




Trading 101

A traders plan

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You can lose
more money
than you
start with

Process matrix

<https://justonelap.com/video-getting-started-in-trading/>

Goals	Discipline	Money management	Resources	System	
✗	✓	✓	✓	✓	Confusion
✓	✗	✓	✓	✓	Inconsistent
✓	✓	✗	✓	✓	Anxiety
✓	✓	✓	✗	✓	Frustration
✓	✓	✓	✓	✗	Lost
✓	✓	✓	✓	✓	Success



Unconscious competence


<https://justonelap.com/video-getting-started-in-trading/>



Perfect trade

Perfect trade

- ✓ Did you get a signal?
- ✓ Did you enter on confirmation?
- ✓ Was position size correct?
- ✓ Was stop loss set before entry?
- ✓ Was trade monitored correctly?
- ✓ Did you adjust stop loss correctly?
- ✓ Did you exit as per system?



No mention of
profit or loss as
we cannot control
that

Trading as a business

Income

- Income

- Start up capital
- Profitable trades
- Additional deposits
 - Ideally not, you want to be self-sustaining






You need more
than you think.

But no minimum
brokerage helps.

Expenses

- Expenses

- Losing trades
- Cost of trades
- Services; 
 - Subscriptions
 - TV
 - Magazines
 - Trade ideas
 - Data
 - Platform feed
 - Accountant
 - Admin fees

Careful here.


We need less
than we think.

Tools required

- Tools required
 - Computer
 - Capital
 - Internet
 - Broker
 - Solid platform
 - Good rates
 - Good spreads
 - Low or no minimum
 - Reliable
 - App?

You'll have most
of what you need
already.


Hours of operation

- Hours of operation 
 - Intra-day trader?
 - Full time (+40 hours a week)
 - Daily or weekly charts
 - Couple of hours every day / week
 - More hours does not equal more profit
 - Lazy trading
- Learning
 - This will take time, lots of it

Don't go crazy.

Remember,
exercise work
and family


Be serious

- Be serious
 - Workspace
 - Work attire 
 - Work process



Style

- Style of trader
 - Break outs
 - They do still work
 - Chart patterns
 - Head and shoulders
 - Momentum / trend
 - My preferred method
 - Swing
 - Fast and furious



Become an
expert, do not
style hope

Record keeping

- Record keeping
 - Journal
 - Perfect trades
 - Trade & expense records
 - Tax
- Implement a process
- Appoint an accountant

Boring as heck.

Crucial as heck.

Support

- Support

- Trading buddy
 - Keep you honest
 - You backup in emergency
- Teacher
 - Books, online, ~~face-to-face~~
- Mentor
 - Not me 😊

Boring as heck.

Crucial as heck.

Risk

- Hugely important
 - Stop loss
 - Where?
 - How?
 - Position size
 - 2% rule
 - How many trades at once?
 - Limits on number of open trades
 - Across assets?

