# 5 TRADING MISTAKES

## YOU'RE MAKING RIGHT NOW ...AND HOW TO FIX THEM!

• PRO TRADER •

THOMAS WOOD

BASE CAMP TRADING

# RISK DISCLAIMER

IMPORTANT NOTICE! No representation is being made that the use of this strategy or any system or trading methodology will generate profits. Past performance is not necessarily indicative of future results. There is substantial risk of loss associated with trading securities and options on equities. Only risk capital should be used to trade. Trading securities is not suitable for everyone. Disclaimer: Futures, Options, and should be used to trade. Trading securities is not suitable for everyone. Disclaimer: Futures, Options, and should be used to trade. Trading securities is not suitable for everyone. Disclaimer: Futures, Options, and money you can't afford to lose. This website is neither a solicitation nor an offer to Buy/Sell futures, options, or currencies. No representation is being made that any account will or is likely to achieve profits or losses similar to those discussed on this web site. The past performance of any trading system or methodology is not necessarily indicative of future results.

CFTC RULE 4.41 – HYPOTHETICAL OR SIMULATED PERFORMANCE RESULTS HAVE CERTAIN LIMITATIONS. UNLIKE AN ACTUAL PERFORMANCE RECORD, SIMULATED RESULTS DO NOT REPRESENT ACTUAL TRADING. ALSO, SINCE THE TRADES HAVE NOT BEEN EXECUTED, THE RESULTS MAY HAVE UNDER-OR-OVER COMPENSATED FOR THE IMPACT, IF ANY, OF CERTAIN MARKET FACTORS, SUCH AS LACK OF LIQUIDITY. SIMULATED TRADING PROGRAMS IN GENERAL ARE ALSO SUBJECT TO THE FACT THAT THEY ARE DESIGNED WITH THE BENEFIT OF HINDSIGHT. NO REPRESENTATION IS BEING MADE THAT ANY ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFIT OR LOSSES SIMILAR TO THOSE SHOWN.

# TRADING MISTAKES YOU CAN'T AFFORD: THE COMPRESSION CONUNDRUM

The Problem at Hand: In the vast landscape of trading, one trap claims more victims than most: the allure of trading within compression patterns. This deceptive zone – characterized by wedges, pennants, and channels – has made many traders think they're on the cusp of predicting the next big move.

Here's What's Really Happening: Markets have a rhythm. They breathe in and out through phases of expansion and compression. It's in the expansive periods where fortunes are made, with market trends clear and decisive. But compression? That's when markets are holding their breath, moving sideways, and leaving traders lost in a maze with no exit.

The Cardinal Sin of Trading: Engaging the market aggressively within these compression zones. This strategy is akin to throwing darts blindfolded, leading to:

Whipsawing of positions in directionless markets.
Mounting losses due to the unpredictability of sideways trends.
Missed opportunities, as traders often exhaust their capital just as the big move emerges.

## *Our Prescription:*

- Be astute. Recognize when you're in the grip of compression.

- Patience isn't just a virtue; it's your lifeline. Stay your hand during these treacherous periods.

- Await the undeniable signs of a breakout, where the market roars back to life.

- When the path is clear, that's your cue. Position yourself confidently in the direction of expansion and let the market's momentum be your guide.

Final Thought: Smart trading isn't about always being in the action – it's about being in the right action at the right time. Understand the rhythm, respect the compression, and let expansion be your goldmine.

# THE PITFALL OF CHASING MARKETS

In the ever-evolving world of trading, there lies a trap that has, unfortunately, ensnared many: the compulsion to chase a market.

***The Scenario:*** A market makes its move, ascending or descending with intent. The novice trader, having missed the initial opportunity, watches it soar or plummet. Their emotional siren sings, "You're missing the boat." Unable to resist, they dive in, just to witness the market pivot almost instantly.

For a clearer understanding, envision this graphically: As a trend emerges, its continuance probability is promising. Over time, though, after bypassing critical support or resistance, this probability wanes. Ideally, traders should engage when these odds are peak. Post-breakout, yet before the likelihood dips. This strategic entry allows one to capitalize on the most favorable part of the trend.

***The Crucial Takeaway:*** Steer clear from the mirage of chasing markets. Instead, aim to engage just after the breakout, harnessing the trend's early momentum. While the allure of a surging market is tempting, the consequences of pursuing it recklessly are dire. Our stance remains firm: It's better to be a discerning observer than an impulsive participant incurring losses.

For those eager to sidestep such pitfalls and navigate trading's intricate avenues, be sure to follow our series on 'The Common Mistakes Traders Make'. The insights shared promise to augment your trading prowess.

Remember, successful trading isn't just about seizing every opportunity; it's about seizing the right opportunities.

# THE DANGER OF TRADING THE 'WRONG SIDE OF THE MOUNTAIN'

In our ongoing mission to enlighten and empower traders, we consistently spotlight key mistakes that can sabotage your trading strategy. Today's focus is a common pitfall: trading what we've coined as the "wrong side of the mountain."

***Consider this scenario:*** You're bearish on soybeans. After witnessing a decline, you spot an upward trajectory. Given your bearish outlook, you might be tempted to short the commodity, anticipating a drop. But here's where many falter. As soybeans continue to ascend, traders hastily short, only to get prematurely stopped out. This cycle often repeats, leading to mounting frustrations and, worse, mounting losses. By the time these traders decide to abandon ship, the market ironically starts trending in their favor.

