Twitter Thread by Sarabjot Singh

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Enough retweets !
As promised.. here's that 100% win rate strategy !!

I would be happier if you retweet THIS thread ■

Most of you are smart enough and guessed it right. Although even some seasoned traders took it seriously ■
Yes.. the ONLY strategy that has 100% win rate is
"Not trading at all"

Ohhh !! Feeling let down ?
You must not. You are about to learn a useful trading lesson through this thread. A lesson that should put an end to your search for a holy grail.

If there is a holy grail..or anything near to that.. it has to be stop LOSS. Yes a LOSS. The journey to great WINS goes through losses. It's your stop loss that prevents your account from going bust.


गुलाब का फूल भी तो कांटों के
साथ ही होता है

Stoploss is not just a number or a percentage. It's a mentality. It's an acceptance.. that markets are supreme. We cannot predict it. We cannot influence it. We cannot change its direction. We can only try to follow it.

And when we accept market's supermacy we are prepared to pay market fees callled stoplosses. It's a small fee that we pay to market to let us stay in the market for long. And if pay our fee regularly and stay there long enough we stand a good chance to be among those 5/10%

who make money from markets. If you keep believing in and searching for a holy grail you are in majority..no doubt.. the majority which loses in the market. In which camp you want to be..the majority or the minority.. the choice is yours.

The biggest cause of losses in markets isn't that you don't know the winning strategy. There are plenty of strategies floating around on youtube and twitter. Reason for your loss is loss aversion. You don't want to accept that your trade has gone wrong. You take resource to

"hope". Then you talk about "operator" the evil guy that forces markets against you. As if "he" knows your position and is after you all the time ■

Coming back to strategy part. Strategy is important, very important part of our trading journey. Only a strategy with positive expectancy will make money, even if that positive expectancy is just 0.1. But much more important than your strategy is your conviction over the strategy

And your discipline to execute it without breaking rules. Most of the traders lack this discipline. A few days of losses and they are looking for new strategies. It's a never ending search for them. Bcoz "whatever the strategy" some loss days will always be there.

And there can be streak of losses as well. This losing streak may last longer than your backtest reported max losing streak. Bcoz market movements are random. Will always be random. And will continue to surprise us.

Too much about loss.. kuch gain ki baat ki jaaye ? Profits kaise aayenge ?
When you study charts and market behaviour, and options behaviour(for options traders) you begin to understand it. You can always TRY to predict.. like market today should stay in between so n so range

But mind you, the prediction should be with a probabilistic mindset. Once you know that your prediction is just a probability you'll add some hedges, put some stoplosses and/or add some uncorrelated strategy to it.

Uncorrelated strategy in this case can be a strategy that gains from a trending market. This is exactly what I have been teaching through my tweets.. how to design systems with uncorrelated strategies. That's the way to gains with less losses

We can try to lower the drawdowns but cannot eliminate them. World's most profitable traders have strategies with win rates of even less than 50%. Even 90% win rate strategies cannot eliminate the need for control over your emotions while trading. That's what u really need !

Earlier thread got more than 150 retweets. And I got so many DMs to reveal that imaginary holy grail !

I don't have any. Nobody has.

If you like this thread please retweet. And follow for practical things that really work in the world of trading.

Thanyou for reading it all ■