

Ironman trading

Simon Brown

Standard Online Share Trading



just one  *lap*
money in action

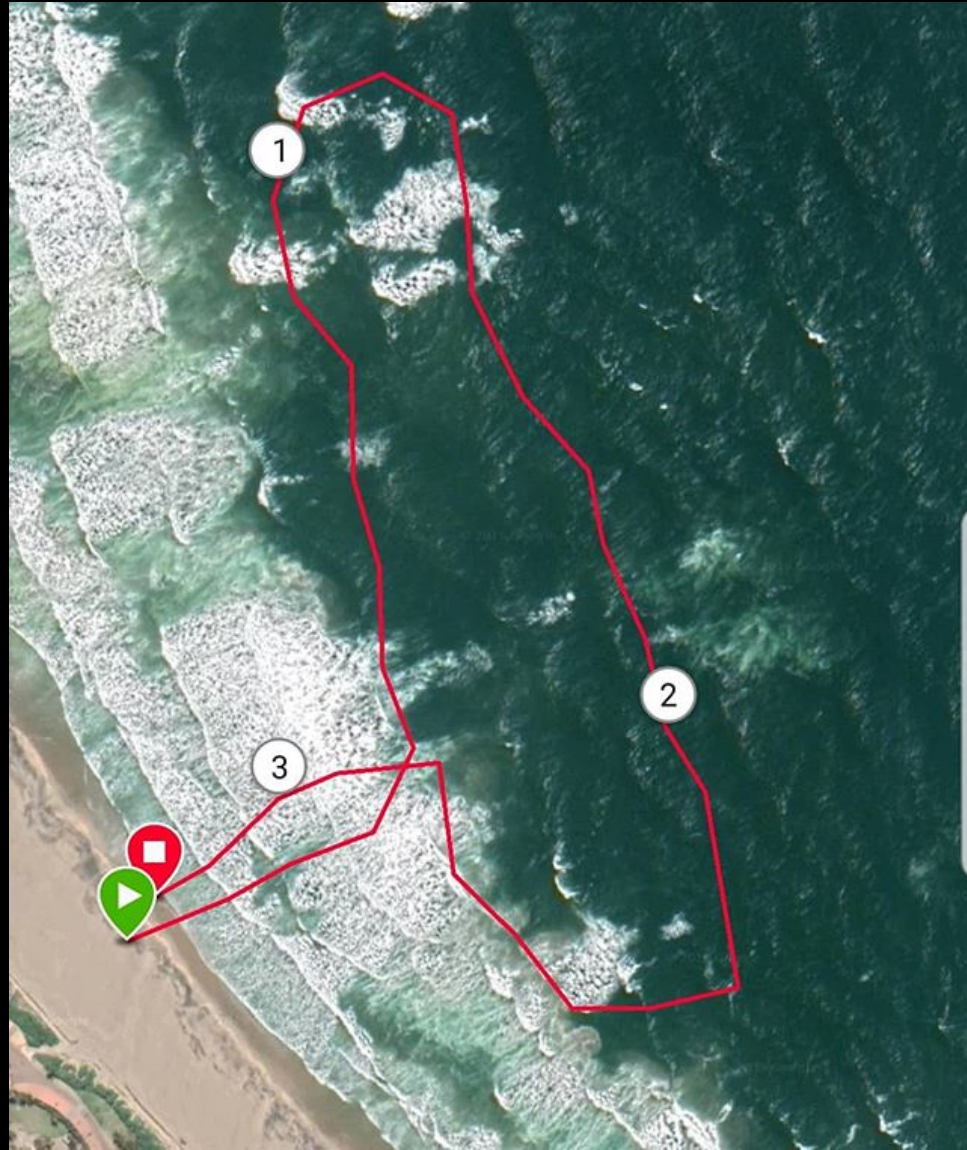
@SBGTraderZA / @SimonPB

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- Swim 3.8km
- Cycle 180km
- Run 42.2km

IRONMAN®

just one
money
in action lap

TRIATHLON



Ironman trader



	Trading	Ironman
Hard	✓	✓
Possible	✓	✓
Hours	✓	✓
Multi skilled	✓	✓

Ironman trader



	Trading	Ironman
Effort	✓	✓
Emotional	✓	✓
Painful	✓	✓
Rewarding	✓	✓

So you want to be a trader?

