

TRADING FOUNDATIONS

PREPARING A
7-FIGURE MENTALITY

WRITTEN BY
TIMOTHY SYKES



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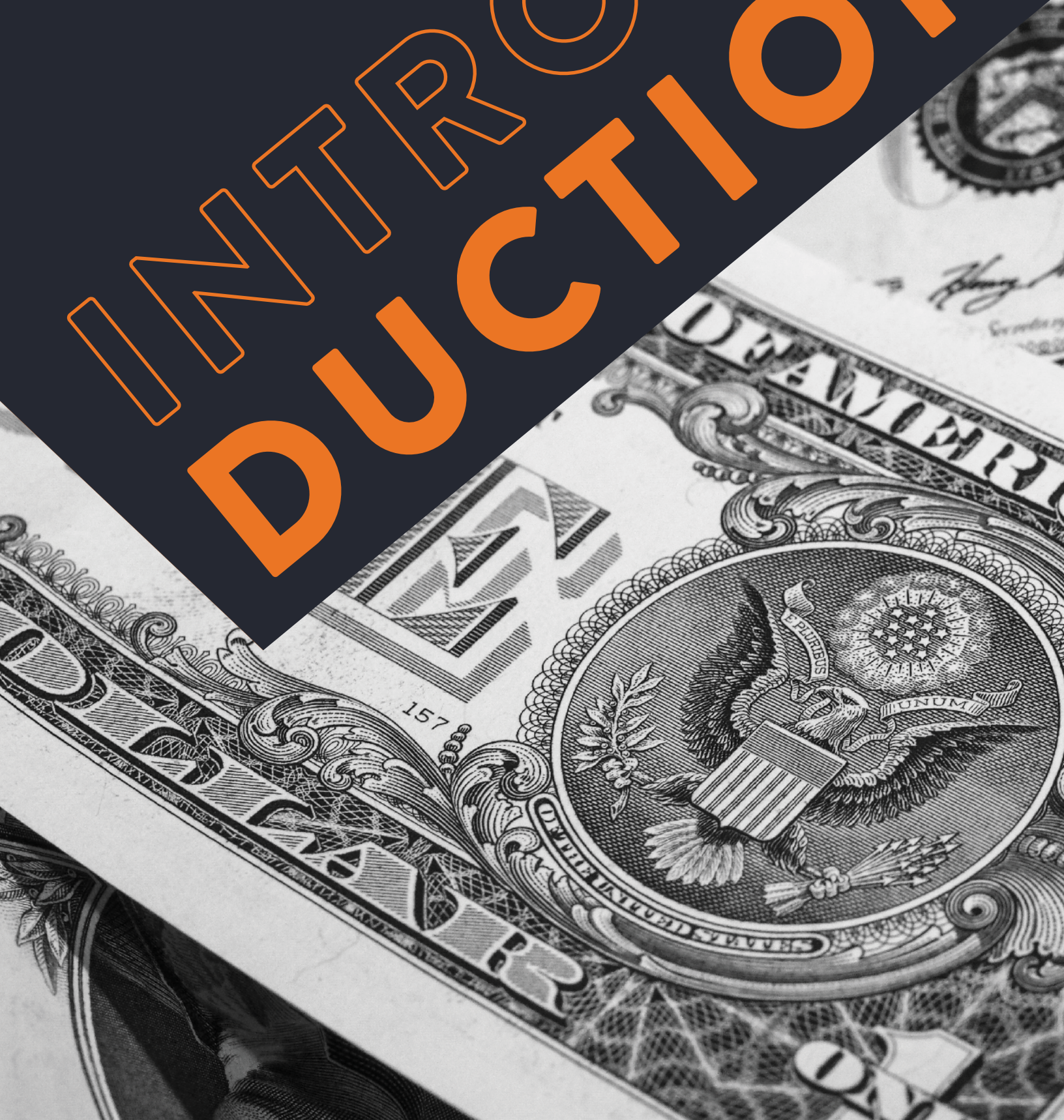
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DISCLAIMER

The trading profit figures stated are my personal profit figures. Please understand my results are not typical, I'm not implying you'll duplicate them (or do anything for that matter). I have the benefit of trading stocks for 20 years, and have an established following as a result. The average person who trades stocks get little to no results - 90% of traders lose money. I'm using these references for example purposes only. Your results will vary and depend on many factors...including but not limited to your background, experience, and work ethic. The stock market entails risk as well as massive and consistent effort and action. If you're not willing to accept that, please DO NOT READ THIS BOOK.

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INTRO: DUCTION



INTRODUCTION

Why do you want to become a day trader?

If you're looking for a way to get rich fast, this isn't the game for you.

Becoming a profitable day trader is possible. But it requires discipline and a lot of hard work. If you want to be successful, you must find a formula that works for you. It's impossible to guess your way to the top.

The good news is that if you're willing to put in the work, the rewards can be incredible. Day trading offers the opportunity to gain profits and keep a flexible schedule.

For some, trading can provide a secondary stream of income. For others, it even becomes their primary career.

Day trading has given me the ability to live my dream life. I can work from anywhere in the world. I'm able to travel, eat well, live well, and give back to the community.

When you set specific goals and work toward them by dedicating yourself to your trading career, incredible things can happen.

It's also easy to get started. Really, all you need is a laptop, an internet connection, and a broker. But smart traders also take the time to invest in their education.

Day trading isn't rocket science. But it does require an understanding of the market and a proven trading plan.

Unfortunately, relatively few traders are willing to put in the effort needed to build a strong foundation of trading knowledge. This is one of the biggest reasons why so many traders fail. They try to jump into the market without understanding how it works. Then, they quickly lose both money and motivation.

This book is designed to help you become one of the traders who succeeds.

INTRODUCTION

This book focuses on some of the most common objections that potential day trading students have, including:

1. I don't have time to trade
2. I want to try on my own first
3. I'm waiting for the right time to get started
4. I'd rather put money into the market rather than into my education
5. I'm too new to trading

These aren't so much obstacles as they are excuses. Or maybe they're just fears?

The purpose of this book is to help new traders get past these excuses/fears while building the key traits of profitable traders.

To help bring each point home, every chapter features a case study of a student who overcame each of these toxic mindsets with successful results.

The students who are truly bound for success don't make excuses. They make it happen no matter what.

CHAPTER ONE

TICK TOCK YOU
DON'T STOP



CHAPTER ONE: TICK TOCK YOU DON'T STOP

“I don’t have enough time.” This might be the most common excuse I hear from potential day traders. Unfortunately, it’s also usually a big warning sign that this person isn’t gonna make it.

That might sound harsh, but I’ve gotta be real.

I get it. People have lives. They have families, full-time jobs, responsibilities. But you can always make time for things that matter.

If you want to become a trader, you need to make time. Nobody is going to make time for you. You’ve got to carve it out for yourself. You’ve got to have the discipline to follow through. Until you make time, you’ll never be able to get serious about trading.

Time is not the issue

Some people seem to accomplish so much, while others accomplish so little. It’s really just a matter of how you manage your time.

It’s never really a question of time. It’s a question of prioritizing your time.

Everyone has the same 24 hours in their day.

You have the same amount of time in your day as I do, and I’m a millionaire.

You and I both have the same amount of hours in the day as Richard Branson and Mark Zuckerberg, and they’re billionaires.

