

21 Skills That Will Pay Traders Forever



Thomas Barmann

Trading in the financial markets is a dynamic and ever-evolving endeavor. Success in this field requires a deep understanding of markets and a range of skills that can stand the test of time:

- The Path to Success in Financial Markets.
- A step-by-step approach for you to follow.

Table of Contents

1. Intro.....	2
2. Mental or Psychological Skills	4
3. Preparation.....	9
4. System.....	17
5. Examples	24
6. Conclusion	33
7. Offer	34

About the Author



His introduction to trading came when he was 22. Over the decades, he acquired a wealth of knowledge on how private investors can make money in the financial markets. He developed algorithms and software for high-probability trading and investing with specifically defined trade situations painted on the chart for traders and investors to act at system-specified entry, exit, and stop conditions.

“Trade what you see by letting the chart tell when to buy or sell!”

He trades by spotting and trading with institutional money moves, minimizing risk, and compounding interest. The crowd follows the leaders. As a private investor, you can do that too. Your edge is that you are faster in and out of investment than institutions can.

A very small group of people keeps the knowledge of how to trade the financial markets, and those who enter unprepared pass their money to those who know. He aims to improve the world by sharing knowledge and giving education. To do so, he formed an education company in 2008. The mentorship

21 Skills That Will Pay Traders Forever



programs of Nobel Living, LLC are taught one-on-one at your best available days and times.

Publications

Thomas is the author of three books and many other publications:

- [Integrated Trading and Investing System](#)
- [My Stock Market Income](#)
- [Your Trading Career as a Private Investor](#)

Blogs: [WordPress-](#), [Blogspot](#)

Daily Warmup: <https://t.me/neverlosstrading>

YouTube: [Trading examples explained.](#)

Facebook: <https://www.facebook.com/TradeWhatYouSee>

Experience a Live Interview at 52 Trades:

<https://www.youtube.com/watch?reload=9&v=bloe89B5ZOY>

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Good trading,

Thomas

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21 Skills That Will Pay Traders Forever



1. Intro

The Path to Success in Financial Markets

Trading in the financial markets is a dynamic and ever-evolving endeavor. Success in this field requires a deep understanding of markets and a range of skills that can stand the test of time. In an environment where market conditions can change rapidly, traders with these enduring skills are best positioned to thrive.



Traders or investors who come to the financial markets unprepared prepare to give their money to those who are prepared to win: institutional investors. Skills are required!

“If you fail to prepare, you prepare to fail.”

More than 85% of all financial transactions are institutional money-driven. You meet professionals who take the other side of your trade, and are they are prepared to win. In addition, they have a significant advantage: they often lose other people's money.

Hence, trading is not easy, but it is learnable, and we share a step-by-step approach explaining what it takes.

21 Skills That Will Pay Traders Forever



Through our years of experience, we explore 21 skills that can pay dividends to traders indefinitely, and we divide them into three categories:

- System Variables
- Mental or Psychological Skills
- Preparation or Dedication

Skills Needed to Succeed in the Financial Markets

System	Psychology	Preparation
Adaptive Model that follows the Action of Exchanges	Patience in Inaction	Unwavering Focus
	Focus on Price Movers Only	Rule Adherence
High-Probability Price Turning Points	Fact-Based Decision-Making	Economic News Awareness
	Resilience in Loss	Trade Repair Skills
	Adaptability to adjust strategies	Conditional Orders
Assets with Price Movement Identification	Patience and Trust	Self-Analysis
	Willingness to Learn	Time Management
	Perseverance	Physical and Mental Fitness
Stringent Entry and Exit Conditions	Mastery of Thoughts	

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Let us start right in the middle, with psychological skills to be followed by preparation.

2. Mental or Psychological Skills

Success in trading isn't solely determined by market analysis or strategies. A trader's mental and psychological skills play an equally critical role. Here's a brief synopsis of why mental or psychological skills are indispensable for success in trading:

- 1. Patience in Inaction:** Recognizing unfavorable market conditions and staying on the sidelines requires psychological discipline. Most traders come from different prior experiences, where working hard gets the job done; doing nothing is seen as laziness and unsuccessful. Let us pick a day trading example: out of 250 trading days, about 50 days are not worthwhile to engage: Prices do not move. Imagine you traded for \$1 per day, risking \$1. On the day when nothing moves, you lose: -\$50. Out of the remaining \$200 days, you win 65% of your trades: \$130. In essence, you are trading water: Winning days, \$130 – losing days (\$70 + \$50) = \$10. Trading, whenever possible, does not get the job done. You need to put your work into analyzing the markets and not in the number of transactions to consider, but you need to be able to push the buy or sell button when it matters.
- 2. Focus on Price Movers:** Trading based on observed price movements rather than speculation is a critical psychological aspect that can lead to profitable trades. Nowadays, you are exposed to a flood of information on how the markets react and which assets to buy or sell, and following general-purpose news will certainly not get you to target. Hence, you

21 Skills That Will Pay Traders Forever



must dedicate yourself to a system to follow the rules and strategies regardless of what other influences tell you.

- 3. Fact-Based Decision-Making:** Controlling emotions and making decisions rooted in data and analysis is vital for objective trading. Fear and greed are your enemies to control. Those enemies are in you, and you only overcome them if you dedicate yourself to specific system-set rules to act or stay out.
- 4. Resilience in Loss:** Staying committed to your trading system during a loss is essential for long-term success and psychological fortitude. However, according to our research, we list the following typical human reactions to failure in trading:

Typical Reactions to Trading or Investing Failure

Reaction to Failure	Probability	Relation to Trading/Investing
Spew endless excuses and justifications	20%	The markets, the politicians, the news: influences outside our reach caused the failure, and you find out that trading is not for you because of uncontrollable circumstances
Blame the system	75%	The system is not correct; we need to change it or need a new one
Stick to the system, even on a losing strike	4%	Are you accepting losing as part of trading or investing and moving on
Find a way to fix the failure	1%	Repair your trade or investment with adequate tools

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Hence, when you want to produce long-term trading success, picking the right system and committing keeps you in the game. Unfortunately, by not possessing the right system, skill and preparation, 90% of new traders blow their account in the first six months or give up trading.

5. **Adaptability:** The ability to adjust strategies to current market conditions and continuously learn is a hallmark of successful traders. Unfortunately, many traders focus on only one or two strategies. However, dealing with today's markets requires adaptability and constant change: it is not what you want but what the market allows.
6. **Patience and Trust:** Allowing trades to run their course without unnecessary interference demonstrates dedication and trust in your trading system. You certainly should stay the captain of your financial destiny; however, when a trade is opened and possesses the dimensions of exit conditions, there is no need to interfere. Interference usually leads to the small-win, small-win, big-loss syndrome, which is not a success principle. Why is that? Traders who interfere cut winners short and get banked on the losers, never reaching long-term profitability.
7. **Willingness to Learn:** Openness to new trading methods and adapting to new rules and strategies are vital for long-term success. We met traders interested in our systems but wanted to stick to trading from one-minute charts. According to our research, it is not feasible for most assets to make money by trading for minimal price changes, and as such, we could not help; however, if you are ready to learn what works, we are open to working together. Most of our clients have pre-education, and often, we are uneducating to leave

21 Skills That Will Pay Traders Forever



bad habits and decision-making styles behind to focus on what has the highest likelihood of working.

