



# Share Trading Education.com

Your Financial Independence is at the Heart of Everything We Teach

**Today's Stock Traders' and Investors' Free Wrap is based on EXTRACTS from Editions 393 & 394 of our Mentoring style 'Investing & Online Trading' Newsletter**

**DISCOVER**  
Step-By-Step

How To Outrun The Bull in 2013

An Evening With Jim Berg  
March 2013

SYDNEY | BRISBANE | MELBOURNE

DISCOVER MORE CLICK HERE

## 'How to Outrun the Bull in 2013' – An Evening with Jim Berg

With the USA markets back close to 2007 highs, **is there a major stock market correction looming** or are we at the start of a new secular Bull Market?

Either way, **now is the time to build your skills** - so you know how to protect your trading and investing capital if there is a correction AND to increase your maximise your profits and minimise your losses if the share market powers on in coming months.

At his 3 new evening seminars, Jim Berg will show you, step-by-step, how he trades and invests in the current market, in:

- ✓ **Sydney:** Tuesday 5 March
- ✓ **Brisbane:** Wednesday 6 March
- ✓ **Melbourne:** Wednesday 13 March

At the end of each seminar, Jim will show how to apply what you learn, to many stocks selected by the audience and himself.

**Please Note: \$40 discounts are available.**

For more info on 'How to Outrun the Bull in 2013', [Click Here Now >>>](#)

## Trading & Investing Book Sale

The Educated Investor Bookshop is offering 10- 15% discount in February.

Educated Investor  
Financial Bookshop

**FABULOUS FEBRUARY!**

Get 15% Off All Books  
\*10% off for non-members

**Either:**

- 1) Click on this link to the [Educated Investor](#), **OR**
- 2) Order from our [Traders' & Investors' Book Store](#) at ShareTradingEducation.com and we will refund 15% to your account the same day during February.

**Disclaimer:** Direct investing in the stock market can result in financial loss. Historical results are no guarantee of future returns. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips or 'buy' or sell recommendations are **not** provided. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. Avestra Capital Pty Ltd (Avestra) AFSL 292464, and ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra, disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. Refer also to the full disclaimer at the back of each newsletter Edition and our [Terms of Use](#).

## A Scholar Writes

We are sometimes asked if Jim Berg's Trading Plan, as taught in our '[Investing & Online Trading](#)' Newsletter, can be used for trading leveraged instruments, such as options, warrants and CFDs. Our usual response is that we believe these instruments are the domain of experienced traders only - as they demand extra knowledge and skills and because losses can be leveraged as well as profits.

Our thanks today to one exception, a dedicated Newsletter Scholar who did first take the time to learn and practice the '*basics*', before moving on to CFDs and who recently sent us her story:



Hi team,

I have been trading Jim's system in an adapted form using Australian CFDs since the September rising trend signal in the XJO.

I spent a fair bit of time back testing the strategy on the range of equities that I can trade through my CFD provider with really pleasing results.

As I didn't have a huge amount of capital to begin using CFD's I have been able to reap the benefit from larger position sizes than I would have trading equities.

My back testing has shown the system is really profitable to trade long in rising markets where I limit my entries to stocks that are in rising industry groups that are outperforming the index and short if the XJO is falling, however in that case I limit my entries to stocks in falling industry groups that are underperforming the index

As I work full time I have also adapted the stop loss level to a wider stop that I key into the CFD platform nightly and that gets me out of a trade immediately if the stop is hit.

I have set up an excel spread sheet to work out my position sizes based on risk and I've found this has given me confidence to manage my emotions as I can see at 1% risk how much I can potentially lose on a trade that goes against me. This information is currently limiting me from increasing my account size so much that I will freak out over the size of the losing trades.

I was quite fearful about trading CFD's before I read all of your information on risk management as I have a friend who some years ago traded a small account (less 10K) and had a margin call leaving him 60K in the red. What I know now is how to prevent this by position sizing properly, managing the losing trades with stops and letting the profits run.

