Twitter Thread by Saurabh Bajaj

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Saturday Thread Time.
Re-Read interview of Ed Seykota from @jackschwager book "Market Wizards". It's the most philosophical interview among all interviews. Needs to re-read it over and over.
@vivbajaj Sir, a re-tweet would be highly appreciated.

1. Systems don't need to be changed. The trick is for a trader to develop a system with which he is compatible

2. The key to long-term survival and prosperity has a lot to do with the money management techniques incorporated into the technical system.

3. The profitability of trading systems seems to move in cycles. Periods during which trend-following systems are highly successful will lead to their increased popularity.

3.1 As the number of system users increases, and the markets shift from trending to directionless price action, these systems become unprofitable, and undercapitalized and inexperienced traders will get shaken out. Longevity is the key to success.

4. In order of importance to me are (1) the long-term trend, (2) the current chart pattern, and (3) picking a good spot to buy or sell.

5. If I am bullish, I neither buy on a reaction nor wait for strength; I am already in. I turn bullish at the instant my buy stop is hit and stay bullish until my sell stop is hit. Being bullish and not being long is illogical.

6. My biggest slip-ups occurred shortly after I got emotionally involved with positions.

7. I prefer not to dwell on past situations. I tend to cut bad trades as soon as possible, forget them, and then move on to new opportunities.

8. The elements of good trading are: (1) cutting losses, (2) cutting losses, and (3) cutting losses. If you can follow these three rules, you may have a chance. I handle losing streaks by trimming down my activity. I just wait it out.

9. I feel my success comes from my love of the markets. I am not a casual trader. It is my life. I have a passion for trading. It is not merely a hobby or even a career choice for me. There is no question that this is what I am supposed to do with my life.

10. Gut feel is important. If ignored, it may come out in subtle ways by coloring your logic. It can be dealt with through meditation and reflection to determine what's behind it. If it persists, then it might be a valuable subconscious analysis of some subtle information.

11. Be sensitive to the subtle differences between "intuition" and "into wishing."Good traders have a special talent for trading just as good musicians. Great traders are ones who are absorbed by the talent. They don't have the talent—the talent has them.

12. Joy of winning and pain of losing is right up there with pain of winning and joy of losing. Also to consider are the joy and pain of not participating. Relative strengths of these feelings tend to increase with the distance of the trader from his commitment to being a trader

13. Having a quote machine is like having a slot machine on your desk—you end up feeding it all day long. I get my price data after the close each day.

14. A losing trader can do little to transform himself into a winning trader. A losing trader is not going to want to transform himself. That's the kind of thing winning traders do.

15. Win or lose, everybody gets what they want out of the market. Some people seem to like to lose, so they win by losing money.

16. I think that some of the most flamboyant and interesting traders are playing for more than profits alone; they are probably also playing for excitement.

17. One of the best ways to increase profits is to do goal setting and visualizations in order to align the conscious and subconscious with making profits.

Hope you will gain some great insights from this thread. I will post insightful threads every Saturday.