

Possess a Solid Trading Philosophy 🤔

My income is primarily determined by my philosophy and not by the economy. As my perception dictates my behaviors, so thus my **philosophy will dictate my performances and results**. It is crucial to have, to know and understand my own trading philosophy. It is very important to know myself.

Understand that if I am not succeeding in trading, then I need to change my philosophy. I cannot continue to do the same thing over and over again expecting to get a different result. If I want to change my results (always losing), my philosophy has to change.

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Explanation: 🧐

The fundamental of all human psychology: **"Perception dictates Behavior"**. If you perceive your environment to be threatening, you will act accordingly. However you perceive an object, you will act according to your perception.

Here is an example:

Imagine that you are very hungry. Now, picture a roast chicken in front of you. Would you eat it? --- yes or no --- it'll depend of your perception of the roast chicken.

You see, more likely you would eat the chicken because your perception is non-threatening.

What if I told you that the roast chicken is poisonous,... would you still eat it? (of course not!)

I've changed your perception and you've changed your behavior instantly. Yet, there is no objective proof that the roast chicken is poisonous. You are simply acting from your perception that the roast is poisonous.

Your behavior of trading is a reflection of the underlying perception you have about FOREX. Whether you are aware of these perceptions or not. The negative result speaks for themselves. Your perception is the philosophy running in the back of your mind, quietly and unnoticed.



Your perception will dictate your behavior. Thus, your philosophy will dictate your performances and results. If you want to change your results, you have to change your philosophy. You need to possess a solid trading philosophy.

Trade Only With The Trend 🤔

This is my number 1 and golden rule. The most important rule of my strategy and the backbone of my trading success: Trade only with the trend. **It is unacceptable to break this no.1 rule**. If I can't stick to this one important rule, then I am no different to the amateur/mediocre trader.

This is the fundamental rule of all; **Trade only with the trend**. If I can't execute one simple rule, then I am not a professional. It is that simple; Trade only with the trend, nothing more. People lose money because they don't follow this rule, period.

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Explanation: 🧐

Do not overlook the most important lesson here in trading. And here is the lesson in bold:

"How can you become a professional trader if you cannot execute one basic/simple rule consistently?"

Please, do yourself a favor... first learn to walk before you try to run.

Success is built upon small steps of achievement. Learn to achieve one task first, then another, then another, then another... and sooner you will meet your success.

You cannot create a sentences or write words if you don't know your alphabet. It will be very difficult and most likely be unsuccessful without knowing your alphabet.

The alphabets are the basics... Trading with the trend are the basics... The difference between a Professional and an Amateur is that a Professional have mastered the basics.**How far do you think you will go without mastering the basics?** 🧐

Forex is a very Dangerous Place 🐱

I've killed my account again. I've been reckless with my trades. This is not a simple environment , in fact... it is a very dangerous environment. I guess I've been reckless because I have no concept of the dangers.

I see no threat, yet I get demolished again and again. My results speak for themselves, an ever decreasing account balance. Tonight I'm going to bed defeated again.

I need to realize that this is a very dangerous place. Make note: **Safety is my first priority if I am to succeed in this game.**

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Explanation: 🧐

People lose money because they don't realize nor have a concept of how dangerous Forex is. The mentality is whenever they blow their account, they can simply re-fund, another day and a fresh new start.

This mentality is not acceptable if you want to become a Professional trader. If you keep this philosophy, you will never make any money in Forex and you will surely lose all the time.

Without any concept of the dangers, you are like a 5 year old child trying to cross a four-lane highway. Would you cross a road without every stopping first and then looking left and right to check for oncoming traffic? Would you cross a road with a blindfold?... **So why would you trade blindly?**

Knowing when to trade and when not to trade is very crucial to your survival. You can't trade whenever you feel like it. The market must have the right conditions before you can trade.

Trading without knowing the market condition is like setting out to sea during a violent storm. It is like flying a plane without doing your pre-flight checklist. Forex is a dangerous environment

without the concept, the knowledge and experience of the dangers that lies ahead.

Realize that Forex is a very dangerous place and you cannot survive this place if you are unaware and clueless of the dangers. As with life, safety is a very important issue. Safety is your first priority. 🧐

The 10,000 Hour Rule 🧐

I need to increase my hours of research, study and training. So far, I am spending only 2 hours a day. I need to make room in my schedule to increase my hours.

I want to be a Professional and I need to be targeting 10,000 hours of experience... So far the numbers aren't looking good.

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Explanation: 🧐

It takes a lot of time to become an expert in any field. If you look at any endeavor; concert pianist, chess grandmasters, professional athletes, doctors, lawyers, craftsman - skills are nurtured, honed and developed at such a young age to accumulate the time necessary.

The rule: 10,000 Hours to become a Professional

8hrs x 5days x 52weeks = 2080 hours per year
10,000hrs / 2080hrs = 4.8 years



(It would take 4.8 years to become a Professional... if you spend 8hrs a day)

Personal Development is an Important Part in Trading 🧐🧐

"Men are anxious to improve their circumstances, but are unwilling to improve themselves; they therefore remain bound. The man who does not shrink from self-crucifixion can never fail to accomplish the object upon which his heart is set. This is true of earthly as of heavenly things. Even the man whose object is to acquire wealth must be prepared to make great personal sacrifices before he can accomplish his object; and how much more so he who would realize a strong and well-poised life."

~ James Allen

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Explanation: 🧐

Trading requires 2 things:

- Psychology/discipline (mental training, emotional quotient)
- A proven system/method or strategy (Entries, exits, money management)

A proven system cannot work without the proper discipline to execute it. And discipline alone is useless if not applied to anything - a proven system.

Let me illustrate the importance of personal development:

Imagine that a proven system is like a car. To use the car (proven system) to its full potential requires a driver. Without a driver, the car is useless. Also, you can't just put anyone behind a wheel and expect them to drive. A person must first learn how to drive (personal development).

This is the reason why personal development is more of a priority. The driver is the key element, but first you must develop a person into a driver. You must first develop a person into a trader. You cannot just place any person behind a proven system... because they won't be able to drive the proven system.



It is not all about Entries, Exits, Money Managements, Systems/Methods and Strategies. Personal development and self improvement is an important part in trading. It is the major aspect in trading. 70%-90% of your success in this field will rely on your development.

A Motivational Story 🧐

Once a upon a time...

Man was very inquisitive and very interested about predicting the weather. It was a very important issue in getting it right (mostly for agricultural reasons). Man used omens and divination to predict weather. Later on they found a more accurate way of predicting the season with the formations of the stars.

Fast forward to the year 2010 and man have come very far and developed new ways and technologies in predicting the weather. Even with our current technology, with the super computers we have, predicting the weather still isn't 100% accurate. Hence, the saying; *"Since when was the weatherman correct about the weather!"*

Rewind a little, with the introduction of the computer. Man celebrated on how this technology would help in predicting the weather. The computer can calculate tedious data in hours instead of days. Man saw a great potential and went straight to work, developing the computer to help him in predicting the weather.

As with any endeavor, it was faced with setbacks and failures. You see, Man found out that the computer wasn't as consistent as he hoped it would be. The results were slightly better, but nowhere close enough to acclaim that there was a consistent measurable result... or reliability.

So, they invited the great minds, experts in the field and anyone else who wanted stand up to the challenge. They invited people to write a code for the computer to predict the weather (of course the winner would receive a prize).

There were thousands of code that were written and developed for the computer, but it did not produced the significant results. There were codes that took into account hundreds of variables, some codes took advantage of major variables, the codes ranges from the simple code to the very complex code that seems out of this world. But the results... the results were below the median, meaning that the odds were the same as tossing a coin (heads or tails) in predicting the weather.

But there was one code which was the winner... It produced a more consistent result and it out-classed all the other codes in performance. The result of the code produced way above the median, giving good reliability, but... it wasn't 100% correct. It was more of like 60%-70% correct, while the rest of the codes were producing only 10%-35%.

To the everyone's surprise it wasn't a complex code... It was a simple code, nothing more... Actually, the code contained only 1 line of coding: 🤔

Code:

"Tomorrow's weather is similar from Today's weather." 🤖

Success is a Mindset: Quotes to Reflect Upon 🤖

*"It is one of the strange ironies of this strange life that those who work the hardest, **who subject themselves to the strictest discipline**, who give up certain pleasurable things in order to achieve a goal, are the happiest men."*

~Brutus Hamilton

*"**Nothing of importance is ever achieved without discipline.** I feel myself sometimes not wholly in sympathy with modern educational theorists, because I think that they underestimate the part that discipline plays. But the discipline you have in your life should be one determined by your own desires and your own needs, not put upon you by society or authority."*

~Bertrand Russell

*"**Men are anxious to improve their circumstances, but are unwilling to improve themselves;** they therefore remain bound. The man who does not shrink from self-crucifixion can never fail to accomplish the object upon which his heart is set. This is true of earthly as of heavenly things. Even the man whose object is to acquire wealth must be prepared to make great personal sacrifices before he can accomplish his object; and how much more so he who would realize a strong and well-poised life."*

~James Allen

*"**Hands untrained in the use of tools destroy what they want to build.** It takes skills to use tools to achieve the result desired, whether it's tearing down an old house or building a new one. Skepticism is a tool serving both purposes. But it must be used by a trained mind, a mind capable of disciplined thinking."*

~J.B. Charles

*"No horse gets anywhere until he is harnessed. No steam or gas drives anything until it is confined. No river is ever turned into light and power until it is tunneled. **No life ever grows great until it is focused, dedicated and disciplined.**"*

~Harry Emerson Fosdick

*"What lies in our power to do, it lies in our power to **not do.**"*

~Aristotle

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Explanation: 🧐

Wealth, Success and Happiness is a Mindset. A Professional Trader possess a certain mindset. There needs to be a shift in thinking.

🧐 **What you reflect upon will mold your mind. It will shift the mind to a different plateau. Reflecting is molding the mind into something you require. When you mold the mind... you mold the behavior. Don't mold the behavior... Mold the Mind.**

The Gap between an Amateur and a Professional Trader 🧐

I need to identify the one degree that separates the Amateur and a Professional trader. What gives a Professional trader the edge?

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7 years of research and I have come to the conclusion that **the difference lies not in a system, but in the discipline of a trader to follow a system.**

Through my extensive research, I have no doubt (even bet my life) come to the conclusion that a simple system which consists of two Moving Averages (nothing more) is highly profitable to a Professional trader.

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Explanation: 🧐

"At 211 degrees, water is hot.
At 212 degrees... it boils.

And with boiling water, comes steam. And steam can power a locomotive. One extra degree makes all the difference. And, the one extra degree of effort in business and in life... separates the good from the great.

- The average margin of victory for the last 25 years in all major tournaments combined was less than three strokes.
- The margin of victory between an Olympic gold medal and no medal at all is extremely small.
- At the Indy 500... the average margin for victory for the past 10 years has been 1.54 seconds.
- The winning NBA championship can be as small as 1 point."

(excerpt from 212 degrees - the extra degree)

🧐 **Believe it or not... the difference between an Amateur and a Professional trader is very small. It is the one extra degree of discipline that makes all the difference.**

Randomness vs Predictability 🤖

I've read several books and opinions on the matter. It seems that people are divided into 2 groups; one believes that it is a purely random market and the other believes in certainty, a very predictable market.

Is the market predictable or is it governed by randomness? I need to sort this out for myself. I need to know what I am dealing with. This should help me take advantage of any flaws and any hidden consistencies within the market.

