PART I

Foundations

Because this book has been designed for traders at all levels as an exhaustive reference about the Gartley Pattern, we will first provide beginners with some basic technical analysis in Part One, "Foundations." This section focuses on the technical methods that will be employed later on to allow us to identify high-probability Gartley Patterns. Some veteran traders will still enjoy Part One as we will be discussing some methods that they might have taken for granted, but these will be covered in the context of the Gartley Trading Method. You might find that this section fills in the gaps of your technical knowledge. Remember, a review of the basics may help you, regardless of how good you are at your occupation. Apparently Tiger Woods will often play an additional nine holes even when he wins a tournament, just to stay sharp (at least that is what he tells his wife).

CHAPTER 1

Trading Myths and Reality

Before we can progress beyond the neophyte level, we must establish a foundation of trading knowledge based on reality. In Chapter 1 we answer such questions as What is a trader? What is trading success? Is trading gambling? Do I need a computer?

WHAT IS A TRADER?

The common definition of a trader is someone who buys or sells financial instruments with the intention of realizing a profit. Examples of these financial instruments are equities, options, futures, and Forex (foreign exchange). As mentioned in the preface, H.M. Gartley wrote a book in 1935 entitled *Profits in the Stock Market*. In it, Gartley stated, "The average reader should leave the stock market alone." Gartley's statement is correct; some of us honestly have no business trading as we may be confusing speculating with gambling. (More on this will follow.)

Let's first discuss what trading is not. Some of us might think that trading is glamorous—trading floors, posh offices in Manhattan, high-end suits, limousines, and more. If you have traded, you know that this is not what trading typically looks like. It looks more like an individual who works out of his house, doesn't get enough sunlight, lacks personal hygiene, and has dirty dishes and half-empty coffee mugs stacked up on his desk beside his computer. And what about the professional trader's official uniform? Is it a brightly colored jacket from the Chicago Board of Trade? No; most traders get through the work day in a bathrobe that hasn't been washed in a while!

What are the character traits of a professional trader? A trader is someone with determination, dedication, patience, humility, perseverance, balance, contentment,

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dedication, passion, and a commitment to lifelong education of the financial markets. What? Contentment? Humility? I want to be like the proud Gordon Gecko of the movie *Wall Street* who said, "Greed is good!" Maybe you've heard the saying, "Bulls make money, bears make money, pigs get slaughtered." If you are a greedy pig when it comes to trading or anything else in your life, you will never be happy. A Buddhist student of mine once told me that we have to be happy and content with *nothing* in order to realize that everything else in life is a bonus. If you can manifest this attitude in life, including trading, you will be much happier than a greedy pig. Remember that the rich J.P. Getty once stated, "Money does not lead to happiness—if anything, unhappiness."

Often students ask me what book they should read to learn how to trade. I would have to agree with the late W.D. Gann and say *The Holy Bible*. All of the principles required to make one a successful trader can be found in the Bible. Humility may be the foremost quality required for trading. Why? A humble man knows he *will* make mistakes, expects them, embraces them, learns from them, and then makes fewer mistakes going forward. An arrogant man thinks he is perfect, takes his losses personally, pretends that the losses didn't happen, doesn't learn from his mistakes, and is doomed to repeat them.

In Jack Schwager's *Market Wizards*, the common theme of the great traders is that at some time they all have "blown up" or experienced a loss of most of their trading capital. It almost seems like a prerequisite to becoming a legend! However, there seems to be a common attitude that precedes their eventual collapse—pride and overconfidence. King Solomon's proverb states in effect that "pride comes before a crash." This could not be more true than when it applies to trading. Pride is our Achilles heel.

Whenever we have a string of wins, it is our nature to believe that we are "special" or that we have "a gift." We rationalize that we have finally matured as traders and that maybe we were a bit too cautious prior to our newfound epiphany. At this point, we may be more inclined to relax and simply use our natural ability more than the statistical models we may have been using previously. Then something happens; we lose, not just once, but quite a few times in a row. After blowing your horn in front of your trading colleagues about your market wizardry, you may be inclined to have the gambler's mentality of "getting back to breakeven" to heal your injured ego. We now take our losses personally and have a need to prove to everyone, including ourselves, that we are still a trading god. Does this sound like a humble person? Bottom line, be humble. You will still get hurt trading, but not as badly as the arrogant, greedy, trading pig.

