

Intro

all right hello everyone and welcome to coffee with mark
uh for those of you who have been uh long time coffee with marcus followers
uh i hope you are okay with the substitution marcus is
unavailable so we thought that it would be okay if i did a little session of my own
looking forward to a great session today and uh
i hope you don't mind the the bald head rather than the fancy hair
and a california accent rather than an east german texas accent but we'll make
the most of it so let's go ahead i i prepared a couple of things because there's a few things i
want to talk about today let me go ahead and share a monitor here welcome to
coffee with mark and what i want to do today
oh well you're not gonna get some fancy intro video like uh you're used to with
coffee with marcus but i thought i'd throw in a fancy great photoshop uh
picture from one of our power x customers piggy uh she's had some fun with
photoshop so i thought it'd be fun to share this one me tackling the wrestling
the the bowls and there's my dog chip so i'm hoping that chip is good today uh
but there is the potential to have an appearance or at least a bark every now and then uh well
we'll find out normally
he gets a little wild in the afternoon and he's a lot more calm and mellow in the morning so we'll
see anyway just had a little
fun with that in today's episode of coffee with mark we're going to do a few things first i want to
take a look at
the markets see what's going on today we'll then review my positions i'll share the positions that
i'm currently
in what happened today and i'm going to cover 10 lessons i've learned as a trader and my favorite
trading quote so that will be a fun little session and then we will answer your question so
we'll leave the questions for the and i'll tackle as many as i possibly can but to begin with let's
start with
looking at the markets and seeing what's going on let me go ahead
i'm gonna end this for now and we're going to take a look at the charts
What's Happening In The Markets
so s p what the heck flat
actually not too bad if we look at a five minute chart here let me go ahead and reset this you
see that we actually sold off in the morning so we saw better than expected retail sales
numbers this morning covered it in the stock market update the unemployment claims were less
impressive slightly
higher than expected but retail sales a huge huge surprise so we came off
session lows after the retail sales numbers opened mixed at the open and
then sold off made session lows right around 11 a.m eastern time and then we
drifted higher so coming off of these session lows a little pause during a lunch trading and then
seeing a surge in
the afternoon and that has continued made session highs recently about 20
minutes ago pulled back a little bit uh but after a rocky morning we actually
are looking at positive numbers for most of the indices the s p is not even down a a point here
so uh s and p flat right now we could take a look at the dow same behavior today making session
lows

right around 10 55 11 a.m eastern and then a slow steady move higher throughout the day uh up four tenths of a percent up 13 points for the dow nasdaq a little bit better we see that nasdaq actually opened lower nasdaq didn't have that that a positive reaction or it had a muted reaction to retail sales saw the same dip in the morning actually had a double bounce here uh attempt that lows again around 11 20 eastern and then a slow steady rally throughout the day turning into positive territory up about 10 points right now with about 25 minutes to go before the close so nice nice rebound here and you know markets have been a little tricky over the last couple of days the nasdaq down five days straight until yesterday so snapping a five-day losing streak yesterday and it looks like uh if this move continues we'll be positive today dao we snapped the the losing streak uh three days ago and uh had a nice up day yesterday so right now trading a little flat so is this a bottom in this recent pullback you know marcus has talked about you know possible correction uh also we know that september is usually a tricky month so uh historically speaking since 1945 september's been a down month losing about 5.6 percent in the market we're down more than that right now is this the bottom who knows i think a bigger correction would be healthy but i'm not going to complain if this is it and we see a little strength and we see a move higher so no harm no foul for me but it looks like right now we're mixed edging towards a slightly higher finish we'll see here so that's what's going on in the markets um let's uh i said we're going to take a look at my

