



INTERVIEW WITH BRAD JELINEK

In the pursuit of a better trading lifestyle



Houston: Hey Brad, how're you doing today?

Brad: Hey Houston, doing good

Houston: Great, happy to get a chance to talk to you. Actually, it's always fun to talk you, so, how's trading going today?

Brad: Oh its ok today, Im in a different location, and sometimes when you, make switches in trading to your environment or as traders know even if a few screens get moved or your workspace changes it, can cause a little bit of internal unrest so (**Houston:** mm) I've noticed that's happening with me a little bit with me this week because Im in a different location so I've kinda had to just be aware of that.

(**Houston:** right) It caught up, with me a little bit today.

Houston: (Laughs) you were telling me before the call that youre in beautiful, sunny Florida so I can't be too (**Brad,** right; **Houston:** laughs) sympathetic.

Brad: Right, that's ok

Houston: So, before we get started, why don't, why don't we just give the audience a bit of background about you. You know you and I just talked before but why don't you just tell us your story, so tell us about your trading background? Maybe your approach to trading and just you know kinda how you got started.

Brad: Yeah sure, I'm 34 years old right now and I think I really got into this stuff professionally when I was around 21 or 22 but even in junior high school, as early as then I just, I grew up in Northern Wisconsin, and there wasn't a lot of trading stuff around there, I live in Chicago now where there is a lot stuff about the market but so its kinda weird that I got into it from that area but I did and I think, I guess the first thing I remember a gym teacher and a Phy Ed class we had to take, he was always checking stocks and I thought it was fascinating you could make money by watching these tickers move up and down and that was, oh probably 16 years old or something, and that kinda started the whole thing. And then from then on, when I went to high school, when I went to high school the year 1998/1999/2000 when, US tech stocks just took off and then we had the big crash after. (**Houston:** Yeah) So I was trading in my study hall in high school, trading tech stocks and I had no idea what I doing, I didn't even know what, I'd never even heard of a retracement (**Houston:** laughs), I just had no idea about it. I was on message boards and finding the hottest things and I was, I think I had like 5 grand in an account and I took it a hundred thousand with no clue what I was doing

Houston: Wow

Brad: Momentum buying and then I lost pretty much all of it because I had no risk management principles and I didn't figure out that we went into a bear market. So that was kind of something I went through in high school but I was hooked at that point so then I ...

Houston: So did it take you longer to make the money or lose the money? (laughs)

Brad: Probably about the same amount of time actually (**Houston:** (laughing), yeah) you know, the market had switched and I, having really no skill set about bull market, bear market and, technical training and just understanding the fundamentals that, you know things that you learn as your career progresses and ...

Houston: Yeah

Brad: I probably made more money than I should have, because I was such an idiot at the time with no skill sets, young kid just throwing money at things but, it can go both ways, and it certainly did.

Houston: And so what lessons did you learn from that uhm, what's the top lesson that you learned from that situation?

Brad: Well, you know I don't take a whole lot from it in terms of you know, you can look at it and say well you made a lot of money then you lost it all so you aren't a good risk manager and all those things. That's all true (**Houston:** yeah) but to me, (**Houston:** yeah) to me it was just the beginning, , it was it didn't matter that much because it was me as a young kid getting started (**Houston:** yeah) and just, that laid the groundwork for learning those things and ok lets figure out now what you don't know and you realize that you went through this stuff. How do you manage your risk, how do you figure out when the market changes and that's kind of that's the biggest lesson ...and it was just building so it's like ok lets learn the foundation now.

Houston: So, sounds like it kinda ignited your passion even more right, it didn't scare you away, it kinda made you want to get even deeper, is that right?

Brad: Absolutely, because you see how (4:03 inaudible)....if you live through that kind of stuff and its like that life experience that you can't replace, you can't read about, you have to feel it, and feeling yourself you know fight a market that's not going up anymore (**Houston:** yeah) and I felt what that was like and it stuck with me.

Houston: That's cool and so, yeah, you hear that people get gun shy after losing a lot of money like that, do you think, did you carry any of that kinda gun shyness afterwards or because maybe you were young, it didn't create that kinda strong emotional you know reaction?

Brad: No, I didn't really carry it at all because I was so young and eventually I just went through college and did my studies as soon as I could and then I was doing my trading on the side in college. And then I got out of college, I got hired at a prop firm which I had been with in my entire life, my entire working life, for twelve years and I just actually left that to go on my own about a month ago. So when I got to the prop firm , then I kind of, I was around other traders who were successful and I got a little bit of education and I was able to find some mentors, so that was really the beginning of my education. So, I had the driving and burning passion from the beginning and now I fell into a situation where I had the resources, the people and kind of the infrastructure, the risk management to really build on and develop that passion

Houston: So, that's very powerful, and so nowadays, what is your approach from that prop firm, where you cut your teeth and you spend many years was that predominantly a futures prop firm, stock, options, do you do it all, what is your approach and what do you do now?

Brad: yeah, it was mostly futures, you know I did a lot of pay attention to news and events, how is the market reacting to economic data, what kind of data would be a surprise, you know central bank events, press conferences, a lot of that stuff and also just trading in the moves of the of the day – learning when its slow to sit out when its busy, Im there earlier, I'll stay later. And then, you know, we'll get into the later about balancing my life around this (**Houston:** yeah) but recording my screens, watching the big moves over to see how they looked, keeping track of charts, saving them, tagging them searching certain types of trades and building a style (**Houston:** yeah) by imitating some other people who were successful using what I liked and starting to make my own style.

Houston: And that's very nuance 'cause sometimes it seems like people are taught to just find one set up and stick to that exact set up mechanically but it sounds like what you are saying is that there's a lot of personal nuance you kinda need to make it your own, is that right?

