How Long is a Piece of String?

How long will it take for me to be a market master, pluck money from the markets at will from a laptop on my sun longer in the Caribbean? That's a common question for new traders and people considering taking up trading.

It's a fair question, the "hype" tells you that financial freedom is only a chart and a broker screen away. The reality is somewhat different for most, if not all people.

The answer to the question, "How long will it take?" is also different for everyone. Looking back at my own experience, I can now see that my expectations were completely unrealistic. My internal dialogue went something along the lines of, "It's easy – find some rules, follow them and pull money from the market, what could go wrong?"

Quite a lot as it happens. I was in such a hurry to "make" trading work for me that I missed some of the most important lessons, and things that ironically would likely have accelerated my success.

My personality is built on a platform of impatience – and I can tell you that impatience is a killer in the markets. Impatience led me to trade ever smaller timeframes in the search for keeping myself busy and being in the market. What I know now is that is directly in conflict with my trading personality.

What do I mean by trading personality? This is the "You" in front of the markets as opposed to the "You" that your friends and family would recognise. Believe it or not, they can be very different people. The market will quickly give you an idea of who you really are when you're trading. Many books talk about your success in the markets being a reflection of your personality. The market effectively holds up a mirror to your trading emotions and your results are a reflection of these emotions – so be aware of who you appear to be to the market.

What this means is that your results will reflect your true emotions, and your true feelings. If you are afraid when trading, your results will reflect this. If you are greedy, similarly the market will demonstrate this to you by delivering results that reflect the personality you are presenting to it.

It is therefore very important that you first, understand your “trading personality” versus your own personality.

I discovered that in front of the markets, I switched between being greedy and fearful. My greed (combined with a healthy dose if impatience) would get me into trades – so I had no problem pulling the trigger. What this often led to was chasing the market, another thing I can strongly recommend you avoid – greed driving me to get into a trade long after the optimal entry was passed, worried that I may be missing out. This practice invariably leads to poor results.

Once in trades, my fear would kick in, and I would cut winners short way to early, convincing myself that the market was about to turn around and stop me out, so best to take some profit. I rarely left my trades to run to their targets.

I followed this pattern for quite some time. My initial plan of a couple of months practice, and then jumping on board the gravy train was not working out – what was going wrong?

What was going wrong, was lack of experience, unrealistic expectations, me trying to force the market to do what I wanted not taking what it was offering and above all, not aligning my trading personality to my trading style.

It took a long time to learn this lesson, but over the course of my time trading, I have learned to leave “me” behind when I’m trading, and accept who i am in front of the markets. What this means, is I now trade only the markets I feel comfortable with, a handful of Forex pairs. I have stopped trading some of the more volatile markets like Gold and Oil where great gains can be made, but my emotions would often get the better of me in the “exciting” times.

I have focused on a smaller number of markets, as it turns out I find it difficult to follow too many, and I have better results with a smaller number of markets.

Most importantly for me, I have finally learned to follow my plan. I trade a small number of setups, only 3 or 4, and I work on the higher timeframes. I find it very difficult to control impatience and emotion in the lower timeframes, and so now take a more relaxed view at the higher timeframes. I find this prevents me wanting to “tinker” with my trades all the time, and I let them run and do what they’re supposed to do – not second guessing and reacting to every dip and push in the markets – I’ve let time filter out some of the noise for me.

Of course for everyone this will be different. But it will depend upon your “Market Personality” and what style of trading, which markets, which strategies and which timeframes suit you.

Unfortunately, learning this is something which takes time, and you can develop this understanding only by being in the markets, feeing your emotions, recording your reactions and results and then slowly, but surely refining your approach until your two personalities are congruent or aligned.

Once you have that alignment figured out, you’ll know how long your piece of strong is!

Dale Peters