PULLING THE TRIGGER

Another important aspect, often overlooked in trading, is the ability to make a decision. More importantly, once we have made a decision, we have to take responsibility for it even if it's wrong; we can't play the "blame game." If you are an indecisive person, then trading will be more difficult for you than for the average person. How do I know this? I have ADD (attention deficit disorder)!

After performing his analysis, a trader ultimately needs to make a trading decision on his own. Many new traders don't relish this idea and find themselves unable to "pull the trigger." Why? Because they are worried that they might be "wrong," and due to an inflated ego, they can't admit that they are capable of making a mistake. One point they forget is that it is not about being right or wrong, it's about making money. Does anyone like to be wrong? Of course not, especially someone who has a big ego. No one ever questions your ability to make a good trading decision when you are right, when you are making money hand over fist. However, what if you make a trading decision and you are dead wrong and have lost a substantial amount of money? Do you step up to the plate and say, "Yes, that horrible trade—it was all me!" Isn't it easier to have a scapegoat standing by, ready to blame for your bad trading decision?

Ask Nick Leeson, who put all his bad trades into a hidden account that Barings Bank didn't know about (there's another movie you should watch: *Rogue Trader*). You might be "pulling a Nick" if you have to keep a convenient scapegoat around to blame for your poor trading decisions. "It was the fault of the broker, the newsletter writer, the software, God, my spouse, the stars," we might lament, but really, whose fault was it? One of the reasons Ayn Rand glorified the trader in *Atlas Shrugged* is that his success was self made. Trading decisions should not involve anyone else; they are yours only.

So a professional trader is someone who can "pull the trigger" and make a trading decision. If it doesn't work, he accepts it, learns from it, and moves on. He learns from his mistakes. We typically don't learn much from a winning trade, because the trade probably worked out the way we thought it would. It's usually when we have a loser that we can learn. But, unfortunately, it's human nature to avoid painful situations including the recollection of a trading loss. We have a tendency to want to bury our heads in the sand. The classic broker response to a client that has lost money is, "Let's win it back!" This appeals to many neophyte traders because they instinctively choose to ignore the loss (pain) and quickly make up for it (pleasure) by hastily putting on another trade. This is like going from the frying pan into the fire. The trader in this example had probably spent a lot of time with his analysis to do the first trade. After suffering a loss, he is typically not going to spend as much time with his analysis on the next "let's win it back" trade. How do you think that is going to work?

TRADING VERSUS GAMBLING

H.M. Gartley wrote in *Profits in the Stock Market*, "Unfortunately for most dabblers in Wall Street, the gambling approach is most often used. The reason is simple. The average

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person is too often governed first by downright laziness, and secondly by the silly desire to gain something for nothing."

Most define gambling as placing a wager on an uncertain event with a monetary result (win or lose) in a short period of time. Ultimately, the choice is yours. Will you spend the time necessary to learn how to achieve a trading edge? Or will you be lazy? H.M. Gartley made the following observation in his book *Profits in the Stock Market*:

> It is a sad commentary upon human nature that so many individuals go into the stock market with surplus funds which have required considerable effort to amass, and assume the risk of stock trading, which is far greater than in ordinary business, with only a fraction of the knowledge which they would expect to employ on the business or profession in which they make their living. This is why stock trading, for most people, is gambling, rather than speculating.

If you haven't seen the movie *21*, please do so. You will see that though someone might be playing a table game in a casino, it doesn't mean he is gambling. The movie is the true story of MIT students who applied a system to blackjack that would give them an advantage over the house. They spent months and months of practice on their system; the fact that they were brilliant mathematicians didn't hurt either. In my opinion, their method was not by any means gambling. Why? Yes, they were placing a wager on an uncertain event, but if they kept applying the same rules over enough hands, the result would not be uncertain. This is very similar to trading in that you can lose on some trades, but what does the picture look like after 100 trades? If a good trading methodology is used, it should be profitable over a 100-trade sample.

Another movie that makes this clear is *Rounders*. The question asked at the end of the movie is "Why do the same people keep winning the World Series of Poker?" Poker is referred to as advantage gambling; the term seems like an oxymoron. Doesn't the house always have the advantage? Not if you are playing poker. If you have enough skill, it is possible to have an advantage over the other players at the table. Trading is similar in that if you apply your sharply honed skills, you can have an advantage. Conversely, if you are lazy and don't have enough skill, you are guaranteed to fail.

