

DESIRE TO TRADE INTERVIEW

By Daryl Guppy

Recently I did a podcast interview with DesireToTrade. You can listen to the full interview on Show notes page: <http://desiretotrade.com/daryl-guppy/> iTunes Link: <http://desiretotrade.com/itunes/> Stitcher Link: <http://desiretotrade.com/stitcherpodcast/> or follow the summary below.

What is one quote that you live by/that inspires you?

It is a Chinese Buddhist quote - Jian shan bu shi shan. 见山不是山。 Some readers will have seen this in my workshops. The translation is The mountain you see is not the mountain. It means that the problem you think is the problem is not the problem.



Many investors and traders think success is about stock picking so they spend a lot of time on making the right choice. Success is about entry and stop loss and the management of risk.

What's going on these days?

The key factors are Trump, volatility and the threat of trade wars which lead to equity market and currency disruption

Why/How did you start trading?

I started trading in 1988 because it was the best use of limited capital to generate return on capital.

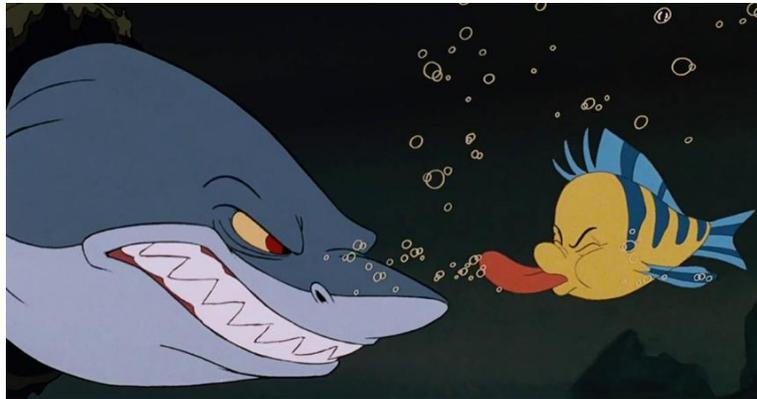
I started trading in the middle of an Australian desert. That meant I could not use fundamentals or news for trading decisions. I had to rely on price action so I am a chartist.

How was the learning process?

Because of isolated environment it was individual self-directed learning. There was no support from other traders because there were no communication networks in Australia, let alone in the middle of the outback. I had to teach myself so I developed unique approaches. Isolation meant no news so understanding what price action was saying was essential. I had nothing else on which to base decisions.

How did you become a profitable trader?

Over time I developed a philosophy of the market that underpinned my decision making, and that includes where you fit into the big picture. We summarise it as a Guppy amongst sharks. We all have a philosophy of the market, even if we do not formally recognise it.



1. Understanding that price patterns reflect psychological behaviour, not mathematical events
2. Developing GMM analysis to understand price behaviour
3. Acknowledging that everybody in the market knows more than I do, but when they trade their knowledge is revealed
4. Understanding that a trading solution uses mathematics but it is not a mathematical solution. Price behaviour is not a number price series. Price behaviour is not random and it cannot be replicated by coin toss analogies because there is no behavioural element in a coin toss.

Your worst trading mistake/failure

Every time I ignore my stop loss. Discipline is a daily battle for every trader

Your main trading style

This depends on market and instrument. Traders must be flexible and compatible with current markets. Currently we prefer to use intraday FX trading with an ANTSYSS approach. Average 190 pips over 1 year. We are working with Axitrader to make these solutions available widely.

Best advice you can give for traders

You don't have to trade. Wait for your exact conditions.

What did you need to become a profitable trader?

You need the right frame of mind when you think about the market. This includes:

1. Recognise trading is about probability not prediction. The objective is to identify the balance of probability and when that is changing. All the tools and techniques are designed to answer this basic question.

2. Understand where you fit into the market. Many many ways to make money. For example we developed the specific ANTSSYS method to meet our requirements.

3. These were:
 - a. Short term trading
 - b. No overnight positions
 - c. Defined high probability targets - 86% success rate on entered trades.
 - d. High reliability stop loss with few false signals. Trader ATR based on range bar chart
4. Discipline to set and act on stop loss. This is the most important. Get this right and everything else follows.

The main take-away for the listeners

1. Markets change and you must change the mix and style of trading to keep in touch.
2. You are at the mercy of the markets. Be humble and acknowledge that the market, and other traders, know a lot more than you do.
3. Your task is to take regular bites out of the price movement.
4. Markets are not random
5. Understand your natural bias – long or short – and your behaviour habits. You can't change, so develop harm minimisation strategies.

What goals do you have for the future?

1. Work with Axitrader to make an ANTSSYS MT4 EA available.
2. To remain in touch with changing market conditions and that requires mental agility.
3. To share knowledge with other traders so we can all improve our trading results. That's why I write and conduct seminars.

What keeps you motivated?

The intellectual challenge to understand market behaviour and refine trading approaches to benefit from that understanding.

If you could give one sentence of advice on how to thrive as a trader, what would that one sentence be?



Find a trading method that is compatible with your personality and then concentrate on trading it to the best of your ability.