My Current Trades

position so let's do that so cwh
i traded cwh last week
sold the 917 36 put so this is working out nicely
strong support right around the 36 level collected some premium so this is a wheel trade this is the wheel strategy
collected some premium i haven't closed it at 90 percent max profit but it looks like this is going to be fine expiring worthless tomorrow unless there's a big drop which i don't foresee a one day
slide getting down to 36 so probably it will expire worthless tomorrow so this is one of the trades that i'm in let's also look at dfs this was a trade discover financial services
i put this trade on on tuesday with this dip here
sold the friday expiration the 115 put discover had some nice support right around these levels here so i was happy to own discover at 115 sold the 115 put according to the wheel strategy nice little rebound since this dip on tuesday discovers trading around 125 bucks 10
over the strikes sold so this looks like it's just gonna expire worthless and be a good trade wrapping up and expiring on friday tomorrow we could also take a look at gdxj
so this is a trade that i put on this morning with our mastermind group uh this one sold the 39 put for next friday so this gtx j it tends to to move a little bit and there can be some dips but i've done well trading gdxj this year it's been pretty nice getting assigned and selling calls for multiple weeks then getting it called

away and here we see the the recent low established on august 20th that was around 39.51 so i went ahead and i sold the 924 uh put next friday the 39 put on this dip collected some premium i'm okay owning gdxj at 39 a share and potentially selling some premium if i do get a sign but after a downtrend here it looks like we've found bottom we drifted higher we're kind of trading sideways right now in this range so i'm okay at 39 level that was a trade that i put on uh this morning let's take a look at another one here lvs lvs this one has been fun well depending on your view of fun now lvs uh marcus and i are both in this one and it's been interesting we sold the 58 right uh let me go ahead and reset the chart here so lvs back here lvs was trading in this range between about 58 and 65 a share we sold the 58 we collected some premium on the put side we collected some premium on the call side i want to say that earlier in the year we did the same with lvs and so we did collect some premium and then support was broken this continued to drop and with our rule of thumb we if we're okay owning the stock we're okay owning the strike that we sold but we're wrong about the direction with the wheel strategy we don't want to rush into uh a rescue trade right we don't want to rush and add to it too soon where now we're tapped out and we're stuck and we don't have any uh you know buying capital or buying power to put on another trade to help it because if a stock is falling like this we can't collect premium right so we want to give it room to move and we saw this bottom right around the 39 level so we did a partial rescue at the 39 mark and we added to the position uh the break even for me is is right around 50 a share now now we're still you know well off that uh but break even's about 50 so it's not a 58 for me i did a partial rescue at 59 and i was hoping with this move higher that we just drift on up be able to start selling 50 calls or higher make some money on the stock start collecting uh premium again because that's the whole point and goal of the wheel strategy instead there was news that uh in uh macau regulators are looking at tightening regulations in the casino industry there there are some big names it's huge huge uh you know casino industry i i saw today that it the revenue is five times the revenue in vegas uh for a given year so huge industry but restrictions and regulations tightening up some profits potentially from these hotels lvs got hit wind got hit uh there are a few other operators that got hit on the news and when this was falling we decided to sell the 37 put as another partial rescue so we collected some premium we'll see if we get assigned at the 37 strike with how we're trading right now it looks like we're seeing some support around 37 so regardless of the news it looks like we're finding some support here so i would like it if we get assigned and that's going to bring my cost basis down even further on this on the overall trade not counting any premium that i

collected on this one uh if it does expire then i'll reassess it next week see what i want to do but right now both marcus and i we've sold a couple of puts at the 37 strike we'll see what happens tomorrow but it does look like this is stabilizing now the story behind this one has changed that's unfortunate but if we look back here we see that with the pandemic drop it got down to 33 and it looks like these lows are flirting with some of the lows that were established back here so restrictions and regulations on the casino industry there bad news no doubt and this isn't a trade i'd want to put on right now but being in the trade i'm not panicking because you know will those regulations if they go through and we don't know what the restrictions will be but there's this 45-day window when they're looking into things we don't know what will happen in that meantime but will it have a worse effect than the panic that was induced when the pandemic really hit when there were shutdowns taking place and nobody knew what was going to happen to the the world economy will we see lows here possibly i'm not going to say that it can't happen but i've used this as a positive with where we're trading you know i think that uh with this move here is an overreaction maybe maybe not but we're seeing some support and that's a good thing for the position so i'm not doing anything with this one but i do have 37 puts marcus does too hoping that we get our average share price or cost basis lowered and maybe see a bit of a bounce here maybe that people feel that when the dust settles it's a little bit of overreaction and who knows maybe we could start selling calls on this one so this has been a little tricky definitely a change with that news but that's where we're at and i have some open 37 puts we'll see what happens friday now we'll talk about another booger ride i don't want to spend too much time on this one because i know i mean marcus has dedicated a whole episode of coffee with marcus to the ride trade in evaluating the whole position what he's done where he sold puts how he traded it the aggressiveness of the trade to begin with uh this is one where you know i jumped on board as well now i traded this a little bit differently so when we saw this spike here i decided that i was ready to get out of half of the position and that's what i did on june 28th so on this day when we rallied past these recent highs i got out of half of my position i did take a small loss there on half of the position now i have the other half still open and i sold the six puts i i've done i think two thirds of a rescue i might have one left i'd have to look uh but my break even on this one is about 8 25 after i closed half of the position here so i'm in a different situation still not a fun one but i managed it a little more conservatively than marcus did uh even though we had the same general uh approach and and uh my only decision different and at the time who knew if it was going to be a good decision or not