Knowing my own stance with this matter/issue will help me create a better and clearer trading plan.

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After years of research and analyzing all possible credible arguments, weighing all credible arguments and disapproving/approving all weighted arguments; I found that the market is a mixture of both. **The market has a certain degree of predictability and also a certain degree of randomness.**

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Explanation: 🤖

To believe that the market is purely predictable is naive. To believe that the market is purely random is also naive.

An influx of sell orders will move the market downwards. No doubt, that the move will drop the price. An influx of buy orders will move the market upwards. No doubt, that the move will increase the price. This is the undoubtedly predictable aspect of the market.

When will these influx of orders will occur? Or will they even occur at all, at a specific time?... Decisions made by every market movers/players are purely subjective. Well, that is the undoubtedly randomness aspect of the market.

An Amateur is too busy defending and convincing themselves that it is either one of the two: Predictable or Randomness.



There is a certain degree that the market is very predictable. There is also a certain degree that the market is random. A Professional trader understands this concept and adds it to his trading arsenal.

Market never Changes 🤖

I've read and heard countless of times that a system didn't work because that the market has changed.

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I'm so excited today. I feel on top of the world. I discovered something; **Market never changes.**

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Explanation: 🧐

I challenge anyone on this entire planet to prove this observation wrong:

"95% of the time, Price will close either above or below the opening price. Less than 5% of the time, Price will close at its opening price."

Open a chart as far back as from the beginning of time when man started to trade (or as much historical chart available to you). Although time is non-existing in the trading world, until plotted in a graph... The above objective observation holds true since the beginning of trading and the present, now.

Within this truth lies the pot of gold.

I don't want to go into details why this nature will never change. Feel free to go and entertain yourself with that dead-end pursuit.

🧐 **This is the true nature of the Market, the physics of the Market. Market never changes... Never had and never will, period.**

The Meaning of Hard Work and Passion 🧐🔴

I need to re-schedule my activities. I need to cut down certain activities. I need to prioritize what is more important to me and what I want for myself. I need to reallocate my time/energy and focus it to my goal.

I realize **trading requires a lot of hard work**. Trading has become my goal and ambition to succeed in. I understand that I need to sacrifice some of my activities in order to dedicate more time to my trading.

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Explanation: 🧐

Most people don't really understand the meaning of "hard work" and "passion". Everyone has a different perception when it comes to hard work/passion. It is a very subjective issue with every individual. There is a level of importance of the quantifiable hard work/passion required in trading. And this quantifiable level is something you need to understand.

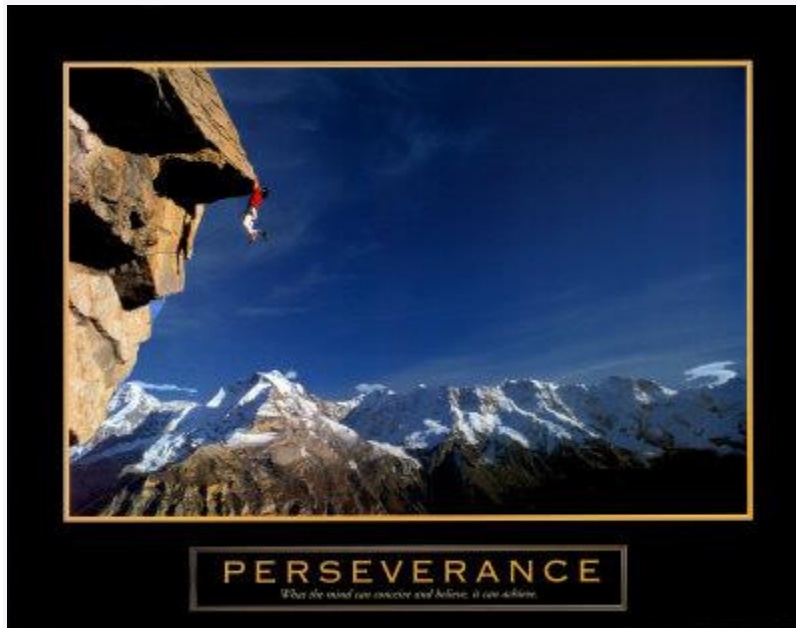
To quantify this meaning of hard work required is similar to (and close to) achieving a level degree as Professional athletes. If you ever played at a state league level (and higher), then you will understand that level of hard work required I'm talking about. Even at such a high degree of work doesn't guarantee a championship.

If you are not working as hard as these athletes, **you are not exerting enough energy to achieve your goal**. And you can never truly understand this level of hard work/passion until you've experienced it in your life. And if you don't understand this, more likely you will fail.

🧐 **Sadly enough, most people have never experienced such hard work/passion. If you've never experienced such had work/passion, how can you implement hard work/passion to achieve your goal to become a Professional trader? Fortunate are**

those limited number of people who understand the true meaning of hard work and passion (even if they weren't involved in any professional level sport).

What the Mind can Conceive and Believe, it can Achieve 🧐



"What the mind can conceive and believe, it can achieve."

🧐 **Napoleon Hill**

In Search for the Perfect Indicator 🧐

Today, after 5 years of learning and studying indicators (approx 50 indicators), I feel I wasted my time, but I did found interesting discoveries which improved my learning curve and developing a trading system.

Firstly, there is not much of a difference between indicators. Whether it is an indicator or an oscillator. Whether it is measuring volume, momentum, averaging, etc... it still produce quite similar results. And, every indicator has its own flaw.

Secondly, with new indicators getting developed (from simple to the very complex), I need an indicator that would be available to me at all times. **What would happen to my trading if I don't have any access to any indicators? I need to learn to trade without indicators. I need to understand the raw information by itself.**

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Explanation: 🧐

Every indicator has its own flaw. The more indicator you use the more flaws you add to your system.

There is no magic indicator, no matter how fancy they look. The major flaw of indicators is not because it is lagging. **The major flaw of indicators is that it can not calculate the randomness aspect of the market.** Indicators can calculate the predictable aspect of the market, but not the randomness. That is the reason why it will never be perfect.

🧐 After years of comparing, learning and studying indicators; the results produced quite similar results. The only differences between indicators are very small margin of deviation... which lies between a given margin of tolerance. A moving average would produce the same result as your super duper magic indicator, give or take a small difference. **(this does not mean to suggest that you don't use them)**

2 Questions to Calculate your Success 🧐

1. Will you sacrifice certain things in order to achieve your dream?
2. Will you continue to pursue your dream even if you knew that there is a chance you won't achieve them in your lifetime?

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Explanation: 🧐

At one stage of my journey my answer's were 1.Yes 2.No. Why would I (or anyone) pursue something that doesn't guarantee anything in the end? Why would you dedicate your life and waste your time into a dead-end pursuit?

An aspect of success is doing something you love. True success is not materialistic in nature. Success is a by-product of the passion and the love you put into your creation. And pure passion and love in what you do knows no limit and boundaries (till death).

I've come to accept that if I was to succeed, **I have to let go of my materialistic view in life.** I've come to understand this deeper philosophy from the Peaceful Warrior (book & movie). Will I continue to pursue my dream even if I knew that there is a chance I won't achieve them within my lifetime? --- Yes.

🧐 This is the mindset of a true champion in any field of endeavor.

1. Will you sacrifice certain things in order to achieve your dream? - Yes
2. Will you continue to pursue your dream even if you knew you that there is a chance you won't achieve them in your lifetime? - Yes

If you answer 1.Yes and 2.No - you have like a 5% chance of achieving your dream.
If you answer 1.Yes and 2.Yes - you have a 50% chance of achieving your dream.

Curve-fitting the Moving Averages 🤖

So far, different people use different numbers for the Moving Averages. I found out that people will tend to curve-fit Moving Averages. There was actually no solid reason as to why such value was used.

Explanation: 🤖

People either forget or don't understand how Moving Averages are calculated. If you understand it, then you won't be curve-fitting a moving average that looks beautiful to you.

The number used in a Moving Average is the number of candlestick bars that was calculated. Example: 60 (MA) is the representation of 60 candlesticks that was calculated.

Simple enough, but here's the problem... On an hourly chart, people would use 50, 60, 100 (MAs) and other values. On a 5 min chart, people would use 15, 50, 100 and other values. They use these numbers because they look nice on the graph they are looking at.

Here is the logic:

There are 24 hours in a day... so you should be averaging the 24 hours to get some consistency (using 24MA). You should be using 24MA (in an hourly chart), yet people would use 30 or 40 MA. **Why would you want to be averaging 30hrs or 40hrs?**

So here are the MA numbers on an hourly chart 24MA (1day), 48MA (2day), 72MA (3day)... it is a multiple of 24.

For a 15 min chart it is a multiple of 4 (because there are 4 15mins within an hour) = 4, 8, 12, 16, 20, 24, 36, 40,... 80, 120, 160, 200, 360, 400, etc.

For a 5 min chart it is a multiple of 12 (because there a 12 5mins within an hour) = 12, 24, 36, 48,... 120, 240, 360, 480, etc.

For 1 min chart, it is a multiple of 60 or a number that can be divided by 60 evenly = 1, 2, 3, 4, 5, 6, 10, 15, 20, 30, 60. Multiple of 60 = 60, 120, 180, 240, 300, 360, 420, etc.

🤖 **The rule is a number that can be divided by the hour evenly (or divisible by the number of candlestick within the hour evenly)**

Why hourly?... because the world's clock is synchronized hourly.

The Core 🤔

Today, I saw a successful trader trade without a chart. He's been trading for over 20 years and been very successful. Well (lol), as if he'll tell me his secret!

I learned something new; **trading can be done without charts. It is possible to be successful without any charts and indicators.** How do I de-engineer their trading system?

I guess, if I figure this out, I would have found the core of trading (apart its psychological aspect of being a trader).

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Explanation: 🤖

So, why are indicators scattered all over the trading world? Professional traders had been very successful way before 1980. After the 80's only then we get the sprouting of countless magic indicators.

I thought at one point the secret was money management. After many research... it's not. It does play a role and must be added to your system. **But the conclusion: No amount of money management will save you if you are trading in the wrong direction, again and again. No amount of money management will save you if you don't have a solid trading system/edge. It will only delay the inevitable; a blown account.**

If you don't use any information, basically you are tossing a coin in the air. I've never seen anyone with a coin tossing system with solid MM became successful in this field. A coin tossing system with money management can be coded into a robot. If this was successful, then every bank (at least one bank) would use this system.

So, what is the only information available to these chartless Professional traders?

Once you discover this secret, you'll throw away most of the stuff you've learned about trading... convergence & divergence, channels, indicators, multiple time frames, support & resistance etc... Why? because you don't really need them. These things does help, but you can trade without them. It's like having a car with electric/power windows... you don't really need them, but it's nice to have them around.



The key information these chartless Professional traders use are the; Previous High and Low, with its Opening and Closing price (you can view this on a candlestick, but you don't even have to). Once you know the high and low with its open and close, you posses a tremendous amount of information all ready in able for you to trade successfully (of course, you must have the system to make use of such simple information alone).

The Meaning of Discipline 🤖

I've achieved several things in my life because I have the discipline. So far I am finding it a new challenge to be disciplined in trading. Is it a different form of discipline?

I need to critically analyze my situation. Why am I failing?

Make note: I need to study all aspect of being disciplined.

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I have only two objectives when I trade; Entry and Exit. Nothing else must occupy my mind. I can entertain myself with all the richest ideology when I am not trading.

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Explanation: 🧐

What is the meaning of discipline and what does it mean to be disciplined? Have you ever asked yourself this question? Can you answer that question? It is hard to perform something (discipline) if you don't know what it is or don't know the dynamics that makes it work.