- Do you have the hours?
- Do you know what you will trade?
- Do you have the cash?
- Do you have your goals?
- Do you have a process?
- Do you know charts?





Lots of hours

- How many hours per week can you dedicate?
 - To learning
 - To trading
 - What about; work, family & friends?



Lots of hours

- What time frame to trade in?
 - Intra-day
 - Bye-bye job
 - Bye-bye money
 - End of day? Weekly?
 - Weekdays 8.30am – 8.50am?





Where's your edge?

- You have no edge with shares
 - Single event risk can bankrupt you
- Crypto will bankrupt you
- FX will bankrupt you
- ALSI (Top40 futures) will bankrupt you
 - Start with ALMI = mini ALSI



Where's your edge?

- Turn off media
 - Unless you day trading the news
- Ignore fundamentals
 - They only matter long-term
- Learn to respond to price action
 - Without having to ask why
- Trade the trend
 - Fighting it will bankrupt you



ALMI (Mini ALSI)

ALMI (Tracks Top40 / ALSI futures)

- R1 / point & R15 / transaction
- Margin R6,555.50 (R10k-R20k required)

Eventually you'll trade ALSI (tracks Top40)

- R10 / point & R15 / transaction
- Margin R66,546.00 (R100k-R200k required)

http://s3.amazonaws.com/OST/StandardOST_Index_futures_Sep17.wmv



ALMI is horrid = perfect

ALMI (your trading sand box)

- Wider spread
- More slippage
- Higher fees
- Less liquidity
- BUT R1 a point (trading training wheels)

When you're making money with ALMI

R10 / point ALSI is a breeze



What's your edge?

- Your process
- Your discipline
- Your patience

- Ruthless stop loss execution
- Trading with the trend
 - If you can't see the trend ~ wait







Goals

- Realistic
- Bite sized
- Perfect trade
 - Simple
 - Possible
 - Do it
 - Repeat

<https://justonelap.com/video-do-a-perfect-trade-measuring-your-trading-success/>





Process

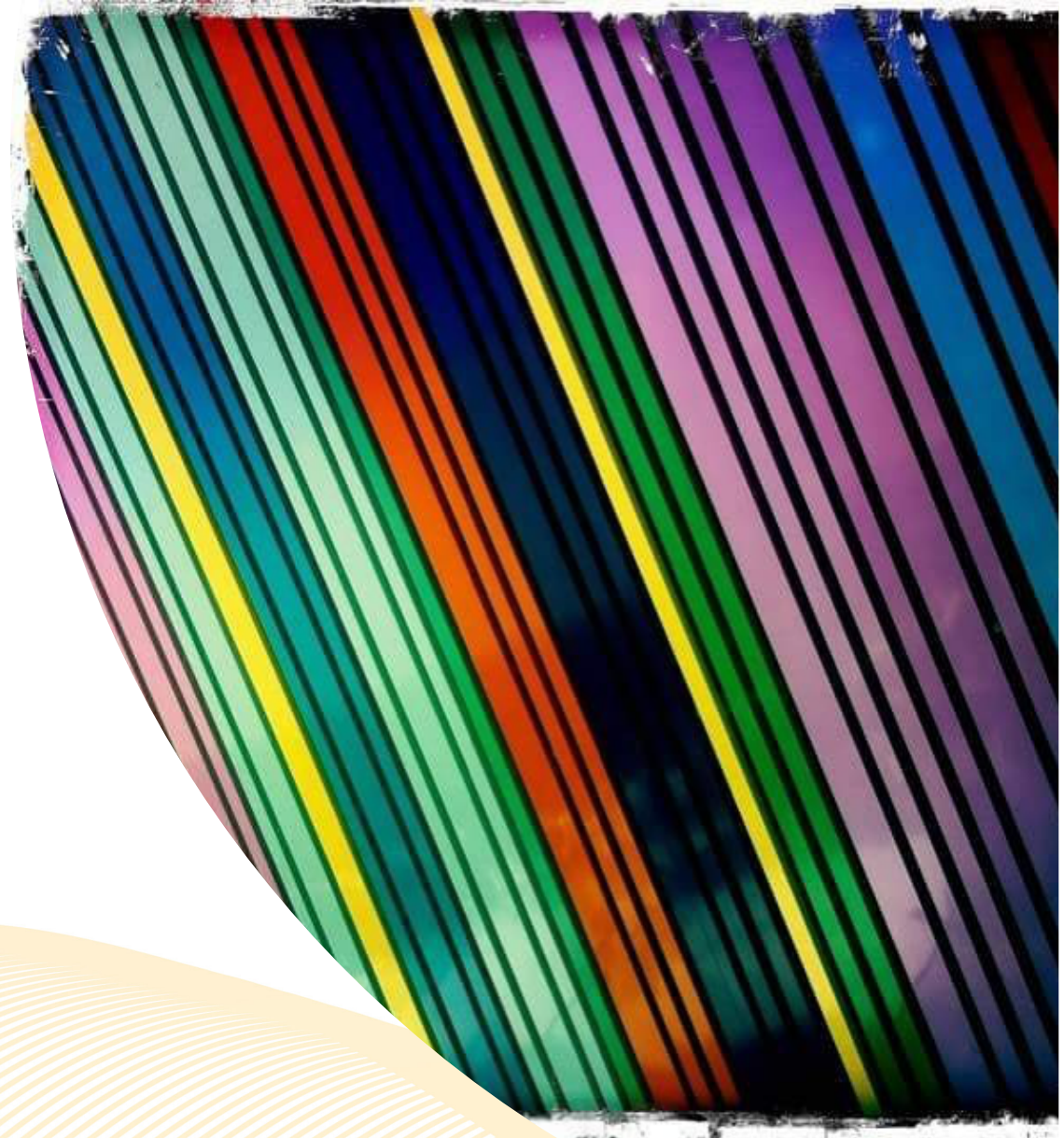
- Rigid process
- Rules based
 - Who's rules?
 - What rules?
- Good trading is boring