One Commodity Trading Advisor (CTA) I used to work with said that a good trading system is—get ready for this—boring! Yes, trading for the most part is boring. If you need adrenaline in your life, don't find it trading financial instruments. Skydive, bungee jump, or engage in some other extreme sport if you need "action." If you are looking for "action" with trading, you instantly put yourself at a disadvantage when trading against professionals. To illustrate, I met a student of mine in Las Vegas who put himself through college by playing poker. He said the best time to play was on the weekends because there are more people visiting Las Vegas on the weekend than on the weekdays; they come to have a good time, drink, and gamble.

Further, he said that during the week you will see most of the local professionals playing in the casinos, and you can tell just by looking at a table whether the players are professionals. Everyone is drinking water, no one is laughing, and they all have a very large stack of chips in front of them. He added that it's possible to win in that situation, but it's much harder than playing against the unsuspecting tourists on the weekend. They fly in, laugh, drink, get distracted, give their money away, and call it "just having some fun." You get the point. If your aim is to "have some fun" trading, expect to make a large donation to the professionals of Wall Street.

SETTING REALISTIC EXPECTATIONS

H.M. Gartley, in his 1935 classic *Profits in the Stock Market*, states, "This course, concerning the technical approach to the business of trading stocks, is not to be considered as the philosopher's stone of the stock market." As you may or may not know, Gartley's use of the term "philosopher's stone" represented the archaic alchemist's goal of turning base metals into gold. The promises of Wall Street are no different today. "Turn $10,000 into $1,000,000!" is the cry of many promoters and brokers. Ask yourself, how many alchemists have been successful turning lead into gold?

In the forecourt of the temple of Apollo at Delphi was the inscription "Know Thyself." The idea behind this statement is that once you know yourself, or become self aware, only then will you really be able to understand other people. This is an important concept for the trader, because one of the most difficult aspects of trading is to identify the style of trading that suits your personality the best. Personally, when I started trading, I thought I was a real risk taker or "gunslinger." After losing some of my hard-earned cash, I quickly realized how risk averse I really was. Unfortunately, many of us have to learn the hard way and lose lots of money before we determine what our particular level of risk tolerance really is.

The French have a saying, "You don't even know what you want." When it comes to trading, how do you define success? How much profit do you expect to make trading? These questions must be answered specifically. We can't define trading success by saying "I want to make money." If your description of trading success is simply that you want to make money, then go buy a T-bill at Wells Fargo that pays out 2 percent a year and call yourself a successful T-bill trader. My personal goals of trading success are (1) positive monthly rates of return and (2) double-digit annual rate of return year after year. Every person must identify his or her own definition of success in regard to trading, and it will be different for everyone. If you were Bill Gates, then maybe buying T-bills at Wells Fargo is not such a bad idea; one billion at 2 percent is 20 million dollars per year. Could you live on that?

Unfortunately, most of us don't have a billion or so kicking around, so we might have to try to increase our rate of return by more than 2 percent. Some people might scoff at a 2 percent return; however these same people have probably generated a −1,000 percent return in their trading accounts during the past month. The point is to be realistic. There will always be someone telling you that you can obtain a triple digit-return, year after year forever (or less than triple digits in Madoff's case). Look at the returns of the top traders of the world, traders that manage funds with hundreds of millions of dollars. Is there a single trader out there that has been able to generate a triple-digit return, year after year for 10 years? No. So keep it real—double digits. I remember one CTA saying that if you can generate a 20 percent annual rate of return with a minimal drawdown (peak-to-valley dip in your equity curve), you will have almost unlimited money thrown at you to trade with. In *Profits in the Stock Market*, Gartley stated

> As in any human activity, the stock market student will find that, as he progresses in a systematic study of the market, the usual cloud of bewilderment will disappear. It is to be clearly understood as a primary premise in making this study, that neither the author nor any other writer is able to hand the reader a foolproof, automatic, and perfect system of beating the stock market. In the opinion of this writer, it is unlikely that there will ever come a time when an individual or group of individuals, even by elaborate and careful studies, will be able to call every turn in the market in advance. The reader should not object to this. The primary object of this course is to teach the average man to know enough about stock price movements so that he may consistently make a substantial profit every year. A reasonable objective of the average man would be to make 18–24 percent or more on the capital employed without the use of borrowed money.

Sorry to break it to you, but remember, as my Buddhist friend said, "Don't expect anything, and you will always be happy!"

