

# THE 7 BEST-KEPT SECRETS OF PROFESSIONAL TRADERS

*Little-known trade secrets and powerful strategies to level the playing field and help you turn profitable!*





# **THE 7 BEST-KEPT SECRETS OF PROFESSIONAL TRADERS**

**Little-known trade secrets and powerful  
strategies to level the playing field and  
help you turn profitable!**

# **This Report Is For Personal Use Only.**

This report “**The 7 Best-Kept Secrets of Professional Traders**” is a copyright-protected © production of Synapse Trading. It is a legal infringement to sell, distribute or give away this report.

## **ALL RIGHTS RESERVED**

No part of this report may be reproduced in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission from the author(s).

## **DISCLAIMER AND TERMS OF USE**

This report contains the ideas and opinions of the author(s). The information contained in this report is strictly for educational purposes only. If you wish to apply the ideas contained in this report, you are taking full responsibility for your actions.

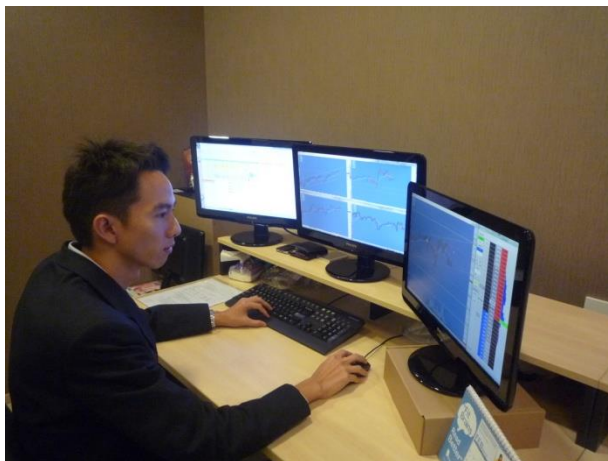
The author(s) disclaims any warranties (express or implied), merchantability, or fitness for any particular purpose. The author(s) shall in no event be held liable to any party for any direct, indirect, punitive, special, incidental, or consequential damages arising directly or indirectly from the use of any of this material, which is provided “as is”, and without warranties

## Letter from the Founder: A Glimpse into the World of Professional Trading

Greetings, fellow traders!

Thank you for downloading this free exclusive insider report to get a glimpse into the world of professional trading, and how market professionals consistently beat both the market and retail traders, not by using special indicators or automated systems, but by understanding how the market works.

Before I delve into the key insights I gained from professional trading, let me share with you a bit about my background. I started my serious trading journey by reading over 200 books on trading and behavioral science, while completing double degrees in Accountancy and Finance at the Singapore Management University, and also got placed on the Dean's List.



*Photo: This is what a private trading desk (left) and proprietary trading arcade (right) looks like*

During this time, I traded options, stocks, CFDs, forex and futures, and my track record got me a variety of jobs after graduation, ranging from proprietary trading arcades to private equity firms.

It was a real eye-opener, and it gave me access to all the trade secrets and techniques used by real professional traders, while managing unbelievable sums of capital.

Many years later, I got requests to give talks and share my skills, which I gladly obliged. As I got more feedback and queries, I realized that many of the current courses and training programs out there either taught really basic stuff, or sold “special” systems or indicators that promised to make people rich without much effort. I didn’t think these would be very helpful to people serious about learning to trade profitably.

After much research and collaboration, I decided to formulate a training program modelled after the training programs used to train professional traders, and adapted it such that it would be useful for both new and experienced traders. The key difference is to learn and apply skills used by real traders, instead of learning from “trainers/salesmen” who specialize in teaching/sales, and do not really trade for a living.

Hopefully, this will change the attitudes of the retail trading industry, and level the playing field, and at the same time, realize my vision of nurturing real and successful traders.

All the best!

