

# The Seven Traits of Winning Traders

By Brian McAboy

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Jeffrey Wilde

Creator of Trade \$ecrets

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**If you feel like you're struggling way too hard to get ahead in trading...**

**I wrote this report specifically for you!**

Winning Traders have all the necessary tools to trade with, a proven system, charts, indicators and data, but it is in who they are as a trader and as a person that the real difference is found.

This report takes a look at the Seven Traits of Winning Traders, so that you can see what it is that makes them successful, over and above the methodologies that they employ.

I hope you enjoy this report and get much benefit from it.

Sincerely,

Brian McAboy  
Trader, Author, Developer.

**Briefly about the author:**

Brian McAboy is a trading enthusiast, full-time business consultant and developer of people and businesses. He has developed numerous training programs, all of which empower the individual to reach higher levels of performance and results.

Brian is a frequent writer on the topic of personal and professional development for traders, focusing primarily on helping traders get past their challenges and onto enjoyable, confident and "grown up" trading.

He is the author of the ["The Subtle Trap of Trading: Why So Many Smart People Don't Make Money Trading, And How To Get On The Right Track In Less Than Two Hours"](#).

Enjoy the report!

## **Trait #1: Humility**

So what exactly does that mean for the person that trades?

Humility is getting your ego out of the game.

Your ego can be your biggest enemy to making a profit in trading.

Many of the mistakes that lead to ruin and are the direct result of several emotions that come from a person's ego.

When a person is humble, they keep the respect for the markets and they recognize their own limitations and weaknesses without fear or feeling bad.

They can simply see the realities of the challenges before them and approach them all with the proper caution and care.

The ego wants to be fed and would prefer to deny that the markets can operate outside of your control, which they will.

The ego wants to deny any short-comings that you may have and be smarter than the markets, smarter than those who've come before, and able to control things that simply are within your control.

The ego also wants to deny mistakes.

When a losing trade is placed, your better judgment will say "time to get out", but your ego wants to stay in the trade to be right, to win.

The humble person will recognize that when the timing is wrong, to be patient. The ego is also fueled by greed and says "I want it now!!!"

Covering all the emotions that stem from the ego could turn this into a novel, but your time is valuable, so I'm keeping it short.

The primary point is to be humble in your trading and keep the respect for the markets and keep your awareness high to emotions that can cloud your thinking.

Remember why you chose to trade in the first place - to make money to bring more enjoyment to your life.

While your ego is part of you and has its place in your life, keep in mind that in trading, about the only purpose that your ego serves is to give you the confidence to act when you should.

Keep it in check and you've won a tremendous part of the battle.

## **Trait #2: Discipline**

This is one area that relates very directly to the bottom line of the trader's account.

The successful trader keeps a high focus on being disciplined and sticking to the system.

What is discipline?

One of my favorite definitions is "remembering what you want".

If you keep it in the forefront of your mind that you want to make a profit in your trading, that and the end of the month you want to be money ahead, then this will help you to avoid getting caught up in the emotion of the moment.

You'll stay on the sidelines when the timing is wrong to enter a trade.

You'll place your stops like you should to protect yourself from substantial losses.

You'll move your stops up when the market is moving in the right direction.

You'll act when you're supposed to, and seize the opportunities that come your way.

You'll stay within your risk/ reward parameters and safeguard your capital.

When you keep your priorities in order by keeping your primary objective of profit at the end of the month, which is what you want, at the forefront of your mind, then it makes is a whole lot easier to do the things that you know you should.

It's no different than any other pursuit.

If you want to stay in shape, and you have your desired condition in mind when you're eating or working out, it makes it less of a burden and produces better results.

If you want to lower your golf score, it makes it easier to head on over to the driving range to practice.

Make sure you put discipline high on your list of priorities, and take every action you can to make it easier to stick with your discipline and difficult to violate.

Next step is to take a look at one of my personal favorites - money.

### Trait #3: Vigilance

The trait of the Vigilance is one not usually heard in trading circles, but it definitely applies.

Vigilance.

So what does that mean? Vigilance is the non-stop guarding and protecting of the important things. In trading, there is nothing more important than the money.

The successful trader takes his/her money very seriously, so much so that it has taken on a new, more serious term: capital.

Now, capital to the winning trader is everything. It's not just the end-goal, it is the means and the source, both before during and after the trades.

The successful trader guards his capital very carefully because it is capital that allows you to trade both today, tomorrow, next month and next year.

If the capital is not protected *at all times*, then the entire effort for the year can be gone and future opportunities severely limited.

To sum up, vigilance in trading means holding the protection of your money, your capital as your *constant* highest priority.

Properly protecting your capital includes starting with enough to trade wisely and to stay in the game when the inevitable downturns and losing streaks occur.

