

## Twitter Thread by Prakhar



**Prakhar**

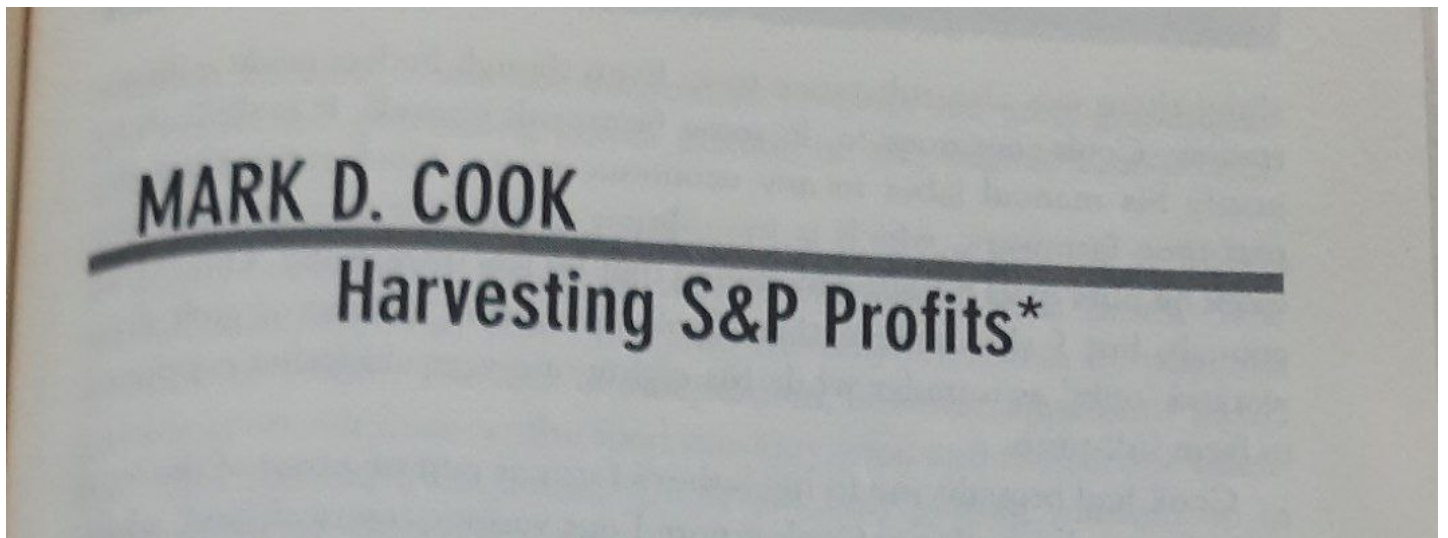
[@StocksbyPrakhar](#)



**\*\*MARKET WIZARD\*\* ALERT**

**MARK D. COOK --- Farmer/Broker  
& A Option Buyer**

**A thread in Collaboration with [@kalpeshmewada49](#)**



MARK D COOK has a very interesting market story.

He was first fascinated with markets as he had some quick easy money options buying successful trade(1978)  
Then he blew his entire capital on Options that expired worthless

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After that, he made lots of money selling options(Short straddle) and then blew all and much much more over a single trade(1982).

At the time of Stock Market Wizards(2001), he was USIC champion as an Option Buyer with annual returns ranging from 30% to 1400%

Let's find out how

He took a break from trading after the 1982 debacle and started again in 1984

His first big profitable year was 1986.

In 1986, he began keeping a 'daily trading diary'.

Every day he wrote down recurrent patterns that he noticed in the market.

One indicator he developed is what he called - "tick", which is the number of New York Stock Exchange stocks whose last trade was an uptick minus the number whose last trade was a downtick. When the market goes up, the tick will be +=VE, and when it's going down, it will be --Ve.