*Spencer Li*

**Founder, Managing Director & Head Trainer**

**Synapse Trading Pte Ltd**

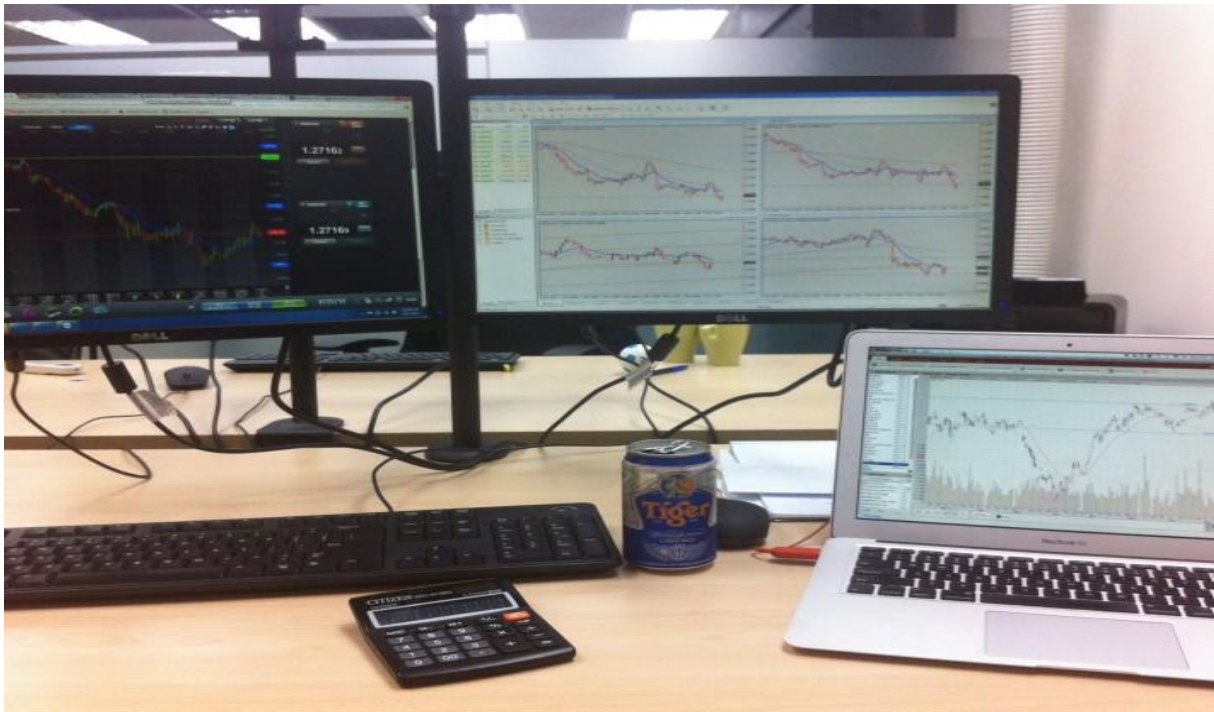
**The #1 Online Hub for Stocks & Forex Education**



## **Best-Kept Secret #1**

### **The Unspoken Rules of the Game**

Trading is a serious game of high stakes played by some of the smartest and most well-funded individuals and institutions, which is why unless you understand how this game is played, you will most likely get slaughtered. If you think it is easy money, you are mistaken.

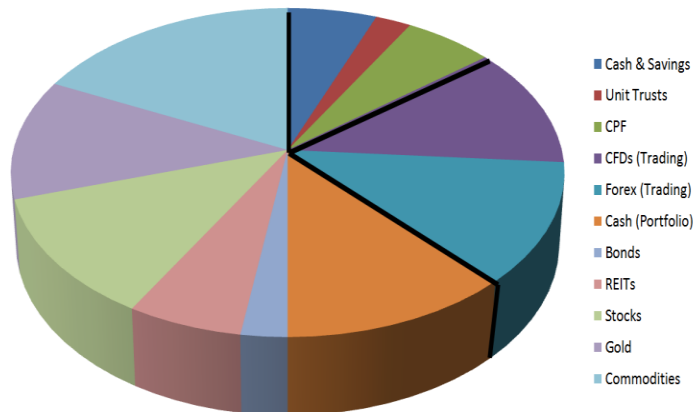


For example, do you know who the main players in your market are? How well do you know the product you are trading? Is there seasonality, trends, cycles, correlations to other markets? What moves that market?

