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The Evolution of a Trader
and the Lure of the Holy Grail
Part II

Developing Trading Skills

To develop these skills we need to get our feet dirty, plunge into the markets and have experiences. These experiences are all good; they are the feedback we need to gauge our current state of development. Without feedback we have no means of progressing. When I first started to play tennis I did not go straight into a competitive game and try to win, I started by learning the basic skills of tennis, the forehand, the backhand and the serve. As a novice it was normal, expected even, for me to hit the ball repeatedly in the net or hit it sailing out; this just indicated that I needed to work on these shots. Imagine taking this approach to trading.

Lots of losing trades is to be expected for the novice trader, it is the first feedback, which reinforces the fact that the first skill of trading is to cut losses short. A novice tennis player needs to learn to control the ball so that it lands in the court; the novice trader needs to learn to control his losses. This is how we learn; it is a constant cycle of trade – feedback – adjust. So what are the practical steps for going about the business of developing trading skills?

If you are new to the futures trading there are certain facts you need to know. This information will be covered in most good introductory books and seminars, such as my own 'How To Trade The Futures Market Online Course' When you have the practical information you need, open a trading account and start trading.

As a novice it is helpful to trade a simple, logical system. This appears to contradict the stance I took against system vendors above, but what I am talking about here is a systematic way of having a view of the market. My objection to the system vendors is that they maintain that their system is all that is required to be successful, whereas in reality it is the ability to implement a system or strategy that determines success. As your trading skills evolve, your ability to read the market will evolve; but until then you will have no valuable opinion, so a simple, logical system will give you a reason to buy or sell.

In my introductory seminar I demonstrate a couple of workable systems, which are a good starting point. In attempting to trade these systems two things will happen; firstly you will find out the issues you have that you need to resolve in order to progress as a trader; and secondly in the course of trading the system you will start to make observations and distinctions that will enable you to be more discerning about picking trades. The issues that you will come up against will be the feelings that arise that will prevent you from executing your system flawlessly. You will need to neutralise these feelings so that you are no longer a victim to them.

I believe that to have some sort of support while developing as a trader is vitally important. A trading coach, for want of a better phrase, will help you to navigate when you feel lost, and will give you an objective perspective when you are wallowing in doubt and uncertainty. As a novice floor trader I found the support of my backer essential in developing trading discipline. Support does not have to come from a professional coach, two traders could support each other, or a novice trader could seek out a mentor.

In summary:

- We need to have the knowledge of the rules and tools of the game.
- There is no system or strategy that will turn a novice or losing trader into a consistently profitable one. Don't waste money on systems, they have very little value in themselves.
- Systems though, are an effective starting point to develop from, but be aware that no system confers the skills to apply it, these must be developed over time.
- Trading is a game of skill, these skills are developed through experience, feedback and the ambition to evolve.
- Finding some form of support will speed up our progress.

Malcolm Robinson

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