So instead of talking about time or lack thereof, let’s talk about the real problems. Usually, “no time” actually means one of these things:

1. Lack of direction. Do you know why you want to become a day trader? If your goals are vague, like “get rich,” they won’t motivate you. It’s hard to make time for something that doesn’t give you excitement and focus.

On the other hand, if you set a specific goal, like “buy a luxury condo for \$1.25 million in Miami,” you’ve got something to work with. While it may seem far off at the beginning of your career, it gives you something specific to set your sights on, and you can set up mini-goals or milestones that will begin to get you there. This will help give you motivation to make trading a priority.

CHAPTER ONE: TICK TOCK YOU DON'T STOP

This is actually a principle called Goal Setting Theory, based on research that began in the 1960s by Dr. Edwin Locke and Dr. Gary Latham. In researching the connection between clear goals and performance, they found that there was a relationship between the difficulty and specificity of a goal and people's performance of tasks. Ultimately, they discovered that specific and difficult goals led to better task performance than vague or easy goals.

2. No routine. Do you have daily routines? If not, you might not be managing your time effectively.

Most successful people have specific daily routines. For instance, Apple CEO Tim Cook wakes up at 3:45 am so that he can do things like sift through the 700-plus emails he gets per day and work out before he needs to hit the office.

I'm not saying you need to wake up at 3:45 a.m. But I am saying that you've gotta figure out a routine that works for you. It might be waking up earlier to study or ditching Netflix for a while. You could also listen to trading podcasts and lessons while you're commuting to work or working out.

You really have to set up a trading routine and stick to it if you want to be successful.

3. No accountability. Day trading can be lonely! If you're lonely and unmotivated, you're not gonna make time for it.

One way to increase your accountability is by getting involved in the trading community. One of the best things about my Trading Challenge is the community in the chat room. Traders can talk about tickers, get advice, and generally be surrounded by like-minded people. It keeps them motivated, gives them accountability, and helps them keep learning.

4. Laziness. Nobody likes to hear this, but one big reason why people don't make time for trading is because they're lazy.

- Do you sleep in every day?
- Are you constantly binge watching TV shows?
- Are you always texting your friends?
- Do you play video games?
- Are you constantly on Facebook?
- Do you go out drinking a lot?

CHAPTER ONE: TICK TOCK YOU DON'T STOP

I'm not making judgments on how you choose to spend your time. But I want to point out that if you're these things, you've got several things you could cut out and make time for trading.

If you do these things and claim you have no time to trade, you're just being lazy.

It's your choice. Do you want to waste time on empty pursuits that won't get you ahead? Or do you want to be a successful day trader? If so, it's gonna require some sacrifices.

How to make time for trading

If you want to make more time for your trading career, put these tips into action:

- 1. Resolve to make time.** The first step toward making space in your schedule for studying and trading is deciding that you are going to make time. It's a small step, but an important one.
- 2. Set specific goals.** Think hard about what you hope to gain from trading. Set very specific goals for what you hope to achieve. You can even print out visual images or write down your goals and keep it posted by your work area to stay motivated.
- 3. Make a trading routine.** Really look at where and when you can make time for studying and trading. If you have a 9-5 job, it will probably be early or late in the day. Establish a schedule of specific times at which you will devote yourself to studying and trading, and stick to them. Let your family and friends know about your trading routine so they won't bother you.
- 4. Drop bad habits.** Ditch your time-sponge habits like endlessly scrolling through Facebook or watching four hours of TV every night. Boom. More time for trading.
- 5. Keep yourself accountable.** Surround yourself with a community of traders. It will help keep you motivated and on track.
- 6. Keep it up. Success rewards consistency.** If you are able to make time for studying and trading for a week, that's great. But it's not enough. To truly reap the most rewards, you need to prioritize making time for trading. You need to make it part of your lifestyle.



CASE STUDY

SANDEEP

CASE STUDY: SANDEEP

Finding it hard to make time for trading? Consider the case of my student Sandeep.

Sandeep grew up in a middle-class family in India. He studied engineering — a solid career that would eventually take him to the U.K., where he's been based for the past decade or so.

Sandeep liked working as an engineer. But he's married and has a child — expenses were piling up.

When a friend mentioned they'd started trading, Sandeep decided to explore it as a potential secondary income stream. That's how he found me.

Sandeep started trading in 2019. He spent two months studying only — no trading.

Making time for his education wasn't easy. In addition to having a family, he also had a full-time job.

He'd study on his lunch breaks and commute. He'd stay up late studying — sometimes until 2 a.m. Despite his dedication, trading success didn't come instantly.

He blew up his first \$1,500 account making newbie mistakes: holding and hoping, cutting losses too quickly, and lots of papercut losses.

He took time off, then started with a second \$1,500 account. He blew up again — this time, he lacked focus and was trying too many strategies at once.

But he didn't give up. In early 2020, he started trading again with a \$2,000 account. This time, he focused on one key pattern: the morning panic dip buy.

This time, things started to click.

By the end of March 2020, his Profit.ly total was over [\\$7,000](#).

By December of the same year, his Profit.ly total topped [\\$300,000](#).

Once his profits exceeded [\\$500,000](#) in early 2021, he was able to quit his job and go full-time as a trader.

CASE STUDY: SANDEEP

In September of 2021, he passed [\\$1 million](#) in trading profits. As of today, he's up over [\\$1.3 million](#) in trading profits.

Sandeep had a full-time job and a family. It wasn't easy to make time or space for trading in his life.

There's not always a 'right' time to start trading — you need to make it happen.

Sandeep wanted more out of life, so he did what he needed to do to start trading. He was willing to stay up late to study and to power through the pain of his initial losses to keep working toward his goals. It changed his life forever.

Do you want more out of life like Sandeep?

Are you willing to do what it takes to make that happen?

Click on the link below if you would like to talk to my team and create a trading success plan for yourself.

[Yes, I want start my path to success!](#)

CHAPTER TWO

YOU DON'T NEED
TO GO IN ALONE



CHAPTER TWO: YOU DON'T NEED TO DO IT ALONE

From the outside looking in, day trading seems easy.

Why pay to take day trading classes when you could just teach yourself? Plenty of new traders have this delusion that all they need to do is open a brokerage account, get trading, and make millions in a month.

This mindset is a big part of why less than 10% of all traders succeed.

Many have tried. Many have failed. You're not going to reinvent the wheel. You're not going to just jump in and make huge profits, especially if you don't understand stock charts and market mechanics.

Unless you follow the rules (or at least learn them before you break them) you will probably be one of the many traders who fail.

Common reasons why traders fail

I don't want to scare you by telling you about the high failure rate in trading. I want it to motivate you to do better.

Traders don't fail because it's hard. They fail because they never had guidance and make dumb mistakes. Here are some of the most common reasons why traders fail:

1. Following hot stock tips. Are you trading based on what you read in advertisements or email blasts? Hate to break it to you, but you're not getting hot stock tips. You're getting played. If someone had a stock tip that hot, would they really advertise it? Usually, the stocks are just being pumped by self-serving promoters.

Traders can use alerts as a starting point, but ALWAYS do your own research. Develop your own strategy for figuring out if a trade is worth it or not.