If you can't answer these basic questions, then maybe you don't know the rules of the game very well. And in this game, as with most other games, those who do not know the rules are always at a disadvantage. Hence, always remember to do your homework before trading.

## Best-Kept Secret #2

### The Science of Market Timing



You might have heard others say that it is impossible to time the markets, but that is simply untrue. They either do not have the skill to do so, or they want you to believe otherwise. Either way, the fact remains that if you want high returns, you have to time the market.

The market continually swings up and down, providing opportunities for anyone to buy low and sell high. To get the most out of the market, you should build a portfolio to capture both the long-term and short-term movements, to maximize your capital and profits.

Whether you are planning to buy-and-hold for the long run, or planning to swing trade on the intraday price movements, either way the science of market timing comes into play. Personally, I use instruments such as stocks, bonds, REITS, ETFs to create long-term passive income, while at the same time trading instruments such as forex and CFDs to generate consistent active monthly income. The latter helps me grow my passive income portfolio faster than those who rely solely on their job salary and savings.

## Best-Kept Secret #3

### Throw Your Indicators Out of the Window

One of the biggest mysteries is why professional traders rely largely on understanding price action to trade, yet retail traders seem to think that they can beat professional traders by using indicators, “special” systems, astrology, Feng Shui, Elliot waves, Gann theory, etc

Such myths have perhaps originated and been perpetuated by unethical trainers/salesmen trying to sell trading courses and automated trading systems to the unsuspecting public. Perhaps this is also the reason why 95% of people who aspire to become traders ultimately fail in their endeavors.

Therefore, if you are serious about trading, the first step would be to stop using indicators or any automated trading systems. There are no shortcuts or lazy methods in trading. It takes hard work, discipline, and an understanding of price movements to spot what the big players are doing, and profit from it.





