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IN DUPLICATING SUCCESSTHE RISKS  
AND REWARDS  
OF INVESTING IN  
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TO FINANCIAL  
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9 POWERFUL TRADING QUOTES FROM MARKET LEGENDS | THE WEATHER PROPHET

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9 Powerful  
Trading  
Quotes  
from  
Market  
Legends

By Ashley Jessen

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9 POWERFUL TRADING QUOTES FROM MARKET LEGENDS

Wisdom, belief and guidance. Every time a trading legend shares a quote in a trade publication, book or website, they are sharing a golden nugget.

This golden nugget of trading advice has likely taken them decades to understand, and possibly even two or three trading accounts to get right.

There are two types of people we can learn from. Those who are successful and those who are losers.

One of the great things about reading quotes from trading legends is that most of them were likely struggling traders when they first started.

So we get the benefit of the challenging times, which moulded them into the ultra-successful trader they have since become.

Here are nine powerful trading quotes from market legends, their warnings, ideas to improve your skills and hopefully, some tips to help you rise to the top.

## Trading Quote Number 1 – Jesse Livermore

*"Markets are never wrong – opinions often are."* – Jesse Livermore

"Markets will absolutely tank if Trump gets elected." Did they? Are the markets wrong? The Dow Jones rallied 1727 points in 16 days from the Presidential Election Day low, which is 9.8%.

Key support levels were broken, Armageddon was around the corner and yet here we are at record highs. If you were short and remained short, you will have wiped out most of your trading capital.

So the market is always right, and your opinion doesn't matter. Successful traders remove opinion from their 'game' and focus on probabilities and trading what is in front of them.

## Trading Quote Number 2 – Bruce Kovner

*"Novice Traders trade 5 to 10 times too big. They are taking 5 to 10% risks on a trade they should be taking 1 to 2 percent risks."* – Bruce Kovner.

Ever blown up a trading account? Unfortunately, this is a reality for many traders, especially those trading CFDs, Forex or Futures contracts.

Smart traders know the importance of trading 'small' and staying in the game. The reality is, most trading systems have a 'purple patch' of wins throughout the year. The rest is spent managing

small wins and small losses.

By risking a small amount on each trade, you never get emotionally connected; you can ride through the rough periods with ease, and you stand to gain some fantastic profits when all the signals align.

## Trading Quote Number 3 – Jesse Livermore

*"As long as a stock is acting right, and the market is right, do not be in a hurry to take profits. One should never permit speculative ventures to run into investments."* – Jesse Livermore. Plus "Money is made by sitting, not trading." – Jesse Livermore

Outlier profits are where the opportunity lies. Profitable traders build the opportunity to ride profits into their trading systems.

The reality is, you never know when a trend is going to unfold, providing you with the windfall profit that turns your entire year around.

There is a cognitive bias known as the disposition effect, which means we are hard-wired to cut our winners short and let our losses run. This always ends in disaster.

Profitable traders need to fight this tendency and allow the opportunity to sit and ride towards the maximum.

## Trading Quote Number 4 – Ed Seykota

*"The elements of good trading are: (1) cutting losses, (2) cutting losses, and (3) cutting losses. If you can follow these three rules, you may have a chance."* – Ed Seykota

Ed Seykota is one of the most quoted traders in the world. His warning here cannot be made clearer.

"You must cut your losses to win.

"But the position I am in gained over my stop and now I am sitting on a 3R open loss," you say. Well, get out. Reduce or cut completely.

The emotional energy and lagage you will carry around trying to nurse and 'manage' this loss is simply not worth it. What if it gaps down again? What if all the bad news wasn't priced in on the first gap down?

Just cut your loss and move on. Free up your mind to focus on new trading opportunities.

setup conditions line-up again, and take steps to manage the new position accordingly.

## Trading Quote Number 8 – Dr Alexander Elder

*"The goal of a successful trader is to make the best trades. Money is secondary."* – Alexander Elder

This is one of the best quotes for those who love building discretionary or mechanical trading systems.

It's ironic that many aspiring traders spend 1-6 months building the perfect trading plan. Backtest it across ten years of data, run 30 live small risk trades in real-time, then add a dozen new options when trading it with their correct position size.

As soon as you add a new rule, it changes the system and the historical expectancy of those rules.

Once you have built your trading system, give it 'air to breathe' and focus on executing it perfectly.

You have control over the ability to execute on your trading system flawlessly. You have little to no control over what other market participants will do or how volatile a market may become.

Focus on executing your system and understand that money is secondary, as Dr Elder highlights.

## Trading Quote Number 9 – George Soros

*"Markets are constantly in a state of uncertainty and flux, and money is made by discounting the obvious and betting on the unexpected."* – George Soros

Such a simple, yet powerful quote.

When I used to be a broker taking Futures orders trade every day, I had one guy who would place the same SPI futures trade every day. It was a multiple of ATR (Average True Range) away from the current price in the hope that he would snag an outlier event.

He did from time to time and was able to be in profit quickly and take advantage of the unexpected.

In previous YTE articles, I have illustrated how to use Oscillators like Stochastics and RSI to find overbought and oversold opportunities.

Combine this with the ATR of the stock, and you can be very calculated in finding the ideal point at which a stock could rise or fall based on unexpected fear and greed in the market.

In conclusion, these 9 powerful trading quotes contain many golden nuggets to help improve your trading skills.

Reading them a few times. Take notes on the areas your trading might be missing and revisit them every few months.

You may be surprised at the new-found wisdom you gain every time you read them, as you continue to grow as a trader. ☺

**Ashley Jessen** is the author of *CFDs Made Simple* and CEO & Co-Founder of *ProfileBooster.com.au*, a company dedicated to helping finance and professional services companies drive more leads, convert more sales and boost the authority through intelligent PR, content and media distribution.

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