Brad: Well, there is, it's, you see so many people who are successful and then you see so many more who aren't, so there's big numbers on both sides but it's almost like there's a million ways to make money but there's a billion ways to lose it money. So (**Houston:** laughs) it's very hard; what you to do is to find something that works; ideally in the beginning you find one little thing that works, I always did, I'll give you an example in the beginning, I think it was about 10 years ago now but you know retracements, they were actually retracements, (**7:16 inaudible**) and a lot of times they would come up come up to me and it would be 38% and its 38% retracements so I knew people would be selling there so I would see it come up there and I would see it go off so people would sell there and they were up money and then it would come up again and come off and then all of a sudden, it would act really strong and then the third time it would blow through and then make a big move up. So I started realizing that everybody is looking at these same things (**Houston:** yeah) and when it doesn't work, everybody's stuck and there's a big trade the opposite way. And there was one little trade I used to do and that kind of was my go to trade and then over the years its changed and, you know, there's computers in the market that doesn't seem to work but that kinda stuff was kind of stuff was kinda, those things were hard built tools and I would keep adapting and so that was an example of something like that.

Houston: So that's a great, example that, and so talk about what you're doing nowadays, are you still trading, what's yours approach nowadays, can you give us you know the types of set ups that you take and maybe just, the time frames that you look at?

Brad: Right, yeah. I mean, it's constantly, it's funny because constantly an adaptation process (**Houston:** mm) I mean, you're a trader who survives 10, 20 years, what you do basically is you're a problem solver and you're looking at it and also the other thing you are now more than ever, I believe and im a discretionary trader not a quantitative trader. So I end up having to be a really good risk manager so now I find myself scalping less than I used to because of all the computerized trading, it's been very difficult and I don't scalp as much unless maybe there's a surprise news event or something or

a lot of volatility, so what I'm doing is I'm waiting, I'm trading less and I'm trying to find events or things that you know, a number's coming up what way would the number be a surprise, if it does surprise, does the market react the way it's supposed to react, if it does or doesn't, it sets up a whole basket of trades that I can work off of that day. And you know, things like that and I'm constantly re-tooling and looking when those things don't work, what can I find that is working and when things don't work, I have to step aside and kinda reassess and do it all over again just like that original example of the trade I used with the retracements when I first started, its constantly a process of figuring those things out and its can be painful sometimes but you get a lot of personal growth when you do that

Houston: Yeah...that's so true and so, how on top of that do you have to be, do you have like a process where you're, you would like review your trades on a, you know on weekly basis just to see if they are still effective on a two or three day basis, just how, you know fine tuned do you have to be with your adaptation?

Brad: Yeah, that's a good question, sometimes when im fluttering around a lot I'll make a list of, very simple list – one side of the paper will say what is working and the other side will say what isn't working and I'll write down simple things that, statements that uh, trades that I've tried that are or aren't working cause the market constantly changes and the tools that you develop that worked years ago, they will work again, just maybe not right now (**Houston:** yeah)and you know an example of that would be, I used to press and add to (**inaudible 10:35**) when there's a lot ...when I ...and that was a big part of my strategy and in four or five years, it's just, that is, if you get a good spot and you do that, generally speaking you ruin.., and that can make a lot of people, you ruin the original spot and you don't get paid for doing that. But in the past, that was one of the best things I did and I think that will come back again, you know, if we had the fundamentals that make a market moves one way aggressively but right now it's not, so to answer your question, I'm kinda re-tooling every day, every day I have a journal and I'll write down kind of what I did and I'll remember the next day what was or wasn't working and then over maybe once a month or so I'll kinda look at everything and just kind of assess how I've been doing and if something that was working a few months ago is definitely not working then it's time for me to go back and see, can I come up with another trade, is there a mutation of the trade (**Houston:** yeah) if I was seeing a break out trade is it now, does it work the opposite way? Does it not work at all? You know, is there something I can find out from my trade used to work for a new trade and you know, is that data working? Is the market responding to data, like right now the stock market, S&P futures don't make a lot of sense on the data, however, the fixed income futures and the currency futures they do so, I'm trading those markets on the data and those will change also. (**Houston:** mmm)

Houston: So tell us, which instruments are you trading, sounds like ES, fixed income, futures? Any other instruments?

Brad: Yeah: S&P futures are my, those are always my main products, the Euro stocks, futures, S& P futures, sometimes looking for diversions and co-relations between the two. (**Houston:** OK) fixed income and currencies, on the data and sometimes during the day a little more lately, so I don't trade a lot of things, it sounds like I do but I mostly try to trade equity futures, however, it makes sense I feel to find time to..the other ones are also good trade like on data (**12:34 inaudible**) and the other markets so

that's what I'm doing but in the beginning I kinda started with one thing and I slowly branched out over the years to learn the specialty situations to trade other products (Houston: yeah) so I trade corn, soy beans on the (inaudible) reports but I don't trade on them during the day.

Houston: Do you have like a basket of setups that you look at that you use on a daily basis, is it like 3, 5, 10 set ups that you have in your arsenal or, how would you describe how many setups you keep around?

Brad: I mean the way I would kind of look at it is I wouldn't know if I have a number of setups but I would more look at it like this, is that when you are looking at a market I try to get a fundamental overview of if I feel like it's moving a certain way or if it's something I can pin my finger on fundamentally and a lot a times that if your trading on a short term chart the fundamentals can be not important over a few hours, but still I want to know there's a fundamental reason and once I have that then I'll break it down to the technical and say "okay I want to get long for these fundamental reasons let's wait until they take out the stocks maybe from yesterday's low" and then there is a sarcastic or a MACD divergence and then I'll look to buy. (Houston: yeah) It seems like uhm, then, but at the same time, each day there is often a story. Look, I'll give you an example; the other day in the oil market we had a kind of surprise Iran deal overnight where they had a nuclear agreement you probably saw, and oil broke like seventy cents or something like that on the news overnight but during the day we started to see oil it broke below sixty minute low and all day you just start to see strength and it starts to set up really bullish consolidation, continuation moves, and there were targets above and that's something that I started to looking buy oil and looking spots and they were technical diversions and bullish diversions to get long and oil. But fundamentally I'm thinking, well there's this Iran deal I know it's not that big of a thing but it shouldn't be negative for the market and the market is just going straight up all day so odds are I'm pretty safe to buy pullbacks from the long side, so that's kind of the theme I work with, so each day you often get a new theme like that (Houston: yeah) and that will set up a lot of my trading so it will be day to day. When it is slow like it is now you might not get as much so you know you protect yourself.

