

TraderHabits

Presents

**Trading Tips:
Slumps**

About Me

I literally jumped into trading. I got the money to open my first trading account from a bet involving the LaSalle Street Bridge and liquor. I learned a lot from that moment about trading. First I negotiated the purse down from half the original amount; never give any of your trading account balance away before you get it. Secondly, never be in a situation trading when money becomes a factor. When I really think about it, most of the experiences in my life have helped me shape my trading identity.

I am a former Division I scholarship athlete. Playing football has been a significant force that shaped my trading identity. I am not one of those former athletes who say that if I had only not been injured I would have played professionally. Yes I did inherit my grandfather's knees and after five surgeries there was not a lot of knee left. The truth is I was not good enough or more over I was not willing to do what was necessary to keep playing. That failure was one of the best things to have ever happened to me. It was first time in my life that I wanted something and did not achieve it. When one door opens an infinite number open. After college, I moved to Chicago, it is probably similar to someone who does not know they want to be an actor moving to L.A. The truth is I moved to Chicago to work in the restaurant business and found trading in the best town to trade futures.

The second part of my life started November 11th, and I knew it was the first day of the rest of my life. I stepped on the trading floor at the Chicago Mercantile Exchange, it was amazing. It was like the first time I stepped onto the football field. The lights were bright, the energy was contagious, and I could see the emotion. Deafening silence followed by deafening eruptions, fear everywhere, not the type of fear from physical pain, it was more intense. I saw happiness, but that was bred from relief I would understand later. The pain of losing, not money but their livelihood was everywhere. That should have scared me but it drew me closer. It was chaos but only because I did not understand it. It was like being in a dream. My initiation to the trading floor gave me a lot more information then I could grasp at the time. I was hooked; I knew that trading was going to be my singular focus. Unfortunately, it would all take a lot of time and cause me a lot of pain.

I was fortunate to be taken under the wing of some of the top traders at the CME. I later had an opportunity to pass some of that knowledge along to other traders as an educator. It turned out to be the perfect combination, trading and being able to teach others. I was able to give back, similar to the coaches that had helped me in my athletic career. Jumping into that river set me on the path to finding something that gives every fiber of my being purpose. Trading is not glamorous, it is not easy, it is scary, it can be taken from me at any time but there is nothing else I would rather be doing. If at any point you have any questions or do not understand something or question what I wrote please feel free to send me an email: info@mytradingnet.com

Eli Radke

CEO Performance Trading LLC

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Introduction

“Slumps are like soft beds, easy to get into and hard to get out of.”

Johnny Bench

Slumps are a part of trading. Really, slumps are a part of life. An athlete slumps, a sales person slumps, and just about any performance related participant is susceptible to slumps. Slumps are neither good nor bad, they are just there. That may sound weird that slumps could be good and that they are not always bad. The obvious connotation of a slump is negative but it is important to re-frame it and see it as a positive and use it to your advantage. A slump is a period of time when a trader is not trading to their full potential. It may mean that they are making very little money or worst case scenario losing a lot of money.

Identifying a slump before it gets out of control is very important. A slump can last for a few days or for a few years if you have enough money and patience. A slump can get out of control if a trader forgets the basic reason for markets: INFORMATION. Every trade/market provides information regardless of the monetary outcome. Every trade is an opportunity to learn about the market, yourself and the relationship between the two. If, after completion of your trading day, you do not feel as if you learned anything you lost regardless of how much money you made and generally you lost money as well. Each trade is an audition for the next. The stakes, if you progress normally as a trader, will always get greater. Your slumps will only cost you more if you are not learning something about the market, yourself, and the relationship between the two. Use a trading journal and taking the time to make detailed notes after each trade and each day is essential. Review your notes daily. The reason for trading is to make money but that is not the only measure of productivity. Each day is different and some days only losing a little is great and other days making a lot is bad. Because this is true I use another grading scale other than money. I was given this system by a fellow trader, Andrew Darthmouth, and modified it slightly. Days are graded as followed:

A: Stuck to rules and hit profit target, **B:** Stuck to rules and made some money, **C:** Stuck to rules and lost money, **D:** Broke rules and hit profit target, **E:** Broke rules and made some money, **F:** Broke rules and lost money

Individual trades are graded as followed:

1: Followed pre-trade plan and exceeded profit goal, **2:** Followed pre-trade plan and met profit, **3:** Followed pre-trade plan and got the best outcome (could be a lost or little or no gain), **4:** Followed pre-trade plan and got stopped out, **5:** Had no plan or exceeded max loss.

It is important to have some measuring stick other than money, by doing so you will be able to identify slumps sooner or identify slump likely behavior before it becomes an emergency.

Each person handles slumps differently, the following tips will detail ways to prevent, recognize, and get out of slumps.

Get Back to Basics

“Get the fundamentals down and the level of everything you do will rise.”

Michael Jordan

You might be surprised to hear this but trading is not complicated. It is human nature to make things complicated. There is societal importance in creating complexity, but I draw the line at food and wine. To truly appreciate something you have to understand it. Complexity in trading is like packing too many heavy suitcases for a trip across the street. You do not need them and the luggage will impede your progress. It also makes it hard to recognize what specific part of your trading is not working. Start simple and build because your fundamentals will be a safety net that you need to rely on.

I look at complexity in two ways. Complexity in what is being used for a signal and also complexity in entering and exiting trades. Complexity for signal creation has nothing to do with the amount of “indicators” or amount of chart types or timeframes. It has to do with understanding. For someone new to trading, looking at two “indicators” and two timeframes can be overwhelming. For someone who has a lot of trading experience that amount of information may be nothing. Once again it has to do with understanding. It is very important to branch out and see what other schools of thought and indicators are out there. Be careful, be a master of one thing and build a strong base from there. Being complicated in an entry and exit strategy may give a trader a false sense of advantage.

If you are too complex in your entry and exit strategy you may be picking up dimes and passing up dollars. That does not mean that there is not a strategic advantage from multiple entries and exits but maybe you cannot execute it yet. I personally like to scale in and scale out but it is a skill. It is important that your strategy is not complex to be complex but because it allows you to gain some advantage and it does not become a distraction.

It is never more important to simplify things than when in a slump. It is a fine balance which should always be considered when changing anything in your trading style. If you are struggling and you have added something to your trading, it is wise to eliminate the change and revisit it later.

Stay Positive

“Stress is nothing more than a socially acceptable form of mental illness.”

Richard Carlson

Removing anything that is not a net positive from your trading and your results will improve. It takes a lot of energy to be negative and it causes needless stress. When a negative thought enters my mind while in a trade it comes true. For example, I recently had a little bit of bad luck with getting stopped out on the low or the high of a move only to see the market go in the right direction. I entered the next trade I was trailing my stop and I actually said sarcastically “I hope this stops me out on the low tick again”. Guess what, it happened. I got stopped out on the low tick and it proceeded to rally. There is no guarantee that if you think positive, positive things are going to happen it never seems to fail if I think negative thoughts that it comes true. The negative thought was a subconscious indication of bad stop placement. The reason it works out like that is because the energy being used to think that thought should have gone to concentrating on the trade. Irrespective of my stop being hit, the stop upon further review was not in a place where it should have been to allow me the necessary space to stay in the trade.