8. **Perseverance After Failure:** The ability to persist and learn from failures, demonstrating endurance and psychological resilience, is a crucial trait. Even so, we propagate high probability systems; there is no one-hundred percent certainty that all trades will work out. Ambiguity or uncertainty of an outcome of our decision triggers in our brains fear reactions: Imagine you operate with a likelihood of 65% for predicting the directional price moves of underlying assets regardless of whether you want to trade Stocks, their Options, Futures, or FOREX pairs.

A 65% probability of being right means that you operate a failure rate of 35%, and you are always under the pressure of dealing with the fear of losing. Let us compare the trading/investing environment with other real-life situations: The chance of ending up in a fatal traffic accident is 0.011%. You have a 99.989% chance of safely driving a car and, with increased skill, safer. Compared to ending up in a fatal traffic accident, trading is 327,102 times riskier for experiencing the deadly failure of losing all your money than driving a car. In some areas of proficiency, we even strive for Six Sigma Certification to confirm an individual's capabilities concerning specific competencies in Quality Management.

How do we relate sigma and probability?

When a normal distribution of data is assumed, the likelihood of an occurrence being in a one-sigma distribution is 68%:

2-sigma: 95%

3-sigma: 99.7%

6-Sigma means that you operate with a 99.99966% probability and only a 0.00034% failure rate

21 Skills That Will Pay Traders Forever



When working on a job, after three years of experience, most people reach a 3-sigma proficiency rate, operating under a 0.3% expected rate of failure.

By everyday means, when you come to trading, you need to get used to operating with an 11,667-times higher rate of failure than you are used to from your job or business.

Definitely a significant change in risk acceptance and handling, and you best get a coach helping you learn how to accept and handle a 10,000 times higher risk.

9. **Mastery of Thoughts:** Dedication to mastering thoughts and trading based on what is observed rather than speculated is essential for psychological discipline. On many occasions or trading days, I have an educated idea of preferring long or short trades; however, it took me more than 10,000 hours to develop the actual systems, and I dedicated myself to letting the chart tell what to buy or sell and condition my thought to not influencing my decisions. The system is better than my bias!

21 Skills That Will Pay Traders Forever



3. Preparation

After concluding the critical mental or psychological elements of trading success, we turn over to preparation:

In trading, you meet professionals who are prepared to win.

The game of tennis provides an analogy for understanding what happens by trading in the financial markets. Imagine a match between a tennis professional and a weekend warrior. They use the same equipment, play on the same court, and abide by the same rules. However, the professional will have a better technique and strategy and be prone to fewer errors.

Does that mean you have no chance of winning as a private investor?

No, this is not the case; with the right tools, you can spot and follow institutional money moves and play the pros game. We provide the systems and strategies to follow institutional money moves as a day trader, swing trader, or long-term investor.

Instead of battling against institutions, we encourage and support you to transform yourself into acting along with the action of professional investors: copying and betting on their magic numbers.

Where is the edge in a follower strategy?

As a retail trader, you can enter and exit entire positions at once. Institutions have to scale in and out of positions, not radically change prices; hence, your competitive advantage is in the speed of entering and exiting transactions, but you are still trading on the side with big money, not against it.

21 Skills That Will Pay Traders Forever



However, winning is not a given; you need to prepare to be able to win the professional trading match.

1. **Unwavering Focus:** Maintaining unwavering focus during crucial trading times is a testament to a trader's preparation and discipline.

Always consider that you are trading with and against professionals; hence, focus on what you do: I like to play blitz chess online; however, if I get important questions from family members during the game, I have a higher likelihood of blunder. Hence, stick to a solid focus: day traders best get a market sentiment and preparation at 7 a.m. ET. Swing traders prepare your orders early and check back after 8:30 if critical economic news throws the market around. Yes, we can trade anywhere with an internet connection, but focus is part of the game for long-term success.

2. **Rule Adherence:** Consistently following a well-defined set of rules and a written trading plan without deviation is a fundamental aspect of preparation.

A business plan is a formal statement of business goals compromised by a financial and action plan. It shall contain:

- The reasons attainable goals
- Action steps for reaching goals
- Background information about the resources needed to reach your goals
- Financial return on investment statement for specified periods.

How much money do you want to make trading/investing?

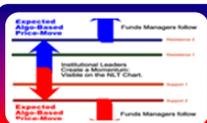
As much as possible is not the correct answer:

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"If you don't know where to go, you might not get there."

To build your business plan, start with **When, Which, How** questions:

	When can I Trade: Time of the Day <ul style="list-style-type: none">• Full Time: Day Trading, Swing Trading, Long-Term Investing• Part Time: Mid-Day Trading, Swing Trading, Long-Term Investing
	Which Instruments to Choose <ul style="list-style-type: none">• Check: Minimum Volume Expected• Check: Minimum Price Moves per Time Unit Observed
	How to Administer Trades <ul style="list-style-type: none">• Entries, Exits, Stops; Decision Making Time Frames and Charts• Score Card and Continuous Improvement
	Methods to Select Best Alternatives <ul style="list-style-type: none">• Highest Return• Managable Amount of Trades

Decision-Making Summary:

- What time-frames can I, and do I want to trade?
- Which instruments do I want to trade/Invest in?
- How will I administer my trades (entries, exits) and strive for continuous improvement?
- What alternatives do I have? How do I appraise those and choose the best fitting for me?

We help our clients write a business plan for trading success, which specifies when to trade and when not (action plan). In addition, we help you to specify expectations from trading by the number of trades and average expectations (financial plan).

- 3. Economic News Awareness:** A thorough understanding of days with critical economic news events helps traders anticipate market volatility and make informed decisions.

21 Skills That Will Pay Traders Forever



We reference crucial economic events in our telegram channel so you know day-by-day which events might influence the markets and the overall volatility. We offer a free service of worldwide news events, evaluated by their impact on our [website](#).

4. **Trade Repair Skills:** Understanding how to repair a trade instead of accepting a stop loss can save capital and reduce losses. Never Stop Loss Trading builds the basis of our brand name, and we could write an extended essay about what to do and how; however, feel invited to a separate [blog post and video](#):

The screenshot displays the homepage of the Never Loss Trading website. The header features the company logo, a tagline "Take your financial future into your own hands.", contact information (contact@NeverLossTrading, +1 866 455 4520), and the brand name "Never Loss Trading" in a cursive font. A navigation menu includes "HOME", "ABOUT", and "TRADE CONSTELLATIONS THAT WORK". A search bar is present on the right. The main content area shows a blog post titled "A Solution to Swing Traders' Problems" dated August 18, 2023, at 5:15 am, with a "Leave a comment" link. The post text discusses market conditions and trading strategies. Below the text is a video player with a thumbnail image of a man in a suit and a Newton's cradle. A right-hand sidebar contains a "Translate" button and a "Categories" list with various trading topics.

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Never Loss Trading

HOME ABOUT TRADE CONSTELLATIONS THAT WORK

Go!

A Solution to Swing Traders' Problems

August 18, 2023 at 5:15 am | Leave a comment

The current market provides a solid ground to capture short- to medium-term price moves with 1% to 5% return rates based on cash, holding open positions between one to ten trading days. Using margin or portfolio margin leverages the return expectations multifold, and we will share actual examples.

Read on and watch the video.