It includes making sure that all trades are within good risk management guidelines, both with respect to the potential reward on individual trades and in proportion to the total equity in your account.

It also includes protecting your money when it comes to other places that your money can disappear. Taxes, un-necessary expenses like extravagant computers and software that are way beyond your means.

Warren Buffett lives by two rules: 1: Never lose money, and 2: Never violate rule #1.

He is incredibly vigilant about his money. It pays off, obviously.

## **Trait #4: Courage**

Courage a truly special topic. One that many don't often ponder, but it is extremely worthwhile.

Now, don't jump to conclusions at the start. Read this one all the way through, because I can guarantee that you probably have not considered this one in a long while if ever.

Now you may be thinking that you have you have this one already addressed, but do you?

Do you have the courage to look in the mirror and see if you have any of the fears in this section, and admit to yourself that you need to beef up your courage, and take action to overcome your fears? Let's find out.

Fear of success is one that is very prevalent and one of the most denied fears.

One ironic aspect of the fear of success is the responsibility that comes with the success we so strongly desire. We say we want it, but it could be that we're afraid of it at the same time.

Say you're starting out with a \$10,000 account, and you've got dreams of hitting that home run that will net you \$100,000.

Wow, now you're looking at the prospect of having six digits at risk. Do you think that you may subconsciously have doubts about your competence to trade at that level? How about a million dollars at risk?

Could it be that you are sabotaging your own success simply because success would put you out of your comfort zone?

Another aspect of the fear of success is the subconscious fear of not being able to sustain that success. Our ego is questioning our ability to avoid messing up and losing that prized status of the champion and hero.

That's the other problem with windfall success that comes from home runs. The expectation is there to do it again, and we know that there's the element of chance that brought it about, but now our ego is sitting there saying that we'll look bad if we can't repeat.

Again, back to sabotaging. Without the expectation of greatness, there's no disappointment for the ego to suffer through.

When you develop the competence and the ability to methodically achieve success, the confidence to repeat and maintain is there and the odds of sabotaging are greatly reduced.

Fear of monotony or drudgery (and discipline). The kid in us wants to be able to have fun, excitement, challenge. We also want it NOW! There's a side of us that wants the instant gratification of the thrill. Patience and discipline just aren't that much FUN.

Silly as it sounds, there are some very smart and profitable strategies to trading, proven over decades, and that would fit the true emotional style of many traders, but often people don't follow them even when they have them in their hands.

The problem is that they aren't nearly as exciting as the way so many traders trade. As a matter of fact some are downright boring. They have the odds in your favor and they make money, but they're boring. Who wants to give up fun and excitement for WORK?

When you watch children play, you'll often hear (or make) the comment about how fearless the kids are in their pursuit of fun and excitement.

It's great for kids, until they wipe out, crash, fall out of the tree, etc. Problem is that with trading, that fearlessness, that lack of respect for the financial dangers can cause you substantial financial injury.

The pursuit of fun and excitement at the risk of capital is something that the Winning Trader gladly gives up.

When it comes to money, it is time to put away childish things.

The next fear that many people want to deny is the fear of addiction.

Almost all addictions are mental and emotional. Steve Tyler, the lead singer for Aerosmith had an addiction to heroin and he said that it wasn't the chemical that made it so addicting. It was the absolute euphoria that a person feels.

He said that it is so powerful, that even experiencing it just once can turn you into an addict, because you never, ever forget that feeling.

The thrill of hitting a home run in the markets can be very similar. Once you feel the rush and excitement of watching a big run can leave you with a hunger to feel that experience that is truly hard to fend off.

Gamblers experience this too. You know what I'm talking about. And it can turn into a very real addiction.

When you're struggling with something, particularly for a significant period of time, like more than a month, then there's probably something that your ego is getting out of it.

Here's an example to illustrate.

Take smokers. They all know that it's bad for them, socially unacceptable to many people, provides numerous health risks like lung and heart disease. It's expensive, detracts from their ability to stay as physically active and virile as they may like. But they continue to smoke. Why? What are they getting out of it?

An interesting aspect is that they have the right to, and nobody is going to tell them how to live their life. So the ego gets satisfied by the "I run my own life" feeling.

There's also the social aspect. Odd as it sounds, smokers are a group, and there's a sense of belonging there.

There's also the fear of being able to change. Many smokers are just plain afraid of failing when thinking about quitting. They're also afraid to admit that they just plain don't know what their life would be like without it.

When a person has no idea of what their daily life will be like when they get there, they get used to their current mode of operation and the comfort of familiarity and fear of the unknown over-ride the reasons to pursue change.

There's a certain comfort level in failure, and for too many people, that comes largely from familiarity.

