

# CHAPTER 1

# RECAP FROM MASTER THE ART OF TRADING

*'Every battle is won or lost before it's ever fought.'*

—Sun Tzu

<https://vocal.media/motivation/quotes-about-fights>

In my first book I gave an insightful overview for novice traders through to intermediate, to simplify their trading. I tried to cover everything from psychology to technical analysis and why patience and discipline are critical to becoming a successful trader.

The book covered several techniques and styles of analysis and why combining such tools can create a significant edge. Unfortunately, newer traders are looking for a silver bullet, and any learning seems too much like hard work. But just like many other professions, trading takes time to learn and even longer to master. After more than two decades of studying various trading books and continuously learning, trading and educating others, I've consolidated this wealth of knowledge, ensuring that readers can access a comprehensive resource without investing the same significant amount of time.

Understanding risk is the key factor, and developing a bias is crucial. Combining these two elements is paramount to creating a successful risk management technique. Avoid get-rich-quick schemes and influencers who claim the ability to make you rich overnight!

A little common sense, mixed with sound risk management and the techniques taught in the book, will get you on the right path.

**Now, take it to the next level!**

This is the sole purpose of this second book.

Unfortunately, the majority of people these days treat trading like playing the lottery. People seem to think it's a strike-it-rich, one-hit type of tool. A doctor doesn't make it in his field by doing one operation, just like a Formula One driver—you need to keep winning to stay at the top.

In this book I aim to take you from an intermediate to an advanced trader. The book will be enough to keep you profiting from the market again and again.

Trading has evolved into a complex art form, where success demands a comprehensive understanding of market dynamics and precise analytical tools. Volume profiles and footprint analysis are potent methods for gaining unique insights into market behaviour; they can also be combined with the techniques discussed in *Master the Art of Trading*,

from Elliott Wave Theory to Wyckoff analysis. It's not as simple as knowing the techniques; it is understanding when and where *not* to use them.

One of the critical factors of volume trading is knowing the participants.

Compared to many other books available, I have no intention of covering the basics here. If you don't know what a trendline or a moving average is, put this book down and learn from [babypips.com](http://babypips.com), or read my first book, *Master the Art of Trading*, and then come back and read this one!

When trading using volume techniques, it's essential to understand the collective actions of market participants. Traders, investors, institutions and algorithms contribute to the constantly shifting market tides. Based on varying strategies, expectations and emotions, their decisions drive price movements.

Volume is a crucial aspect of market data; it represents the number of shares or contracts traded. It acts as a barometer of market activity and intensity, providing valuable insights into the strength and validity of price movements. So understanding volume patterns can help traders anticipate potential shifts in market sentiment.

I have carefully thought and mapped out each chapter here so you can advance quickly into understanding why volume will be helpful and how you can make it the newest addition to your trading strategy. Knowing when to apply volume tools and how to use these techniques, not just on the charts but at the right time, is the most significant factor; most people get this wrong! Many apply volume everywhere, overcomplicating the situation with countless indicators and unnecessary information, making it difficult to decipher the charts. I intend to help you look at a naked chart and instinctively grasp the fundamental message it portrays.

Let's begin.