Translate

Categories

- activity based trading
- After Hour Trading
- Algorithmic Trading
- Corporate Earnings
- Trade Preparation
- Crude Oil
- Crude Oil Futures
- Currencies
- Day Trading
- Economy
- Euro
- Financial Market Investment
- FOREX
- fractal trading
- Futures
- Futures Trading
- Gold

21 Skills That Will Pay Traders Forever

5. **Conditional Orders:** Placing conditional orders allows traders to execute trades without constant monitoring, facilitating preparation. Hence, operate with a system that gives you specific entry conditions with clear-cut exit and potential stops or price adjustment levels. We teach you to place conditional orders as a swing trader, day trader or longer-term investor. Hence, you never be late for a trade.



If you want a free week of NLT Swing Trading Alerts, email us, and we will be happy to drop those into your mailbox between midnight and 5 a.m. ET.

contact@NeverLossTrading.com Subj.: Free Alerts

6. **Self-Analysis:** Regularly evaluating trades through scorecards, trade evaluations, and journaling enhances preparation and self-improvement.

You can only control what you can measure:

The worst trader has winning trades; some celebrate those rather than managing their average wins and overall profitability.

Traders deal with probability; there is no 100% winning strategy, but you need to map out what works, and this is what you focus on, leaving aside what did not work, period!

21 Skills That Will Pay Traders Forever



We provide pre-fab journals to our subscribers to enter their trades and review them after a set of twenty transactions to see:

- Did you comply with the rules of your system?
- Which indicator and setup gave you the highest returns and which did not?
- Did you hold your trade to target or bail out early?

Let us share an example of what a day trading statistic can look like. Please zoom in for the details!

NLT Day Trading Journal Example

NLT Performance Report							
	Buy/Sell_T	Floating	Buy/Sell and Buy/Sell_C	Power Tower	End Purple	Total	% of Total
Capital Performance							
Invested Capital (input)	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	100%
Gross Profit/Loss	\$ (127.50)	\$ 1,056.50	\$ 739.00	\$ 325.00	\$ 310.00	\$ 2,303.00	19.2%
Commissions	\$ (80.00)	\$ (96.00)	\$ (36.00)	\$ (4.00)	\$ (3.00)	\$ (240.00)	-2.0%
Total Net Profit	\$ (207.50)	\$ 960.50	\$ 703.00	\$ 321.00	\$ 307.00	\$ 2,063.00	17.2%
Share of Total Profit:	10%	47%	34%	16%	15%	100%	100.0%
Return on Capital	-1.06%	8.80%	6.16%	2.71%	2.58%	17.19%	17.2%
Max Drawdown	\$ (625.00)	\$ (750.00)	\$ (240.00)	\$ 325.00	\$ (180.00)	\$ (750.00)	-6.3%
Max Risk on Capital	-5.21%	-6.25%	-2.00%	2.71%	-1.50%	-6.25%	-6.3%
Share of all Trades Applied	34%	41%	16%	2%	7%	100%	100%
Trade Performance							
Winning Percentage	65%	71%	89%	100%	75%	72%	72%
Number of Trades	20	24	9	1	4	58	100%
Number of Wins	13	17	8	1	3	42	72%
Number of Losses	7	7	1	0	1	16	28%
Dollar Gains	\$ 2,229.50	2804	979	325	490	6828	57%
Dollar Losses	\$ (2,357.00)	-1748	-240	0	-180	-4525	-38%
Avg Profit per Trade	\$ (10.38)	\$ 44.02	\$ 82.11	\$ 325.00	\$ 77.50	\$ 35.57	61%
Avg Win	\$ 171.50	\$ 164.94	\$ 122.38	\$ 325.00	\$ 163.33	\$ 162.56	7%
Avg Loss	\$ (336.71)	\$ (249.64)	\$ (240.00)	\$ (180.00)	\$ (282.78)	\$ (282.78)	-2%
Max Single Win	\$ 325.00	\$ 487.00	\$ 312.00	\$ 325.00	\$ 290.00	\$ 487.00	487.00
Max Single Loss	\$ (625.00)	\$ (750.00)	\$ (240.00)	\$ -	\$ (180.00)	\$ (750.00)	(750.00)
Avg. Win/Loss Ratio (Trades)	1.8:1	2.4:1	8:1	3:1	3:1	2.6:1	2.6:1
Avg. Win/Loss Ratio (\$)	0:1	1:1	9:1	325:1	19:1	0:1	0:1
Performance To Plan							
Good Trades When Using the Plan	80%	86%	100%	100%	100.0%	207%	207%
Trade and Move According to Plan	40%	42%	33%	0%	25.0%	38%	38%
Good Trades out of All Trades	45%	42%	44%	0%	25.0%	5%	5%
Early Exit: left the trade early	20%	42%	11%	100%	0%	29%	29%
-Positive Performance Overall						57%	57%
Reasons for Negative Performance							
Traded the Wrong Side	35%	28%	4%	0%	4%	29%	29%
Right but too tight Stop	5%	0%	11%	0%	50%	7%	7%
Late Entry (the move was over)	10%	0%	5%	0%	5%	7%	7%
-Negative Performance Overall	50%	28%	20%	0%	5%	43%	43%
Average Entry Performance	81%	82%	82%	82%	82%	82%	71%
Average Exit Performance	71%	71%	71%	71%	71%	71%	73%
Average Overall Performance	73%	73%	73%	73%	73%	74%	74%
Share of Chosen Entry Indicators							
	T-Signal	Floating	Buy/Sell	Buy/Sell_C	Power Tower	End Purple	Total
Share of Total	24%	54%	6%	9%	2%	6%	100%
Success Rate	0.6:1	0.7:1	0.8:1	1:1	0.7:1	0.7:1	
Performance to Plan							
	Count	% of Total	Pos/Neg	Explanation			
Good Trade	16	28%		As planned			
Early Exit	17	29%		Moved the Target Price			
Positive Performance	33		57%				
Wrong Side	17	29%		Market moved against us			
Tight Stop	4	7%		Got stopped out even so we were right			
Late Entry	4	7%		Entered when the move was over			
Negative Performance	25		43%				
Fear Factor	24		41%	of the trades, the fear of losing dominated			
Total:	58						

21 Skills That Will Pay Traders Forever



The results are from a trader that uses NLT Top-Line, Trend Catching and Timeless. Journaling a trade takes about 30 seconds on our template. Most people hate documentation and administration; however, you will see that this time is well invested in a moment. We also recommend taking a trade entry screenshot to compare in the aftermath if what you thought you traded was what the chart was telling you. Trading is a lot about mind control and focus: We see with our brain, and all our emotions, past experiences, and influences often paint a different picture from what is there. It will get obvious when discussing the results.

Feedback from the NLT Day Trading Journal

- The trader conducted 58 Trades and produced \$2,303 of income but wasted a lot of profit by exiting trades early and not at the system-defined target.
- The new trader achieved a high winning percentage of 72%, complying with the system's expectations.
- In 17 positive trades, the trader left money on the table by exiting early because of his fear of losing.
- Setting stops tighter than the system proposed and entering late in a trade accounted for 8 out of 58 transactions (14%) and showed some room for improvement.
- The overall indicator performance was on spec; however, the Buy/Sell_T performance had a too high average loss compared to the average win by leaving the trade early on winners and accepting the max loss when the trade did not work.
- The highest income-producing indicator was the Floating signal (part of the NLT Timeless Concept).

21 Skills That Will Pay Traders Forever



In summary: The trader is still not trusting the system and is scared to follow the set instructions (43% negative performance); even so, the average indicator performance was 72%. Hence, he should walk away after trade entry and return to see the result, keeping his hands off the computer while in a trade.

We hope this example demonstrates how such a scorecard helps analyze where things worked well and where you have room for improvement to achieve solid and constant returns from trading.

