

Michael Jenkins Interview

Question: Do you feel that W. D.. Gann was the greatest trader of all time and if so why?

Answer: Gann was the best forecaster of all time but I have my doubts about his trading since if you examine his detailed swing trades they often went against him for several days to even a week or more. Obviously he was using his astrological rules to forecast highs and lows and just put in 10% stops. His use of support and resistance numbers helped him scalp intra-day to great success but modern day traders do as well but can't reproduce his long term swings so accurately.

Question: In your new trading course what do you feel are the most important trading ideas to learn and why?

Answer: You must learn how to definitely determine the trend and trade with it. Past extremes forecast future extremes so we use measured moves, time counts and circular arcs to determine points for culminations.

Price targets are likewise determined with measured moves and arcs but the square root increments from highs and lows pin point the exact selling levels we expect at the final high or low. Gann's use of the square of nine is also a very important concept as is the conversion of astrological longitudes into stock and commodity selling prices.

Question: In today's market, what in your opinion is the way a person should trade to succeed?

Answer: First study hard and learn how to read charts thoroughly. Then study your emotional state of mind and develop a strategy that will allow you to analyze the market without becoming emotionally involved.

Learn day trading techniques as well as swing trading and adopt the approach that suits your needs and time requirements. Volatility is so great these days that making \$1,000 to \$20,000 per day is more than possible with modest capital (\$200,000) but only if you learn how to scalp and most importantly how to take a loss when you are wrong. None of this is possible without a basic understanding of charts and how to read them. Cycles and forecasting is used to develop strategies to leverage up for great opportunities when they are anticipated. Most traders make 80% of their annual income in 4 to 6 big trades over two to three week periods during the year and the rest of the time is spent scalping small gains to keep them in the game when the big moves come. A knowledge of cycles is a very big competitive advantage here. Remember there's a loser and a winner on each side of every trade. Anticipating the turn is everything.

Question: Do you feel that it is necessary for a trader to use some astrological trading concepts and why?

Answer: In my 30 years of trading I find the astrological approach is the only one that works all the time for forecasting. This is not to say you can't become rich day trading without any knowledge of the planets but you must jump in and out every day each time the market wiggles and it's a tremendous strain on your emotions. A knowledge of what the cause of the move is and how long it will last gives you a big emotional advantage and an objective measure to use stops when you have an opinion. Many trader friends of mine make \$300,000 to \$400,000 per month by just playing the opening bulges and front running recommendations but none of them can

leave the tape for more than five minutes or they are lost. If you understand the planets like Gann did you can swing trade for three days to three months at a time and make huge gains with reasonable risk and a lot less work. It's not for everyone but it is the final answer for those who must know.

Question: Do you recommend day-trading or another type of trading?

Answer: Day trading is the hardest game in town. You can lose huge amounts of money in a stock day trading a whippy range of only \$5 dollars whereas a long term trader may not ever get stopped out once. The trade off is that most long term traders make 20 to 40% a year on their money and the best day traders in the world make 300 to 400% or more per year. Inexperienced day traders frequently lose 40-70% of their capital within three months. Beginners should first learn chart reading and apply it to long term daily and weekly charts and trade less frequently with bigger stops until they know how to trade. After that they can learn the subtleties of day trading scalps but what they really need to learn before day trading is what their mental and emotional limits are and if there are any psychological factors that could sabotage their day trading efforts.

Question: What is the reason that you think most traders fail today.

Answer: They are not prepared and have no game plan, and if they do they change it. Discipline is required and basic skills must be learned. Reading analytical reports and thinking too much will kill you. Stocks are just pieces of paper that go up and down with emotional buying and selling. If you think you are trading because you have read some report you are only fooling yourself. Trading is pure supply and demand analysis through chart or tape reading. The reasons why stocks go up or down are irrelevant to trading. Price action is the only reality. Trading can be learned-just like going on a diet will lose weight. Can you lose weight and keep it off? If so you can be a successful trader.

Question: What equipment and services do you recommend to today's trader.

Answer: A computer with chart graphics and a good quote data feed. Good chart books and a compass and some plastic angles. A table of support and resistance numbers or Gann's square of nine or four or six charts. Perhaps a subscription to a good hot wire and newsletter service to get an outside technical opinion each day. Astrological ephemerides if you go that route.