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Introduction

Almost all my life, I have been a martial artist in the art of Taekwondo. I have been part of the Australian National Taekwondo Team and have fought nationally and internationally at competitions from the US and European Opens to the Asian Championships. There was one point in my life when all I wanted from my Taekwondo career was to “have” a gold medal. I was not concerned with what it meant to “be” a champion, until I realized that in order to “have” a gold medal, you first must see yourself as a champion. To be a champion, you have to think and act like a champion. This includes training everyday, being focused, being disciplined in mind, body, and spirit, being committed, being passionate, and having the desire to win.

So, what does this have to do with trading? Everything! Trading is no different from any other sport. You need to increase your knowledge and skills if you want to win. You need to be focused, disciplined, and committed. You need to have the passion and desire to win. In other words, you need to think and act like a champion if you want to win in the markets consistently.

Trading is a skill. Trading is a business and not a hobby. Trading is mastery of oneself. In my opinion, trading is 100 percent psychology because in the end, we always compete against ourselves based on our beliefs, values, and emotional needs.

So, what is this book about? *Why You Could Be Destined To Fail In Trading and How You Can Avoid It* is not your ordinary book about trading systems and methodology. Trading systems are dependent upon your individual style and are just a small part of the equation to being successful in trading. The main key to success in trading lies in the six inches between your ears...your beautiful mind.

I know that in some way, shape, or form, you will be able to relate your trading experiences to the passages of this book, and find it enjoyable, as well as enlightening.

Reynaldo Soriano, Jr. – Peak Performance Trader Coach

Chapter 1 – The Journey Begins

It was the summer of 1998 when I was introduced to the world of stock trading. At the time, I was working as a computer systems analyst. During my lunch break, a few of my colleagues would open the business section of *The Age* newspaper and diligently look at their stock portfolio and manually write down the prices. I asked Kenny*, a humble, quiet, Vietnamese man in his early 40s, “What are you doing?”

“Stock trading,” he responded.

“What’s that?”

“It’s a bit complicated, but to make it short, you buy a stock at a certain low price, and then sell it at a higher price.”

“That sounds pretty easy. How can I get into that?” I asked.

Kenny looked at me with a grin on his face and said, “You open a brokerage account, call the broker, tell him that you want to buy and you’re done.”

Confused, I responded, “That sounds complicated, Kenny. What about if I give you some money? Will you trade it for me?”

Kenny gave me a strange look, almost like he thought that I was crazy, and responded, “No! Learn it yourself and trade your own money.” I got irritated wondering why he rejected my offer and judged him for what I perceived to be his arrogance. I didn’t understand why he wouldn’t trade my money for me, but looking back at it now, I believe it was the best advice I got from Kenny...

Chapter 2 - The Truth and Facts of Trading

To compete at an elite level in any type of sport requires extraordinary preparation. For example in Taekwondo, I had to train two to three times a day, six days a week. This involves strength and conditioning, technical training where we kick more than a thousand times a day to make the muscle memory automatic, sparring to apply the system and methods in real time, meditation to calm the mind, visualization to see every movement of what we do, and maintaining hydration and proper nutrition to stay in shape. I train to win but there are no guarantees that I will be a gold medalist. It is just my confidence and belief that when it is time to perform I will be able to execute everything I have trained for with no hesitation and fear, to be able to react in any moment as the opponent can strike at any given time.

Does this sound similar to trading? Absolutely! The only difference is that there is no physical contact involved. Other than that, the process is the same.

I believe that trading is like martial arts. There is always going to be one major factor that we cannot control, something that is beyond the control of even huge firms like Goldman Sachs. Do you know what it is? It is the future. The future is always uncertain. Like fighting in the ring, there are no certainties. The opponent can strike and react at any given moment. The market is also the same. It will go up, down, or sideways at any given moment. To be a successful trader, you will need a lot of preparation if you want to compete against the plethora of black belts in the trading industry. They are your institutions, banks, market makers, and professional traders. If your skills and knowledge of trading is at a white belt level, what is the likelihood that you can win against a black belt? The odds are small to none.

When preparing for a competition, you will need a coach who can spot your technique and skills. Your coach will push you to your limits and prepare you to be the ultimate athlete in mind, body, and spirit. Unfortunately we can only see 180 degrees in front of us, your coach will see the rest of the 180 degrees behind you. He is your third eye. He will be able to spot your bad habits, your limiting beliefs, your bad techniques, and he will be able to correct them.

Imagine learning a sport from a book, dvd, or a weekend seminar, and not having a coach or mentor, what are the odds that you are going to progress in your skills? And if you want to compete, what are the odds that you are going to win in a competition?

