

C&S Grain Market Consulting

Factors That Influence Success In Trading

Depth of Emotions:

Are your natural tendencies in life to be cautious? Do you try to anticipate and calculate every possible pitfall that might lie ahead in your path? Is it your desire to avoid situations that are out of your control? If the answers are "yes", then the fear of loss in trading the markets will probably have a major negative impact on your ability to trade profitably. Your emotional pockets will probably be too shallow to successfully handle the risk associated with trading.

Are you free to lose all of your trading capital without emotional repercussions? If the answer is no, then trading will be most stressful for you and your ability to make timely decisions will be severely hampered. The hold your capital has on you will not allow you to be free to be successful. Again, your emotional pockets will probably not be deep enough to successfully handle the risk associated with trading,

Depth of Finances:

Can you afford to lose all of your trading capital without it impacting your financial situation? Can you afford your trading positions with reasonable stops and not get blown out of a trade? Can you make an objective decision about taking a trade without worrying about the money? If the answers are "no", then your financial pockets are probably not deep enough to successfully handle the risk associated with trading.

Experience:

What can I say? There is nothing like experience to provide for more learning. No one can have too much. Experience leads to learning, which leads to more experience, which leads to more learning, etc.

Goals:

Our goals are as varied as the persons we are! The goals that help you achieve the success you desire in your mind may not work for someone else. Whatever your goals are in trading, the need for two things always remains constant: being successful requires you to be disciplined and to stay focused!

Personality Types:

We are all combinations of four basic personality types: 1) Sanguine, an insecure extrovert and a salesman, with a super-ego, cheerful, confident, hopeful, sometimes superficial and unrealistic. 2) Choleric, a secure extrovert and a workaholic, by the numbers, in control, and subject to anger and unkindness. 3) Melancholy, a secure introvert and creative, intuitive, thoughtful, subjects to perfectionism and depression. 4) Phlegmatic, an insecure introvert and calm, cautious, laid-back, indifferent, and can be very stubborn. Almost none are all of one type, but a blend of types, with one or two types being predominate. Do you know your combination?

Perspective of Time:

The narrower our focus on time in a market, the more subject we will be to the emotions of fear and greed. If you only have a few hours or days to make a trade work, the greater importance you will put on each tick of the market. Likewise, the larger your time frame of reference, the less important price and tick-by-tick market action is. It goes back to your goals and depth of pockets, both emotional and financial.

This list is not meant to be all-inclusive. It may just scratch the surface. Some of these areas are whole fields of study themselves. Hopefully these thoughts will enable you in your trading pursuits.

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