



Keep It Real

Income and Capital Growth

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The Hype

- "Watch As I Make Over \$6000 LIVE On Video!"
- I'll Show You How I Did \$77 Million In 2 Years.
- "\$67,000 In 6 Months As A Complete Novice"
- "I Increased My Investment by Over 140% in Just 3 Days"
- How I Made 6000 Pips Profit In 21 Days

The Reality

80% to 95% failure rate

Why Traders Fail

- Trader psychology
- Risk management
- Planning and analysis
- Trading as a business

Risk Management

- Capital preservation
- Capital growth
- Income distribution

The Lure of the Winning Streak



Planning and Analysis

- Business plan
- Back test
- Forward test
- Trade plan
- Tracking

Back Test

Soybeans AT.xls [Compatibility Mode] - Microsoft Excel

	A	B	C	D	E	F	G	H	I
1	Symbol:	S	Chart:	89 Tick	\$ / Point:	50.00			
2	\$ Won	28350.00	# of Wins	193	Largest Win \$	462.50	21162.50	6637.50	
3	\$ Lost	(16875.00)	# of Losses	155	Largest Loss \$	(275.00)	(12875.00)	(3887.50)	
4	\$ Net	11,475.00	Total Trades	348			8287.50	2750.00	
5	Avg \$/Trade	32.97	Wins	55%	PF	2.09	138	51	
6							113	39	
7							229.50	54.98%	56.67%
8	Date	Time	Buy	Sell	SellShort	Cover	Points	Trade Type	Trend line Hook
90	17-Mar-09	936	917.00	915.25			-1.75	Hook	(1.75)
91	17-Mar-09	951	919.50	915.75			-3.75	Hook	(3.75)
92	17-Mar-09	959			913.00	910.50	2.50	Hook	2.50
93	18-Mar-09	932	915.75	916.75			1.00	Hook	1.00
94	19-Mar-09	933	948.00	945.75			-2.25	Hook	(2.25)
95	19-Mar-09	937	949.25	951.25			2.00	Hook	2.00
96	19-Mar-09	950			947.75	946.25	1.50	Against	
97	20-Mar-09	944	946.00	946.25			0.25	Hook	0.25
98	23-Mar-09	936			975.50	973.75	1.75	Against	
99	24-Mar-09	935	959.75	963.25			3.50	Against	
100	25-Mar-09	932			959.75	954.75	5.00	Hook	5.00
101	26-Mar-09	936			953.25	950.25	3.00	Hook	3.00
102	27-Mar-09	946	925.25	924.00			-1.25	Against	
103	27-Mar-09	956			922.50	920.50	2.00	Hook	2.00
104	30-Mar-09	943	906.50	910.00			3.50	Against	
105	31-Mar-09	939			937.75	940.25	-2.50	Against	
106	31-Mar-09	942			937.50	935.25	2.25	Against	
107	31-Mar-09	955			932.25	930.00	2.25	Solid	
108	1-Apr-09	936	945.50	943.25			-2.25	Hook	(2.25)
109	1-Apr-09	937	945.00	947.00			2.00	Hook	2.00

UMT ER2 Since Jan 2008.xls [Compatibility Mode] - Microsoft Excel

	A	B	C	D	E	F	G	H	I	J
1	Symbol:	ER2	Chart:	233 Tick	\$ / Point:	100.00			352.60	188.00
2	\$ Won	89940.00	# of Wins	459	Largest Win \$	520.00			(218.30)	(147.70)
3	\$ Lost	(64460.00)	# of Losses	314	Largest Loss \$	(390.00)			134.30	40.30
4	\$ Net	25,480.00	Total Trades	773					161	107
5	Avg \$/Trade	32.96	Wins	59%	PF	2.04	Cumm Pts		115	81
6							254.80		58.33%	56.91%
7	Date	Time	Buy	Sell	SellShort	Cover	Points	Trade Type	Cross	Pullback
9	1/2/2008	845	771.30	767.90			(3.40)	cross	(3.40)	
10		901			764.90	759.80	5.10	cross	5.10	
11		933	761.60	759.60			(2.00)	Reversal		
12		956			757.90	755.10	2.80	cross	2.80	
14	1/3/2008	839.00			758.40	760.70	(2.30)	Reversal		
15		901.00	760.70	759.90			(0.80)	cross	(0.80)	
16		913			759.90	758.00	1.90	Reversal		
17		937			756.40	758.20	(1.80)	Pullback		(1.80)
18		1009	758.20	759.70			1.50	cross	1.50	
19		1136			758.20	756.10	2.10	Reversal		
21	1/4/2008	836			734.90	735.10	(0.20)	cross	(0.20)	
22		840	735.60	737.50			1.90	Reversal		
23		906			734.80	733.00	1.80	cross	1.80	
25	1/7/2008	832			727.90	725.50	2.40	Reversal		
26		848	731.10	727.90			(3.20)	cross	(3.20)	
27		900			727.90	726.00	1.90	cross	1.90	
28							2.00	cross	2.00	

