

Stories From The Front Line: My Trading Journey

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Proprietary Trader – FX
Kaizen Wealth Management

Trader Coach
Trading Beliefs



What I intend to talk about for the next 30-40 minutes

- Who am I?
- My Trading Journey
- Mistakes I've seen (...and made)
- My Trading Style
- The Good, the Bad & the Ugly
- Some final thoughts
- Q&A



The “*I Love Me*” Slides – My Journey

Life Pre-trading

- Royal Air Force Fighter Controller
- Learnt about real Risk Management
- Playing Chess in 3 Dimensions at 500 miles per hour
- Banks trying to poach Controllers to be Traders



The “*I Love Me*” Slides – My Journey

Trading

- Worked in the City
- Trading since 1999 /Dot-Com
- Trading FX since 2003
- Have traded as self-directed individual and for funds



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- Proprietary Trader – FX
- Kaizen Wealth Management



What's my aim as a Trader?

To decrease the frequency of failure
&
Increase the frequency of success



Mistakes I've seen No.1

- Over-confident & under-skilled
- Poor expectation management
- If they have set goals then usually outcome based
- Leading to incessant P&L watching
- Manipulates confidence

Mistakes I've seen No.2

- Overtrading
- Too many trades
- Too many positions
- Too much risk
- Too much leverage
- Not enough Risk Management
- Result? Goodbye!



Mistakes I've seen No.3

- Amateurs always think 'How much can I win?'
- Professionals think 'How much can I lose?'
- Professionals always take money from Amateurs

Mistakes I've seen No.4

- Weak strategy
- In fact, usually no strategy!
- No Business Plan
- No Trading Plan
- If any strategy – it's usually called 'hope'
- Fail to keep records



Mistakes I've seen No.5

- They're an amateur with a hobby
- As opposed to a professional with a business
- Fail to see the need for 'success structures'

My Own Trading Journey

- Early Morning Breakouts
- Indices
- Moving Average Cross-Overs
- 1 Minute Charts
- 5 Minute Charts
- 15 Minute Charts
- 30 – 60 – 120mins – 4 – 6- 8 hour charts
- Equities UK & US
- Indicators
- Trend-Following
- Reversals
- Mean – Reversion
- Doubling – Up
- Pyramiding
- Scaling out
- Fibonacci
- Gaps
- Price Action
- Pure Mechanical
- Pure Discretionary
- Purely Automated
- Discretionary
- Breakouts
- Bounces



How I Trade

- A change of pace
- Simplicity is Key (FBT)
- 5% Fundamentals
- Less is more
 - Less Trades
 - Less Indicators
 - Less Risk

