

# BECOME THE NEXT **MILLIONAIRE** TRADER

HOW MY STUDENTS MADE OVER  
\$1,000,000 FROM TRADING



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# PROLOGUE

Many people dream of being able to become a millionaire through trading but yet they don't believe that it can be a reality. In today's financial markets, due to the number of opportunities and easy access to information, there exists the potential to make this happen every single day. I've been very fortunate to train several students of mine who have made over \$1M in profits through trading.

One of my students, Andy Man started with \$1,600 in his account and turned it into \$1.7M in 2011. Another student, Frank Guo turned his \$5,000 account into over \$1.2M and became a millionaire in 2012. Another student of mine who I'll refer to as Peter, dove into the markets in 2010 during the worst financial crisis ever and turned his \$100,000 life savings into over \$1.3M by 2013.

They have all been able to quit their jobs and achieve financial freedom. Everybody wants to achieve this type of trading success and be like Andy, Frank or Peter, but the million-dollar question is how did they do it. You may be thinking, "How can I replicate the same success as them or how can I learn the same trading techniques as them?" I'll share my thoughts with you in this book.

I have been a trader since 1999 and a trader coach since 2005. I've experienced my share of successes and seen firsthand of how many traders have made millions from trading. However, I have also seen many traders lose all their life savings and never made any money from trading. So how do successful traders differ from the not so successful ones? What's their secret? I always get asked this question.

Common questions that I always get are:

- What stock should I buy?
- What trading strategy can make me millions?
- What's the technical indicator that you use?

You will notice that all of these questions involve knowledge of the financial markets. People believe that the secret to making money is purely information based or knowing what to buy. Some people believe that you must have insider information or have incredible luck in order to make money. While some of these thoughts may be true, it's not the most important reasons.

Based on my 25+ years of trading experience and having trained so many traders, I would like to share with you TEN trading success secrets that I feel led to my students making over a million dollars from trading.

Enjoy the book!

# MILLIONAIRE TRADER SECRET #1

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## HAVE PASSION!

This is the most important secret to having a long-term career in trading. You have to love trading or have a passion for the financial markets. Whenever I meet people who are interested in trading, I always ask them why they want to become a trader.

The most frequent answer that I always get is: I WANT TO MAKE A LOT OF MONEY.

Who doesn't want to make money, right? Then, people would tell me that they want to be as successful as myself or my millionaire students, and are willing to do whatever it takes to be successful, regardless whether they enjoyed it or not.

This is completely the wrong way to approach trading. I always tell people that if you enjoy or have a passion towards trading then you'll naturally look forward to learning more about it. It wouldn't seem like work to you and in fact, you'll treat trading like a hobby of yours. Since you enjoy it so much, you will probably spend a lot of time on trying to get better at trading and at some point, you'll get good at trading.

As a result of all this, the financial rewards will naturally come. If the rewards don't come then you just need to keep trying until you achieve trading success. If you're not passionate about trading, I will guarantee that you will give up, the instance you don't make money or don't see any progress.

Back in 2000, I quit my moral draining, corporate job and decided to take the plunge to become a full-time trader. I was super excited for this because I finally could say goodbye to the corporate world and achieve financial freedom. Well, after a few months in my trading career, things weren't as rosy as I had expected. In fact, between 2000-2003, I wasn't making any consistent income or building wealth from trading.

Here was my situation:

- No job or any other income source
- My trading capital slowly depleting every week
- Bills and expenses piling up
- Spending 7 days/week and 10-12 hours each day studying the markets
- Stressed out



My family and friends wondered if I was insane or had a gambling addiction. Why was I torturing myself? I had an university degree and a few years of work experience at

that time. I would probably be able to find a decent job and just accept the fact that trading wasn't for me. But what led me to continue this journey?

I had a **MAKE IT** or **BREAK IT** moment.

One day, when I was feeling depressed due to another losing trading day, I was ready to give up on my trading ambition and just accept that I wasn't born to become a good trader. I was uttering these words to myself, "Mike, just admit that trading is not for you. Just go back to getting a stable, full-time job and accept that you are a terrible trader".

Just before I made this decision, I asked myself this very important question.

"Would I still continue to trade if trading didn't make a lot of money for me?"

I thought about this very important question for several weeks because I honestly didn't want to give up on trading. I had spent my blood, sweat and tears trying to find any successful strategy to make trading profitable for me. I spent a lot of money on courses, books, seminars and even trading software, which I thought would help me. I've invested so much of my time and lost so much money from trading that I couldn't bear the thought of having to give this all up. But the reality was trading wasn't making me any money. So that's when I started to think,

"What if I removed the money aspect from trading? Would I still enjoy trading?"