uh it ended up being a great one uh because i got out on this day right when it made you know the highest highs uh
that we've seen in months i wasn't able to get out on this spike that would have been nice but i actually had some short
calls at the time so i wasn't able to do that but i was able to close half on this day so anyway that's where i'm at
with bride let's look at another trade that i'm in right now this is ual
so united you know united and the airlines were interesting i think that united is a stronger play like united um over say american airlines but here
we had news from all the major airlines that the outlook for the year was lowered because of covid and the delta variant and uh lower
flight demand and the stocks rallied right um the next day the reverse course dropped uh you know here united dipped four and four point eight percent almost five percent um but based on the initial reaction to
that news uh i was okay with the support level uh looked like some support right here on 43 so i sold the 43 it was it was threatened yesterday got down to 43.02 today nice rally up two percent 44.73 so this one most likely will
expire worthless uh another wheel trade and uh we'll see tomorrow i mean if there's a another drop and uh you know traders are concerned i wouldn't say that it's a guarantee that it would
expire worthless tomorrow but uh probabilities say that that it will expire worthless and we'll continue to
look for some more wheel trades next week now i do have an open power x trade so this one pulled from the power x optimizer ovv both marcus and i took this one
and i believe that marcus traded the stock i bought calls so i bought the 27 calls uh the the 10 15 27 calls on 8 27 on this day when we had that breakout signal
triggered according to rules uh was able to close half of the position with a conservative target so i already made
some money on this one uh with this uh rally the next target i want to say i didn't note it but i want to say that
the target that we're after is around 31.25 well actually let's look
let's see so i'll just go to power x analyzer
go to the power x tab and
let's see what that target is obv 3120 so i said 31.25
so looking for a target of 3120 not quite there yet uh but trades working
out nicely closed half of the position for a win and uh this one's doing what it's supposed to do
trade i got out today that marcus and i we both bought some calls on this one c-e-l-h
celsius holdings uh energy drink company i bought actually we both put the same
trade on so we bought 80 calls on this day here when we broke out of
this range here there was a power x buy signal that triggered instead of trading the stock we bought
the 80 calls these worked out beautifully if you're looking at a conservative target it was hit uh somewhere here but the bigger profit target that we were after was hit
today we were looking at a target of i want to say it was about uh 93.50 and uh
this one was almost uh 300 gain uh so we bought calls around 560 i think it was
uh closed it marcus's account at 17 bucks i closed it in my account for 1730

