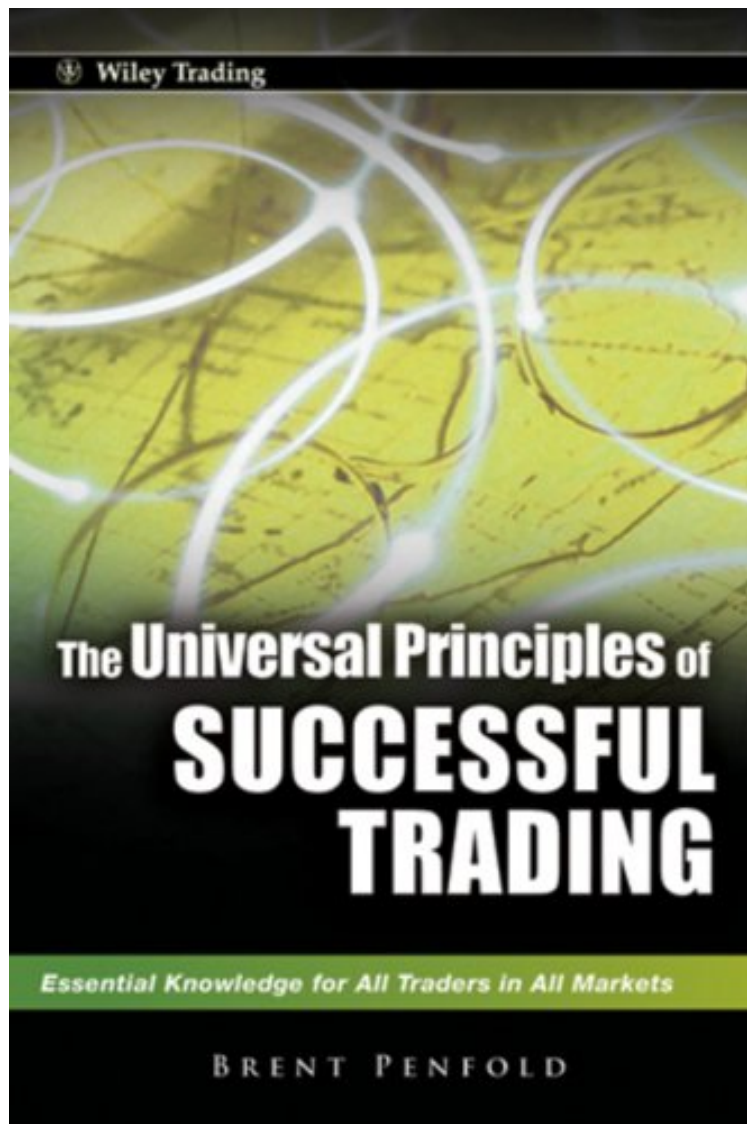


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The Universal Principles of Successful Trading: Essential Knowledge for All Traders in All Markets (Wiley Trading)

Brent Penfold

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Brent Penfold : The Universal Principles of Successful Trading: Essential Knowledge for All Traders in All Markets (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised The Universal Principles of Successful Trading: Essential Knowledge for All Traders in All Markets (Wiley Trading):

49 of 49 people found the following review helpful. Trading:The Real DealBy Steve BurnsThis book is excellent for