2. Forcing trades. Trading is as much of an emotional and mental challenge as it is a mathematical one. Here's something that happens all the time. A new trader has a successful trade or two, but then they start losing. They panic and start making bad decisions. They start jumping into trades that they haven't fully researched in hopes of recouping their profits, or they try to stay in trades instead of cutting their

CHAPTER TWO: YOU DON'T NEED TO DO IT ALONE

losses in hopes that it will turn around. It's wishful thinking: they want it so bad that they try to make it into reality. Unfortunately, it doesn't work that way.

3. Believing the dream (to a fault). Trade these companies, but don't trust them. I believed the 'story' behind a stock once. It led to my biggest loss EVER — \$500K.

True, sometimes penny stocks do make it. After all, True Religion jeans was once a penny stock. But most will fail. Don't forget it.

Even if they're bound to fail, they can have breathtaking moves before they do. Penny stocks can spike hundreds or even a thousand percent or more in a very short amount of time. As a trader, it's not your job to forecast the next big thing. It's to react to and take advantage of these short-lived moves while they last.

4. Not minimizing risk. A lot of people avoid penny stocks because they're 'too risky.' They have that reputation because they're volatile and unless they're on a major exchange, they are less regulated.

These things are true. That's exactly why I don't trust the companies, only trade when the stocks are moving, and ALWAYS cut losses quickly.

How to be an exceptional trader

Knowing the common reasons why traders fail is the first step to avoiding them. But to really take your trading to the next level, you need guidance and to develop a foundation of trading knowledge. Here are some important tips for making it happen:

1. Don't do it alone. One of the big reasons why traders make these rookie mistakes is because they are trying to do everything alone, without assistance. Don't be an island! Assembling a strong network is one of the keys to trading success. Get yourself a mentor. Seek out education and build your 'knowledge account.' [Get involved in the trading community through my Trading Challenge.](#)

2. Pursue an education. Every trader wants to jump in and just get trading. However, in just about any endeavor, it's important to create a strong foundation. When you learn from the bottom up, you'll be more likely to remain strong and unshakable when faced with the challenges that day trading can (and

CHAPTER TWO: YOU DON'T NEED TO DO IT ALONE

will) throw your way.

3. Study obsessively. Don't just learn. Become a stock market stalker. Study charts, study companies, study different methods of trading. Study everything stock-related you possibly can. Get obsessed. Knowledge is power in the stock market. To gain an edge in the market, you need to be able to study the market, identify patterns, and be able to make educated trading decisions.

4. Respect the risk. Trading is risky! This should scare you. Not so much that you don't trade, but enough that you're willing to do whatever you can to avoid losing.

Do your research. Make a trading plan. Know your entry and exit points. Have a stop (mental or as an order in place) and stick to it. Cut losses quickly. As much as you can, try to take your emotions out of it and approach the trade mathematically.

5. Figure out what is working, and repeat it. Track your trades! All the top traders do it. By keeping track of your trades in a trading journal, you get invaluable data about what's working and what's not.

Over time, you'll see trends in terms of what's making you profits and what's making you lose. Start to zero in on the setups that are making you profits. Refine your strategy and repeat it over and over. This is one of the secrets to \$13.5 million trader Tim Grittani's success (see case study following).



CASE STUDY

TIM GRITTANI

CASE STUDY: TIM GRITTANI

Tim Grittani is a living legend in the world of day trading.

He blew up multiple accounts before he got serious about trading. But once he did, his career was incredible. By the time he was 24 he'd made his first million. Now he's up over [\\$13.5 million in trading profits.](#)

But until he sought out a proper education, he was more of a gambler than a trader.

When he was in college, Tim got the gambling bug and played poker and made wagers on sporting events. He won big...but then when he lost big, he decided that he needed to quit gambling and decided to try his hand at investing.

He began investing with \$500, and quickly lost about half of it. But actually, this was probably one of the best losses of his life, because it convinced him that if he wanted to make it as a trader, he was going to have to seek out some help and a proper education.

Grittani came upon my teachings and decided to join my Trading Challenge. In a way, his losses ended up serving him very well as a student, because he was extremely motivated to gain knowledge about trading. He didn't want to drain his account like he had the first time! He devoted himself wholeheartedly to his studies, sought out mentorship, and began to form a strong foundation for a trading career.

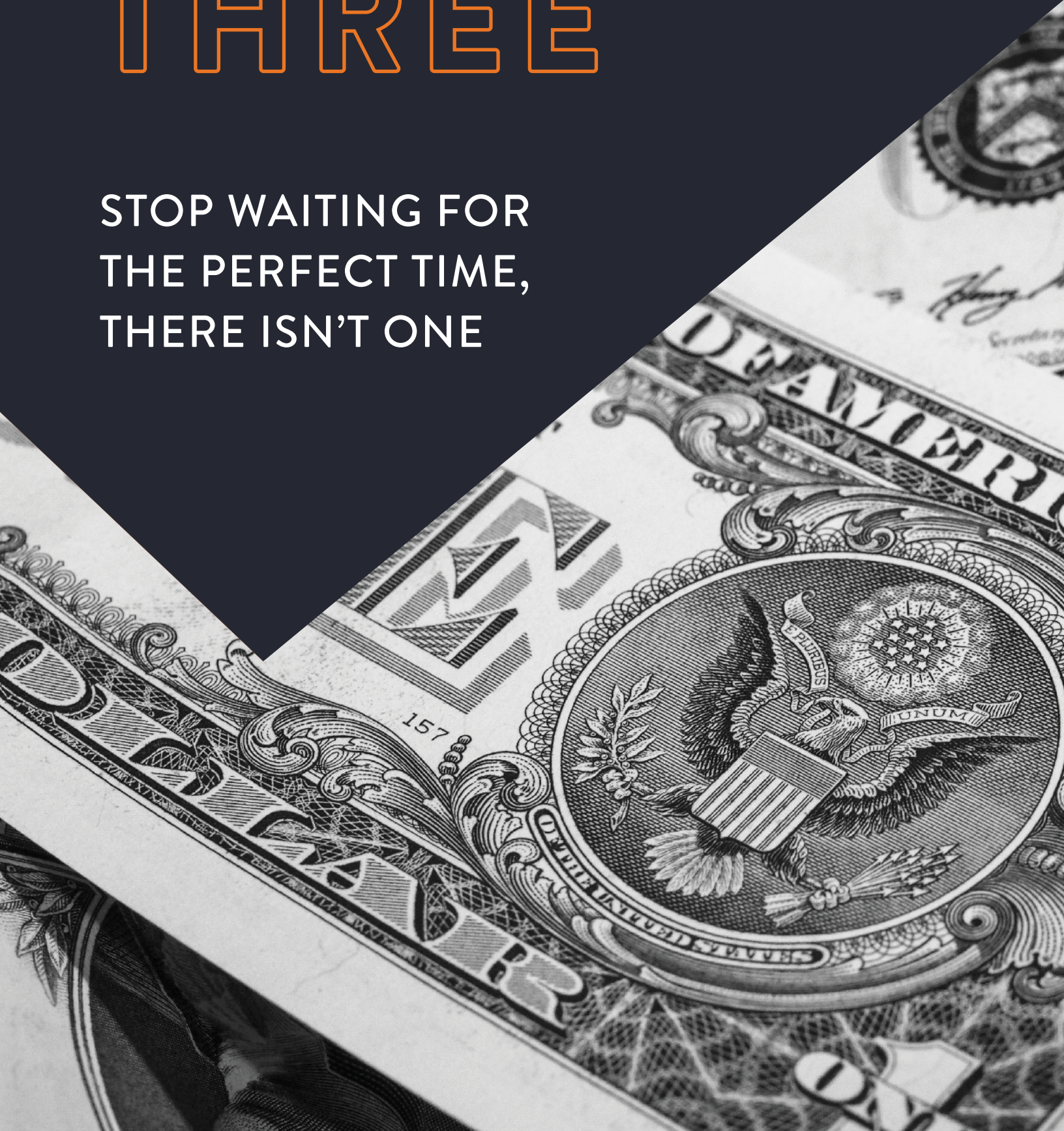
When he was ready to trade again, he was armed with a lot more knowledge the second time around. While he experienced some ups and downs during the first several months, he was better educated and learned from his mistakes. He also continued his education and mentorship all the while, which helped keep him motivated and allowed him to improve as his career developed. He began really focusing on setups that were working and repeating them, and his trading career began to change for the better.

