

“2-Minute Trading System Trade-Ability Test”

You have the goal of consistent profits.

Regardless of your method of trading, it still needs to be repeatable if you want consistent results. The more random or variable it is, the less likely you are to have consistent results, regardless of what the market does. On the same note, the more systemized your method is, the more consistent your results are likely to be, regardless of what the market does.

So you utilize a system, a specific method based on a strategy.

The method itself is one factor determining your results.

The second factor is how trade-able it is, as this determines how well and how consistently you'll be able to execute that strategy and method. Needless to say, you can have a great strategy and a killer method, but if you can't execute it consistently then you're giving up profits and incurring losses that you shouldn't be.

So presuming that you have a sound strategy and method, how do you know how “trade-able” your system is?

Here's how to tell in just 2 to 5 minutes if your trading system is acceptably trade-able or if it is likely to give you issues, and thus needs some improvement for you to execute it profitably and consistently.

Step 1. Ideally you would be able to hand it to another trader to test it, but we're presuming that you don't, so you'll have to mentally role-play for this test. Pretend that you are a different trader, one that has NOT seen your system before.

Step 2. Make sure your trading system is documented. If it is NOT, that is an automatic FAIL. It's been proven in trading and across dozens of different industries that UN-documented activities WILL result in an unacceptably high level of variability. If you have to, take a few minutes to jot it down for this test.

Step 3. Now simply read through your document through the eyes of this 'other' trader.

Ideally you'd be able to hand your system to another trader and they could trade with it correctly and as you intend, without having to ask you any questions at all.

Since you're role-playing this other trader, if you find that you'd have questions trying to execute it – any questions at all - then this is the indication that your system is not as trade-able as it should be, and is likely making it difficult for you to execute. Where those questions come up, modify your document so that it answers the questions.

Your trading system is the method by which you intend to enter and exit the markets and make a profit. If you've been having difficulties trading profitably and consistently, this test will give you a quick means to identify trouble-spots in your system.

If you are having trouble documenting your system, that is a huge indicator that you need some help.

You are just gambling if you try to trade with an undocumented or poorly documented system.

Trading consistently *without* relying on will-power or discipline requires a specific process and skill-set to ensure that your system is solid, properly documented and validated.

Make your system solid by going here,

<http://insideouttrading.com/system/>

If you have questions on this test or about trading in general, feel free to email me at brian@insideouttrading.com.

Cheers

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<http://insideouttrading.com/>