and learning from my own

personal experiences, good and bad, **so that I'm always in this cycle of constant growth.**

Just as you've done in your life, when you are able to see the purpose of why you are here, it is much easier to forge ahead on the road less traveled as you work towards your goals. If you think back to some of your worst experiences in life, losing a family member, the family dog, getting fired, dumped, divorced, scammed or robbed of (at the time) an unfathomable amount of money, in the moment it sucks. When you can look back and reflect, more often than not, you are glad to have experienced those rainy days because they made you a stronger person in the end.

These crappy times forces that are beyond your control can take away everything you possess except one thing, and that is your freedom to choose how you will respond to the situation. You cannot control what happens to you in life, however you can always control how you feel in those moments and do about what happens to you.

Trade Theory Task

What path of purpose are you currently working on (creating, experiencing, or rising above)? How can you improve at this skill?

Equity vs Bond Battle



Did you know there are bonds out there that actually have *negative* interest rates?

These are not 3rd world countries either, these are some of the leading countries in the world. Switzerland, Sweden, Germany, Denmark and even Japan now have bonds that pay out negative rates. They don't pay out anything, they actually pay you less and tell you such, no fine print needed. People line up to buy them too!

In a normal world, you buy a Treasury bond and you will get paid around 1-2% in interest annually. Maybe you're lucky and can find a tax free muni bond yielding 3-4%.

In some of those countries, they actually take your money for buying such an investment. Now in the most broad sense, if there was a boxing match, say Floyd Mayweather (Stocks) vs Conor McGregor (Bonds), we all know deep down Floyd is going to win, however there will still be people who bet on McGregor and buy those bonds. Eventually though as Floyd keeps winning (over time) more people join the bandwagon, until he eventually loses. Now the pool of people who bet on McGregor (who buy bonds) do you think are **bigger** than the people who bet on Floyd?

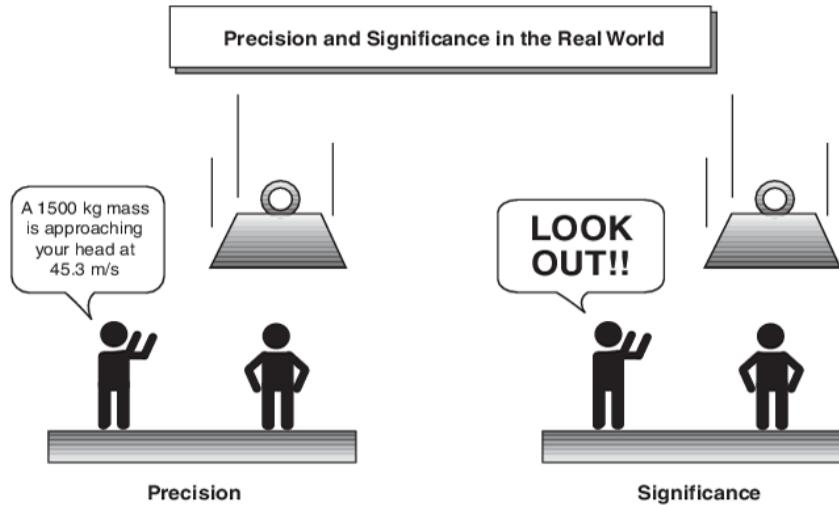
Yes they are! To be matter of fact, they are around **8 times the size**. So, if the bond market, which has been a snooze fest for the past decade, has rates that begin to rise (bad for bondholders) what are those participants to do? Do you think some bond investors will throw in the towel on their negative yielding and 2% treasuries to get in on the Money Team? If I was a gambling man, I would take that action any day.

So when people say “*the market is high!*” Remember that for every person buying stocks, there are 8 other people sitting with underperforming or blatantly negative performing bonds. Eventually some will throw in the towel and join the money team.

Now we are not saying to shun bonds altogether, because we are a fan of diversification. A general rule of thumb is one's age is generally the percentage of bonds an average investor should hold.

Say you are 30 years old, the rule of thumb would be to have 30% of your investments in bonds. Now the key word here is *average*. The reason for this is that you, myself and everyone else on the street has no goddamn clue when the next crisis or crash will happen and when it does, those boring bonds can help stop some of the bleeding and help level that seesaw of your nest egg.

Fuzzy Logic



The most effective decision making is not always made according to predetermined rules. Quite frankly, there are too many variables while the best rules aren't ones to live or die by. The best rules are not set in stone, they're more likely written in sand, where they can be changed with time or the tide that is about to wash away your secrets. **The best decisions are made at the last possible instant when the greatest number of variables can be predicted with the greatest degree of accuracy.**

What are some rules we stand by at Trading Experts?

- Do not gamble on earnings
- Avoid cheap stocks
- Buy leaders, avoid losers
- Cut your losses quick
- Hold your winners for 5-1 RR or better
- Patience
- Avoid options
- Turn off the TV
- Follow the trend
- Focus on names that are top right
- Keep it simple
- Read daily

Improve daily
Save weekly

These are some rules that are probably (hopefully) burned into your memory. But are there ever times that we should hold through earnings? If you have a 20%+ cushion in the stock and you're willing to hold till next earnings, go for it. Sometimes a stock that was at \$40 and flagging, got a little ahead of itself and pulled back to \$25 and has been basing, now that might not be cheap as in penny stock cheap, but cheap compared to a name like Amazon. If it's a tight risk set up, is it an all around avoid, simply because it's cheap? Of course not. There are countless instances where you could amend your rules in the right scenario.

The rules we follow change with the market, they are written on paper with pencil, not etched in stone. Rules are meant to be broken or bent from time to time, but bend or break them enough and they no longer are rules, just bad habits that are forming. There are two rules when it comes to rules to follow (and we don't mean never lose money). Rule one, rules keep changing, and rule two, the only rule that doesn't change is rule one.

Trade Theory Task

What are 3 other rules that have helped you improve as a trader? Please share them with the group. Can't keep all the secrets to yourself you know!