Once he began to identify which setups and patterns were working for him, he really zeroed in on refining his system. Over time, he was able to reach a 69% win rate and an average gain of 6% per trade.

Tim's track record and wins are impressive, but they are no accident: he knew when to reach out for help, and in pursuing an education in trading, he was able to gain focus and direction in his career which led him to great success.

CHAPTER THREE

STOP WAITING FOR
THE PERFECT TIME,
THERE ISN'T ONE



CHAPTER THREE: STOP WAITING FOR THE PERFECT TIME, THERE ISN'T ONE

A lot of people would love to start trading...someday. But they wanna wait for the right moment.

Don't wait for the stars to magically align. It's not gonna happen. You've gotta MAKE it happen.

If you're waiting for the perfect time to start trading, you're probably not going to be a successful trader.

Timing probably won't change things. You've got to make changes and prioritize trading. You need to stop making excuses and take some initiative!

Timing isn't the real problem

Deep down, the right timing isn't the real problem. Procrastination is the problem.

But it may not be as simple as bad time management or even laziness. Here are some of the most common underlying issues behind people putting off getting started in trading:

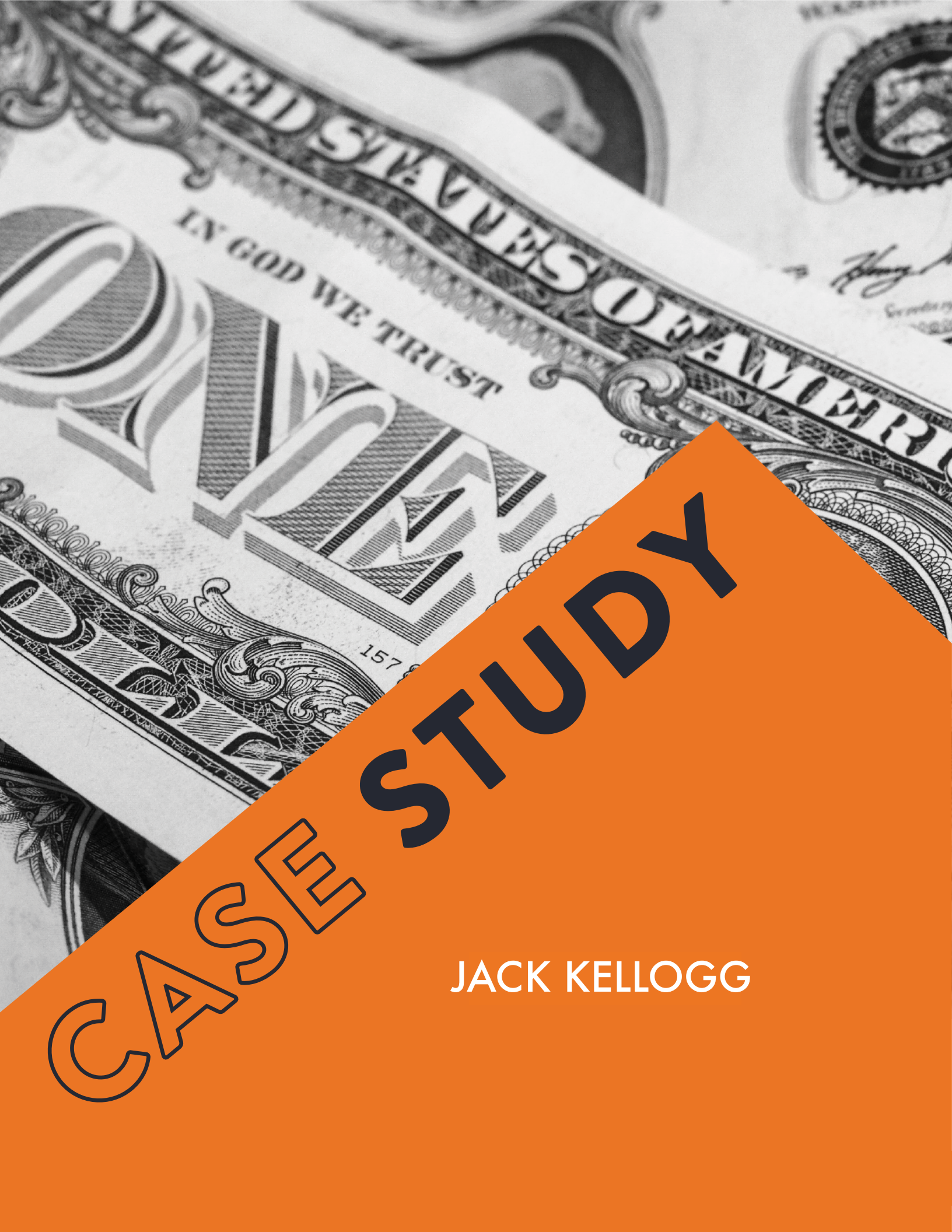
- **Fear of failure.** About 90 percent of all traders will fail. So yeah, fear of failure is a real thing. But fear of losing money shouldn't hold you back. Instead, focus on amassing knowledge and trade with a small account. Never trade with more money than you are able to lose.
- **Not knowing where to start.** A lot of traders just don't know where to start. There are so many gurus and trading classes out there. It's hard to know who to trust. I'm obviously biased, but I think my Trading Challenge is the best there is — not just because of the honest education and resources but because of the massive trading community.
- **Lack of structure.** Trading doesn't offer nearly as much structure as a 9-to-5 job. You've gotta be self-motivated to stay on task, do research, and watch potential stocks. For some people, that's a big challenge.
- **Low self-confidence.** Trading can be hard! For people who don't have much self-confidence, this can be a big challenge. They might have trouble executing trades and might struggle with their emotions.