Similarly, imagine learning to be a doctor from a book, dvd, or a weekend seminar without the proper training and mentorship, what are the odds that you are going to get hired as a doctor? No one will hire you because you will still need to go to medical school. Even after that, you will need to do residency which is the fundamental part of a physician's training that incorporates hard training and mentorship.

So, if you learn how to trade from a book, dvd, or a weekend seminar, and without a coach or mentor, what are the odds that you are going to win consistently against the markets?

Why Traders Lose Money

It has been a guesstimate in the past that 95 percent of traders will lose money from trading.

So, what is really the proper number?

We are going to find out based on our research and the research of others...

Chapter 3 - The Be-Do-Have Trading Principle™

My parents once said to me that if you study hard and get good grades, you will get a good secure job and you will be successful. Have you had the same experience?

During my early years of competition, I had the impression that if I won a gold medal, I would be perceived as a winner and a champion. When I started trading, I had the impression that if I made a lot of money from trading, I would be seen as being successful and rich. Well, I thought wrong. It was not until my journey through self-development that I understood that such a flow was against the laws of the universe. I had been taught to “Have” first, then “Do” the action, and “Be” perceived of whom I was being, also known as the “Have-Do-Be Principle.”

One of my mentors explained to me that in doing this, I was moving against the current. She explained that the laws of the universe flow in the opposite direction – “Be-Do-Have”. She explained that I first needed to see myself as “Being” successful, wealthy, disciplined, motivated, committed, etc. and “Do” the action to “Have” the end result. That concept applied to money, a gold medal, or a great career.

I believe there are certain laws of the universe that are mysterious. One of them is the principle of the “Be-Do-Have.” What does this mean? Let me explain...

The Trading Game

We've all heard that "Life is like a game. Sometimes you win, sometimes you lose."

Trading is no different. Trading is a game. Sometimes you win and sometimes you lose. To understand the game of trading, you will need to understand the two parts of the trading game if you want to win consistently. Those parts are the Inner Game and the Outer Game of trading.

The Outer Game of Trading

The Outer Game of trading is all about the "doing" and "having". For example: If I have the best, most perfect trading system, with the best trading room set-up, then I will make a lot of money. The focus here is to have the best trading system in order to make money and be perceived as being a successful trader.

The Outer Game of trading consists of:

- Trading Systems
- Trading Room Set-Up
- Trading Software
- Trading Platform
- Risk Management
- Money Management

The Inner Game of Trading

The Inner Game is all about the “inner being” of who you are as a person. Who you are is expressed in your beliefs, values, and emotional needs. If the things that you do are incongruent with your “inner being”, you will struggle. Therefore it is important to bring who you are, your “inner being”, into congruence with your goals, and become a Noetic Trader™.

We are going to explore your belief and value system and your emotional needs. These can either sabotage your attempts to achieve your trading goals or they can propel you towards your goals.

The Inner Game of trading consists of:

- Self-Management
- Self-Beliefs
- Values
- Emotional Needs

Chapter 5.1 – Discover and Clarify Your Challenges

Part 1: Elicitation Phase – To Discover and Clarify Your Challenges

“In order to succeed, your desire for success must be greater than your fear of failure.” –

Anonymous

The mindset of a champion is that of someone who is very well aware of their strengths and also very aware of their weaknesses. They consistently work on discovering them.

Before we can discover and clarify your trading challenges, we first need to look at why you want to trade.

Exercise:

1. Why do you want to trade?

Part 2: Learning the Skill That Will Allow You to Change

“When you change your thinking, you change your beliefs; when you change your beliefs, you change your expectations; when you change your expectations, you change your attitude; when you change your attitude, you change your behavior; when you change your behavior, you change your performance; when you change your performance, you change your life!” – Dr. Walter D. Staples.

Dr. Staples nailed it to the tee. In this section, you are going to learn the skills that will allow you to change based on beliefs and values.

Beliefs

Peter and Annie had a baby boy and named him John. When John was born, he weighed eight pounds, had beautiful deep blue eyes like his parents, and had thick soft blonde hair. Like all babies, he was so innocent and angelic as he stared at his parents wondering where he was. By the time John started walking at the age of eleven months, he became more active. He started being curious about his surroundings picking up anything in sight, touching it, and putting it in his mouth. Because of his curiosity, John’s parents always said “NO!” or “Don’t do that!” He looked at his parents and wondered what they meant. So instead of stopping, he continuously...

Chapter 6 – The Winning Formula To Successful Trading

Would you like to know the secret formula to successful trading? If so, then you are in for a treat. We are going to look at the secret formula in detail and how it affects you and your trading results.