Craziest Hour of My Life



When you're an active trader, you love IPOs. They are great for cash-flow. They take a LOT of practice, because you have to react so quickly, but the risk/reward is astounding as stocks often have very dramatic price swings on their first day of trading. In the past 5 years, the IPO market has been a very good one for active traders giving us weekly opportunity to capitalize on these dramatic price swings. We had gotten our method down to such a science, by the time BABA came around, we were absolutely SALIVATING. This was the golden goose. This was the ONE. We were thinking that this company is so established and has such great fundamentals that the momentum buying is going to be INSANE, it might go 50 points in day one like LinkedIn!



“Am I going to make \$40,000 in an hour trading today?”

When preparing for an IPO, it is essential to have some background on the company. Besides knowing about the company's fundamentals, the price and float of the IPO have to shape your game plan. When companies have a small float, meaning they're offering a relatively small amount of shares to the public, you can expect this to be a risky IPO as the thin amount of stock will cause much more extreme price fluctuations. 1000 shares in an IPO with a 20 million share float is about 5 times as risky as those with a 100 million share float because of the simple equation of supply and demand. With much less supply, the demand is greater causing great price swings when large blocks of shares are traded.

We love the thin ones, that's fast money to us. Sometimes we only need to buy 500 shares and can make \$2,000 to \$3,000 while only having \$350 or less risk if the IPO is a dog. No beating that. So BABA was the perfect mix of both a thin stock while being thick enough to get a relatively heavy position without the crazy risk. We expected it to be the fastest one we'd ever seen with the float being so thick but the demand so high that it was sure to have unreal price fluctuations. I've never seen such hype and coverage around an IPO like BABA. EVERYONE was talking about it. My mother, who couldn't name one ticker, was calling me asking if I could get her involved in it. Sorry mom. We knew it was going to be way oversubscribed (meaning the demand tremendously exceeded the supply), but just *how* much was the question. We heard from our buddies on the floor it was going to be FIVE TIMES oversubscribed, which means there was demand for five times the amount of stock as being offered. This meant that 100 million shares were being offered, how could that be possible?! With a price range of \$66-68 and 5x oversubscribed, where would this open? 90? 100? Over 100?? We were all taking our guesses.

Finally, it opens. My computer and level 2 is moving IMPOSSIBLY fast. You can't see a price except that it opened up above 90 and judging off the fast price action, it seemed 90 was holding off the bat. There was extreme selling pressure right away but there was a wall of buyers supporting it until they became too powerful. Seeing this, I scooped up 2000 shares long at 91.80 and put my stop at 89.99. You couldn't see a thing! We had the best internet connection possible and I wasn't close to being quick enough! This is one of those situations where you had to say to yourself, "I have to stay locked in, I cannot lose focus for one second because that could lead to a vital mistake which can mightily hurt my account".

So this bad boy starts to catch momentum. I've never seen my P&L move so quickly. All the guys are screaming about where the prices are at because it's moving so quickly, no one's sure who's computer is real time and who's is lagging. I threw out random offers to sell $\frac{1}{4}$ of my position between 96 and 97 and they IMMEDIATELY got taken. Where the hell was this stock really? My computer is showing me 97 but it could be at 100 for all I know. All of a sudden you hear someone scream, "IT'S GOING FOR IT! IT'S GONNA DO IT!" Holy shit. This thing's gonna break 100. I can't sell one more damn share before that! I had offers to sell scattered between 100 & 110, it's about to be pay day.



All of a sudden, my P&L starts going the other way. It didn't break 100. The stock ran into a brick wall that put the Great Wall of China to shame. I was up 15k a second ago, now I'm up 8? Now 5?! I can't get out here! It HAS to rage back up. The sellers were just too strong. I watched it sink and sink and sink. I've taken many losses in my day, but never felt a pit so sharp in my stomach as this day. At this point, without a plan to sell, I could do nothing but watch this decline and decline until it finally took out 90 to the downside. In a 15 minute span I went from up \$15,000 to down \$2,000. It finally takes out 90 and stops me out confirming the losses. Unbelievable. How can that be? How could it change character so quickly?

Then, the worst thing happened. My \$89.99 stop ended up filling me at \$89.90 for the loss. The dead low. All this needed to do was take out lows and get the weak money

like myself out. It RAGED up after that. I thought to myself, "I'm gonna be sick," as BABA quickly recovered back up to 96.

So I took my losses and watched some of my buddies do really well that day, while I learned much more valuable lessons about being greedy and having a game plan. Even though they move very fast, to capitalize on IPOs you need to be able to make a quick game plan on your feet, in a split second or you're going to lose money. There is no such thing as a Golden Goose, stocks are going to move how they want to move. These are cash-flow trades not retirement packages, you can't just sit there holding stock thinking you're never going to sell it. What goes up, must come down. Even though it was a losing effort, I would never trade this day in for anything. Yes I lost some money, but it wasn't the end of the world. It may have felt like it in real time, but the lessons I have learned made me such a better trader and it was all worth it.

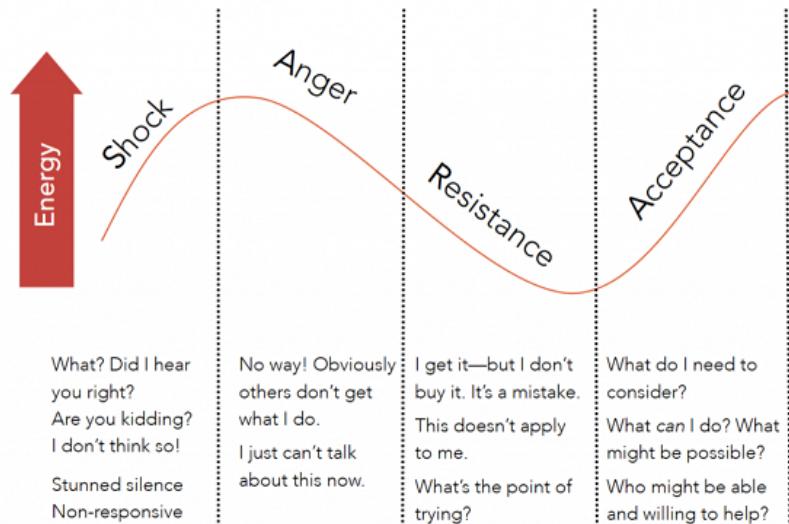
Breathe

When it comes down to coaching you as a trader, our job is to remove the stuff that gets in your way. When the markets are grinding higher this is easy because one's ego and skills tend to be trending in the same direction (higher). But once the market gets rocky, this is where our coaching gets put to the test. This is when most traders want to go rogue, when they want to start hedging yet they don't even know what the definition of a hedge is. They want to start trading options to make back what they lost or start making up theories that insider selling means they should short the stock.