don't tell him i got the better phil in my account he hates when that happens but a nice win there so celh closing this trade today or no longer in it but real nice move making new highs here they actually had an analyst upgrade and i think it was jeffries uh they upgraded the stock uh yesterday or before the trading day began today and uh getting a little boost here so we're out of this one uh nice win though uh so right now uh i have those those wheel positions you know two that i'm working with uh lvs and ride gdxj the one that will uh expire uh or you know wrap up next friday and then the others all expiring uh tomorrow and from what i see it looks like it's gonna be a day where we just you know clear the slate they expire worthless and we can start looking at uh new opportunities well both tomorrow and on monday and just one power x trade for right now so these are the trades that i'm in this is what's going on with the markets looks like we've dipped just a little bit so the market's not really no conviction right now as we uh have 10 minutes to go before the open looks like we're trading mixed here nasdaq up a little bit down down a little bit smp down a little bit uh real no conviction there but coming off of today's lows and i would say that that's a good sign uh you know finishing flat or mixed after being down works out nicely all right so um i i'll focus on questions later but i did say i saw one that popped up and i've never shown this before so i'll do it right now why don't you guys ever exit trades at certain profit triggers plenty of back testing to show exiting early beats holding till expiration well actually we do so with the power x strategy it's a swing trading strategy with defined risk and we're usually looking at two profit targets one uh twice the risk and another one might be three four times the risk it depends on what the software tells us because the back testing that we're looking at it's gonna suggest uh you know the performance based on the strategy and we will make a decision then but usually we're looking at a two to one risk reward on the first target and then you know three to five risk reward or reward versus the risk on the second target and that's that's what happened with ovv and also uh with celh now with the wheel the premium collected that that's you know that there's no um there's there's not unlimited reward there so once we sell a put that's the the most that we could get on that particular trade yes it could turn into an assignment where we own shares then we make money on the stock and the options but when we sell puts we will look to close the put at 90 max profit on um what was it dfs i actually had an order at 90 max profit i don't know if it's been filled i don't think it has nope um i get alerts on my phone uh so that has not been filled but i'm happy to

close a put that i've sold at 90 percent of its max profit free up that buying power uh and also just knowing that the potential gain is much smaller if you could lock in 90 percent there's only 10 percent of that left so might as well close it move on uh so we do have targets um it's just the wheel strategy different strategy is premium collection it's an income strategy and uh if we're not able to close it at 90 percent will hold it to expiration but this is also because of the expiration that we're selling because some people who trade the wheel they might use a 50 target but they might sell puts that have 30 days of expiration right so it really depends on the expectation and the holding time for us we're looking real short term with the wheel because when we're running the wheel scanner we're seeing opportunities that are expiring the current expiration and one week out and so on max we're looking at two weeks in a trade most of the time marcus and i we prefer the soonest expiration because when you compare the numbers you go further out you could collect more money as a dollar amount but when you break it down like when you enter it into the calculator uh with the power x software sometimes i would say many times the premium per day is actually better with the smaller expiration or shorter expiration right so just as an example if you sell a put with 30 days of expiration maybe you collect a buck right now it could be that one week out you could sell that put for 30 cents well a buck is more than 30 cents simple math right but it could be that that 30 cents that you collect in one week multiplied four times you could make more money doing it week to week to week to week and there i don't want to close a 50 percent max profit i'm looking at closing at 90 max profit but i would have a different exit strategy if i was going way out the other reason we like short term is because crazy crap can be more likely to happen the more time you give it right if you were to ask me when is something crazy gonna happen in the market in a week from now or in a month from now i have no idea but odds say that a month from now there's a greater likelihood of something crazy happening in 30 days rather than in the next seven days so we like the short-term expirations provides more flexibility and many times it provides a bigger premium per day by going short term anyway uh great question and i'll make sure that we get to more questions like this uh but let's go ahead i wanna i wanna cover a few things and no i don't know oh there we go all right so i'll get to the questions

10 Lessons I've Learned As A Trader

in a minute but i thought with this being my first coffee with mark why not share a few of the things that i've learned as a trader and let me go back to my slides here let's uh let's do this so

all right we talked about that we looked at the markets we reviewed my positions now we'll look at 10 lessons i've learned as a trader and uh also sharing a few of my favorite trading quotes uh we'll get to questions after this presentation so lesson number one you've heard marcus say this marcus has a freaking mug that uh you know i i didn't grab i well i have my rock wall coffee hold on this is so important we have it on a mug and we have it on shirts trade what you see not what you think i know you've heard this before but it's so important when i'm working with traders i don't know how many times i've heard traders tell tell me about this big loss that occurred or this opportunity that was missed because instead of trading what they saw they focused on what they thought the markets were going to do and i promise you there are bigger brains bigger minds and analysts that have so much more resources and information than you do and they're not getting it right so just you know put that in perspective trade what you see not what you think i know i know this is going back a ways but after when the housing crisis started there were so many people that thought the markets would never recover not only did they recover they went crazy right so if you were thinking i can't put my money in stocks you would have missed the best bull market in history right uh same with the pandemic drop right i actually thought that we would see another test of those lows right so when we made lows uh we were just collecting premium we were we were selling premium like crazy and when we made those lows and we started to see a move higher i thought we'd get another test of those lows when earnings season happened right because i thought that the earnings were the earning season was just going to show how bad things really were and we get another push lower now if i wasn't trading what i saw and i was waiting for that to happen i would have missed out on one of the the best you know runs that we've had in the last two decades so you have to trade what you see not what you think this is what holds many traders back the charts sure technical analysis might not be perfect uh yes indicators are a crutch and you shouldn't say this indicator is absolutely the one that's going to make me money forever and it only works it doesn't work that's not the case but what is really happening is priced into the markets that's what i believe as a technical trader what matters is priced into the market and it doesn't matter what i think right and what's priced into the market and what's moving you know whether or not i think something's gonna happen or not i could make money if i focus on what's really happening and that's that's the market's moving so um anyway this is where i i think that this is a great quote from william o'neill if you don't know who he is he's the founder of investors business daily what seems too high and risky to the majority general goes higher and what seems low and cheap generally goes lower right when the stock's moving higher even you know i