7. **Time Management:** Effectively managing time, especially during critical trading hours, is essential for preparation and trade execution.

Each trader has their budget of available time for trading. We teach one-on-one and constantly adjust our trading systems to meet your wants and needs. We have been in the trading education business since 2008 and have never met two traders with the same affinity to:

- Preferred assets
- Available time to trade
- Expected time of holding open positions
- Return rate expectation
- Account type to trade from
- And more

8. **Physical and Mental Fitness:** Being physically and mentally fit prepares traders to handle the mental challenges of trading effectively.

In the trading world, where split-second decisions and mental agility are paramount, one might not immediately associate physical fitness with success. However, the link between

21 Skills That Will Pay Traders Forever



physical well-being and trading performance is a connection that should not be underestimated. Just as athletes train their bodies for peak performance, traders can benefit immensely from maintaining physical fitness through regular exercise.

Hopefully, you agree trading needs preparation in multiple dimensions.

Nobody would ever return to work if trading and investing were easy, but it is learnable.

Finally, we want to express system requirements.

4. System

What do you base your trading and investing decisions on?

You need a system that helps you to forecast price action with a high probability of above 65% accuracy to produce long-term income from the financial markets.

Unfortunately, most traders act based on a maximum of 55% predictability.

Calculating the chance of winning six or more trades out of ten and comparing a 55% and 65% system: the 55% system has a 50.4% chance to succeed, while the 65% system has a 75% chance to bring you to more winning than losing trades.

What is behind working with a high-probability system?

A Glimpse of NLT Analytics

To invite you into our way of thinking and acting:

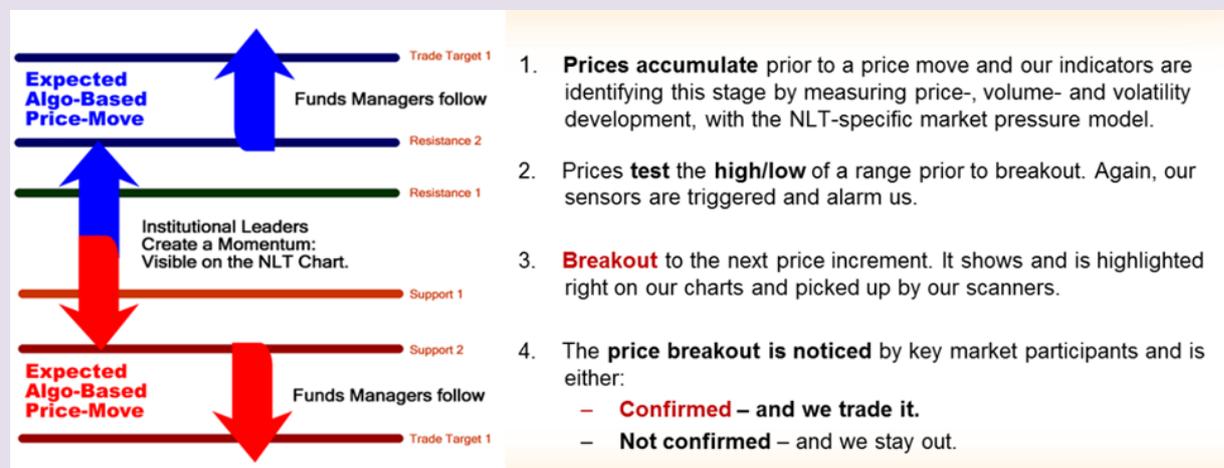
"Letting the chart tell when to buy or sell."

We best start with the market model we use and follow:

21 Skills That Will Pay Traders Forever

1. **Adaptive model** that follows the action of exchanges: Many systems follow a stringent mathematical correlation like the 1, 2, and 3 wave follows the A, B, and C wave; however, the actual happening between supply and demand is not predictable by predefined repetitive cycles. There is an underlying structure, but it is not expressible in repetitive cycles but rather in fractals. Let us invite you to a short intro into the mathematical world of fractals: [Benoit B. Mandelbrot, MIT 2001 - Fractals in Science, Engineering and Finance \(Roughness and Beauty\)](#). This video expresses the basis of our calculation models, and you do not need to worry about replicating this to start trading; we did it for you. The natural happening of an exchange needs a model to base algorithms and assumptions on.

NeverLossTrading Price Move Model



Hence, we only open a transaction when other market participants confirm the new direction through buying or selling, driving the price past the system-set threshold. Our system specifies the positive exit with the entry condition, calculating "SPU" (Speed Unit) and such, defining the price move from entry to target to relate it in the second step to the

21 Skills That Will Pay Traders Forever



system set stop, and we will explain how we calculate this component.

Definition of NLT SPU



NLT **SPU** = Price Move/Time Unit (Price Speed)

A dynamic measure, constantly adjusting to actual

SPU-Trade-Target:

Minimum expected price move after an institutional engagement is established

After defining two variables, we must specify the stop or trade adjustment level.

What is a trade adjustment level?

It is the price to put the stop; however, instead of closing the trade at the stop price level, you adjust or add to the trade, repairing the trade instead of accepting a complete loss. The idea of Never Stop Loss Trading gave us our brand name, but we shortened it a little.

So where to place the stop?

According to our research, a risk-to-reward ratio of 1.2 concerning is beneficial for several reasons:

- **Compensating for Uncertainty:** There's always a degree of uncertainty in trading. By employing a risk-to-reward ratio of 1.2, you provide a buffer that compensates for potential unexpected price movements or market volatility. This buffer helps account for the natural unpredictability of the financial markets.

21 Skills That Will Pay Traders Forever



- **Improved Win Rate:** A risk-to-reward ratio of 1.2 can contribute to an increased win rate. When the potential reward is slightly higher than the risk, successful trades impact your overall profitability more. Therefore, the favorable risk-to-reward ratio can help generate consistent profits even if your win rate is not extraordinarily high.
- **Balancing Risk and Reward:** Using a risk-to-reward ratio of 1.2 ensures that your potential reward is proportionate to the risk taken. In addition, it establishes a balanced approach to trading, where you aim to maximize your gains while managing and limiting potential losses.
- **Long-Term Profitability:** A risk-to-reward ratio of 1.2 can contribute to sustainable profitability over the long term. Maintaining a balanced risk-reward profile creates a solid foundation for your trading strategy, promoting consistent returns and minimizing the impact of occasional losses.

You might think that a 1.2 times risk to reward is unfavorable; however, calculate with an average winning percentage of 70%. For example, when you aim to gain \$250, you risk \$300. Quantifying the equation with probability, the expectation value of this setup is $\$250 \times 0.7 - \$300 \times 0.3 = \$85$. However, if you work with a narrow stop, you only win 20% of the time; for the rest, you get stopped, and the equation calculates as follows: $\$250 \times 0.2 - \$100 \times 0.8 = -30$, producing a negative expectation value with no chance of making money long-term.