Our job is to remind you what you need to do and that's none of the nonsense above. Our job day in and day out is to strip you of your excuses, your lack of self esteem because the market is beating you up, your bad habits such as trying to get cute and gamble with options to make money faster (money is made slowly), the distractions like the fancy trading platforms that do nothing more than cause you to overtrade and underperform. All of this stuff gets in the way, like trash in the ocean just taking up space. Our goal is to clear the garage and keep you in shape.

In the moment the typical response is screw this guy, he's wrong why is he telling me the 15% return I made on this long call was stupid? Who cares that my risk was 100% I made money! Months later however after most have slept with SARA we tend to realize that the advice was in your best interest.

Reactions to Feedback: SARA Model



During these times when we are trying to help you, it can feel as if we are sticking a knife between your ribs. I would like for you to do something very simple. I want you to breathe, deep, in through your nose until you fill your lungs, then a deep exhale, rinse and repeat (do this 3X trust me it's worth it). There is no profession where you are paid to lose your temper, not even in fighting, even when you think of the most aggressive violent sport on TV (MMA) the great fighters come in with a plan and avoid using emotion to settle the dispute. Trading is the same, you can never lose your cool, if you lose your cool then you have already lost, you just don't know it yet. You are here to trade to win and make money, that's it. When you breathe, you stay in control from the inside and that's the simple key. You don't lose your cool, you find your cool and that is done by breathing.

By now you should be starting to realize that trading is all about mastering your emotions, now the goal is to set your feelings aside, you don't need to change who you are as a person. Just leave them at the door when you step into the ring with Mr Market. Put your mind in the driver's seat not your heart. Retrain yourself to respond to conflict and disagreement by unruffling your feelings. Staying calm through breathing should be your default setting.

Trade Theory Task

Your task here is simple, just inhale deep in through your nose and out through your mouth and repeat this a dozen times. Now if you feel better, use this when your emotions go on tilt.

The Road Not Taken

Two roads diverged in a yellow wood,
And sorry I could not travel both
And be one traveler, long I stood
And looked down one as far as I could
To where it bent in the undergrowth;

Then took the other, as just as fair,
And having perhaps the better claim,
Because it was grassy and wanted wear
Though as for that passing their
Had worn them really about the same,

And both that morning equally lay
In leaves no step had trodden black.
Oh, I kept the first for another day!
Yet knowing how way leads onto way,
I doubted if I should ever come back.

I shall be telling this with a sigh
Somewhere ages and ages hence;
Two roads diverged in a wood, and I
I took the one less traveled by,
And that has made all the difference

Robert Frost 1916

SPY On You

Trading experts 34 published on TradingView.com, December 21, 2018 18:29 UTC
BATS-SPY, D 243.66 ▼ -3.51 (-1.42%) O:246.74 H:249.71 L:242.57 C:243.66



Created with TradingView

Through the year we must have mentioned how we were expecting the market to put in new lows even when we were at highs. When everyone is making money long, it tends to fall on deaf ears. When the market does take out new lows that's when most want to listen, however it tends to be too late. So now that we have your attention let's go over the range bound market and some of the range bound markets over the last decade.



2018 we ran up into new highs followed by our first correction in two plus years, during that time most expected us to retest highs that same month, it actually took 7 months for the market to tickle new highs. After the next correction, the same thing most people expected us to be back at highs in a week and the market is again showing us the same story, that patience is a virtue.

Now if you are pulling up the SPY on a 5 or 15 minute please just do me a favor and walk into traffic. Other than the daily levels in the SPY and the major levels they form, the rest is noise. Turn off your RSI indicator or whatever made up theory you have. Zoom in close enough on a major market and you will see a marriage of whatever you hope will happen. More often than not, the exact opposite will happen. Now for most of 2016 and all of 2017 it was what we would call *Break Out Years* or periods of *Expansion*. 2018 has been a range bound year and prior to late 2016 going back to 2014 were range bound years. Let's take a look below.



Created with TradingView

From 2014 to 2016 we heard the same stories as we are hearing now, slower growth, the president is the worst, global growth is coming to a halt, housing prices are a bubble, blah blah blah. Don't forget the “we can't trade higher” talk that everyone on TV and in the media was spitting out. We have our first correction in over a year, snapped back and started to flirt with highs before having a fast 4 day correction (sounding familiar?) If it doesn't, allow me to refresh your memory. When we were at new highs in October it took a mere 4 days for the next correction to happen. So back to 2015:



Created with TradingView

We had the correction in late August, ran back to highs, only to sell back off to take out lows and then retest lows again. This 3rd retest was when the world ending talk was at all time highs. Anywhere you looked there was blood in the waters and no stock was safe.



When you zoom out and look at the bigger picture, that small window of pain was actually the one of the best days, weeks and months in the last decade for low risk stock. The same time everyone was rushing for the exit. Now let's go even further back in time and look at another instance when the world was ending.



Back in 2011, with the financial crisis still in the rear view, as we ran into what the current highs were for that year, it was the same sob story in the headlines. We had a correction, **took out the prior low**, and after that, buying on the way up was the play of the year. Same as in 2016 once this happened, it was hand sitting time.

