

Thank you for taking the Tharp Trader Test, which evaluates psychological tendencies relating to how you gather, store, comprehend and act upon information and input. After modeling and studying thousands of traders, I'm able to help you understand a little about yourself with just a few questions, based on a much lengthier profile that we use to evaluate traders. This test was designed simply to introduce you to some of the issues that affect your trading.

After all, YOU are the single most important factor in your trading performance but how well do you understand that? How well do you know yourself, and what kind of internal forces are at work when you trade? The Tharp Trader Test helps you identify strengths that should help you trade and challenges that may interfere with your trading. It also helps evaluate your possession of the three core qualities of top traders:

1. The ability to see the big picture, new possibilities and connections between things.
2. Making decisions based on logic and analysis.
3. Being decisive, orderly and doing things sequentially.

As a Spontaneous Trader, you already have one of the three core qualities: you can grasp the big picture and make connections between things. However, you may have trouble taking the time to analyze information for good decisions and you usually like to do things spontaneously rather than in a planned out way. With possession of one of the three core qualities, you have potential to do well in the markets—if you are willing to work on your decision making process, planning, and a few other things.

First, are you willing to take complete responsibility for your trading results? There is no room to blame the market,

your broker, your education, or anything else. Second, can you change your thinking so that you treat your trading as a business? Initially, this means writing a thorough business plan. Third, could you develop a trading system that fits you? Most people want to start here, at the technical side and back end of trading; however, I recommend saving this until you have completed the other tasks first. My studies have revealed that your psychological biases and issues will affect your trading system development if you have not taken the time to work on yourself first as the core of your trading.

All those things just mentioned are what you can read about in our weekly newsletter. Thank you for signing up for it. Should you find it less than useful, you can click on the unsubscribe link at the bottom of the newsletter anytime you desire.

Helping traders become their best is our mission at the Van Tharp Institute and we've helped thousands of traders do that for over 25 years. We offer excellent educational and training programs designed for both beginning and advanced traders/investors. If you have questions or would just like more information, please visit our web site at www.vantharp.com.

So let's get to your report. The next page describes your trader type based on your answers. Look for what rings true for you and keep in mind that no individual will match up exactly with a profile. Next, you'll discover how to leverage your strengths and challenges to become a better and more profitable trader. And finally, we list the trader types and their potential for success in the markets.



Spontaneous Trader Type

As a Trader... are able to make connections between events and the information to which you are exposed quickly and then make quick decisions. This quality can be good as a trader, but you also need to be very careful because you only have one of the three qualities that we find in the best traders.



Example Trader Jesse Livermore

Jesse Livermore is considered by many to be one of the greatest traders who ever lived. Livermore made and lost a million-dollar fortune three times, and committed suicide in 1940. He lived through the Panic of 1907, the First World War, the Roaring Twenties, the 1929 Crash, and the Great Depression. He made much of his profits by selling short and cooking up various means of stock market manipulation, all of which are now illegal.

He had a series of mansions around the world each fully staffed with servants, a fleet of limousines, and a steel-hulled yacht for trips to Europe because, "Jesse never took public transportation." Livermore was curious mixture because he could recite Bible verses to support any point and yet liked to cruise through Manhattan at night in one of his bright yellow Rolls Royces, picking up women.

One of his greatest insights was that you need to learn your own strengths and weaknesses as a trader. And this is a key to success for the spontaneous trader.

YOU are probably enthusiastic, warm and quite imaginative. You see life as being full of possibilities. In addition, you are able to make connections between events and the information to which you are exposed quickly and then make quick decisions. This quality can be good as a trader, but you also need to be very careful because you only have one of the three qualities that we find in the best traders.

You have the initiative to start ideas and projects and can usually succeed in any endeavor that you find interest in, but sometimes you have a problem with follow-through or completion. Your enthusiasm encourages others to get involved in your projects; however, this has no real bearing on trading. You should make it a practice to regularly check in with your values, center yourself on what you believe, and then make sure you are living on purpose. Doing so will help you tremendously with the discipline required for trading success.

You tend to want a lot of affirmation from others that you are not likely to find in the trading arena. You also like to give others appreciation and support and you are not likely to find people who want that in the trading arena. You are spontaneous and flexible, using your ability to improvise when needed. However, this is seldom called upon in the trading world in which your actions need to be preplanned and quite deliberate.

Details may seem trivial to you because you tend to focus on possibilities. Thus, it would be easy for you to see the possibilities in trading success, but difficult to develop

the plan that it takes to follow through with your vision. As a result, you may struggle with certain aspects of trading/investing. In addition, you tend to take on too much risk before you are prepared to do so. You need to thoroughly understand the concept of position sizing and its ramifications before you enter into the world of trading.

TRADING STRENGTHS

- Enthusiasm and a willingness to take action; you probably don't have a problem with pulling the trigger or trying new trading systems.
- You can trade a new system easily and comfortably using real money and small position sizing.
- You have no trouble viewing trading as a business.

TRADING CHALLENGES

- Discipline, follow through and attention to detail will always be challenges. You need to find ways to achieve these things that are automatic, scheduled and regular.
- You are easily influenced by external sources, which means you need approval from others to feel good about yourself rather than being able to trust objective data (this is probably why you want a mentor).
- Because you get excited about new things, and like to share often, you can get distracted from that which already works.
- Good trading is boring; therefore, you will need other external ways of fulfilling your need for excitement.

