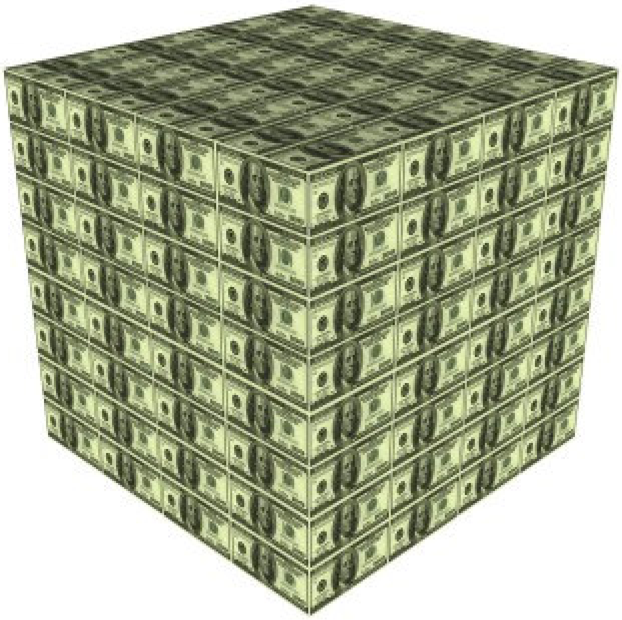
Nine Things I Have Learned From My Millionaire Trader Friend



A look inside of my Millionaire Trader Friend's wallet.

I know many traders and I have worked with many traders around the world. However, one trader who is, by far, the best trader I have ever known. He is an unbelievable trader. He is very consistent and he makes an incredible amount of money trading every day. You may have heard of him, he has been interviewed in trading books, and he often speaks at trading groups and trading seminars. I will simply refer to him as my "Millionaire Trader Friend" and I will tell you what I have learned from him.

I still remember the day that I had come to realize just how successful my Millionaire Trader Friend was at trading. Today I must admit it does not seem so impressive as I have been able to see and meet successful traders from all around the world, but I do know that he is an impressive trader and I still hold him in high regard. I have been luck to know my Millionaire Trader Friend and I have reaped many benefits from incorporating the lessons I have learned from him into my own trading. It is my hope that you too will benefit from what he has taught me.

These are the nine things I have learned from my Millionaire Trader Friend:

1. Do One Thing, and Do It Well
If there is one simple thing that I have learned from my Millionaire Trader Friend, the best trader I have ever known, it is this - to make money trading you only have to become an expert at one type of trade. There is no need to run several different trading systems. You may simply concentrate on one trading system, and if you trade it well you can become a very successful trader.

You may not even need to concentrate on many different markets, you may find that simply concentrating on one currency pair is enough for you to find many profitable trade setups. This is what my friend does, he trades only the GBP/USD and he has success with this.

I have since noticed that the most successful traders often share this trait - they do one thing very, very well. It may be one trading technique, or one currency pair or one simple method applied to many different currency pairs. The point is this: specialist traders often make a lot of money. Specialist traders have one technique that they have fully back tested, or one currency pair that they are an expert on, and they use this knowledge to make money consistently.

If you find yourself jumping from trading system to trading system, or if you find that some of the trades you take on one currency pair are not as successful as your trades on another pair, you may seriously consider becoming a specialist.

2. You Can Have An Extremely High Win Rate
There has been a lot written about win rates (what percentage of your trades are profitable trades), but what some traders do not seem to understand is that it is possible to have an exceptional win rate. 70%, 80%, even 90% is possible. This I have learned from my

Millionaire Trader Friend - he has an incredibly high win rate, and I do too now because I have learned so much from him.

My Millionaire Trader Friend is continually improving as a trader. He is constantly figuring out ways to get better at what he does. He uses every loss as an educational experience – that is how he sees them. Every loss is a lesson that the market has handed him. I would not say that he embraces losing trades, but he does learn from them.

Each loss is an opportunity to learn something: what could you have done differently to ensure that this trade had a better outcome. Could you have moved your stop loss to breakeven sooner? Maybe you could have taken profits when you saw a double bottom form. Or perhaps you did not have full confidence in the entry signal. There are many lessons to be learned from losing trades, since meeting my Millionaire Trader Friend I do not look at losing trades the same way.

3. Patience is Rewarded

Another thing that I have learned from my Millionaire Trader Friend is that it pays to be patient. Profitable traders like my Millionaire Trader Friend wait for the perfect trade setup. Many traders who do not consistently make money trade for the sake of trading, I used to do this too. I used to look at the markets and ask myself "which way is the Pound going to go?" Now I look at the markets and say "Is there a trade I must take right now?" I have learned to be patient, and my trading account has grown accordingly.