could go back and look at c e l h celsius uh holdings that trade that we put on
if you look at the chart the there is a power x signal to buy right and so based
on our analysis based on the indicators we use based on the testing that the software does there
was a great trade
and if you look at the chart the there were highs that were established a couple months earlier so
if you were
so focused like oh you know this this can't go past those highs i don't think it's going to make
new highs even though
the software said hey based on everything that's happened in the last two years not only is there a
buy signal and you could take profits at a conservative target before those highs but
we have a opportunity to maybe break through those eyes and make new highs and that's exactly
what happened
so trading what i saw i saw there was a buy signal i saw based on the numbers there was an
opportunity i traded it if
i you know just over complicated things and was thinking no or you know i've tried celsius i
don't like it um you
know when it comes to the trend following i just say get in get out when your exit strategy says
uh and
you know if i traded what i i thought i would not have made money on that trade so anyway
that's lesson number one
you've heard it before you heard it again today lesson number two
there are three positions that you could take as a trader you can be long the market you can be
short the market and
you could be flat or out of the market and being flat or out of the market
is usually the best decision because too many traders are so focused
on being in the market because they think that that's how they make money but that's also how
you could lose money
i wouldn't necessarily say that being flat the market is the best decision i'm i would rather say
that it is a good
decision that most traders don't make enough right they're so eager to be in
uh because they have fomo they're they're afraid that they're gonna miss out on an opportunity
but then they're
in the market they're risking money when they shouldn't and they're losing money because
they're afraid that they're
going to miss out when it would be better to stay out and wait for a great opportunity right i think
that this is a
great quote from charlie longer here who if you don't know is vice chairman
of berkshire hathaway i just wait until there is money lying in the corner and
all i have to do is go over and pick it up nothing to do in the meantime that nothing to do in the
meantime is so key
there right and that's the flat that's the third position that you could take as a trader being flat
being in cash waiting for the
next opportunity so important so that's lesson lesson number two let's
move on to lesson number three don't bet the farm
i have talked to too many traders that say such and such stock
it's absolutely going to go up right there like there's no way this can go

down and they list all of these reasons and nine times out of ten they're wrong or you know even if they're right short term they're they're wrong long term so don't bet the farm on one trade don't put all your eggs in one basket there isn't a sure thing right there there really isn't a sure thing there's balance risk educated decisions where you can put probabilities in your favor you know put use a strategy that gives you an edge but you can't put it all into one trade uh there's larry height uh he's a fed a hedge fund manager and computerized trading pioneer he said that throughout my financial career i've continuously witnessed examples of other people that i've known being ruined by the failure to respect risk if you don't take a hard look at risk it will take you and that's the thing you want to balance out risk right when we trade the wheel strategy we like to focus on a minimum of five positions right and we're super careful with the trades that we place but we could still be wrong right but if we have one trade that's you know tying up some capital that we're just waiting to you know to find opportunities again to sell premium collect premium again we have other positions that are working for us that are expiring each week collecting you know premium and money that way if we were just all caught up in one trade we'd be stuck right so you know same goes with the power x strategy rather than just you know trading one you know putting all our money in one signal we want to be in five positions so risking you know two percent of an account with five positions even if something goes crazy and all five trades are losses you're down ten percent that's not ideal but if your reward is two three four times your risk even being down ten percent isn't a big deal it's something you can recover from so don't bet the farm lesson number four you will be wrong you absolutely will be wrong and this is where i find that sometimes based on a very a person who's very successful with many things they do can actually find trading challenging when i work with traders as a coach there are many times where someone has you know been very successful with their education and in school you know maybe started a business and was very successful with that business uh you know a physician if you become a doctor you're spending years of education uh you know time on that education and when you're making decisions you you expect to be right right uh that's not the case with trading and you could make a lot of money even though you're wrong half of the time right every strategy is a little bit different but you can make money you know you've probably heard the analogy before but it's more like baseball right you could make millions of dollars a year if you can get on base 30 of the

