



# **Setting My Course for 2015**

## **A Never Ending Journey**

**Dec 6, 2014**

For BAY AREA MONEY MAKERS  
Dennis W. Wilborn

# Disclaimer

- U.S. Government Required Disclaimer – Commodity Futures Trading Commission Futures and Options trading has large potential rewards, but also large potential risk. You must be aware of the risks and be willing to accept them in order to invest in the futures and options markets.  
Don't trade with money you can't afford to lose. This is neither a solicitation nor an offer to Buy/Sell futures or options. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed in this training. The past performance of any trading system or methodology is not necessarily indicative of future results.
- CFTC RULE 4.41 – HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT.
- NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.
- **All Materials presented are for training purposes only. Traders should paper trade any new method prior to risk of personal capital.**

# Setting Your Course for 2015

We often start with what we need to improve going forward—

But start with: How Much Did I Improve in 2014?

What Progress did I make?

We can all stumble down the Rabbit Hole of just thinking about what **We THINK needs to be fixed** & Never Applaud our Successes

Take a moment: Write down at least one thing you improved.



# Food For Thought

I am your constant companion,

I am your greatest helper or your heaviest burden.

I will push you onward or drag you down to failure.

I am at your command.

Half of the tasks that you do you might just as well turn over to me and I will do them quickly and correctly.

I am easily managed. You must merely be firm with me.

Show me exactly how you want something done.

After a few lessons, I will do it automatically.

I am the servant of all great people and the regret of all failures as well.

Those who are great, I have made great.

Those who are failures, I have made failures.

I am not a machine but I will work with all its precision plus the intelligence of a person.

Now you may run me for profit or you may run me for ruin.

It makes no difference to me.

Take me, train me, be firm with me and I will lay the world at your feet.

**Be easy with me and I will destroy you.**

*I am called Habit*

~~Author Unknown



# Setting Your Course for 2015

There is a saying:

“If you know the market and know yourself, you will consistently profit.

If you know the market but not yourself, your success will be random.

If you do not know the market or yourself, you will consistently lose money.”

- Success in the market is not just about the market; it is also about knowing how you react to fear and greed.
- A trader will continue to struggle if they are unwilling to identify true characteristics about themselves, regardless of how undesirable they may seem.
- Further, the process of knowing yourself as a trader and a person will never end, so do not delay.
- Recognize that becoming an Master Trader is a never ending Journey



# Our Biggest Trading Challenge & Opportunity

Am I up for the challenge and opportunity of me?





# Our Biggest Trading Challenge & Opportunity

- **Setting the course for a new year is about taking inventory of ourselves and taking a Fresh View of what needs to be done**

**I must know about:**

- **My Current Skill Level**
- **How I handle Discipline**
- **What role does denial play in my trading**
- **Who Am I**
- **Patience Pays & Over Trading Underpays**
- **Wearing myself out by constantly chasing the vapor of the Holy Grail**
- **Training Fear**
- **Managing my expectations**



# Setting My Course for 2015

Year In Review Questions—What are my **HABITS**

- Am I disciplined? *In What areas of my life am I more disciplined?*
- Do I deny truths about myself?
- Can I follow rules? *How well do I follow rules?*
- Am I submissive and admissive when I should be?
- Do I easily become emotionally charged and irrational?
- How do I react when I am emotionally charged?
- Do I react without thinking?
- Do I listen without hearing?
- Do I learn without becoming wiser?





# Setting My Course for 2015

Year In Review Questions—What are my **HABITS--cont**

- Am I a planner?
- Am I flexible, or rigid in my thinking?
- Am I prideful or humble?
- Am I objective, or opinionated?
- Do I hold a bias, or can I consider facts in an unbiased manner?
- Am I sabotaged by subconscious biases
- Am I stubborn and have to be right all the time?
- Am I greedy?
- Do I act/do things beyond my means?
- **Am I willing to change?**

**I want to write down the answers—in my Trade Journal**



# Our Biggest Trading Challenge & Opportunity

- **A Wise, Disciplined, Consistent, Profitable Trader has discovered that to the “Holy Grail” of trading is actually within themselves—and has been there all the time!**

**Learning a System is crucial**—if a trader does not take the necessary action here—the journey is doomed!

**Learning About Themselves is perhaps more Crucial**—a trader who is unwilling to discover who they truly are is not just doomed, but will never untie from the dock!

Applying What we’ve Learned is where we start becoming Wise, Disciplined, Consistent & Profitable



# **Our Biggest Trading Challenge & Opportunity**

- **A Wise, Disciplined, Consistent, Profitable Trader has discovered that to the “Holy Grail” of trading is actually within themselves—and has been there all the time!**

**Grade yourself on the following between 1-10 with 10 being strongest**

**Persistence with my goals**

**Patience**

**Determination to do what it takes to achieve my goals**

**Resilience**

**On Purpose—Stay the course**

**Accountable to myself**

**Modern Life seems to be haphazard, which effects our ability to master the characteristics above!**



# Our Biggest Trading Challenge & Opportunity

- A Wise, Disciplined, Consistent, Profitable Trader has discovered that to the “Holy Grail” of trading is actually within themselves—and has been there all the time!

