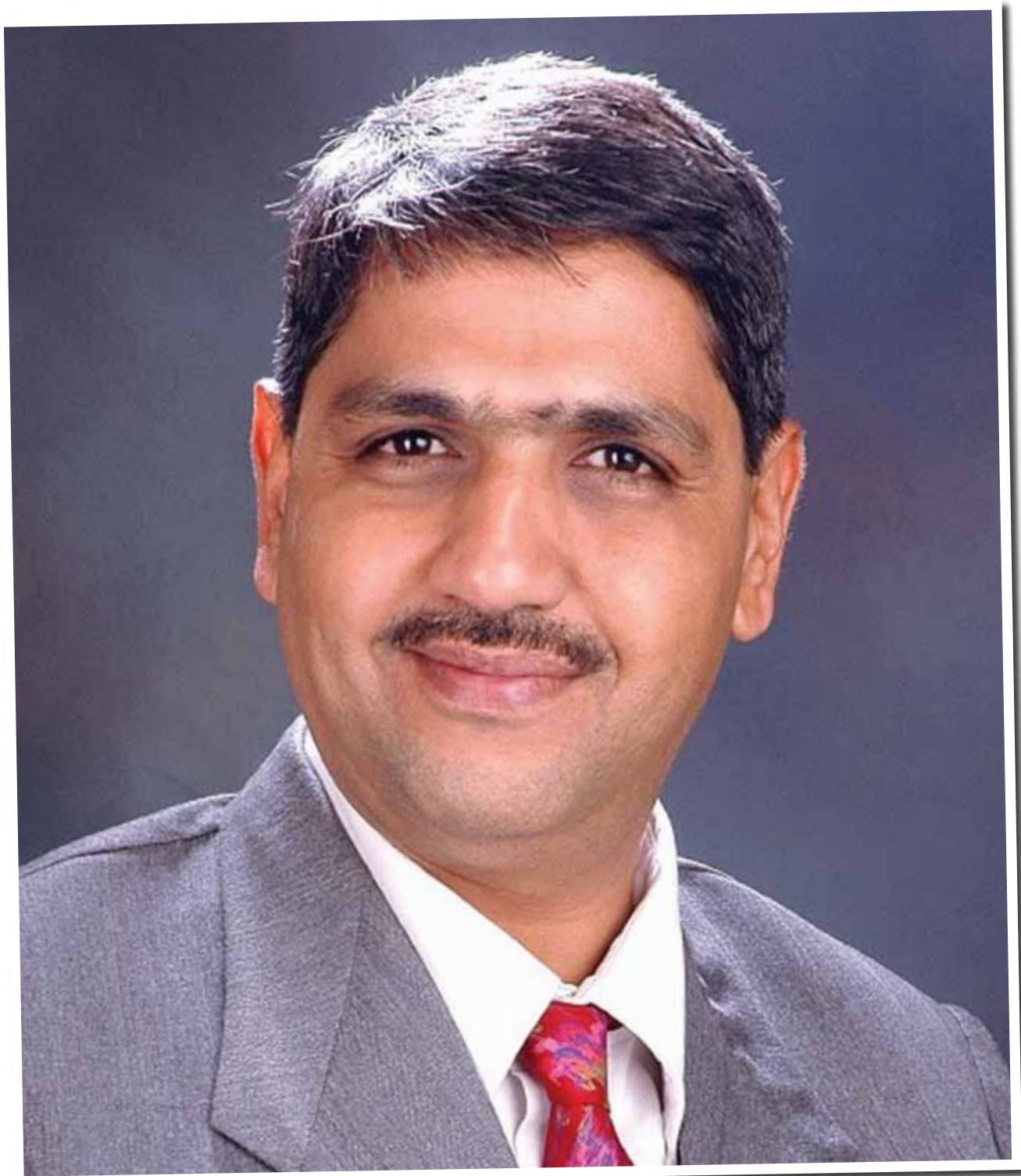


TRADING LIFE

Sunil Mangwani shares his trading life.