Statistical distribution of data is essential to make sound decisions; however, we always deal with uncertainty and will never be 100% right. Hence, risk management and money

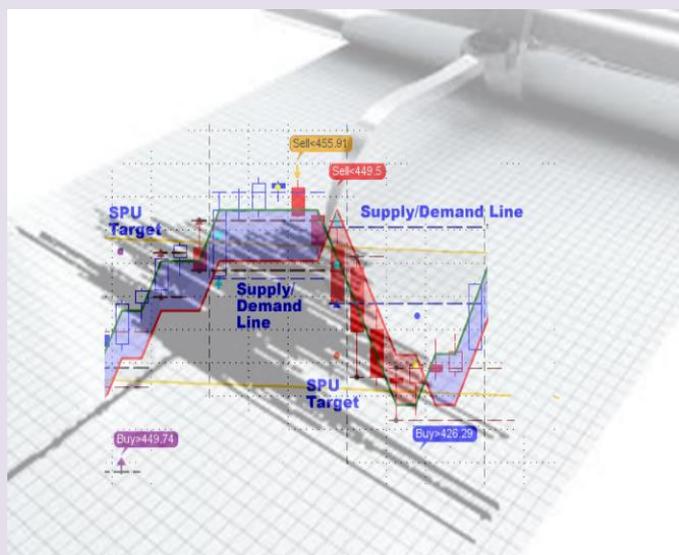
21 Skills That Will Pay Traders Forever

management are critical components to learn, and we teach those one-on-one in our training and coaching sessions, focusing on your specific financial goals and time available for trading. Solid decision-making is based on replicating the market in a proven model, and we integrate all that we shared above into our indicators and summarize the underlying decision-making basis as follows:

Algorithmic and AI Components in NeverLossTrading

Core Components	Integrated in NLT	Not Integrated
Adaptation to actual, not relying on fixed patterns or algos	Yes	
Complex non-linear decision making	Yes	
Considering actual news and social data		Partially
Real-time strategy adjustment	Yes	
Forecasting capability	Yes	
Rule-based trading	Yes	
Quantitative analysis and synthesis	Yes	

Adaptation to Actual



All our indicators include a component of machine learning to analyze vast amounts of data, constantly adjusting to actual and not relying on fixed forecasting models. Our indicators include seismic readings, measuring market vibrations and pre-stages of a likely price breakout move.

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Complex Decision-Making

Our systems and indicators can make complex, non-linear predictions. They can process unstructured data to forecast critical price turning points to extrapolate entry, exit, and stop rules.

Considering Actual News and Social Data

We have not found value in using natural language processing and sentiment analysis tools to gauge public sentiment from news articles, social media, and forums and forecast price movement with high probability. By assuming that the crowd follows the leaders, we only consider what the leaders are doing to stay ahead of the crowd, which helps us get our price moves to target. Hence, we consider economic news and corporate events but not what people say on social media.

Real-Time Strategy Adjustment

Our systems and indicators adapt to changing market conditions, and we teach you to adjust strategies accordingly, staying the captain of your financial future.

Forecasting Capabilities

Our systems can predict future market movements with high probability, identify trends, and even recognize patterns not apparent to human traders.

Rule-Based Trading

Algorithmic trading relies on predefined rules and instructions, helping you to act prepared when specific setups occur on your charts. These rules determine when to buy or sell assets based on specific conditions and parameters with split-second precision.

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Quantitative Analysis and Synthesis

As listed under the headline: "Input Components to Extrapolate Price Moves," our systems analyze data from price change and reach to order flow.

In summary, you now know the components we consider for identifying highly probable chart setups to follow.

The visionary behind NeverLossTrading is Thomas Barmann; since 2008, he has harnessed the predictive potential of Algorithmic Trading and AI, aiming to let private investors participate in the financial markets with an edge.

Unveiling Analytical Evolution

Algorithmic and AI trading as a marvel is poised to revolutionize how traders and investors approach financial markets. What sets NLT analytics apart is its remarkable ability to provide highly accurate market forecasts at or above 70%. Those who heed the insights could see substantial growth in their investment portfolios.

What is your take away:

- Let your system spell out price turning points and how far they shall reach, applying mechanical rules rather than leaving room for interpretation.
- Price Moves are system-specified by direction and time
- To ensure that other market participants have the same directional assumption, we are entering orders above/below the system-specified price threshold.

Further System Requirements

Aside from the model following the natural action of changes in supply and demand, we formulated three further requirements:

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2. High-Probability Turning Points: A systematic approach to identifying high-probability price turning points through fact-based analysis, utilizing systems, scanners, and alerts, is essential.
3. Price Movement Identification: Defining a price move's beginning and likely end with precision, facilitated by a robust trading system, is crucial for strategic entry and exit.
4. Stringent Entry and Exit: A systematic approach to entering and exiting trades based on well-defined conditions enhances consistency and minimizes emotional decision-making.

We best explain this in examples by letting the chart tell when to buy or sell.

5. Examples

In the final step, we use examples to express how indicators and studies tell a compelling story of predictive power.

In each perspective, we like to share how the system helps you to act at crucial price turning points and with appropriate trading strategies:

- Longer-term approach: weekly chart
- Swing trading: daily charts
- Day trading: NLT Timeless charts

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Each approach entails and follows the same principles:

- System-set price thresholds identify trading opportunities: buy >, sell <, and we only act when the price threshold is surpassed in the price development of the next candle.
- Set exits, identified by dots on the chart or cross lines
- Indicator-specific stops or price adjustment levels

Long-Term Investing Example

Before we go into a chart view, we also consider overall and sector development, publish the analytics to our subscribers and invite you to a free week of NLT Analytics:

contact@NeverLossTrading.com Subj.: Free Alerts

Our NLT Alerts will drop into your mailbox between midnight and 5 a.m. each trading day. Below, please see a weekly analysis, updated at the end of each week.

S&P 500 Sector Development by September 15, 2023

S&P 500 Sector Development	Reference Stocks	ETF Opportunity	Strongest Weekly NLT Signal	Weekly Pattern	Sector Share	Weekly Move to SPU	Weekly Development	NLT Bars Counter	Weekly Momentum	Weekly Trend
S&P 500	SPY	SPY	Change	Top Retracement	100%	80.4%	-0.5%	-1	down	up
Technology	AAPL, MSFT	XLK	Change	Mid-Range Weakness	25%	93.2%	-2.2%	-1	down	Early down
Financials	JPM, BAC, BRK.B	XLF	Change	Bullish Cup	14%	75.0%	1.5%	3	up	up
Consumer D.	AMZN, TSLA, HD	XLY		Weakness on Low	6%	79.4%	0.5%	-7	down	down
Consumer S.	PG, CVS, WMT	XLP	Change	Top Retracement	12%	67.1%	1.8%	3	down	up
Healthcare	JNJ, UNH, PFE	XLV	Change	Weakness on Low	13%	57.7%	0.1%	-2	down	down
Industry	HON, UPS, BA, GE	XLI	Change	Top Retracement	9%	73.3%	-0.6%	-2	down	up
Communication	FB, GOOGL, NFLX, T	XLC	Change	Top Retracement	11%	202.3%	-2.7%	3	down	up
Energy	XOM, CVX	XLE		Bullish Cup	3%	92.3%	0.0%	3	up	up
Material	LIN.L, SHW, NEM	XLB	Change	Bullish Cup	2%	61.0%	-0.1%	3	up	up
Real Estate	AMT, DHI, LEN	IYR	Change	Bullish Cup	2%	66.2%	-38.9%	3	up	up
Precious Metals	GDX, WPM	GDX	Change	Top Retracement	1%	123.5%	-2.8%	3	down	up
Utility	DUK, SO	XLU	Change	Bullish Cup	2%	88.8%	0.9%	4	up	up
Sector Share	Share of the S&P 500							Down	7	2
Watch List	Algorithm selected sectors							New down	0	1
P/C Ratio	Put/Call relation.							Up	5	9
Range to SPU	Price expansion and compression							New Up	0	0
Momentum	Short-term price move 1-5 bars									
Trend	Longer-term price move > 5-10 bars							Total Dow	7	3
								Total Up	5	9