Trading as a Business – The Process

- Market analysis
- Initial funding
- Financial projections
- Capital planning

Market Analysis

Instrument/ System	Quarterly Trade Income	Average Losing Trade	Largest Losing Trade
Soybeans 34T HVMM	\$4,862	\$124	\$255
Soybeans 89T UMT	\$3,129	\$109	\$275
Crude 144T S2+	\$25,970	\$246	\$800
ER2 Core	\$9,905	\$206	\$390

Initial Funding

Instrument/ System	Intraday Margin	Ten Losing Streak Average Size	Ten Losing Streak Largest Size	Minimum Account Size
Soybeans 34T HVMM	\$3,800	\$1,240	\$2,550	\$5,040 to \$6,350
Soybeans 89T UMT	\$3,800	\$1,050	\$2,170	\$4,850 to \$5,970
Crude 144T S2+	\$2,700	\$2,460	\$8,000	\$5,160 to \$10,700
Russell 233T Core	\$2,500	\$2,060	\$3,900	\$4,560 to \$8,470

Initial Funding

Instrument/ System	Losing Trade Average	2% Risk Account Size Average Size	Largest Trade	2% Risk Account Size Largest Size
Soybeans 34T HVMM	\$124	\$6,200	\$255	\$12,750.00
Soybeans 89T UMT	\$109	\$5,450	\$275	\$13,750
Crude 144T S2+	\$246	\$12,300	\$800	\$40,000
Russell 233T Core	\$206	\$10,300	\$390	\$19,500

Financial Projections

Soybeans 34T HVMM	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Begin Acct Balance	\$6,350	\$8,930	\$11,510	\$14,090	\$16,670	\$19,250	\$21,830	\$24,410
Trade Income	\$4,380	\$4,380	\$4,380	\$4,380	\$4,380	\$4,380	\$4,380	\$4,380
Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Net Income	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580	\$2,580
End Acct Balance	\$8,930	\$11,510	\$14,090	\$16,670	\$19,250	\$21,830	\$24,410	\$26,990

Financial Projections

Soybeans 89T UMT	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Begin Acct Balance	\$5,970	\$6,890	\$7,810	\$8,730	\$9,650	\$10,570	\$11,490	\$12,410
Trade Income	\$2,720	\$2,720	\$2,720	\$2,720	\$2,720	\$2,720	\$2,720	\$2,720
Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Net Income	\$920	\$920	\$920	\$920	\$920	\$920	\$920	\$920
End Acct Balance	\$6,890	\$7,810	\$8,730	\$9,650	\$10,570	\$11,490	\$12,410	\$13,330

Capital Planning

Soybeans 34T HVMM	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Begin Acct Balance	\$6,350	\$8,930	\$11,510	\$18,470	\$24,810	\$35,530	\$50,630	\$65,730
# Contracts	1	1	2	3	4	5	5	5
Trade Income	\$4,380	\$4,380	\$8,760	\$13,140	\$17,520	\$21,900	\$21,900	\$21,900
Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Net Income	\$2,580	\$2,580	\$6,960	\$11,340	\$15,720	\$20,100	\$20,100	\$20,100
Withdrawal				\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Net Growth	\$2,580	\$2,580	\$6,960	\$6,340	\$10,720	\$15,100	\$15,100	\$15,100
End Acct Balance	\$8,930	\$11,510	\$18,470	\$24,810	\$35,530	\$50,630	\$65,730	\$80,830

Capital Planning

Soybeans 89T UMT	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Begin Acct Balance	\$5,970	\$6,890	\$9,470	\$12,050	\$19,010	\$25,350	\$36,070	\$51,170
# Contracts	1	1	1	2	3	4	5	5
Trade Income	\$2,720	\$4,380	\$4,380	\$8,760	\$13,140	\$17,520	\$21,900	\$21,900
Expenses	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Net Income	\$920	\$2,580	\$2,580	\$6,960	\$11,340	\$15,720	\$20,100	\$20,100
Withdrawal					\$5,000	\$5,000	\$5,000	\$5,000
Net Growth	\$920	\$2,580	\$2,580	\$6,960	\$6,340	\$10,720	\$15,100	\$15,100
End Acct Balance	\$6,890	\$9,470	\$12,050	\$19,010	\$25,350	\$36,070	\$51,170	\$66,270

Other Scenarios