I came to the conclusion of YES. I really did enjoy trading and I wasn't ready to give up on my passion.

So here's what I did.

I approached trading as a long-term career. It didn't matter whether I was making money every day, every week or every month. What mattered the most was I needed to keep improving my skills and getting better at identifying trading opportunities.

When I changed my approach of not focusing on the money, my stress level decreased dramatically. I began to enjoy the process of researching the markets and you know what, my trading results started improving. I began to consistently make money in the markets. Success and money will naturally come.

If you're reading this book and still not a successful trader yet, don't give up. I like to always say that the only traders who are not successful are the ones who gave up. You see... if you give up on trading then you have virtually no chance of succeeding.

If trading is your passion, you are one step closer to becoming a successful trader.

## MILLIONAIRE TRADER SECRET #2

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### SPECIALIZE

There is so much to learn about the financial markets, particularly for a novice trader and therefore, can be quite overwhelming. Over the years, I've probably read every single book related to trading (not kidding) and realized that there are so many different ways to make money in the markets. Which trading methodology should I follow? Which strategy was the most effective or profitable?

When I first started trading in the late 90's, I had a lot of success trading technology stocks. Then when I stopped having success with technology stocks or stocks in general, I would experiment and switch to trading other financial instruments such as futures, options or even currencies. In addition, I would experiment with different trading strategies or try to copy other successful traders. When I wasn't making money, I would try something new and hope that my trading results would improve. This was one of the reasons why I was spending 10-12 hours a day on trading and trying to constantly educate myself to become a successful trader. I was so stressed in trying to know everything that in the end, nothing worked.

This got me thinking that I needed to specialize on being good at something more defined such as a specific sector, trading instrument or trading strategy. Instead of being a handyman in the markets where you knew a bit about everything, I chose to become a technology stocks specialist and I got to understand this sector very well. Over time, I got to become a specialist at many sectors, instruments and strategies but in the beginning, you need to have success in a specific area first.

This is especially prevalent when you look at my 3 millionaire students. They made millions by trading different sectors, trading instruments and strategies.

Andy Man is a perfect example. When I trained Andy in 2006, technology stocks were very hot and a lot of my students were having a lot of success trading this sector. However, Andy wasn't making money at all and was struggling as a trader. I assumed that he wasn't following my trading methodology or was doing something different. However, when I had a chance to work 1-on-1 with him, I found out that this wasn't the case. He just wasn't comfortable with the volatile price movements of the tech stocks and couldn't monitor them during the day when he was at work.

So after consulting with him, I discovered that he had an interest in precious metals, specifically Gold and Silver. Over the next year, he chose to specialize in trading only the gold and silver market utilizing futures contracts.



The rest is history as he understood that market very well and profited handsomely when the trading opportunities came.

Frank Guo, on the other hand, decided to specialize in trading the Canadian markets with a specific focus on mining exploration companies. Most of these stocks that he traded were priced under \$5. His thinking was it was easier for him to double or triple his trading account if the stocks were lower priced. Generally speaking, a \$1 stock has an easier chance to go up 100% compared to a stock that is priced \$100. Generally, these stocks were more speculative and risky in nature but he knew his market very well. If you asked him about a Canadian mining stock, most likely he could tell you where the company's mines were located and the prospects for the company.

As for Peter, he just loved financial stocks and didn't believe they would go bankrupt during the 2008 financial crisis. These companies included big financial firms such as JP Morgan Chase, Citibank, Bank of America and American International Group to name a few. All of these company's stock prices hit record lows in 2009 and rebounded tremendously by 2010-2011 with many rising over 700%. While investors were panicking and fearful that the financial markets will collapse, Peter was buying as much as he could. In fact, he told me later that whatever excess money that he had each month, he would put it towards buying his favorite financial stocks. This is a perfect example of specializing in a specific sector because Peter understood how undervalued these companies were at that time.



I have trained many students since 2005 and they specialize in various other sectors including crude oil, pharmaceutical drugs, real estate, biotechnology, uranium, solar energy, cannabis and so on. So you may be thinking what sector shall I focus on? Which one is the most profitable one? The question you should ask yourself is what sectors do I have an interest in? Focus and specialize in a sector where you have an interest in learning a lot about. This way, you enjoy reading everything about it and thus, you will understand that industry very well.

