

Title:

Are You Trading to Your Strengths?

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1068

Summary:

Many people trading futures and Forex are trading because they've heard about the great opportunity to make money there, but they are not trading to their strengths. If you're not playing the game to your strengths, then you are operating at a disadvantage and likely to lose.

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Article Body:

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In your trading, are you playing to your strengths, or are you simply being an "opportunity seeker"?

There is a huge difference between the two and if you're just an opportunity seeker, then you are leaving yourself open to frustration and losses.

There are many parallels between trading, business and gambling, and your ultimate success long-term will be determined by how you approach any of the three. Playing to your strengths is critical in all three.

In any of the pursuits, there is competition and you always want to make sure that you're playing to your strengths and not your weaknesses.

The objective is winning, that is profiting, and you want every advantage that you can get.

Too often, the opportunity seeker will go after an opportunity just because they see that there's money to be made, and they figure that they can shore up their weaknesses (learn more) enough to go get that money.

Let's take a brief look at how this applies in each area, keeping in mind the

parallels between them.

In business, the long term successes are built by those with an end goal in mind, a vision of what the business will look like when it's mature.

This is critical because the company must stay on a course that is consistent with its vision while it is growing. Distractions and deviations from the path only serve to slow it down or even take it backwards.

Successful business leaders know when to pursue an opportunity and when to say "no". Saying "no" is essential to keeping the company's activities (investments of time) focused where competitive advantages exist and avoiding those where the company is at a disadvantage.

In gambling, the poker player will stay at the BlackJack table and make his money there. He won't jump up and run to the Roulette table just because he heard somebody just won \$50,000 over there. He knows what he's good at and will only venture over to other tables for entertainment, not to make money.

In Trading, let's say investing for the sake of argument, a good real estate investor that knows how to make \$1 million a year isn't necessarily going to do well in trading. They are completely different games.

Just because a person knows how to buy properties right, increase their value through rehab or raising rents, does not mean that they will have the talents or skills to make money in the Futures or Forex markets.

Even an experienced trader should be hesitant to jump from one game to the next. A buy-and-hold position trader should exercise great caution before jumping into day-trading, and a spread better should hone his skills before thinking about buying (or selling) outright futures contracts.

Each strategy (or game let's say) has different skills associated with it, and different emotional requirements.

The other serious consideration is your proficiency level - period. This combined with your ability to devote time to trading.

If you are completely new to trading or you haven't yet become proficient at the necessary skills to trade, then you definitely should seek out help.

The learning curve can be very costly in trading, and if you don't have the time or a plan to become proficient, how do you ever expect to make regular profits

from it?

If you don't have the proficiency, the strengths, needed to be a good trader, nor do you have the time and resources to become one, you may want to consider other choices available to you.

If you have neither the skills nor the time to develop them, but want to take advantage of the nice money to be made in trading, you may want to consider a managed account. Why settle for an amateur trading with your money (YOU), when you can have a pro do it for you?

Do your Due Diligence first though!!! Ask for the track record and the plan going forward.

Your next option if you're "starting from scratch" is to trade with the assistance of a seasoned broker.

That's what they are there for. Of course you can find very low commission brokers to deal with, but you may get just what you pay for. A good broker can be found for \$50-\$100 round turn commission, and they'll give you the best advice they can.

In the long run, you're likely to be way better off - if you'll follow their advice!

Again, ask for their track record, and check with the NFA to see if they have any complaints.

It wouldn't hurt to see if the broker you're considering is recognized within the trading community as being good.

Many very good brokers publish regular articles or advisory columns on respected websites and in established periodicals.

Generally, if you see that the person has been published for a period of years, then that is a good sign.

The wackos and charlatans bounce around too much and aren't allowed to stay in one place for long before their reputation catches up with them.

Until you have the strengths yourself, borrow them from someone who has them while you're developing.

When you have the proficiency, the skills, and the resources, only then should

you venture out on your own. And that is only if you are so inclined to actually becoming a trader and doing it all yourself.

If your true objective is to make money, then play it smart. Make use of other people's knowledge and skills until you have developed your own.

Of course, if you really don't want to devote the time to being a full-time or highly active trader, but still want trading to be part of your income portfolio, consider your other choices.

Whatever you do, don't simply chase another "opportunity" to make money if it doesn't play to your strengths.

For Trading, those strengths need to be discipline, emotional control, coachability, ability to focus, follow-through, decisiveness, understanding of probabilities, dealing with uncertainty, and a slew of others.

There are activities for entertainment and others for making money.

Trading can be both, but if it is not taken seriously, with a sincere review of your own characteristics and desires, then it can wind up being neither. In any endeavor where money is the end result, get help from a trusted friend. Rememer, a good mentor is there to show you the right steps to take and those to avoid.