

On the Job Training

by Sunny J. Harris

Any job requires a certain skill set. To become a physician you must first memorize the names of all the bones in the human body. It's tedious and at first seems unnecessary, but it is essential. To be an artist you need to have your paints, canvases and brushes available and know how to use them. To be a trader you must be intimately familiar with certain concepts as well. You may have to do some extra reading and practice in the areas in which you are rusty. If this is all old hat to you, do it anyway. Practice, practice, practice.

Becoming a trader is not easy; being a trader is even harder. The lure of this job is the seemingly easy hours and flexibility. Others are brought to it by the appeal of being one's own boss. Still others think trading is the road to easy riches.

Yet, the hard facts remain: most people who begin trading today will have lost all of their trading capital within 12 months.

Most could mean 51%. In this case, estimates range between 80% and 90%. That is definitely most!

Education is not expensive! Lack of education is.

When I first began trading I heard that 80% fail within the first year and that if you managed to breakeven by the end of your second year you were doing great. Further, they said, that if I was still trading by the end of the third year I would be considered a professional trader, because very few make these milestones. My hope is that you will take the time to do the research, do your homework, crunch the appropriate numbers and breakeven your first year, and make a profit your second year. Then you'll be within that top 1%-2% of traders!

I suggest starting your education with the "bible" of technical analysis: John Murphy's *Technical Analysis of the Futures Markets* (available online and at most bookstores). Study it well. When you fully understand the concepts in this book, then move on to works by Jake Bernstein, Larry Williams and Joe Krutsinger to learn about specific techniques. And, of course, for all beginners I suggest both of my books: *Getting Started in Trading* and *Trading 102-Getting Down to Business*.