All of my students are trained to be a specialist, not a handyman.

# MILLIONAIRE TRADER SECRET #3

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## FOCUS ON RISK!

People constantly come up to me and ask me to tell them the secret to making lots of money in the stock market. They would ask me for stock tips and/or ask me for my take on a certain stock. While I could share my latest research on a stock/sector or a specific trading strategy, I tell them a simple but honest answer.

The key to making lots of money in the financial markets is... (drum roll please)

## DON'T LOSE MONEY.

In fact, I stole this idea from Warren Buffet, the richest investor of all time. He has 2 investment rules that he lives by. The first rule is "Don't lose money". The second rule is "Don't forget rule #1". Smart advice.

The fact that whenever you get into a trade or investment, your focus SHOULD NOT be on...

## How much money can I make on this opportunity?

This thought will get you into trouble. I've seen so many traders get into a trading opportunity and focus exclusively on the potential profits they could make and forget the risk they are taking. Then, when the trade doesn't work in their favor, they don't know what to do and it usually doesn't end well.

The focus for you as a trader is on not losing money or minimizing your risk. You have to understand that you can't predict the direction of the markets or know how much money you'll make from trading. You can't control the markets.

However, what you can control is RISK or the amount of risk you take on any trade. You can control how much money you are willing to lose if a trade doesn't work in your favor.

Let's take this example. You have \$10,000 in trading capital and as a general rule, one should not risk more than 2% of one's capital per trade. This means that you should not risk or lose more than \$200 for each trade ( $\$10,000 \times 2\%$ ).

Another way you can minimize or limit risk is by putting a STOP LOSS order on each trade that you enter into. A Stop Loss order is defined as a pending order to exit out of a trade once the price reaches a predefined level.

For example, let's say you buy a stock at \$50. You decide that if the stock price goes below \$49 then you will sell that stock and take a loss. This means that you will set a stop loss order at \$49 so you protect your downside risk and minimize your losses. I find it so surprising that so many traders don't have a stop loss order attached to every one of their trades.

You need to ask yourself "What's the downside risk if the trade doesn't go in my direction?"

Now let's put these 2 concepts together. One is to determine what the maximum loss that you are going to risk per trade. The other is what price you are going to exit if the trade doesn't go in your direction. I have included an example below:

Stock: XYZ Capital: \$10,000 Maximum Risk: 2% or \$200 Buy price: \$10 Stop Loss price: \$9
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If we have all this info, we can determine how many shares/units we should buy for this trade (within the above risk parameters). Here's the formula below:

$\frac{\text{Maximum Risk}}{\text{Buy Price} - \text{Stop Loss Price}}$ $\frac{200}{10 - 9}$ $200 \text{ shares!}$
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Based on the above, this means that you should only buy 200 shares of XYZ company in order to manage the risk of this particular trade.

The next time you put on a trade, think about the amount of risk you are comfortable in taking if the trade doesn't work according to your plan. This secret will save you a lot of money.

# MILLIONAIRE TRADER SECRET #4

## BE AGGRESSIVE IN A HOT MARKET

This is a very important trader secret to making millions in the financial markets. If you ask my Millionaire students or myself how we made millions in the financial markets, we will usually tell you that we made it in a very short period of time between 1-3 years. That's amazing to hear, right? Does this mean that you'll make millions within the first 3 years of your trading career? Not necessarily, but it means that very successful traders know when to be aggressive in their trading. When the markets are going in your direction, you got to focus on capturing as much profit during that period of time.

For example, when I first started trading in 1999 during the dot com/technology boom, it didn't matter what technology stock you bought because you would always make money. In fact, things were so good during those days that you could close your eyes and randomly buy any Internet stock with a .com attached to it.

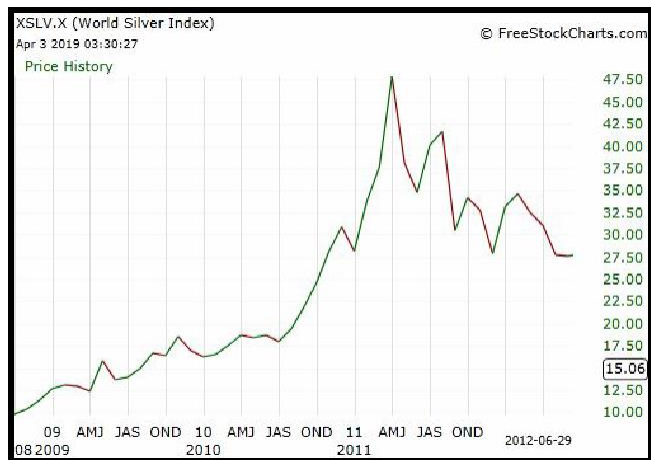
Look at the chart of Amazon.com between 1998-1999. It didn't matter what price I bought the stock at. My only concern was how much money I could make. Things were so good for me at that time that I aggressively parlayed my profits from Amazon into other Internet companies. But as we all know, starting in 2000, the stock fell over 90% in little over a year and the dot com party ended. A HOT sector could turn COLD very quickly but many traders made a lot of money in tech stocks especially between 1998-1999.