I never liked most of the definition given to discipline because it doesn't explain how discipline actually works. Here are some definitions in a dictionary of what discipline means:

Discipline -

1. Training expected to produce a specific character or pattern of behavior, especially training that produces moral or mental environment.
2. Controlled behavior resulting from disciplinary training; self control.
3. Control obtained by enforcing compliance or order.
4. A systematic method to obtain obedience: military discipline
5. A state of order based on submission to rules and authority: a teacher who demanded discipline in the classroom.
6. Punishment intended to correct or train.
7. A set of rules or methods, as those regulating the practice of a church or monastic order.
8. A branch of knowledge or teaching.
9. So, knowing the definition of discipline isn't going to help you to perform discipline. Only by understanding how it works may help you perform discipline. So when someone tells you to be disciplined, you keep failing because you don't know exactly what you are suppose to be doing.

You might have heard the analogy that discipline is like a muscle. The more you use it, the more you build it and the more disciplined you become. I don't really like this analogy because it doesn't get to the root of how discipline really works

So let me simplify discipline in a simple formula:

$$10. \text{Discipline} = \text{Getting it Done (Focus)} \\ D = G (F)$$

11. Discipline is simply getting it done, just by doing it (just do it) you have performed discipline. To accomplish an objective is performing discipline. An objective to hit the gym everyday is to show you are performing discipline. Without any interruption to the objective. Accomplishing the objective without a halt. To perform discipline in trading is to accomplish your set objectives/trading plan/set of rules without interruption or derailing. Accomplishing (getting it done) an objective cannot occur without focus (F). You see, you focus your energy to get things done. Focus is the crucial factor in getting things done.

Here are example of failed disciplined:

Failed at losing weight: A person (bob) set an objective to lose weight. One of his goal is to

not eat junk food/fast food. He failed because he ended up eating junk food.

Let's analyze what just happened. Bob couldn't get it done because of lack of focus. You could say he gave into temptation. Giving into temptation is losing your focus. Here are some of the things that were going on in Bob's mind (junk food taste so nice, hmmm yummy, just one won't hurt, a feeling of satisfaction). These are distractions that runs through his mind if he is not focused.

A person failing to exercise: I'm tired, I'll do it tomorrow, it's raining, it's cold, it's late, etc....

A person who is lazy: I'll do it later, I don't want to do it, I'm tired, I don't know how, etc...

A Disciplined person: Just do it.

This is the main thought that occupies a disciplined person and usually nothing else.

The bottom line is that a lack of focus leads to excuses and distractions, which will lead to unaccomplished objective (undisciplined).

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It must come from a Need... not from Materialistic Desires 🧐

[Attachment 418010](#)

Goku has been one of my inspirations. Even though he is a cartoon character, he has taught me a lot things.

Goku is a saiyen warrior. His life was met with unbelievable and tremendous challenges. He was faced with great obstacles endlessly, but his spirit to succeed could never be defeated. He learned new techniques, honed his skills and pursued to achieve his highest capabilities as a Saiyan Warrior.

His story is like David and Goliath, but it wasn't as rosey. He was always the little underdog. He didn't win the battle in an instant, infact he always lost the first encounters because the Goliath enemy would flick him like a little fly.

But with each defeat, Goku would go and train harder than ever. He would analyze the enemy's weaknesses, he would train to improve his techniques and he would come back stronger and **smarter** than ever.

Goku achieved the unimaginable and the foretold legend... the legend of that one day a Super Saiyan Warrior will emerge.

In face of another powerful enemy, Goku was training with his son Gohan in the hyperbolic time chamber. He was guiding his son to reach the level of a Super Saiyan. To achieve the unimaginable, to reach one's highest potential, his words to his son:

"Gohan, it must come from a need... not from materialistic desires."
~ Goku

Will it Bounce or Break Support/Resistance? 🧐

People will advice you of how convinced they are of what price will do at support and resistance. There are so much conflicting information I am gathering at the moment.

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Explanation: 🧐

5 years of looking at support and resistance, I am left with one truth to believe: **For every number of charts that bounce of S/R, I can show you the same number of charts that broke through S/R without any exhaustion.** Even Nostradamous won't be able to tell you what price will do at S/R.

Support/Resistance are like traffic lights. Heading towards a traffic light does not guarantee if you will

arrive at the green or red lights. You see, I couldn't care less if it will bounce or break through S/R. My trading plan/system does that for me. So to a red or green light should dictate you whether to proceed (hold open position) or stop (exit position).

🤖 **You can never truly know what price will do at Support/Resistance. Do not enter until you get a confirmation of the direction. Do not exit your trade until your system tells you to.**

You've heard it before; Let your profits run. Support/Resistance is not a reason to exit. If you are coming to a S/R with a trade open, wait till your system tells you to exit. If your system isn't showing any signs of exit... then hold on tight and ride that runaway train! 🚂

Attached Image (click to enlarge)



Self Control and Patience are a Prerequisite 🧘🍷

(Training exercise)

It's been several months, my account isn't looking good. I have taken the time to make some self-assessment after trading. One of the behavior I have is an impulsive finger. Click, click, click... going against my trading plan, well not going against it but clicking the mouse way early before my entry signal.

There is a lack of focus. I have found that each time I entered early before my trade, I was feeling greedy. I felt that I can catch a big move, I felt excited and a rush. I also felt that I was missing out on a great opportunity to make some profits.

This is out of control, I need to control this urge. I need to stay composed and in control. I need to **develop self control and patience.**

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Explanation: 🧐

Self control and patience are a prerequisite in trading. As with life (not just in trading), impulsive decisions, impulsive actions or impulsive behaviors usually lead to problems.

As much as you would like to tell yourself to be patient and be in control, it wouldn't help very much in changing the behavior. Mark Douglas (trading in the zone) suggests that you try to catch yourself during those moments when you lose control/being impatient and try to get some control at that moment. This is one way of changing the behavior, but it is not the efficient way. This is not getting to the root of the problem. Trying to get some control during those moments would be too late. Most often, the moment you realize that you f***ed up, everything has already been done.

You see, you have got to come to the battlefield prepared. If this happens, this is what you do... when that happens, then this is what you do next. You shouldn't go into battle, not knowing what to expect, then meet the circumstance and say, "What do I do now!?" You should be prepared and know what you are doing, way before you enter the battlefield.

Can you imagine a surgeon not prepared in the operating room (battlefield). He takes a scalpel, cuts the patient open and then says, "What do I do now!?" 🧐 **So why would you go into trading not prepared?**

Training Exercise: 🧐 🧐

During my developing years, I set aside training days (not demo-ing days). To train myself in self control and patience, I set a trading day (Friday) as one of my training days. Not weekends, but during live trading hours.

Friday was a day of no trading. I would simply sit and watch the market move for 6 hours. I watched the market move up and down, made lovely breakouts, skyrocketed to new heights and plummeted to extreme lows. I watched myself as I went into an emotional roller-coaster ride; the greed, the rush, the disappointments, the confusion and all the mixed emotions you can ever have in trading.

I did this for 2 years (every week), slowly seeing the results the effect it had on me. I still perform and continue this exercise once every month (last trading day of the month).

Valuable lesson:

You will develop self control and patience. It does this by molding your mind into a belief that everything is fine, that everything is OK, that everything is safe when you miss a trade/don't trade. It molds your mind into a stronger belief that opportunities are abundant. When you hold such perception (everything is safe, abundant opportunities), your behavior will act accordingly; self control and patience.

Training exercise: Whether you are a scalper, short, medium or long term trader, set a day of the week (during trading days) to watch the market intensely. No Trading during this training. The beauty of it is that you don't even have to take any notes (if you don't want to). You don't

have to analyze the charts. Just sit there and watch it. Just be aware of the emotions and feelings that are running through you.

IMPORTANT: Even if you see the best setup occur, the biggest move happening... it is STRICTLY NO TRADING. Just sit and watch, nothing else.

This is a very important exercise. This is the fastest way I know how to instill self control and patience.

I can hear most are whinging/sulking already. It is like a person who wants to become a doctor, but says he doesn't want to deal with piss, shit and vomit. If you don't want to deal with it, you are best to be in another Profession. These are the roads you must take to become a Professional trader. I have more than 10,000 hours of looking at live charts, and that's the difference between you and me. One drawback of medium-long term traders are that they don't get enough **live** screen time.



Mold the mind, don't mold the behavior. The way to mold the mind is to train it. Training, training, training, ... You must be prepared long before you enter the battlefield.

It is OK to miss a trade... But it is NOT OK to miss a trade because of laziness.

Forex: The Greatest Brain teaser 🤖

I've always love brain teasers, I guess that's the reason why I've been hooked on trying to crack Forex. Of all these years I've been searching for the secret, the holy grail. I guess, I could say that I have found what I have been searching for. I should have known from the beginning, that the answer to any brain teasers are quite **mundane and very simple**.

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Explanation: 🤖

Here is an example of a brain teaser:

"A basket contain 5 apples. Do you know how to divide them among 5 kids so that each kid has an apple, but 1 apple must remain in the basket.

(Each kid must have an apple, not half or quarter of an apple, but a whole apple. You cannot cut the apple. The answer is at the end of this post.)"

Forex is the greatest brain teaser. It will have you believe that you have the answer, then at a blink of an eye, it will prove you wrong mercilessly. It will have you believe in pattern formations, just like looking at clouds and seeing an elephant shape, telling you to buy/sell now.

It will prove you wrong again and again. And every time it proves you wrong, you go and try a more complex approach, thinking that the puzzle is complicated. And that is what Forex or any good brain teasers do: **it makes you look the other way when the answers are right in front of you**. It fools you deceptively; the illusion of delusion. You are deluded into thinking the opposite. Heck, it is one of the greatest illusion/magic show on earth.

But what do magic tricks and brain teasers have in common? The answer is that they have a **very simple solution**. Do you remember when you solved a brain teaser or a magic trick? You were like, *"oh DUH!!!(so simple, why didn't I think of that)"*



Here is the simple answer to Forex: **Trade with the trend and Money management.** By following these 2 points alone, you don't require a so-called edge (system/edge). Trading with the trend possess' great edge (most people don't see that). Add money management with trading the trend... you then have an great system.

(Answer to brain teaser: Give 4 kids an apple each. The 5th kid gets an apple in a basket. All 5 kids have an apple each.)

Socrates' Wisdom: Secret to Success 🤔

[Attachment 429636](#)

A young man asked Socrates the secret of success. Socrates told the young man to meet him near the river the next morning.

They met the next morning.

Socrates asked the young man to walk with him towards the river.

When the water got up to their neck, Socrates took the young man by surprise and ducked him into the water.

The man struggled to get out but Socrates was strong and kept him there until he started turning blue.

The young man struggled hard and finally managed to get out and the first thing he did was gasp and took a deep breath.

Socrates asked. "What did you want the most when you were under water?" The man replied, "Air".

Socrates said, "That's the secret to success. **When you want success as badly as you wanted air, you will get it.**"

"There is no other secret."

Stop Predicting the Market 🤔

*"We will merely chart our course and steer our ship in the direction of the prevailing wind. When the economic weather changes, we will change our course with it and **WILL NOT** try to forecast the future time or place at which the wind will change."*

~ William Dunnigan

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Explanation: 🤔

This is one major turning point in my trading, a crucial point.