Having negative thoughts while trading causes unneeded stress and is not productive. Adding stress to an already stressful situation will eventually affect your performance. Let me clear something up about stress and performance. While watching a sporting event, it is common for an announcer to say someone is good under pressure. Intuitively, that makes sense but as a former athlete there is no stress in shooting a free throw with the game on the line. It is something that has been done 1000's of times and the gravity of the situation, if focused enough, will never come to the surface at that time. The stress happens when you start to think negative thoughts or away from the process. If you ask anyone who has ever missed a free throw or a field goal to win the game, if they are honest with themselves they will tell you it is because they focused on the negative. If the shooter or kicker had just focused on their fundamentals (safety net) then, assuming it was within their ability they would have succeeded. There are two types of negative thoughts that I stay away from. As mentioned above, I stay away from focusing on the worst thing that can happen. Having that thought is bound to be a self-fulfilling prophecy. Often by expecting a trade to be a losing trade or at least not capturing

the full potential with your rules, it will happen. The other thought I stay away from is, thinking “What if I am not in the trade when it hits my target?” That does not seem to be really negative but it has a negative effect. If the market is only giving me a certain amount then I can take it or it can take me. There is something to be said about sticking to your exits but, when I start to worry about not being in a trade “IF” it gets there then I am sure to lose a lot of open profit. This thought often happens when I am down money so be aware of it.

I mentioned removing anything that is not a net positive from my trading. I sometimes say four letter words that should not be repeated or maybe complain if something unlucky, happens to me. I use that opportunity to vent and it helps me to forget about it and move on. In a perfect world I would have no reaction to a situation like that but I do. If that is not possible for you have a technique to forget it. I scream or yell or complain and although I should not be in that situation, until I am not I will continue to use that technique. Be very careful not to believe yourself.

Staying positive can be challenging when things do not seem to be going your way but it is worth the effort to do so. Be conscious of your thoughts because they will and do show up in your trading. Staying positive will reduce your stress and will ultimately improve your trading, at least it cannot hurt.

Create a Repeatable Routine

“Bad habits are like chains that are too light to feel until they are too heavy to carry.”

Warren Buffet

Creating a routine is important for two reasons. Establishing a routine to get in a rhythm. It may appear that because rhythm cannot be quantified that it does not exist. It certainly does and establishing a rhythm is the first step to getting into the coveted “zone”. There are very few constants in trading but your routine can be one of them. In athletics they are called superstitions but it is about a routine. If you watch someone shoot a free throw or watch a professional putt they do the exact same thing every time. The second reason to have a routine is to remove the focus on the outcome which has a tendency to drift negative. Shooting a free throw, hitting a shot or taking a trade are all things that require fundamentals and can be repeatable.

My routine is in two parts, before and after the trading day and while in a trade. I use my pre-market routine to try to get in step with the market. My routine is basically looking over charts, checking news, identify important levels, determining if the longer term picture changed and I

take 5-10 minutes to myself to really get focused. Those steps allow me to map out my plan if the market reaches certain levels and I have already imagined myself in those situations and executing properly. After the completion of the trading day, I look at each of my trades individually and then as a whole. I use the grading system I previously mentioned. I look back at the charts and make the necessary adjustments for the next day. After I am done with that I am done thinking about that day. It is important; you have to leave the day at that day. You cannot do anything about it, if it was bad or if it was good who cares because they can take it all back tomorrow. Your pre and post trading routine must not take a lot of effort or it will become a distraction or a chore and you will not follow through so keep it simple.

While in a trade or looking for a trade, I ask myself a few questions. For example, is this a counter trend trade or trend trade? I ask myself these questions, because it starts the process for being able to react and not make a decision as the market moves. If I am thinking when I need to act, it is too late. Very few people can control the market but we all have control of what the market does to us. While actually in the trade, I am focused on the positive and exits but am not over confident. I concentrate on my breathing and take deep breathes. After the completion of the trade I always say no matter the outcome, "OK, time to the look for the next trade." I also will write little notes on the trade.

By creating a routine, it helps to get in a rhythm and changes the focus away from outcomes. I also use my in trade routine to help with stress and to individually plan each trade as it approaches. While in a slump it is so important to regain rhythm and reduce stress. My pre and post trade routine helps me to get in a rhythm but it also gives me confidence to move forward each day. By examining each day I can make the plans for that day and see how I did with those plans and make any changes that are necessary. It is important to remember to not make a complicated routine or it will defeat the purpose. I find when I am in a slump that I had gotten away from my routine.