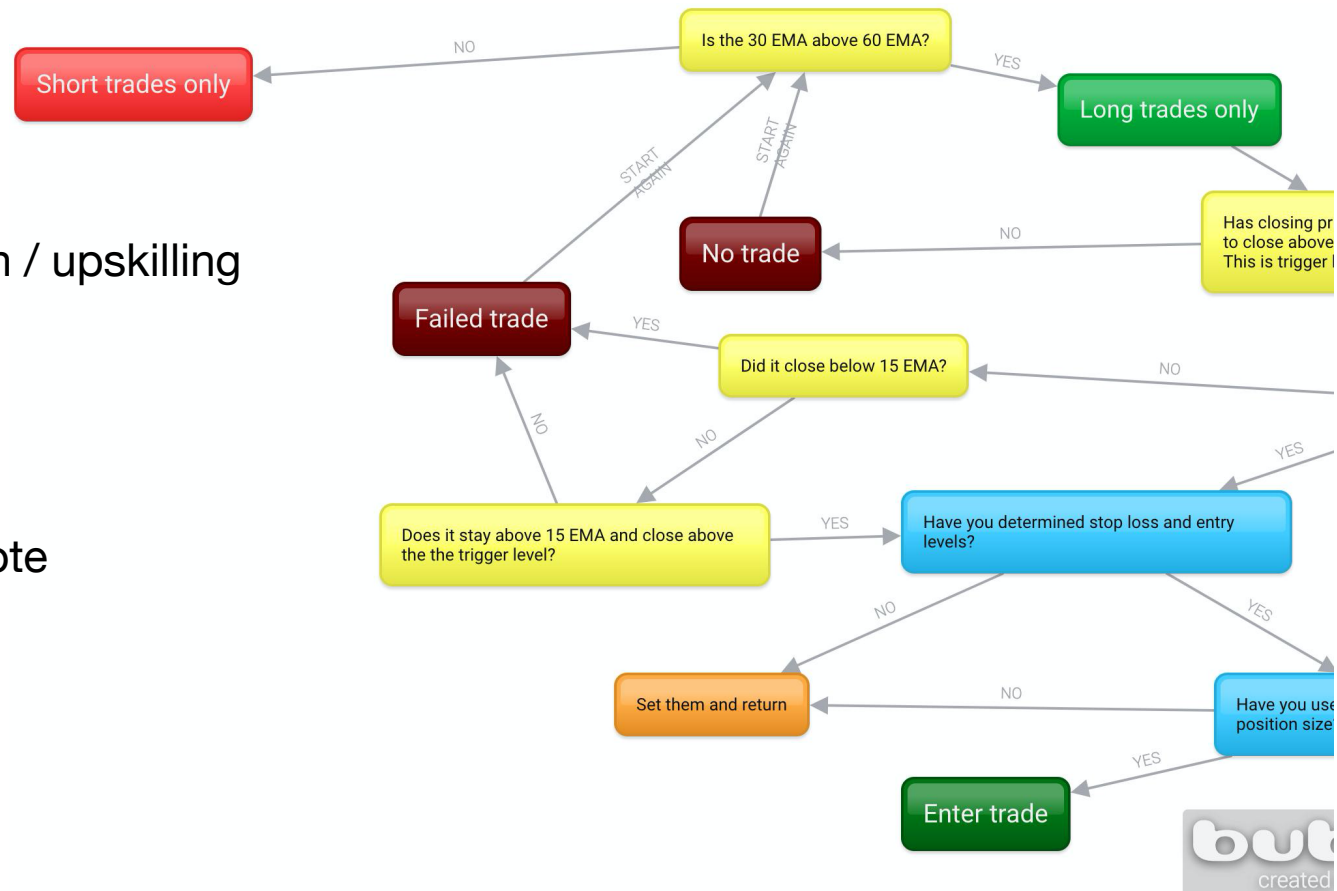
We have entire
webcast on this

15 July 2020
JustOneLap.com/events/

Put it all together

- Like a new business

- Business plan
- Areas needing attention / upskilling
- Cash requirements
- Support needed
- Start slow
 - But steady
- I like bubbl.us & OneNote



Trading system

Think fast and slow

Ball and bat costs R110

Bat costs R100 more than the ball

How much does the ball cost ??