Thank you sooo much for your education, in the past I have heaps on courses and investigated other strategies that I have been to fearful to trade because of the risks involved (e.g., covered calls option trading where the risk reward was just not there) but I found your trading template and explanations of the risks involved perfect to get me started.

I look forward to your [newsletters](#) every week to see what the notional portfolio is doing and to keep up to date with your featured writers.

Regards

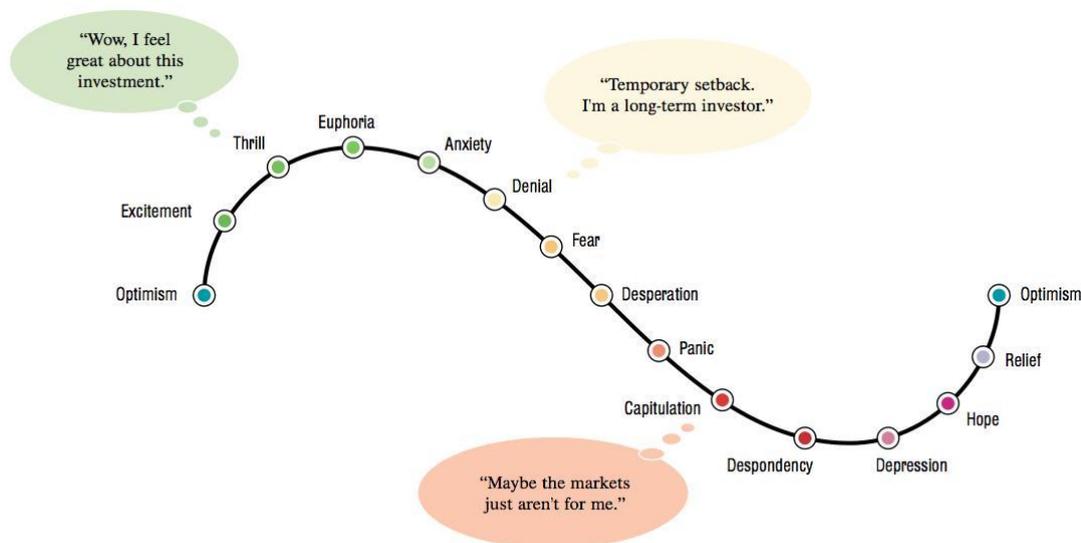
Catherine Roberts  
Victoria, January 2013

**Disclaimer:** Direct investing in the stock market can result in financial loss. Historical results are no guarantee of future returns. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips or 'buy' or sell recommendations are **not** provided. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. Avestra Capital Pty Ltd (Avestra) AFSL 292464, and ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra, disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. Refer also to the full disclaimer at the back of each newsletter Edition and our [Terms of Use](#).

# Money & Risk Management and Trading Emotions

## By Joseph Barrington--Lew

Trading emotions play a vital role in the success or failure of traders. Emotions affect our results and will prove the difference between successful and unsuccessful trading. Let me show you where they are...



### Are you an 'average' trader?

- You have no trading plan or view.
- You have no money management rules
- You have no risk management rules or use a Stop Loss
- You're prone to emotional swings (price goes up - happy, price goes down - the sky is falling)
- You are nervous most of the time when in a trade
- You quickly "give back" to the market your recent gains
- You try to recoup losses immediately (revenge trading)
- You are glued to the computer screen all day watching every price movement *like a hawk*
- You never review your trade results to follow up on winners and losers.
- Here is an easy one: You are losing MONEY!

Unfortunately the majority of people fall into this 'average trader' category. Basically, they seem to think that trading is easy and for whatever reason they buy a stock, the stock's immediately going to go in their favor.

**Disclaimer:** Direct investing in the stock market can result in financial loss. Historical results are no guarantee of future returns. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips or 'buy' or sell recommendations are **not** provided. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. Avestra Capital Pty Ltd (Avestra) AFSL 292464, and ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra, disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. Refer also to the full disclaimer at the back of each newsletter Edition and our [Terms of Use](#).

