



## Trading is an art of discipline and emotion management



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*Amir Khan is a successful actor because of his super hit films but what drive his films to success are his selection of good scripts and policy of handling one project at a time.*

*Ratan Tata is a successful business tycoon because of his strong vision that leads to right direction or focus.*

*Rahul Dravid is a successful cricketer because of his patience and consistent performance in all kinds of situations.*

Each person mentioned above has some qualities that make him successful. These very qualities are also essential to become a successful trader.

We have to be very good in selecting scrips in case of the stock market, for instance. Only good scrips will give us good returns. In order to be a successful trader we also have to concentrate on a fewer asset classes rather than multiple markets and asset classes. (In other words, we must not be *Jack of all trades and master of none*).



We must have a strong vision or outlook for the overall market. It is a very essential quality that determines our outlook for the overall market trend/direction. It helps us to focus in the right direction.

We have to be consistent in performance in all kinds of market situations, eg trending, volatile and range-bound markets.

In cricket, sometimes it's not necessary to score runs aggressively in an unfavourable situation. Playing defensively by staying on the pitch without losing wickets is also equally important. Taking advantage of weak balls to score runs is a good strategy. Similarly, in case of the market it's not essential to earn returns, if the market is unpredictable or range-bound with volatility. In such a case, to be defensive will be the right strategy. One should protect the returns earned already and wait for the right opportunity with patience to multiply the returns further.



emotional his task becomes difficult especially if the patient happens to be his friend or relative. Similarly, in case of trading you should both trade and advise your trading clients in a detached manner.

You must also use different tools of technical analysis, risk management and money management to enhance your returns. However, avoid using too many tools. Use only those in which you believe to arrive at right decisions.

Making mistakes in trading is common but learning from these mistakes and not repeating them is an essential quality of a successful trader.



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