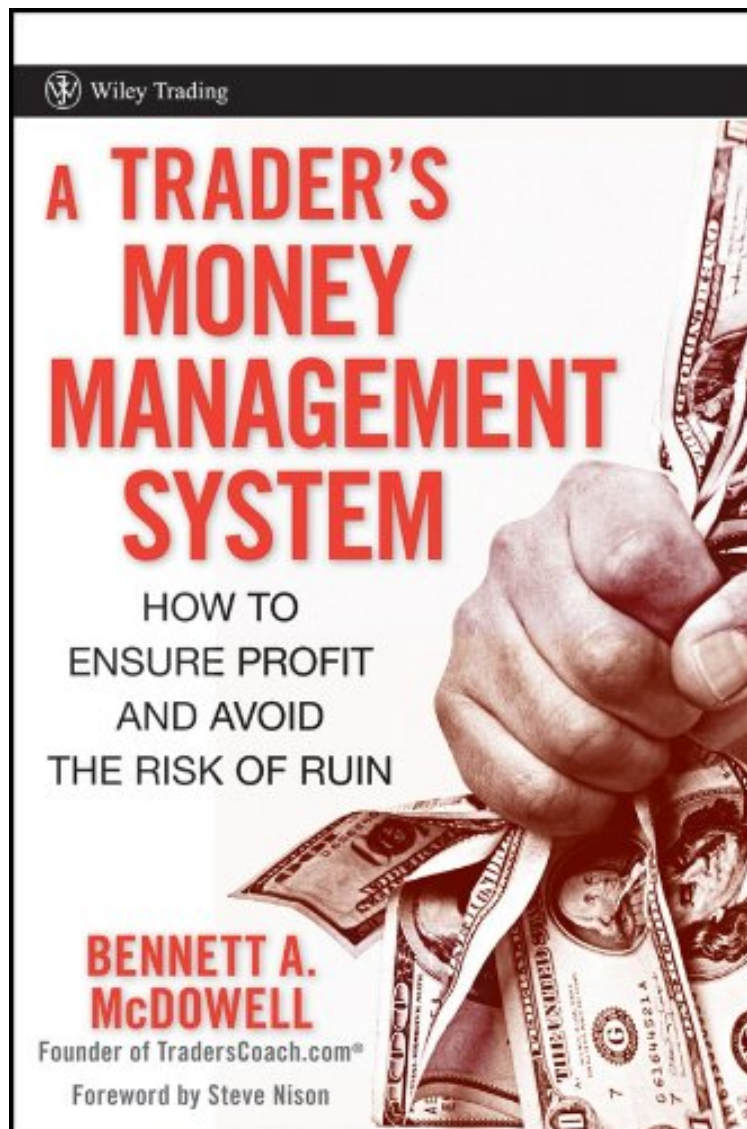


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A Trader's Money Management System: How to Ensure Profit and Avoid the Risk of Ruin (Wiley Trading)

Bennett A. McDowell

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Bennett A. McDowell : A Trader's Money Management System: How to Ensure Profit and Avoid the Risk of Ruin (Wiley Trading) before purchasing it in order to gage whether or not it would be worth my time, and all praised A Trader's Money Management System: How to Ensure Profit and Avoid the Risk of Ruin (Wiley Trading):

2 of 2 people found the following review helpful. A truly useful starting point for trading successBy Dan S.Like many other aspiring traders, I started by focusing on trading systems that promised high rates of return. While these may

have worked well for others, my lack of understanding and discipline regarding risk management, trading mindset and record keeping was more than enough to sabotage my trading them successfully. It's this dilemma that Bennett McDowell addresses with this book, and he does it in a way that skips fancy approaches in favor of a simple, time-tested set of tools that even a novice trader can understand and put to immediate use. Well worth the cost, especially for beginners, and almost certain to spare you both unnecessary losses and loads of frustration.² of 2 people found the following review helpful. Worth the moneyBy Pengcheng ChenLight read.5 of 6 people found the following review helpful. An Organized ApproachBy Michael DeanI found A Trader's Money Management System extremely valuable and informative. In this book Bennett McDowell divides money management into five parts: The Psychology of Risk Control, Stop-Loss Exits, Trade Size, Record Keeping and Design Your Own Plan. In the Psychology of Risk Control section he discusses the need for a plan of risk control then presents ways of uncovering your psychological makeup which either aid or hinder your trading. Then he outlines a systematic approach to turning your weaknesses into strengths on the way to a trader's mindset. In the Stop-Loss Exit section Mr. McDowell makes a case for stop-losses and gives rules and their uses in different market conditions. The Trade Size section was fascinating, perhaps because I am a math major. Here he explains the tables and formulas for determining the amount of capital to risk, the trade size to achieve this and the probabilities for risk-of-ruin based on your personal success ratios. The Record Keeping Section explains the use of ledgers and score cards to track your trades and analyze your success rates which is vital to becoming a master trader. Finally in Design Your Own Plan Mr. McDowell puts it all together with a step-by-step checklist and personal questionnaire to help you design a realistic and workable plan that you can implement on a regular basis. This book is well written and concise. I highly recommend it for all levels of traders.