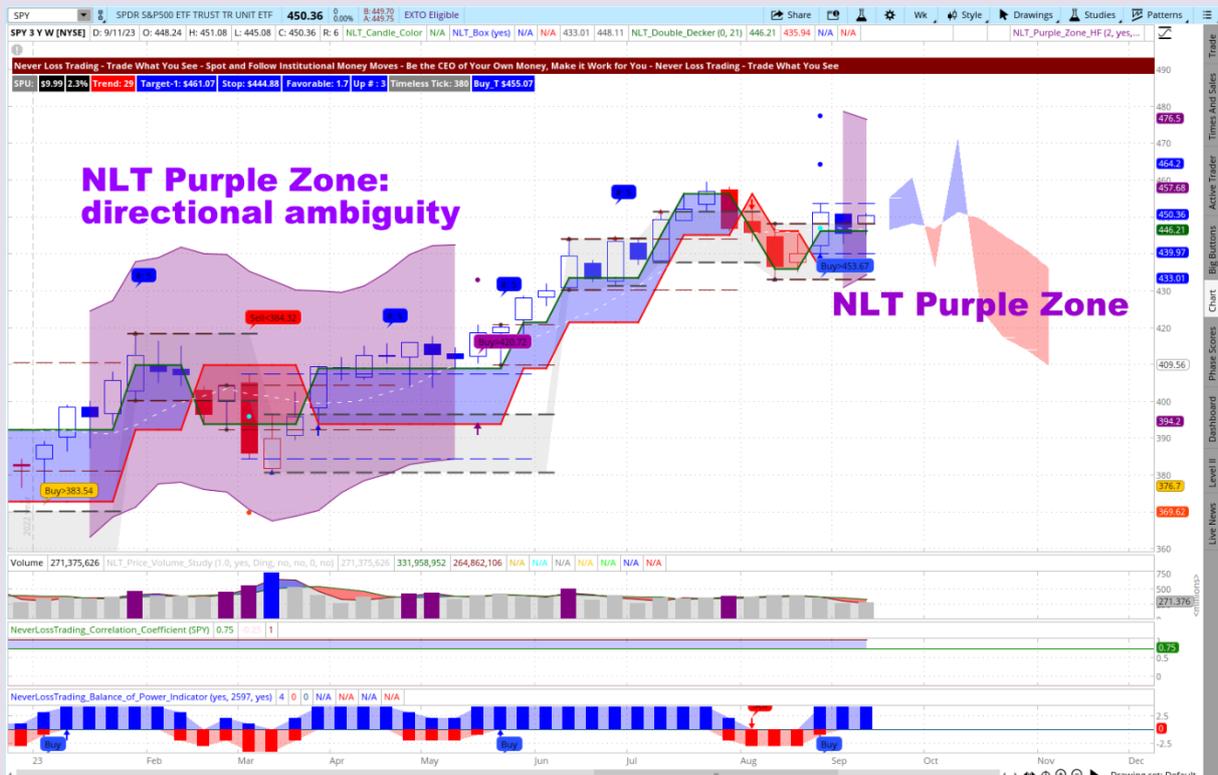
Ten of the twelve sectors we track show an NLT Purple Zone, identified by "Change." Hence, we see no longer-term

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commitment at the current stage and focus on day and swing trading.

Making sound longer-term trading decisions was not easy in 2023—our charts color upwards-moves in blue and downwards-moves in red. When the price movement has no up or down momentum, when red and blue mix, an NLT Purple Zone appears as a sign of directional price ambiguity: This was the case from the week of 1/16/2023 to the end of May 19, 2023, and since the week of September 4, 2023, we are back in the zone of directional ambiguity. Hence, there was little time for committing to longer-term trades, even if we wanted to: day trading and swing trading were appropriate strategies in 2023.

NLT Weekly Top-line Chart



The key for traders is to have advanced indications of what is happening and which strategy is applicable. The NLT Purple Zone indication is a great help for traders to choose the right

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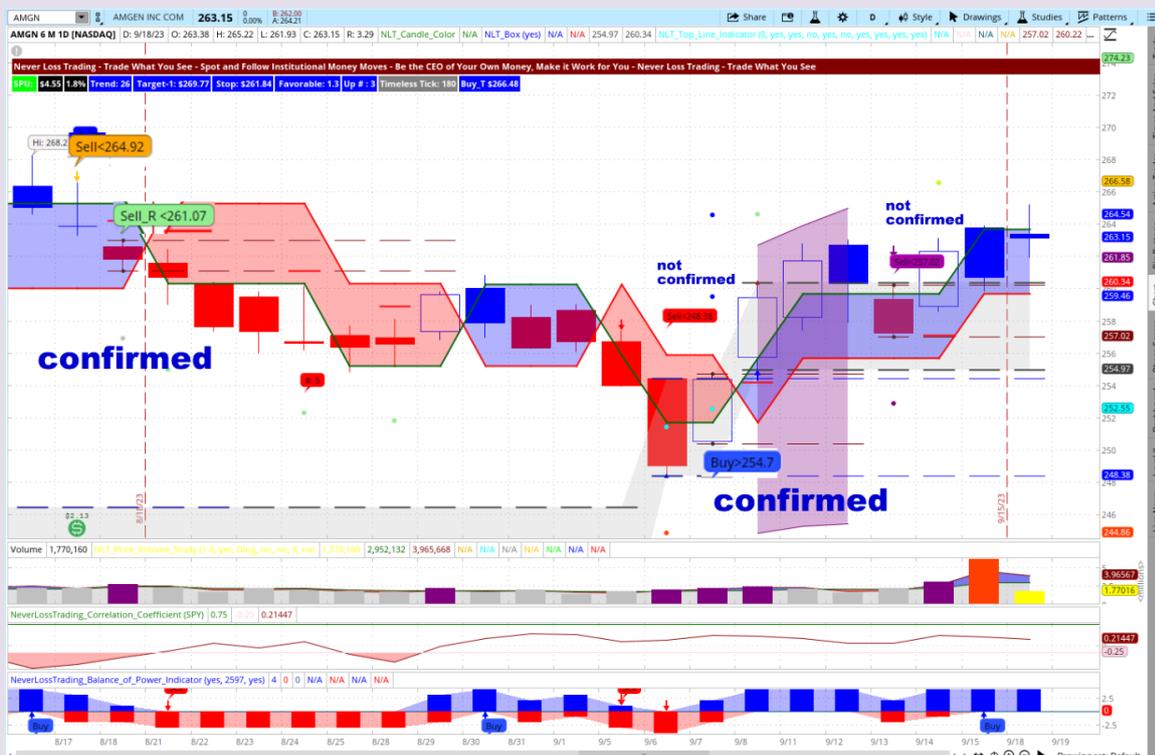
strategy, and it announces when the time of ambiguity is over and directional longer-term trades are applicable.

Learning from the market and picking the right strategy is essential. The same counts for day traders: when trading short-term, you must be aware of important news events and combine them with the overall market view. We post critical news events on our [Instagram channel](#).

Aside from rule-based trading, NeverLossTrading provides psychological support by emphasizing the importance of discipline, patience, and emotional control. Through its trade repair method, traders can minimize losses and stay focused on objective trading decisions, reducing the influence of emotional biases.

[Sign up here](#) to stay connected with our trading tips, articles and webinars.