Are you caught up in the comfort of your trading life, even though it's not what you want it to be?

Are you nervous at all about trading with (and having at risk) ten times the money that you are now?

This has been a long section, so I'll briefly run through some of the other types of courage that are needed for the very real fears that can be experienced in trading. These aren't as deep, but still worth looking at.

- Do you have the courage to stay on the sidelines when you should, and miss trading opportunities?
- Do you have the courage to do the right thing and get out of a trade that you know you should?
- Do you have the courage to seek help?
- Do you have the courage to stick to your strategy and avoid temptations to deviate?
- Do you have the courage to ask "stupid" questions?
- Do you have the courage to easily admit it when you're wrong or that you just plain made an error?
- Do you have the courage to trade for profit and give up trading for excitement?

There are ways to build the courage for any of the above questions.

What possible fears might you have that could be keeping you from living the life you want?

Right now, the important thing to do is to take that look in the mirror and face yourself and your fears. Getting out of denial is the first and most important step on the path to any pursuit.

The best thing about doing so, and I preach it to my kids regularly, is that when you face your fears and overcome them, it is a most wonderfully liberating experience.

Fears are a heavy burden to carry through life.

One of the best abilities a person can develop is to live their life with the courage to truly live it!

## **Trait #5: Realism**

This ties directly into all of the others while it is an aspect in and of itself.

For everyone on the planet that lives now and has lived here, their 'world', their reality, is all based on their perceptions both past and present.

Those perceptions include all that they have experienced, paid attention to, picked up subconsciously, and the intuitions that they have had during their lives.

As a person goes through their day, they filter what they see and hear through these perceptions, then decide what conclusions to draw: good or bad, fun or a drag, interesting or boring, worthwhile or a waste of time, on and on.

The human mind is amazing in its ability to absorb huge amounts of information taken in through your senses, and at the same time be doing a huge number of things with that information.

Think about it. Your brain/mind at any given moment is handling all your body functions on auto-pilot, which by itself is a huge processor load. Then is also is monitoring all the nerves in your body, which number in the millions.

Not only does it take in all that data as a monitor, but it is responding to every bit of that data, then monitoring the reaction to the response.

Same thing with all your sensory input, sight, smell, hearing, touch, taste, in combination with thoughts generated from your conscious mind. In addition to that, it's also running comparisons with your entire memory bank, looking for related information and doing pattern recognition and analysis. It's forming opinions, conclusions, making predictions. All kinds of activity.

Pretty impressive processor in your computer.

This whole continuous event occurs for everyone. Winners and losers all do this, every moment of every day.

So what does all this have to do with distinguishing the successful trader, as a specific trait?

Realism.

That collective memory bank, the perceptions that you hold, the conscious and subconscious filters through which all your information is processed and upon which all your decisions are made.

The successful trader knows to keep his perceptions, desires, moods and reactions in very close alignment with the REAL world that exists beyond his/her inner reality.

For the new trader, their reality is based largely on their dreams and desires, and what they've been told through ads, mailers, books, etc.

They're motivated, but don't even have much real information to build a good, solid and realistic foundation on.

The novice trader has a higher level of exposure to the realities, but has other challenges to overcome. The biggest of which is un-doing much of the creation of what they thought trading was about.

The successful trader has had their misperceptions eradicated through the growth and learning process, which usually includes hard lessons.

The realities that they've learned that they didn't have prior to success include:

- Trading is a business activity, and should be treated as such. It's not a hobby or a sport.
- It is to be taken seriously, and with a mature and grown-up approach.
- There is a learning curve. It is not so simple to make money as it is to place a trade.
- It is a long-term process. Just like any business endeavor, each day comes one at a time, but trading is one to be hopefully a long term activity, so the daily activities must be conducted with tomorrow always in mind.
- The responsibility for your trading results rests solely upon the trader.
- All the decisions are yours, and the uncertainties are not beyond your ability to deal with. They are a part of the 'game', and those making money have learned to work within that aspect.

- You have control over yourself, and you don't have control over the markets.
- The successful trader is a human being, will make mistakes, has opportunities to improve, has intelligence and feelings.
- Trading takes discipline and emotional control, making use of one's intellect while keeping the emotions in check.
- While trading can be lucrative, it is not a simple "get rich quick" activity.
- Most trades aren't home runs. Plenty of singles, doubles and triples, though.

It is a considerable challenge to remain aware that we all live and act according to our perceptions, and to keep our perceptions in close alignment with the true reality.

The reason that successful traders are so, is because they've managed to do just that.

Be realistic about all of it.

The best thing about it is that if you can do it, then the reward is substantial and to be enjoyed for a very long time, possibly the rest of your life. That's exciting!!!

Take the time to give yourself a reality check. It is definitely profitable in many ways!!

