

FOREWORD

BY TONI TURNER

What makes a book worth reading? As a writer myself, I look for compelling, timely, and well-organized material presented in a reader-friendly style. As a trader and student of the financial markets, I look for valuable information that will make my journey in this arena a richer and more profitable experience.

To my delight, I've found that *Make Money-Trading: How to Build a Winning Trading Business*, has fulfilled my demands and expectations. Jean Folger and Lee Leibfarth have written an excellent and enjoyable book that offers a significant ROI (return on investment) in exchange for the time spent absorbing its high-quality content.

When I first started trading back in the mid-1990s, it was a free-for-all! The stock market exploded into a riotous bull market that hadn't been

seen before. The budding Internet spewed forth stock information, and discount brokerages popped onto the landscape, offering low-priced commissions. From housewives to grandmas, from taxi drivers to CEOs, from auto mechanics to heart surgeons—everyone who could grab a few thousand dollars and open an online trading account became a “day trader.”

Most of us who jumped headlong into the markets spent all our time looking for the next “hot stock.” Risk-management was an unknown (unwanted?) term back then, as were any of the accompanying terms such as “risk-reward analysis,” and “asset allocation.”

And, although many of us spent huge blocks of time of time immersing ourselves in the markets, studying charts and executing trades, few of us took the time to treat our pastime as a real business. We just wanted to make big bucks.

Oh, the losses that could have been averted, and the profits that could have been generated, if traders could have read the common-sense concepts set forth in Folger and Leibfarth’s pages back then!

Nonetheless, we are fortunate to have this book accessible to us now, and its pages are chock full of advice and strategic planning that when appropriately applied, can contribute to our success as traders and investors.

The subhead for this book, *How to Build a Winning Trading Business*, says it all. The content fulfills its promise by giving you a step-by-step plan for creating a trading career that can develop into a successful and profitable business.

This is not a “how to get rich by this Friday morning, early” book. In fact—and rightly so—the writers acknowledge that building an income-generating business through trading in the financial market can appear “daunting” (although attainable).

I heartily agree with their no-nonsense approach to this subject. Trading can be a difficult business, and the market takes no prisoners. The

rewards, however, can be satisfying and are based on the willingness of the trader to educate him or herself, apply unwavering discipline, and use the best technology available.

Folger and Liebfarth also say that as with any worthwhile undertaking, those who want to develop a successful trading business need to realize that it demands a commitment of time: time for studying the markets, for studying the nature of risk, for implementing a business plan, for learning the tools of the trade, for developing a viable trading plan, for executing trades efficiently, and so forth. In other words, “learn before you burn.” Amen.

Once the authors move through overall considerations and requirements, they approach trading as a business by first exploring its most formidable and perennially present enemy: risk.

The statement is sobering, but an entirely truthful one—as traders we will always be exposed to risk and we will always experience losses. It’s the nature of the game.

Anyone who cannot stomach watching their account shrink in value may want to take up another occupation. To the degree that risk is understood, however, and to the extent that a disciplined trading plan is implemented, an account that’s experienced a reasonable drawdown should easily bounce back to profitability.

To the authors’ credit, they do not leave the subject of evaluating risk behind in the book’s early chapters. They thread references to risk throughout the remainder of the text and apply it each aspect of trading.

Make Money Trading establishes another ongoing theme: that capital preservation should remain first and foremost in every trader’s and investor’s mind.

I often tell my students to ask themselves before entering each trade: Am I protecting my capital? If for any reason the answer is no, (think: lack of, or avoidance of, a protective stop, chasing a stock, overtrading, greed-

driven share size), then the trader should remove his hand from his mouse and be grateful that what might have been a costly “joyride” was aborted.

When delving into more details of trading as a business, Folger and Leibfarth offer a wonderful analogy that brings our view of trading capital to a grassroots level: our trading capital is our inventory. Of course, if we protect our inventory from harm, and I would add—make sure our insurance policies (protective stop orders) are in good standing—then our inventory will grow over time and our business will flourish.

Make Money Trading moves forward in a logical and well-organized progression, from establishing overall trading business goals and defining objectives, to an evaluation process that includes historical modeling, forward performance testing, and live market testing. The trader’s research and work in these areas, using the guidelines described in the book’s chapters, should culminate in a fully developed trading plan. Of course, the plan’s success will be put to the ultimate test in a live trading scenario that finalizes in a profit/loss statement.

Again, this book is all about the business of trading. It is up to the reader to explore and expand his or her knowledge of certain components of the process, such as candlestick trading technology, chart indicators and oscillators, volume signals and the interpretations of price patterns.

The challenge of coming to the end of a really good book is where to start—how to put all the great ideas in the pages into action. Even though I’ve been a trader and investor for more than sixteen years, I continue to learn from others. I will go back through this book’s pages and revisit all the highlighted sentences and sections that drew my attention. Then I’ll plan new strategies based on those ideas.

Was this book worth reading? Absolutely! Compelling, timely, well-organized and reader-friendly? For sure! I am confident that whether you’re a trader or investor—novice or more experienced market veteran—*Make*

Money Trading will act as a valuable tool to help you develop your trading career into a successful—and winning—business!

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A Beginner's Guide to Day Trading Online

A Beginner's Guide to Short-Term Trading

Short-Term Trading in the New Stock Market