It's the same with my students.

Andy made his millions playing the HOT turned COLD Silver market in 2011. Look at the chart of silver from 2010-2011. Again, if you bought silver anytime in 2010 to early 2011, you would've made money. However, starting in April 2011, the silver sector turned extremely COLD very quickly.

This was when Andy pounced in betting on the downside of Silver as the price fell from \$48 to \$28 (over 40%) in under a year. When Andy had \$1,600 in his brokerage account in 2011, he felt comfortable with the risk he was taking if his trades didn't pan out. However, once his trades were working in his favor, he could afford to take greater risk since he was now playing with profits. With this mindset, Andy became more aggressive in his trading and increased the size of his trading positions. So for example, if Andy usually trades 100 shares, he'll increase it to trade with 200 shares and as long as the trades kept working then he'll continue to increase the size of his trading positions.



This was one of the reasons how Andy was able to aggressively grow his small initial capital into millions.

Frank also followed the same scenario once he realized that his mining sector was super hot in 2012 and he was very aggressive in the size of his trading positions.

At any time in the financial markets, there will be sectors that are in PLAY and your job is to find them before the mass market knows about it. The beauty of the financial markets is there will always be HOT markets. I have listed a few IN PLAY Sectors over the years:

- Dot com boom (1998-1999)
- Precious Metals (2003-2011)
- Crude Oil (2004-2008)
- China stock market boom (2014-2015)
- Bitcoin (2017)

The KEY lesson to take away from here is when you identify an excellent trading opportunity that you have confidence in or you're in the middle of a hot market; you have to have the courage to increase your trading size so you can make bigger profits. However, this means that you will take on more risk and could incur potentially bigger losses if your trades suddenly stop working.

Please keep in mind the risk that you are taking as per Secret #3.

If you play it right, you could make huge profits and the markets could potentially make you a millionaire.

# MILLIONAIRE TRADER SECRET #5

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## UNDERSTAND BOTH FUNDAMENTAL AND TECHNICAL ANALYSIS

You may have noticed that I have not mentioned one single trading strategy, technical indicator or any trading related knowledge that would help you become a millionaire trader. The truth is having a lot of trading knowledge doesn't necessarily equate to you being successful as a trader. If knowledge is what's necessary for you to become a good trader then the world will be full of millionaire PHD's. In reality, this is very far from the truth. Trading knowledge is just the prerequisite for you to know how to trade. However, what I will share with you is that you must have a good understanding of two types of analysis: Fundamental and Technical.

Our definition of Fundamental Analysis (FA) is for you to understand what external factors such as news, earnings, and sector trends could have an impact on the price movement of a trading instrument. You need to know what causes a stock or financial instrument to move in your direction. We define this by trying to find the potential CATALYST for each trading opportunity that we enter into. The focus here is not on trying to determine the fundamental value of a stock OR determine whether it's undervalued or overvalued by the market.

For example, we don't analyze a company's financial statements such as balance sheets or income statements to determine whether we should buy or sell a company stock. Even though these financial statements are released every quarter and could give us valuable information on the company, the information is based on how the company has performed in the past.

As traders, we want to focus on the future and what are the catalysts that can drive the price of the stock higher or lower? For example, if we know that XYZ Company is planning to release a hot, new product in a few months then this could be a potential catalyst for the stock to move higher.

Let me use the company Apple, as an example. Apple is known for the iPhone and has sold millions of them since it was first released in 2007. Every year, Apple releases a new version of the iPhone and millions of people around the world line up to buy it. In fact, iPhone revenues account for over 40% of the total revenue each year for the company. As well, the new iPhone is generally announced around the same time each year. Knowing this information, as a trader, let me ask you a question.

Do you think the price of Apple stock would go up PRIOR to the announcement of the new iPhone?

Let's take a look at the Apple chart to find out.