This is why we are trying to hammer down the importance of avoiding looking at the market through a microscopic lens. Looking too closely at the market and getting genuine signals from it is impossible. Repeat, “im-fucking-possible” to hold the rebound that takes months and years to come to fruition. Now let's go back just a short decade ago to when we were actually in trouble and the world, from a financial standpoint, was almost over.



At this point back in late 2007, the market was retesting the dot com bubble highs. This was ironically the time when I started to buy my first shares of Apple, auto makers, solar companies and banks. Talk about odd lot. Now during this time we had real problems; problems that you could see in the streets. Today, ask yourself, is your money in order? Are you employed? Is your company hiring? Are people shopping in the mall near your home? All yes's? Can you go buy a house in a day or a 2nd home? That answer is no, unless you're paying cash. Do you see every home on the block for sale? Any frenzy other than the bitcoin trash? No? So what is there to be all scared about? That stocks are falling? Hate to burst your bubble however that does happen from time to time. So let's take a look at the bigger picture so we can start to game plan 2019.



When we look at the bigger picture we are either in a period of expansion (breakout), periods of contraction (pulling back), or range bound (trading within a range). As of late we have been in a range bound market. In a range bound market when the broad public are all running for the exits, this tends to be the time to sift through the rubble and find all the best deals. As an advisor, on my end all the calls and conversations I have been having with non professionals have all been, "*I want to get out of the market.*" There has yet to be a time when that group of people were right. Sure there is still some pain in store, however if you can make it through periods like this, you are setting yourself up for nice pay days down the road.

Few things to remember when in a range bound market.

- You are paid to buy up off of support and sell into resistance
- Lighter and tighter keeps you in the game
- Do not marry a position
- Avoid averaging down
- Find bull flags and buy on the way up

You might be thinking that sounds similar to what we normally do, which is true, the market might change however we follow the same rules. The only one that really changes is that we look to buy *up* off of support and sell into resistance, when in a breakout market we look more to buy resistance and hold. The rest stays pretty much the same.

Trade Theory Task

What is your gameplan for the next time the world is ending and everyone around you is saying to sell.

Trade Happy

Are you feeling sorry for yourself because you didn't have a record year trading this year? Don't. This year and every year are filled with endless lessons learned. As a financial advisor and someone who enjoys spending his time in the trenches talking with new traders, I have heard and listened to every possible excuse and complaint one could possibly imagine. In listening to all of these loser's complaints (people who complain are losers), they are missing all the gems that we can see and learn from. Here is a real exchange I had with a quitter recently.

Loser - I lost 10% this quarter on 65 trades, I suck at trading and the market is bad!

Positive - The market was down 20% this quarter and you only lost 10%? You outperformed the market!

Loser - I lost \$600 in my first 3 months of trading, this sucks.

Positive - You learned from 65 trades for the mere investment of \$600, in my first trade I lost \$5,000 and didn't learn a thing!

The group chat can be infectious, when the market isn't hot, the case of the complainers can come out from time to time. *There are no setups, why can't the market go up everyday, blah blah blah.* On the other hand when everyone is making money hand over fist, the team is working together like a Ferrari hugging the corner down a mountainous road. The reason for this is based on "**cues of togetherness**" which is when a group of people find increased enjoyment working simultaneously on a task at hand (making money in the market). This leads to greater persistence and even better performance from the group as a whole. Something that you have seen first hand with the Alpha Chat locking in over \$1 million in profits in 2018, \$2 million in 2019 and more than \$3 million in 2020!

Just like eating healthy, or going to the gym and exercising, being positive is a skill you can train and improve on. The sooner you can get rid of your case of the complainer the happier you will be in life and trading (this is a skill to work on during the red days).

Ask yourself if you complained today, even if it was on something trivial. If you did, see how long you can make it without complaining and continue to work on extending how long you can go. Trust me it's a fun game once you get in the habit. Below are 3 easy steps to get you started.

1. Count your blessings and gratitude at the start of each day, and then give yourself concentrated time with them by writing them down.
2. Cultivate optimism by choosing beforehand to look on the bright side of situations, events and future possibilities.
3. Negate the negative by deliberately limiting the time spent feeling bad for yourself on problems that won't matter in a week or on unhealthy comparisons with others.

The more you can focus on being positive in life, the more often positive things tend to happen. The subconscious is a powerful thing, if you say you suck, well guess what? You are going to suck. If you say you will find great setups, you will. Keep your head up, this is a game that crowns the one with their heads up and kills the ones with their heads down.

In 2018, All 17 Major Asset Classes Failed to Beat Inflation. In 2017, They All Did.

Asset classes are ranked based on annual return less US headline inflation in US dollars. Green returns beat inflation, red returns trailed inflation.