Heaven forbid they actually are successful, because now that reinforces that behavior going forward and it really sets up for a major disaster.

If you're an average trader, you have no trading plan or view of trading. It's just that simple. Most people treat this as a hobby and they have no trading plan to speak of. They have absolutely no money risk management rules.

If you're sitting here reading this and you have no money risk management rules whatsoever, don't worry. There is a solution.

Are you prone to emotional swings? If price goes up, you're immediately happy; if price goes down, you're trying to jump out of a window. Those types of emotional swings are typical with average traders.

Are you nervous most of the time when you're in a trade? Can you sleep at night? Average traders don't have confidence in their system or their plan so they're usually pretty nervous whenever they're in a trade. You quickly give back to the market your recent gains.

Does this sound familiar: You make \$500 on a winning trade. You feel great. And then on the very next trade you get cocky and end up losing \$700 and give back all of those gains that you just made to the market and more. This is very common. It doesn't mean you're a failure. It just means that you're an average trader.



Some try to recoup losses immediately, also known as revenge trading. Here is how it occurs.... You take a modest loss on a trade, let's say \$1,000. Now, you feel you are on a mission. You immediately go out looking for a trade so you can make up for that \$1,000.00 loss. You end up chasing a bad entry or for whatever reason you end up pushing the pace and get into a wrong share and you end up losing even more. Does this scenario sound familiar?

You're glued to your computer screen all day long watching every price movement like a hawk. This goes hand in hand with your emotional swings. It goes up, you're happy; it goes down you're ready to beat your head on the keyboard. If you're stuck all day watching prices and you're constantly on an emotional roller coaster? Don't worry. You're not alone.

How about this one? Do you ever review your trade results and follow up on your winners and your losers? I can guarantee you that professionals definitely follow up on their trades. And if you're not following up on your winners – do you think this might be a good idea? You have a winning trade and you actually look back at it and say "Hmm, what did I do right in this trade?"

**Disclaimer:** Direct investing in the stock market can result in financial loss. Historical results are no guarantee of future returns. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips or 'buy' or sell recommendations are **not** provided. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. Avestra Capital Pty Ltd (Avestra) AFSL 292464, and ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra, disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. Refer also to the full disclaimer at the back of each newsletter Edition and our [Terms of Use](#).

How about your losing trades? How about looking at your mistakes and determining where you're going wrong over and over again? Do you think that's something that might help you improve your trading? Most people don't do this and they continue to lose. This is why they're average traders.

Here's a really easy one: Are you losing money in the stock market? If you are, you're like the majority of people, which puts you in the average trader category.

To be a successful trader you need a Trading Plan not based on emotion and have the discipline to follow it.

To have this discipline means following a set of rules like a robot without emotion and taking action when required. The 4 major components of a trading plan are:

1. What to trade and when - Comes with Education and Experience
2. How many to trade - Money Management also known as Position Sizing
3. When to get out when you have it wrong - Risk Management aka Initial Stop Loss
4. When to get out when you have it right - Risk Management aka Profit/Trailing Stop

So now you have a trading Plan or set of rules that will tell you what, when and how many to buy and when to get out. How about performance?

You have back tested the rules and find it simple to follow. It does result in losses but overall it has a positive [Trade Expectancy](#).

In Edition 394, we look at how to protect trading capital. Meanwhile, I wish you all share trading success

Joseph Barrington-Lew is the creator of the popular [JBL Risk Manager](#).

If you use [JB Premium Data](#) or any other data with a MetaStock™ format, then click to download your [FREE fully functional 14 day trial now](#).

## To Continue Reading, Either:



1. [Download This Week's Edition 394 for only \\$6.90 >>>](#)

Or .....