time right so you don't need to be right all the time and i think that is a big you know it's a wake-up call for people who are new to trading who might have seen success because they expect to be right all the time and sometimes they'll trade hoping that that happens where they're taking small profits to be rights but then when they're wrong they have big losses so they're not making money because they think that that's the game being right all the time which it's not you will be wrong and you can be successful being wrong even half the time here's a great quote by the legendary economist john maynard keynes markets can remain irrational longer than you can remain solvent so accept that you can be wrong that's why risk management is so important that's why not betting the farm is so important that's why trading what you see not what you think is so important and bottom line you will be wrong so accept it lesson number five sometimes it's all about deselection and uh warren buffett uh he has a quote here the difference between successful people and really successful people is that really successful people say no to almost everything right and i think that this is something that is kind of a shock at times when um you know people start to follow along with what uh marcus and i you know how we trade uh both power x and the wheel is that we deselect we we don't choose more trades than we actually choose right there might be you know we might run the scanner for the power x optimizer and have eight stocks on the list but for our criteria what we want to see as a candidate for you know the best opportunity we might choose we might not choose any of those for a given day because it doesn't meet the criteria yes from a numbers perspective it might meet the minimum criteria that we're after but just how that stock is behaved how that stock has moved it's not there so we're not going to force it we're going to be patient we're going to focus on the best trades make sure our money is being risked on trades that have the opportunity to move uh as we would expect same with the wheel right there there are dozens of wheel opportunities every day uh where there's you know fat premiums on some stocks that you have no business trading right and so deselection is so important saying no and you know waiting for the best opportunities that is a key uh lesson to be learned as a trader when you're trading the markets lesson number six it's not you it's me right it was it's so easy to blame the markets for your trading problems but i promise it's mindset or your trading method right the the markets are the markets they're gonna do what they're gonna do you can't blame an analyst you can't blame stop hunters you can't blame uh you know some crazy news coming out focus on you you focusing on your trading decisions you know even if you get stuck how can you improve how can you correct them what did you do that could be done better uh if you're blaming the markets you're going to have a very difficult

journey if you focus on what you and what you can do you're going to make things a lot easier for yourself here mark douglas author of trading in the zone great book there the consistency you seek is in your mind

not in the markets lesson number seven focus on quality not quantity and this

kind of goes along with um you know deselection right uh paul tudor jones

legendary hedge fund manager if you're not familiar with them uh don't focus on making money focus on protecting what

you have i think these two things go hand in hand because when you're focusing on making money then

there tends to be a focus on quantity right you have to put on a

bunch of trades i would say that if the people who i work with who are in

20 30 40 50 positions they are doing worse

than people who come you know join our mastermind program and have just a

handful of positions but they're quality trades right they they are following a

strategy they're following a method they're disciplined with entry and entry rather than just the you know

spread it out hope things work out uh because i i mean i don't know about you but i

can't tell you 30 quality trades that i want to be in especially as a short-term trader so focus on quality not quantity

all right lesson number eight most of your great trading ideas will be flops

this is a hard pill to swallow but as someone who has traded and tested many

strategies i would say nine times out of ten a trading idea if you put it to the test

ends up being lousy right you look at short-term moves in the market and you

think that hey based on what happened today i should do this right or based on what happened

last week i have this great strategy for the next week well if you put it to the test this is where you know test your

idea if you believe that the s p closes lower every friday then test it prove it to yourself don't