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
1	10-Yr. US Tsy.	MSCI EM	REITs	10-Yr. US Tsy.	MSCI China	Russell 2000	REITs	MSCI Japan	Commodities	MSCI China	Two-Yr. US Tsy.
2	Two-Yr. US Tsy.	MSCI China	Russel 2000	Inflation Bonds	MSCI Europe	S&P 500	S&P 500	REITs	Russell 2000	MSCI Emg. Mkts.	US Agg. Bond
3	US Agg. Bond	Global High Yld.	Commodities	EM Sov. Credit*	Global High Yld.	MSCI Japan	10-Yr. US Tsy.	10-Yr. US Tsy.	US High Yield	MSCI Europe	10-Yr. US Tsy.
4	EM Local Debt	US High Yield	MSCI EM	US Inv. Grade	REITs	MSCI Europe	MSCI China	EM Sov. Credit*	Global High Yld.	MSCI Japan	US High Yield
5	US Inv. Grade	Commodities	MSCI Japan	US Agg. Bond	MSCI EM	US High Yield	US Inv. Grade	S&P 500	S&P 500	US Inv. Grade	Inflation Bonds
6	Inflation Bonds	MSCI Europe	US High Yield	REITs	EM Sov. Credit*	Global High Yld.	EM Sov. Credit*	Two-Yr. US Tsy.	MSCI Emg. Mkts.	Russell 2000	EM Sov. Credit*
7	EM Sov. Credit*	EM Sov. Credit*	S&P 500	US High Yield	Russell 2000	MSCI China	US Agg. Bond	US Agg. Bond	EM Sov. Credit*	EM Local Debt	EM Local Debt
8	US High Yield	REITs	Global High Yld.	S&P 500	REITs	Russell 2000	US Inv. Grade	REITs	Global High Yld.	Global High Yld.	Global High Yld.
9	Global High Yld.	Russell 2000	EM Local Debt	S&P 500	US High Yield	Two-Yr. US Tsy.	Inflation Bonds	MSCI Europe	US Inv. Grade	EM Sov. Credit*	REITs
10	Commodities	S&P 500	EM Sov. Credit*	Two-Yr. US Tsy.	EM Local Debt	US Inv. Grade	US High Yield	Global High Yld.	EM Local Debt	REITs	EM Sov. Credit*
11	MSCI Japan	US Inv. Grade	10-Yr. US Tsy.	EM Local Debt	US Inv. Grade	US Agg. Bond	Two-Yr. US Tsy.	Russell 2000	Inflation Bonds	Inflation Bonds	S&P 500
12	Russel 2000	EM Local Debt	US Inv. Grade	Russell 2000	Inflation Bonds	MSCI EM	Global High Yld.	US High Yield	MSCI Japan	Commodities	Commodities
13	S&P 500	Inflation Bonds	US Agg. Bond	Commodities	MSCI Japan	Inflation Bonds	MSCI EM	Inflation Bonds	US Agg. Bond	US High Yield	Russell 2000
14	REITs	MSCI Japan	MSCI China	MSCI Europe	US Agg. Bond	EM Local Debt	EM Local Debt	MSCI China	MSCI China	US Inv. Grade	MSCI Japan
15	MSCI Europe	US Agg. Bond	MSCI Europe	MSCI Japan	10-Yr. US Tsy.	10-Yr. US Tsy.	MSCI Japan	EM Local Debt	Two-Yr. US Tsy.	US Agg. Bond	MSCI EM
16	MSCI China	Two-Yr. US Tsy.	Inflation Bonds	MSCI EM	Commodities	EM Sov. Credit*	MSCI Europe	MSCI EM	10-Yr. US Tsy.	10-Yr. US Tsy.	MSCI Europe
17	MSCI EM	10-Yr. US Tsy.	Two-Yr. US Tsy.	MSCI China	Two-Yr. US Tsy.	Commodities	Commodities	Commodities	MSCI Europe	Two-Yr. US Tsy.	MSCI China

The last quarter of 2018 was by no means a cake walk, quite frankly we have not seen pain like this since 2008. In 2017 everyone made money, everyone succeeded, everyone won. 2018 humbled everyone. The end of 2018 showed who was only there for the trophy and who was really there to persevere.

Traders fail and quit all the time, in the last quarter we saw the weak traders quit because the market was not doing exactly what they wanted it to do. I am glad they're gone because those people are not like you or me.

They are quitters, they are the ones who want to show up on Sunday for the game yet don't want to be in the gym Monday training. If you can make it through this tough period with your head held high, you will have more winner trades this year. You will attain your goals that you have written down on that index card by your computer. You will get closer to mastering the market and overcoming the easy temptation to be negative. Persevere long enough and you will be amazed at what you can achieve.

Trade Theory Task

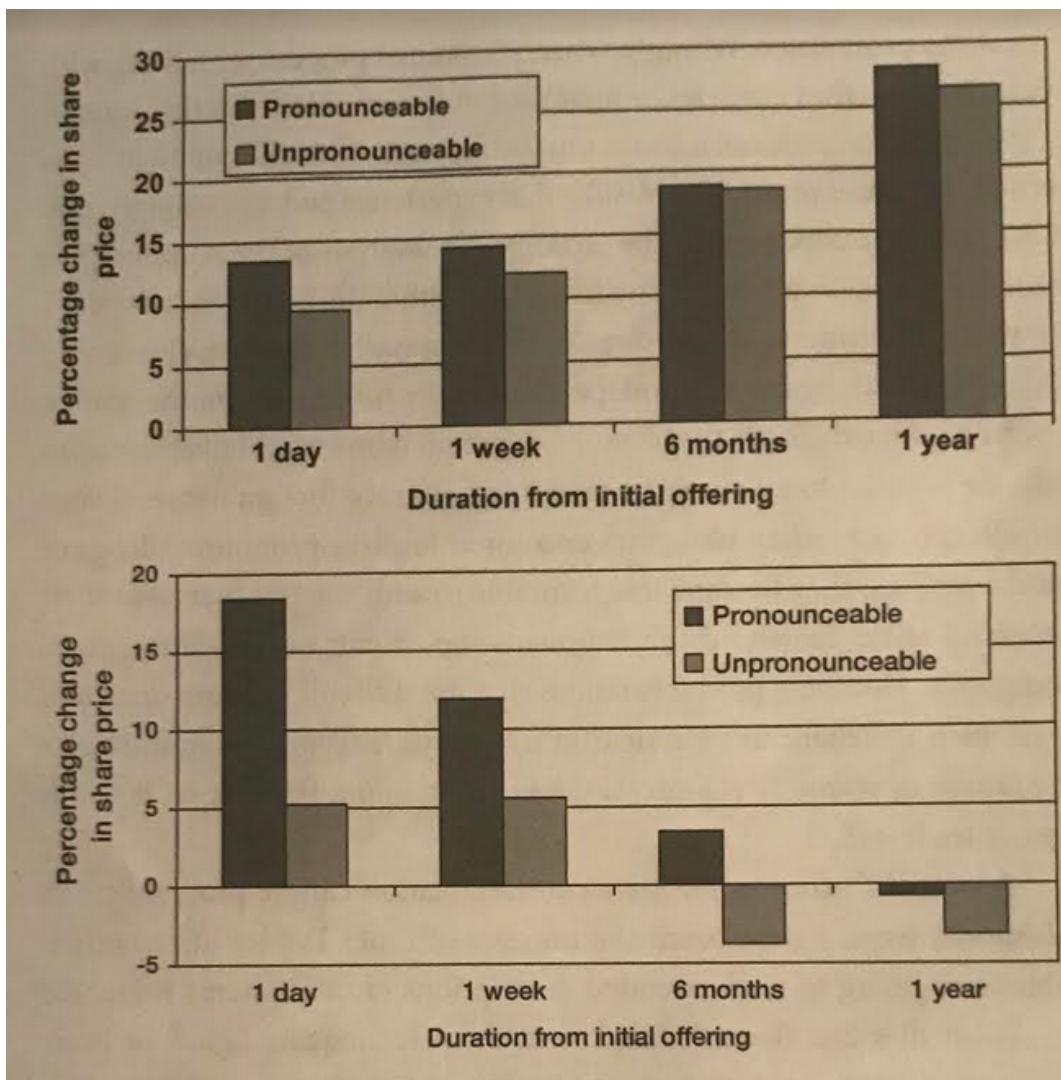
Grab a pen and paper and spend some time on your 3 steps reflecting on your blessing.