Houston: Yeah, yeah, that makes a lot of sense and I know I've heard you speak in the past of how you create that narrative and I kinda guess that sounds like you create a bit of a, like some, extra confidence because your kind of going in the direction of you think, you know the kind of macro picture the bigger story and you can just (15:12 inaudible)

Brad: Yeah, I mean that's my favorite kind of trading would be when I have fundamental news or the market not reacting as it should to fundamental news and then we start to get technical patterns that validate (Houston: yeah) my story or lack of story or whatever its doing. And then I get, you can get a lot more aggressive and you trade bigger because you feel like hey people are caught the wrong way because they think it should be going up, based on this data, but it's not going up. So, you know it doesn't have to be data it could be something else you know, (in audible) speakers saying things, we're not moving the way we should, you know the Iran oil deal only had an unemployment report a few months ago that was really strong, and the stock market stalled off all day, stuff like that and I'm working sales all day. You know those kinds of things.

Houston: And so what are the hours that you keep then, when you trade. Do you trade all day? Or do you, and typically how many trades do you put in in a day, is there like an average that you typically trade?

Brad: Yeah, that's really evolved overtime, I mean, when I first started, it was, I would get in five forty-five AM, central time and I would leave at 3:30 Central Time, in the afternoon and it was you know, constant work, constant market action but as you go along you just learn that that's not sustainable it's not for me at least, when it's busy you'll see me for similar hours to that but you have to pick your spot so generally I'm always in from 7AM Central to about noon or eleven o'clock, and then a lot of times, I'll just poke my head in, in the afternoon to see if there's anything going on and if it's not I'm done. And if its busy you know we go into a recession the (16:56 inaudible) is high I'd trade longer but the reality is the US is just one developed market, you know Canada is one market, but if you look at the crossover between Europe and the US and now you have a lot going on, now you have two markets open, or in European market you have Asia in Europe. So when you are sticking around in the US after noon you know it's a tougher trade because you have one, you know, and it's quite computerized and it's quite painful sometimes because it's tougher (17:27 inaudible).

Houston: And do you ever trade to the last hour of the day, has that ever appealed to you? Do you find things more exciting at the last minute, well maybe not exciting but do you find more opportunities at that time of the day?

Brad: I mean some years 2008, 2011 I did but lately, I really have not, I know the opens have gotten a lot in moves this last year, I don't trade a lot in the first ten minutes but I mean maybe that's something that I'm looking at more or try to figure out how or why those moves are happening. (**Houston:** yeah) I usually like to wait and have the market set up a little bit before I get active, get a feel for it. I think, uhm, I think it's important to just kinda keep evolving your hours (18:12 inaudible), you want to have a stable set of hours, but you keep evolving with how things play out like the last couple of years it's been a European trade, I mean I have a friend or friends who does trading, and the guys in Europe are doing better because they have all that action over night and they have the US action and you're getting head binds and Greece and things that create volatility that when you are a US or Canadian trader and you wake up in the morning and it's already dark you face (18:39 inaudible). You know, and that will switch, in 2008 there was the opposite.

Houston: Yeah, and so how do you then, I guess, I know when I first heard you, I heard you on another show, I think on Anthony Crudele's show and what really struck me when I heard you speak was just like you mentioned, your focused on, on you know, I guess the right word would be, I'd say longevity so I know you have a big focus on health and well-being so that often influences like how you spend, and how much time you spend up on the screens and how you focus yourself. So could you talk to me about, what you do to decompress and manage the stress of trading?

Brad: That's a huge question that I've had to ask myself "if you want to do this, you know, for a few decades"; you have to do it in a certain way, I don't think anyone can go from there early twenties to their fifties staring at a screen all day sitting in a chair, that's very unhealthy it's not a balanced life. So

what I've done is : I got into meditation morning and night and did a few meditation retreats, I got into yoga, three four days a week lifting weights which I've always done a little bit of. Making sure I go on walks every day, at the middle of the day I go for walks for thirty or forty five minutes and I feel like that clears your head and resets you and it takes the pressure off you to, you just need to reset things. If you're staring at a screen all day and sitting down, you were made to move you were made to stand up and I just think that, it's clear, I can't tell you how many times I've come back and shaken the emotional cloud I had on me from a losing morning or even turn the day around or even decide to maybe shut it down today. But without that perspective, I mean I used to sit on my wallet, which is terrible for your back. So I'm sitting there in front of my screen drinking coffee every two hours and I mean it's funny but I don't do that stuff anymore so this will keep me going a lot longer because I feel detached. Like I go on a walk and I see people in the world they are doing other jobs it's not just about you and your trading and that's a good perspective to have and its, otherwise you get so caught up in your little world and your trading and you get so happy when you do well and upset when you don't do well and it's just, the faster that you can get out of that the better for you.

Houston: Ah, that's a powerful one I couldn't agree more with that, there are so many gems in what you just said. So was there a certain moment that gave you that realization that said "hey wait I can't keep going like this", or was it just a slower realization that hey I kinda want to do this for a longtime I need to change my approach.