CHAPTER THREE: STOP WAITING FOR THE PERFECT TIME, THERE ISN'T ONE

How to stop procrastinating and get trading

Here's how to get real and make right now the right time to start trading:

- 1. Admit that you're procrastinating.** Once you see the mess, you can clean up the mess. If you're honest with yourself about procrastinating, you can move past it. It's the first step to realizing that there is nothing holding you back from pursuing trading. Now's the time!
- 2. Face your fears.** Fear is one of the biggest reasons why potential traders procrastinate on kick starting their career. Be real with yourself about what scares you. Are you scared you'll lose money? Are you scared you're not smart enough? Be honest with yourself. Once you face these fears you can move past them.
- 3. Make time.** There's never a right time to start trading. That means there's never a wrong time! It's your choice. You can decide right now that you want to make day trading a reality in your life.
- 3. Seek guidance.** A more established trader can truly be pivotal in motivating you to take the next step toward trading, regardless of your life circumstances. Their experience and advice can help you move past your fears. They can also guide you toward the resources necessary to gain a trading education.
- 4. Get educated.** Trading has nothing to do with your monetary account — at least, not at first. Invest in your education! Take classes. Learn how the market works. Start learning NOW. It will motivate you to get started!
- 5. Get a network.** The Trading Challenge is a great resource for traders because they can meet and connect with other traders in the chat room. They support and lift each other up ... it's awesome. Having a network is a great way to get motivated and stop procrastinating.
- 6. Just do it.** There comes a point where you're just going to have to pull the trigger. By seeking out plenty of resources, enlisting help, and learning all that you can, you'll be setting yourself up for success. Trading will require stepping out of your comfort zone; sometimes, the easiest way is to just jump in right now, no matter what your life situation happens to be. You can either make excuses or you can make it happen. Which will you choose?



CASE STUDY

JACK KELLOGG

CASE STUDY: JACK KELLOGG

Why keep putting it off? There's no better time to start trading than RIGHT NOW.

My student Jack Kellogg gave himself a reason and motivation to start trading: it was his New Year's resolution in 2017. He joined my Trading Challenge the same year. He didn't know it at the time, but his life was about to change forever.

At the time, Jack needed direction in his life. He hadn't been what you'd call a high school scholar, and he didn't have much interest in college.

But he was a hard worker. He'd worked as a valet through his teens, saving his money to build a better life for himself.

But to really live the kind of life he wanted, he knew he'd need to figure out how to make more money. That's what drew him to trading and how he found me.

He started out paper trading to build up his skills. But his results weren't consistent.

He saw traders like Mike 'Huddie' Hudson finding success and realized that if he wanted to be like them, he'd need to develop his own specific strategy and niche.

- He started out as a short-seller, and initially did well — until he got cocky and lost most of his profits. He was burned ... and he knew he had to shift gears.
- Big short-selling losses led Jack to OTC stocks. With these low-priced stocks, he saw the opportunity to grow his account quickly.
- OTCs allowed him to develop a new strategy and a smarter mindset.

When the market insanity of 2020 hit, Jack was prepared. He knew this was the market he'd been waiting for, and he was willing to do whatever it took to take advantage of it.

Trading was his LIFE. He was at his computer all the time — to the detriment of his health and social life.

But his account built rapidly. He passed \$1 million in profits in November 2020 and didn't stop. As of November 2021, he's up over [\\$8.9 million](#) in profits.

CASE STUDY: JACK KELLOGG

As for the secrets to his success? It's not complicated:

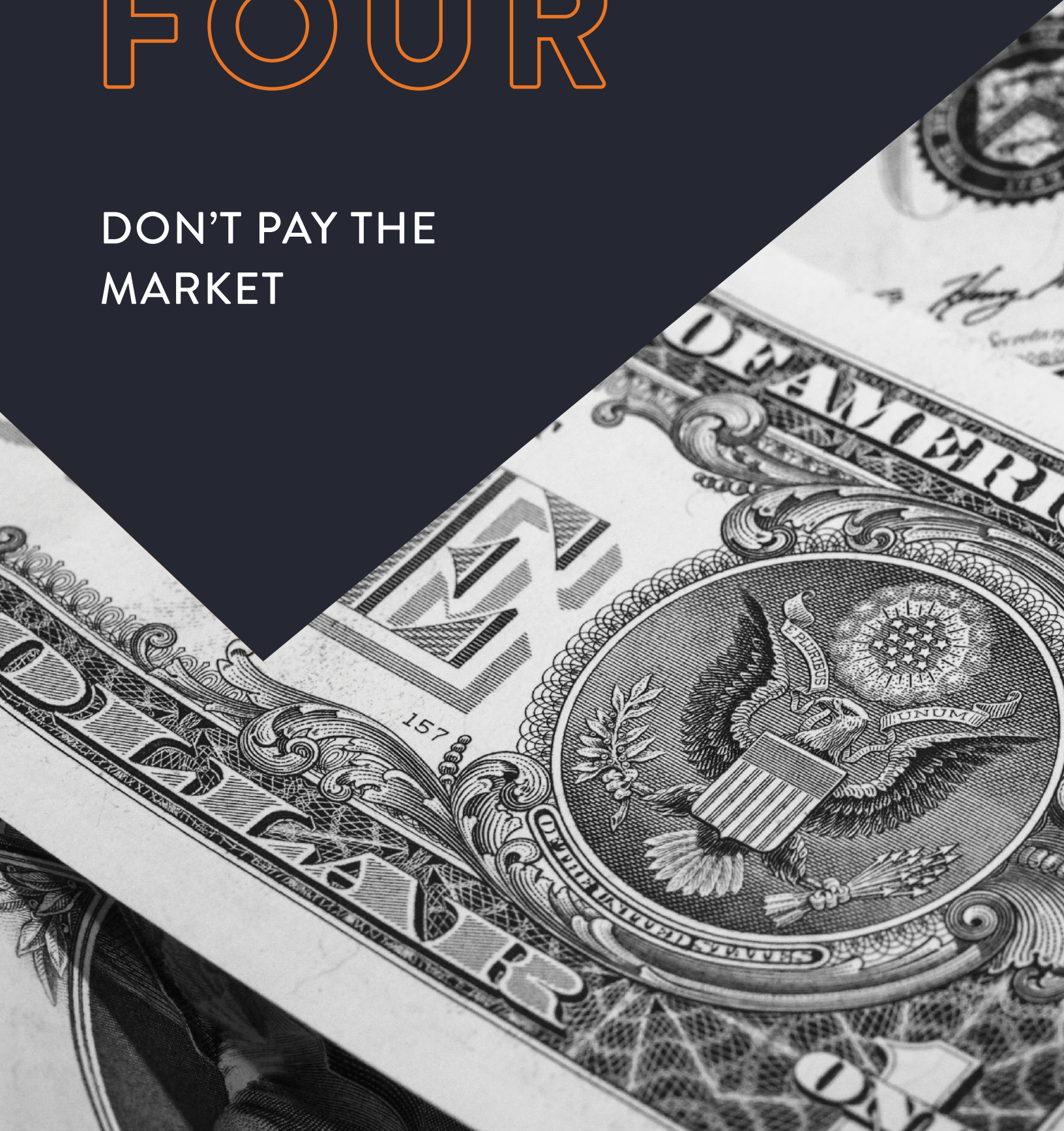
1. **Cut losses quickly.** It's my #1 rule, but it's one that every trader must learn in their own way. Jack learned it by observing other traders cutting losses and continuing to find success. When the trade goes against you, get out. Hold and hope is not a strategy.
2. **Risk/reward is EVERYTHING.** Jack fully understands risk versus reward. He learned by spending time (and recommends others do the same) watching stocks trade. He wanted to see, in real-time, how the patterns play out. He knows the patterns and trades their potential. When he enters a trade, he knows his [risk versus reward ratio](#). And he understands how to shift the risk level based on price action. He adjusts as the trade plays out. Once he hits his risk, he's out. See tip #1 above.
3. **One trade doesn't define you.** One trade can teach you a lesson, it doesn't define you. Jack had the insight after his losing Turtle Beach short to get very introspective. He needed to figure out what to do moving forward. He took three months off from trading but — and this is important — he didn't give up. He made a decision that the trade wouldn't define him as a trader. He decided to get back to taking singles, hitting his bread and butter, and growing his account.