Get Help

"He who asks is a fool for five minutes, but he who does not ask remains a fool forever."

Chinese Proverb

Trading can be a lonely place when you are slumping. You do not want to talk to anyone and no one wants to talk to you for fear of catching something. It is never more important to talk with someone when in a slump. Usually a slump can be slowed or stopped by making some minor adjustment or fine tuning. It can be hard, as a trader, to separate yourself from your trading, to be a neutral third party. It is a necessity for trading if you can't put yourself in that

position, ask someone to help you. You should have at least one other trader or mentor to talk with when things start to get bad. If they are smart they will help you. I can learn a lot more from someone who is struggling than someone who is making money. Making money is the easy part, getting through the struggles is what will ultimately allow you to control your destiny.

Common reasons for a slump that are hard for me to recognize are trading one direction and trading outside my abilities. Opinions are ok in trading you just cannot use them for action; it can prevent you from taking a trade but should never be a reason for a trade. If, for example, I look at my trading sheet and it is all sells on a day when we rallied that usually means I was opinionated. Two things happen, one is that I am only seeing opportunities to sell or there are only opportunities to sell. It is hard to sit there and miss out on a big move, in a strong trending day it may be hard to stay with the trade or get in at good a price. Consciously or subconsciously you are thinking the market cannot continue in that direction. Trading requires you have imagination, if the market is open it can happen. If you have not experienced this for yourself, look at a past chart. I have seen a market rally 70 S&P points overnight. I have also seen the S&P move 20 handles in 5 minutes. There will always be an opportunity to go against a strong trend. I call this being “stuck short” or “stuck long”, if I am trading in one direction against an obvious direction. It usually does not last the whole day for me but if I see my trading sheet all in one direction and the market is not going in that direction I re-evaluate the situation during my breaks. I look to see if I am reacting to the charts or if I am forming the chart so I can act in a certain way. Often in my post trading routine if I look at the chart and it looks different than how I remember it means I was opinionated.

Trading outside my capabilities is dangerous and often is the reason for being in a slump or makes a slump much worse. Trading outside my capabilities means I am taking a lot of trades and trying to pick short term tops and bottoms. Trying to capture every movement in the market is very hard to do and is generally unnecessary. One of the benefits of trading is that you do not have to be in every move to make money. Looking at my trading sheet I will find that I made a lot of trades and was back and forth with the direction. My winning percentage maybe high but my winners do not cover my loser.

I gave you some tips on being able to recognize some problems you may be having on your own, but it is easier said than done. Even seeing those patterns form may not convince you that you were wrong. It always helps to get a second opinion and to just generally talk about trading with another trader. They may hold the key to getting out of the slump faster and cheaper so get help!!!

Start Small

"If I have lost confidence in myself, the whole universe is against me."

Ralph Waldo Emerson

Confidence can be the cause and the cure to a slump. My first day as a full time trader was my best day for about 6 months. I remember thinking this is easy, I can do this every day. Well I had traded every move and was right a lot and wrong a lot just so happened to be right before I was wrong. The second day, I was feeling good and had the worst day for about 12 months. I was confident for no reason; the truth is I had no idea what I was doing. The second day I gave it all back and then some. I had the loser before the winners this time. Needless to say I needed to build back my confidence because I was scared and was not sure this was for me.

I regained my confidence by taking small steps. I look at confidence like a building. You start with a strong foundation and when it is knocked around if it has a good foundation it is still standing at the end of the day. A strong foundation is created by doing the work necessary for you to succeed. Being educated, having a trading plan, executing that plan and getting experience are all ways to gain confidence. I had some success trading so I thought I knew what I was doing. I had not built a strong foundation so when I needed support it did not exist, I fell hard and was not sure I could get back up. Since then I have always been conscious of slowly building my confidence by planning, executing, and learning each day. That does not mean I do not have bad days. I wake each day knowing that my best and worst days are ahead of me if I progress normally as a trader. Now when I do fall, my support is near me and I do not have as far to go to get where I was.

