

JSE Power Hour Trading for a living

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June2017

#JSE @JustOneLap @SimonPB



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Why?

- Hate your job?
- Hate your life?
- Want to be rich?
- It's easy?



Why?

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- ~~Hate your life?~~
- ~~Want to be rich?~~
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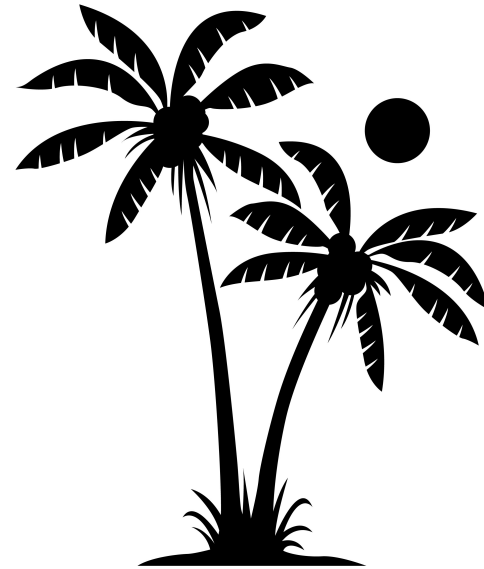
- Get you #@%* together
 - Trading (or anything else) is not the answer

The ultimate dream

- No boss / no stress / no worries
- It's all beaches and sun cream

Except it isn't

- It is hard work
- It is a job
- It has office hours
- It has a boss



Do not

- Take a week or two leave to 'try it out'
- Think this is a walk in the park
- Have unrealistic expectations
- Try as a novice
- Think it all about platform, equipment etc.
- Think it get rich quick
- Will solve your problems



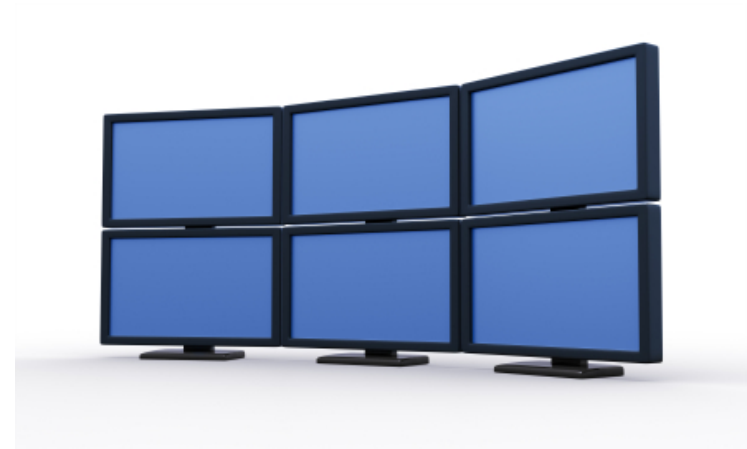
Do

- Take it seriously
 - Have an 'office' and get dressed
- Have a proven edge
 - An ability to make money
 - That you have proved works
- Expect very tough periods when your capital is being drawn down
- Be an experienced trader (minimum 3 years profitable trading)
- Be prepared to put in lots of hours



You need

- Capital
- Training
 - Experience
 - Consistency
 - A trading edge
- Patience
- Discipline (life style & trading)



Trade what?



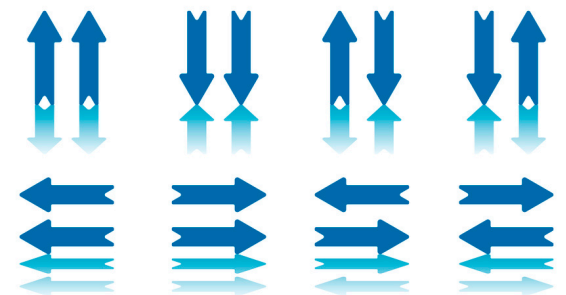
- Indices and FX
 - ALSI / Dax / S&P500 (time zones?) / FTSE100
 - Major FX pairs only (USD / GBP / YEN / EUR)
- Multiple strategies
 - One primary & 2 or 3 secondary
- Time frame; 15 minute / hourly / four hourly (FX) ?



Multiple strategies



- Primary trading strategy
 - For me 7 / 21 MA cross over strategy
 - Index & FX
- Secondary shorter duration systems for when you NOT in a primary trade
 - For me gap closes and engulfing candles
 - Index



Trading shares?