I don't try to predict the market. I don't have an opinion about the market. I don't do any

analysis of trying to figure out turning point/swing/fib levels. I trade the GBP/USD. I don't have a single clue where it will be in an hour/day/week from now. And I prefer to keep it that way. Ironical as it may sound, I became profitable when **I stopped predicting the market.**

There is only one thing which is very important to me whenever I trade. And the first and only thing I ask myself, **"Is it an uptrend or a downtrend?"**. Once I figure this out, I simply wait for my entry signals.



How much will the market move and where will it go? These are irrelevant points. What's important, the Crucial Point: is that you are sailing along in the direction of the prevailing wind. The market will go where it wants to go, not where your opinion think it will go. Stop Predicting the market.

Wrong Combination of Indicators 🤔

I've been stacking indicators one over the other in search for a better confirmation. I was fooled because the standard setting of these indicators were different, so in turn they look different when compared together. But when I changed the settings, they closely gave the same signals. The conclusion is that there is not much of a difference between them.

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Explanation: 🤖

Certain combination of indicators will produce the same results. You need to understand how to use an indicator and how they work.



Instead of using 4 different indicators, you can actually just use 1 indicator and have 4 different values. The result would be the same and identical against 4 different indicators. Combining the wrong indicators are very detrimental to your trading.

<http://www.forexfactory.com/attachment.php?attachmentid=433712>

Converting Multi-Time Frame trading into one Time Frame 🌐

I find trading multi-time frame very useful. I wonder if it can simplify this approach? I feel that looking at all of these time frames plus the other indicators (used for entries and exits) are overloading my senses.

Talk about information overload, focusing on a task requires a lot of energy when you have all these information to take in. **I want to simplify this approach.**

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Explanation: 🤖

I only use one time frame (actually 2) - 1 minute and tick. The tick is for my pin-point precise entry and exit, but I can trade without my tick chart and using only 1min chart. I don't use any other time frame.

You can actually read a lot of information from a 1 minute chart. It is the same with any time frame

(5min, 15min, 1hr, 4hr, daily, etc...). You don't need other time frames. You just have to learn how to read it and it's actually quite simple.

A 1-minute chart actually paints a clearer and detailed picture of the market than any other time frame. It is just a matter of looking back at the history. You can view the day's/hours high, low, support and resistance precisely.

Let's take a 1 minute chart... If you scroll back up until you get 1440 candlestick, you are actually looking at a daily. Scroll back 7200 candlestick and you are looking at a weekly chart. Scroll back 240 and you are looking at a 4hour chart.

You can actually use these numbers (as a moving average) **to gauge** whether the market is in an uptrend or a downtrend within the day, the 4hrly, the hourly, the 15 mins etc... all in the 1 minute chart. **It gives a whole new meaning of using moving averages in this way; not as an indicator to buy or sell, but a language to define and give meaning to the structure of the market.**

Heck, I think it's about time you use a moving average correctly! Whoever taught you to use moving averages as an indicator to buy or sell!?!... Right, the marketer who doesn't even trade for a living! 🤖📉

<http://www.forexfactory.com/attachment.php?attachmentid=433753>



If you want to convert multi-time frame into one time frame... you have to use your ENTRY time frame or the smallest time frame you use. Example: If you use 5min, 15min, 1hr and daily... all you need is the 5 min chart. You can get rid of the other time frame because you can read them from the 5 min chart alone. Why complicate things when they can be as simple!?

Converting Multi-TF trading into one TF (round 2) 🏠

I wonder if I can simplify this approach without using moving averages?

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Explanation: 🏠

You can use horizontal lines instead of moving averages. I find the horizontal lines less distracting to my eyes.


- First, open your entry time frame or the smallest time frame you use.
- Second, choose the other higher time frame you want to use (in this example we will use Daily, 4hourly, 1hour and 15mins).
- Third, you will draw horizontal lines to represent each time frame (in this example 4 lines for the 4 different time frame).


You must plot the each line according to its time frames opening. What is the daily opening price? what is the 4hourly opening price? what is the 1hour opening price, and lastly what is the 15mins opening price.

You must change the line after each of its cycle. Change the daily line after 24hours. Change the 4hourly line after 4 hours, the 1hour after an hour and the 15min line every 15 mins.

Here is the simple rule: Anything above any line represents an uptrend according to that line (time frame). Anything below any line represents a downtrend according to that line (time frame).

<http://www.forexfactory.com/attachment.php?attachmentid=434986>


 **You can convert 4 (and infinite number of TF) different Multi-screen Time frame into 1 single screen time frame with 4 lines representing each different time frame. Anything above the line is an uptrend, anything below the line is a downtrend.**

A chartless Professional Trader would ask the price at time (x), the price in the last 4hours, the price in the last hour, the price in the last 15mins and then the current price... Once he knows these information he will simply go with the direction of the prevailing wind. 

I Have Not Failed 

<http://www.forexfactory.com/attachment.php?attachmentid=439913>

***"I have not failed.
I've just found 10,000 ways that won't work."***

~ Thomas Edison 

Show Some Discipline in Your Life 

My work station must remain clean at all times.

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Explanation: 

Discipline is part of trading, whether you can admit it or not. Some people have more discipline than others. And those that has more usually feel it is not a major issue in trading (psychology) because they can perform it effortlessly and/or unconsciously.

Discipline is part of trading. Thus, if you lack discipline, you must try to exercise it more often. Most people who are disciplined traders are disciplined in their life (apart from trading). Some are health conscious of what they eat, others exercise regularly, some are neat and clean.

How can you be disciplined in trading when you cannot even enforce discipline in your own

life? Part of being successful in any field is drawing success from other areas of your life experiences. If you are not clean and tidy, don't look after your health or don't even exercise... **Where are you going to emulate discipline from?**

Do you know why the defense force is strict on being clean, neat and tidy? It is definitely not for them to look good in front of their enemies. Also, being neat will definitely not going to stop an oncoming bullet. 🛡️👮

It is all about being disciplined.

🧐 **For goodness sake... Show some discipline in your life! When you do that, you will find it easier to harness the energy of being disciplined when you trade.**

You Don't Know How to Trade 🤔

It's the end of the week and my account is negative. 5 days in a row and everyday has been a negative return. I'm reflecting on my week's daily trades at the moment.

As much I'd like to make excuses of why the trades didn't go well, I've come to the end of the line. It's quite a shock, but I need to be brutally honest with myself. Despite of all my reasons/excuses... The bottom line is... **I simply don't know how to trade.**

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Explanation: 🧐

Have you watched the search for the American Idol? Simon Cowell was the brutally honest judge. He would simply bluntly tell people that they don't know how to sing. It was brutally honest, but did you see the reaction of the people? They were in shock and they couldn't accept the truth.

If you want to be successful in this field, you need to be honest with yourself. If you don't realize the problem, how can you solve and fix it? **Before personal growth can occur, first you must realize that a problem exist.**

Let me be brutally honest with you for a moment:

*"F*** all of your excuses. You don't have a working system. You are not disciplined. You don't see the edge with following the trend. You don't see the simplicity of a pullback. You don't know how to manage your trading money. A blown account or an account that doesn't grow only says one thing; you simply don't know how to trade."*

The Majors daily range average from 100 to 250 points... Give me one good reason WHY you are unable to take 10 points from it everyday?

I'm not advocating you to take only 10 points a day. I would advice you to take as much as you can. If your excuse to me is that it isn't possible to successfully take 10 points everyday, I would simply tell you that you don't know how to trade.

🧐 **If Simon Cowell told you, "You don't know how to trade." How would you react? Would you reject it or would you take it as a positive awakening for your development?**

Drop your guards/defenses for a moment and carefully think about it; The Majors

move 100-250 points daily... and you're telling yourself 10 points consistently everyday isn't possible! I'd suggest you **think twice and be brutally honest with yourself.**

The Fallacy of Predicting the Market 🧐

I've been trying to test certain classic formations and how often they occur. Trying to get an estimate of percentages of the probabilities.

In conclusion, when you focus on a certain formation you will tend to see that formation again and again. Kind of like when I speed read. I filter all other information, but target only the information I require. **But when you focus on the consistency of it occurring at a specific time and place, it does not happen... consistency breaks down.**

This explains why hindsight sees all these perfect formations. But to predict it to occur at a specific point in time is inconsistent. A typical movement from low to high then a retracement can form various formations. It can become a wedge, or a double top or the classic abcd formation, etc... in fact it can grow into various patterns.

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Explanation: 🧐

When you plant an apple seed, it will grow into an apple tree. It will never grow into an orange tree.

This does not apply to chart formations. In fact, it can grow into various formations and not into a specific formation. In hindsight, the formation is done and created. That's why you can distinguish it as a triangle, head and shoulders, abcd, triple top/bottoms, etc. But whilst it is in formation, it can form into any type of formation.

<http://www.forexfactory.com/attachment.php?attachmentid=445544>

🧐 **This is the deeper level nature of chart formations, $1 + 1$ does not equal 2. The nature of charts is $1 + 1 =$ can be 2, or 3, or 4, or 5 etc. I guess that's why it's hard to comprehend, or grasp its nature by face value alone. Its true nature is somewhat illogical.**

If it was as simple as $1+1=2$, then everyone would be rich 😊 You need to realize it doesn't work that way.

Put Your System to the REAL Test 🧐

I was talking to my old man today and he gave me an idea. We were talking about how he would do diagnostic test on cars (part of his job). He was talking about how they would test the car and its mechanical parts to the extreme.

They would run tests at -50 degrees celsius right up to 50 degrees celsius. They would run the engines for a whole month, non-stop (24hrs) at high revolutions. They would test the mechanical parts to the extreme measures.

I just realized, I should also **test my system to the extreme measures.**

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Explanation: 🧐

You might be aware that you should be testing your system. In my beginning years of my trading and system development, I would test my system. Most often I would get some good results, enough to have confidence to trade it live.

As you would know, hopefully by now, there will come a time and the system would just produce lots of negative result. Enough for you to conclude that the market changed, or the system broke down, or for whatever reason that may fancy your belief.

Later on, here is what I have come to understand; **my system was never put to the real test in the beginning. I ran some back-testing, but that was not enough.**

You need to put your system to the REAL test. Test it to the extreme measures:

- Can your system handle up to 30 consecutive losses?
- How does it handle in a high volatile conditions
- How does it handle in consolidating conditions
- How does it keep you away from fake signal, sudden spikes, sudden change or increase of momentum
- Where does your system breaks down
- What are your system's weakness and limitation
- How does your system manage its weaknesses so that it doesn't take a pounding.

I don't just pull up a chart and back test it. I look for the ugliest consolidations, the ugliest volatility, the extreme and unimaginable looking charts to test my system.

I'll even go as far as drawing a hypothetical graph (combining consolidating, ranging, trending and volatility, all in one) and test my system against it. At one point, I got my 6year old cousin to draw zig-zags and I would test my system on it.



Stop wasting your time on testing it on normal conditions. Put it to the real test. Test it against the extreme and unimaginable conditions. It will save you time and you may discover better ways on how to tweak it effectively and efficiently. By doing so, you'll get to know your system intimately. 😊

Lower Time Frame vs. Higher Time Frame 🤖🔴

I don't know what the fuss is all about lower vs higher time frame. People say higher time frame are more stable and lower time frames are unstable.

.....

After 2 years of studying time frames I can conclude that **there are no differences between lower and higher time frames. The only difference is that lower time frames move very, very fast.**

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Explanation: 🧐

The fundamental nature of lower time frames and Higher time frames are the same. It has retracements, lower lows/lower highs, higher highs/higher lows, consolidations, trending, ranging, etc.