Jack could have continued being a valet and talking about how he WANTED a better life. But instead, he chose to take action. He wanted a better life, he took steps to make it happen, and it did happen.

What about you ... are you ready to get started, even if the timing isn't perfect?

CHAPTER FOUR

DON'T PAY THE
MARKET



CHAPTER FOUR: DON'T PAY THE MARKET

On one hand, paying for trading classes might seem like a waste of money. Why invest in education when you could put your money right into the market instead?

Because you don't know what you're doing. So throwing money at the market is like gambling.

Sure, you might have a few random wins at first, but eventually your losses will add up.

Trading isn't hard. But it requires a specific skill set that only comes with time and practice. It's a lot easier to get there with guidance.

Do you really need an education?

Plenty of new traders don't think they need an education, and usually it's for one of the reasons detailed below:

1. "I don't need classes." To some newbies, day trading can seem simple. Pick some stocks, make some trades, get rich. But then they actually get started. And usually, they start to lose.

Day trading doesn't require a college degree — in fact, my \$8.9 million student Jack Kellogg never went to college. But it does require knowledge.

If you try to jump in and learn as you go, you're gonna pay a HEAVY market tuition. Why lose when a little patience could save you a ton of money?

2. "Classes are too expensive." If you haven't made any money trading, it can be hard to wrap your mind around paying for an education.

But think about it. Most people pay hundreds of thousands of dollars for a college education before they make money in their chosen career.

Good day trading classes won't be cheap. But they definitely won't cost as much as going to college!

3. "I don't have enough time." Sorry, but you WILL need to make sacrifices if you want to become a successful trader. You might be forced to give up an hour of TV every day to study. Or you might have

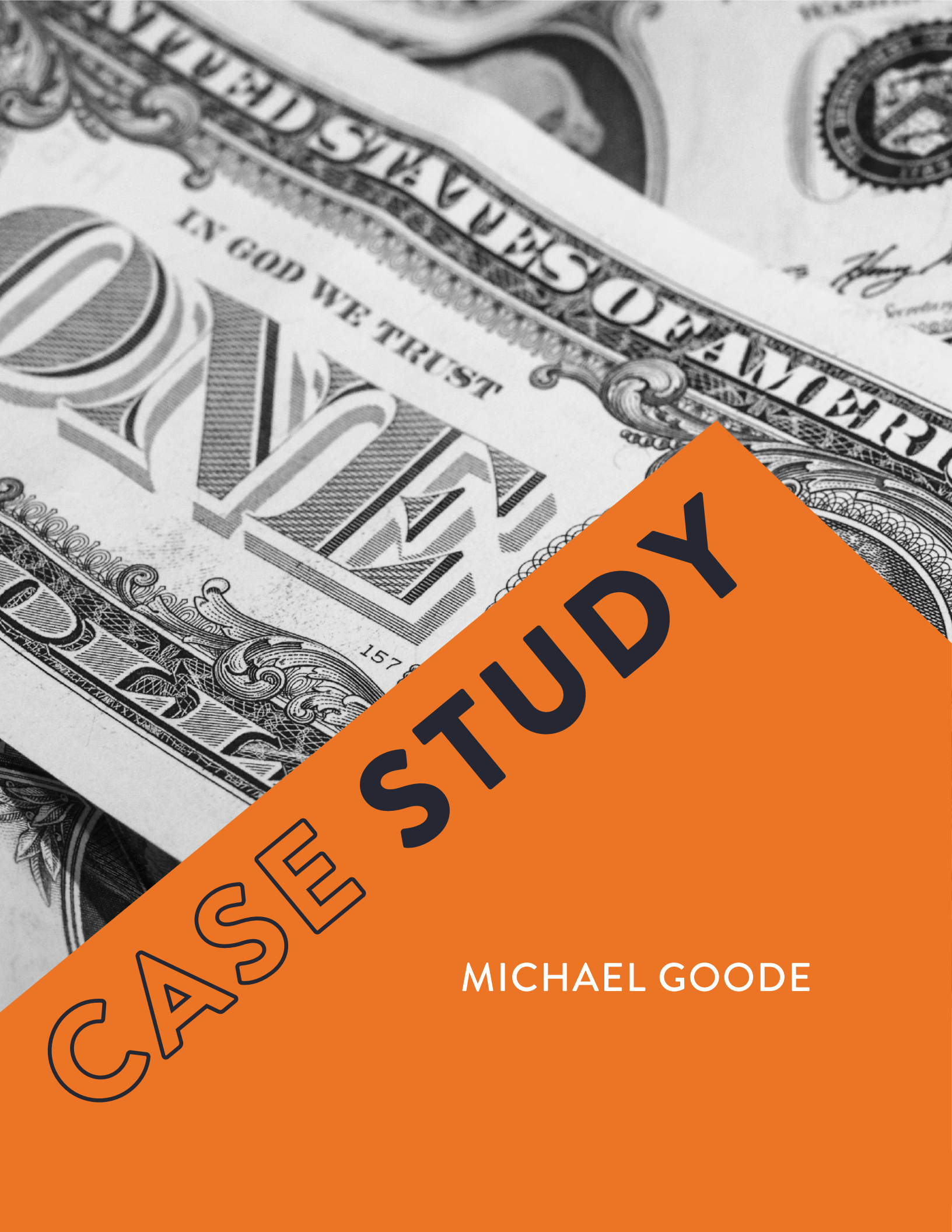
CHAPTER FOUR: DON'T PAY THE MARKET

to save up for trading books and DVDs. But if you're willing to make these sacrifices now, you could be rewarded for it later.

The benefits of investing in a trading education

Here are just a few of the key advantages you'll gain by taking the time to educate yourself before you get started as a trader:

- 1. A strong foundation.** Can't build a house without a foundation! Your trading career will be a lot stronger over the long run if you take the time to learn the rules before you start trading.
- 2. Exposure to different trading methods.** If you decide to start trading alone, you might figure out certain methods of trading that work for you. But when the market shifts, your setup or preferred style isn't working as well anymore. What now? By learning about different trading methods, you'll be better prepared to adapt when the market shifts (and it always does!).
- 3. Become a master of pattern identification.** History doesn't repeat itself exactly in trading, but it's usually pretty close. Learning to identify patterns with stocks is one of the keys to making educated trades and mitigating risk. However, trying to identify and recognize patterns by yourself is difficult. Learning from someone who understands them is the best way to master them yourself.
- 4. Mentorship.** Having a mentor/teacher is like having a fast forward button on your trading career. There is so much that you can learn from someone who is further along in their career than you! They can teach you what they did right...and warn you about what they did wrong. Armed with this information, you can potentially sail past some common pitfalls for new traders. No, it's still not going to be completely easy, but why make it harder than it needs to be?
- 5. Accountability.** If you want to make your trading dreams a reality, you need to stay accountable. But sometimes, we all need a little help to stay on task. After all, without motivation, what is to keep you from quitting, especially when things get tough? The accountability that comes from pursuing an education can be a powerful motivator. Not only do you have your mentor and trading peers to answer to and show up for, but chances are if you invest in your education you'll also feel a greater sense of accountability to yourself and have an increased desire to make your trading career work.