# 5 TRADING MISTAKES
## ...AND HOW TO FIX THEM!

***The solution?*** Adopt a 'proof-first' approach.

For instance, in our recent soybean analysis, while the temptation was to jump in early during the climb, we patiently waited. Only once we discerned a clear breach of support and observed the market shifting in our desired direction did we engage. While this meant we might have missed the absolute peak, it ensured we weren't prematurely halted by the market's undulations.

The Core Message: It's paramount to resist the allure of premature engagement. Instead, allow the market to unequivocally signal its trajectory. Once confirmed, then, and only then, make your move.

For all enthusiasts keen on enhancing their trading strategies, be sure to follow our insights regularly. And as we always advocate: informed trading decisions pave the way to success. If you find value in these insights, don’t forget to like, subscribe, and share. Join us again tomorrow for another insightful session.

Remember, in the world of trading, patience isn't just a virtue; it's a strategy. Until our next discussion, we wish you profitable trades and sound decisions.

---


# CRAFTING PRECISE TRADING TARGETS: MASTERING SHORT-TERM WINS AND LONG-TERM GAINS

Building on our recent analyses, today we delve deep into a crucial aspect of trading strategy: the significance of accurately setting your targets.

For our day-trading aficionados, understanding such market ebbs and flows is paramount. Typically, your strategy revolves around harnessing these short-lived market surges, capitalizing on them, and then strategically exiting before the market reverts to a consolidation phase. In essence, optimizing short-lived opportunities and staying market-neutral otherwise is the name of the game.

In our trading room, a popular tool to demarcate targets is the "value bars" indicator, accessible via Basecamp Trading. While its acquisition process is straightforward (a quick email to Basecamp Trading Support will do), the crux lies in its implementation. To elucidate: the upper red mark on this tool sets your primary target when going long (with its counterpart, the lower red, being the target for short positions). However, it's essential to note that reaching this 'target' doesn't necessarily prompt an immediate exit.

Once this pivotal point is touched, our strategy often involves initiating a trailing stop, typically based on a more granular perspective, say, using a 500-tick lens for bonds. The beauty of this approach lies in its flexibility, allowing market forces to potentially augment your gains further.

This brings us to a salient point: the importance of giving your successful trades the latitude to realize their maximum potential. An exemplary tactic in this regard is employing a 'trailing stop.' This nuanced approach can, in scenarios like our bond example, almost double your initial target's worth, maximizing your profitability.

### *In summation:*

- Prioritize establishing clear, data-backed targets, drawing from technical strategies, fundamental analyses, or reliable indicators.
- Let your successful trades breathe. Employ trailing stops to amplify gains and capture unforeseen market surges.
- For those committed to enhancing their trading prowess, join us again tomorrow for another round of insights.

# THE CONSEQUENCES OF HESITATION: NOT CUTTING LOSSES FAST ENOUGH

When we study successful traders, two core principles stand out: the necessity of swift action in mitigating losses, and the perennial importance of staying current with financial news.

Leading with the former, an essential truth emerges: Hesitating to cut a loss can be a silent killer of profitability. Drawing inspiration from the equity curve of Floyd, one of my students, his success is not just in achieving gains but in his decisive actions to cut losses swiftly. With an average loss of less than a hundred dollars per contract in futures—considering its leveraging capacity—what's paramount here isn't the figure but the principle behind it.

Many traders, ensnared by hope and fear, allow losses to grow, erroneously waiting for market reversals. This reluctance to promptly recognize and act upon a loss is a significant pitfall. Instead of viewing such a step as a defeat, it's beneficial to see it as a strategy of liberation—freeing up capital for the next promising venture. After all, in the world of trading, the next opportunity is often just around the corner.

Thus, if there's one actionable takeaway, it's this: Cut losses quickly, pivot, and reposition. This proactive approach not only minimizes damages but primes you for subsequent wins. Remember, time spent hoping for a market reversal is time lost scouting for the next profitable venture.

In tandem with this, staying attuned to financial news, like the upcoming FOMC rate decision, can aid in making informed decisions. But that's a topic for another day.

In conclusion, as you journey through trading, remember the weight of inaction. Not cutting losses fast enough can be a trader's Achilles' heel. Act decisively, keep learning, and as always, until next time, happy trading.

# URGENT: THIS MIGHT BE THE MOST CRUCIAL VIDEO YOU WATCH THIS YEAR!

See For Yourself: Thomas' Stunning $40,000 to $86,000 Case Study

Witness this step-by-step, trade-by-trade, discover exactly how Thomas made a staggering 115% return in just 30 days.

## *What You're About To See Is RARE...*

Thomas pulls back the veil, revealing his unique strategies, insights, and the uncanny decisions that led to this meteoric rise.

## *This Isn’t Just A Video — It Shows You How to Fish For These Trades*

🔥 CLICK HERE NOW to Watch Thomas' Unprecedented Trading Feat Unfold! 🔥
There’s a reason why legends are talked about. Now’s your chance to understand why and how. This isn’t mere theory; it’s hard-hitting, proven, and transformative.

Don't miss out. EVERY trader — from novice to pro — needs to see this. It could very well redefine how you approach the markets forever.