As you can see, the stock price of Apple has gone up prior to any iPhone announcement. Therefore, traders can assume that they will make money by buying Apple stock prior to any new iPhone announcement.

As well, we like to look at the big picture of the financial markets and see where the best trading opportunities are. Then, once we find a very attractive trading opportunity, we utilize technical analysis to help us pinpoint what the best price is to get into the opportunity.

Our definition of Technical Analysis (TA) is for you to study past historical data such as price, to be able to forecast future price movements of any financial instrument. Basically, this means that TA, which uses tools such as charts and indicators can help you determine the future price direction. Now, utilizing past historical prices doesn't necessarily mean that the same performance will happen in the future but TA helps you identify certain price patterns or movements that could suggest future price activity. To simplify, TA helps us pinpoint where would be the most ideal or high probability scenario to determine a trade's entry, exit and stop loss prices.

So the key here is to utilize FA and TA together to help you improve the probability of your trade working in your favor.

# MILLIONAIRE TRADER SECRET #6

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## FOLLOW THE TREND

Have you heard of the saying, “The Trend is Your Friend”? If you have then it means that you should listen to your friend’s advice. For those who haven’t, in financial market terms, it means that if the stock market is going up then the trend is UP. If the stock market is going down then the trend is DOWN. Simple eh?

You see, my traders and I follow a simple trading methodology called “Trend Following”.

It’s a trading strategy where we try to take advantage of price movements over a period of time in the financial markets. You can apply it to trading any market in the world or any trading instrument. Our goal with this trend following strategy is not to try to predict or forecast specific price levels but simply, to jump onto a trend. Once we determine whether the trend is UP or DOWN, we just follow the price direction of it and ride it as long as possible.

In simple terms, if we determine that a stock is in a UP TREND, we buy the stock and hold onto it until it stops going up. Vice versa, if a stock is in a DOWN TREND, we “short sell” the stock and hold onto it until it stops going down. More about the concept of short selling in the next secret. Notice that we are not trying to predict the initial turning point of the trend OR when the trend is going to change. We want a trend to be established (UP or DOWN) and generally, the market price will move in a particular direction over time.

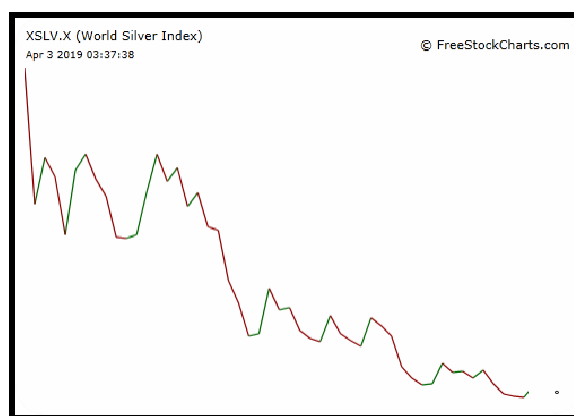
The question you may be asking now is “How do I know what the trend is?”

Please look at the TWO pictures that I have included below.

**UP TREND**



**DOWN TREND**



Pretty simple eh? Then tell me why people still buy a stock when it is in a downtrend. Or why do people sell a stock when it is still going up? The answer is we are programmed to try to predict the future and want to prove to ourselves that we are right. In terms of the price direction, the above charts clearly show one direction but yet, traders try to predict when the price direction reverses.

For example, in the 1<sup>st</sup> chart, you can see that the price is clearly going higher but many traders are fearful that the price will reverse and sell their existing trade position. I can hear traders saying “I should take a quick profit as the price might come back down.” Or “I’m already up 30%, it can’t go any higher”. The chart clearly shows that the price is still going up.

In the 2<sup>nd</sup> chart, it clearly shows that the price is going lower but many traders will try to time the reversal and buy. I can hear traders saying “It’s already down 30%, it can’t go lower.” or “I’m just going to buy now as it’s going to go back up at some point”. As you can see from the chart, the price is still going down.

Another reason why traders fight the trend or don’t follow the main trend is they want to be in the trade at the beginning of the trend rather than somewhere in the middle or end of a trend. It’s certainly understandable because it allows the trader to capture a much bigger movement and therefore, make more money. However, the danger is you are trying to catch a falling knife and time the exact price reversal. Sometimes, you catch the trend reversal but sometimes, you can get hurt quite badly.

The safe way to approach any trade is to wait for the trend to reverse before you enter a trade, especially when you want to buy. For trades that you want to sell a winning position, wait for the trend to reverse as you’ll make more profits.