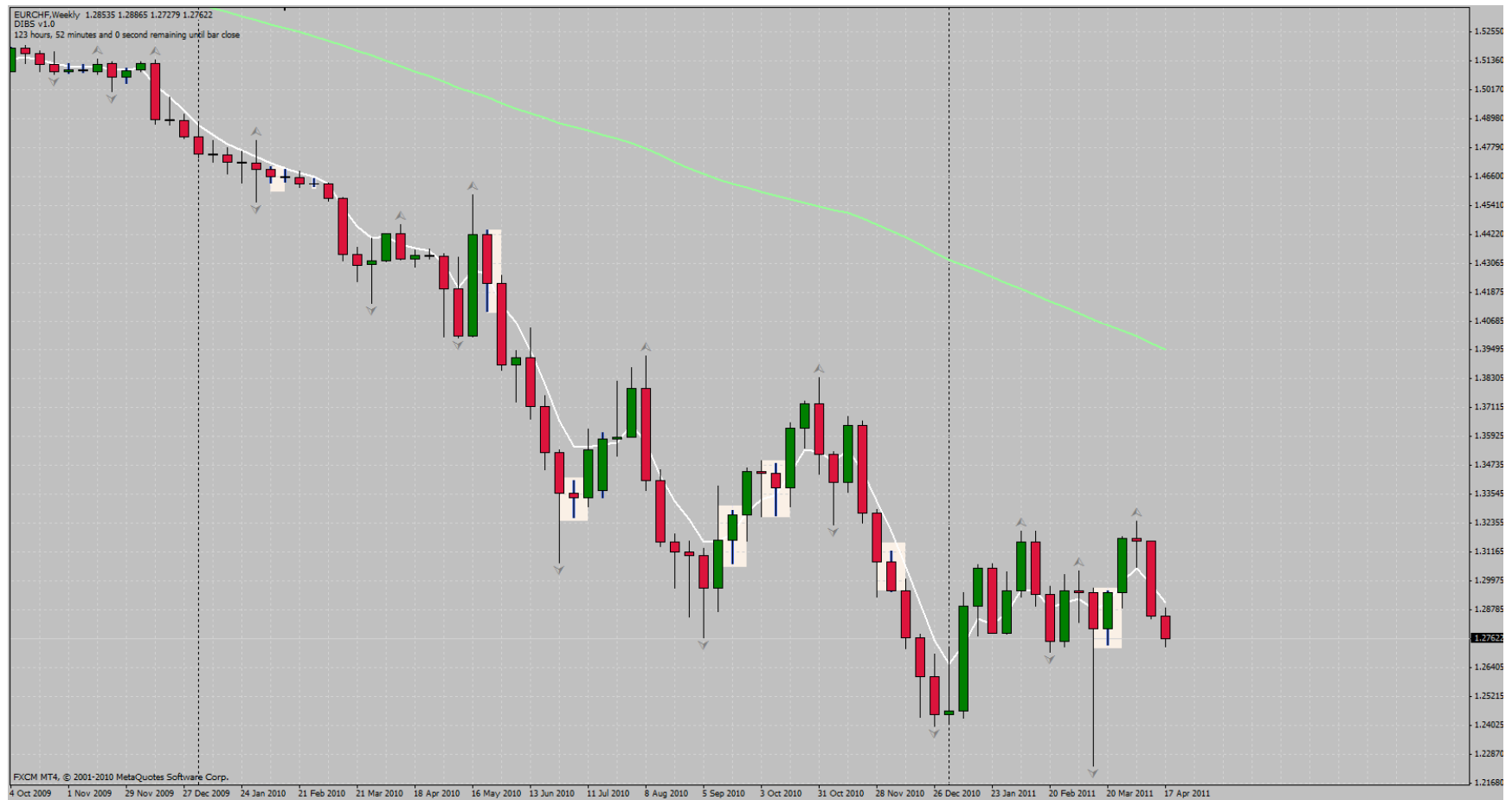
How I Trade

- Growth & Income Accounts
- Growth Account
- Set-ups on Weekly Charts
- Trend
- Relative Strength Analysis
- Inside Bar
- Weekly Momentum
- Execute & Manage on 4 Hour charts