IPO What?

say “ ”
what!

What would you say if I told you that easier to pronounce stocks outperformed harder to pronounce ones? No way right? A company's performance is based on it's fundamentals and earnings. Remember people buy stocks not economists. Now you trust me (I hope), but you might not believe me just yet. So let's take a little stroll and let's see if you believe us by the time we're done.

There was a study done on 89 randomly selected companies from 1990 to 2004 and found some interesting results on their first year of trading. The companies with easier to pronounce names outperformed the harder to pronounce names. For example CAT would be a name that would have performed better than say GRFS.



When names are easy to pronounce, early profits are easy to announce. On US stock exchanges, the initial value of a company's shares was greater if the company's name (top graph) or stock ticker code (bottom graph) was easy to pronounce. *Courtesy of Adam Oppenheimer and the National Academy of Sciences, U.S.A.*

As you can see during the first day, week, half year and year the easier to pronounce company outperformed the harder, and on the bottom the easier to pronounce stock ticker out performed the harder to pronounce tickers on all periods even on the downside. To an economist or an entry level analyst their brain would explode at the thought that something as simple as a name or ticker could carry so much weight. In fact, one of the largest companies in the world took advantage of this weird fact. Guess for a moment, what's the first name that comes to mind?



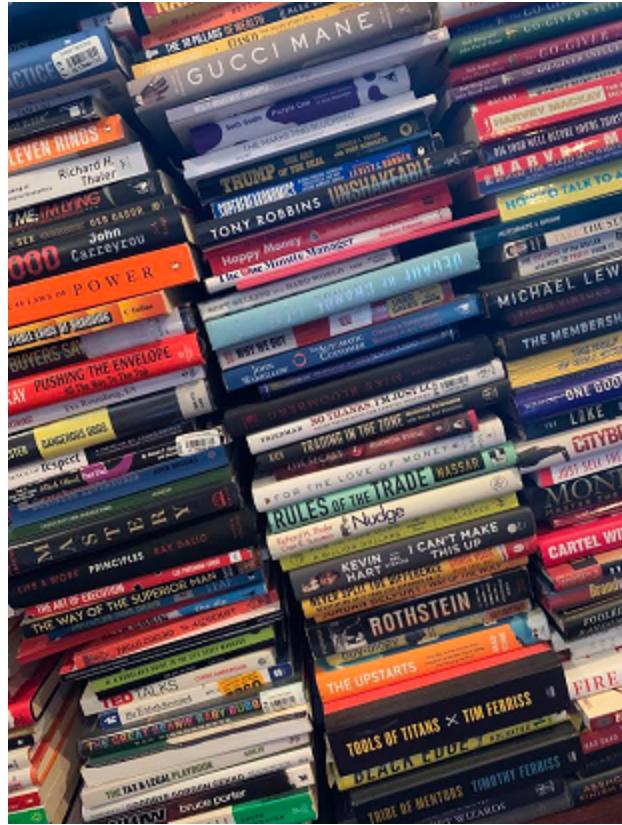
Apple hit the nail on the head on both, the name and ticker, the name obviously being one of the easiest to say and their ticker A-A-P-L, out of all of the stocks listed in the world, guess who is listed at the tippy top - Apple. We often want to assume that the market is a perfect example of efficient markets with wizards of wall street making sure prices relate to their current value.

The truth is that the market is herd based, ruled by emotional and irrational people that make decisions for buying and selling that has nothing more to do with the company's performance than the ease one can say the name or ticker. The more you can see the slight of hand going on behind the scenes the more you can simplify your process and take more profits out of the markets.

Trade Theory Task

We are going to be selfish and ask you for some advice on how we can continue to improve the service we provide to you. If you could email us with a subject titled “advice” we would greatly appreciate it!

200 Books



In my last 30 years of life, I have read over 200 books, however I read them all in the last 3 years. The average adult in the US reads less than 1 book a year, so if you are reading at least 2 books a year you are in the top 1%, however at that pace it will take you the rest of your life to learn what I have in the last 3 years.

Now I am not saying that to make you feel bad, you should care less what I have read quite frankly. My experience with books was like most, **reading?** Boring, that's for nerds!

In the beginning it was a process to even read a page, now if I don't read a chapter a day I feel off. Some meditate, some sit in the sauna and sweat it out, my method is reading. Below are a few simple tactics I use to stay consistent and some of the 200 books I have read in the last 3 years. In 2021 my goal is to read 52 books, what is yours?

Reading Tips

- **Leave your phone on silent in the other room away from your wandering eye (put it on the charger)**
- **Have a goal to read 1 page a day**
- **Keep the same goal of 1 page a day, however work towards completing 1 chapter a day**
- **Read first thing in the morning or when you sit down to watch TV (consistent)**

The average book is around 250 pages long and the average chapter is 20 pages, if you read 1 chapter a day, you will finish the average book in 2 weeks. It's really that simple. Eventually you should be able to finish a book in a week. Hence why you always see the click bait stories of the 50 books Bill Gates reads a year, he reads about 1 book a week.