4. The Best Time for A Trade is When Everyone Else Disagrees

If you think about it, it makes sense - the very best time to buy something is when everyone is convinced that the price is going to fall lower, and the very best time to sell something is when everyone is convinced the price is going to shoot to the moon. My Millionaire Trader Friend has taught me the importance of trading against the crowd. The crowd is *reacting* to the market, and my trading partner has taught me to ***react to the crowd***, this simple change in mindset can produce incredible profits if you are willing to look like a fool (in the eyes of others).

5. Being Wrong is Not a Bad Thing

My Millionaire Trader Friend has taught me that even the best traders, like him, are sometimes caught on the wrong side of the market. There is no need to panic when this happens, but once it does a very good thing to do is to simply get out. Once you realize that your trade was not a good idea, there is no need to wait for your stoploss to get hit, when you know you have made the wrong move you can simply get out of the market and wait for the next trade.

This is what I have learned from my Millionaire Trader Friend - if you are absolutely certain that you made the wrong move, sometimes the best thing to do is to exit the market and then place a trade in the opposite direction. This can be extremely difficult to do, particularly if you have put a lot of time and effort into analyzing the trade.

6. Let the Trades Come To You

If there is one thing I have noticed about how my Millionaire Trader Friend trades (and this is not a unique characteristic, many of the very best traders I have ever traded with also have this characteristic) it is this *he does not go looking for trades, he waits for them to **jump out** at him.* This may seem like a weird way to trade, but it is precisely how he takes so many profitable trades. He waits and watches, and when the market gives him an opportunity to jump in to a good situation he enters the trade. He never trades simply because the market is open, and he sometimes sits in front of his charts for hours and never trades. I have learned from him that successful trading means being ready for the market to offer you "free money" - or ideal trading setups. When these setups come along I know it because I feel like I must take advantage of the opportunity the market is offering.

Unfortunately, despite the success my Millionaire Trader friend has with trading, he has a soft spot for really bad ties.

7. Create Your Own Trading Style

How many times have you heard some *expert trader* say something like "Fibonacci doesn't work!" or "never trade during a news release" or "scalping is impossible in forex." One thing I have learned from my trading partner (and from working with traders all over the world) is that the very best traders create their ***own trading style***. This doesn't mean that you must re-invent the wheel to become a successful trader, it simply means that many successful traders have found their way to success by adapting trading strategies and making them *their own*. It is not important that you trade precisely as other successful traders do, but it *is important* that your style of trading makes sense to you, because this will ensure that you stick with the trading strategy over the long haul.

My Millionaire Trader Friend has a completely unique trading strategy that he has created over time, by exposing himself to many different ideas and many different traders. His system is unique because it is his, and it makes sense to him. This is important because it means that he is better able to maintain confidence through the drawdowns that will inevitably occur.

8. Keep Learning
My Millionaire Trader Friend has such a high win rate, and is so good at picking high probability trade setups that some people may assume that he knows that he has the markets "figured out." Not so, he is constantly learning, he has many trading books, trading magazines and we are constantly talking about trading strategies. He learns from some of the best institutions and research centers around the world because he has a constant thirst for knowledge. The fact that he is open to new ideas and the fact that he is an exceptional trader is probably not a coincidence. I think that many successful traders are open to new ideas. This doesn't mean that successful traders switch trading strategies every month (my Millionaire Trader Friend has been trading the same trading strategy for years), it simply means that many successful traders are open to new ideas and new ways of profiting from the markets.

9. Everyone Has a Bad Streak
Even my Millionaire Trader Friend will have the occasional unlucky streak with several losses in a row. This is not that interesting to me, but what *is* interesting to me is the way that he deals with these unlucky streaks. He does not lose confidence, he continues to take the next trade setups, as they occur, and he does not question his trading strategy. He knows that anyone can flip a coin and get "tails" 4 times in a row, and that is precisely how he views an unlucky streak. He knows that in the long run he will make up the lost money and then some, so there is no need to panic.

I hope that you have learned something from my Millionaire Trader Friend , I know I have.

FXjake

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I know that I can help you to become a better trader if that is something you really want. I can also give you a lot of free stuff. I have trading spreadsheets, ebooks and generally I just like to talk to other traders. It can get lonely trading for a living and that is why I would love to hear from you. If you have any other questions about my Millionaire Trader Friend, how you may become a better trader or what it is like to live in Poland (ok, maybe not since I don't know much about Poland), please email me:

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