



## TRAITS OF A WINNING TRADER

“If you can learn to create a state of mind that is not affected by the market’s behaviour, the struggle will cease to exist.”

– Mark Douglas

**B**y now, all of us (Advanced InvesTrade Forum members) understand it is not the setup but you, the trader, who makes money. This got me thinking about the following :

What does it take to succeed in this business?

How does one develop this state of mind?

What are the unique skill sets required for trading?

Knowing that there is no magic wand that will give me an answer, I began to reflect on my day-to-day activities to figure out any new insights.

This is what I understood.

Read on.

### PATIENCE

Drilling down on this key attribute, I noted three levels of Patience.

First, you need to be patient when waiting for your trades. Waiting for trades and making sure

that your trades meet all your criteria is essential. Having a trade checklist that lists all your entry criteria can help traders make better decisions.

Second, a trader needs to be patient when in a trade. Maximizing winning trading opportunities and holding on to profitable trades long enough differentiates the winning from the losing traders. Having an exit plan can be hugely beneficial to help you gain confidence in your method.

Finally, a trader needs to be patient when growing their trading account. Managing your risk and taking a reasonable position size is a cornerstone of professional and profitable trading.

## **HUMILITY**

As a humble trader, you understand that you cannot force your success. You must go with the flow. You don't force the market to do what you want it to do – you can merely respond to what the market is doing, and the trader must fully accept this fact. This also means that you must accept that being wrong is a normal part of trading. A Humble trader can take losses effortlessly and effectively.

## **PERSISTENCE AND EMOTIONAL CAPITAL**

Trading is a daily slog. If one does the right things day after day over the course of many years, she/he will be successful. The most

painful part of trading is a losing streak, even for the most successful trader. One must think that it is not the outcome of a single trade that should determine how one trades, but one needs to survive for the next 1000 trades, and having that mindset is critical. This requires Discipline and a never give up attitude.

## **CURIOSITY & INNOVATION**

A curious trader is always looking for ways to get better. A curious trader is continuously challenging her/ his current trading approach and improve their ways of trading. This does not mean that one jumps from one trading strategy to another trading strategy. It just leads traders to ask questions, and a way to find the answers to these questions.

## **SELF-AWARENESS**

Self-aware traders usually have a good understanding of their strengths and weaknesses and are then able to build their trading strategy around their personality style. Another way to increase your self-awareness is to keep a trading journal and review your trades to understand your trading behavior to spot focus areas.

## **FLEXIBILITY AND OBJECTIVITY**

Good traders can look at their charts, strategies, and their trades objectively &

make objectively optimal trading decisions that are grounded in their trading plan. They look at the market environment and plan their trades accordingly knowing fully well not to marry a trade.

## POSITIVE THINKING

Great Traders are positive thinkers. It means that they are always optimistic that they will find another great opportunity. Positive thinking is what keeps us motivated and

prepared for the necessary action. This requires confidence in one's ability and strategies.

## BALANCE

All the characteristics discussed above must be balanced. We need to be both patient and aggressive, humble and confident, positive and objective. Only when we have the right balance of these characteristics will we be able to really master the wonderful world of trading and investing.



“Success is the sum of small efforts,  
repeated day-in and day-out.”

## About the author



Shashank Gupta is a full-time trader and joined the Advanced InvesTrade Forum in April 2017. A CA & CWA by qualification, Shashank has spent 25+ years in the corporate sector focused on Business Transformation and Restructuring. He lives in Gurugram, Haryana. He can be reached at [gshash1997@gmail.com](mailto:gshash1997@gmail.com)



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