Remember the Trend is Your Friend.

Listen to your FRIEND.

He/she will tell you to follow the trend.

# MILLIONAIRE TRADER SECRET #7

## BET ON THE DOWNSIDE

One of the benefits of being a trader is we can profit when markets go up or down. An investor can only make money when the markets go up. Some of you may know the concept of Short Selling, which is a trading approach where traders make money when the value goes down in value. For many traders including myself, we love SHORTING. The simple reason is markets fall much faster than they go up so it's easier for us traders to make big profits in a short period of time.

In fact, my student, Andy made most of his money shorting silver when it fell from \$50 all the way down to \$26 in a matter of weeks in 2011. You can see the TWO BIG RED Candlesticks (May & Sept 2011) in the chart below.



Another example is Crude Oil where it took over 15 months for the price to rise from \$43 to \$77. In a matter of 2.5 months, it gave back all the gains. You can see in the chart below.



As well, when markets fall or drop, they tend to have much smoother movements in one direction. What traders hate are choppy markets where there is no clear direction and price movements are erratic. What we love are clean and clear price movements in one direction (up or down). You can see that clearly in the chart above.

So what types of shorting opportunities should you look for? Look for situations where prices have gone parabolic, meaning they have gone straight up in a short period of time. Examples include: Bitcoin that went from \$1,000 to \$20,000 in a matter of 2 years, Marijuana stocks going from penny stocks to over \$50 in 2 years, the dot com fever in the 90's or any specific sector that has become so hot that every investor wants to get in.

Another situation is to look for when a country's economy starts to weaken or starts to go into a recession. Situations can include the financial crisis that hit the markets in 2008-2009 or between 2000-2002 after the 911 terrorist attacks. I know it sounds bad to profit from a weakening economy or bet against a company's prospects. However, as traders, we look to profit whether markets go up or down.

# MILLIONAIRE TRADER SECRET #8

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## UTILIZE THE POWER OF LEVERAGE

Many people think the key to making millions in the financial markets is the ability to either find a stock that skyrockets up 100%, 500% or even 1000% OR you need to start with a big pool of capital already like \$250k or \$500k.

**This is not the case.**

I remember when I opened up my first brokerage account, I deposited \$5k into the account and I grew that initial capital into millions over time. As well, several of my Millionaire students started with as little as \$1,600 and they utilized a trading tool to turn their small capital into millions.

This tool is called **Leverage**.

For those who aren't familiar with this term, it's basically using specific financial instruments or borrowed capital such as margin to increase the potential return of an investment. A common example would be the mortgage on your home.

Let's say that you decide to purchase a home for \$500k but you only have \$50k as a down payment. The rest of it (\$450k) you will need to borrow from the bank in the form of a mortgage. If your home value goes up by 10% (\$50k in increased equity) to \$550k and you decide to sell then the return on your initial down payment of \$50k is 100%. Not bad eh?

It's the same with trading. There are financial instruments referred to as derivatives, which allows you to control an asset with a minimal amount of deposit. Examples of derivative instruments are futures, options, forex and CFD's. Forex typically offers the highest leverage and I have seen brokers offer as high as 1000X leverage or 0.1% margin. That's some insane leverage.

With Andy, he traded a financial instrument called "Contracts for Difference" or "CFD's". This financial instrument allowed him to control a Silver contract with 10% margin, meaning that he only needed to put 10% down to trade each individual Silver contract. In simple terms, it gave him a leverage of 10 to 1 to trade silver contracts. It meant that his initial trading capital of \$1,600 allowed him to buy up to \$16,000 worth of silver.

Let me give you an example of how CFD's work.

Stock: XYZ Capital: \$10,000 Margin: 10% or 10 to 1 leverage Buy price: \$20    Sell price: \$30
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<u>Capital X Leverage</u> Buy Price  <u>\$10,000 X 10</u> \$20  5,000 shares
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Based on the above, this means that you can buy up to 5,000 shares of XYZ company. If your prediction was correct and the price goes up to \$30, then you make:

# of shares X (Sell price - Buy Price)  5,000 X (\$30 - \$20)  <b>\$50,000 or 500% return</b>
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You can see the power of leverage work in your favor. A 50% increase in the price results in a 500% return on your capital. Not bad.

However, one important downside of leverage is you can easily blow up your account (meaning lose all your money). Many traders have come to me for help with trading currencies or other leveraged instruments and many of them have experienced losing a significant amount of money. The biggest reason is not their trading knowledge or strategy but rather they used too much leverage.