Separate Yourself

"The significant problems we face cannot be solved at the same level of thinking we were at when we created them."

Albert Einstein

I think of separating myself in three ways. It is important to separate your trading life from the other parts of your life, separating yourself emotionally from a trade or results, and separating yourself from the current situation. Your ability to effectively separate each of these will keep

you from slumping and pull you out of one. They are not naturally connected to each other but we allow them to be connected.

Separating your two lives can be hard. I strongly believe in keeping and being aware of your trading environment at all times. Maintaining my trading environment equilibrium (TEE) is something that I must do at all times to be successful. If I cannot concentrate on trading because of some external factor I do not trade, because I lose money. If my trading environmental equilibrium is out of whack because of a sickness in the family or the guy who cut me off, or if anything else requires my attention while I should be concentrating trading, I am asking to fail. It is hard to be honest with yourself and admit that you cannot juggle everything but it is in your best interest. It is important that your failures in your trading life do not extend to the other parts of your life and vice versa. The period of times that I am bad at separating the different parts of my life are evident in my P/L. I remember earlier in my trading career I could not separate the two and I became bad at both.

Separating yourself from each trade and trading day is very critical. A slump is bound to happen when I chase the failures or lack of successes from the previous trade or day. Never be caught in the trap of taking trading personal. For most unaware traders, their worst days are the day after they just had what they thought was a bad day. It is foolish to take a trade based on anything other than what is happening at the moment. I am best when I take each and every trade independently. If I cannot take a small loss on a trade that I know does not have a high probability of success because I am down money I am in trouble. Likewise if I cannot take a small winner because I am down money then I am a step away from starting the slump. Also if once up a good amount of money, I act extremely conservative once in a trade because I cannot longer accept the possibility of losing money, I am bound to fail. This is ok if it is part of your trading plan.

Separating yourself from your current situation is hard because it is human nature to put an emphasis on what is happening right now. One of the best pieces of advice I have ever gotten was from a wise old, old man named Dan. He told me that at some point in my life I was going to look long term, I could look long term forward or look long term backwards. I always try to look long term forward because I have an opportunity to change the future. When I am in a slump, I tend to get tunnel vision. I am putting so much pressure on myself because I have to make the money right now. The truth is the only millionaires that happen overnight do not stay that way for long. Developing yourself is a long process but it is worth it.

By separating the different parts of your life, each trade and trading day, and your current situation you are less likely to fall victim to a long slump. Look independently and look long term when you are struggling.

Leave Bread Crumbs

“Those who cannot remember the past are condemned to repeat it.”

George Santayana

Those unwilling to change in the future always want to change the past. When I find myself in a slump I look back to see how I could have done something different. To be able to look back requires I leave bread crumbs or take great notes. Looking back is hard to do because it is painful to relive what seems like a horrible day. Those are the days that I learn the most because when I lose money trading I do not lose the lesson. Important to learn the lesson of winning as well. It gets me one step closer to being a great trader. I cringe at books that emphasize only learn from your losses, it is obvious that you should be learning from both. Learning from loss can be hard but you paid for that lesson. Learning from winning is the best possible situation but it is a rare gift when new to trading. Trading is a series of lessons each individual trader chooses how much he pays.

The best ways to prevent a slump is to know why you are making and losing money. This is best done by a journal of some kind. I keep my journal simple, I have my daily P/L and some overall thought or area of concentration for that day and I use the grading system that was previous discussed. It is important to know how you got here in order to find your way back. It is easy to tell what you were thinking at a point in which your slump started to accelerate if you can rely on paper instead of memory. Also writing is a great way to remember and reinforce your thoughts. Tracking back is the map to get you out of your slump and back on the road to success.

Take a Break

“Being able to trade again, may require not trading tomorrow.”