DEBUNKING UNREALISTIC EXPECTATIONS

When I decided to get involved in the business of trading, I thought one of the best ways to learn would be to get licensed as a broker for futures. That didn't seem to help me much, so then I obtained my equities license. Still feeling that something was missing, I obtained my options license. I quickly found out that the mainstream licensing courses for stocks/commodities/options in the United States *and* Canada are sadly remiss in providing any practical trading strategies. If the official government-sanctioned license materials don't teach you practical trade strategies, then where should you turn? Should you attend that free trading seminar at the Sheraton this weekend?

As I'm sure you are aware, the investment education business is full of snake-oil salesman. Who should you listen to? Someone who says you *might* make 25 percent in a year, or someone who tells you that you will *certainly* make 100 percent in the next month? There really is a sucker born every minute; otherwise. the swindlers would be out of business. That is why there is always an infomercial on at 2 A.M. promising untold riches, with all those average couples making buckets of money every time they do a trade. Ask yourself, is it really education, or is it an attempt to sell you a course or a piece of software? Do your due diligence and look up the company on the Internet. Talk to current and former students. It's amazing how many people drop $10,000 for a course based on a good pitch. Remember, you can't buy success. The ads are compelling aren't they? They promise a 100 percent annual rate of return. It's hard not to fantasize; "if I put in $10,000 and I double it every year for 10 years I will have over 100 million in 10 years!" I consider these ads financial pornography.

Pick up a copy of *Technical Analysis of Stocks and Commodities* and you will see literally hundreds of trading systems for sale. I'm not saying that all systems are bad, but unfortunately some of the guerrilla marketing tactics are extreme. I remember one ad in which the vendor showed that his mom was trading his system and making oodles of money. It turned out that the CFTC (Commodity Futures Trading Commision) found out she wasn't trading the system. Needless to say, this vendor went out of business after receiving a hefty fine.

What about the expensive trading systems? Maybe they are better than the cheap ones; you get what you pay for—right? Not always. I met a system vendor at a trade show who was promoting his latest trading system. The vendor had an incredible booth, big screens, enthusiastic sales people, amazing brochures. I remarked to him, "I can't believe that your system is $20,000 when the other ones here are a few hundred or a few thousand dollars." His reply? "Instant credibility!" Now he's out of business as well.

Some of these organizations start to look similar to a cult in the sense that there is always an omniscient "guru." This demigod appears to have some miraculous ability to call every market turn. This amazing skill can be passed on to select initiates for a price. Asking questions like "Where are your brokerage statements or track record?" is like asking, "Where does a circle begin?" Some are swindlers that lost their stock or futures licenses because of an SEC or NFA (National Futures Association) ruling and are now self-proclaimed "experts" in regard to investment education. They sell the dream of instant success. If it was that easy, why aren't they just trading for themselves or managing money for other people? The hucksters will always tell you that making money trading is easy. Yes it is true, trading can be easy. But winning a lottery can be "easy" too, if you have the winning ticket.

CAN YOU SIT?

In my opinion, most speculators that trade derivatives have a common trait—lack of patience. To be a professional trader, they believe, requires having a real-time data feed, a lightning-fast Internet connection, and intraday charts. They feel that this technology gives them their much needed "trading edge" over their low-tech counterparts. Unfortunately, the opposite is more likely. Most impatient traders can't wait for days or weeks to execute their trades and feel they must execute orders off of intraday data perhaps several times a day. This behavior becomes even more important if a spouse is monitoring their time spent in front of the computer "trading." The professional trader knows that trading is not necessarily about the quantity of transactions one executes in one day. Patience is required if one is to wait for an ideal Gartley Pattern. The anxious, impatient trader typically doesn't want to wait for ideal setups and will often see "trading mirages." If you are a contrarian, then you will see the wisdom in trading off of the charts that the rookies avoid. When it comes to trading, we have to do the exact opposite of what the retail traders are doing. We know that most of them are losing money. So what we have to do is quite simple: find out what they are doing and do the exact opposite. This is hard, as we have all been programmed with the "conventional trading wisdom."