The formula is: P → T → F → E → A ⇒ P/L

Where:

Chapter 6.1 A ⇒ P/L – Your Actions Make You Either Profits or Losses

A is for Action. Your actions determine your results. The key to successful trading is not what happens in the market, it is how you “react” to what happens in the market. Reaction is a person’s ability to respond physically and mentally to external stimuli. The way you react to what happens in the market is determined by your trading mindset and trading preparation.

Athletes train to prepare themselves physically and mentally prior to a competition. During the competition, all they have to do is react.

Every single action that you take in trading has a consequence, you win or you lose.

Cause vs Effect

Chapter 6.2 E => A - The Emotions You Feel Determine How You React

Let's first define what the word "emotion" means. An emotion can be defined as a mental state that arises spontaneously rather than through conscious effort. It is an affective state of consciousness in which feelings of joy, sorrow, fear, hate, etc. are experienced. It is distinguished from cognitive and volitional states of consciousness and may be accompanied by physiological changes such as increased heartbeat, respiration, shaking and crying.
(Dictionary.com)

Purpose of Emotions and Your Emotional Guidance System

The purpose of emotion is to give you feedback about the vibrational content of your thought and the "inner you." Your thoughts that are impulses of energy vibrate at different frequencies and determine what you are attracting and creating. These different frequencies are part of your Emotional Guidance System that make you feel good or bad. Your Emotional Guidance System is an illustration which helps you understand what you are thinking and consequently, feeling strongly about. When you are aware and pay attention to your emotions, you can use your Emotional Guidance System to guide you to change your emotional state and feel better. We will use this as a guideline in trading...

What Kind of Trader Are You?

In this section, we are going to find out if you are an addictive trader or an active trader.

To do this exercise, answer the questions with “yes” or “no” based on what first comes to mind...

Typical Challenges Traders Face Before, During, and After a Trade

I have found that the main emotional barriers that under-performing traders encounter are the following: Fear of Losing, Fear of Success, Greed, Regret, Anxiety, Guilt, Stress, Depression, Arrogance, Uncertainty with their Trading System, and Unhappiness. Traders go through a vicious cycle of winning and losing money with their trades and, unfortunately, they often lose more than they profit.

Winning traders are disciplined; they have self-belief and are committed. Rather than trading by the seat of their pants, they follow a very detailed trading plan.

There are two main areas that cause pain...during trading and after trading.

First, we will find out what your challenges are **before trading**.

Exercise:

How does trading make you feel? What are your emotions before you get into a trade?

Chapter 7 - Balance

“The best traders condition themselves psychologically and physically for success. They have running programs. They go to the gym. They meditate. They are careful about what they eat. In short, they take excellent care of themselves.” - Ellen Williams, Ph.D.

Balance is probably one of the most difficult goals for an individual to attain. It takes discipline, motivation, commitment, and focus. Martial artists, Buddhist monks, and elite athletes take years of practice to have a balanced energy, where the mind, body and spirit are one, Ying and Yang together, having unity and harmony within oneself.

So, how can you attain balance?

Balance can be attained through physical fitness, healthy diet, yoga, meditation, and visualization.

Meditation and Visualization

Have you ever experienced that sometimes when you are busy doing something, either studying, reading, or working, all of a sudden your mind starts to wander? All of a sudden you start day dreaming? Your state of mind when you day dream goes into what is similar to an Alpha State, even though your body is awake...

Chapter 9 – Now What?

Preparation: Trading Business Plan

Now that we have learned how to be mindful and aware of our thoughts, beliefs, values, and emotional needs, it is now time for you to create a trading business plan.

Trading is a business. It is a job with outstanding benefits. You don't have a boss to report to, you don't need to go to an office, you don't need to dress up in a suit. In other words, you are FREE! Through trading, earning an income is limitless. However, as in any type of business, a business plan is vital in order to be successful and profitable.

In this exercise, I want you to create your own TRADING BUSINESS PLAN.

In your own words:

What is a trading business plan?

Bonus Exercise:

Every week, you should also be assessing your performance. Here's a bonus exercise that will help you do that.

Your personal evaluation session:

Here are the questions that we ask ourselves every weekend as a post-mortem of the trading week and preparation for the coming trading week:

1. What worked for you last week?

2. What didn't work for you last week?

Special Bonus Material

The Be-Do-Have Trading Model™ Flow Chart

The Be-Do-Have Trading Model™ Flow Chart is a fool proof trading checklist that eliminates every negative emotion caused by fear, uncertainty, irresponsibility, anxiety, impatience, and lack of integrity. Once you are in harmony with your mind, body, and spirit, you will trade effortlessly “in the zone.”

This flow chart is the **key** to controlling your emotions and to being mindful of who you are “being” as a successful, profitable, enlightened super trader.

ORDER Your Copy Today!