## **Trait #6: Perseverance**

This one is a favorite of mine and always has been because it really speaks about the character of a person and how they truly view themselves.

In "The Magic of Thinking Big", the first chapter was extremely well-chosen. The author speaks of belief and how everything that has ever been achieved first started with someone believing that it was possible.

All things small and great began with belief. The car you drive, the house you live in, the discovery of North America, putting men on the moon. The four-minute mile, the Empire State building, the victory in World War II.

Everything done everyday, begins with the conscious or subconscious belief that it can happen.

The belief is the starting point. It's when that belief is pursued until it becomes a reality that makes the difference.

The underlying trait that brings all these things into reality is the same one that takes the ordinary person from a trading novice to a Winning Trader, and it goes beyond belief.

That trait is called Perseverance.

Trading winners are very rarely born. They are developed. This is key.

At the beginning of this trait, I said that I liked this one in particular because it speaks volumes about a person.

When a person first has the belief in himself enough to start trading, that says some.

But when they also have the perseverance to become successful, to pursue their dreams through all the challenges, failures, obstacles and difficulties to make their dreams a reality, to keep getting back up after every fall and keep going, then that says that they also have the other traits that we've looked at. They have the personal faith and fortitude to carry that belief all the way through to its realization.

It says that their belief in themselves was strong enough to carry them through.

It says that they've got something that is un-common, truly special in their character, in who they are.

Put Perseverance on your list of traits.

It is what will fill your life with memories worth having.

## **Trait #7: Focus on Being**

In the last section, when we looked at perseverance, I said that it spoke about the person's character and who they are.

The fact that you're reading this speaks well of you, because it says that you already have the trait we'll examine now. I congratulate you.

In today's modern and highly technical world, most of the information going around is about charts and indicators, systems and 'real-time' data and the latest mathematical accomplishments.

The one thing that is at the core of every person's trading, no matter what tools are utilized, is a human being.

The Winning Trader recognizes that being is the start of the entire process, who you are as a person, as a trader.

By focusing on yourself first, then concentrating on the rest, you are addressing the core of your trading business.

Every sports team looks first to its coach, the one directing everything.

Every company, is looking for and following the direction of its leader.

The results of your trading all begin and end with you, the captain of the ship, the President of the company.

It is you, the human being, making all the decisions.

To trade in the first place, what markets, what strategy, what tools, the resources (software, data, computer, charts, broker, etc), when to trade, how much capital you'll invest, the implementation of your strategy, the discipline, the knowledge you start with and what you'll acquire, who you'll listen to, when you'll act and when you'll be patient.

This Trait of the Winning Trader is that of developing and maintaining a very high quality state of being.

Being is more important than doing.

If you're fatigued or stressed, your judgment can be severely impaired.

If you are naive or ignorant, you're susceptible to numerous mistakes.

If you are anxious or scared, you won't be able to think as clearly as when you're relaxed.

If you are intelligent, but emotional in your trading, you'll see the losses in your account.

No matter what's going on in the markets, no matter which markets you trade, no matter how many books you've read, if you're not person you need to be and you're not at 100%, you won't get the results of someone who is.

Being is so essential to the quality of life, that many generations ago, it was identified as the beginning of everything in this cycle: be - do - have.

It all starts with being, not doing. Before you can have, you must do. What you do, and how well you do it both stem from *who* you are and *how* you are. Your being.

Again, I congratulate you on being here right now. It shows that you already have the awareness of this trait, and that you do want to achieve a level of excellence, both personally and financially.

By focusing on who you are, and HOW you are, with the intent of excellence in both areas, you give yourself the best odds of achieving long term success.

In order to be a winner in the trading world, you must become the person that you're capable of becoming.

The Winning Traders weren't always the successes they are now. They all started out just like you and I did: new to trading, naive and ignorant of all the aspects of successful trading. But they persevered, and went through the process of change from newbie to veteran, and became a different person.

You can go it alone and take the long and difficult path, and struggle through everything while learning via the school of hard-knocks (which in trading is VERY expensive).

Or you can do what the truly successful people in all endeavors have done, and that is to shorten the curve and leverage the people and resources that are available.

Regardless of the markets you choose and the strategies and systems you employ, make sure that you always attend to your being, and the many facts of being a human being.

You have many aspects of your life and they all need attention and development (the order of priority is up to you):

- Physical
- Social
- Mental
- Emotional
- Spiritual
- Financial
- Family

Keep balance and health as your focus, so that when you are trading you'll have the best of yourself to put into it, and so that you can get the most out of it.

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Did you find that you already possess all or most of these traits?

Is your trading still not up to your expectations? There's a reason for that.

To discover why, click here -> <http://www.subtletrapoftrading.com>

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