Brad: Yes, that's a good question, Ive always wanted to do it for a long time and I wanted to do it since I was a little kid so I never thought about not doing it but I did do a ten day meditation silent retreat, I did two but the first one I did was a few years ago and when I came back from that it was kind of an eye opener in terms of what it felt like to totally detach (**Houston: yeah**) and I realize that I was thinking to myself that hey, look at what's out there, look at the peace you can have within you and look at what everybody else is doing and they are so worked up about their world just like you are with yours and your trading everyday and that's all you think about and that detachment, that sense of , so that's how I started my meditation practice after the retreat I started doing it more in the night and what happened was it was just like, it was just this break in my day and very, at the very least it's a break from the thinking about your trading or the thinking about yourself or your worries and that, I started to just really enjoy that and now I just look forward to those blocks and I consider those as important as than anything within the trading day. And that's nothing, it started to be a slow creep there wasn't a moment when it all changed, it kinda just started creeping that way and I thought I can do this for a long time if I can detach from it and kind of, just treat it as a fun process – it's a game, it's a puzzle when it doesn't work, I just cut myself off and I find that it does work and I move on to the next day and I do something physical, I do something mental ,I do something spiritual and you know, I do something social where I see people. If I do that every day, I feel balanced, if I just sit at my screen all day, I feel miserable. It's like (**Houston: yeah**) it does not feel good.

Houston: Yeah, and I wanna get more into your routine cause I'd love to hear about that in a few moments but you know this, man, I couldn't agree with what you said you there. I think sometimes, as traders we think we're like these little brains that are hovering on top of these little bodies that are slowly (laughs) shrinking because they are sitting all day but, yeah, youre right, just having the

opportunity to move around and kinda re-nourish your body by moving and meditating yeah, I think is such a powerful addition to any kind of trading process. I know, for me, just another one, one little thing that made a difference in my trading is just around to maintaining that gratitude journal and just being very grateful for having the opportunity to trade 'cause like you said a lot of people are doing other things and man, sometimes we're just so lucky to be able to do what we do that's a trade and you know, to have the ability to make money and you know to do something fairly (laughs) menial.

Brad: Absolutely, that's a really good practice, I think, I just got done with this book called The Surrender Experiment, the author is Michael Singer and he, it's a really good book, it's not about trading but it's about just surrendering to what comes your way in life and not fighting it's a good read about surrendering what the markets doing sometimes and not fighting because you think I read these research reports, you know I have this trade I like and I keep fighting the price action. It's so peaceful and it just feels so good to submit and surrender to what is going on right now and then realize there will always, always be a moment to get in on that trade and I think from a bigger perspective, if you zoom that line of thinking out this is something with your life and everything else it's just sometimes you are distracted - you have people in town, you have, you're sick, you didn't sleep well uhm, (**Houston:** yeah) you have a problem with your house or your apartment you didn't - whatever it is and a lot of times its surrendering to the fact that that's where you are today and that makes you trade smaller or you don't trade at all and I used to blow out money and try to force it and learn that that doesn't work and it makes it easier on you too You avoid the blowout with the money and you don't try to force that and that makes it easier too on you

Houston: That's great advice, just having the wherewithal and the awareness that there's things going on in your life that could affect you trading is such a big thing and if you catch those things at the right time. So, what do you see, you know what do you, see people making like the folks you used to work with at the props firm and other traders that you talk to. What do you see as the biggest and most common mistake people make?

Brad: yeah, I could break it down to a few a few big ones, I think there are, anybody can overcome. One of the first ones I'll say is not adapting, unwilling to adapt especially when youre having a little bit of success. (**Houston:** mmm) unwillingness to adapt to maybe new technology, new ideas, you should always be very curious. Pete Sampras the tennis player they had in an interview recently you know he had a great career one of the all time greats and he said (**Houston:** yeah) one of the biggest mistakes he made that he wishes he could tell his younger self was that they came to him in the middle of one of his good runs or in one of the majors and said hey there's new rackets that have a bigger head, gives you more margin for error, there's better strings this stuff is coming you should try and use it and he thought no way I don't want that I want my same racket, Ive won all my these titles, he was very stubborn. If he would have switched that technology changed the game, it changed the serve and volley of the game and now guys are on the vice line (**Houston:** yeah) and he said if I had adapted that technology in the middle of my career, I think I would have extended my career and won more majors, instead, I got stubborn, I was forced to do it late in old age and all the young guys came up and they were using that technology and they were they were catching up to him so, I thinks that's one big lesson. The second one, more specific to trading is everyone wants to pick their turn in the market, they wanna buy the

bottom and sell the top and they wanna and I just think, let the market play out, let it put in that (inaudible27:42) get that meat in the middle, touch the one that you don't have to pick the top and the bottom, how much money do we lose trying to be perfect and I think, sitting back and be willing to give up a move and catch a different part of it I think that that is very hard to do it's against human nature but I think over time it's a rewarding thing to do to be able to miss a move.

Houston: So, what is about human nature that makes us wanna pick bottoms and call tops, is it an ego thing you think?

Brad: Yeah: somehow I think it is, you wanna be rewarded especially when you research and you think you have an idea I that its gone down too far so I gonna buy it (**Houston:** yeah) far so im gonna by or I have these levels here. The problem is that there is a lot of herd mentality in the market, everybody is doing everything at the same time so you have these huge moves and a lot of times, everybody is doing the same thing youre doing and it caught the wrong way and it's not gonna turn until you get out and a lot of times your e caught in that with them and I think so that would be number 2. I think number 3 would be a really strict risk management plan and I think now is more important because now the opportunity is a little bit more difficult to make money because there is so much computerized trading so I think one thing you can do to combat that is to trade a little bit less and you know if I have a bad start to the day, Ill cut my size in half and I have some numbers that I start again and then I quit. If I start doing well, yeah well maybe I don't make my day back maybe I make like half but the next day I have double momentum and if yesterday wasn't as bad then I build up....it also means I can trade bigger because it means I can trust myself to cut back then it's really important and for many years I did really well not even doing that so imagine how much more I could have done but now I am forced to do that because it's just something that makes a lot of sense

Houston: And so what do you think the what's the state of, the you know, the, what is the state is for the discretionary trader? You know we talked about the algos coming in and kind of the overwhelming presence of the algos nowadays in the markets, where is that place for the discretionary trader, you think there's a long future for the discretionary trader, what's your thinking on that subject?