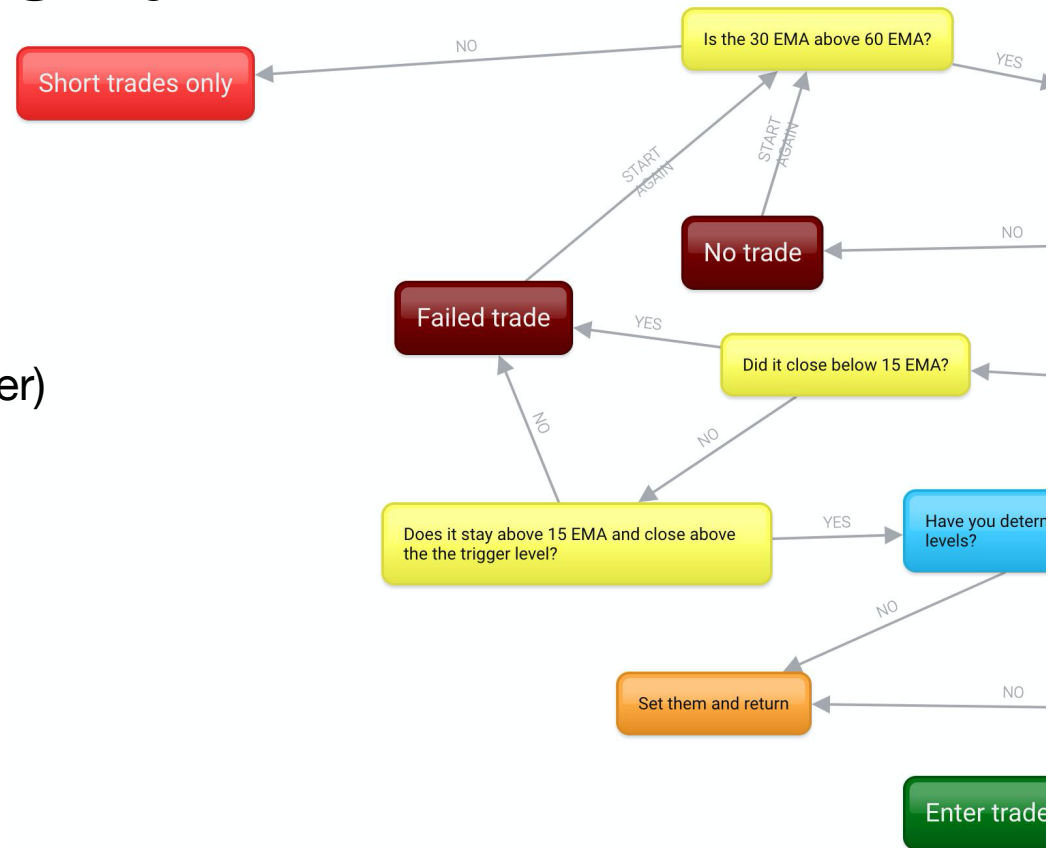
- Trading needs to be slow
 - Process driven
 - Unconscious competence

The final step ~ trading system

- There is no holy grail here
- Will be informed by trading style
- Pure mechanical?
- What will you trade
 - Equity / commodities / indices / FX / crypto?
 - Leverage?
- Risk and position size

The final step ~ trading system

- Keep it simple, very simple
- Test it
 - 20 x eyeball trades (more always better)
 - Manual is preferred
 - 20 x paper trades
 - 20 x small trades
- Now you can trust the system
- When you find one stick to it
 - Don't system hope
 - Unless trading multiple systems




Trading goals

Goals

Trading is NOT the answer to a life you hate

- What are your long-term goals for trading?
 - Design processes that result in those goals
 - Focus on these processes
 - Refine and follow



In closing & homework

Homework

- Set aside time every week for learning
 - Engage your family as to when & why
- Open demo account and learn the platform
- Starting working with charts
 - Indicators, oscillators, trend lines etc.
- Try trading systems
 - Look at what they entail
 - DO NOT pay for a system
- Start saving for a trading account
 - Minimum R10k, +R20k is better



In closing

- Trading IS a business
 - Treat it like one
 - Expect things to be rocky at times
- Put in the hours
 - Plenty
- Put in place the processes
 - These will help ensure success
- Always be learning
 - Follow traders on Twitter
 - Not blow heads, real traders



More events

thinkmarkets.com/za/lp/trading-masterclasses/

justonelap.com/events/



Thought Leadership

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Time **6pm (Johannesburg time)**

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COVID-19



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Time **6pm (Johannesburg time)**

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Trading 101

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Thank you & stay safe

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