Let me use the above example.

If you decide to buy 5,000 shares of XYZ and the price of XYZ falls to \$18 (\$2 drop or 10%) then you will lose your entire capital of \$10,000.

$\begin{aligned} &\# \text{ of shares } X \text{ (Buy price - Sell price)} \\ &5,000 \times (\$20 - \$18) \\ &\$10,000 \text{ LOSS or } 100\% \text{ LOSS} \end{aligned}$
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This is why you need to be extremely careful when you trade with leverage because leverage is what we call a “Double Edged Sword”. It can work in your favor or kill you.

On a positive note, if you know how to utilize leverage, this is the easier way to make a million dollars especially if you don’t have a lot of trading capital.

# MILLIONAIRE TRADER SECRET #9

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## THINK LIKE A MILLIONAIRE TRADER

Let me ask you a question.

Do you want to make a million dollars from trading?

Of course, you would probably answer.

Let me ask you another question.

Do you BELIEVE you can make a million dollars through trading?

Now that question may not be “YES” or “OF COURSE”. The reasons you might start to think are “Only until I’ve mastered trading” or “If I can find the right strategy” or whatever reason you can come up with.

The fact is: If you don’t believe that you can make a million dollars through trading then you won’t. It’s as simple as that. You see... if we don’t believe that we can then why make the effort to try.

The correct answer should be “Yes! I believe that I can make a million dollars through trading”. Now that you believe, here are a few examples of questions you need to ask yourself:

- What trading strategy would help me make a million dollars?
- What opportunity am I looking for?
- How should I trade?
- What tools do I need?
- Do I need to utilize leverage?

Now, that is the right way to think. In order to make a million dollars, you need to have the right mindset that you can do it. Then, what you need to do is put together a trading plan where if it is properly executed and you have captured the opportunity then it would result in you making a million dollars. Simple eh?

Obviously, the million-dollar questions are: “What is the Trading Plan? and “What is the BIG Opportunity?”

I have shared many trading ideas and strategies with my students that if executed properly will net them a million dollars. This will depend on the type of opportunity but the amazing thing is there are million dollar ideas and opportunities every day, week, month or year in the markets. If you decide to work with me, I can help put a plan together for you.

Let me share a few ideas for you to keep in mind.

One idea for you to find the BIG opportunity is to focus on the BIG PICTURE. There is so much going on in the financial markets every day that we sometimes get lost in trying to track every single event going on. Look at the markets from a MACRO point of view. Ask yourself the following questions:

- What is/are the BIG EVENT(s) that could dramatically move the financial markets up or down?
- What's the current state of the economy or sector?
- Where are we in the commodity cycle?
- What is the hottest or coldest sector right now?

All of these questions involve a general understanding of the global economy and what's driving it. It will involve some research into basic economic theories and financial market cycles. For the simplicity of this book, I am not going to go into much detail about this. The point I want to get across to you is for you to identify signs of changing market conditions. Imagine the following scenarios below.

- 2000 Dot com crash
- 2008 Financial Crisis
- 2009 Bitcoin creation
- 2016 Trump elected US President
- 2018 Marijuana legalization



What would you do to profit from these periods in time?

Another idea to think like a Millionaire Trader is to focus on making big money rather than small amounts. Let me give you an example.

If you make \$100 per day consistently, do you know how long it will take you to make a million dollars?

Exactly 10,000 days or just over 27 years

I don't know about you but that's way too long for me. My point is for you to look for ways to be able to generate bigger profits when a trade works out in your favor. Imagine making \$10,000 per day. How many trades do you need in order to make \$1,000,000? 100 days. Now that seems more plausible than 27 years, does it?

Forego the small profits and look to profit on only big trades. Sometimes in order to make the big money, you have to say no to the small money.

# MILLIONAIRE TRADER SECRET #10

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## FOCUS ON QUALITY TRADES

Many traders think that the key to making lots of money in the financial markets is to try to capture as many trading opportunities as possible and to trade every single day the markets are open.

In fact, I had a trader friend who literally traded every minute the markets were open. He traded the foreign currency (FX) markets, which were open 24 hours, 6 days a week. His daily routine was to wake up in the morning to trade the North American currencies. Then in the early evening, he would trade the Asian currencies and then in the late evening/early morning, he would trade the European currencies.

Did he trade a lot? Yes he did.