As with life, **you will never understand anything past which you cannot comprehend. Traders who doesn't see or understand this concept has limited knowledge about the issue.**

Consciously, this seems illogical, because a lot of things can happen in an hour, yet your subconscious belief tells you that formations occur in days, not in minutes. To understand lower time frames you must eliminate your concept about time.

Get this very clear: **Lower time frames move very fast.** Classic formations occur at lower time frame and it happens very quick. **Traders who complain that it is erratic and noisy on lower time frames are still working on the assumption of higher time frames.**

Their expectation of a head and shoulder will occur in days and would also last in several days. Whilst on lower time frames, a head and shoulder can occur in minutes and would also last only in minutes. Meaning, you need to get out in minutes. They fail at getting out quickly because their subconscious is telling them to stay longer while the chart is saying that it is already over. Thus, they conclude that lower time frames produce heap of false signals, too noisy and very erratic. The reality is that they failed to see and understand the bigger issue.

🧐 **Lower time frames require a lot of concentration and it is not for everyone. But, to dismiss the notion that there are no difference between the two will have an effect to your trading. Why?... because even if you are trading higher time frames you will still have to go to lower time frames for your entry (unless you are willing to place a really big stop). And when you have a subjective belief that there is a difference, your performance will be affected.** It is like a kid having a phobia that clowns are cannibals. 🤡

When Will a Big Move Occur? 🧐

I'm looking at charts all week and something caught my attention. From hindsight I can see all these big move that happened. If I can only capture these big moves...

I wonder if there are any clusters during these events? Well it's a new research and study I can investigate. **Knowing this would definitely increase my edge.**

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Explanation: 🧐

There are clusters that would cause a big move:

- Trading sessions
- News release
- No apparent reasons

Trading sessions: Asian, North American and European sessions. Trading sessions has a big impact to your balance. Know the different sessions and what currency to trade during those session.

Before, during and after news release are floods of orders which will move the market. You don't need to understand the fundamental news release, just know what time they are to be released so you can be prepared.

The gap between a mediocre trader and a Professional is that the Professional knows the third point (No apparent reasons).

The market will move for no apparent reasons (well, there are reasons, but not according to news release). It will move according to its average daily range whether there are no news to be released. It will move simply because trades occur during non-news.

The magic question: **When?** (when will a big move occur?) To answer this specifically, the answer is that there are no absolute. There are no specific time. Even if there are major news release at 1pm, a move can occur several minutes before or several minutes after the release. It will move around these times, but you cannot pin point the exact moment.

Have you been hunting? Have you been fishing? **The answer to the million dollar question (when will a big move occur?) is that you have to hunt for the big move. You have to be there to catch the big fish. You don't know when or where, but your statistical edge increases simply just by being there in the moment.**

🧐 **I don't place orders. I hunt and fish for the big moves. I go fishing everyday (trading). I don't know what I will catch. And it's OK if I don't catch anything for the day. I don't know what time I'll catch the big one. All I know are the time of the tides (news release) and the phase of the moon (trading session). When I'm there patiently waiting and the school of fish arrive... I often catch the biggest fish you can find while other fishermen are missing out simply because they are not there.**

How did you feel going home with a big fish and a full catch after fishing?... Can you see the big smile I have on my face? 🌍

Trading Naked is Overrated 🤔

I've traded using naked charts and pure price action. There is one problem I encountered. **Trading naked charts actually has more subjective interpretation compared to using a simple moving average.**

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Explanation: 🧐

One of my objective in developing and creating my system was to eliminate as much subjectivity and discretion within the system. I discovered a flaw trading with naked charts.

Trading without any indicators leaves room for unnecessary error. Interpretations are slightly more subjective.

A classic abcd formation can occur above and below a moving average. A consolidation can also occur above and below a moving average. If you remove the moving average, you are left with a subjective interpretation whether the formation is within a given uptrend or a downtrend.

By adding a moving average, it will provide you an objective view of the price average within its calculations.

[Attachment 451638](#)



Trading pure price action and with naked chart leaves room for error. Trading naked charts won't solve your problems. Whether you are an experienced trader or not, you are subjected to an error in judgment.

Learn to read price action, but don't dismiss the power of moving averages. Don't be arrogant in confidence that price action alone is the answer. Trading naked charts are overrated.

How To Spot a Failed Trading System 🧐

I've tested over 50 different systems in search for the winning trading system. There are a few profitable systems I've come across. The other 95% systems were a total failure. I tested its performance and not according to my subjective/biased trading style nor for the sake of system hopping. Long term, short term, trend or range, trend following or swing reversal, manual or automatic, scalping, hedging, etc... every available system I can find.

To my surprise, I discovered something I wasn't anticipating. I discovered patterns with the unsuccessful systems and the successful ones. It was an accident, but I became an expert (in my own right) in assessing a trading system whether it was successful or not.

It was an accident to see this pattern, it wasn't my objective in the first place. I realize that **to create a winning trading system, it must also follow certain rules.**

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Explanation: 🧐

I've tested so many trading system that I can spot a failed trading system a mile away! It takes me 1-minute to figure out whether a system is successful or not. I don't even have to back-test it. And with a 98% accuracy that I am right with my assessment.

Every failed trading system has a pattern and if you have that within your system, it will fail.

You don't need to waste your time to back-test a failed system.

Here are the pattern and signs of a failed trading system (excluding money management and trading discipline):

- **A system that doesn't clearly define the market condition**
- **A system that takes every signal of buy and sell**
- **A system that has more than 3 indicators**

A system that doesn't clearly define the market condition is a failed system. Is it in an uptrend or a downtrend? Is it ranging or trending? If a system fails to address this issue it is a failed system in the long run. At best, it will be a break even outcome.

The best example of this are breakout systems; place orders at high/low here and here, set and forget, place stop or trail it.... Hold your horses for a minute! Is the breakout with or against the trend? Is the anticipated breakout within a ranging market or not? **Can you see the difference by simply finding out the market condition before entering can affect the outcome?**

A system that takes every signal of buy and sell is a failed system. Whether you are using indicators or pure price action with naked charts, a buy within a downtrend market will quickly reverse. And a sell within an uptrend market will quickly reverse at a blink of an eye. Even trading within a trend, a false signal will occur during the exhaustion phase.

A system that has more than 3 indicators is a failed system. It is like having a motorbike that has air-conditioning 🍹. Traders who love stacking indicators don't know how indicators work. Indicators don't work that way.

🧠 **Any system that possess any of these 3 points is a failed system. When you understand that there are different market conditions, you will understand why these 3 points will create or break a trading system (excluding money management and discipline). Vice versa, a profitable trading system possess the opposite of these 3 points.**

The Anatomy 🧠

Throughout my research and studies, I've come across into a 5 way intersection. Entry, Exit, Money Management, Psychology (discipline) and System. They are a unique group of each kind with their own strength and pride. Each group believes that they are the highest and the most important part of trading.

One group believes that it is all about the perfect 'Entry'. The other group believes that it is all about 'Exit' and banking the profits. Another group emphasizes that it is 'Money Management' that will solve everything. The other are deadly convinced that it is the Psychology (discipline). And the final group believes in possessing the profitable proven 'system'.

So, **who is right?**

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Explanation: 🧠

Let me ask you for a moment, **which one is the most important in trading?**

- Entry
- Exit
- Money management
- Psychology (discipline)
- Proven System

(answer this to yourself before you continue reading)

Okay, I want you to imagine these:

- Brain - (Psychology)
- Heart - (Proven System)
- Lungs - (Money Management)
- Liver - (Entry)
- Blood - (Exit)

Let me ask you again, **which one is the most important?**

(answer this before you continue reading)

If your answer is the brain, or the heart, or the lungs, or the liver, or the blood... then you're wrong!

Each are vital for survival. And each are equally as important as the other. Each are working as a whole and not as independent. They are all interdependent of one another. If one fails... Everything fails as a whole.

My trading philosophy puts emphasis equally to every aspect because I know if one is weak, it will affect the whole. If one fails... Everything will fail.

Amateurs are too busy debating, arguing and emphasizing on the one. Professionals are far away on a different plateau with their thinking and philosophy.



You dare come to the arena hoping you will take my money with your perfect Entry! YOU FOOL!... I have a precise Entry... a deadly Exit... An impenetrable Money Management... A titanium Proven System... And the Excalibur of Psychology (discipline)... What are your chances against a foe like me!?

Hand me all of your money... Thank you, and come again! 🏆👑

Newton's Law of Motion 🏆

[Attachment 456217](#)

Isaac Newton's Law of Motion: (law of inertia)

"Corpus omne perseverare in statu suo quiescendi vel movendi uniformiter in directum, nisi quatenus a viribus impressis cogitur statum illum mutare." **(Every body persists in its state**

of being at rest or of moving uniformly straight forward, except insofar as it is compelled to change its state by force impressed.)

- **First Law:** An object at rest tends to stay at rest, or if it is in motion tends to stay in motion with the same speed and in the same direction unless acted upon by a sum of physical forces.
- **Second Law:** A body will accelerate with acceleration proportional to the force and inversely proportional to the mass.
- **Third Law:** Every action has a reaction equal in magnitude and opposite in direction.

=====

Explanation: 🧐

Newton's law of motion should be the first technical thing you must learn about charts. This law applies to charts. The law of inertia.

Prices move... Movement is motion... You need to understand how things move, how the prices move... It moves according to Newton's Law of Motion.

🧐 This is how momentum works. **When you have a lot of momentum behind a trade, your risks are greatly reduced. Why?... because it would take a lot of force to change the direction. It would take a lot of force for your trade to go against you.**

The Secret of Indicators 🧐

One of the early things I learned about indicators are that indicators are not 100% correct all of the time. The consensus among the public (from my awareness at my current knowledge) that it is only 75% correct of the time.

.....

I'll assume and test the idea that indicators worked 75% of the time. With proper money management, in theory this idea should conclude in a positive expectancy and in profits.

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Explanation: 🧐

Results: Indicators don't work 75% of the time. This conclusion goes far deeper than you may think.

Indicators need to be used properly. You can't use a hammer to dig, you can if you want, but it won't be as efficient as using a shovel. Indicators need to be applied correctly to the proper market condition.

Here are the secret of indicators:

- **Indicators don't work effectively in consolidating markets (5-8% correct)**
- **Indicators works effectively during trending markets (70%-90% correct).**
- **Every signal of an indicator (buy and sell) are not to be taken.**

Amateurs are too busy complaining that indicators don't work during ranging and consolidating market. No shit Sherlock! So why trade with indicators during these times!? During these times go help an elder citizen cross a road, go play with your dog, go save someone from a burning house, etc... I don't know what ever tickles your fancy. But for the sake of your account, just go do something apart from trading.

It's like what I call the Homer Simpson Syndrome. Bart placed an electrocuted muffin and Homer keeps touching it again and again while Bart laughs at Homer. Homer was too stupid to realize he's getting electrocuted because he wants the muffin. You need to realize that **you can't trade whenever you feel like it**. Indicators are not used in that way.



The secret, identify a trending market and then use your indicator. Only use the signal according to the trend (buy signals in uptrend market, sell signals in downtrend market). If market is consolidating or ranging... forget your indicators.

Words of Wisdom from the Masters 🙌

"Profits are made by capitalizing on up or down trends, by following them until they are reversed."

~ Robert D. Edwards

"Profits are not limited because whenever a trend, once established, continues in a sustained fashion without giving any evidence of trend reversal."

~ Richard Donchian

"The way to make money is to determine the trend and then follow it."

