



STOCKMARKET MASTERY

Your Trading Club Online Course
Module 11





Module 11 – Consistency

Dennis Sahlström



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Consistency is the quality of achieving a level of performance which does not vary greatly in quality over time

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The 5 C's of Consistency:

- Clarity
- Commitment
- Courage
- Confidence
- Calmness

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Questions to ask yourself

- Why you are trading?
- What markets you are trading?
- What hours are you trading?
- What is your trading methodology?
- What systems are you using?
- What data are you using?
- What news sources are you using?
- How are you managing your environments, both physically and emotionally?

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Questions

- What are you willing to do?
- What are you willing to give up?
- What do you do when things are not comfortable?
- What do you do when things are not convenient?
- What boundaries are you willing to set?

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Courage

- Comfort zone
- Taking action
- Lack of capital

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Confidence

- Adding confidence into your trading
- Don't let your confidence fall due to losses
- Let your results speak for you
- How could you repair your confidence?

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Calmness

- What do you do when things go against you?
- Having a plan is a must
- Being calm in all aspects of trading
 1. Learning
 2. Trades
 3. Developing
 4. Growing account

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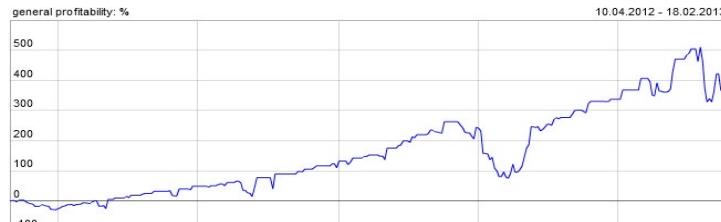
3. Don't be lazy

- Schedule in time every week/month/ year
- Always be willing to put in the effort
- Preparation

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4. Analyse your performance

- Get into a habit of checking how you are performing over the months / year
- You want to see if you are getting more consistent with your trading.



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5. Revisiting the trading plan

Factors to consider when revisiting your trading plan:

1. Time of trade
2. Which securities
3. Risk reward
4. % risk
5. Type of method

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6. Staying one step ahead

- As mentioned previously always make sure you are looking to diversify
- Don't get complacent just because things are going well (its human nature)
- Adapt and create new strategies

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7. Overall account exposure

- Big drawdowns are the biggest threat to a consistent, long-term track record
- If you take too much risk, then your emotions get involved. If you take a lot of risk, then your P&L swings will be bigger—and this will inevitably involve your emotions
- When you take less risk, your P&L will show smaller, less dramatic fluctuations

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8. How long will it take?

- How long do you think it will take?
- Would you say you are becoming more consistent?
- YOU ARE ALWAYS GROWING

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Module 11 – What to do during 20 minutes

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What do do every day



- Trade Management
- Place Trades
- Look at Telegram
- Look at Facebook and contribute
- Write down questions that you have

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Module 11 – How to backtest

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How to backtest your investments



- Looking back over past investments after they have closed at profit/loss
- Identify what you can learn from the position

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4 Steps to backtesting

- Tracking all investment details in one place is the first step to properly back testing positions.
- Setting expectations is an essential part of the portfolio review process to ensure a successful outcome.

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4 Steps to backtesting

- Assess portfolio performance by calculating a single, simple-to-understand percentage to measure growth over a period of time.
- Using hindsight, you can review the processes and rules used when selecting and managing investments to identify any areas for improvement.

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Module 11 – Trading plan 5 steps

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TRADING PLAN 5 STEPS

When it comes to creating a trading plan, we need the following 5 sections incorporated -

1. Your WHY
2. Your GOALS
3. Asset Allocation
4. Time Allocation
5. Strategy Outline

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Section 1: Your WHY

- Your WHY is crucial to your trading/investing.
- People are motivated in 2 different ways:
 - Either by **PAIN** or by **PLEASURE**

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Section 2: Your GOALS

- Your goals should fall in line with your WHY
- You can break down your goals into **financial** and **educational**
- Your goals should follow the **SMART** concepts
 - Specific
 - Measurable
 - Attainable
 - Realistic
 - Time Bound

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Section 3: Asset Allocation

- Asset allocation is a term used to describe the process of splitting up our portfolio
- The first step is to highlight the amount of money you will use for trading and investing
- After this we will then do a split between trading and investing, this should align with your goals
- We then split this into each strategy
 - For buffalo we say a minimum is around £2000
 - Investing is around £500 per investment (minimum)

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Section 4: Time Allocation

- This is the section a lot of new traders tend to struggle with
- We say you want to utilise 20 minutes per strategy, per day
- Therefore the 3 sections of the 20 minutes will look like:
 - Current positions
 - Current orders
 - New positions

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Section 5: Strategy Outline

- During this step we want to write down what are the steps to perform the strategy,
- Anyone during this section should be able to read and understand how you trade/invest using every strategy you follow

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Module 11 – Do during your weekend

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Weekend Plan



- What is the **ONE thing** that will get you the furthest this week in trading and investing?
- Keep it simple AND focused
- Plan every day the MINIMUM you want to do
- Set alerts and write down questions for the week ahead

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