Money management may very well be the most important piece of the trading puzzle. In A Trader's Money Management System, expert Bennett McDowell provides time-tested techniques that can turn a losing trader into a winning one and take the winning trader to an entirely new level. In revealing his personal approach to staying out of trouble in the financial markets and maximizing profits, he offers comprehensive insights into: The psychology of risk control as well as the finer aspects of setting stop-loss exits The value of managing trade size and consistent record keeping The process of putting together your own personal money management system Unlike other books that focus on the complex mathematical theories behind money management, this book presents its system in straightforward, easy-to-understand terms that will allow you to quickly see how these concepts work and immediately benefit from the value of effectively managing risk.

From the Inside FlapRisk control tends to be the last thing that most traders focus on, perhaps because of the popular belief that it's their trading strategy that will generate great fortunes. But ultimately, a strategy alone won't create riches. A trader or investor needs to develop discipline, a strong financial psychology, and a sound money management system to maximize profits and keep them out of financial danger. In A Trader's Money Management System, veteran trader Bennett McDowell offers readers an expert guide to the most important elements of money management in trading. McDowell shares his personal money management system, with the ultimate goal of helping you design your own system, customized to fit your risk tolerance, your experience level, and financial needs. He identifies the six types of risk to consider every time you make a trademdash;trade risk, market risk, margin risk, liquidity risk, overnight risk, and volatility riskmdash;covering each in detail. In easy-to-understand terms, the author then breaks down his system into five key elements. He first explains the psychology of risk control, telling what issues to look for and how to address them in order to more effectively implement your money management system. McDowell then details a variety of stop-loss approaches and gives you tips on how to make sure you adhere to them when they're hit. He follows with a discussion of trade size, showing how to determine how large or small your trade size should be so that you are not overextending your risk. McDowell then covers the crucial element of record keeping, and explains how it pays significant dividends. Finally, he shows how to design a realistic personal planmdash;one that you will continue to use and profit from. This book also equips readers with two valuable tools: A one-month free trial of Trade Size Calculator software and The Trader's Assistant recordkeeping materials. The trial Trade Size Calculator software is downloadable at www.traderscoach.com (see Appendix A for details), and The Trader's Assistant recordkeeping materials can be photocopied directly from the book. These two tools complement the text and together provide a complete package that will deliver better results to your bottom line.From the Back CoverPraise for A Trader's Money Management System "I am pleased to strongly recommend this excellent book, A Trader's Money Management System. If you are picking up this book, congratulations, since you have taken the first steps in following in the footsteps (by using proper money management) of successful traders." mdash;Steve Nison, President, Candlecharts.com, and author of Japanese Candlestick Charting Techniques "Bennett McDowell demystifies money management for traders in his new book. With these simple, time-tested strategies, a trader will decrease the time it will take to become profitable." mdash;Adrienne Toghraie, President, TradingOnTarget.com "Bennett McDowell does traders a HUGE favor in this valuable book by emphasizing the extreme importance of risk control and its vital place in a sound trading plan. Further, he provides knowledge of and access to specific tools,

which enable the trader to implement his ideas simply and effectively. His simple straightforward treatment of a complex and often boring subject is a breath of fresh air and a worthwhile contribution to this important element so crucial to the achievement of successful trading results." —Edward D. Dobson, President, Traders Press Inc. The best-kept secret to trading success: money management Money management may very well be the most important piece of the trading puzzle. In *A Trader's Money Management System*, expert Bennett McDowell provides time-tested techniques that can turn a losing trader into a winning one—and take the winning trader to an entirely new level. In revealing his personal approach to staying out of trouble in the financial markets and maximizing profits, he offers comprehensive insights into: The psychology of risk control as well as the finer aspects of setting stop-loss exits The value of managing trade size and consistent record keeping The process of putting together your own personal money management system Unlike other books that focus on the complex mathematical theories behind money management, this book presents its system in straightforward, easy-to-understand terms that will allow you to quickly see how these concepts work—and immediately benefit from the value of effectively managing risk.

About the Author Bennett A. McDowell is the founder of TradersCoach.com; and an expert in technical analysis and complex trading platforms. Earlier in his career as a financial advisor, McDowell used his own proprietary trading system to serve a community of high-net-worth clients. This system is now known as Applied Reality Trading, or ART, and is used by traders around the world in over forty countries. McDowell lectures nationally and writes articles for many leading trading publications, including *Technical Analysis of Stocks & Commodities* magazine. He is a recognized leader in trading education and is honored to be included as a member of the eSignal "Trading with the Masters" team. McDowell is also the author of *The ART of Trading*, which is published by Wiley.