- **Have a pen or highlighter to underline or mark what you find is important**
- **Fold over the pages you underline**

The odds of most completing a book are extremely low, the odds of someone rereading the book is dramatically lower, this is why you want to fold over the important pages, in the off chance you pick the book back up, you can go right back to the gold you found once before. There are only a handful of book's I have reread and this helps everytime.

- **Have a notepad nearby with a pen to write down what you underlined or write in the margin of the book**

Why? Very simple:

You retain about 12% of what you read

You retain about 23% of what you write down

You retain about 33% of what you read, write down and review within 2 days

There is nothing worse than reading a book only to forget what you learned, trust me it will happen a lot. If you start off on the right path the time spent reading will have that much of a bigger impact.

- **Set specific times to read**

First thing you do when you wake up is to check your phone, if you can replace that and spend the first 10 minutes of your day reading before the day starts you will be in a better mental space.

The 5 AM Club talks about owning your hour, the first hour of your day. My first hour of the day, I read first, work out just enough to break a sweat (100 pushups, 100 situps and 30 pull ups do the trick) and set my goals for the day. Try this for a week (the reading first thing) and it will soon become a productive habit.

You will eat food at some point during the day, start reading during those times, I first started reading during lunch, then I started to read during lunch and in the evenings, now I read when I get up, during lunch, and during the evenings. Now before you hit me with your lazy excuse of “I’m busy, blah, blah, blah” read the next bullet point.

- Use “**If/When Then**” statements to stay accountable daily

If/when I want to sit down and watch TV, then I will ready 1 page first.

This statement can work on any area you are trying to improve as well. Say it’s working out.

If/when I want to have that bowl of ice cream, first I will do 100 pushups/go to the gym/etc.

Guess where I learned all these tips from? The list of books below, before you ask which book should you read or the laziest question of all “*should I read XYZ?*” Know the answer is always yes, read the book, there are books on this list I hated, however in

every book there is usually 1 main gem that you take away from it, however, you have to invest the time to uncover it.

If I told you in ***Never Split The Difference***, the main phrase from the book to use on someone asking you a ridiculous request:

Hey can I borrow \$10,000 for my new startup that will beat Facebook? (ridiculous request)

Response “***How am I supposed to do that?***

Even right now, you don't value that lesson, spend 250 pages reading the book and you will see how powerful that statement is.

Below I listed all the books I have read in a few key categories however in no real specific order, as what I find important, you might not, however out of the 5,000,000 plus books out there at least we narrowed the list down to 200.

One last thing, don't be a sucker and buy the books new like a rookie, always buy them used on Amazon, you prima donna, the average book should cost you \$5 to \$8, \$20 max. Each category is listed in my order of favorite to least.

Personal Favorites

The Richest Man in Babylon

The Go Giver

Jesse Livermore World's Greatest Stock Trader

Stone Soup

Persuasion

Man's Search Of Meaning

Way of the Peaceful Warrior

Swim With The Sharks Without Being Eaten Alive

Mr Shmooze

Principles

Never Split The Difference
The Way of the Superior Man
Make Your Bed
Give and Take
Rejection Proof
Raving Fans

Classics

How to Win and Influence Friends
The Secret
The 48 Laws of Power
Rich Dad, Poor Dad
The Alchemist

Trading

Jesse Livermore World's Greatest Stock Trader
Pitbull
How I made \$2,000,000 In The Stock Market
How to Make Money with Stocks
Unshakeable
Money master the game
Trading In The Zone
The Wealth Elite
One Good Trade
Hedge Fund Market Wizards
Rules Of The Trade
The Modern Trade
The Big Secret for the Small Investor
The Little Book That Beats The Market
The Collapse of the Dollar and How to Profit from it

Financial Advising/Money

Wealth management unwrapped

The Million Dollar Advisor
You Are a Badass at Making Money
Dollar and Sense

Sales

The Ultimate Sales Machine

Way of the Wolf

Little Red Book of Selling

The Go Giver Sell More

Pushing the Envelope

Just Sell The Damn Thing

When Buyers Say No

Getting to yes

Soft selling

Why We Buy

Buyology

No Thanks I'm Just Looking

Million Dollar Bedroom

Business

The Mackay MBA of Selling in the Real World

Dig Your Well Before You're Thirsty

Beware the Naked Man Who Offers You His Shirt

Zero to One

The Dip

The Art of the Deal

I'll Make You An Offer You Can't Refuse

The 4 Hour Work Week

The 10 pillars of Wealth

Automate and Grow

The Ultimate Sales Letter

99 Negotiating Strategies

The Membership Economy

Buy It Rent It, Profit
The Automatic Customer
Business Adventures
Subscription Marketing
The E Myth Revisited
Subscription marketing
Subscribed
The Tax and Legal Playbook
Tribe of Mentors
Tools of Titans
Driven
Only the Paranoid Survive
Deduct Everything
Narconomics
Superfreakonomics

Marketing

The Go Giver Leader
The Go Giver Influencer
My Life in Advertising
Confessions of an Advertising Man
The 22 Immutable Laws of Branding
All Marketers are Liars
Trust Me I'm lying
Brand Washed
The Consuming Instinct
Overdress
Marketing Blueprint
Purple Cow
Branding is sex
The Power of Visual Storytelling
Jab jab right Hook
Contagious

Made to Stick

Lipstick on a Pig

Growth Hacker

Management

The One Minute Manager

Bio's

Gucci mane

Mike Bloomberg

We Got Fired

Stories

The Great Beanie Baby Bubble

Billion Dollar Whale

Molly's game

Blow

Bad blood

BMF

How to Turn Down a Billion Dollars

The House Jack Ma Built

Cityboy

The Wolf of World Street

Rothstein

For the Love of Money

Happy Money

Catching the Wolf of Wall St

Don't You Know Who I Think I am

Eleven rings

Cartel wives

Fire and fury

Dangerous odds

The Art and Science of Respect

Goodbye Gordon hello
The Billionaire's Apprentice
The Way of the Knife
The Upstarts
The Big Short
Black Edge
The Spider Network