Reading charts

- Technical analysis is not;
 - An edge
 - Supposed to be complicated
 - The holy grail
- Keep it simple (clean chart?)
- Price = truth = price action





Don't sink

- Predicting near term direction is very hard
- Gearing is very dangerous
 - You're betting with others money
- Together they can sink you





Risk per trade (2% rule)

- Risk 2% of your portfolio in any single trade
- Small enough to not matter
- Run of losing trades won't bankrupt
- Impossible to do with small CFD portfolio
 - Hence ALMI



Risk per trade (2% rule)

- The amount you willing to 'burn'
- That's how much you can risk per trade
- Say it's R200
 - ALMI
 - R10k ~ 2% = R200 / 200 points
 - R20k ~ 2% = R400 / 400 points
 - R35k ~ 2% = R700 / 700 points
 - R50k ~ 2% = R1,000 / 1,000 points



Risk per trade (2% rule)

- The amount you
- That's how
- Say it's

-

-

- R20k ~ 2% = R400

- R35k ~ 2% = R700

- R50k ~ 2% = R1,000 ~ 1,000 points

2 Contracts
200 Points
R20k in account
1% at risk per trade



Stop loss

- Without a defined stop loss, that you're 'comfortable' with;
 - You'll hold onto losers & go bankrupt
 - Not know when to exit & go bankrupt
- Basically – you'll go bankrupt



Stop loss

- Practice placing stops every day / week
 - Use Top40 stocks + indices
 - Place, check & repeat
 - & repeat



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Iress ViewPoint





Add Keywords:

- ★ Interest Rate Reset Announcement – CBL27 Notes
Interest Rate Reset Announcement – CBL27 Notes. CAPITEC BANK LIMITED. Incorporated in the Republic of South Africa. (Registration No. 1980/003695/06). Company Code: BICAP. Stock Code: CBL27. ISI ...
SENS - 12 August 2019 11:20 AM
- ★ Interest Rate Reset Announcement - BWZJ21 Notes
Interest Rate Reset Announcement - BWZJ21 Notes. BANK WINDHOEK LIMITED. (Incorporated in the Republic of Namibia). Stock Code: BWZJ21. ISIN Code: ZAG000140286. INTEREST RATE RESET ANNOUNCEMENT ...
SENS - 12 August 2019 11:01 AM
- Second ballot voting procedure to amend the investment policy of PTXTEN and the amalgamation of PTXSPY with PTXTEN
Second ballot voting procedure to amend the investment policy of PTXTEN and the amalgamation of PTXSPY with PTXTEN. CoreShares Index Tracker Managers (RF) Proprietary Limited. CoreShares PropTra ...
SENS - 12 August 2019 11:00 AM
Related: **PTXTEN.JSE, PTXSPY.JSE**
- ★ Clough USA Inc. Announces Award of US\$620 million Petrochemical EPC Project in the USA
Clough USA Inc. Announces Award of US\$620 million Petrochemical EPC Project in the USA. MURRAY & ROBERTS HOLDINGS LIMITED. (Incorporated in the Republic of South Africa).
Registration number 194 ...
SENS - 12 August 2019 11:00 AM
Related: **MUR.JSE**
- ★ Interest Rate Reset Announcement - BWZJ19 Notes
Interest Rate Reset Announcement - BWZJ19 Notes. BANK WINDHOEK LIMITED. (Incorporated in the Republic of Namibia). Stock Code: BWZJ19. ISIN Code: ZAG000140278. INTEREST RATE RESET ANNOUNCEMENT ...
SENS - 12 August 2019 11:00 AM
- Interest payment notifications - DV24 DV29 DV23
Interest payment notifications - DV24 DV29 DV23. Development Bank of Southern Africa Limited.
Registration number: 1600157FN. JSE alpha code: DIDBS. INTEREST PAYMENT NOTIFICATIONS.
Bondholde ...
SENS - 12 August 2019 10:53 AM

Watchlist

\$INDICES

Desc	Last	Mov%	Mov
19SEP19 ALSI	▼ 49,336	-0.16%	-79
Top 40	▼ 49594.5	-0.05%	-25.1
INDUSTRIAL 25	▼ 71827.4	-0.29%	-211.4
RESOURCE 10	▲ 44462.6	0.91%	+400
FINANCIAL 15	▼ 14793.8	-0.69%	-103.2
SA Property	▼ 469.41	-0.28%	-1.33
MID CAP	▲ 69291.7	0.18%	+126.8
United States Dollar v...	▲ 15.4173	0.95%	+0.1456
S&P 500 Index	▼ 2,918.65	-0.66%	-19.44
FTSE 100 Index	▼ 7,253.85	-0.44%	-32.05
Nikkei 225	— 20,684...	0	0
Brent Oil	▼ 58.05	-0.36%	-0.21
NYMEX Platinum	▼ 863.8	-0.43%	-3.7
SPOT PALLADIUM	▲ 1,427.48	0.42%	+5.98
COMEX Gold Future	▼ 1,508.5	-0.07%	-1
Satrix FINI Portfolio	▼ 1475	-1.86%	-28
Satrix RESI Portfolio	▲ 4467	0.49%	+22
Sygnia Itrix S&P 500 ...	▲ 4555	2.36%	+105

Chart (ALSI-SEP19.EDM)



Market Depth (ALSI-SEP19.EDM): Consolidated View

ALSI-SEP19.EDM ▼ 49,363 Open High Low Close V
 -52 (-0.11%) 49,670 49,917 49,317 49,415 4

19SEP19 ALSI

+	DS	#	BidVol	Bid	Ask	AskVol	#	DS	+
	EDM	4	4	49,344	49,363	2	2	EDM	
	EDM	1	2	49,343	49,368	1	1	EDM	
	EDM	1	1	49,342	49,370	1	1	EDM	
	EDM	2	2	49,341	49,371	1	1	EDM	
	EDM	1	3	49,340	49,372	5	5	EDM	
	EDM	2	2	49,337	49,373	8	4	EDM	
	EDM	2	2	49,336	49,374	5	5	EDM	
	EDM	1	1	49,335	49,378	1	1	EDM	
	EDM	1	1	49,332	49,379	15	1	EDM	
	EDM	1	1	49,327	49,380	1	1	EDM	
	EDM	1	1	49,322	49,381	1	1	EDM	
	EDM	1	5	49,320	49,383	8	2	EDM	
	EDM	1	1	49,319	49,385	1	1	EDM	
	EDM	1	1	49,317	49,388	1	1	EDM	
	EDM	2	2	49,315	49,390	3	2	EDM	
	EDM	2	2	49,314	49,393	3	3	EDM	
	EDM	1	1	49,312	49,398	1	1	EDM	
	EDM	1	1	49,311	49,399	1	1	EDM	
	EDM	1	1	49,310	49,402	1	1	EDM	
	EDM	1	1	49,307	49,403	1	1	EDM	
			147			256			