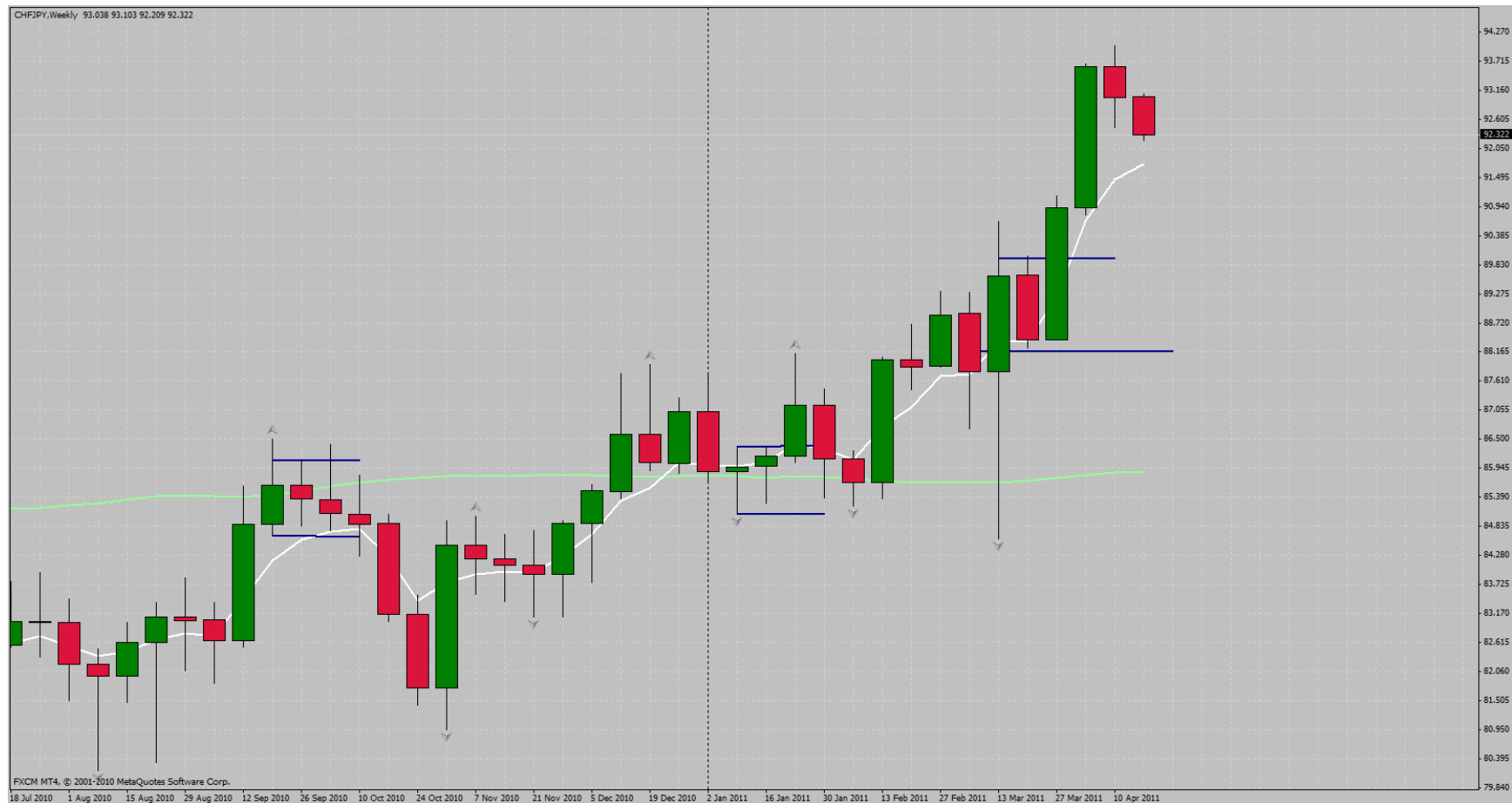
Weekly Inside Bar Set-Ups

EURCHF Sample 9 Set-ups in 16 Months



The Good – CHFJPY

Inside Bar 20/3/2011 – Long 90.11



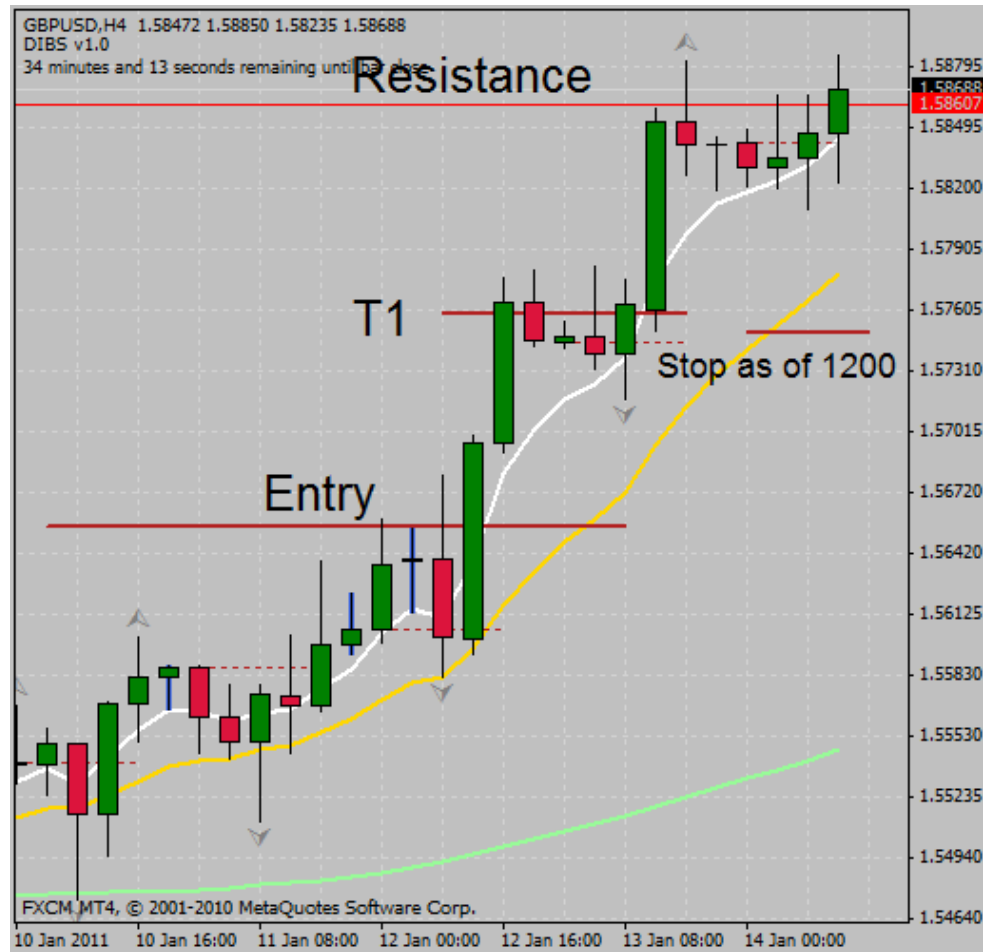
The Good – CHFJPY

Inside Bar 20/3/2011 – Long 90.11



The Good – GBPUSD

Inside Bar



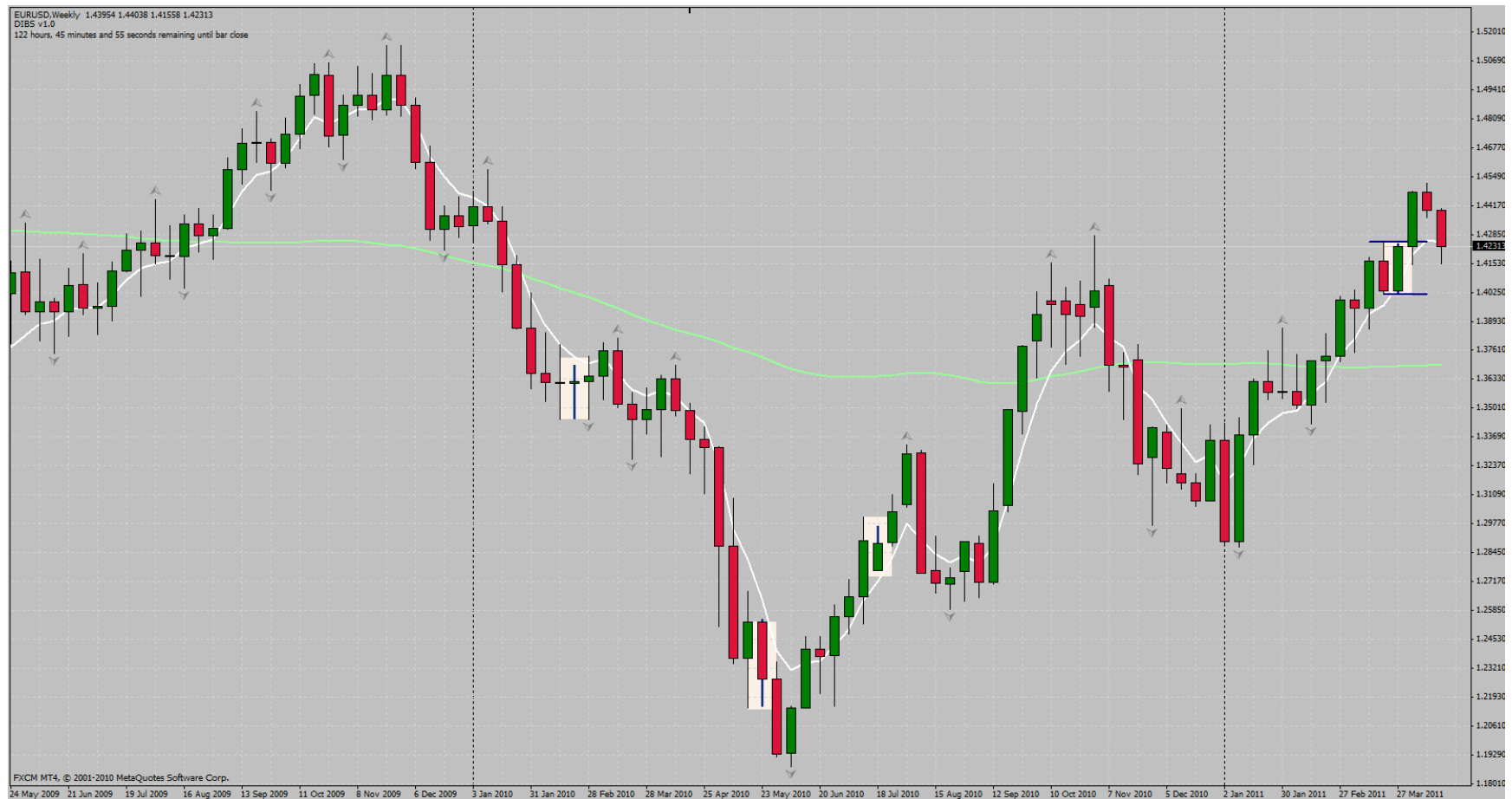
The Good – GBPUSD