2. [Become a Scholar Now](#) to claim your **Free Bonus Welcome Pack** worth \$194

[Click Here Now >>>](#)

**Disclaimer:** Direct investing in the stock market can result in financial loss. Historical results are no guarantee of future returns. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips or 'buy' or sell recommendations are **not** provided. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. Avestra Capital Pty Ltd (Avestra) AFSL 292464, and ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra, disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. Refer also to the full disclaimer at the back of each newsletter Edition and our [Terms of Use](#).



## Now you can follow Jim Berg & discover in 2013:

- ✓ **WHICH** stocks / shares to Buy
- ✓ **WHEN** to Buy and, most importantly
- ✓ **WHEN** to SELL

This is **NOT** a publication of general commentaries or articles on how the stock market works, leaving you without a track to follow.

In contrast, every weekly Edition of the ['Investing & Online Trading'](#) Newsletter will:



Teach you how Jim Berg thinks and **how he trades his own money**, step-by-step and



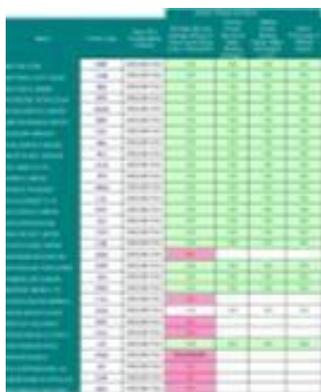
Provide you with **Jim's own Watch Lists** of shares / stocks to help you identify potential new trading opportunities

That's why our Members are not simply newsletter 'readers'. We prefer to regard them as 'Scholars' - in pursuit of profound and specialist knowledge:

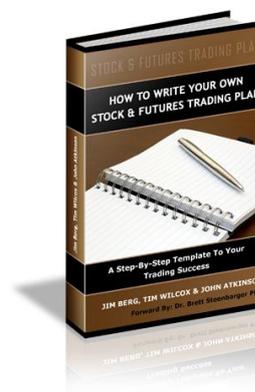
- 1) To **create additional income** in the short term and
- 2) Ultimately, the skills and capital needed to be able to **trade / invest for a living** and achieve financial independence.

**Special Offer:** Become a Scholar of Jim's mentoring-style Newsletter today and you will also gain instant access to download your *FREE Bonus Welcome package*, worth \$194:

**Free Stock Selection Tool**  
(\$97 value)



**Free Trading Plan Guide:**  
(another \$97 value)



There is no lock-in contract, so **you may cancel at any time.**

To discover more, [Click Here Now >>>>](#)

**Disclaimer:** Direct investing in the stock market can result in financial loss. Historical results are no guarantee of future returns. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Stock tips or 'buy' or sell recommendations are **not** provided. This educational information is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs. This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. Avestra Capital Pty Ltd (Avestra) AFSL 292464, and ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra, disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. Refer also to the full disclaimer at the back of each newsletter Edition and our [Terms of Use](#).

## Jim Berg's 2013 Boot Camp

Our biggest event this year will be Jim Berg's Boot Camp in May, **his first in 2 years.**

You can **SAVE 38%** as a Newsletter Member; **50%** as a graduate of Jim's JB Combo/ Home Study Course/ 1 day 2012 Workshop or previous Boot Camps; and partners/family members **save 70%**.

**During February only**, you can also secure your place with **4 Interest-Free Easy Payments.**

For more info on what you will gain from Jim Berg's 2013 Boot Camp, [Click Here Now >>](#)