I entered the field of trading about 10 years ago. Since then it has been a journey of self-discovery, of excitements and frustrations, of challenges and fulfillments. And a journey on which I am still learning. It's not been easy, but it has brought me to the stage where I believe that I am working in the best business in the world.

I was in the regular 'bricks and mortar' business earlier, having my own construction firm, when I came across an article about the use of technical analysis in trading. Having an educational background in mathematics,

account. It was a complete disaster and I lost the entire account in two weeks. I just did not know what hit me and my confidence was completely shattered.

How could I have lost my capital, in spite of studying all the indicators, and setting them to fit my techniques? I improved the techniques some more and opened another account. This one lasted longer, about three weeks and it was back to the drawing board.

From here it was a long journey, with lots of fits and starts, and just surviving the markets. What kept me going was the fact that if some traders were making money,

expecting to double their capital in one month. This is not a 'get rich overnight' scheme, but requires a lot of hard work, patience and dedication. You have to treat it like any other business, where you invest time and money to succeed.

Have sufficient capital to start with

If you expect to start trading with \$500 and 'strike it rich', you are in the wrong business. You must have sufficient capital to get a decent return and it will take time. The 'break-even' comes after a sustainable period of effort — then the profits start.

There has to be a reason to enter a trade, and if you do so just because you want to be a part of the move — you are not trading, you are gambling.

physics and finance, this looked very intriguing, so I started looking deeper into it.

The more I studied the charts and indicators, the more involved I became and I started learning it seriously. It was not easy initially, as the internet is filled with tonnes of information on forex trading. In addition, the fact that I came from a different line of work altogether and knew nobody in this business; no mentor, no trader friends, associates etc., only added to the difficulties.

I spent a lot of time studying the basics of technical analysis; bought a book; and did a 'Google search' on the topics I did not understand and analysed almost every indicator down to its calculation.

I visited forums, joined online sites to see how the other traders were doing and practised almost every indicator based technique on the demo accounts. I tweaked the indicators, modified the settings and tried to fit them to the market move. Most worked very well on the demo accounts and had excellent results. However, little did I realise that the whole approach was wrong.

My success on the demo accounts gave me confidence, and subsequently (like every new trader) after an insufficient time of understanding the market, I opened a live

there had to be a way.

It was during this stage that I realised my mistakes. I was concentrating mainly on technical analysis and was ignoring the crucial factors of trading — money management and the mind factor.

Once I started implementing these missing factors, my trading took a different turn and started to show results. I did not start making money overnight, as it is always a long process, but my confidence grew with every trade.

Today I make a living from my trading; I also run personal mentorship programs for traders who have been through similar experiences and conduct workshops on advanced technical systems developed over a number of years.

It has been an eventful journey that has taught me a lot of things. I have met traders from all parts of the world, with varied levels of experience, and have learnt by interacting with them.

I want to share my experience and mention some facts that I have learnt which I believe would help anyone interested in this field:


Keep realistic expectations

I still see new traders entering this field

Have a trade plan

One of the most common reasons of failure that I come across — the trader enters a trade only because the price starts moving.

There has to be a reason to enter a trade, and if you do so just because you want to be a part of the move — you are not trading, you are gambling. Professional traders have a precise 'trade plan' and they will enter a trade only when their conditions are satisfied, if the setup conditions are not found they will not trade, sometimes for days.

Let me end with one of my favorite sayings: "Trading requires the patience of a saint and the discipline of a soldier." 

Sunil Mangwani has been trading and consulting in the forex market for the last 10 years and specialises in trading with price action and Fibonacci ratios. Sunil has contributed to numerous financial publications, spoken at trading conference around the world and conducts specialised workshops on technical analysis. He is also the founder of "London School of Financial Trading". He can be contacted at sunil@fibforex123.com. For more information, visit www.fibforex123.com