
7 Habits of a Highly Successful Trader

Posted by yeahbah - 2008/09/12 13:12

Got it from <http://www.stressfreetrading.com/> <http://www.absolutetraders.com/images/fbfiles/files/7habits.pdf>

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Re:7 Habits of a Highly Successful Trader

Posted by jonf1tch - 2008/10/12 14:04

Hi yeahbah,

in the PDF it says "If you ever just read one book on the stock market then please let it be: 'How I made \$2 million" by Nicolas Darvas...has anyone read that book? According to the comments on Amazon the strategy is similar to CANSLIM without as much fundamental focus..?"

thanks!

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Re:7 Habits of a Highly Successful Trader

Posted by yeahbah - 2008/10/14 10:00

haven't read the book but i think it's just a marketing tactic hehe

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Re:7 Habits of a Highly Successful Trader

Posted by jonf1tch - 2008/10/14 13:04

oh well. just checking (since i read the PDF) and Wikipedia stated:

And it was here that Darvas came up with this approach and plan for trading stocks that was to see him achieve \$2,450,000.00 fortune in just 18 months, during the 1957-58 bull market. In total, just 7 short years since his first trade. http://en.wikipedia.org/wiki/Nicolas_Darvas#Darvas_Profits

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Re:7 Habits of a Highly Successful Trader

Posted by Sherwin Go - 2008/10/15 09:41

Ako these past few months what I realize is the lesser I trade the more I gain. Basically dati talaga tsupitero ako now medyo long termer ako and I make more money. Me thinks it has to do with paying less commissions and fees which sips money from our account. So trade long on a price that your are comfortable with. Not trading is better than trading only to lose.

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Re:7 Habits of a Highly Successful Trader

Posted by jonf1tch - 2008/10/15 16:39

i agree. the hardest thing to do personally is to muster the discipline to stick to the rules / system. i prefer relatively long-term positions as well. what you posted reminds of a study mentioned int this article:

In an earlier study of 66,400 investors, behavioral finance professors Terry Odean and Brad Barber concluded: "The more you trade the less you earn."

Buy-and-hold investors beat traders by substantial margins. The most active traders turned over their entire portfolios 258% annually, but their after-tax returns were only 11.4%. The reason: Active traders lose large sums paying higher expenses, transaction costs and taxes. In contrast, buy-and-hold investors turned their portfolios over a mere 2% annually, generating 18.5% returns. That's 50% higher.

Source: <http://www.marketwatch.com/news/story/welcome-new-world-lazy->

portfolios/story.aspx?guid=%7B948951C8%2DD191%2D4582%2DBEC1%2D7DB75CE596B6%7D&dist=msr_2i'm not aware of the background of the study though.

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Re:7 Habits of a Highly Successful Trader

Posted by yeahbah - 2008/10/15 19:54

buying and holding is a good strategy but don't forget to take your profits or cut your losses when necessary. If you bought PSEi stocks since the start of 2006 and still holding them now, malamang breakeven ka lang ngayon or maybe at a loss. nasayang lang ang 2 years.

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Re:7 Habits of a Highly Successful Trader

Posted by yeahbah - 2008/10/15 20:56

Here's a funny email that i've just read:

An Investment Advice:

If you had purchased \$1,000 of Delta Air Lines stock one year ago, you would have \$49 left.

With Fannie Mae, you would have \$2.50 left of the original \$1,000.

With AIG, you would have less than \$15 left.

But, if you had purchased \$1,000 worth of beer one year ago, drank all of the beer, then turned in the cans for the aluminum recycling REFUND, you would have \$214 cash.

Based on the above, the best current investment advice is to drink heavily and recycle.

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