Brad: I think, I think that discretionary trader is getting squeezed by technology just like most other businesses are, I think that every good discretionary trader will always be around. I think marginal discretionary traders might get pushed out if the market gets busier and looser. So, I think as a discretionary trader you need to get better than ever, you need to hammer out the stuff that you like and the way forward if that means semi-automating your signals to wait and not do stupid trades in a range or something (**Houston:** Yeah) which we all do but I think ultimately what youre seeing is in the currency markets what you see is banks trading with each other on their own private books and then the futures books and some of the other books but there's less buy in because they're thinking, I wanna cut out all the computers, the algos, the noise, and be with the other big money players (**Houston:** yeah) and you can't blame those people. I believe that that's happening more and more in the stock market, equity market as well and you're seeing it in the treasury markets, the cash markets involve the ETFs and the stock market; they're getting less volume and more strange movement in the futures because a lot of the big players are trading with each other, they're trading on different exchanges, they're trading

in cash products because these high leverage futures products are getting so gamed and computerized that these people are leaving, so it doesn't mean, I'm not painting a negative picture. I think there's always going to be those markets and there's always gonna be money to be made in them. I just think it's gotten a little tougher because of all this fragmentation (Houston: yeah) and also the cycles in it, the zero rates, I think when we get off zero rates, data will matter, and storage will matter and we are going to have stuff to do again. (Houston: yeah) I just think that it might be a little harder than it was before but it's still going to be there.

Houston: Yeah, yeah. That's a great take on things. So, let's just change directions for a second, let's talk about how you cut your teeth. How long did you, would you say take you to a place where you became comfortable with your trading? So from the time you started with your prop shop or prop firm? How long did it take before you said "Yeah, I was you know I was, consistently profitable"?

Brad: Probably six months to eight months, as far as making money and being profitable and I think my first two or three years, you know I did pretty well, better than I would do at a normal job and make huge money and money and ten it was like year four and five got better and then it was like years seven, eight, nine (in audible) were just way better than the previous years. You know the combination of the market it was like I was getting the skill set that I needed while the market was picking up. And you know it takes time I mean you could do very well in a few years but I think realistically need to give yourself two or three years. but then to really become proficient you know it takes, five, six, seven, eight, nine years and I think at best, people might not want to hear that but it's the truth. I mean, again I made money when I first two or three years more than I would at a regular job so it wasn't a bad thing it was just, it took time but you know now, I work less hours and probably do better than I would have working three times that, but that's because you learn; you trade a little bigger, you learn better risk management you know you understand how to grasp stuff at the right time and that part of the learning curve that's a part of the experience factor.

Houston: Yeah, and to be fair you are also involved in one of the more complicated markets, and not complicated in the sense that its hard technically but it's one of the most performance required activities (inaudible 34:07) and the futures. Do you think it's easier for a swing trader or to become competent or do you think that kind of learning process still takes, you know, 2 to 4, 6 years, what's your take on that?

Brad: I couldn't say for sure because I never, I do some swing trading but not that much I would never say it one type of trading is easier than another because I feel like that's not the case, but even if it was we would all swing trade and be millionaires, so I think it's equally difficult to cross all spectrums I think you have to stick to your, you know if you are a part time trading you are going to swing trade, if you have an environment where you have the resources and people around you and you know you need a lot of leverage then you trade futures and that's the situation I got put into, I put myself into and that's why I choose it and I kind of learned that way and I've used those skills but to some extent trading is trading and I think you can pass those skills on to another market and you can learn, you know just the logic of having to think is very much the same, the problem solving mindset is very much the same, it just takes some time to understand you know it's kind of like being a computer programmer you might

not know all the languages, but once you know a couple you could move to other ones a lot faster than if you didn't know any. **(Houston: right)** So I think that would be very much similar with trading, you know **(inaudible 35:32)** a little bright you're not moving towards a little longer term strategy myself, you know day trading I used to trade between 30, 40 trades a day and now I probably trade four to ten. Sometimes I go all day and make one trade or zero trade if things are a little slow and that is unheard of to me before so that is me adapting right now to what I have in front of me.

Houston: Yeah, Yeah, and that's now analogy before about just kinda comparing trading to learning a computer language that's a great analogy because once you have a belief that you can do it then there is no reason why you can't do it learn something right, so that's a great talent just to keep and have.

Brad: Right, and I think part of the answer to that question you asked about different products and time frames the answer is yea there are some things that are easier but they keep changing so you don't know if they are yeah there might be (in audible) stop trades for a couple years or a better currency trade for a few years but it's not always that easy to, if you keep jumping around your, what's the saying, jack of all trades master of none, sometimes that can be a problem too so it's, you know it's sticking with something and not being stubborn it's a mix or, yeah it might be easier somewhere else but it's not a s simple as everybody going there and just making a bunch of money.

Houston: Right, right, and so what advice would you give then to let's say a struggling trader, someone who has been doing it for a while but can't seem to you know, catch that break?

Brad: Well make sure you have a few years of income at least two years of income that you can live on and making sure you can live on with making no money and being okay with that, and then after that look at trying a lot of new things to see what you can do to see if you have other obligations you need to be a part-time trader or you need to make some stuff. You swing trades things that make sense for you, if you are in heavy engineering mind or computer programming, if you know you want to be a discretionary trader and you have the time, then you have to look at what happens for us struggling traders well I mean even a successful trader is eventually going to be a struggling trader a lot, I've been a struggling trader many times and when that happens it means back to the drawing board, what's been working what's not been working, look at the big moves, is there any way you could have seen them coming any way you could have seen them coming? How do they, how are retracements working, how are technical working? Is it more of a **(38:08 inaudible)** market, do you not understand what's going on? If so can you reach out to some people that, you know have you made some contacts and see who is having success? that's kind of the problem you go through when you are struggling and then once you start getting information then it's time to close off your information flow and cut your ties and just start doing, training yourself you know if you are day trading you can record your screen you can **(38:32inaudible)** and start to put it back together again and then when you start trading a few singles you look to size up then hopefully you go on a run and then you be repeat the process again, that's just trading.