Probably the best advice that I ever received I call Rule #1. Rule #1 BE ABLE TO TRADE TOMORROW. It seems simple and it is. Like I said before, each day is an audition for the next. Hopefully, you know something more about yourself; the market and the relationship between the two then you did the previous day. I am not saying that tomorrow is more important than

today, if you do not take care of today there will be no tomorrow. When I am in a slump or not I take as many breaks as possible, between trades and between trading days.

Being able to trade tomorrow often means not trading the next day or the next week. One way to stop or slow down a slump is to not trade. It is not usually a technique that fails for an extended period of time but your interpretation of it. By taking a break it is easier to see where your interpretations went wrong. We get too close to be able to see anything clearly. If you find that you are struggling, ask yourself from what perspective am I looking? Are you looking at the problem from the window of an airplane on the runway or from that same window while the plane is in flight? If the view from the runway is not effective try the view from afar.

Taking a break is easier said than done; to some extent trading is an addiction. There is a rush of adrenaline that happens with each trade I do not care if it is your millionth trade or a paper trade. But less is more in trading, the less you trade the more money you will have. The longer I take between trades the better I do, it forces me to take a mental inventory and a market inventory. Of course you may miss a trade but who cares. Would you rather be watching a trade you wished you were in or in a trade you wished you were watching? The answer is clear to me.

Taking a break on certain days, times of year, and times of day is common practice for every professional trader. If you are unaware of those times then just check out your trading journal. I know a lot of traders that take rollover, end of month, earning seasons, FED announcements and lunch times off. It is not always because the market trades a little different those days but they are not successful on those days. It is something mental for them but they are aware of it and use that time to take care of any other loose ends. I promise that the market will be there when you get back. Not making money is not losing and I think that is a hard concept to believe in. I know a trader who takes every earnings season off, he told me that if he had done it earlier he would be more profitable. Let me repeat, not trading and not making money, is not losing.

When I am in a slump or to prevent a slump I take time off and time between trades. It is human nature to remember the profits that you had an opportunity to make and forgot the losses you were taking. See it for what it is and it will become an asset. Take a break and be able to trade tomorrow, there will be more opportunities later. Being able to trade tomorrow means looking through the window while in flight, if that takes an hour or a week to do it.

Relax

"If you treat every situation as a life and death matter, you'll die a lot of times. "

Dean Smith

I view trading as a performance. It is a series of reactions based on the market actions. It is a reaction depending on your experience, beliefs, and ability. Your reactions will be better the more relaxed you are. Not being relaxed may not affect the current trade or even the trades for that day but it will eventually. Stress will contribute to a slump and prevent you from pulling out of one.

I outlined things such as having confidence and creating a routine to help you relax but those are things that work for me and you have to figure out what works best for you. Another technique I use to combat stress is imagining myself in a stress less situation. This is embarrassing but while in a trade or looking at a trade I imagine myself floating in water. It helps me to relax and creates an environment for me to reach my maximum potential.

Another way I reduce my stress is by re-programming the connotations of the words loss and risk. Risk to me means in the worst case scenario I lose this much. It does not mean that I have no control of what happens to the trade. I do not have any control of what the market does but I can control how I react to the market. When I enter a trade I do not expect to lose but I am aware it is a possibility and I have already accepted it. At any given price there is a 50% chance of winning and 50% chance of losing. I try to position myself so I have at least a 51% chance of winning. I view loss much like I view taxes. I do not enjoy it but I know if I do not pay it I probably have not made money. If you cannot take rejection or loss, trading is not for you. Not that you will lose money but you are probably not making enough to justify you spending the time to trade. Loss is a necessity in trading; it means that you had an opportunity to make money. There is no doubt that I could make money every day if I wanted to, but it would not be very much. In order for your money to work for you it has to be at work.

It is rare to trade completely without stress. If you do not take steps to be aware of your stress or reduce it, it will eventually manifest itself. I have given you some of the tricks that I use to reduce my stress. It is important that you take these tips and make them your own to receive maximum benefit. Not handling stress will affect your performance and leave you susceptible to slumps.

