Twitter Thread by Subhadip Nandy

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The most common problem faced by day-traders and it's easy solution which is extremely difficult to implement.
A thread.
(uses concepts I have discussed many times before in separate threads)

Problem : I have a good system, I understand charts and/or price action, but I simply can't make money. I hold my losses too long or (this is most common) I get out of profitable positions too fast and cannot sit for the whole move

At many firms at NASDAQ, day-traders are seen as elite sportspersons playing in a difficult taxing game. That's why, they have regular sessions with sports psychologists. They are advised to follow the basic routine of sportspersons.
Train ---- Play tournaments --- Rest

The cycle repeats

We retail day-traders here neither rest nor train.

Rest = taking time off markets
Train = trading in markets in training mode

Understanding REST is easy, simply take time off markets and spend time with family or do something you love

But what about training ?
Paper trading or trading on a simulator is never good training as it never gives you the same psychological issue while actual trading. Deep down you know this is fake, you are not making or losing actual money

As you are never making or losing money, you will not be able to be in the same psychological state / pressure which comes in actual trading. Your decisions while paper trading or simulated trading will be vastly superior or actual trading

The solution:
Trade 1 lot (I am speaking about intraday options trading, cash traders can do this with a simple share of any stock) following your system/process for one month. This sounds easy, right?

Try implementing this, you will understand the massive psychological discipline and strength it requires. Majority fail to do this over a month and go back trading their normal volumes and thus face the same issues all over again

If you are in a trading slump for long and aim to claw back, give yourself 3 months.
First month = 1 lot
2nd month = 2 lots
3rd month = 4 lots
4th month = follow money mgmt/position sizing with a small bet per trade

I have used this "one lot" rule twice in my trading career to resolve my psychological issues while trading. In my time on twitter, have advised this method to probably hundreds and thousands of traders over the past few years.

So far, very few traders (around 5 or 6) have followed this method diligently as I have outlined and come back to me with the results. Not surprisingly, all of them were profitable to various degrees

There is no short-cut solution is you are facing the same problem. No guru, no webinar/seminar/handholding/setup/system will be able to solve this issue.

As one of my students rightly said " when we go to a gym, the trainer can show us all the moves. But it's us who have to appear at the gym everyday and do the exercises if we have to improve our body"

Same with trading. Best of luck ! ■

Anthony Saliba, the only options trader to be interviewed in the first Market Wizards book was the original one lot trader. Indian fintwit has nicknamed me also as one lot, what a great title ! Thanks

https://t.co/oqCwSz8kfW

> Perhaps you have the idea that calling me " 1 lot Nandy" is somehow derogatory and a easy poke at me. Allow me to explain why I look at this moniker as a badge of honour https://t.co/1Q8tOQ2U6a
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> — Subhadip Nandy (@SubhadipNandy16) July 16, 2021