Swing Trading Example



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By what you have experienced this far, make a short chart appraisal and find why three signals for AMGN were confirmed, and two were not:

You now know to bring the trade to the dots at the indication candle, which worked out in the three cases. The indications appear on your chart for you to act along with them. In the background, our programs work with the speed of light and provide a decision-making basis.

Apple Inc. is one of the most traded stocks:

With a volume of about 50 million shares exchanged per day, we will demonstrate with the chart how to act based on set rules at trade indications to the up and downside.

On the daily NLT Top-Line chart, you will see:

- Up-momentum is in blue and down in red. When red and blue mix, an NLT Purple Zone appears as a sign of directional ambiguity, and we do not accept indications while this zone is present.
- Buy-sell indications with the prerequisite that the high or low of a price indication is surpassed in the price movement of the next candle.
- Dots on the chart signify exits for blue and red signals. Orange signals are assumed to travel to the following line on the chart.
- Stops or price adjustment levels are on the low of the signal candle. We prefer to adjust trades instead of accepting the stop loss, which was the basis of our brand name, but Never Stop Loss Trading was a bit lengthy.

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AAPL on the Daily NLT Top-Line Chart



The chart shows the price development between 7/23/23 and 9/8/23, highlighting seven potential trade situations:

Situation 1: Sell signal in the NLT Purple Zone – no trade.

Situation 2: End of NLT Purple Zone Sell signal (Sell < \$181.92), confirmed and marched to target (dot on the chart).

Situation 3: Orange buy signal, not confirmed – no trade.

Situation 4: Orange buy signal confirmed and led to a trade to the border of the NLT Cyan Zone.

Situation 4/5: Buy and sell signals that were not confirmed – no trade.

Situation 6: The end of NLT Purple Zone buy signal was confirmed and came to target.

Situation 7: Gap down after a sell signal – no trade.

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Following our rules, we realized three of seven potential trade situations in 30 trading days and brought them to their system-defined target. On average, one trade every ten days, lasting one to two days to reach the target, while we assume by the system one to five or ten days to reach a system-set price. Yes, there are rules to learn, and we teach them in one-on-one lessons at your best available days and times.

But what to do when there is no trade?

NLT Top-Line includes market scanners; you can scan the markets on your own for opportunities or rely on the [NLT Alerts](#) sent daily via email.

With the right tools, you can simplify the process of analyzing, leaving guesswork behind you, and transacting when it matters. Make a change to your decision-making, and if you like to find the 15% market-independent movers, we offer market scanners with NLT Top-Line that help you to identify assets with price move potential.

contact@NeverLossTrading.com Subj.: Demo

The foundation of the NeverLossTrading concept lies in conducting fact-based market analysis. Rather than relying on hunches or external opinions, traders using this approach focus on data-driven technical and fundamental analysis. They employ indicators, chart patterns, and historical price data to identify potential entry and exit points, ensuring that each trade is based on quantifiable information.

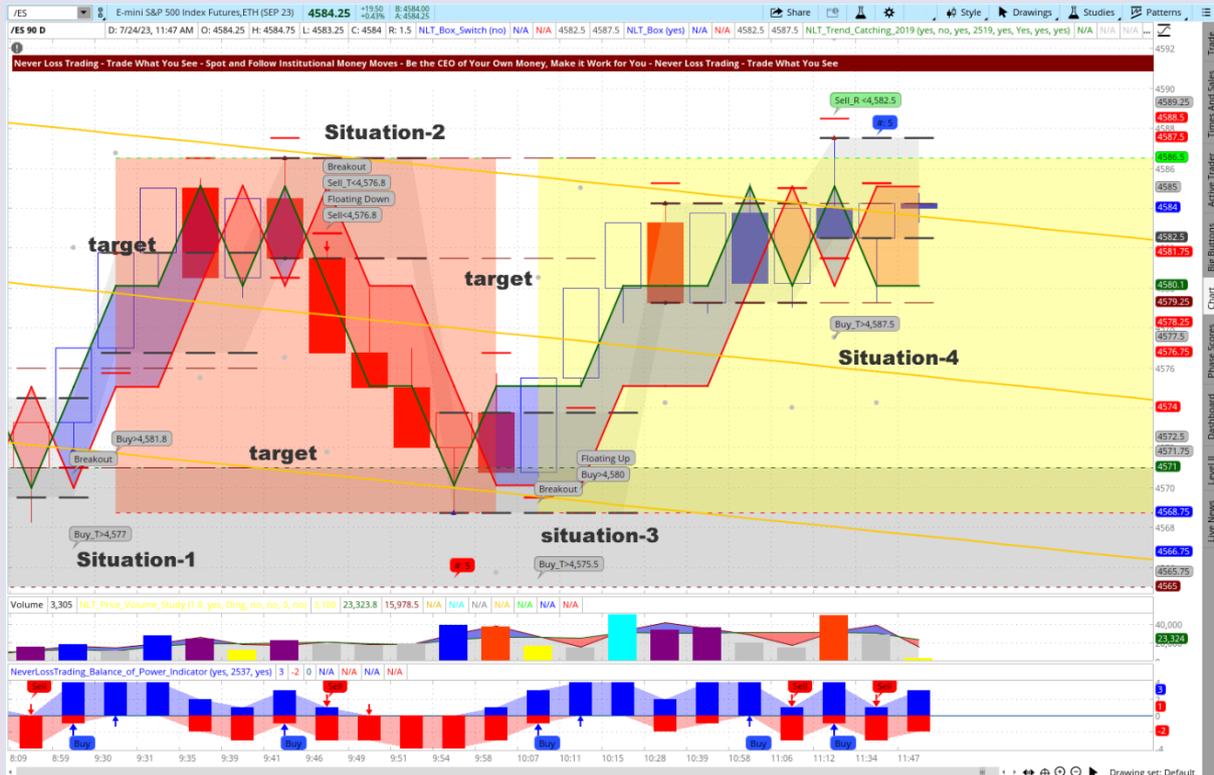
Day Trading Example

You see the NLT Timeless Chart, where candles form by a system-specified price increment instead of a time increment, like ten minutes.

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We take an example of the most liked futures contract by day traders:

The E-Mini S&P 500 Futures Contract

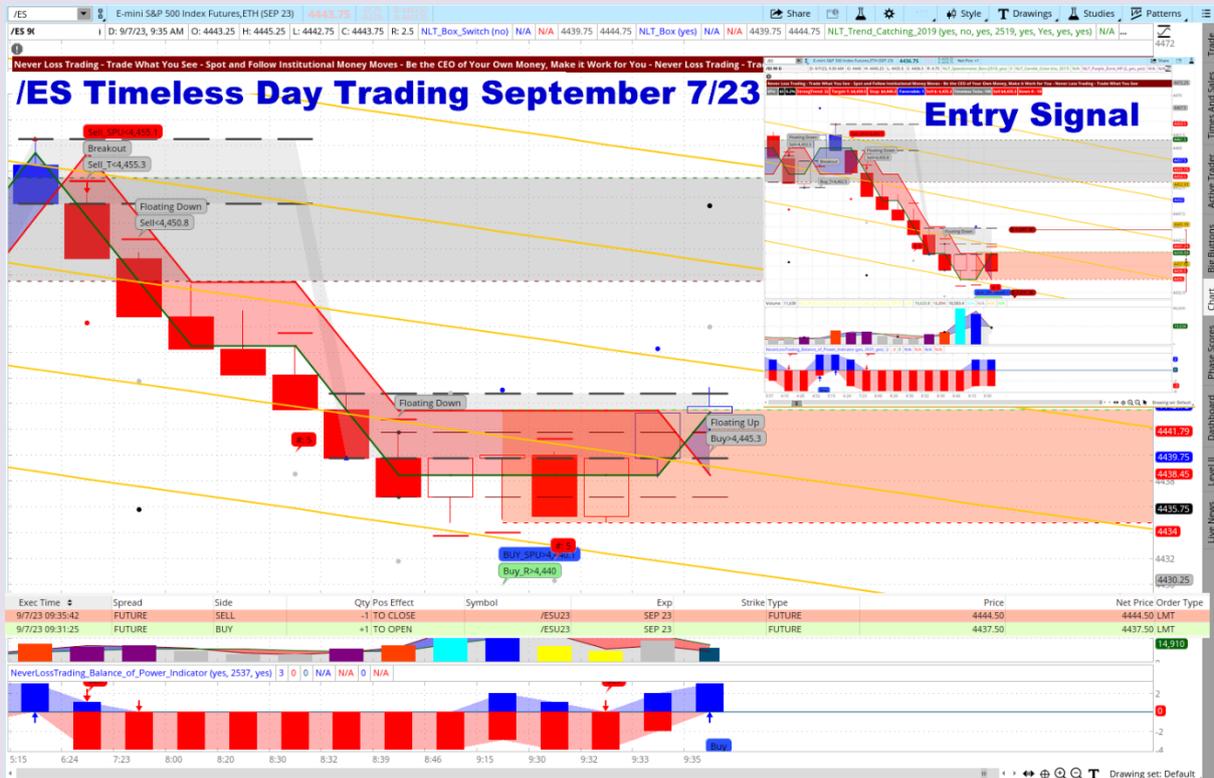


Let us do a quick fact-based chart check:

- Four trading opportunities between 8 a.m. and noon ET showed a meaningful number of trades to participate in.
- Each trade situation had a specific price threshold to entry, like Buy > \$4575.60. Hence, you can use buy-stop and sell-stop orders and see on the dashboard where to pre-set those in the buildup of a candle. Dots on the trades define the exit. Red Crossbars the stop for fact-based decisions.
- The first three trade situations led to trades that came to target (high probability). In the fourth situation, conflicting signals did not lead to a trade.

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The E-Mini S&P 500 Futures Contract Live Trade



The above chart shows a live trade based on a one-contract account. You see the entry (little picture to the right), exit, and price) develop before the bottom reversal signals. The trade was good for seven /ES points or a price change of \$350 per contract. The prior sell signals worked, too, but we did not trade at the earlier hours that day.

Fact-based technical analysis is the bedrock of successful trading, and the NeverLossTrading concept offers a comprehensive framework to achieve precisely that. By relying on objective data, disciplined analysis, and a strategic approach to risk management, traders can enhance their trading performance and increase their chances of success in the financial markets. Remember, trading always carries inherent risks, but with a fact-based approach, traders can



position themselves for long-term profitability and sustainable growth.

To experience how our systems and strategies work live, please schedule a personal consulting hour and consider that spots are limited: contact@NeverLossTrading.com Subj.: Demo

6. Conclusion

In conclusion, success in trading is not solely about market analysis; it's also about mastering these enduring skills.

Traders who continuously develop and apply these capabilities are better equipped to navigate the unpredictable and ever-changing world of financial markets, ensuring their journey toward success is lasting. Here is a scorecard for you to decide where you stand (zoom in).

Scorecard of Critical Trading Skills	Appraisal			Reality Check
	80%	50%	20%	
System				
1. Does your trading model follow and adapt to the exchange transaction?				Most traders base their decision on standard indicators that lack updates to actual like moving averages.
2. Can you identify high-probability price turning points with accuracy > 65%?				Low probability or random trading decisions, with a success rate of around 50%. No back-tested system.
3. Do you possess scanners or alerts to identify price movers?				No market scanners present or alert subscriptions that are proven
4. Do you operate with stringent Entry and Exit Conditions				Random decisions or subscriptions without proof.
Psychology and Mental Strength				
1. Can you differentiate market conditions to engage or stay out?				Rushing into trades
2. Is the chart the basis of your decision-making or news input?				Outside influences like stock tips dominate
3. Do you decide fact-based by specified rules or leave room for discretionary decisions?				Discretionary decisions dominate
4. Are you resilient in loss or prone to change the system?				Blaming the system and getting ready for a change
5. Do you adapt or adjust trading strategies to actual market conditions?				Mostly only one or two trading strategies are followed
6. Are you patient and trust your system goal, or rather interfere with open trades				Interfering with trades
7. Are you willing to learn or seek confirmation that how you traded was right?				Seeking confirmation for the current style and results
8. Do you follow a concept to learn from failures and strive for constant improvement?				No feedback, praising winners, neglecting losers
9. Are you mastering your thought to not trade with a bias but by what you see?				Starting with a market bias
Preparation				
1. Are you focused and prepared for trading, act when it matters and sit on the sidelines when nothing happens?				Quick decisions when time allows
2. Do you follow a written plan for trading success: financial and action plan?				No written trading plan
3. Do you prepare daily for economic news and their potential market impact?				Occasionally or not
4. Do you possess trade repair skills rather than accepting stops?				Not known
5. Are you working with conditional orders that only transact when prices go your direction?				Partially or not
6. Are you journaling your trades and obtaining feedback to enhance what works and discontinue what did not work?				Random or not
7. Is your time dedicated to trading appropriate to your goals and preferences?				Little time dedicated or entire days
8. Are you physically and mentally prepared for the challenges the financial markets expose?				Never considered

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7. Offer

We equip traders with practical tools and methodologies to identify high-probability trade setups, helping them make informed decisions based on market trends and price action.

[Subscribe to receive our trading tips.](#)

Executing trades at the right time and price can be challenging, especially in fast-moving markets. NeverLossTrading offers techniques for precise trade entries and exits, allowing traders to capture optimal returns. With its focus on high-probability setups and systematic approach, NeverLossTrading helps traders improve their trade execution and timing, maximizing their profit potential.

The financial markets are dynamic and ever-evolving, requiring traders to stay updated and continuously learn.

NeverLossTrading promotes a culture of continuous learning, providing educational resources, webinars, and personalized mentoring. Traders gain access to a wealth of knowledge and expertise, empowering them to adapt to changing market conditions and enhance their trading skills.

To succeed in trading, you best work with an experienced coach. Our #1 competitive advantage is the support and customer service we offer. Veteran traders have been through more ups and downs than you can imagine. So, experienced pros have probably experienced whatever you're going through. Suppose you are ready to make a difference in your trading. We are happy to share our experiences and help you build your trading business. Trading is not a typical career, and you best learn from those who are long-term in this business to cope with the rollercoaster of the financial markets. We are here to help and provide feedback on what you might be doing

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right or wrong. Strive for improved trading results, and we will determine which of our systems suits you best. The markets changed, and if you do not change your trading strategies with them, it can be a very costly undertaking. Hence, take trading seriously, build the skills, and acquire the tools needed. Trading success has a structure you can learn and follow.

We have a year-end 2023 offer where we combine multiple systems in package deals (code NLT 2023).

We are looking forward to hearing back from you:

contact@NeverLossTrading.com Subj. Demo, and we will find out which system package suits you best.

Good trading,

Thomas Barmann (inventor and founder of NeverLossTrading)

www.NeverLossTrading.com

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