Houston: Yeah, you really summed up the journey really well there. having that level of self-awareness is, do the internal inventory with what's going on, and the reaching out to other people and having that

social aspect and refocusing on one's self again and as you said adding sides and kind of repeating that process. I love that the way you talked of the journey there. (In audible) yeah sorry go ahead.

Brad: you know I should have added one more thing is that when you are going through all this stuff its very painful, I mean it sounds simple but it's not simple, it's really emotionally gut wrenching sometimes and it could last, I have had six month period with no money, it's very difficult. I mean it's make money, lose money, make money, lose money or go on a great run give it all back and that happens, it happens to everybody you know that's why the risk management is important and it might feel like total crap about what's happening but you protect yourself from pouring out financially, even though you feel horrible emotionally. Sometimes you may feel, you may lose a lot of money when you are doing well and you won't feel that emotionally but you probably should cause you lost a lot of money but then when you are struggling you are losing a little bit of money every day and you feel terrible emotionally but really you shouldn't feel that bad cause it's tough and you are doing a good job of managing your risk. So your emotions don't always make sense in that regard you have to be aware of that.

Houston: That's really well put, so if you can, maybe you know, it seem to me when I heard you talking you know, you always chatted before you seem to have a really calm demeanor, is that a correct characterization, has it always been that way or did you learn how to be calm?

Brad: No, that's not, I mean I used to be, I was never wild or crazy, I don't think but at the same time I would get very worked up about just the gut wrenching swings and people who know me would agree, I would, it would definitely impact me at night, you know I would just want to go home and take a nap and I really have turned the tables on that, I've changed that about myself I worked very hard to change that. I think the meditation's really helped, those breaks in the day, the silence, the thinking about in the book *The Surrender Experiment* that I brought up, it talks about how we are on a planet spinning around in outer space in a galaxy in which case there maybe millions of galaxies that we don't even know and then look at us on that planet in some state or country, think about how small we are to the whole and then sometimes that kind of calms me down a little bit like okay pal get over yourself (**Houston:** yeah), it's really a big mysterious game that we are playing here and don't take it too seriously and that starting making, that, I had a shift for some reason, I think it is because of the intent I had to make that shift and it helped me,

Houston: That is beautiful just seeing sometimes how maybe we are not the center of the universe right (**41:44 inaudible**) the way we perceive the present. So talk to us more then, about your routine so you know we start talking about it before a little bit, but do you have like a morning routine or some sort of daily ritual that you do before you hop to your trading desk?.

Brad: Yeah, in the morning I usually get up and do a meditation 30 or 40 minutes and then I will make myself breakfast then I will go up to my screens, I like to check out the Economic Calendar to make sure I know what is coming out, what's going to be a surprise, what are the expectations and then I will browse through Financial Times, Wall Street Journal, Bloomberg, that's a good free one, Business Insider, Twitter and just figure out what everybody is talking about, what happened overnight. It is not necessarily going to make me money but you need to be aware if there is headlines. So I get that

awareness to understand why we are up or down, I understand where people are focusing on and then after that I look at the products I am going to trade from a bigger time frame like daily or 60 minutes then work my way down and then get the levels that are important to kind of have a handle on that so now I feel fundamentally and technically I understand what is going on and then after that I sit down and usually just from doing this for a longtime I start to get some scenarios, if this happens then I will try this and if that happens I will try that and then during the day I see and I'm hopefully waiting for some of these scenarios and then if they play out I kind of have an idea what I am going to do and a lot of times I gave you some examples of the Iran oil deal and the stock market went down and I trade bad and I give a few examples but a lot of times those people come to me during the day based on preparing technically and fundamentally I will be able to react to those breaking news stories with some scenarios that I have already thought about.

Houston: Yeah that makes sense. So I'm curious, how do you take care of your Biology? So you do your meditation in the morning; how do you feed yourself in the morning? You have a big breakfast, something small, some coffee (43:57inaudible)?

Brad: Yeah definitely, I have a small cup of coffee in the morning and for breakfast I usually have oat meal with not a lot of sugar in it usually basic oatmeal, bring some water up at my trading station, I have a standing desk so I like to stand and also go for a walk and stuff during the day. A lot of times too I like to distract myself during the day. I use to watch television series (44:30inaudible) with really low volume..

Houston: Why is that?

Brad: Because a lot of times I know what I want to look for but the problem is I get sucked in and trading in the don't want so I am always watching the market but if I have a small distraction like a project, maybe I am online and I am trying to you know, I don't know, I had a house project the other day so I was looking materials to fix something in my house and it sounds crazy but that little distraction keeps me out of the market until I know, I want the market to pull me in (45:00inaudible) and then I tend to make good trades but when I get pulled in but when I force myself I tend to make poor trades. So it's really busy obviously all day, I mean this isn't an everyday thing. There's not more than a couple trades a day to do, so that'll help.

Houston: Interesting, and so for your breakfast are you eating the same thing every day? Are you one of those people who are "yah I eat the same thing every day for breakfast" or do you vary it up all the time?

Brad: you know that's funny because my wife like the variety and I like to eat a lot of different foods but for breakfast I pretty much eat, I mean I pretty much change bananas, to berries, to walnuts but generally speaking I eat oatmeal every morning and you know, sometimes I go on different runs or I'll have a smoothie with some you know coconut milk, almond milk some fresh vegetables (45:50inaudible), maybe like half a bananas some ice cubes I'll do that sometimes too. But, yeah pretty healthy for the most part it's not really a specific diet it's more like, not a lot of red meat, not a lot of dairy, you know low sugar if I can and of course I cheat on weekends or when I'm on vacation.

