

**The #100+ Checklist
For Being
Successful
in
Trading and Investing**

Before putting any trade, you need to tick the boxes regarding those three Parts:

- 1. Process**
- 2. Risk Management**
- 3. Infrastructure**

A process

- Do I have an Investment Process that will lead towards idea generation?

Before even thinking of putting a trade, make sure that your idea generation is a real one. A successful Investor / Trader has a process that will get better over time. Through experiencing different market conditions and different economic phases, successful traders will implement different strategies.

- How many strategies can I implement?
- If I have only one strategy, does it work across any asset class?
- Does this process only work for stocks? Only Fx? Only Bonds? ...
- Does this process only work for one Sector? Only for one Industry?

Think of the risk of being a single pony investor. Like only trading eur/usd, S&P futures, bitcoin... What about if market conditions change?

- Where did I learn that process?
- Did I learn that strategy from "Gurus"?
- Did I do any due diligence on the people who taught this strategy?
- Is trading penny stock a strategy?
- Is trading on RSI, MACD... alert a strategy?
- Is investing only on Technical Analysis profitable in the long run?
- Is trading on yesterday's newspaper news an investment strategy?
- Did I do any due diligence on this strategy with back testing it?
- Does this process work in any market conditions?

- What is the time horizon of the investment?
- What is the expected return for this trade?
- Is the expected return from this trade very different from historical return?
- Where is the idea coming from?
- What is the source of information I am using for my process?
- Is the source of information reliable?
- Is the market that I will be trading regulated or over the counter (OTC)?
- How much do I know about the asset I want to buy or sell?

As a Trader/Investor, you need to have a process for idea generation. Like any process, think about learning how to play tennis, football or learning coding, you will get better at doing it. But you have to learn the basics, get the right material and grow from there. What matters is to put the odds in your favour and increasing them as much as possible by having a check list.

Make no mistake, this is hard and could take time, but by doing so you will drastically improve your chances of making money.

After the process what is key is Risk Management. **Like the pros, with good risk management, you will limit the downside when you are wrong and optimize the upside when right.**

During the mentoring I always use this example: Imagine you want to buy a house in your street. In that case, what will you do?

Will you buy the house based only on one picture?

Or will you go inside the house, check the ceiling, the plumbing, the ceiling, the flooring, the average price in the street, in the neighbourhood, how prices have been trending, the possible taxes for buyers, the commissions from the broker...?

Risk Management

When I enter a position:

- Am I using Leverage?
- How many times am I leverage?

If I use	100x leverage	1% move will wipe my account
	50x	2%
	25x	4%
	10x	10%

1% represent roughly the daily or 1 ½ day move for big currencies, or most stock indexes

2% S&P 500 stocks

4% most Volatile S&P stocks

10% represent roughly 2 daily moves for cryptocurrencies or 2-3 for volatile stocks.

- Do I hold one or several positions?
- Is my portfolio diversified or concentrated?
- What are the concentrations for each position?
- Am I diversified across asset class?
- Am I diversified across sectors or industries?
- Are my positions liquid or not liquid?
- How long will it take to unwind my overall portfolio?
- How long will it take to unwind one specific single position?
- Do I trade intraday or for longer?
- If longer than intraday, do I risk facing gaps up or down at the open?
- Can Market Rules change overnight?
- For each position, what is my upside vs my downside? What is my Risk Reward?
- Is the trade's risk reward good enough?

- What is the historical return of my asset vs timeframe?
- What is the implied return of my asset vs timeframe?
- Should/could risk rewards be different by strategies?
- Do I have a hard stop loss on each single position?
- Do I have a hard stop loss on the overall portfolio?
- Am I using hedging for each position or for the overall portfolio?
- Will the hedge do the job when needed?
- Did I calculate historical correlations?
- Did I calculate recent correlations?
- Will I need the capital soon?
- Am I hedged on the market risk, the industry risk, the company risk?
- How much capital can I deploy?
- Is my strategy scalable?

Think about your expected return vs historical return. Example if you trade EURUSD intraday expecting to make 1.50% when the daily range is at 0.8%, the odds are very small.

Infrastructure

First thing to check here is the quality of your broker. Your broker or trading platform is the first major risk you are carrying. It is called counterparty risk. Which part of the money is “secured”? Even if there is no word like fully secured as Lehman and Bear Steans showed 10 years ago.

- Where is my broker located? Which jurisdiction?
- Is my broker regulated?
- How much of my capital is guaranteed by regulator?
- What is the capital structure of my broker?
- Is my money / account segregated? Is my money held separately from the funds of the brokerage firm?
- Had my broker any issues in the past with regulator?
- Had my broker any issues in the past with risk management?
- What is the cost of trading?
- What are the commissions by product?
- What are the interests charged on Margin Loans?
- What is the interest Paid on Idle Cash Balances?
- Any hidden fees?
- What is the cost of voice trading?
- Do I need to hold a minimum in my account?
- Do I need to trade a minimum each month?
- What is the cost for live prices?
- Does my broker give access to all asset classes and products?
- Does my broker offer good borrow? on any shares?
- What is the cost of borrow?
- Can I directly call the borrow desk?
- When and under which condition can my broker recall my borrowed stocks?
- Can I convert ADR?

- What is the cost of conversion?
- Can I take part in rights issue?
- How much capital do you need for this strategy to be enough diversified?
- Is my broker offering good reporting on positions? Historical P&L? Exposure?
- Can I easily add and/or withdraw money from my account? What is the cost attached?
- For Stocks, can I trade during pre- or post-market hours?
- What type of orders do I have access to? (limit, stop limit, iceberg...)
- Do I have access to algo orders?
- Can I easily transfer data to excel?
- Does my broker offer an excel API? What is the cost?
- Does my broker offer access to main market and other exchanges? Like Bats, Chi-X...

If you are trading you need a very friendly, easy to use, flexible and quick trading software. Time and reliable systems are key.

- Do I have a backup Internet connection? Like 4/5G?
- Do I have the broker's telephone number in case on an emergency?
- What about electricity goes off?
- What if my computer crashes? Do I have the broker app on mobile?
- Where and how to get relevant information? Depend on the strategy followed.
- What are the market rules?
- What are the market's opening hours?
- What are the market's possible limits up or down?
- What are the characteristics of product traded?
- For Fx trading what is the size of my broker's lot?
- For Futures trading what is the size of the multiplier?
- For options, when are my options expiring?
- What about I want to exercise my options earlier?
- If I trade the news, do I have access to the relevant sources?

- Do I have access to updated, relevant fundamental data?
- Do I need to get access to paying data providers like Bloomberg? Reuters? FT?...
- Are free content good enough for my strategies? Like Twitter, free websites...?
- Can I easily download/transfer those data into Excel?
- Can I automatize those data collection into Excel? With macro?

Above are 100+ things to check before starting any successful trading. There are many more and along your learning curve, you will add many more to those.

Have a successful Trading!