Acquire a Selective Memory

"Don't be discouraged by a failure. It can be a positive experience. Failure is, in a sense, the highway to success, inasmuch as every discovery of what is false leads us to seek earnestly after what is true, and every fresh experience points out some form of error which we shall afterwards carefully avoid."

John Keats

As a former athlete I know all about having selective memory. If I had a bad play, I had to examine it and move on. If I was not fully into the next play I would get embarrassed again. Much like there was an offensive player trying to do his best against me so are other traders that have more money, more experience, and better technology. They are going to win from time to time and you are going to have to move on and use it to your advantage. Anyone who has watched football has seen a receiver drop an easy pass and then the next play jump off sides. The receiver did not move on and it caused something else negative. Mistakes breed mistakes, do not be a breeder. A slump has a potential to accelerate if you let one misfortune or mistake become two or three or 10.

During the course of a trading day what are perceived as bad things will happen. To be able to take advantage of them you have to be mostly focused on the present. Do you think the sellers that you just bought from to be long are worried about what just happened to you? You put yourself at a disadvantage if you are not focused on the current trade and situation.

Having selective memory is essential to any trader. The first step is to process what the market is telling you, next you must make any necessary adjustments, and lastly you must move on. By doing this you will not only cut down on any back to back losses but it is sure to keep you out of a slump.

Bringing it All Together

That is what learning is. You suddenly understand something you've understood all your life, but in a new way.

Doris Lessing

Trading is challenging and there are going to be times when it seems harder than it really is. A slump is bound to happen to any active trader and when it does embrace it. The market is trying to tell you something, are you ready to listen? Your ability to recognize you are in a slump, how and why you got into the slump, and identifying the most efficient way to get out of

a slump will determine the magnitude of your slump. A slump does not necessarily mean you are losing money it simple means that you are not trading to your maximum ability. It is important to look at your trading daily, as soon as you feel as though you are not maximizing your potential it is time to take action. If you wait till your account is drained it is too late. Take notes daily to monitor your progress. I recommend you monitor your progress in terms of money but also in a different way. I use the system that another trader gave me and made it my own, you should do the same.

Slumps are a part of trading, the sooner you can master them the more profitable you will be in the long run. A slump is likely to occur if you get away from the basics too early. Your basic techniques and beliefs are there to support you in the lean times. Stay positive at all times, having net negative thoughts will only hurt you. Creating a routine helps relax and focus conscious and subconscious thoughts away from an outcome which tend to be negative. The routine must be effortless or it defeats the purpose. Asking for help or talking with another trader is not a sign of weakness but a key to prevent a trading account disaster. I cannot stress enough how important it is to regain confidence after not performing your best. Start small and it will come back to you, it is like riding a bike. Take a lot notes, do not rely on your memory. It is usually your head that is getting in the way of reaching maximum potential so it is not the most reliable source to refer back to. Take a break both during the day and throughout the year. You will find that you come back refreshed and with a clear mind. Stress will creep in if you let it and you will be uncomfortable whether you notice it or not. It will come through in your trading. Having a selective memory is important in trading because of the high failure rate. Take the feedback the market is giving you and move on. Mistakes breed mistakes don't be a breeder.

Conclusion

"Well done is better than well said."

Benjamin Franklin

No two traders will view trading the same. In order for you to get the most out of this book you have to take what I have written and make it your own. Take action with the knowledge you have been given. The techniques and thoughts that I use have helped me when my back has been against the wall. It took me failing multiple times to develop, it was worth it. I thank you for taking the time to read this, I really do appreciate it. If you have any questions, comments, concerns, or have anything to add please do so by email info@mytradingnet.com. I wrote this to help myself be clearer with my beliefs and to understand my actions. I hope this creates a dialogue both within yourself and with me. I am always trying to see things from a different

perspective so I appreciate your feedback and I am certain it will be beneficial to both of us.
Have a great day and make good things happen.