~ William D. Gann

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Explanation: 🧐


These Pioneer Masters made millions in their time. If it was our time, they would have made just under a billion. It's worth your time to listen to these Masters if you want to succeed.

I'm pretty sure everyone has an ego. And there will come a time where that ego will think it knows more than the Master. And that ego is dreaming of surpassing the Master, one day. Surpassing the Master will never come to fruition if you don't **control your ego**. You see, your ego will blind you and restrain you from your true potential. **While you are still a little grasshopper, it is wise to subdue your ego and listen to everything what the Master has to teach. Take everything what you can from the Master.**

Here are the Masters with their words of wisdom. I've personally read them a thousand times. It's very clear of what they say **"follow the trend"**, yet it goes in one ear and then straight out the other. Maybe its human nature that we are told to not touch the flame, but somehow we still end up touching it and getting burnt.

Looking back at my journey, if I was able to do it again, I would have focused more on what these Masters had to say instead of my ego. It would have saved me tremendous amount of time. I wouldn't have paid much attention to marketers (I was young and naive and didn't know any better), their words where very hypnotic, but had less to nothing in value.

I was in mentorship program once (part of the service I paid for). He was in the US (I'm in Australia) and we would have phone call conferences. In 3 months of mentorship (paying for his service), he never did once stated to me to "follow the trend". Mate, knowing what I know now, I feel like throwing a can of baked beans at him!... Why a can of baked beans?... it really hurts!

 **My words to whoever is reading this and is listening with all of your heart; Follow the trend, learn how to identify a trend, learn how to exploit the trend and learn everything you can about a trend. Drop your ego because it is blinding you and restraining your development.**

The 6 Dimensions

I think I just discovered the gravity in trading. **Trading contain 6 dimensions.** For the past years I've been going in circles because I didn't know such nature exist in trading.

=====

Explanation:

Trading contain 6 dimensions:

- 1L dimension (unprofitable)
- 1L dimension (unprofitable)
- 1L dimension (unprofitable)
- 1L dimension (unprofitable)
- 2P dimension (profitable)
- 2P dimension (profitable)

2 of the dimensions are profitable (I call them 2P dimensions). The other 4 dimensions are unprofitable (I call them 1L dimensions). These 6 dimensions govern every trading system.

2P are greater in size and mass than 1L. 2P are less in numbers (only 2) compared to 1L (only 4). 2P takes the portion from the market and put them in your account. 1L takes your portion out of your account and place them into the market.

<http://www.forexfactory.com/attachment.php?attachmentid=462469>

 **Professionals are effectively and consistently targeting 2P dimensions, without even being aware of it. Only by targeting 2P dimensions can you be profitable.**

The 3 Type of Warriors

<http://www.forexfactory.com/attachment.php?attachmentid=463771>

There are 3 type of Warriors.

In the old days (and in life) you achieve your objective through sheer brute force alone. This means the strongest survives and wins the battle. The army who has the most numbers will win the battle. Back in the old days you get the job done through brute strength. The philosophy is: the bigger the better. Success comes in strength and size. **This is the first type of Warriors: Brute Strength.**

Not so long ago a new Warrior emerged. It was Superior than the first Warrior. This Warrior did not come in size and strength, it came with brain power. Yes, the second Warrior is the Intelligent Warrior. The second Warrior comes in smaller size and not so much in strength, but he wins the war through his intelligence. 1 intelligent Warrior can simply kill 10 brute strength Warriors alone. Success comes in brain power, not in bigger muscles. **This is the second type of Warriors: Intelligence.**

In our current time comes a newer breed of Warriors. This new Warrior overpowers its predecessor Warriors. He is the most dangerous and most devastating Warrior of all. This Warrior harmonizes brute strength with intelligence. Success comes in intelligence and equally with brute strength, it doesn't leave fate at the hand of the heavenly gods. 🧠 **This is the third type of Warriors: Intelligence combined with brute strength.**

<http://www.forexfactory.com/attachment.php?attachmentid=463779>

The 6 Dimensions (round 2) 🧠

I've been aware about the so called "good trades" and "bad trades". I wonder how these type of trades fit into my model of the 6 dimensions.

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Explanation: 🧠

Good trades contain 2 type of trades:

- **Trade 1:** Following all discipline, trading plan and profiting from the trade.
- **Trade 2:** Following all discipline, trading plan and losing from the trade.

(These are what you define as "good trades"; following through with the battle plan whether the outcome is profitable or resulting into a loss.)

Bad trades contain 2 type of trades:

- **Trade 1:** Not following any discipline or trading plan and profiting from the trade.
- **Trade 2:** Not following any discipline or trading plan and losing from the trade.

(These are what you define as "bad trades"; Not following any discipline, trading plan, strategy or method whether the outcome is profitable or resulting into a loss.)

In the good/bad trades model, there are a total of 4 different type of trades; 2 are profitable and 2 are unprofitable. In my 6 dimension model, there are 6 different type of trades; 2 are profitable and 4 are unprofitable. I guess we just arrived at a contradiction. So, which model is correct?

Let's deduce the good/bad trades model. We can represent the win/loss ratio as 2:4 or 1:2 or 50%. Meaning 50% of the trade model will end in positive and profitable outcome. The other 50% of trades will end in a negative and unprofitable outcome.

The one objective result that stand is that 50% of traders are neither profitable and unprofitable. Give or take a few percentages, the objective results are like 93% unprofitable and 7% profitable. **The good/bad trades model is way off from the current objective results.**

In the 6 dimension model the ratio is 2:6 or 1:3 or 33.3%. Meaning 33.3% of trades are profitable and 66.6% of trades are unprofitable. These results are much closer and more accurate than the good/bad trade model.



These are the dimensions I discovered in search for my question why at least 90% of people fail. I can not dispute the fact that the good/bad trade model (possessing 50% accuracy) combined with proper money management SHOULD BE very profitable, BUT I personally have not seen any hard evidence of such coin tossing system to be successful. It leaves a splinter in the back of my mind why it doesn't align with the 93% rate of failure. Even if I take into account that there are the undisciplined traders, their actions STILL FALL INTO the category of the good/bad trade model (50%), but that is not the case that we are seeing in the trading community (93% failure).

The 6 Dimensions (round 3)

The 6 dimensions has taught me a lot about **finding the edge** within the charts. I feel awakened with a sense of new found power, like x-ray vision, where I can see where the opportunity lies within a chart. The next step of my journey is to hone my skills in capturing these opportunities, to hone my skills in targeting the 2P dimensions.

=====

Explanations:

The 6 dimensions has taught me:

- that in any given entry, it is never a 50% win or lose
- that my trade are either a 2P or 1L dimensions
- that the odds of losing are stacked against me by a lot
- that only by **knowing where the opportunity lies**, then taking advantage of the opportunity becomes less in resistance
- that **not knowing where are the opportunity**, is like not knowing where the gold treasures are buried (not having a map)
- that even with good money management, taking trades on a 1L dimension will surely end into a blown account

- using multiple strategies into one account must have a designated budget (money management). If not, it will conflict with the 6 dimensions and will blow your account, or at best, always breakeven
- **that the 6 dimension applies to every strategy, system and method**



To explain the 6 dimensions in detail would take a lot more pages. It is also hard to comprehend without animated visual aids. I will never go into it in more detail because I don't want anyone publishing a book based on its theory and my findings.

Do Your Job & Do It Right 🧐

You go to work and you perform your job. Your focus is on the job and not on the money. Forget when you are getting paid. Forget about home, you're at work. Nothing else to think about but your job.

My job is ENTRY & EXIT... nothing else must occupy my mind.

=====

Explanation: 🧐

Do you know what is your job in trading?

"Your job in trading is ENTRY and EXIT... nothing else."

Anything else you perform, focus upon and any distraction is not your job. It is like checking your Facebook at work and sending funny emails.

Professionals have laser focus. They don't think about anything else apart from ENTRY & EXIT. Set your trading plan and strategy in place. Then put all of your energy in executing your ENTRY & EXIT.



You want to become a Professional? Do your job and do it right. Your job is ENTRY & EXIT... nothing else. Do it well. Perform it consistently. Execute it precisely... You will be rewarded enormously. Anything else you perform apart from your job... and you will be punished severely.

Don't be an Idiot 🧐

www.youtube.com/watch?v=bVVSDiv98TA

You want to become a Professional Trader?



"Don't be an Idiot."

BUY & SELL Hemisphere 🧐

The result over the years had led me to discover and understand the nature of charts. **The nature of charts are governed by 2 boundaries. I call them Buy Hemisphere and Sell Hemisphere.**

In a 6 dimensional charting world, I like to think of the hemispheres as shadows. The position of the light will depend where the shadows will be. Just like shadows, the hemisphere is ever changing. It is not static in nature, it is dynamic in nature and ever constantly changing.

Your shadow will follow you wherever you go. These 2 Hemispheres are the market's shadow, it goes wherever the market goes.

=====

Explanation: 🧐

In every successful trading system, strategy or method, a boundary **MUST be placed and/or be established.**

The beauty of a 6 dimensional charting world is that you can place the boundaries wherever you like. The crucial point is that a boundary must be established.

The Buy & Sell hemisphere is like the ocean. Tropical fishes remain in warm waters, non-tropical fishes remain in cold waters, deep sea fishes and shallow water fishes remain in their boundaries, etc...



The charts are governed by 2 Hemispheres; BUY hemisphere and SELL hemisphere. You ONLY BUY in the BUY Hemisphere. You ONLY SELL in the SELL Hemisphere. You can establish the boundaries wherever you like. You can use whatever tool you want to establish a boundary. The Crucial Point is that a boundary must be established.

<http://www.forexfactory.com/attachment.php?attachmentid=472486>

<http://www.forexfactory.com/attachment.php?attachmentid=472488>

<http://www.forexfactory.com/attachment.php?attachmentid=472487>

Skills Require Time to Mature 🧐

Anything in life has its cycle, from beginning to end. Skills also has its cycle, from beginning to end. Fruits requires time to ripen, eggs needs to be incubated for a certain amount of time.

There is no difference with skills that are developed and nurtured until its fruition. Skills learned requires time to be mastered. **Any form of skills require time to mature.** It is no different with trading skills.

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Explanation: 🧐

Even if I hand you a rock-solid trading system right this minute, you will never be successful if

your trading skills are not up to par. If your trading skills are not matured enough. **Skills require time to mature.**

Take Michael Jordan for example. Picture the young Jordan at the age of 23. Now picture the Jordan age 33. There is a big difference in the level of skill. The skill in every aspect; whether it be physical or mental, physical strength, decision making, leadership etc.

Even young talents, can you see the difference after 10 years? Justin Timberlake, Michael Jackson, Johnny Depp, Leonardo DiCaprio, Mariah Carey, Christina Aguilera, etc.



Take the pioneers of the trading world for example; Gann, Elliot, Donchian, Dunnigan, Appel, Jones, Rogers, etc. Do you really think they were successful in their first year of trading? Read their biography and get some perspective. Skills require time to mature.

The Joker 🤡

SON OF A BITCH!

You had me going for years... I've been running around in circles... I've been losing my mind, trying to figure out what the f*ck is going on. I didn't realize that you existed you dirty m*f*cker!

Now I see you... I know what you're up too... I'm not going to fall victim to you again... I own you, you're mine now biatch!

=====

Explanation: 🤡

I've nicknamed one of the 1L dimension as **"The Joker"**.

What is "The Joker"?