LEVERAGING YOUR STRENGTHS AND ADDRESSING YOUR CHALLENGES AS A SPONTANEOUS TRADER

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LEVERAGING YOUR STRENGTHS

Strength #1 – Enthusiasm, Speed of Action

Because of your nature, you tend to move fast. You can accept paradigm shifts quite quickly and are open to ideas that you might not have known about before. If you are open to the ideas in the article below and can follow through on them, you can find success in the markets.

[Free – Read the Article “Paradigm Shifts for Trading Success”](#)

Strength #2 – Ability to Trade in New Ways Quickly

You find it easy to see trading ideas that you like and can trade them quickly. How do you define a full

system though and avoid partial ones that get you into trades but then don't tell you how to get out? Read the following article to help you understand what a whole system has—before you start trading good ideas.

[Free – Read the Article “What Is a Trading System?”](#)

Strength #3 – Treating Trading as a Business

With a solid plan, Spontaneous Traders will have no trouble viewing trading as a business. You need to stay aware of a balanced life; however, and watch out for the effects of stress on your trading. To help you learn about that, read the following article.

[Free – Read the Article “A Healthy Psychological Profile Is Needed for Successful Trading”](#)

As a Spontaneous Trader, you find it easy to see trading ideas that you like and can trade them quickly. With a solid plan, you will have no trouble viewing trading as a business. You need to stay aware of a balanced life; however, and watch out for the effects of stress on your trading.

ADDRESSING YOUR CHALLENGES

Challenge #1 – Discipline

Spontaneous Traders have difficulties with creating and following a plan. Follow-through and attention to detail in general are hard for you, as well. Look for ways to make these tasks more automatic, scheduled and regular. The following article describes a method that many traders have found very practical.

[Free – Read the Article “Top-Down Approach to Trading”](#)

Challenge #2 – Need for Approval

External sources can easily influence you; this demonstrates a need for approval from others to feel good about yourself. You probably would find a mentor very helpful. Read the following article for plenty of suggestions from an external source to generate some internal thinking.

[Free – Read the Article “Tharp Think”](#)



As a Spontaneous Trader you like interesting approaches.

Challenge #3 – Easily Distracted

Because new ideas and things tend to excite you, you can get distracted easily. In addition, you like to share often which can also take you off task. Understand how this can be a serious mistake and what to do about mistakes in general by reading the following article.

[Free – Read the Article “Mistakes Are the Downfall of Most Traders”](#)

Challenge #4 – Need for Excitement

Good trading is boring but you love to jump from one thing to the next and do so often. If you want to learn to trade well, you will need other external ways of fulfilling your need for excitement. The article below will help you determine ways that excitement can show up in your trading and what to do about it.

[Free – Complete the Compulsive Trader Assessment](#)



Continue reading to learn more.

ADDITIONAL RESOURCES

In addition to the articles mentioned above, the Van Tharp Institute has numerous books, courses, and aids to help the Spontaneous Trader become better.

As a Spontaneous Trader, you like interesting approaches. I have provided a lot of stimulating trading ideas in my book *Super Trader: Make Consistent Profits in Good and Bad Markets*. The five sections of the book delve into the key areas for every trader to focus on for success: working on yourself, business planning, trading systems, position sizing, and monitoring your psychology. Whether these terms are familiar or brand new to you, *Super Trader's* fifty chapters are all short and each has one or two actionable ideas to help you improve your trading. It's become my favorite book and there are fun parts in it you would probably enjoy. If you are interested, the best way to get *Super Trader* is online at [Amazon](#).

You probably love new ideas. If you are ready to discover and generate ideas about yourself and have a strong commitment to being a top trader, then I recommend the *Peak Performance Home Study Course*. It has five volumes and four CDs of readings and exercises. Spontaneous Traders will find the ideas in all five volumes very stimulating but I'd like to point out two of them in particular. Volume 4 covers the topic of discipline—an important area for a Spontaneous Trader to understand. Spontaneous Traders tend to be great with new ideas but are not as strong about following through on lots of their ideas. Discipline is in part a mental state and part mental strategy—processes that you learn about in this volume. I also cover compulsiveness here (another behavior pattern that a Spontaneous Trader will definitely want to stay aware of and manage). The other volume you would find very interesting is on risk. If you understand risk and how to use it, you can not only avoid traumatic trading experiences but can also take big money out of the markets. Because you are quick to take on new ideas, you should be able to implement fairly easily the risk concepts in Volume 1.

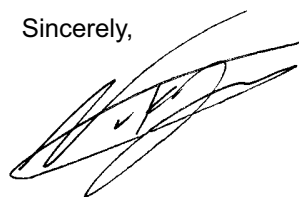
Finally, the second edition of the *Trade your Way to Financial Freedom* book contains a number of chapters that Spontaneous Traders would find especially useful. The book has a lot of material on trading systems. Most companies that offer trading systems sell a setup and an entry as the whole system but that is only a part (and a relatively unimportant part) of what I view as a trading system. The book includes discussions of several full trading systems and a number of ideas that can be easily turned into systems. Spontaneous Traders have a natural inclination to put this kind of information to great use.

Of course, we have a series of other products and workshops that you may find useful in time, but, *Super Trader*, *Trade Your Way to Financial Freedom* and the *Peak Performance* course are truly the starting points before going on to other study other topics.

For more information, click on the links in this report or visit our web site at www.vantharp.com.

Again, thank you very much for taking the Tharp Trader Test and good luck to you.

Sincerely,



Van K. Tharp
Trading Coach
Founder and President,
The Van Tharp Institute
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P.S. Keep reading if you'd like to see a complete list of Tharp Trader Types and their potential for success in the markets.