

Twitter Thread by Jitendra Jain



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The Ultimate List of Trading Mistakes I have committed.

A long thread. Read on.

Which mistakes have you committed?

1) Strategy Hopping: Changing Strategy as soon as I got a series of losses. Sometimes faster than changing daily clothes. What about you?

2) Trading without knowing the rules of the market:

a few examples

- a) Change in lot size
- b) Not knowing the margin
- c) Not knowing how Options settle

Sounds Familiar?

3) No Backups

One should be prepared for unknown events, like having 2 internet lines, 2 laptops, 2 brokers, etc

4) Not expecting the worse

Remember

PNB Scam

Air Strike

A big leader dying

Anything can happen, that's why keep stop-loss in the system.

5) Not watching the Tv and keeping tracking of news.

Remember Nirmala Sitaraman Candle, I was not watching the news but luckily [@yogeeswarpal](#) called me and told me abt the news. Else I would have missed the rally. The inverse can also happen.

[@yogeeswarpal](#) 6) Relaxing post markets

Some say trading begins post-market and ends before the market opens.

It's all about the preparation for the next day, analysis of today's trades, even small things like preparing watchlist upfront matters.

[@yogeeswarpal](#) 7) Not logging the trades: Be it weight loss or be it trading, logging is most important. Logging all the trades and analyzing them is most important.

[@yogeeswarpal](#) 8) Not understanding the market: Not understanding the basic structure of the market like its bullish, bearish, sideways, making HHLH can help a lot.

[@yogeeswarpal](#) 9) Overconfident: Getting god-like feeling with successive wins and basking in a fake superiority complex.

This is what kills most traders, during their good run they are not willing to listen to anyone.

[@yogeeswarpal](#) 10) Keeping Small Stop loss :

I kept 3-4 points SL in Nifty and 20 points in Bn, Market was smart enough to take all my SL. Should have placed SL based on proper exits.

[@yogeeswarpal](#) 11) Keeping Daily Targets :

10% a month = 0.5% a day. I kept daily targets, when not met, felt unhappy. Shifted to weekly and monthly targets.

[@yogeeswarpal](#) 12) Ignoring Basic Maths

Finding a systems R:R and win/loss ratio can help a lot, but i ignored it intially. When you are bad at basic maths, more likely to fail.

[@yogeeswarpal](#) 13) Blaming Markets

I found a quick fix to console myself, Whenever I had a loss I blamed the market, operators for SL hunting, taking my stop loss. A big mistake.

[@yogeeswarpal](#) 14) Believing Pundits on TV :

I too fell in the trap of pundits on tv who were forecasting nifty/Sensex on daily basis just like an astrologer forecasted my future when I was born, got married, and other times.

@yogeeswarpal 15) Getting Bored :

Getting bored and firing trades. Once I was in a hospital and was getting bored, started trading. Suddenly the doctor called, by the time doctor gave me his bill, the market also gave me a huge bill. Always trade from your proper work setup.

@yogeeswarpal 16) Watching MTM

Emotionally draining. I still do it but have reduced frequency.

@yogeeswarpal 17) Dreaming with Imaginary profit/loss

I would have bought a car if today i would have avoided this loss or if I can get x amt I can go to Antarctica. Dreaming with virtual profit

This video will help in understanding my situation.

<https://t.co/Z6DvBcDvw1>

@yogeeswarpal 18) Correlated strategies

Trading in Correlated strategies and expecting different outcomes.

A simple example is if the market is down by 2%, most of your scripts will be down, That's correlation.

@yogeeswarpal 19) Averaging Losses

Almost everyone i know has done this mistake once. When you buy a script and it goes down you add more to the average. Nahin Karne ka.

@yogeeswarpal 20) Holding losers /selling winners

Selling winners first and holding losers is another mistake i did a lot

21) Changing stop loss: Often Changing the stop loss in anticipation that price will revert. Never do ungli to stop loss, else the market will do until to u.

22) Mental Stop Loss: Using mental stop loss rather than real stop loss, the market doesn't like this. It likes clean black and white no gray areas

23) Expecting from markets : Market has no obligation to give you money, give you profits on your bday, kids bday, wife's bday. It doesn't care. Don't expect it to pay for your emi.

24) Buying Systems: buying ready-made blackbox systems that worked on AMibroker and gave me buy /sell signals. Without understanding the logic. I too have similar system now but logic is supreme

25) Paper trading : Paper trading for 3 months and running 100 simulations on opstra and not considering real emotions.

26) Random Advice: Following the advice of random people and starting trading on it. Someone said do calendars started doing them, someone said spreads

27) Not considering Slippages : Slippages can kill you, one day i got huge slippage in SLM order, Another expensive lesson

28) Trading in ILLiquid Options : Trade tvs far otm call. Didnt know it was illiquid. Had to take a loss due to huge spread. Since then mostly trading in NIFTY and Banknifty Options.

29) Not knowing what to do : Once a option became had no idea what to do, how to adjust, should i sell more calls, should i buy a future. What if future ends in loss, Totally disoriented. Make a what if plan in advance.