Houston: Yeah.

Brad: I try to do that – local vegetables, fresh seasonal vegetables, that kinda thing fish (**Houston:** nice) every once in a while, nuts, that kinda diet.

Houston: Yeah, and so at lunch time then, you know one time I caught up with you and you were walking around for literally an hour, you walked for an hour just to clear your head and get some exercise then, uhm.... cause you mentioned, when you do that you come back to your trading, does it take you a while to get reconnected again or do you just like “aw my mind’s clear, I can see, things more clearly now, Im ready to, you know, be active again and Im where I need to be?”

Brad: Right, well if I think something is gonna happen I’ll stay and skip, if I’m looking for something, then...but generally speaking (**Houston:** yeah) to answer that, most of my activity is going to be in the morning when the US and Europe are opened together so Im usually going for a walk when the European cash markets close which is about 11-12 central and its usually pretty dead and I have my phone with me and I use trades station for trading, they’ve got a great mobile app real time quotes so I’ll check stuff and kinda see where everything is (**Houston:** Gotcha) and sometimes I’ll miss a nice trade – it happens. (**Houston:** yeah) But Im thinking Ok over the next 20 years, am I willing to miss two nice trades a month so that I can go for a walk every single day and add that (**47:39inaudible**) to my life – absolutely

Houston: yeah

Brad: Absolutely, so that’s why, I going to miss stuff but I’m not missing the prime stuff in the morning: I’m missing stuff that is Oh, OK and it might be good one day and I might miss something big but you have to decide like for Im going to do this for a long time, Im going to make a lifestyle practice; if youre going to be willing to miss any moves then you just be single, trade 24 hours a day (**Houston:** laughs) you know what I mean

Houston: Well, said. And how do you uh, do you have like a post market routine that you go through after all is said and done?

Brad: Yeah I cut out charts, I make a little screen cut out tool and I make notations during the day you know about what data that came out and I mark it on the chart, how did the market react and I (**48:27inaudible**) areas that I liked and I post those to Microsoft OneNote and then I tag them with you know certain tags that I have and I’ll highlight the trades and go back and circle them later, so I do that at the end of the day , cause I train my brain to the do the things I want to do not the things that I did wrong; in the beginning I used to plot all my trades by hand and now every day I would be, I see red ink and blue ink and this little range where I’m beating myself up, it didn’t do me any good because I already knew I screwed that up but now I’m spending all my time at night and youre actually subconsciously reinforcing yourself to do this..

Houston: Reinforcing, right

Brad: So I've learnt to reinforce that and the next day I just look at what I wanted to do that day and even if I didn't do it the next day, the odds of me doing the right are way higher and I've had success with that so, I'd read these articles, productivity articles and people say you need to keep track of all your mistakes and I, I used to, I'm an **intelligent** person and that's what I used to do. I don't think I, continue to be aware obviously of what you're doing wrong, don't get me wrong here but at the same time, I don't, leverage your strengths, focus on what you want to do as a more effective approach than chronicling all of your mistakes especially when you're newer you don't know what you're doing that much so do ...you mistakes too much, let's find what works

Houston: Yeah, yeah, don't focus on what you don't want; focus on what you want, right?

Brad: Right, where were the good trades, where were the trades that you wanted to do, let's study those (**Houston:** yeah) and the more you focus on that you're less apt to do other stuff and that's counter intuitive but it's one of those little tricks that, it's worked well for me so I'm just gonna stick with it.

Houston: I, I actually do a very similar things, I think it works well because you're kind of training your brain to, you know for positive outcomes, you want to make it happen and you're just training it over and over again to see it play out and if you do the opposite and you train your brain you're looking at those negative events then you're gonna create those same (**inaudible50:30**) wired together so I think that's why it works to focus on positive versus the negative. That makes a lot of sense.

Both taking together

Houston: Go ahead

Brad: So I'm, I decided, a real good friend of mine is a fantastic trader and that is, that's one of his main pieces of advice he gave me a few years ago so I think I kinda look back at some point and we were talking about the market and that's what he said he did. He just kinda said it off the cuff, it wasn't really, I just kinda stuck to that cause I thought.."ooh that really interesting" and I've always (**Houston** laughs), he always, it's always real easy to know every mistake you make and you need to make sure you don't make them tomorrow and you gotta be careful with that

Houston: Yeah, yeah and such an amazing journey and I know you have really gone down this path a far way Brad and that kind of journey sound like you have created some really strong intentions around how you wanna live your life how you want to approach your trading and just shows in the way the discussion is unfolding here today. But we're running low on time now, so I'm just gonna maybe shoot a few more questions to you (**Brad:** sure) before we wrap up. So let's take it back to that Pete Sampras quote that you used earlier. He asked, you know, what advice would he give to his younger self so I'll turn that on you. What advice would you give your younger self now if you could say look back at the 20 year old Brad or 21 year old Brad?

Brad: That's a fun question to answer, you know, I haven't been asked that before. I think the very first thing that comes to my mind is just to "for God's sake take it easy on yourself" You don't have to be, I

didn't have been so hard on myself" I worked, I just worked myself into the ground, to be so disciplined about everything I did and I thought that was the way, I read a book on Roger Federer, I used to play tennis and he said something very similar about how he was so hard on himself, a perfectionist and he thought that was the way to success. And he was around 25, 26 years old and he was doing pretty well but he exploded when he was around 27, 28, 29, when he totally stopped doing that and you'd think that you have to do that to be successful but when you do that to yourself, you make it a game and you allow yourself to do other things. You all of a sudden end up realizing that you do more disciplined and spending more time, it's just, you're free and you're loose and it would be, that would be the biggest thing for me to just to not be, don't go so hard at it, it doesn't mean you don't work hard, it doesn't mean you don't work the same amount, it just means you work differently

Houston: mm, yeah, yeah

Houston: Yeah, I think as traders we're kind of wired to (laughs) to wanna do right, to do as much as we can. Uhm, but sometime you gotta slow down to speed up, right?