Regarding patience and waiting for ideal trade setups, I quote one of the greatest traders of all time, Jesse Livermore, who said in his classic book *Reminiscences of a Stock Operator*,

> And right here let me say one thing: After spending many years in Wall Street and after making and losing millions of dollars I want to tell you this: It never was my thinking that made the big money for me. It always was my sitting. Got that? My sitting tight! It is no trick at all to be right on the market. You always find lots of early bulls in bull markets and early bears in bear markets. I've known many men who were right at exactly the right time, and began buying and selling stocks when prices were at the very level which should show the greatest profit. And their experience invariably matched mine—that is, they made no real money out of it. Men who can both be right and sit tight are uncommon. I found it one of the hardest things to learn. But it is only after a stock operator has firmly grasped this that he can make big money. It is literally true that millions come easier to a trader after he knows how to trade than hundreds did in the days of his ignorance.

Livermore talks about making money *sitting*. Take note of the lesson here. In view of the foregoing, it appears that unless you are a professional market maker with inside information or an arbitrage trader, you should listen to Livermore and be patient and sit.

MORE TRANSACTIONS = LESS PROFIT

There is definitely a relationship between trading profits and the time frame in which we trade. Shorter time frames usually mean more transactions in a day versus fewer transactions generated by someone trading off of a daily chart. The cost of these transactions can be substantial. The new trader may conclude that fees and commissions of $10 per transaction amount to nothing compared to the vast sums he will make trading. If that same trader did five trades in a month, he would spend $50 per month. However if the same trader decides to trade intraday and does five trades per day, his costs would be $1,000 per month! Imagine starting every month $1,000 in the hole; it's a chore every month just to break even!

The promoters of intraday trading, such as broker/dealers or their agents, are the ones who stand to benefit the most from the quantity of your transactions. Win, lose, or draw, they will always make money on your transactions. If someone is encouraging you to trade intraday, ask the question, "Why?" I know of one trader who was trying to do some hedging a few years ago with a Forex dealer in Switzerland. He bought a contract, sat on the position for 60 days, and didn't execute any other trades. He received his statement in the mail thereafter informing him that they liquidated his position and closed his account! Obviously, they weren't interested in someone who was going to trade a few times per year.

Many broker/dealers view themselves as croupiers that are employed to facilitate what they believe is your inevitable demise. Some condescendingly look down on the retail trading public, viewing them as having terminal cancer, and consider themselves as simply "making them feel comfortable while they are still with us." I would like to think that this attitude doesn't exist, but it does. It's easy to start thinking like that when *everyone* in your brokerage office does. I almost fell into that way of thinking over 10 years ago. I refused to accept that "everyone eventually loses." Don't get me wrong, there are lots of ethical broker/dealers out there, and it's hard to choose one when you can't meet face to face. So make sure you get referrals from other happy clients. Broker/dealers are a necessary intermediary to allow us access to the financial markets. The good news is that with the advent of electronic trading as opposed to open outcry, the costs have come down significantly during the past decade. This enables the "little guy" to have a fighting chance to make money by keeping transaction costs low.

I'M A TRADER

When I was a naïve young speculator, I remember I opened my first futures account in the 1990s. I was so proud of myself; it sounded so good—"I'm a futures trader." Wow! I was actually surprised to find out how few people actually knew what that meant. However, the general apathy of the public didn't stop me from boasting about my new career to all who would listen. An accountant friend of mine from Canada named Brad was one of the few to whom I preached who knew what a futures trader was and what it involved. He congratulated me and gave me an analogy that I have never forgotten.

As you may know, Canadians love hockey, and so Brad used an illustration that included Canada's favorite sport. He said that you can buy all the hockey pads, helmets, skates, and sticks, but that doesn't make you an NHL professional. Even if you were invited to play a professional game with the Vancouver Canucks, does it mean that you will score a goal and lead the team to victory? He reminded me that the players are very good at what they do and are compensated accordingly: they are professionals. Without exception, they have all practiced most of their lives to get to where they are. They didn't attend a "Learn how to be an NHL professional in one weekend" seminar. Just good old blood, sweat, and tears from childhood got them to where they are.

It can be easy to play hockey, but will you score the goals to win the game? Imagine you have all the gear, you are playing in a real televised NHL game, and now you have the puck. You think, "Wow, if I can get this puck in that goal, I'll be a star." You look up and notice that the opposing team members are skating over to your vicinity in a very aggressive manner. You could rationalize, "Maybe they are coming over to ask me to be on their team because I'm so good at this!" or "Maybe these guys are lonely and want me to be their friend." Not! They are coming to take the puck away from you and put it in your goal, and it's not going to be pretty. Brad's illustration is a good one for new traders. When you open an account, it's like buying the equipment; when you fund your account, you are in the game. When you have a position on, you have the puck and the professionals are skating toward you to take the puck (money) away from you.