In a 6 dimensional charting world, the Joker exists. The Joker exist in every strategy, method or system. The Joker is out to get every trader. **Its soul purpose is to make you lose.** You have encountered the Joker in the past countless of times, but you didn't know it was the Joker.

You see, the Joker is very deceptive, seductive and destructive. The Joker will tease you and will lead you into temptation. Once you bite or get lured... you can kiss goodbye to your money.

The Joker preys upon, materialistic traders, ignorant traders, arrogant traders, egotistic (or uncontrolled ego) traders and undisciplined traders.

Whatever system, strategy, method you use is not 100%. You see, every system, strategy or method is designed to do one thing; to capture pips (or profits). Now, there comes a time (always), when a big move will occur in the market and your system was unable to capture it. Or maybe your system was only able to capture a very small amount of the massive move. You then re-configure your system to catch such big moves. **Let me stop you here for a moment and tell you that "You have just been played by the Joker".**

No matter what you do to re-configure, the Joker will continue to exist. Once you start dancing with the Joker, you will end up broke and in tears. Every system, strategy or method **CANNOT** capture the market in its every turns, swings or reversals. Every system, strategy and method are governed by the 6 dimensional charting world... it is in perfect harmony and in balance. The Joker is part of the grand design to balance the equilibrium.

🧐 **Professional traders ignore the Joker. Buy when it is buying time. Sell when it is selling time. The Joker will dangle 200-400 pips right in your face. DO NOT get seduced, the Joker plays upon your greed. If your trading plan brings in profits, then DO NOT DETER from your trading plan. The Joker is out there every minute to prey upon the weak.**

<http://www.forexfactory.com/attachment.php?attachmentid=474830>

The Greatest Danger 🧐

***" The greatest danger for most of us
is not that we aim too high and we miss it,
but we aim too low and reach it. "***

~ Michelangelo 🧐

Give it Respect 🙌🙌

The market is no different, **treat it with respect** and it will be kind to you. I am not bigger than the market. The market is bigger than any ego. Giving it respect is equally important as being patient and disciplined.

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Explanation: 🧐

When you don't have any respect, you act reckless. You are more likely to deviate and break rules (this is as true in life and in trading).

In some cultures, respecting their elders is very important. Can you remember a time when you had to show and exercise respect? Your behavior were very different. You were very polite, courteous and humble. Can you remember a time when you just don't have any respect for a particular person? You behave in conflict, anger and frustration.

Trading the market requires you to be humble and respectful... or else the market will give you a big spanking.

When you treat anything with respect, you treat it with love and devotion. And anything in life that is treated with love and devotion simply grows and blossoms magnificently.

🧐 **RESPECT is equally important as patience and discipline in trading. Treat the market with RESPECT. RESPECT is a crucial requirement to be a Professional trader.**

The First Pullback (one of my trading arsenal) 🧐

1min is not noisy nor erratic. **Classic formations occur in the 1min chart as it would on the daily or hourly charts.** It just means I need to get out quicker rather than in days.

=====

Explanation: 🧐

It doesn't get any simpler than this. Pullbacks can be found on the 1min.

I've milked this setup again and again since 2006. This baby doesn't look like it's ever going to run out of milk. 🍷🥳

🧐 **I'm a firm believer of this setup after trading it week by week and day by day for the last 4 years. It is one of the most effective trading arsenal I have in my tool box.**

<http://www.forexfactory.com/attachment.php?attachmentid=478833>

<http://www.forexfactory.com/attachment.php?attachmentid=478834>

<http://www.forexfactory.com/attachment.php?attachmentid=478835>

<http://www.forexfactory.com/attachment.php?attachmentid=478836>

Counter Trend (Only for Professionals) 🧐

I tried to post this ASAP live. I will comment on this later on, Since I'm currently trading at the moment.

<http://www.forexfactory.com/attachment.php?attachmentid=479483>

Added comment:

3 years ago a professional trader made me a bet. For 1k bet, he will prove to me that a coin tossing system works. He will not explain the system to me, but I have all access of the live trades and the live account. He wasn't a marketer, he trades for a living. I talked him into this bet/challenge because we were both drunk at the time and we were arguing about a coin tossing system.

My research over the years concluded that it is not viable. And here was a drunk Professional trader who tells me the opposite. Cut the story short, the bet was made.

I changed the rules before the trading took place and he agreed. I figured, screw the coin; I'll decide the buy or sell and he will just go and trade what I say. I thought to myself, "let's see how you go against the market." There was a nice uptrend at the time and I told him to that every trade he makes must only be a sell. I told him to sell for 2 months and on the third month to only buy.

Cut the story short, I lost the bet. He made just over 100% in 3 months. I was there during several trading days as he traded live. Before I analyzed the whole 3 months worth of trade, I already made it clear to myself that:

"Anything below 60% success hit rate and this guy was just saved by money management and nothing else. I wouldn't conclude that a coin tossing system would be viable... if this was the case."

Well looking at the results, he had over 80% success hit rate. **He placed a stop loss all the time.** I figured, let's actually try a coin this time. Mate, double or nothing for another 3 months!... he agreed.

3 months of coin tossing, I paid him 2k. I lost the bet. He made another 80% on his account with a

solid of above 80% success hit rate. The knowledge I gained was priceless and I'm about to share with you a little thing I found out.

=====

After my research I can conclude that:

"A coin tossing system is NOT viable"



luckily for me, I am who I am, and I have my own unique talent.

I picked up that he wasn't governed by the outcome of the coin. He himself governed the coin toss. Let me explain:

It was never a random entry at all, although it may look like it. It was like a magic show or an illusion. I would toss the coin or I would make the call to whether buy or sell,... but it was him who decided **WHEN & WHERE** he will enter the market. He was in control and not the randomness of the coin.

It was never (toss coin = Sell) and he would enter the trade. It was (toss coin = Sell) and then he would wait for the opportunity to sell and then enter Sell. You see, even in an uptrend market, there are opportunities to sell, but those opportunities are not at a randomness place. You can't just sell whenever you feel like it and hope for your money management to save you.

He could enter Sell for the rest of his entire trading life and still be profitable. The lesson here is that there is more than one way to skin a cat, **as long as you know what you are doing (knowing when and where).**




I happily gave him 2k. As he grinned (and deviously laughed) at me and continued to proclaim that he has a winning coin tossing system.

I replied, "The only way you can make me a believer of your coin tossing system is when we toss a coin, and then you must enter the market right then and there on the spot... That my friend I am happy to pay 50k and will be a believer."

He laughed out loud and he crossed his forearm into an X-shape, "NO DEAL!" (just like the tv show Deal or No Deal)

100k!?.... He even laughed louder "NO DEAL" (X-shape arms) 

=====

Refer back to the images again and you can see that the counter trend made me around 40 pips, when I could have easily made 120 pips following the trend.  **Even as a Professional trader I don't waste my time with counter trend. Following the trend offers greater safety, lower risk and higher returns.**

Focus 🧐

***"Concentrate all your thoughts at the work at hand.
The sun's rays do not burn until brought to a focus."***

~ Alexander Graham Bell 🧐

[Attachment 479600](#)

***"One reason so few of us achieve what we truly want
is that we never direct our focus; we never concentrate our power.
Most people dabble their way through life,
never deciding to master anything in particular."***

~ Anthony Robbins 🧐

Myth Busting: Trading Without Stops 🧐

<http://www.forexfactory.com/attachment.php?attachmentid=480190>

<http://www.forexfactory.com/attachment.php?attachmentid=480191>

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Explanation: 🧐

Trading without stops... Do I really need to explain more!?... I rest my case.



Trading without stops ---> Myth Busted

The Journal 🧐

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Explanation: 🧐

There is no excuse, you need to have a journal.

Your journal needs to be divided into 2 sections (or have 2 separate journals).

Section 1 of your journal are everything you learned, new discoveries, etc...

- What did you learn about indicator X?
- What did you learn about trading sessions?
- What did you learn when you executed a certain way?
- What did you discover that no one had taught you?

- What conclusions have you arrived to?
- What do you know and what has changed?

Section 2 of your journal are your personal entries

- How did you feel?
- What emotions you encountered?
- What you did during the trade?
- Curse or Congratulate

Section 1 is actually the most important of the 2 sections. Most traders make the mistake of simply just scribbling, more like diary entries. Section 1 is about retaining and developing yourself.

Any successful individual can wear a t-shirt, a pair of jeans and blend just like the crowd. You see on the surface, any successful trader looks like just an ordinary individual. But underneath the surface, they possess vast amount of knowledge and experience which the opposition do not have.



You need to expand your knowledge base. Unfortunately, even if you read the entire forum, 90% of the real trading have never been discussed and covered. And neither will it be discussed and covered in the future. Your journal is like a research facility. Without it, it is unlikely you make any breakthroughs.

Know Your Enemy & Know Yourself

***"If you know your enemy and you know yourself,
then you need not fear the result of a hundred battles."***

~ Sun Tzu

=====

Explanation:

Can you write 10,000 words essay on the following single topic?:

- 10,000 words essay on 'Entry'
- 10,000 words essay on 'Exit'
- 10,000 words essay on 'Money Management'
- 10,000 words essay on 'Human psychology/Behavior/Discipline'
- 10,000 words essay on 'Moving averages/MACD/Indicator'
- 10,000 words essay on 'Risk & Trade Management'

- 10,000 words essay on 'Technical Analysis' that hasn't been published
- 10,000 words essay on your 'Trading Plan'

It is simply because, if you know how moving averages work, then writing 10,000 words on the subject would be very easy. If you don't know, well you can only write as much.

Most people don't yet understand that trading is a competition. It is a competition between you and the other traders. And in any form of competition, winning requires a greater advantage, a greater edge over the opposition... A greater advantage in size, strength, technology, discipline, intellectual, etc... Whatever form of advantage/edge you can get will aid your victory over your opponents.

🧐 **If you can't write all of the above points, then you don't know the enemy and you don't know yourself. You don't have to physically write it, but do you possess a vast knowledge of information about each topic? You may think you know, but I am just quantifying what you know. And if you can't write 10,000 words on the subject, then you simply don't know much.**

Success is Something You Attract 🧐

***"Success is something you attract,
it is not something you pursue."***

~ Jim Rohn 🧐🧐🧐

"Thank you" is not enough to express my gratitude for the incredible and positive impact you have made in my life.

It's an honor and a privilege to have known you Sir.

Thank you kindly.

R.I.P. Mr.Rohn

Inside the pot 🧐

I wonder if there is a way of telling how many people are selling and buying at a particular amount of time. I think there might be an edge if someone knows of very large pending orders (buy or sell) that will pressure and move the price.

I mean.... why would I sell if market movers are buying and putting pressure and pushing the price in a particular direction?

=====

Explanation: 🧐

You can see the bulls vs the bears in a particular amount of time. It is like looking inside the pot of whether the bulls or the bears are dominating. Kind of like looking in the books which is top secret classified.

Draw a mid-point of the high and low of a bar. If the close is below, there are more bears, sellers or amount of sell orders. If the close is above, there are more bulls, buyers or amount of buy orders. That's what is inside the pot.

<http://www.forexfactory.com/attachment.php?attachmentid=485752>



Through my research, even knowing what is inside the pot doesn't guarantee success. At any point in time, any market movers can drop large amounts that will put pressure on the price. Order flow is not the answer to success. It can help decision making, but it is not a guarantee nor an absolute... Unless you can see the top secret live order executions of the market makers... insider trading... you go to jail for that 🤖🧐

Stop Focusing on Lost Opportunities 🧐 (Training exercise)

I need to de-clutter my mind so that I can focus clearly at the task at hand. It's been a month and it is time for self evaluation. There is one area I can improve in.