Brad: Yeah, right

Houston: Alright, so how, here's another question. Who would you consider successful? Whether it's in trading or you, know just in life? If you look around..

Brad: Uhm,

Houston: Yeah

Brad: You mean people, or do you mean like how would I consider one to be successful at their craft?

Houston: Let's say people. So if you look around your social network or whatever, who would you look up to or inspires you?

Brad: There's a couple of friends I have from the friends that I have that I have traded with, Dan Rudner and Brent (inaudible) are the two guys that I have grown up with and nobody will know who they are but they have an excellent balance of life and trading and I've kinda picked up these ideas of the whole life not just the trading life; in terms of people others would know would be Ray Dalio, I don't know him personally from Bridgewater he runs a large hedge fund, you may have heard of him, he's in the news a lot and it seems like he has managed to trade successfully, build a business successfully and do both on a big scale and not just to me, I don't the guy personally but that just sounds like an incredible accomplishment ...

Houston: Yeah

Brad: And the last person would be the author of the book I just read, Michael Singer, he wrote The Untethered Soul which is a New York Times Bestseller and also The Surrender Experiment and this guy basically had a goal in life which was to lose his personal preferences and kinda go with the flow of life and he asked for that every day. Life gave him so many experiences to test that, it was one thing after

another that he wanted to fight but he kinda just surrendered to it and when he did he found out that it led him in another direction that he didn't expect and it's about not being rigid in thinking about what you need to be doing and instead you will see in your life that things tend to kinda push you a certain way and you should embrace that and just start moving in that direction as opposed to digging your feet in and kinda fighting that and sometimes things play their course like when I left my firm. I had a great firm, great relationships, I loved it, there's was nothing wrong with it but I just felt like life was just telling me inside for about a year ...you need to go on your own, you need to just do this and ah...you know, I felt, it was hard at first, but I felt good doing that. It feels good doing that. That was kinda my goal and to me if you listen to the messages and the things, the signs and people that come into your life you will live a smoother life because you're not fighting with it, you're going with it and that's a kid of a lesson that I've learnt. Right now that would make me successful if I'm able to do that

Houston: That's really beautiful and that's great advice, great guidance but, I can't let you off the call without asking, what kind of meditation do you do? Is it the (inaudible), the TM, what's your preference

Brad: Yeah..ah...meditation types – it seems there are as many of those as there are exercise types for trades (**Houston:** Laughs) but the (inaudible) is what I do and I don't necessarily think it's the best or the only way, the only reason I do it is because it's very good, it's very simple, they had a structured 10 day retreat in many different (56:50 inaudible) and it was very easy for me to go there and do a 10 day retreat in silence without anyone else. So I went there because that was available to me so I'll continue to dabble and see what is best for me but the one piece of advice had it goes for trading and with meditation is "eventually you need to dig a well because if you need to dig to 100 feet to get water, if you dig 10 well ten feet deep you will get o water so you need to dig 100 feet and get to the water so that would be if you keep trying different trading styles and you keep trying different spiritual practice, eventually you don't get deep into anything and you don't get anywhere so I just decided to go for something and I could always change but it's the starting and stopping for

Houston: I love that

Brad: At some point you've got to go with it you know

Houston: Yeah, yeah, go deep, what a message I love that.. Alright just 2 more questions: number 1 is know we're on the meditation theme here. I know you have some ideas, why is it you think that meditation had become so popular nowadays (57:56 inaudible) meditations seems to be like what successful people are doing nowadays, what is it about meditation that's kinda drawing everyone to meditation?

Brad: I think that, I mean, it might sound ...think of us as this big collection of human beings and there's this spiritual transformation that's going on and thinking about, there are people who are still killing people all over the world that are very much ugly in a lot of ways when it comes to how we treat other humans but if you look at how things used to b, we seem to be evolving and I think we are moving more and more into the fact that we are all connected ; life is really hard, being a human, it's the compassion for other people and for what we all go through and I think meditation is kinda the next step to go into silence and be connected with how it feels to tap into that and I think especially successful people like

Ray Dalio who has a lot of financial resources, you get to the point where you can't really, what are gonna get from earthly possessions or material things or material, what is he gonna get from that, he can buy whatever he wants so I think, then you move into the spiritual realm and you realize what if I could stay happy regardless of what I have or what I don't have and it's best to go for that next level of achievement and I think that it's a spiritual thing the meditation definitely helps with trading because you're calmer and you're away from yourself and but, I think successful people tend to get into it because it's the next evolution but that isn't always true. It is true for some and I think for the human race it's you see more of this now than ever before and I think it's a good thing it makes people kinder and more aware and everybody starts doing that, everybody else benefits.

Houston: Yeah..that's the..., I think that's a great way to wrap it up so Brad, tell people where they can find out more about you and what you're up to now..if you want to share that with the audience

Brad: Yeah sure, a personal friend of mine Anthony Crudele who emailed me, who interviewed me CME Futures Radio, I'm with his company Lodestar Trading Community and what I do is put out an evening letter after the market closes where I take these screenshots that we talked about and I put trades that I saw during the day. He also has a live trading room for people who are more actively day trading and I'm in there talking during the day and kinda pointing things out to people and he is actually on the mic talking and I am doing the typing in the room so I've joined up with him and I've started doing that and it's awesome for me. Now that I'm on my own I've gotten so many emails and it's just awesome for me to talk to people and connect and just share the experience with people I guess and the website is lodestartc.com and yeah, you can find me on there and that's probably the best place; I think I have a link to a bio and an email link on there that they find too..

Houston: Cool and I'll post all of that in the show notes. So Brad, I just wanna thank you so much for your time today, I wish you the best of luck on your continued trading journey and look forward to seeing where, you know (laughs) where you go next.

Brad: Yes, keep in touch, Thank you so much, appreciate it

Houston: Thank you Brad, All the best man.