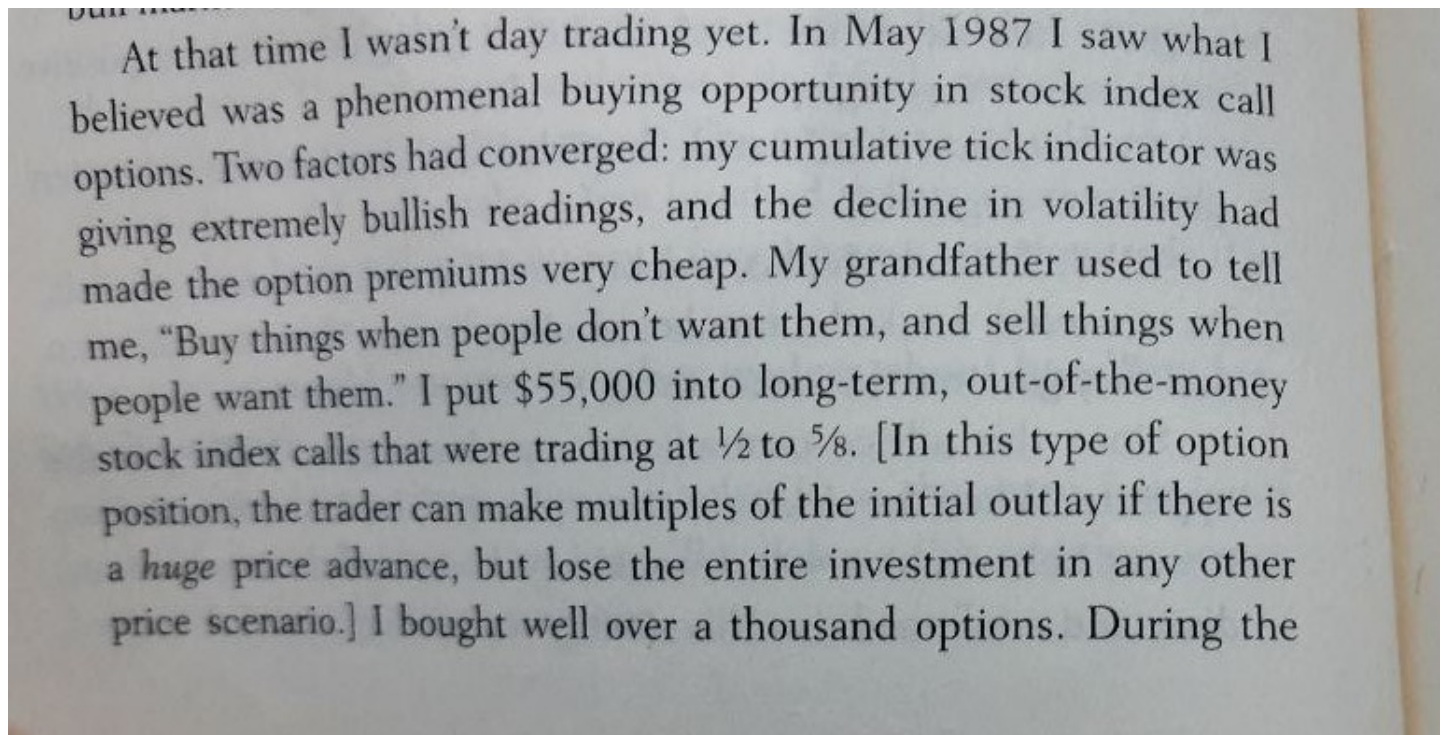
He noticed that whenever

the tick became very negative, the market would tend to snap back on the upside. Conversely, strongly positive tick readings seemed to be followed by sell-offs.

When this total gets below the historical 5th percentile, it signals an oversold situation [a buying opportunity], and when it gets above the 95th percentile it signals an overbought situation

Three Days Max: He Holds trades for not more than 3 days once they become profitable.

Anecdote of his Million Dollar "Long Gamma" trade:



The Confidence Game: Whenever he was down "Frequency" of his trading stepped up



But at the same time, he stops his bleeding by aggressively reducing position sizes.  
He just wants to put a winning trade no matter how small to gain confidence.  
A winning trade gives him "Confidence that he can make MONEY".

His Lazy FRIDAYS: While reviewing his Past trades he realized his worst trading days were Friday as he gets "complacent from Early weekdays profits"

Advice on Treating Trading as Business:

What markets are you going to trade? You need to select a market that fits your personality.  
A account large enough to make money "not less than your JOB".  
How will orders be entered? Will you scale into positions or put them all at once?

Drawdowns that will ask you to Reevaluate your approach.  
Drawdowns where you would shut down Tradings.  
Profit Goals should be clear over the shortest terms and over longer periods.

Methods to not let Personal Problems affect your Tradings

WHY TRADERS FAIL: They underestimate the time it takes to be a Good Trader and Under Capitalization

Anybody can be a Market Wizard:

"I represent the average guy out here in rural America, in the U.S. Midwest. I sit in my great-grandfather's farmhouse, staring at a computer screen, and I can make a living trading. That's why I

believe

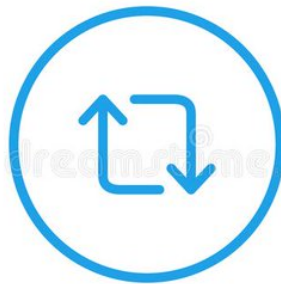
there is hope for people anywhere to do this. But you have to be willing to work hard and pay your tuition, which is the money you lose while you're learning how to trade.

People ask me all the time, "How long do you think it will take for me to succeed?" I tell them, three to five years of twelve-hour days and losing money. Very few people want to hear that."

\*\*\*\*\*

End of thread.

If you find any value do



Read our earlier thread on Amrit Sall

<https://t.co/2Sw4fP2576>

Let's talk about one of the best traders ever featured on market wizards, with a cagr of 337 percent (you heard it right that's annual, not cumulative) his market insights, his mindset & his trading technique.

In collaboration with [@kalpeshmewada49](#)

A thread \U0001f9f5 [pic.twitter.com/tcY6H7uelT](https://pic.twitter.com/tcY6H7uelT)

— Prakhar (@StocksbyPrakhar) [July 31, 2022](#)