Inside Bar



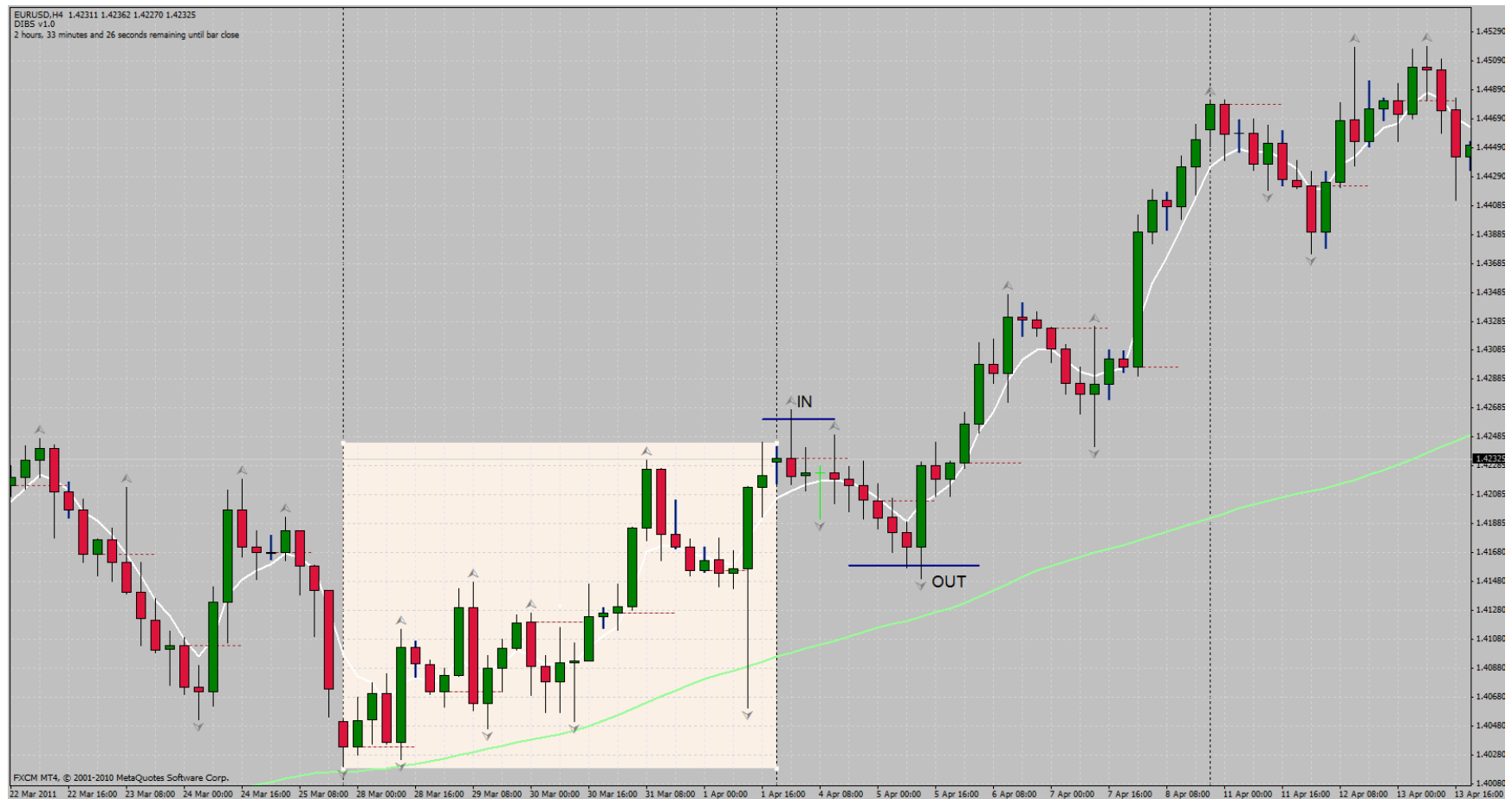
The Bad – EURUSD

Inside bar



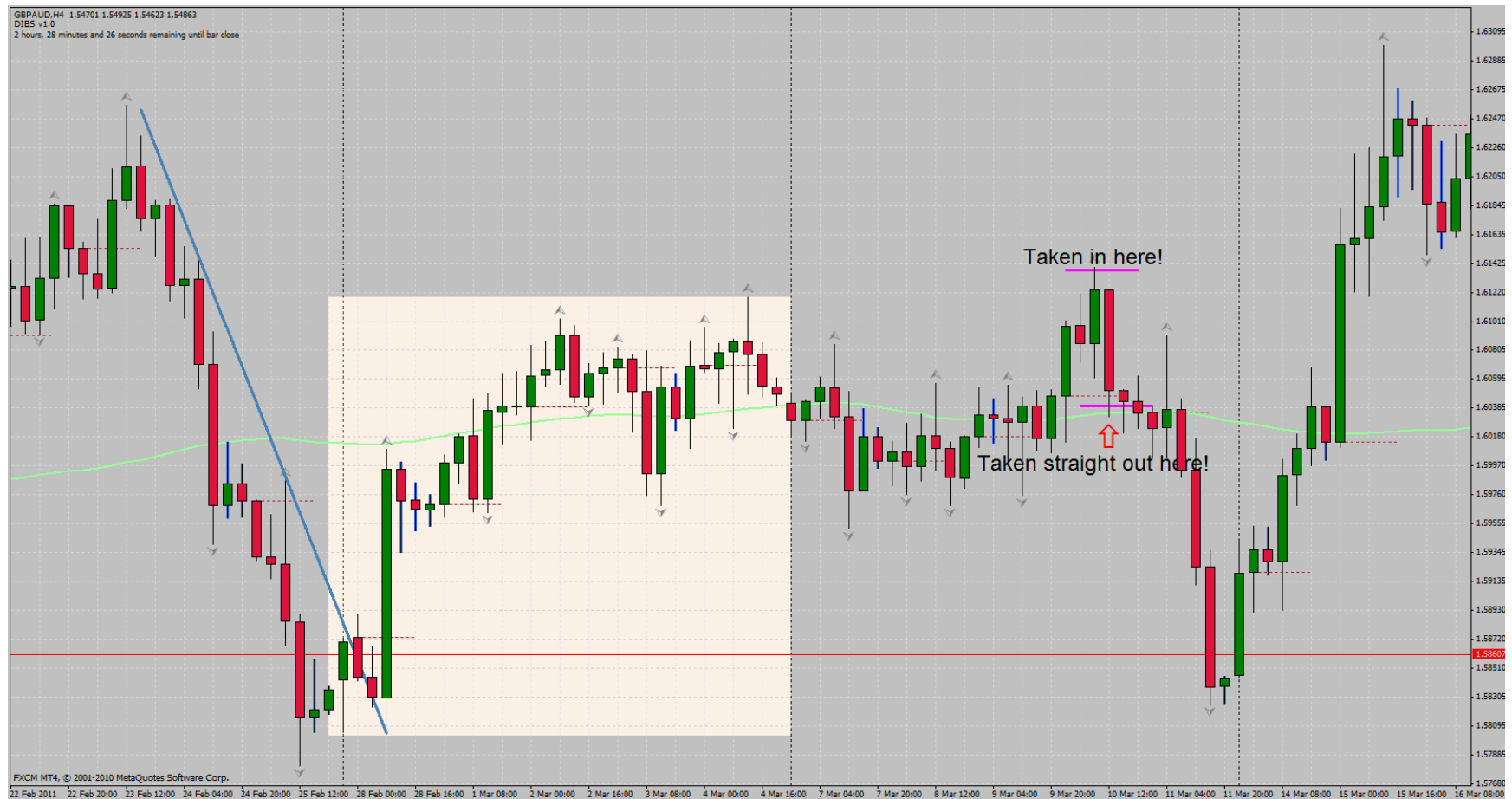
The Bad – EURUSD

Inside bar



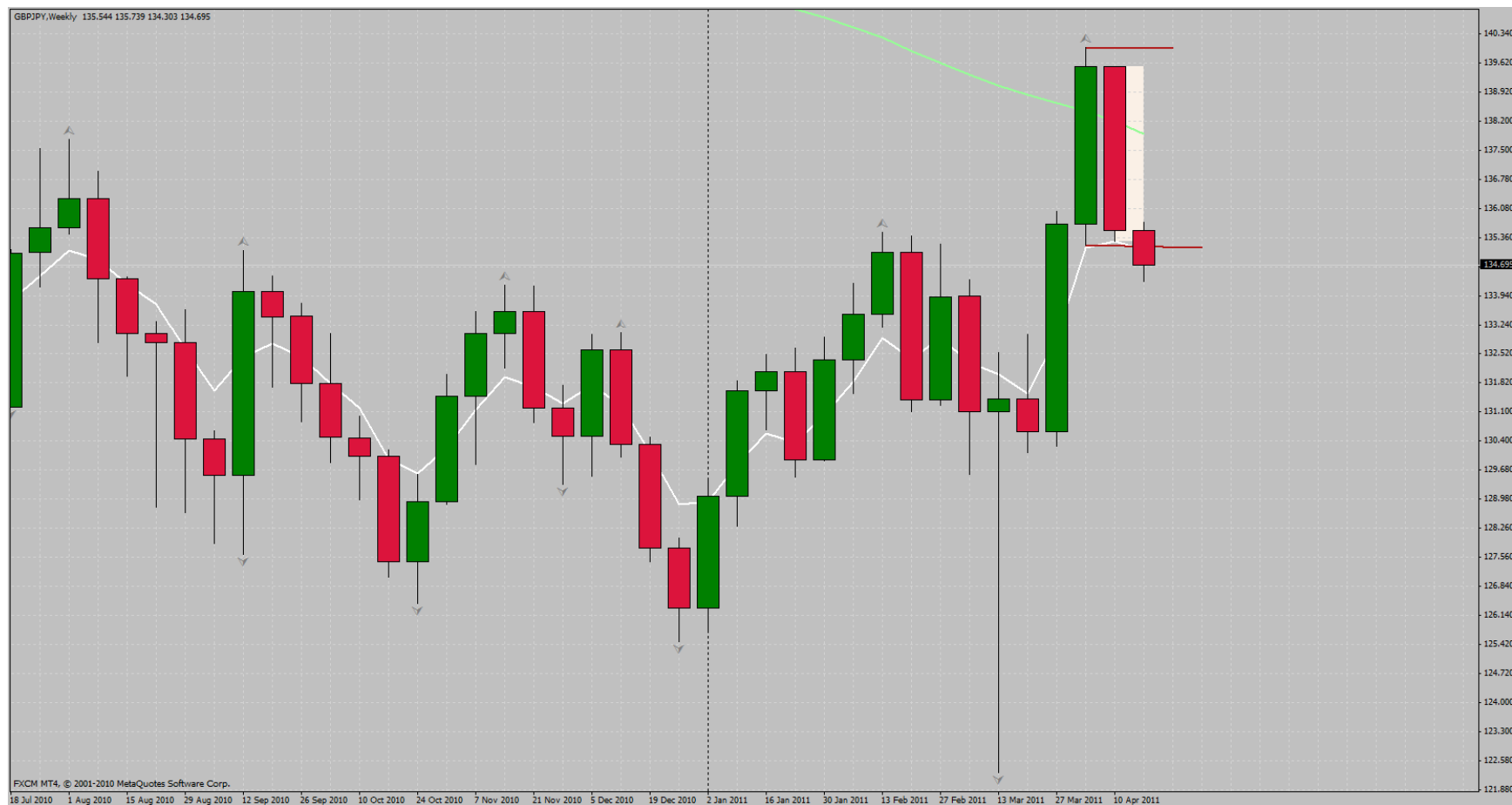
The Ugly – GBPAUD

Out for -98 pips in less than 2 hours



The Present - GBPJPY

Inside Bar – 18/04/2011



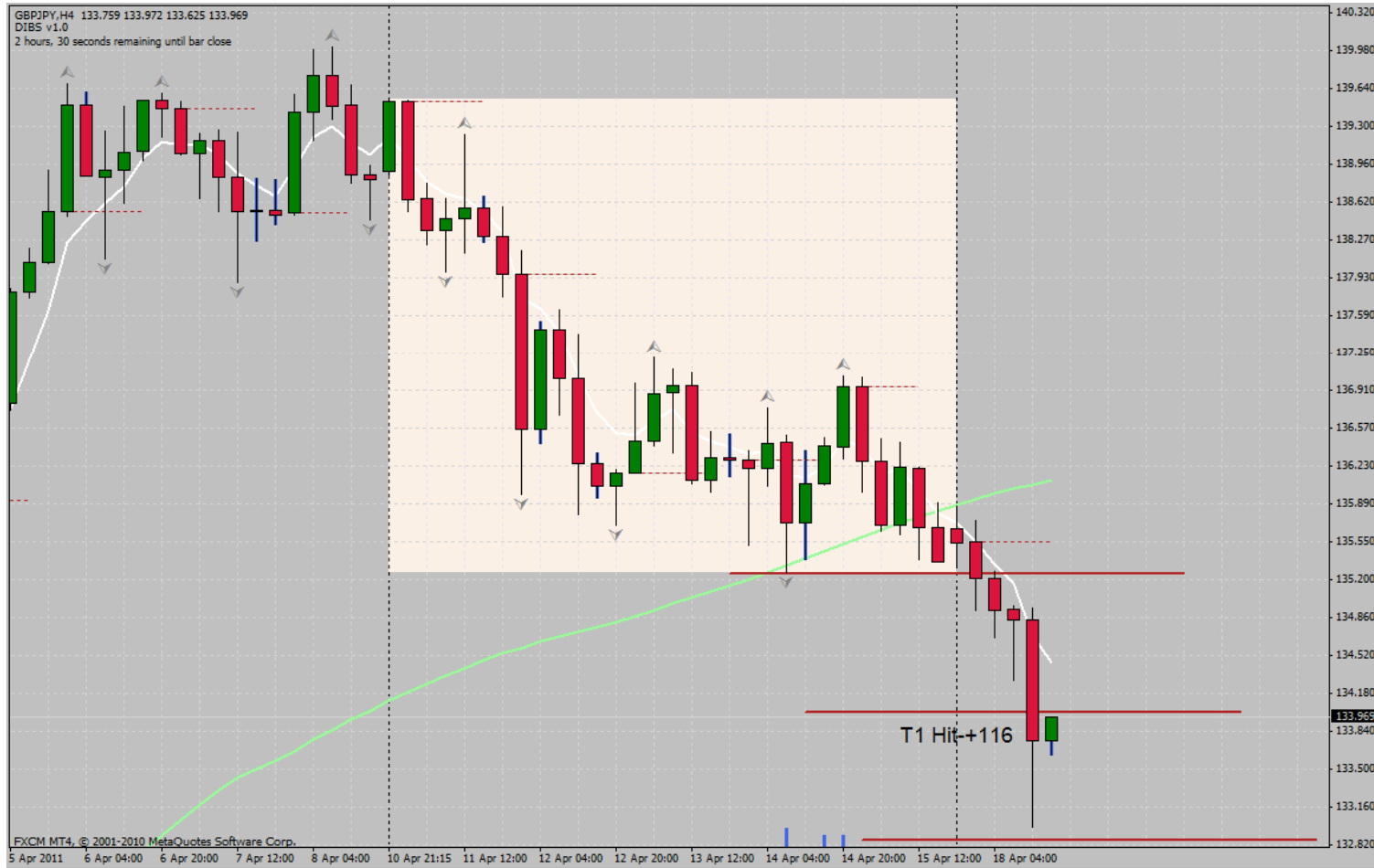
The Present - GBPJPY

Inside Bar – 18/04/2011



The Present - GBPJPY

Inside Bar – 18/04/2011



Some final thoughts

- For beginners – surviving is winning!
- You survive by:
 - Never trading without a stop loss
 - Always keeping your positions small
- Trade to learn before you trade to earn
- Amateurs always think how much can I win? Professionals think how much can I lose?
- Amateur traders turn into professional traders once they stop looking for the 'next great technical indicator' and start controlling risk on each trade
- Your success will come from melding your set-ups with your personality and your beliefs
- Plan my trade and trade my plan – Always follow the plan!
- You control how you trade; the market controls how and when you'll get paid.
- Remember: Rigid rules & flexible expectations. Not the other way round!
- Forget results: Focus on flawless execution of your set-up
- Keep great records – it will pay a handsome dividend for your business.
- Less is more when it comes to trading: Less Indicators, less trades, less risk.
- Every trade is your responsibility – no one forces you to pull the trigger
- Remember an amateur has a hobby; a professional has a business



Where do we go from here?

My Blog

<http://fxtraderpaul.wordpress.com>



- Has a link to London Traders' Network Meet-up group
- Has posts under the 'What Type Of Trader Are You? Banner
- See my trades:
- The Good
- The Bad..
- ...and The Ugly!