DO I NEED A COMPUTER?

I am of the opinion that with the advent of the Internet, cheap computers, and $300 Forex accounts, there are more bad traders now than ever before in human history. Unfortunately, some traders feel that trading can't be done without a computer. You might be intimidated by the processing power, storage, and so forth of these machines in comparison to our seemingly limited minds. You may rely on a machine to such an extent that you can't make a trading decision without it. By the end of this book, I will empower you with techniques that will allow you to make a trading decision and to trade *without* a computer.

Before personal computers, did anyone trade? Of course! And some of these seeming low-tech individuals made substantial sums of money without a computer. Market legends like W.D. Gann and H.M. Gartley did not hide behind technology or buy a magic piece of trading software. They did the unthinkable—they used their minds. The human mind is still the most complicated organism in the known universe. Let's get back to basics and start using it.

Computers, in regard to trading, should never be viewed as a replacement for the human mind, but rather as a convenience tool to speed up our analysis of the markets. To illustrate, imagine that you wanted to start framing houses for a living. To get started, you could "cheap out" and not buy any tools to start your business. You could go out on the street and pick up a large stone to use as a replacement for a hammer. There is no doubt that you really could frame a house with some nails and a stone. However, wouldn't it make sense to buy a hammer—or even better, a nail gun? Imagine all the time you could save. So it is with traders and computers. The computer will save you a lot of time when it comes to your analysis of the markets. However, you should still be able to frame a house with a rock, and you should still be able to trade without a computer. If you are a great trader, you should be able to use the same tools that the traders of yesteryear used: pencil, eraser, graph paper, slide rule (okay, calculator).

I remember conducting a Forex trading seminar in Chicago a few years ago when I noticed one of the students walking around the room showing the other students some pictures. Thinking that he was showing off his new girlfriend or his dog or his boat, I walked up and asked to have a look. He showed me a picture of his trading room with four monitors. I asked what he was showing these pictures for. He said that he wanted to show everyone that he was serious about trading. (I later found out that this "serious trader" never had a real account and had been paper trading for the past five years.) Lesson? Technology does not a great trader make.

We've all heard the computer geek's axiom, "garbage in, garbage out." Computer hardware is meaningless unless it is running a piece of software. So using a computer to help you make a trading decision is really software dependent. And software is, as we know, fallible, as are humans. There is no silver bullet when it comes to software.

I believe that most system traders fail when they remove the human element from the trading decision process. Is it really possible to program all potential future events that could affect the financial markets into a piece of software? No. If you want to try to do that, you will die trying as a programmer, not as a trader. Yes, computers can be intimidating; however, do not underestimate the power of the human mind.

To illustrate the superiority of the human mind over machines, I met a rocket scientist from Silicon Valley at a speaking engagement. He said that he worked on the computers for the space shuttle. He told me that there are five redundant computers on the space shuttle that are able to land it without human interaction. If the first computer fails, the next one kicks in; if that one fails, the next one kicks in, and so on. He then asked me how many times I thought the space shuttle landed via the computers. I answered, "Every time!?" He replied, "Never." As you could probably guess, I was astounded. The

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astronauts in the space shuttle are convinced that they are better at landing the shuttle than a computer. And by the way, do you think that NASA buys refurbished DOS laptops from garage sales? Does NASA hire high school dropouts at minimum wage to write computer code for them? No; they have the best hardware available and the brightest minds in the world writing software for these computers.

Despite the advanced technology, the astronauts on the space shuttle believe in the superiority of the human mind in regard to landing a space craft on the Earth. Likewise, professional traders believe in the superiority of the human mind when it comes to the less complicated aspect of trading financial instruments. To prove my point further, the rocket scientist said that when they ran simulations on the five different computers to land the space shuttle, each of the five computers landed the space shuttle differently, despite the fact that the computers are all exact duplicates of each other!

In the financial arena, the future is all about probabilities, not certainties. Mankind has free will, and there is no way for a human being to determine the actions of a single person in the future with 100 percent accuracy. However, there is a tendency for people to behave in a certain way under certain circumstances. When these circumstances present themselves, we can take advantage of the fact that the odds are temporarily in our favor.