just think hey it's a great idea prove it to yourself if you believe that every

time uh you know google crosses above it's a 50-day moving average you can you

know make 10 test it and i guarantee and it's there's nothing wrong with this but it's just

the reality of it and it's why i think a lot of people lose money it's because they come up with a great idea and they

don't put it to the test they risk money on it it doesn't work and and so they're learning from losses rather than uh

doing some you know testing to to see is this an opportunity is it something to consider is it something that i should

risk money on jack schreider author of the market wizards great book um the hard work and

trading comes in preparation the actual process of trading however should be effortless and that's the thing it's you

know the the hard work in trading comes from preparation that that testing that

analysis all of that you know coming uh before you're putting on that trade once

you have a strategy that you're using then you know what you know if you tested it if you know it works if you

have consistency you're confident with the strategy then then that part's effortless it's just waiting for the

right opportunities to come along and lesson number nine

trading is not a hobby win or lose this is from ed a sakota a famous commodity trader and a market wizard win or lose everybody gets what they want out of the market some people seem to like to lose so they win by losing money if you're gonna trade take it seriously i mean you don't have to set up an llc set up a business do all you know but you know you could trade a small account and still be serious about your trading where you say hey i'm going to be disciplined i'm going to have a plan i'm going to follow my rules i'm going to trade what i see not what i think you know that is a good approach to trading but too many people treat it like a hobby and i don't know about you but most hobbies cost money don't make money right maybe you get lucky and you have some hobby that you can turn into you know some profit maker but most of the time a hobby costs money it is an expense uh it isn't a way to make money um and i mean think of all of the expensive hobbies out there uh you know building fast cars uh you know collecting dolls i don't know you know most of the time you're spending money you're wasting money you're not making it so don't treat trading as a hobby treat it as a business even if you're small scale you could treat it as a business and and just you know be serious about it be disciplined and make sure that you're putting yourself in a position to be successful yeah this is a famous quote by morgan freeman that most people don't know about um but have you ever noticed that people won't log trades but they'll spend 15 minutes taking a quiz to find out what kind of potato they are sorry i had to do it but you know going back to hobby versus a business logging your trades keeping an accurate trading journal or your entries x's notes what went right what went wrong could you have done better did you follow your plan did you have concerns about the trade did you want to break your rules you know all of that journaling is going to help you really for two reasons one it reconnects you with all of your trades if you're just looking at your you know the bottom line your profit or loss for the month you've forgotten most of those traits and it's going to be hard to learn from your mistakes so when you log things those mistakes are going to stand out but more importantly the more data you have you're going to start to see patterns right so instead of having the same mistake happen over and over and over again you're gonna start to see hey i did this last week i did this last month i keep doing this and it's not helping me um so make sure you log your trades and that goes hand in hand with uh not treating trading as a hobby and then there's this this really great uh quote crazy guy but great quote focus on what you can control and uh this quote is you have no control over whether or not a stock will go up or down but you can control why you get into the

market and how and when you get out and and again you know if if you buy a stock and it drops the very next day that's out of your control but if you mess up your order right if you accidentally you know buy puts instead of selling puts or you accidentally leave an order in it you submit a market order and uh you know that's not how you trade you know those are things that are 100

percent in your control so you can't control whether a stock goes up or down but you can control your entries how you

entry how you enter a trade why you enter a trade the execution of the trade and also when and how you get out so that should be your focus not trying to to re-predict the market or figure out the you know

the the um you know with the magic gate ball or uh holy grail of trading but instead focusing on the things that you can control that's going to go a long way all right so i know there were a bunch

of comments and there were some questions that popped up as well i hope these lessons have helped uh i hope some

of them have resonated well with you and uh either you know reaffirm things that you already know or or you know

potentially present some things that you didn't know or uh that you've been dealing with and didn't even realize it

was an issue until now uh these are 10 lessons that i've learned and i hope that they help you so let's go ahead and let me take a look at some of these questions here