Make note: Stop focusing on lost opportunities. It doesn't serve me any good.

=====

Explanation: 🧐

It is the most common plague in Amateur traders: **"Focusing on the wrong things"**. Amateurs are too busy focusing on things that are not beneficial to their trading.

Sink this in your trading philosophy and trading psychology; **If it doesn't help your trading in anyway, get rid of it. Do not waste the time and energy focusing on it.**

Amateurs would open a chart and look at the areas where "they could have made profits" **IF** they just didn't "have an interruption", "had to go and do something", "had to go sleep", etc... for whatever reasons and excuses of missing out on the trade.

Professional traders don't open a chart and look at the missed opportunities that just happened. If I wasn't in a trade for a certain amount of time and then opened my chart and saw a big move, I don't even waste my time telling myself **IF ONLY.**

It may seem nothing or not of a big issue... but it is a big issue to your trading psychology, trading philosophy and trading journey to Professionalism.

Training Exercise: 🧠🔍

From now on, you will never open a chart and look at the missed opportunities that just happened and play the **"IF ONLY"** excuse. You will never waste your time and energy on useless things, especially the **"IF ONLY"** excuse. You will stop focusing on lost opportunities.



Stop focusing on lost opportunities. When you focus on lost opportunities you make "IF ONLY" excuses and mental reasoning. That type of mentally is playing the victim card. That you are a victim and undeserving of success. It is a mental reasoning that you are a failure. Amateurs are full of excuses. Are you an Amateur or a Professional? Do you want to become a Professional?... Then start acting like one!!!

95% vs the 5% 🧠

I've listened and read several opinions from the experienced traders. **I realized, sometimes even if they possess years of experience, they still ought to be NOT trusted at certain times.** Their intentions are righteous, but at times I realized they are actually holding me back from my true potential. They are actually having a negative effect to my personal growth and trading.

What is important is that I grasp the fundamentals, master the basics, possess and accumulate the knowledge that are present within my reach. Anything beyond that requires my own critical thinking and my own creative thinking.

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Explanation: 🧠

I say this with deep respect to every individual who may be reading this. Please do not be offended.

I'm very fortunate to meet thousands of people in different fields of endeavors. They have taught me valuable life lessons, for that I am very grateful.

There is one truth I see again and again. In any field of endeavor; Athletes, Scientists, Doctors, Engineers, Accountants, Mechanics, Bakers, Craftsman, Musicians, Philosophers, Teachers, Plumbers, Electricians, Ministers, Welders, Mathematicians, Biologists, Farmers, Lawyers, Entrepreneurs, Traders, etc...

Approximately 95% of people in their field are mediocre. 5% are the best at what they do.

If you grab 100 Doctors, only 5 will be outstanding in performance. The 5 will probably discover new medicines, develop new techniques or invent a medical machine. The other 95 will have a working knowledge of medicine and that's as far as they will go.

Einstein, Bohr, Curie, Faraday, Planck, Newton... they make up only less than 5% of people in their respected field. It is no different in any other field. Did you know NASA had problems employing welders? because out of thousands of applicants only a few can work at such high standards. NASA required around 50 welders, out of 2000 applicants (with at least 10 years of experience) they only found 10 who can perform the job.

Don't make the wrong assumption that someone who has 10 years of experience has a lot to teach you. I've personally seen people with 20 years of experience in their trade and yet

have not learned a lot in that 20 years. It is no different in the trading field.



What's important is that you grasp the fundamentals, master the basics, possess and accumulate the knowledge that are present within your reach. Anything beyond that requires your own critical thinking and your own creative thinking. There is nothing wrong listening to an advice, but you have to use your own brain whether to apply or discard that advice.

Simple, But Not Simpler 🤔

***Don't confuse 'Simple' from 'Simpler'.
Don't simplify your trading for the wrong reasons.
Make your trading simple, not simpler.***

Reticular Formation and The Charting Dimension 🤔

Is the lady spinning left or right (clockwise or anti-clockwise)? *This is not a trick question.*

<http://www.forexfactory.com/attachment.php?attachmentid=491018>

Some of you see will her spinning left, while others will see her spinning right. There are no right and wrong answers. It'll just depend on the reticular formation part of your brain. **You can actually make her spin in either direction you want.**

Here are some directions:

Close your eyes and vividly imagine her spinning in the other directions and then open your eyes.
or

While looking at her, consciously blink repeatedly every 1 second while focusing on her spinning in the other direction.

or

Look to the top or bottom 3 inches away. Keep her in your peripheral vision, but do not focus your vision on her. Imagine her spinning in the other direction and the moment you see her in your peripheral spinning the other way, then return your focus on her.

She actually spins left, right and (if you are advance) you can make her do sidesteps. For this example just achieve to make her spin left or right at your will.

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Explanation: 🧠

She is actually spinning left, right and doing sidesteps all at the same time, in different dimensions. That's why people will perceive her to their own conviction.

Some people will be fully convinced that she only spins left or right. This is because they are unable to make her spin (control their way of thinking) in the direction they want. They will believe that this is an illusion and that the .gif will change direction on its own fooling the the viewer. I can guarantee you this is not the case.

It is no different in trading and charting analysis. Your beliefs are subjective and you will see what you want to see. "Beauty lies in the eyes of the beholder"... scientifically speaking; your reticular formation will dictate what is beautiful to you. It is no different with trading; how traders are fully convinced of their own set of beliefs... how convinced they are with their power of predicting the future of price.

Professional traders put emphasis to eliminate subjectivity and discretion within their trading system. The so-called 'successful discretionary traders' are not actually working with discretion, they simply just don't know how to explain what they do. Thus confusing them as being discretionary.

The reticular formation is the subjective part of your brain. It is the part of your brain that filters all external and incoming information. Your conscious mind can influence your subconscious mind. The reticular formation is also part of the subconscious mind. You can dictate your reticular formation what you want to be filtered.

Any successful individuals in any field of endeavor possess a certain mindset. This is because success is a psychological seed, embedded deep within your subconscious mind. What does the reticular formation have to do with trading?.... Everything.

Let's represent the spinning lady as a chart. Left spin = downtrend. Right spin = uptrend. It might be hard for you to digest when I tell you that she is spinning left and right at the same time, in the same space. Well, she cannot do this in a 3dimensional world. Thus, we go back into the 6dimensional charting world I have previously discussed. In a 6D charting world she can and she is spinning left and right at the same time, at the same space.

Now chew on this; **The charts are moving up and down, at the same time and at the same space.** 🧠 This is how I can link the causal effect why 95% fails in this business. Again sorry for the limited explanation, but it would take heaps of pages and I don't want anyone publishing my research/discoveries.

That's why it seem like an endless pursuit and a never ending failure with trading. And those who succeeds can never truly explain what they do. I mean, who would have thought of a 6D charting world !? This reminds me of Michael Faraday when he told the science community that **"...some unseen force field is surrounding the electrified wire."** They thought that he was nuts!... whose ever heard of unseen force fields!?... whose ever heard of a 6d charting world!? 🧠

🧠 **In conclusion; the reticular formation part of the brain can be exercised (there are published information on this topic). I would advice that if you want to become successful, then exercising your reticular formation is a must. From my research and discovery over the years, there is a quick fix in fixating the reticular formation without exercising it (designed only for trading and looking at the charts) and applying it to a trading system.**

Reticular Formation & The Charting Dimension (round 2) 🤔

One reason of my failure was because I was indecisive. I didn't know whether to buy or sell. I would quickly change my mind in a heart beat. I guess indecisiveness can arise from lack of knowledge and/or not **being psychologically grounded**.

Then again, even if one lacks the knowledge, when they know what they want, they don't become indecisive. So being indecisive is more of a psychological agenda than lacking knowledge.

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Explanation: 🤖

The reticular formation is what filter success or failure in the human mind. *"If you think you can, you can. If you think you can't, you can't. Either way you are right."* If you can see her spinning left, she is spinning left. If you can see her spinning right, she is spinning right.

You can get 2 Professional traders; one to trade only short and the other to trade longs. Have these 2 Professionals trade this way for a whole year and both will be profitable at the end of the year.

The problem with an Amateur trader is that they don't know what they are looking at. One minute they are seeing her spin left, then all of a sudden see her spinning right. They may see her spinning right, but they doubt what they are seeing. They are not grounded psychologically.

If you grab an Amateur and ask whether if the chart is in an uptrend or a downtrend, they will respond hesitantly. And that's why placing a boundary is very crucial. It is there to ground you psychologically. As simple as it is; *"Stick to your trading plan"* it is there to help stay grounded.

Success involves decision making skills. And exercising your power to execute decisions are the pathway to success. It is as true in life as with trading. As with life, **indecisiveness doesn't get you anywhere**. I'm sure everyone had this experience; late one night you were indecisive of what food you wanted to eat. It took you at least 2 hours to decide what to eat. You can't get back the 2 hours you just lost.



In a 6 dimensional trading world, everyone are prone to indecisiveness because what they're looking at are like illusions. The people who succeed in this game are the ones that are grounded psychologically. Being indecisive in this business is going to cost you tremendous amount of pain (NEVER FORGET THAT).

Treat it as a Business 🤔

I'm still working on a 9to5 job mentality.
I need to shift my mind into a business mentality.

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Explanation: 🤖

Point 1: You have to treat trading as a business (part time or full time)

Point 2: Unless you owned your own commercial business, you don't have a single clue what it means to "treat it as a business".

You may have read: *"Treat it like a business. A losing trade is part of the cost of running this*

business. The spread are the cost for the potential gain." This mentality doesn't even come close to the true essence of a business mentality.

First, let's differentiate Job vs Business.

Job:

- 8 hour shift and then you go home
- Limited responsibility
- Limited income

Business:

- Long hours
- Full responsibility
- Unlimited income

A job mentality says: *I'll go to work and then go home. I'll do what the boss tells me to do. If any problem occur, I'll let the boss know. If I can't fix it, I've done my best, it's not my problem anymore. Why should I try to improve the work place, I don't get paid enough and I don't get paid to increase the company's profit. Why should I care for the company, the company doesn't care for me. Hmmm... I think I'll pull a sickie tomorrow.*

A business mentality says: *I have to make sure everything is in perfect working order. How can I improve to make things better. I have to get this done, even if I have to work 20 hours straight. Low standards are not acceptable. High standards must be sustained. I have no time to get sick.*

If you approach trading with a job mentality, you will fail. People who have never owned a commercial business will never understand how much hard work goes into making a successful business.

A job mentality performs at low accountability. A business mentality performs at high accountability. You have to treat trading as a business.



Trading requires your full responsibility and accountability. It requires your full responsibility of knowing your sh*t. It requires your full responsibility that you are not lacking in certain skills. It requires your full responsibility in performing at high standards. Any half-ass type of work ethics are not acceptable.

Just Dig a little Deeper 🤔

[Ahttp://www.forexfactory.com/attachment.php?attachmentid=495439](http://www.forexfactory.com/attachment.php?attachmentid=495439)

"After giving it your all and you feel you have nothing left; Mentally, Physically and Spiritually. Just dig a little deeper..."

You will realize that there are more within you than you can possibly imagine."

~ CrucialPoint 🧐

You are born with survival instincts.

And it's this natural instinct which allows you to survive, adapt, develop and progress in your environment.

All you have to do is trigger it...

All you have to do is just dig a little deeper within. 🧐

THANK YOU