Maslow



Maslow's Four Stages of Competence

Incompetence Competence

Unconscious

Stage 1:

No awareness
of limitations

Stage 4:

Effortless
ability

Conscious

Stage 2:

Awareness of
limitations

Stage 3:

Increase in
abilities

Homework



Homework

- Decide how many and which hours a week
 - Commit to it ~ do it
- Sign up for Iress ViewPoint delayed (free)
- Start watching ALSI & Top40 charts ~ Draw lines ~ Place stops
 - Repeat, repeat and repeat

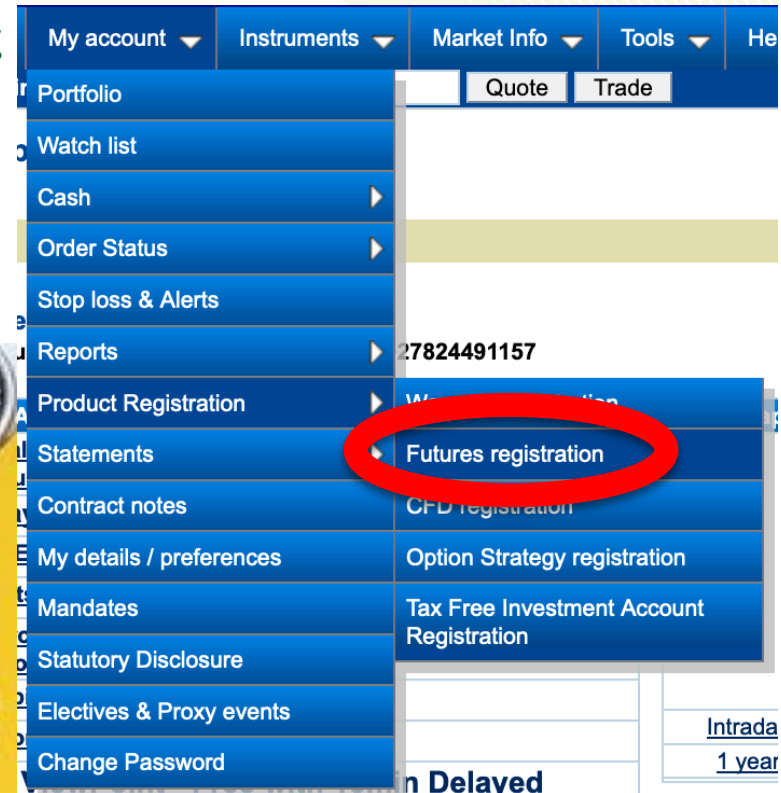


Homework

- Learn index futures (ALMI)

http://s3.amazonaws.com/OST/StandardOST_Index_futures_Sep17.wmv








- Open a futures account for ALMI trading
- Start thinking about how you'll trade
 - System / process / exits / entry



Homework

- Define a perfect trade
 - DO a perfect trade
- Burn* your stop loss amount
- Set your bite size goals



Special Announcements	
	<u>Initial Margin changes to Contracts For Difference - 12 August 2019</u>
	<u>SAFEX Initial Margin changes - 12 August 2019</u>
	<u>Whats new in ViewPoint?</u>
	<u>Exercise of Call Options: Adcock Ingram Holdings Limited Options</u>
	<u>*Webinar Downloads *</u>
	<u>Upcoming Webinars ** August 2019 **</u>
	<u>Try ViewPoint - Free with 15min Delayed Pricing</u>

Homework

- Trading in the Zone ~ Mark Douglas
- Trend Following & The Complete Turtle Trader ~ Michael Covel
- Reminiscences of a Stock Operator ~ Edwin Lefevre
- Fooled by Randomness ~ Nassim Nicholas Taleb
- Van K Tharp



April 2021



Standard Bank 

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