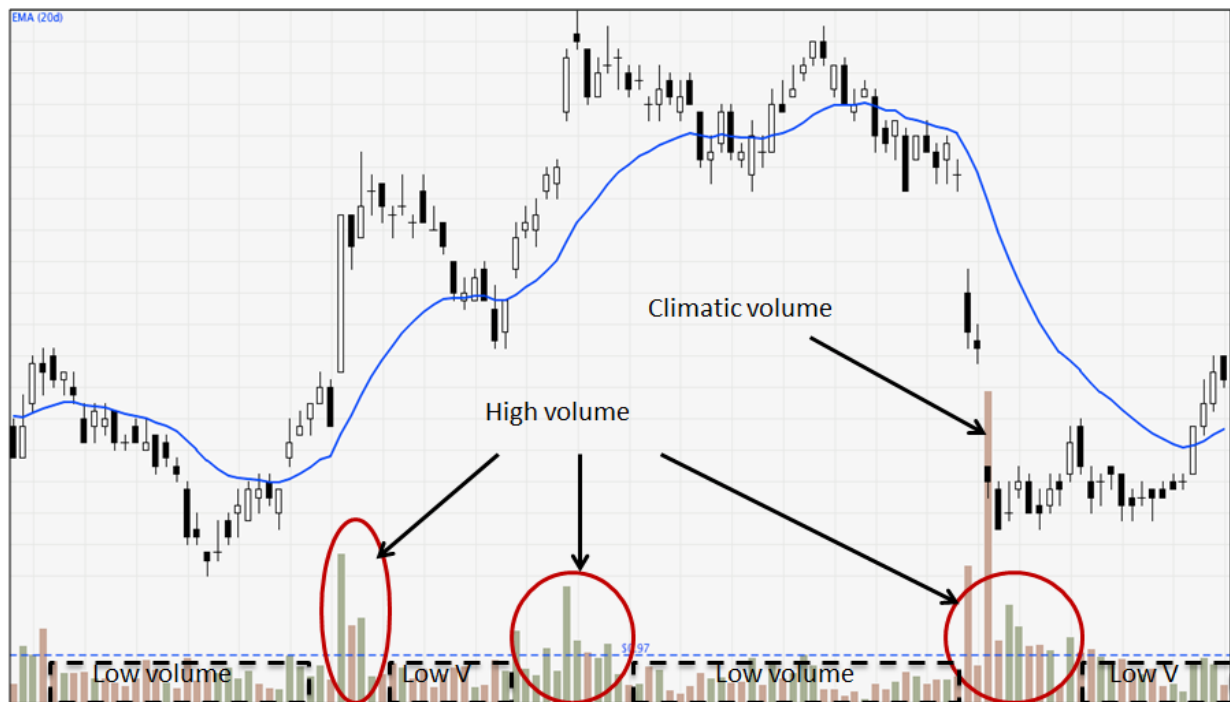
## Best-Kept Secret #4

### Everything is in the Price & Volume

Despite all the fanciful names and flashy software out there, all techniques and indicators actually stem from price & volume. By studying the mechanics of these two essentials, it allows me to filter out all the noise and gimmicks, and identify the optimal low risk and high probability opportunities to enter a trade.

By using price & volume to identify turning points, the idea is to enter a trade “just as the action is about to start”, so that you do not have to wait long for the profits to start rolling in.

The only way to do this is to understand the psychology of price action and volume, and by understanding I do not mean simply memorizing candlestick pattern names, which are merely a small subset of professional price action and volume analysis.



## **Best-Kept Secret #5**

### **The 80/20 Sniper Rule**

The Pareto principle (also known as the 80/20 rule, the law of the vital few, and the principle of factor scarcity) states that, for many events, roughly 80% of the effects come from 20% of the causes. This means that in your trading, 80% of your profits will likely come from 20% of your trades. What then, is the significance of this?

**“Throughout all my years of investing I've found that the big money was never made in the buying or the selling. The big money was made in the waiting.”**

**– Jesse Livermore (World's Greatest Stock Trader)**

To be successful, you need to adopt the mindset of “one shot, one kill”, allowing you to focus on “one good trade” at a time. The reason why most people cannot succeed even after attending many courses is not that the method doesn't work, but the method is too complicated and requires too much time. No matter how good the method, if it is too complicated and too time-consuming, no one will use it.

The method has to be simple and powerful, with no frilly indicators or messy charts. These are the 4 setups that we use, and since no indicators are required, they can be easily identified with just a quick visual scan in 15 seconds or less.



***Break***



***Swing***



***Bounce***



***Turn***

## Best-Kept Secret #6

### The Art of Trade Risk management

Trade management techniques are often overlooked by new traders, but they are essential to prevent you from destroying your trading account. If you work for a fund, the risk parameters are enforced on you, but if you are on your own, you will need extraordinary discipline to manage your risk.

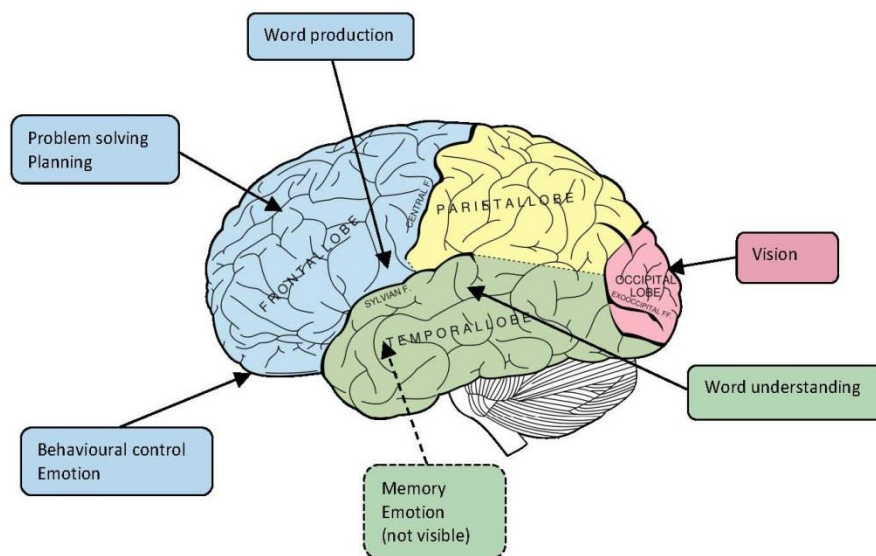
On a basic level, these include calculating optimal price levels for your entry, exit, stoploss and profit target, as well as capital allocation which decides how much to allocate to each trade. For more advanced traders, you also have to consider things like position-sizing, pyramiding, and averaging down, depending on your style and strategy.

