

Twitter Thread by Aditya Trivedi



Aditya Trivedi
[@itsAdityaT](#)



JESSE LIVERMORE is considered the greatest trader of all time.

He was the richest person in the world during his time.

I've read majority of his books and picked out learnings which are relevant even today with examples of the current scenario.



1: Remember that stocks are never too high for you to begin buying or too low to begin selling.

This principle still holds true today in trading, especially trend following.

Most people think if a stock has run up too much, then its price is high and it will reverse.

But a trader should always be on the right side of a trend.

For eg: Asianpaints has been making new highs constantly, the major money would've been by the people who were on the right side of the trend i.e long.



Never buy it just because it has fallen too much. Instead short it and make money.

2: "Being a little late in a trade is insurance that your opinion is correct."

It's okay to enter in a trade after you have received confirmation from the market.

Trading after confirmation will make you sacrifice your profits but it will also protect you against the loss

eg: If you want to buy a stock at support, you've no idea if the support will hold or not.

But by waiting for a bounce from that support confirms the the stock is not ready to break the support and you can place your trades.

3: "Watch the market leaders."

If you want to buy stocks, then focus on the strongest ones.

Because these are the ones likely to outperform the market in the future.

eg: Reliance and IT alone were responsible for lifting Nifty higher during the March 2020 covid crash.

4: "Never average losses."

This is the most common mistake . Averaging put a losing position is never a good idea.

Yes, it may work sometimes, but when it goes wrong it can blow up the account quickly.

5: "If you can't sleep at night because of your stock position, then you have gone too far."

Take overnight positions ONLY if you're comfortable with them.

I take overnight positions with full capital and still sleep like a baby without worrying.

6: "Markets are never wrong, but opinions often are."

Everyone has their own opinions about a particular stock whether it has gone too much up or has fallen too much.

But it doesn't matter because the markets are never wrong.

Markets always know something you don't!

7: "What has happened in the past will happen again. This is because Markets are driven by humans and human nature never changes."

Although small setups keeps on changing from time to time but the major behaviour of the market remains the same.

Because human nature never changes

8: "It was never my thinking that made the big money for me. It was always my sitting."

When he's in a trade, he'll not bother himself with the day-to-day fluctuations of a stock

Instead, he'll sit on his hands and ride the entire trend because that's how the big money is made.

9: "Successful trading is always an emotional battle for the speculator, not an intelligent battle."

Trading is not at all about intelligence, it's about how can one control his emotions when in a trade.

A good psychology can easily put a trader in a different league.

10: Not taking the loss — that is what does damage to the pocketbook and to the soul."

Holding onto losers is never a good idea.

If the trade goes wrong it's always wise to book it rather than hoping for it to reverse.

That's it for this thread and I hope you learnt something.

Do follow me for more such threads and follow me on instagram : <https://t.co/lh7jP4aNq6>

For more learnings and analysis during live markets join our telegram channel :

<https://t.co/uNlrqg5aDP>