CASE STUDY

MICHAEL GOODE

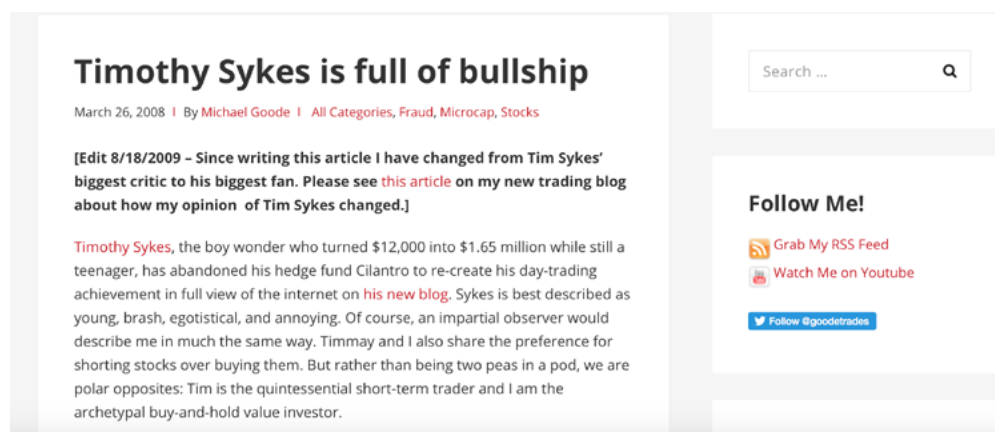
CASE STUDY: MICHAEL GOODE

Michael Goode is a fantastic example of a trader who benefitted from expanding his knowledge base. While he began trading alone and enjoyed modest success for years, it wasn't until he sought out a proper trading education that his career really took off--and he broke the million dollar mark.

Michael began trading in 2004, when he found himself on the receiving end of inheritance money. He was a grad student at the time, and he figured that he was well-suited to reading and studying. Why not learn about trading and investing and make use of that windfall money?

So began Michael's journey as an investor. Self-taught, he became fascinated with the so-called "pump and dump" phenomenon in the world of penny stocks. He began swing trading pump and dumps, building on his position with each trade. He did pretty well for himself, but his career wasn't without its share of trials and errors.

Then, there was a pivotal moment in his career, when he wrote a blog post declaring that "Timothy Sykes is Full of Bullship." This led to a heated back and forth between us that actually resulted in him signing on as my student!



Once he committed to a real trading education, Michael began to refine his techniques and really gained an edge as a trader. Within a year, he'd changed his tune about day trading classes. Within four years, he was a millionaire. As of late 2021, he's up [over \\$2.6 million](#) in trading profits. He continues to be a profitable trader and has expanded into teaching as well.

The way he's traded has changed over the years to adapt to meet the ever-changing market. However, he's never lost his deep interest in trading. If anything, pursuing a trading education only deepened his passion for the process and helped him grow into his own as a professional trader.

CHAPTER FIVE

YOU DON'T KNOW
WHAT YOU DON'T
KNOW



CHAPTER FIVE: YOU DON'T KNOW WHAT YOU DON'T KNOW

How many things in life have you tried and been good at right away? Probably not too many.

So why do so many new traders get discouraged when they aren't instant successes? Trading, like anything else, takes time to master.

A lack of experience isn't such a bad thing in trading. You may not have learned much yet, but you haven't learned the wrong things yet.

The majority of my students have no background in trading and little experience with finance or investing in general.

This can actually work to their advantage. When you don't know about something, it means that you are open to learning everything. You don't have any bad habits to break.

Don't let inexperience hold you back: if you study hard and apply yourself, then knowledge, wisdom, and experience will all come in time.

Common fears in trading

Many of the most common fears about trading boil down to a lack of knowledge and experience. However, the solution is simple: get educated! Don't let these fears hold you back:

1. Trading is too risky. Day trading has a reputation for being risky. With good reason! The market can be volatile, and losing money is a very real concern. Many new traders start jumping into trades without understanding the risk involved or what makes the market so volatile. That's when they start losing money.

But remember: every profession comes with a certain level of risk. The risk gets higher when you're not properly trained. If you've never used a power tool in your life, jumping into carpentry could be very dangerous. But if you take the time to learn how to use the tools, your risk factor goes down considerably. Day trading is similar. If you don't understand the market, then every trade will be risky. However, once you gain an understanding of risk versus reward, you can choose trades that are well suited to your personal level of risk tolerance.

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2. Not understanding how the market works. The stock market can be intimidating! There are all sorts of different trading styles and trading terms. You've gotta find a trading platform and open a brokerage account. It can be overwhelming. For some traders, it's so overwhelming that they just give up.

Take it slow. Remember — my student Tim Grittani, who's up over \$13.5 million in trading profits, wasn't profitable at all for his first nine months of trading. But look where he is now. He was patient, and it paid off in the long run. So focus on learning first. Admit what you don't know, and seek guidance to find out what you want to know.

3. Not wanting to fail. News flash: nobody wants to lose money in the stock market. But everyone does — even millionaires! Failure is part of the process. Traders will fail over and over and over again. I lose all the time. But I keep my losses small and my wins bigger than my losses, and I'm profitable overall.

Hoping that you'll never fail is unrealistic. Instead, make a resolution to fail the right way. When you figure out what you did wrong, you're less likely to make the same mistake in the future. That's a hard thing for most people to do, because it means they have to really look at what they could have done better. That's no fun. But if you're willing to learn from your mistakes, you'll get a lot stronger over time.

4. Trading is too hard. A lot of so-called trading 'gurus' make unrealistic promises. They say they've got a strategy that will earn you loads of money right away. Not true. Day trading isn't rocket science, but it's not that easy. Being a trader isn't as easy as pressing a few buttons and making mega profits.

But that doesn't mean it's too hard for the average person. You don't need a college degree. You don't need to be super-smart. I'm not. But you do need to go through a learning curve. A lot of the hard work in penny stock trading is behind the scenes. The trades themselves don't take much time at all. What does take time is learning the patterns, studying the market, and refining your process. It's time well spent when you find a runner that fits your criteria and you can enter a trade confidently!

5. The fear that you'll never be as good as other traders. When you see traders like Tim Grittani or Michael Goode or Jack Kellogg, it's tempting to think that they never lose. You might think it's not even worth trying because you'll never be that good.

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But remember, they had to go through a learning curve, too. Tim Grittani wasn't profitable for his first nine months of trading. Michael Goode was only having modest success until he got real about his education. Jack found success, blew up his account, and had to go back to basics.

Now, they're all millionaires. So am I, and I still lose about 30% of the time!

How to start trading

Once you've faced your fears and have decided to pursue trading, how do you get started? Here's what you've gotta do:

1. Learn everything you can about trading. I always say that as a trader, you have two accounts: your money account and your knowledge account. Before you even think about filling your money account, focus on your knowledge account.

2. Study! Don't just learn the basics of the market and call it good. Dig even deeper. Begin to gain an understanding about what makes the market move. Study charts, study companies; study everything stock related you can. Knowledge is power; to gain an edge in the market, you need to be able to study the market and identify patterns. There is no substitute for screen time. The hours you spend following the market is time well spent.

