Trading is about waiting and ambush, not chasing. (16sep1 – this is correct)

Thrill takes you out of the mind that can measure risk well.

坐仓如果影响心情 -> that is not casino behavior. Casinos don’t have emotion, it is long run mathematical edge that guarantees success. Trading is pure math.

Trading like a casino. Positive expectancy, risk management and discipline. Unwavering to the temporary setbacks.

Find optimal exit time. Stop @ important resistance/support lines.

**Insight from gambling:** accept the random nature of each outcome. Long term advantage works. Randomness principle. Trading can be frustrating and exasperating if trader tries to control the outcome and be mentally affected by the outcome. There is no relationship between the outcome/sequence of outcome to the long run theoretical expectation of winnings. (16sep1- dealing with uncertainty of this particular trade is very hard, especially for a trader who is focusing on that trade alone instead of the strategy which generated that trade)

Random distribution of wins and losses. Traders do not experience the same type of emotional trauma that amateurs experience. Source of frustration/disappointment.

Typical trader: no plan. Think this particular trade will win with no regard to the randomness of the outcome, chasing a pattern.

Has to take every trade because don’t know which one is loser and which one is winner. Trading = playing a slot machine with a winning edge. Cannot control the sequence of outcome or each outcome, but as per the central limit theorem it will approach the underlying distribution.

Higher probability **over a series of trades**. Over the next 20 trades.

**Comment Mar26/2016.**

Some basic understanding of the probabilistic nature of returns is shown in the article. Now there is completely no short in the arsenal, which needs to be increased with combination of a weakness indicator.

Comment Sep1/2016

You understood nothing in Mar 2016, you got ass-kicked in Apr-Jul and missing out on the middle of the month rally was not that good.