- I do not like trading shares (geared or not)
 - Volatility
 - Single event risk (results / merger / firing / etc.)
 - Costs
 - Spread
- But many do and some make money



Managing risk

- Stop loss
- 2% rules
- 6% rules
- Overall risk (you're long everything and something happens)
- Overall portfolio gearing

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Trading systems

- Plenty, but they need to be tested
- Tried and tested
- Style; swing, day, trend?
- Time frames?



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Discipline

- Traders journal
 - Discipline
- Process
 - Discipline
- Strategy for when you go on 'tilt'
 - Discipline



How much capital do you need?



- Simple equation;
 - Annual income requirements x 2 or 3

Income required

- R40k / month = R480k/year (call it R500k)

So

- R500k for living this year (takes pressure off you = security)
- R500k – R1million for trading (requires 50%-100% return)



How much capital do you need?



- R1million
 - Geared 3x / 5x / 10x / 50x ...
 - R3million / R5million / R10million / R50million ...
- It gets big quick
 - Adds to stress and risk



But I only have



But I only have

- Reduce your expenses
- Trade your way to a larger amount of capital
- Do NOT borrow money or use debt
- Accept this will not happen over night



Support



- Trading room?  @TraderPetri
 - Careful of expense and 'egos'
- Trading buddy
 - Support, understanding, 'checking you'
- Online (forums, social media, etc.)
 - Very careful of hype and 'egos'
- Life partner



Freedom from ties that bind



- Lazy trading?
 - Hourly / 4 hour / daily / weekly charts?
- Ultimately trading for a living is just another job
 - So what's wrong with your current job?
 - Make trading part of a great life
- Multiple revenue streams?
 - Of which trading is one



Quitting your job



- Be very careful
- Are you making money trading?
- Do you have support?
- Backup plan?
- Could you do your job differently?



Backup plan?

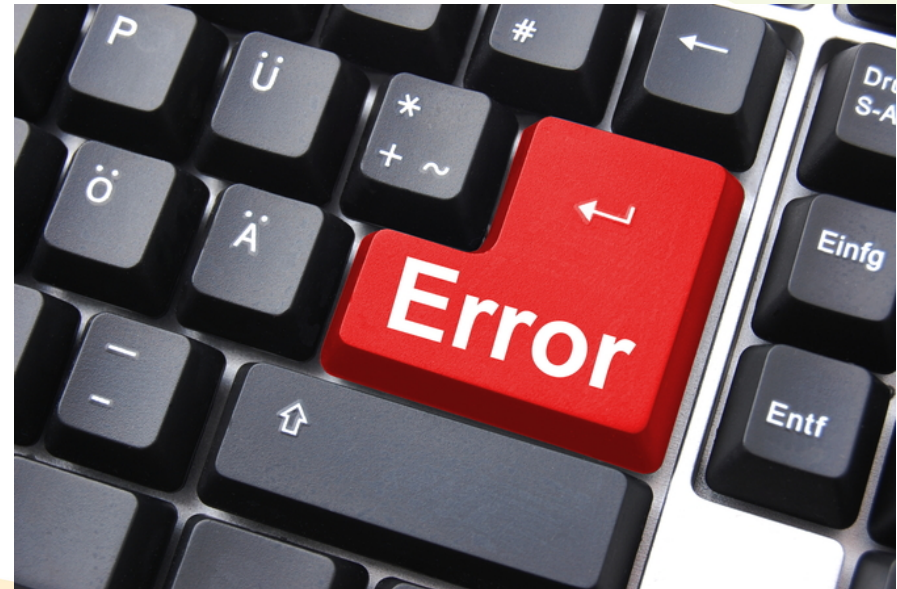
- Dive into the deep end?
 - High risk but it sink or swim
- Backup plan removes pressure
 - But also removes the seriousness



Now you're depressed



- Don't be
- Take this as a dose of realism
- Start the journey
- Plan the journey



Re cap

- Totally possible
- Not for everybody
 - Can be lonely, painful, expensive
- A real skill
 - Will take time to achieve
- It could be the **worst** decision you ever make
- It could be the **best** decision you ever make



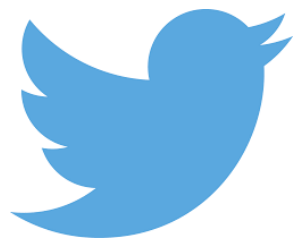
Questions?

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