**DISCLAIMER AND COPYRIGHT** Direct investing in the stock market can result in financial loss. Past performance is no indication of future performance. Results reflect absolute trading stop loss discipline. Case study trades are monitored and managed in real time, and management reports are delivered every week in the newsletter. Except where noted, all case study trades are notional examples using reasonably attainable entry and exit points. Unlike an actual performance record, simulated results do not represent actual trading. Also, since the trades have not actually been executed, the results may have over or under compensated for impact, if any, of certain market factors, such as lack of liquidity. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Full trade summaries, with charts, are provided each year. In preparing this newsletter ShareTradingEducation.com ("STE"), as Corporate Authorized Representative of Avestra Capital Pty Ltd (Avestra) AFSL 292464, has not taken into account the investment objectives, financial situation and particular needs of any particular investor. Before making an investment decision on the basis of this newsletter and the accompanying material, the investor needs to consider, with or without the assistance of an adviser, whether the advice is appropriate for them in view of their individual financial circumstances. Any projections made in this letter are estimates only and no guarantee is provided that those projections will be realised. Further, STE and/or Avestra do not warrant the accuracy of the information in this newsletter. STE and/or Avestra and its officers, employees, agents, associates and alliance partners ("Associates") may have or may obtain an interest in the securities referred to in this letter and will receive commissions, brokerage and other fees from dealing in the securities or advising in respect of the proposed listing of the securities. Avestra and/or STE believe that the information contained in this letter was accurate at the time it was compiled. Avestra and/or STE do not warrant that the information contained in this letter is accurate, complete, reliable or up to date and to the fullest extent permitted by law disclaims all liability of Avestra, STE and its Associates for any loss or damage suffered by any person by reason of the use by that person of, or their reliance on any information contained herein, whether arising from the negligence of Avestra, STE or its Associates or otherwise. These analysis notes are based on the authors' experience of applying technical and fundamental analysis to the market and are designed to be used as a tutorial showing how fundamental and technical analysis can be applied to a chart example based on recent trading data. Stock tips or 'buy' or 'sell' recommendations are not provided. This newsletter is a tool to assist you in your personal judgment. It is not designed to replace your Licensed Financial Consultant or your Stockbroker. It has been prepared without regard to any particular person's investment objectives, financial situation and particular needs because readers come from diverse backgrounds, with diverse objectives and financial situations.

**Liability:** This information is of a general nature only so you should seek advice from your broker or other investment advisors as appropriate before taking any action. The decision to trade and the method of trading is for the reader alone to decide. The authors and publisher expressly disclaim all and any liability to any person, whether the purchase of this publication or not, in respect of anything and of the consequences of any thing done or omitted to be done by any such person in reliance, whether whole or partial, upon the whole or any part of the contents of this publication. Whilst all care has been taken, Avestra and/or STE and their officers, employees and agents or the authors or contributors of this newsletter accept no liability for any reliance upon any material and information provided by them and no responsibility is accepted for any losses, charges, damages or expenses which may be sustained or incurred by any participant or otherwise by reason of any reliance upon the materials or information given.

**Copyright:** The information contained in the newsletter is copyright and for the sole use of trial and prepaid readers. It cannot be circulated to other readers without the permission of the author. Each issue incorporates fingerprint protection that enables us to track the original source of pirate copies. Contributed material reflects the personal opinion of the authors and is not necessarily those of the publisher. Articles accurately reflect the personal views of the authors. Sharetradingeducation.com is an independent financial education organization and research is supported by subscription fees and affiliate rebates. OFFICES; Copacabana, NSW 2251, Australia; and, Glen Iris, Victoria, 3146 Australia.

**Disclosure of Interest:** Avestra/STE and their associates and authors of the *Investing & Online Trading Newsletter*© team may hold shares in the companies featured in this newsletter. **Further Conditions** are specified in the [Terms of Use](#) at [www.sharetradingeducation.com](http://www.sharetradingeducation.com).

### Did You Enjoy this week's Free Traders' & Investors' Wrap? If so,

**Please email this on and share it with someone else**

They'll appreciate it and so will we! *Please do not spam, thank you.*

If you have been sent this by a friend, we invite you to sign up to our Free Club at [www.ShareTradingEducation.com](http://www.ShareTradingEducation.com) - to receive your:

- ❖ Future copies of the Free Weekly Wrap - sent directly to you
- ❖ Jim Berg's Free AUDIO MP3 - '3 Steps to Successful Investing'
- ❖ FREE Report: 'Jim Berg Dispels the Myth'

To YOUR Success - from Jim Berg and the ShareTradingEducation.com team