Ask Me Anything

and and see what we have time for um

let's see um

okay so i i see um here i'm just gonna show uh oops not that one

um nicole uh maybe this isn't the the best one to

to show um because i don't think you could click on the comments but look for nicole's um comment there because she's

sharing a video that marcus recorded on the trading log so look in the comments for uh nicole's because that's a great

video all right um

junior says lol piranha wrestler so i i just have to tell a quick story

here you know it's kind of funny like uh for anybody that that's worked with me who uh has emailed me

my um my email signature says you know head coach traitor and piranha wrestler

i actually put it in as a joke right at rockwell we decided that okay we

should update our signature so everybody has a uniform signal this this our signature this happened a while ago

and for some reason i entered it and then i deleted it after a couple of

days thinking the joke's over but it kept refreshing it kept coming back so i did it like twice and it kept coming

back so i figure i'm a piranha wrestler as well sorry a little inside joke there

all right um okay so i want to be trader uh you know

referring to the 10 lessons but we need to diversify too well no this is exact i agree with

diversification and so with the strategies at least the strategies that we trade right now we

like the idea of managing five positions with the wheel strategy five positions on the power x strategy

if you can find more quality trades then i don't think there's anything wrong

with trading 10 positions with the wheel or or more but uh a

it would be easier to do with a larger account right because if you have a hundred thousand dollars and you're

trying to trade 10 positions then that means that you could trade 10 positions with stocks priced at 100 or less right

so you have a point where you might be eliminating some good trades for higher price stocks

um so the more money you have the easier it is to trade larger positions or or sorry a

larger position size but five for us is kind of that sweet spot where it's enough to balance things

out but it's it's few enough to not get stuck

taking trades that we shouldn't right because we could focus on quality

all right let's see here um

so roger says what settings are you using on the scanner to find the celh trade uh marcus and i we're using the

here let me just close this and let me

bring this up real quick this is covered in the power x

tutorials but marcus and i we're looking at quick trades right now

right um

so there's a question about the wheel um oh it looks like that was a dress okay

um see here

so wannabe trader says i am too scared to here we could show it i'm too scared to put in more contracts my account is 1

million i'm new hey start small right because you have to learn to be

successful on a small account and once you you know learn to be successful in a

small account then it's doing the same thing but with larger positions but if you're new you

don't have that experience you don't have that confidence then start small you know practice first practice then

trade a smaller size and then you can work your way up to a position that's appropriate for your account size but

you don't want to go you know get excited go ahead first into trading and uh you know lose money and then regret

it and and wish that you know what you know in the future when you started

because that could be a mess if that makes sense but starting small and practicing can be

very very valuable to a new trader

alrighty

so there's a question is it possible to do a reverse wheel strategy in a bare down and sideways market um here so

first of all the wheel is perfect for a sideways market so

that's fine in a down market there's gonna still be good wheel trades the the thing that you

have to be careful is making sure that you're not trading a stock that's just really selling off right because the

wheel is meant for a stock that's moving sideways or slightly higher so you want to avoid you know trying to pick bottoms

with the wheel that's not what we want to do but if the markets are falling the wheel premium the premiums on the put side is going to be huge i mean that's what we did during the pandemic we were just selling puts and we were using a lot of you know buying power but selling puts like 25 to 50 below the market because there was so much premium at those lower strikes because of that drop so i don't think you need to reverse things and technically if you reverse things you're selling calls which i don't like the idea of selling calls uh because when you sell puts technically there's unlimited risk because the stock could go from let's say you sell a put at a hundred dollars soccer go from 100 to zero right now if you sell calls if you sell 100 calls there's unlimited risk but that stock has no ceiling right and if you're trading a quality stock and you're selling a put at 100 the chances of it going to zero is slim and worst case scenario even if something crazy has happened with that company a good quality stock you have an opportunity to get out of the trade well before it it makes that move but on the upside i i mean you know i know a lot of people got burnt uh selling calls on gme so i would stay away stay away from selling naked calls i think that the wheel even if the overall market is down it helps option premium which is perfect for the wheel strategy but you have to be a little more disciplined and careful with finding socks all right okay well i think there were some great questions here and i know that i think marcus normally goes 45 minutes so we went a little bit longer but i hope you're okay with my first coffee with mark marcus wasn't available instead of canceling and i said i'll i'll step in i'm actually going to be doing the the next one as well so i i think it's monday you can look forward to another coffee with mark and then uh marcus is gonna be back at the coffee with marcus's so that's gonna do it for today's video remember the 10 lessons trade what you see not what you think have a great rest of your day and we'll see you next time