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Preset Profit Points This is a critical part of day trading. You not only need to know when to exit if a trade goes against you, but you also need to know when to get off the bus when things are going your way. You will notice as you focus on taking profit out of the market, it will naturally flow into your account. Chapter 9 – Managing Your Accounts and Profits Managing Accounts This is by far my favorite chapter of the Day Trading 101. What I liked the most is the section on realistically looking at profits. The book states, "In order to make a living at day trading, you must make small, measured profits day in and day out. If you consistently make more winning trades than losing trades at the end of the day, your account will show an overall profit." It honestly comes down to this folks – discipline. Another key part of the chapter is an entire section on building your account slowly. Far too often, we read of the darling traders that make millions from nothing inside of a year. While this is great, this is also super risky. Wouldn't it be great if people held up the traders that make millions, but maybe it took them 7 or 10 years to build up their account? I guess that sort of story wouldn't get many likes. In Summary The book Day Trading 101 is an awesome introduction into the world of day trading. I highly recommend anyone interested in day trading read the book for themselves. I love how Borman stayed away from glamorizing day trading, but like any other business venture, laid out the facts for you to interpret for yourself. How Can Tradingsim Help? Tradingsim provides the number one market replay platform for traders to practice paper trading. You can use Tradingsim to practice the money management and trading techniques detailed in the book. Let me first applaud you for realizing you need proper education and understanding of the markets before attempting to day trade. In this article, I am going to provide a detailed review of the book 'Day Trading 101' by David Borman. This book is an awesome primer if you are interested in becoming a professional day trader. David is an author affiliated with publishing house Simon and Schuster. From reviewing his bio page, he has published five books related to trading and the financial world. David has extensive experience in the markets. He has worked for a number of large financial institutions and, most importantly, has the experience of actually day trading for a living. I think having the real-world experience of trading is paramount in order to write a book on day trading. He also has degrees in the financial space and is working towards a Ph.D. in financial management. So, I say all this to say David Borman is the real deal. Contents of the Book Day Trading 101 Day Trading 101 is broken up into nine chapters covering everything from introduction to the markets to managing your accounts and profits. Now, I'm not professing this covers every aspect of trading, but this is an excellent start for a 101 book that retails at \$10.99. At this point, I am going to dive deeper into each chapter to give you a preview of what you can expect. Chapter 1 – Introductions to Markets and Trading This chapter has a ton of information for those completely new to the market. Topics will range from market makers to what are hedge funds. Borman then dives into how to go long, short and also touches on futures and currency trading. This chapter is going to feel like you are drinking from a fire hose, but do what you can to power through it. Chapter 1 will give you the foundation for how to process the remainder of the book. Chapter 2 – Creating a Trading Plan Trading Journal For chapter 2, I love the fact Borman goes right into developing a trading plan before he even starts talking about trading. This is so key for new traders who are super pumped to start making trades. The key thing that sticks out in this chapter is you need to treat trading like a business. This means thinking about how much you need to trade based on the type of security (stocks and futures). Another key section is taxes. Many traders do not think about the impact taxes can have on their bottom line, but this, too, is very important. The best part of the chapter for me is the topics on taking profits and taking a salary. Borman makes it clear that it's not about hoarding your money. He states, "Good traders know to not get greedy – greed leads to poor trading decisions and risky behavior. Staying hungry with day trading can lead to safer, more profitable trading." Chapter 3 – Cost of Trading Again another chapter with valuable information. The section doesn't start with the actual "cost" of trading but some of the essential items as well. The chapter starts with the topic of loneliness in the market. This is something not talked about much in the day trading community. The amount of isolation you will feel at times can be overwhelming. Now if you like staying to yourself, then training is the perfect job for you. For me, it's the one part of the job I don't particularly care for. I enjoy sitting with teammates and working through issues together. This sense of comradery is something you lose as an independent trader. You will need to find this community through online groups and meetups. The chapter then goes into the costs for trading tools and brokerage firms, such as commissions. Again, notice how we are almost halfway through the book, and we haven't talked about trading strategies at all. I love the fact the book has a slow buildup as it is an introduction to trading. Chapter 4 – Getting Started in the Marketplace Chapter 4 goes deeper into the types of markets you can trade and what to expect based on the type of market. The section goes heavily into commodities, so if this is not your cup of tea, feel free to jump ahead a little. Later on, Borman discusses the seasonality of trading and using practice accounts. I am not above a shameless plug for Tradingsim here as we provide the number one platform for paper trading. While in your demo account, he states, "It is important to feel the full emotions of success and failure, as this is one of the keys to learning how to be successful in day trading." Chapter 5 – Handling Risks Trading Risks Trading in the markets at the end of the day comes down to your ability to handle risks. If you take on too much risk and things go wrong, trading will not feel like fun at all. Defensive Risk Versus Offensive Risk Defensive Risk In this part of the book, Borman makes the case that a defensive risk approach means you are focused on taking the minimum draw from your account to cover your expenses and are not focused on growth. Offensive Risk This approach focuses on not only pulling a salary but also growing your account. You are likely going to be a little more aggressive with this approach as you move throughout your trading career. The key point is to stick to one approach for a set period of time, so you are not all over the place. Setting Stops You can't have a trading book without discussing stops. In this part of the chapter, Borman uses the standard 2% stop loss of your total account. I'm not a big fan of this approach because, as a new trader, you may start out with a number of bad trades, which can lead to a significant drawdown in your account. The one part of this section of the book I really liked was the concept of automatic stops. Meaning as the market goes in your favor, you continue to raise your stops to protect your profits. Chapter 6 – Trade Setups and Information In this section of the book, he discusses the use of margin and how to scale into positions effectively. This section for me got a little involved, and I think, as a new trader, it can be a bit confusing. The other point was I was expecting to see actual trade setups, but this spoke more to a specific setup where there is a panic move and how to handle that scenario. Lastly, I will say as a new trader, you should avoid using margin and trade small. Learn to make consistent profits, and you won't have to worry about margin. Chapter 7 – Analyzing the Market This chapter sounds like a pretty tall order for anyone. What does he mean by analyzing the market? This part of the book covers items like fundamental and technical analysis. As a day trader, I would have to say you lean more towards technical analysis for your short-term decisions. However, there is value in understanding the type of stock you are trading in order to have a bigger picture of the stock in play. This is especially important for trading penny stocks, so you know of any potential underlying issue before entering the setup. Broad Market Indicators In this section, broad market indicators such as the VIX and Arms are discussed. As a trader, it's always a good idea to have an understanding of how the broad market is trading in order to ensure you are using the most profitable trading strategy. For example, if the market is demonstrating a bullish bias, it's not a great time to begin heavily shorting the market. Chapter 8 – Advanced Day Trading This sounds like a bit of an oxymoron in a day trading 101 book, but this is where many of you will get a real sense of what it means to day trade. The chapter opens right up with looking for setups. Don't Be a Thrill Seeker Next, the book will ask you a very serious question of if you are a thrill-seeker or a trader? Trading needs to bring you joy, but it should not be a place you look for excitement. Your goal should be for trading in the form of excitement. 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