|                        |       |                   |             |                  |
|------------------------|-------|-------------------|-------------|------------------|
| <b>Capital: 50,000</b> |       |                   |             |                  |
| R/R                    | 2.5   |                   |             |                  |
| Risk                   | 1,000 |                   |             |                  |
| Reward                 | 2,500 |                   |             |                  |
|                        |       | <b>Worst Case</b> | <b>Base</b> | <b>Best Case</b> |
| Trades                 |       | 30%               | 50%         | 70%              |
| E(x)                   |       | 50                | 750         | 1,450            |
| 5                      |       | 250               | 3,750       | 7,250            |
| 10                     |       | 500               | 7,500       | 14,500           |
| 15                     |       | 750               | 11,250      | 21,750           |
| 20                     |       | 1,000             | 15,000      | 29,000           |
| 25                     |       | 1,250             | 18,750      | 36,250           |
| 30                     |       | 1,500             | 22,500      | 43,500           |
| 35                     |       | 1,750             | 26,250      | 50,750           |
| 40                     |       | 2,000             | 30,000      | 58,000           |
| 45                     |       | 2,250             | 33,750      | 65,250           |
| 50                     |       | 2,500             | 37,500      | 72,500           |
| 55                     |       | 2,750             | 41,250      | 79,750           |
| One Year               | 60    | 3,000             | 45,000      | 87,000           |
| % gain                 |       | 6%                | 90%         | 174%             |

For example, it is possible to use a small capital base to achieve astounding results, by skillful money management and compounding. This is how traders can grow a small account steadily into 6-7 figure account, by using the right parameters consistently.

## Best-Kept Secret #7

### Behavioral Science is the Key



Ultimately, behavioral science and trading psychology is the key to success, because even if you have the best knowledge and techniques, they will not work unless you can successfully execute them on a consistent basis. Thoughts guide our actions; hence to pull this off requires discipline and the correct way of thinking.

Knowing is not enough, because of the emotional factor. When emotions come into play, and they definitely will when money is at stake, all rational thought goes out of the window. Hence, by first understanding how we make our decisions, through a study of behavioral finance and cognitive biases, we can learn how to nurture the correct trading habits by learning to control our emotions and mental state.

And that, ultimately, is what makes a good trader.

## Are You Ready To Learn how to Trade?

If you have been reading my blog, you will get an idea of what it means to read charts and understand the markets, including how to time them to optimize returns. I have also published many research articles on trading methods and behavioral psychology, which will give you insights on what real trading is about.

With this report, I hope that it has served its purpose of giving you a glimpse into professional trading, and hopefully it has changed the way you think about and approach the markets. Putting this knowledge to work is the next stage that you will need to go through in order to achieve the kind of consistent trading profits that you desire.

If you are a confident and independent learner, I encourage you to read at least 200 books on trading and start trading with real capital to gain market experience. Start trading conservatively to minimise the tuition fees that you will end up paying to the market. Alternatively, if you wish to speed up the process with the help of a mentor, then I strongly encourage you to join our training programs.

Good luck for the journey ahead!

**P.S.** I hope you've enjoyed this short report. We have also prepared some free lessons on our website. To get started, click here: <http://synapsetrading.com/free-lessons/>