*Grade yourself on the following between 1-10 with 10 being strongest*

**Persistence with my goals**

**Patience**

**Determination to do what it takes to achieve my goals**

**Resilience**

**On Purpose—Stay the course**

**Take Responsibility and be Accountable to myself**

*Modern Life seems to be haphazard, which effects our ability to master the characteristics above!*



# Looking for Answers in non-obvious places

Asking the question—is it me?

Most often the answer is that yes it's me but it is also my lack of understanding of the system and other distractions

❖ Improving Our Trading Personality may require a multiple pronged approach of starting new habits

❖ Physical

❖ Mental

❖ Psychological

# Physical

What am I doing consistently to stay healthy?

- Fitness—how many times a week do I exercise?
- Diet—do I eat healthy?
- Sleep—I can't hoot with the owls and soar with the eagles!



# Mental

What am I doing to keep my mental edge?

- Listen to my “self” talk (do I ever call myself “stupid”, or say “you can’t do anything right!”)
- If I find that I demean myself when I talk to myself—I might be getting in the way of success
- Use affirmations to speak out who I really am!
- My choice—out of the mouth come either words that curse or words that bless!

# Mental Exercises

“I am a Wise, Disciplined, Consistent, Profitable Trader!”

say this out loud in front of your mirror 3 times twice a day for a month!

Then add: “and a Darn Good Looking One Too!”

This is at least guaranteed to make you smile! I won't get into the importance of smiling but it does good things for you!!

Others: “I am a Profitable Trader and I apply the skills of a Profitable Trader every single day!

# Mental Exercises 2

I am a Wise, Disciplined, Consistent, Profitable Trader because:

I identify trend, support & resistance and momentum on every trade

I know the intermediate and short term trend on every trade

I know if I am trading the intermediate or short term trend on every trade

I buy where I'm supposed to buy and I sell where I'm supposed to sell

I have a stop and target on every trade

I have written rules that follow my system on every trade

Like a master chess player I think several moves in advance—but only trade based on price action

I trade the Market not my thoughts

I follow and trade my rules and the profits take care of themselves

I take consistent action and I am consistently profitable

# Mental Exercises 3

## Develop a Probabilistic Mind-Set (Mark Douglass—Trading in the Zone)

**Admit:** Anything can happen

- I don't have to know what's going to happen next to make money
- There is a random distribution between wins and losses
- An Edge is nothing more than an indication of higher probability of one thing happening over another
- EVERY MOMENT IN THE MARKET IS UNIQUE!

I Am A CONSISTENT TRADER BECAUSE: I objectively identify my edges

- I Predefine risk on every trade
- I completely accept the risk or I will let go of the trade
- I act on my edges without reservation or hesitation
- I pay myself as the market makes money available to me
- I continually monitor my susceptibility for making errors!
- I understand the absolute necessity of these principles of Consistent Success

and, therefore ***I NEVER VIOLATE THEM!***



# **Journal Entries**

**Lead to More Accurate Course Setting and  
Course Correction**

# What Went Right

- Summarize in quick bullet points specific things that worked well
  - Use specific examples: ***“this week I didn’t violate my trade rules!”***
  - ***“I learned how to use the 8 period SMA Entry Rule”***



# What Went Wrong

- Summarize in quick bullet points specific things that caused problems
  - *“A trade exceeded my max loss”*
- Try to isolate specific attitudes, procedures, methods, timing issues, etc. which caused problems
  - *“I properly placed my stop loss, but market action (the gap) was the cause. I traded properly and did not violate my rules!”*

# Setting the Course for 2015

- **A Wise, Disciplined, Consistent, Profitable Trader has discovered that to the “Holy Grail” of trading is actually within themselves—and has been there all the time!**
- 1. Determine where I’ve been—own both successes and failures**
  - 2. Determine where I am**
  - 3. Determine where I want to be at the end of 2015**
  - 4. Determine the waypoints along the way to measure progress**
  - 5. What do I need to do more of**
  - 6. What do I need to do less of or stop all together**
  - 7. What are the unknown dangers**



# Setting the Course for 2015 Here's Mine

## 1. Determine where I've been

**Success:** Traded Less with more profit

**Failure:** I didn't manage distractions well and missed some great opportunities

## 2. Determine where I am

**I have an absolute solid trading system for short and long term positions**

## 3. Determine where I want to be at the end of 2015

**I have an absolute solid trading system for short and long term positions. Refinements will be slight**

## 4. Determine the waypoints along the way to measure progress

**Measure Monthly & Quarterly**

## 5. What do I need to do more of

**Trade Internally strong stocks, focus on Early Warning Alerts with Options**

## 6. What do I need to do less of or stop all together

**Letting failing trades run to full stop loss levels; stop letting distraction impact my priorities**

## 7. What are the unknown dangers

**Becoming cocky and complacent**





# Questions & Comments