traders that are ready for it. You need a foundation in trading to understand its importance and take the principles seriously. Once you are through the rainbow and butterfly phase of trading and realize that you will not be a millionaire in a year this book will help you get focused and get serious about your trading and what really works. Here are the six universal principles of successful traders: 1). Preparation Author Brent Penfold is in the minority believing risk management is the #1 priority in trading. He believes that once you get your trading system and position size in place you must use the amount you will risk on each trade to figure out your risk of ruin. The book shows specifically how to figure this out using an excel spreadsheet. His point is that if your risk of ruin is not zero then you will eventually blow out your account. Risking 1% to 2% of your capital in any one trade usually gives you a zero percent risk of ruin but it also depends on your systems win/loss ratio. But the point is to test any system with 30 trades first then determine your risk of ruin. 2). Enlightenment Your #1 goal is to lower your risk ruin to zero. In trading the trader with the best ability to cut losses short wins. Simple trading strategies work the best based on support and resistance. The simplest way to win in trading is to trade with the trend on either retracements or break outs. The 10% of winners in the market win by trading where others fear, buying on break outs when they first occur and going short when a new low is made. Or buying into the abyss when a security finds support or resistance and reverses at the end of a monster trend. 3). Developing a trading style You must choose your own personal style of trading, swing trading or trend trading. You must also trade based on your chosen time frame: intraday, short term, medium term, or long term. 4). Selecting Markets Ideal markets to trade have volume and price transparency, liquidity, 24 hour coverage, zero counter party risk, have low transaction costs, and are honest and efficient. They also need to have the good trading attributes of volatility, research, simplicity, ease of short selling, specialization, opportunities, growth, and leverage. These are the markets you can make money trading. 5). The Three pillars of trading. Money Management: You must make your trades as fixed as possible. Trade with the same risk, capital, units, percentage, and in the same type markets to manage risk most effectively. Method: Choose a method that works for you and your personality from the ones available. (Dow Theory, technical indicators, patterns, price and volume, etc., etc.) Once you have a methodology to your trading test it 30 times by e-mailing a trading partner for accountability to verify it works in the real world. Psychology: Manage your hope, greed, fear, and pain to stay in the game. 6). Putting it all together Monitor performance. Positive reinforcement. Equity momentum. I have been actively and successfully trading the market for a decade and agree 100% with the authors principles. I have also learned a lot from this book even though I have read over 100 books on trading at this point. The author finishes up his book by asking many legendary traders and some that are successful private traders what one advice they would give to aspiring traders. This advice alone is worth the price of the book. Here is a summary: Money Management: Trade small Focus on risk. Methodology: Pick a method that suits your personality. Develop a simple methodology. Avoid the majority, learn to anticipate reversals. Look for alignment in set ups. Good defense wins games. Identify low risk set ups. Know your methodology using software. Psychology: Deep practice before trading Expect to lose. Trade to win. Be disciplined. Be patient. Be humble. Be in control. This book is the real deal. The author warns of the pain of trading. If you trade you will experience those ten losing trades in a row in any system. You will experience the 10% draw down in your account the only question is when. 90% of people who enter the markets to trade will lose. The majority of even successful traders who win in the markets usually start out by losing most of the money in their first trading account. So be warned the market uses maximum adversity at all times so the majority of traders lose long term. This book is in the top five I have ever read on trading and is a must for any serious trader's library. Even with the long review I have not even scratched the surface of this excellent book full of trading wisdom. It is like combining all the best trading books into one. I would give this book six stars if it would let me. 7 of 7 people found the following review helpful. some good nuggets, but just not enough. By RockyTopTrader I really wanted to love this text, but like many other books, it starts strong and then loses me. The text is broken out into what Penfold defines as the 6 universal principles. The first two principles were excellent reads on preparation and enlightenment. He preaches the reality of maximum adversity in the market and tells you that trading hurts, when you're losing and winning. Principles 3 and 4 are on trading style and markets. These sections are logical, but just ok. Principle 5 actually covers a significant portion of the book. This is the Dr. Elder style 3Ms of money management, methodology and mind (psychology). For 60 pages he covers equity curves based on certain expectancy and different money management techniques. Its solid, but boring as hell with table after table. In methodology he actually regained my attention a bit as he argued the case that predictive indicators were flawed. He set me up well by dismissing my RSI oscillator, but failed to sufficiently backfill it with another method. I like the argument, but I was left wanting more. The section on psychology was nothing special. Principle 6 ends with a section on trading that is very brief and a bit hollow. At the end of the text is a "Market Wizards" style discussion of some successful traders. It's mildly interesting but certainly falls short of Schwager's interviews. It includes a brief description of the trader, his style and history of failures and successes followed by a few lines from the trader's mouth on "one piece of advice". I applaud the intent, I just didn't walk away with any lasting lessons. I wanted to give this book a 4, but in the end it wasn't solid enough top to bottom to warrant a permanent place on my bookshelf (needs a 4 or 5 for that distinction). It was a well written book with a constructive/healthy message for traders. Its failures were in the redundancy of subjects that have been covered ad nauseum in the past by other authors.

Many will find value in this text...but few will say it redefines their trading. Oh, and I love ...but they sent me 2 damaged copies of this book. Agh! 0 of 0 people found the following review helpful. Fundamental Trading Knowledge By Andrew Steven It truly isn't often you come across a book on trading that doesn't play out like a vacuum salesman .. This was awesome , it wasn't like grumpy old grandad telling people that its all too hard and an impossible , rather a hopeful portrayal of successful traders who have had the shine scuffed off to limp victorious and implement the pains of the past and failures, you will find the interesting add ons of successful traders and the information they present for your benefit, if your used to a book full of stuffing and repeated "how great am I" and Iuml; am a winner" you wont find it here, more so the junk of success is scuffed off here and really the useful stuff left .. this is the book your looking for particularly if your looking to progress forward.

The Universal Principles of Successful Trading clearly and unambiguously articulates trading principles that distinguish the winners from the losers. Though trading can be performed in different markets, across different timeframes, and with different instruments based upon different techniques, there is one common thread that ties all winning traders together: the universal principles of successful trading. All consistently profitable traders adhere to them regardless of the markets, timeframes, and techniques. In this ground-breaking book from top trader, Brent Penfold, the reader will: Learn how to develop a trading plan Learn how to identify and create an effective methodology Discover successful money management strategies Understand trader psychology And many more exciting trading and strategies secrets. Supporting the universal principles are rare interviews from a diverse group of successful traders. Some are the new young guns of trading and others are market legends who are trading just as actively today as they were over 50 years ago. They represent a diverse group of traders from the United Kingdom, America, Singapore, Hong Kong, Italy, and Australia. All of them have generously agreed to offer the reader one singularly powerful piece of advice to help them towards their trading goals. Each piece of advice emphasizes an essential element of the universal principles. This timely and exciting book from Brent Penfold has already garnered many accolades and looks set to become a modern-day classic.