



Brought to by  
[www.surefire-trading.com](http://www.surefire-trading.com)

## Should I Stay or Should I Go?

Discipline is a strange and difficult concept to grasp. If we rigidly stick to a system or strategy that isn't working we will go broke and if we jump from one approach to another every time a trade doesn't work out we will also, most likely, go broke. How do we decide when it is appropriate to stick to our strategy and when we should recognise that it isn't working?

One of the problems of not sticking to our chosen strategy is that we will miss out on the big opportunities it throws up every now and then. It is tempting to want to always be right, but this attitude can lead to problems as we will eventually discard every idea, as nothing will meet our exacting requirements.

In the trading pit, I noticed that some traders always looked for selling opportunities and some only for buying opportunities. Obviously these traders had days where their approach produced only losses; but by sticking to their approach and being disciplined on their losing days (not over trading, not trading aggressively, not holding on to losing trades etc.) they were in the right position to make excellent profits on those days when the market did go their way.

There were other traders though, who did not care whether they were long or short, they just wanted to be on every move the market made. What most of these traders found was that they were forever on the wrong side and chasing moves that were already peaking.

It takes discipline to stick to a strategy when it is losing money and some other approach would have produced great profits. For every strategy, some days they just don't work and there is always something that would have worked perfectly.

Reading Market Wizards, by Jack Schwager (US [click here](#), UK [click here](#)) it becomes clear that the common factor that these successful traders share is not their trading strategy or approach, they are all different. I think what determines a trader's success is how they react to profitable trades and how they react to losing trades.

An unsuccessful trader will trade modestly when they are right (cut their profits short) and aggressively when they are wrong (add to and hold on to their losers). A successful trader will trade very modestly when they are losing and very aggressively when they are winning. This is why floor traders could have opposite strategies and still both come out ahead.

In order to decide whether you should change your strategy or stick with it, you need to determine whether your losses are down to you or your strategy.

Malcolm Robinson

---

Learn How To Trade The Futures Markets  
<http://www.surefire-trading.com/futures/index.html>