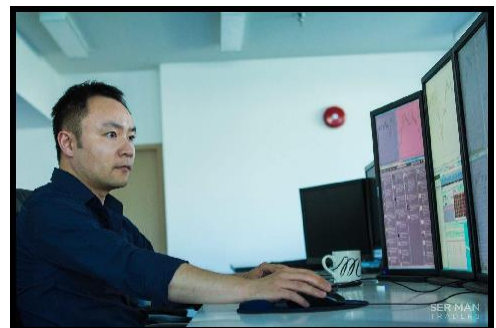
Did he make more money as a result? No he didn't.

He made the same or even less than what he was used to making in trading only the North American market session.

Do you know who made a lot from my friend's trading? His broker. His broker loved him because he generated so many commissions for the firm.

I used to also be guilty of trading too much. Some of you may know that I started as a day trader and I looked to profit based on the small movements of stocks each day. Because of this specific trading style, I traded a lot. On average, I would trade between 30-50 trades per day and around \$5-10M in transactional volume. For some people, that's not much trading.

I remember one specific day quite clearly when I traded 200 times. Let me repeat that. I bought and sold a particular stock 200 times (100 Buys & 100 Sells). You might be asking me why would I trade so much. The reason was on this particular day, the stock, Google was particularly volatile and had wild swings of \$5-10 in each direction in a matter of minutes. I ended up incurring commissions of \$6,000 USD on that particular day. I couldn't believe that either! My broker was so happy that day.



Fortunately, I still made over \$12,000 USD in profits after commissions but I clearly overtraded that day. Would I have made more if I traded less on that particular day?

Perhaps but what was clear was I was trying to capture every opportunity that I saw and it was exhausting.

Have you heard of the Pareto Principle? It's commonly referred to as the 80/20 rule.

In trading terms, it means that on a general basis, supposedly 80% of the profits that one generates from the stock market comes from ONLY 20% of all the trades that one makes. This means that a majority of our trading profits comes from a small percentage of the total number of trades that we make. If you believe in this concept, it means that one should trade less and only look for high quality trades.

Want me to tell you an amazing fact to support this principle?

When Andy Man had his huge trading success in 2011, he literally traded over a 5 month period to make over \$1.7M in profits. Specifically, he made the majority of his profits in only a 2-month period, May 2011 & September 2011. He took the rest of the year off once he made his millions.

It's the same with Frank Guo where he assessed that his biggest trading profits came from 20% of his trades. He traded a lot of mining stocks and some of them did exceptionally well. Frank will also tell you that throughout his trading history, he made most of his money in the HOT Mining sector in 2012.

Peter did something similar during the 2008 financial crisis where he focused on buying a select few high quality US companies, which he felt would recover and prosper after the financial crisis. Again, if you look back into history, 2008-2009 was the best time to buy virtually many US stocks.

All of my 3 millionaire students focused on quality versus quantity.

You may be asking yourself, "What are considered high quality trades?" That's a good question. It depends on your trading history. Ask yourself the following questions:

- What do you think is your BIG IDEA and how do you think you can profit?
- What are the trades that have made you the most money?
- What sector/stock are you the most confident in or have the most potential?
- What do you consider to be the hottest stock or sector in the near future?
- What is the trading strategy that can net you the biggest gain?

Focus on the high quality trades. Just remember that sometimes, it only takes a few trades for you to reach your million-dollar target.

So these are the “TEN Million Dollar Secrets” that if you can master, will help you on your way to becoming the next Millionaire Trader.

If you are looking for further guidance and support in your trading career, I can help.

**LET ME HELP YOU BECOME THE NEXT MILLIONAIRE TRADER.**

My main passion in life right now is to share my techniques, strategies and insights with driven, motivated individuals so you can become successful.

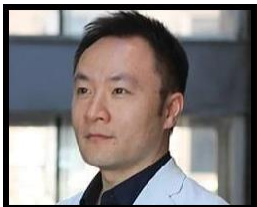
**YOU CAN'T SUCCEED IN TRADING WITHOUT A MENTOR.**

You know what I've learned over the past 25+ years? It's really hard to make a million dollars on your own without help, especially in trading.

**TRADING IS NOT EASY, BUT WITH THE RIGHT MENTOR YOU CAN SUCCEED.**

So here's what I want to ask you: Are you ready to take your passion and drive, and use it to make \$1,000,000? If so, [shoot me an email](#) to set up a **FREE 1-on-1 appointment** with me. I will sit down with you for 45 minutes to understand your trading background and goals. After our call, I will put together a personalized trading plan to help you achieve your goals.

I look forward to hearing from you.



Mike Ser

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