For some traders, paper trading (simulated trading) is an ideal way to put their studies to the test. You can test your theories based on pattern recognition without risking actual cash. It's a great way to get your feet wet.

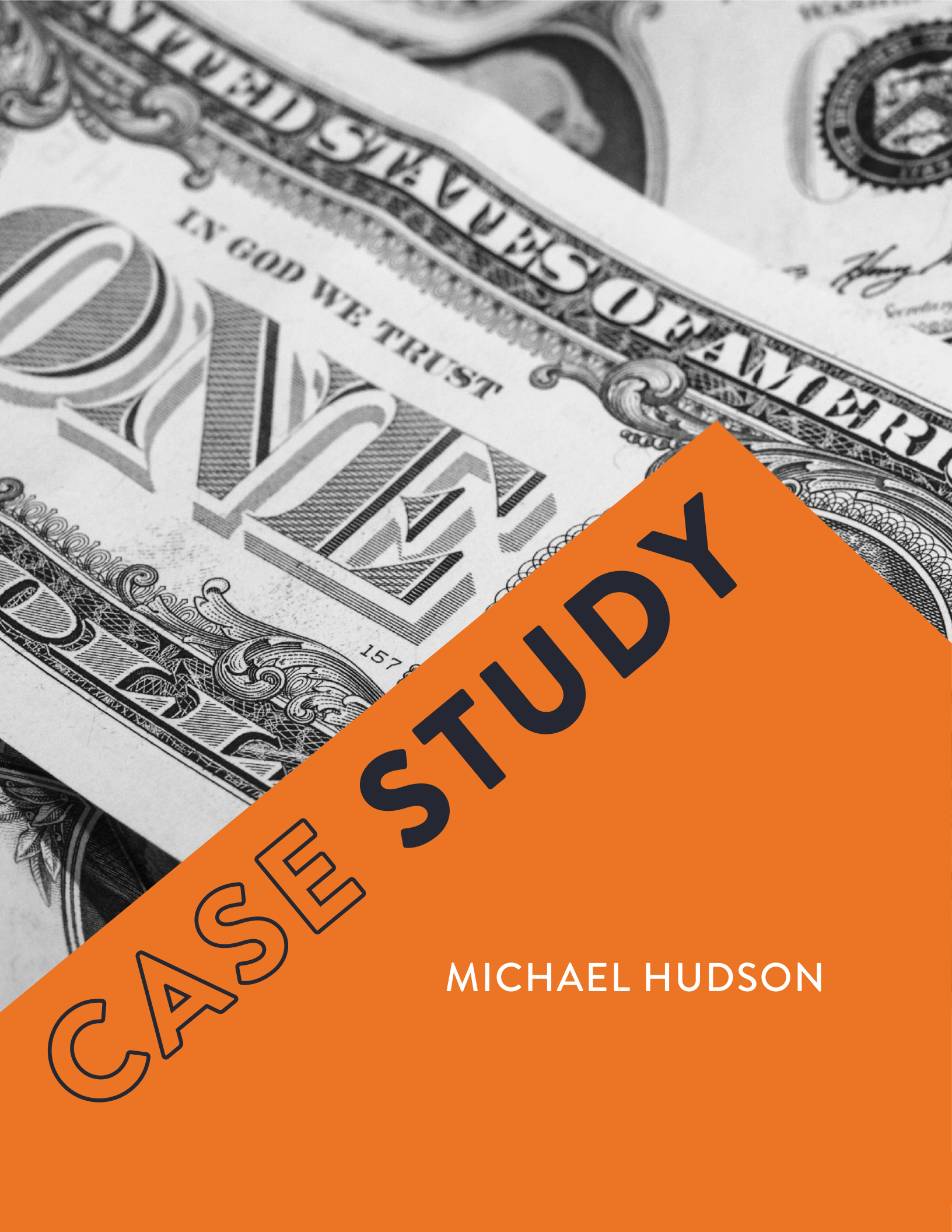
3. Get your trading setup in place. Happily, you don't need a ton of materials or equipment to start day trading. Really, all you need is a laptop, an internet connection, and a brokerage account. But you can really give yourself an advantage by investing in other tools like a stock screener, books, and educational DVDs. But in terms of your physical setup, it really doesn't need to be mega-complicated. Some traders have fancy multi-monitor setups, but I typically trade from a laptop. That lets me do my job basically anywhere in the world where I can get wifi.

4. Start slow and small. Big things have small beginnings! You're not gonna make a fortune on one good trade, but you can definitely lose a lot of money on a single trade. Take it slow. Keep your positions

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small, and monitor your progress as you go. Your wins might be small, but your losses will be, too. This lets you make mistakes and learn from them when the stakes are low.

5. Let yourself grow over time. You won't impress anybody by making risky trades, especially if you lose big. Keep learning from your mistakes, keep monitoring what works, and focus on improving over time. Zero in on the setups and trading styles that are working for you, and refine and improve your methods. This is how you create a steady, and long term career as a trader.



CASE STUDY

MICHAEL HUDSON

CASE STUDY: MIKE 'HUDDIE' HUDSON

Mike 'Huddie' Hudson is an inspiring example of the stability that you can achieve in a trading career when you focus on building a strong knowledge base.

He's also a great example of what you can achieve in a short period of time if you make studying a priority no matter what.

It all started during his sophomore year in college, when a friend introduced him to a commission-free trading app. Since he identifies as an "opportunity seeker," it didn't take him long to test the waters.

He quickly put \$20 into the stock market, which he diversified into several penny stocks. He made, well, pennies. Not quite a killing but it compelled him to learn more.

Soon, Huddie was blowing off classes to explore the market. He was raised to seek out mentors, because they can teach you how to avoid mistakes and can speed up your learning curve. He knew that if he was going to really pursue trading, he needed guidance and a proper education. In seeking a mentor, he found me.

Slow but steady is the way to describe his progress. He studied the market for six months before putting any money in, even though he was regularly identifying trades that could earn him profits.

His watchful waiting had a big effect on his life. During this time, he actually changed his major from entrepreneurship to finance and economics. He did this specifically to further his trading prowess and better understand the logistics of the market.

When he finally began to trade again, he took it slow, and looked at everything as a learning experience. He refers to his first two years of trading as his learning curve. He won some, and he lost some. But overall, his account remained stable.

As he gained more confidence in the setups that were working for him, he began to profit. However, he didn't get cocky. Once he began to be profitable, he did what few traders do: he went back to the books. He rewatched all of Tim Grittani's webinars and became obsessive about learning even more. His renewed commitment to learning paid off: his account began to grow exponentially. In early 2021, he passed \$1 million in trading profits. He's currently up [over \\$1.3 million](#) in trading profits.

CASE STUDY: MIKE 'HUDDIE' HUDSON

His career is now a cycle of rinse and repeat. He keeps on refining his setups, profiting, and turning back to the books to refresh his education. His commitment to continued learning and work ethic mean that he will have a reliable income for life as a trader, which he can take anywhere with him. No matter how he diversifies and expands, trading will always be a potential source of income for him because he took the time to learn properly.

READY? SET? GO!

I hope this book has inspired you to get started. Don't wait. The time is NOW. Use this information to help you expand your knowledge and become a top-notch trader. Now get moving!

Schedule a strategy session with my team to help you move forward in your success.