Psychology

Methods of persuasion
Misbehaving
Predictably irrational
Subliminal
Yes!
The Small Big
Side Tracked
Psychology of Money

Self Improvement

Atomic Habits
Take the Stairs
The Art of Execution
Switch on Your Brain
Discipline Equals Freedom
Nudge
Decade of Change
How to Talk to Anyone

Funny

Assholes finish first
Hilarity ensues
Straight to hell

The Rest

Perennial seller

Payoff

Fooled by Randomness

Rock Paper Scissors

Hopping Over The Rabbit

Think like a Freak

Tiger Virtues

Magic of Impromptu Speaking

The Like Switch

Flip

Fiasco

The Book of 5 Rings

Ponzi Factor

Mastery

A Buglers Guide to the City

Ted Talks

Wheelbarrow Profits

Trade Theory Task

How many books have you read so far this year?

How many books will you read in the next year?

What book are you going to start reading today?

Goal Achiever

Want to know why 3% of Harvard MBAs make 10 times more than the other 97% combined?

The answer is simple, the 3% set clear, written goals for their future and made plans to accomplish them. Harvard conducted a study on this topic and without boring you in 50 pages of research, here are the major punches in the gut from the smartest students in America.

The interviewer asked new graduates from the Harvard's MBA Program and found that:

- 84% had no specific goals at all
- 13% had goals but they were not committed to paper
- **3% had clear, written goals and plans to accomplish them**

The interviewer followed up a decade later and asked the same graduates from the Harvard's MBA Program how they were doing here were the results:

- The 13% of the class who had goals were earning, on average, twice as much as the 84 percent who had no goals at all.
- **Even more staggering – the 3% who had clear, written goals were earning, on average, ten times as much as the other 97 percent put together.**

Now even after reading this there will be some of you who are too cocky to spend a few hours on your future, however there will be a small percentage of you who actually sit down to game plan your year ahead. We spend the entire first week of the new year reviewing our prior years plan, seeing where we exceed our goals, looking into why other goals failed and planning how we can improve for the year ahead.

We also repeat this process at the end of each month with our Monthly Goal Tracker.

We start with our number one bread winner and work our way down the list. If you make \$100,000 your job and \$10,000 from trading, list them in order of importance. As the years go by it is interesting to see how your primary breadwinners change. My top

bread winner in 2017 is not even on my 2019 as I completely replaced that business with another.

Now we are expert goal setters, it's easy to say that you or I want to make \$10,000,000 in a year and can even write it down on paper to make it feel more real, however most people tend to be poor goal achievers. Let's face it after the first two weeks of the new year and the 'new year, new me' feeling subsides as we fall back into our daily routine, those goals get brushed aside. This is why most people are great goal setters and crappy goal achievers. We are going to let you in on a little mental trick we play on ourselves at Trading Experts to make ourselves efficient goal achievers.

It's called the “*if/when - then*” statements.

What is a “*if/when - then*” statement?

These statements are designed to help you achieve a goal :

1. To register certain cues in settings where you can further your goal
2. To take an appropriate action spurred by the cues and consistent with the goal

For example let's say your goal is to read more, which is a vague goal, so let's sharpen it up. Your goal is to read 50 books in a year. How can you implement that daily and trick yourself into achieving it? Let's say you are like myself who enjoys an episode of *The Office* here and there (*that's what she said!*).

One of my “*if/when - then*” statements are:

If/when I feel the urge to watch The Office, then I will read a page of a book first.

When we do this, we simply don't just read a page, we end up reading a chapter or two and end up completely forgetting about the show. Now I made the hurdle of one page extremely low for a reason. These statements are designed to put us on high alert for a particular time when a productive action could be performed.

We become prepared, first, to notice the favorable time (TV) and, second, to associate it automatically with the desired task (reading). Starting any task tends to be the hardest part. If my then statement was to read 100 pages then even I would have a hard time staying consistent with that goal.

So now that we have armed you with the facts on business planning and how to be a successful goal achiever with if/when then statements, let's get started on your business plan!

Trade Theory Final Task

Copy the questions below into an email and send it over with your answers to Ben@TradingExperts.org with the subject "Business Plan".

Personal Recap of the Current Year

What went well for you this year?

How can you improve on this?

What didn't go so well for you this year?

What did you learn from this?

What are your core values that drive your life?

How can you set a higher standard going forward?

What goals did you exceed this year?

How often did you exercise?

What other improvements did you make to better yourself this year?

How many books did you read this year?

What were some major lessons learned from those books?

What are your top 3 goals for the year ahead:

- 1.
- 2.
- 3.

What are your specific plans to exceed each major goal?

Recap of Primary Breadwinner

What are your core values that drive your professional life?

How can you set a higher standard going forward?

Recap of what you did well this year/things you improved on

-
-
-
-

Set broad goal for what you aim to achieve this year

-
-
-
-

What are your monthly goals to achieve your yearly goals from above

-
-
-
-

Income generated this year-

Income goal for the year ahead -

What percent of this income are you saving?

What is your saving goal for the rest of the year for this income?

SWOT on yourself

Strength-

Weakness-

Opportunity-

Threat-

If there was nothing standing in your way, no excuses, write down what your next year would look like, in as much detail as possible.

Estimated income for this plan if executed to its fullest extent that you just explained?

What reward will you treat yourself with when you exceed this goal?

What are 3 “if/when-then” statements that you will use to keep you on track?

If you have a Secondary Breadwinner repeat the same questions. If you have a Third Breadwinner. Rinse and repeat!

Just know that if you spent the time to create your business plan, created your if/when-then statements, learned how to rebalance and take advantage of the tax benefits in your retirement account, you are more than 99% ahead of your peers!

We can't wait to continue to watch you succeed and achieve all your goals this year and for years to come!

Post Ready for Taking Profits!

[Click here to move up to Step 8 Taking Profits](#)

Trading Experts 10 Step Challenge To The Alpha Chat

