
Notes from The Naked Trader

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This article provides a succinct overview of the main trading strategies, methods and suggestions made by Robbie Burns in his 2011 book *The Naked Trader* [Burns, 2011]. Its purpose is to enable the reader to quickly access the main ideas without having to read the entire book. It should be useful for those wanting to refine their knowledge of stock selection and trading. Due to the nature of the article, some prior knowledge about equity trading is required as basic definitions are not defined.

Introduction - Day in the life of the Naked Trader

- 07:00: Check whether there are any announcements on the shares that he owns. Judge whether any action is required. For example, should you sell and take profits? Perhaps, buy some more. Also check the spread betting websites to see how the FTSE 100 is set to open.
- 08:00: Check all positions to see if any positions have crashed for any reason. It is usually not worth trading in the first hour of the day. This is because there is always an over reaction to news which can be magnified by small volume and large spreads.
- 09:45: Check the market. It is around this time that he considers a trade. He never rushes anything and usually calls a trading friend to discuss ideas and options.
- 10:00: Read the daily news paper. Review the current portfolio - is there anything bothering him? Look at level 2 data to get a feel for liquidity. He only buys if the timing is right. The worst thing to do is to make a boredom trade! He continues researching any news articles that he noticed earlier in the day.
- 11:00: The markets go quiet around 11am.
- 11:45: Look through short list of potential buy and sell shares. Have any been rising or falling significantly in the morning? This is probably the best time of the day to buy.
- 13:30: The market sometimes changes around 13:30 due to the US and can and shares can often move. This does not bother him too much, however if he is betting on the FTSE falling via spread betting he will usually take profits at this point.
- 14:15: Takes a look at his higher risk short list of shares.
- 14:30: The Dow Jones opens, UK shares tend to follow the US movements. He will use this time to decide whether to sell falling shares or to buy shares just after a negative overreaction in the US.
- 15:00: Have a chat with his trading friends to share observations and ideas with one another.

- 16:00: Take one last look at the portfolio. How did it do? What did he miss? How much money was made or lost?
- 16:30: Take one last look though ADVFN.com then turn off the computer and spend time with his family.
- 21:00: Check to see where the Dow Jones finished the day. The US market will usually have a strong impact on where his portfolio will open in the morning. Spend a little bit of time re-searching companies flagged up by the mornings news feed. Check to see whats being launched on the market over the coming days.
- 22:00: Have one last check of the news.

Warning

Do not share trade if you 1) cannot afford to loose a large percentage of your investment capital and 2) ARE A COMPULSIVE GAMBLER.

Section 1

Subsection 1

Subsection 2

Section 2

References

[Burns, 2011] Burns, R. (2011). *The Naked Trader: How anyone can make money trading shares*. Hariman House Limited, 3rd edition.